

APPENDIX
TO
Journals of Senate and Assembly
OF THE
THIRTY-THIRD SESSION
OF THE
LEGISLATURE OF THE STATE OF NEVADA
1927

VOLUME I



CARSON CITY, NEVADA

STATE PRINTING OFFICE : : : : JOE FARNSWORTH, SUPERINTENDENT
1927

STATE OF NEVADA

MESSAGE

OF

Gov. F. B. BALZAR

TO THE LEGISLATURE OF 1927
(Thirty-third Session)



CARSON CITY, NEVADA
STATE PRINTING OFFICE—JOE FARNSWORTH, SUPERINTENDENT
1927

GOVERNOR'S MESSAGE

STATE OF NEVADA,
EXECUTIVE CHAMBER,
CARSON CITY, January 18, 1927.

To the Honorable, The Senate and the Assembly:

Complying with the Constitution which requires the Governor to communicate by message the condition of the State and to recommend such measures as may appear necessary, I transmit suggestions for certain legislation which I deem expedient.

Our general economic situation calls for the reduction of public expenditures. I am convinced, and I believe you are, that under present conditions, the people of Nevada do not want an increase, but on the contrary, expect a reduction in their tax burden. I feel that they expressed such a sentiment in the election held last November as definitely and emphatically as anything can be expressed in a popular election. Their decision has predetermined the maximum of appropriations; for the total of appropriations cannot be increased without increasing the tax rate.

FINANCES

The financial condition of the State is a matter that merits your earnest attention. There is in process of tabulation at the present time the budget for the ensuing two years which in due course will be handed to the Legislature. An examination of the indebtedness of the State shows that its interest bearing obligations during the last six years have increased. This bonded indebtedness is offset, however, by bonds owned by its various departments.

A résumé in brief, of state finances, discloses the following facts:

The bonds and securities owned by the State, January 1, 1927, had a par value of \$3,049,807.07.

In addition to the bonds and security investments of \$3,049,807.07, the State had on January 1, 1927, funds amounting to \$162,451.38 available for bond investment.

Its obligations, expressed in the value of bonds issued on

the same date, were \$1,812,000, including the Irredeemable Territorial Bonds aggregating \$380,000 which are not included in the constitutional limitation. The State had on January 1, 1927, funds amounting to \$139,869.43 in its Bond Interest and Redemption Fund available for payment of bond interest and redemption.

**THE STATE'S BOND OBLIGATIONS AND ASSETS,
JANUARY 1, 1927**

Bonds owned by the State.....	\$3,049,807.07
Bonds outstanding, issued by the State.....	1,812,000.00
The annual income from bonds owned*.....	140,000.00
The annual requirements for bond interest and redemp- tion on bonds issued by State.....	167,575.00
*Approximate.	

**SUMMARY OF BONDS OWNED BY THE VARIOUS STATE
FUNDS, JANUARY 1, 1927**

State Permanent School Fund.....	\$2,820,707.07
University 90,000-Acre Grant Fund.....	120,500.00
Irreducible University Fund.....	54,000.00
Teachers Pension Permanent Fund.....	54,600.00
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\$3,049,807.07	

The State has no current liabilities except for its monthly expenditures.

There was an available working balance in the General Fund, January 1, 1927, of \$253,332.36.

A thorough and complete statement will be given to the Legislature at the time the Executive Budget for the years 1927-1928 is presented, and I will at that time furnish further data relating to the finances of the State Government.

The State is called upon to retire an indebtedness of \$150,000 evidenced by its bonds, as provided for by the Legislature of 1913 and for which a tax levy was provided, but which tax levy has not been imposed since 1921. No payment has been made on this indebtedness since the year 1922. The State also owes \$250,000 on the so-called Nevada Exposition Building Bond Issue, payable at an average rate of \$25,000 a year, and not later than 1935 in its entirety. The total of these two bond issues, \$400,000, must be provided for in such manner as will not embarrass the taxpayers of the State.

I recommend that this Legislature take no steps, nor pass

any Acts or Resolutions, that will place further indebtedness upon the State, unless absolute necessity demands.

LIVESTOCK, AGRICULTURAL, AND RANCHING INDUSTRY

For several years past the ranching, livestock, and farming industry has struggled against adverse economic conditions which have been aggravated in many cases by dry seasons and the loss of spring, fall, summer, or winter ranges. The operations of the cattle industry, especially, have been carried on under the most serious disadvantages.

The sheep industry has been more fortunate, but requires attention for the protection of the ranges adjacent to the privately owned lands which are the basis of the industry. Opposition to the proposed increase in grazing fees by the United States Forest Service should be expressed by memorial of the Legislature to Congress. I feel that this proposed increase in grazing fees at the present time would impose an unjust burden upon these industries and seriously injure the State. Every effort should be put forth to make our position and our condition clear to the Federal Government.

The livestock and agricultural interests of Nevada have suffered severely by reason of rodents and predatory animals.

Ten years ago the State and Federal Government started a campaign to exterminate these pests. Since that time the work has been carried on continuously. The results have proven very satisfactory and today the losses in Nevada by rodents and predatory animals are less than in neighboring States. Such appropriations should be made to carry on this work as conditions warrant.

The right of the State to adopt quarantine measures protecting our industries from infested agricultural sections having been authorized by the Congress of the United States, I recommend that you take such action as will enforce the protection of State interests.

THE SUGAR BEET INDUSTRY

This State is greatly in need of more agricultural development and the sugar beet industry should be encouraged in every legitimate manner, and it might be well for you to consider a bonus or bounty to be paid by the State to foster this industry.

MINES AND MINING

Mining, long designated the paramount industry of Nevada, has suffered serious reverses during the past year. This is particularly true of silver mining, which in addition to experiencing unforeseen operating difficulties, has faced a sharp recession in the selling price of its product. Quotations, which for 1925 averaged 69.4 cents per ounce, dropped during the year to approximately 51 cents. While recovery of a few points has recently occurred, the sudden and unexpected decline has been a cause of grave apprehension. As a result, a number of producing mines have been forced to suspend while many others have curtailed operation. Silver production in Nevada for 1926 was 6,462,000 ounces, the lowest in many years.

Production of gold, lead, and zinc has also materially declined from the previous year. Copper, alone, has more than held its own, the output for 1926 having been more than 30,000,000 pounds in excess of 1925 production. While 1926 gross production exceeded that of 1925, totals for ten years past indicate a decline from more than \$54,000,000 to approximately \$26,000,000.

While the industry has faced increasing difficulties in recent years, it is gratifying to know that a critical situation appears about to be overcome. A healthy interest in mining is evident. Many new and promising developments are under way in various parts of the State. Tonopah, Manhattan, and Quartz Mountain, notably in this respect, have caused a feeling of optimism to prevail that seems wholly justified.

There is no doubt that the State offers exceptional opportunities to those interested in the development of its mineral resources. It needs capital, however, for the exploitation of its older camps and its new discoveries. Capital must be sought from without the State and it should be encouraged to enter Nevada by liberal laws. Let capital be attracted to our mining industry and the rewards will be great, not only to the communities concerned, but to the State as a whole. It is well recognized that in no other line of endeavor can such immediate and substantial responses to appeals for funds be obtained. To that end the advancement of the industry should be encouraged in every possible way.

EDUCATION

It is essential that our State University and public school system be maintained upon the high standards heretofore set. The future citizenship of the State will very largely be determined by the educational opportunities given our young men and women, and I recommend that you provide adequate funds with which to carry on this most important work. At the same time, I suggest that you scrutinize all such appropriation measures with the same zealous care as you devote to other similar demands upon our Treasury.

COLORADO RIVER DAM

I deem the most important single development for the State of Nevada to be the construction of the dam on the Colorado River at or near Boulder Canyon. Thus far, in as much as neither the Seven State Compact, known as the Santa Fe Compact, nor the Six State Compact has been ratified by the necessary number of States, the State of Nevada has not to any extent surrendered to the Federal Government, or at all, any of its rights to power or water that might or could be acquired or developed by the construction of the dam.

For some time past, and at the present time, the Colorado River Commission, functioning under legislative authority heretofore enacted, has been endeavoring to amicably adjust the difference arising between the States of Arizona, California, and Nevada as to a fair and just distribution of waters to be impounded and the electrical energy to be developed. It is hoped that if such an adjustment can be made by the States mentioned, the Seven State Compact will be ratified by Arizona.

For the purpose of representing the State of Nevada and protecting its interests in the present negotiations, I believe the Colorado River Commission should be authorized to negotiate and deal with the States interested and with the Federal Government upon questions pertaining to the development of the project, and particularly to guard the interests of the State of Nevada as to the division of the water stored and electrical energy developed.

I have requested that the said Commission file, as soon as practicable, a full and complete report of its proceedings

with recommendations, and the same will thereafter be transmitted to you for consideration.

I further recommend, if a compact is agreed upon by the representatives of the States of Arizona, California, and Nevada, and the same is acceptable to this Legislature, that said Tri-State Compact be immediately ratified.

STATE HIGHWAYS

I recommend that nothing be done to impair the continued prosecution of highway construction and maintenance in Nevada. While there has been much complaint for several years because of the large overhead costs of the Highway Department, I am confident that this condition can be corrected in substantially all respects by administrative action.

In view of the limited railroad mileage within the State, its highway system constitutes a most important part of its transportation structure. However, I do not believe that it is wise to materially enlarge the present State system before the mainline roads are completed, in the absence of assurance that Federal aid for such additional roads can be obtained.

I submit for your consideration the suggestions which have been made that the Directors of the Highway Department be selected from zones or districts defined by the Legislature. Those advocating such a distribution of the directorate believe that thereby the various sections of the State would be more properly represented in the administration of highway affairs. It does not seem advisable, however, if such suggestions meet with your approval, that the membership of the department be increased beyond its present number.

LABOR

The welfare of those engaged in industry is one of the State's most important responsibilities. The high standard of living which prevails among the workers of America is due, not only to their own splendid efforts, but to the wisdom of the protective enactments of the States and the Nation. I trust that Nevada, through your efforts, will continue to maintain its advanced position in this respect.

It is a pleasure to report that for some time past our industries have furnished employment to all those desiring work, and the very favorable conditions now existing

throughout the State in the ranks of labor are equal to or better than for many years.

In the past the State has enacted laws to protect and preserve the life and health of those engaged in the industries of the State, and if it be found that additional legislation is necessary upon this subject, serious thought should be given to measures which may be offered by organized labor.

PAROLE SYSTEM

At this time I wish to recommend a change in the indeterminate sentence law and a reorganization of the present parole system. Our penal registers are replete with glaring inequalities in the administration of justice. In many instances the hardened criminal of unquestioned guilt is serving a lighter sentence, for a similar offense, than a first offender. One pleaded guilty before the Court; the other fought unsuccessfully for his liberty before a jury. It is to correct these inequalities that many paroles are granted, which too often bring down the unjust criticism of an unknowing and misinformed public.

Sentences should be for an indeterminate term, with a fixed maximum, but no minimum. At the institution to which commitment is made, a complete history of each case should be compiled, including the physical and moral fitness of the prisoner; his past record; and all circumstances attending the commission of the crime.

It would then become the duty of the parole board to classify him; fix the time when he may be paroled, based upon a merit system, and determined by fixed and definite rules and regulations. Such a system would be in keeping with the most advanced prison methods; would facilitate institutional discipline; hasten the reformation and rehabilitation of the prisoner; and relieve the executive, and the prison and parole officials, from the incessant and distressing demands for clemency.

HOME FOR INDIGENTS

From time to time it has been suggested that the Legislature establish a State Farm for the care of the indigents who are now supported in county institutions. The counties now have 126 inmates in such homes, and have \$176,000 invested in lands and buildings, according to their official

reports. Their annual cost of maintenance, according to the same reports, is \$109,000 annually, or \$72 per month for each inmate. Those advocating such a central home or farm are of the opinion that it would afford equal or better accommodations and care than is now being bestowed, and at much less expense to the counties. In as much as some of the counties might be opposed to State maintenance of their indigents, and as establishment of such a home might lay the foundation for another costly State department, I suggest that it be given the most conservative consideration. At the same time, I am convinced that the present cost of maintenance of our indigent population is excessive and that economies of considerable magnitude could be effected by an intelligent study of this question.

FISH AND GAME

Our wild life constitutes one of the State's most valuable assets and everything should be done to increase its supply. It is not only a valuable source of food but furnishes the most healthful out-of-doors recreation. The fostering care of the State could well be applied to its preservation and increase, through such cooperation with the various counties as may meet with your approval.

THE INHERITANCE TAX

The enactment by Congress of a Federal estate tax which applies to its full extent only in those States which impose no taxes upon inheritance, makes it advisable for Nevada to reenact an inheritance tax law similar to the one repealed two years ago. Unless this is done, important revenues which should accrue to the Nevada State Treasury will flow to the Treasury of the United States, to the injury of Nevada and its people.

UNIFORM LAWS

As has been the custom of my predecessors, I desire at this time to commend the Nevada Board of Commissioners for the work done in promoting uniform legislation.

Nevada ranks high in the percentage list of uniform Acts adopted, having approved fifty per cent of all laws recommended.

The State of Nevada in the past has contributed to the support of the National Conference, and I recommend that a like appropriation be made for the coming biennium.

STATE DEPARTMENTS

I have no comment to make at this time upon the various State institutions, commissions, or boards, as their biennial reports will be placed in your hands at an early date, and contained therein will be their recommendations regarding such departments.

LEGISLATION IN CONNECTION WITH CONSTITUTIONAL AMENDMENTS

Section 20 of article IV of the Constitution has been amended to authorize the County Commissioners to establish and regulate the compensation and fees of township officers.

The Legislature should enact the legislation necessary to enable the various Boards of County Commissioners to exercise such powers under this amendment.

Section 8 of article VIII of the Constitution has been amended, and under the amendment the Legislature may, by general laws, permit and authorize the electors of any city or town to adopt amendments to their city charter. It is important that the Legislature enact a general law making the necessary provisions for carrying this amendment into effect.

PURCHASING AGENT

It comes to my attention that there is considerable diversity among State departments in methods of purchasing supplies. I believe that our local tradespeople, whether selling at wholesale or retail, should have the preference when the State is the purchasing party, provided the prices, quality, and delivery are equally satisfactory. While this should not be an inflexible rule, to the detriment of a department needing some special article not readily obtainable locally, yet as a general rule, the practice of purchasing at home is preferable.

Serious consideration should be given to the creation of a purchasing agent for the State. I am convinced that such a step would effect a considerable saving in the transaction of its public business.

GENERAL SUGGESTIONS

The increase in the cost of the Nevada State Government to an extent disproportionate to its increase in wealth and population, is a matter of serious concern and should receive your thoughtful attention.

To carry on the various functions of the State requires many departments, but it is not necessary, in my judgment, to supply each of such departments with an exclusive staff of officials merely because their duties are not directly related. This practice has resulted, in some instances, in what might be termed part-time employment of high salaried officials. Certainly no person paid by the State on the basis of the full utilization of his time, can object to rendering services for which he may be qualified during the usual hours which a prudent person devotes to the conduct of his own business or as may be expected of him in private employment.

I am of the opinion that the Secretary of the State Tax Commission, with the present regular staff of employees of that department, could readily discharge the duties imposed upon the office of State Auditor. A consolidation of this character would save to the State the present salary of the State Auditor and his deputy.

I also believe that the State Bank Examiner could discharge the duties of one of the appointive members of the Public Service Commission without in any way lessening his efficiency as an examiner of banks. Such a consolidation of duties would effect a saving of at least two thousand dollars annually.

There is at present a duplication of work in connection with the issuance, recording, and collection of motor vehicle licenses which is costing the State large sums of money each year. This is a function which properly belongs to the Department of Highways, and I would respectfully recommend that this entire activity be transferred to that department.

I also recommend that a constitutional amendment be proposed to abolish the office of State Surveyor-General, with a view of having the work of this office performed in the future by the State Engineer or some other State official. The small remaining amount of State-owned lands makes such a step advisable.

Attention might also be devoted with profit to a study of the necessary requirements of the various State officers, boards, commissions, and institutions as to their required medical services, clerical assistance, and traveling expenses.

The expense incurred in transportation of prisoners from

the various counties to the State Prison involves a large annual outlay. I recommend that the present law be so amended as to provide that prisoners, held in the several county jails under felony sentences, be conveyed to the State Prison under the direction of the Warden of that institution.

CONCLUSION

It has not been possible for me to mention all the subjects that may deserve your consideration; but I realize that you will have many topics of legislation relative to the affairs of our State that will merit your earnest attention. I most sincerely urge that, after your organization is completed, you immediately consider all necessary appropriations, any required amendments to our laws, repeal obsolete statutes, and that all new legislation be given careful consideration before final action is taken. If this can be done in less than the usual time required, and the work of your session completed within a period of forty days' time, the taxpayers will appreciate the example set and the saving in time and money.

As Governor of the State I ask your cooperation, and to the best of my ability will work with you to the common end of making this one of the most successful and constructive legislative sessions in the history of Nevada. I shall be glad to consult with you at any time, and invite you to avail yourselves of any assistance that may be rendered by the State departments.

I may from time to time desire to further communicate with your Honorable bodies, and reserve the right to so supplement this message.

F. B. BALZAR,
Governor.