

THE SECOND DAY

CARSON CITY (Tuesday), January 16, 1945.

Assembly called to order at 10:46 a. m.

Mr. Speaker in the Chair.

Roll called.

All present.

Prayer by the Chaplain, Reverend J. L. Harvey.

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

Carried.

Mr. Speaker appointed Messrs. Covington and Henrichs to invite the Senate to meet in Joint Session with the Assembly to hear the Governor's Message.

Mr. Speaker appointed Messrs. Strosnider and Hussman to escort the President of the Senate, Lieutenant Governor Vail M. Pittman, to the rostrum.

The Sergeant-at-Arms announced that the President of the Senate and members of the Senate were at the bar of the Assembly.

Messrs. Strosnider and Hussman escorted the President of the Senate to the Speaker's rostrum.

IN JOINT SESSION

At 11:12 a. m.

President of the Senate in the Chair.

The Secretary of the Senate called the Senate roll.

All present, except Senator Tognoni, who was excused.

The Chief Clerk of the Assembly called the roll of the Assembly.

All present.

The President of the Senate appointed Senator DeVotie and Assemblyman Strosnider to wait upon the Governor.

The President of the Senate appointed Senator Duffin and Assemblyman Martinez to invite and escort the Supreme Court Judges to their chairs.

The Sergeant-at-Arms informed the President of the Senate that His Excellency, Governor E. P. Carville, was at the Assembly bar.

The committee appointed escorted the Governor to the rostrum.

The Sergeant-at-Arms informed the President of the Senate that the Supreme Court Judges were at bar.

The Committee appointed escorted the Supreme Court Judges to their chairs.

The President of the Senate welcomed the Governor, and asked him to read his message.

The Governor delivered his message as follows:

To the Honorable, the Senate and Assembly:

Pursuant to Article V, Section 10 of the Constitution of Nevada, the Governor is required to communicate by message to the Legislature at every regular session and recommend such measures as he may deem expedient.

In compliance with this constitutional provision, it is my privilege and duty to report to you, as members of the Forty-second regular session, conditions existing within the State, and to briefly comment upon them and its State institutions.

Since this body last convened two years ago, our Country has gone all out in the war effort and, as a consequence, many of the normal functions of the State have been curtailed and some of the normal prerogatives of the individual have been surrendered to the National Government.

Despite these essential wartime measures, we are able to assemble here as free men, with free speech and the right of free discussion and deliberation. We are able to assemble here as representatives of our people and to function in behalf of our people in an orderly and peaceful manner. That right and privilege has not been denied and never will be denied us.

Since our last legislative session the tides of warfare have turned in our favor. However, the day of total victory is yet uncertain.

The outlook of our economic future is largely contingent on the time of the termination of the war. There are pressing needs for improvements in a number of our State services. I have in mind the State Highway System, our capitol buildings, our State university, the Orphans' Home, our penal institutions, the hospital for the mentally deficient, and others. Many of these improvements will involve construction and the generous use of labor, materials, and supplies. At present these State needs must yield to the greater needs of war.

Lessening of the demands of war must come before we can undertake the many improvements in the State services which seem necessary. All of us, I am sure, appreciate the fact that the winning of this war must come first.

Responsibility for conducting the war to a successful conclusion rests primarily with the Federal Government. Individual States can assist in many ways to bring about victory and at the same time provide an economic stability through which we can successfully carry on after the war is ended.

Even now, as the battles rage and our sons and daughters display such valiant devotion to our Nation, some of them making the supreme sacrifice, we, as administrators of the affairs of the people of our State, must think and plan for the postwar period. If we do not exercise foresight in anticipating and planning for our postwar needs now, the end of hostilities may find us totally unprepared to solve the gigantic problems of reconstruction and rehabilitation. We can do this and not slight in any way, the State's war effort.

With this thought in mind, your State administration has given consideration to the problems which will arise in the postwar period. We are already making plans to solve these problems and have made considerable progress along that line.

A concerted study is being carried on by the State Planning Board assisted by the State and County Economic Conference groups, in practically every county and community of the State. The State Planning Board already has issued its formula for a future "Six-Year Plan." These reports are available to members of this Legislature for their individual study and digest. In addition to this phase of future planning, other public-spirited citizens, organized under the Economic Conference groups all over the State, are giving consideration to their own local postwar problems. These groups are laying plans for the improvement and expansion in their own respective communities. Some of the Economic Conference groups have submitted recommendations and definite plans for future progress, which could be considered from a State-wide

viewpoint. These recommendations and plans will be made available to the members of your honorable body. All of these citizens, having the welfare of the State in mind, are to be commended for their efforts. They deserve the fullest cooperation by the State.

Our political and economic systems are based on the principles of local application. The inescapable price of free government and free enterprise is that we, as a people, must adhere to those principles. Apathy in self-government is one of the most destructive forces in the Nation today. If we do not sustain active interest and collectively use those powers of self-government and the rights and privileges of free enterprise, inherent in our State and in our communities, we shall be rudely awakened some day to find that these powers and rights have passed out of our possession.

One of the primary major problems to come with the peace will be the reestablishment and rehabilitation of returning soldiers. State laws already have been passed assuring reemployment of veterans in their former positions when they come back from their military services. This law applies to positions formerly held in the State Government and its political subdivisions, as well as private business.

A postwar fund of \$180,000 for readjustment purposes was created by the last Legislature and this fund has increased to \$1,415,904.43 during the past two years. I respectfully urge that such portion of this fund as you deem advisable be made available, at the proper time, for public works. It is your opportunity to make such apportionments of this fund as you consider consistent with good business practices in applying it to improvements of State facilities. In your deliberation you may wish to determine that the State Board of Finance be given power to disburse this fund under such restrictions as you consider advisable. This fund, or some portion of it, would appropriately seem most useful in the period of economic adjustment immediately following the end of the war. Proper legislative action at this time would obviate the necessity for invoking extraordinary measures later on to make the fund available when the emergency arises.

In planning for the peace, as we work for victory, we must think beyond today and visualize the years ahead. This is essential if we are to win the peace as well as win the war.

One great challenge of the postwar period is jobs. Consideration of jobs for our returning veterans comes first. Then we must be concerned about jobs for war workers and jobs for those who maintained the home front. That situation must be met on a structure of sound economic policy. Our main concern will be whether we afford jobs on important works or have relief. There is no magic way to meet it. I have never believed that promiscuous spending of government funds in the socialization of enterprise is altogether a healthy policy. I heartily subscribe to the trite saying, "We cannot spend our way to prosperity."

Nevada abounds in great natural resources. Our raw materials alone should be a tremendous inducement for the establishment of industrial units in this State. The greatest possibilities are in the fields of agriculture, livestock raising, and mining. By the full utilization of our natural resources and the cooperation of government, management, and labor we have an excellent opportunity to develop our State and, at the same time, assist to a large extent in the development of the great American Western Empire. It will, however, require the sympathetic understanding and unselfish attitude on the part of all three—government, management, and labor—to mold the component units into a substantial and well-balanced structure for this future development. All of us must seek what is best for the greatest number, knowing that the result must be best for each of us.

There will be need for employment on a sound basis to make possible an expanding development of the production and marketing of civilian goods. A number of other States have already taken legislative measures providing for State participation in postwar economic development. Some of these States have particularly made special provisions for assistance to veterans from both public and private sources.

BIENNIAL BUDGET

The Statutes of 1919, page 58, require that the Biennial Budget for the fiscal years 1945-1946, with the accompanying proposed appropriation bill, be laid before you within twenty days after the Legislature has convened. This must be made after all departmental reports of receipts and estimated expenditures are received and studied. This budget will contain financial statements of all departments of the State Government during the past one and one-half years, as well as estimated expenditures for the six months ending June 30, 1945; also, estimated requirements as approved by the Executive for the ensuing two years commencing July 1, 1945, and ending June 30, 1947.

I shall have the budget in your hands within a few days and I request your careful consideration of and attention thereto.

STATE FINANCES

The records of the State Treasurer show the cash balance of State funds in the State Treasury, as of December 31, 1944, to be \$3,447,955.34. There is no outstanding bonded indebtedness.

On June 30, 1944, the bank value of bonds owned by the State was \$4,713,620.00. On December 31, 1944, the bank value of bonds owned by the State was \$5,564,915.37. Income from interest on bonds from July 1, 1942, to June 30, 1944, was \$226,586.14. On December 31, 1944, the sum of \$31,927.60 was available for investment.

STATE VETERANS

We are all concerned about the welfare of our returning American veterans. In a measure, and in a general manner, the Federal "G. I. Bill of Rights" points the way to assist them in their readjustment and rehabilitation. There seems, however, to be a need for supplemental measures, which apply specifically to returning Nevada soldiers. With this in mind, I ask that you give your earnest consideration to the following matters:

I respectfully urge that you make provisions for a State Veterans' Guarantee Loan Fund. To those veterans who have suitable aptitudes, training, and experience, this fund should provide State guaranteed bank loans, up to a reasonable amount, in establishing or reestablishing themselves in small business enterprises. Proper machinery for carrying this Act into effect can be set up with safeguarding provisions for its successful operation.

There are other problems relating to veterans' affairs which might be considered. I refer specifically to hospital, medical, and domiciliary care; education and training; unemployment allowances; provisions for the appointment of a conservator for missing military personnel; broadening the procedure for the proof of wills where subscribing witnesses are unavailable; and, also, to legislation extending the validity of powers of attorney.

Many of our citizens returning from the armed forces, as well as others, desire an opportunity to complete their education or learn some trade. An opportunity should be afforded these citizens to fulfill their desires. It seems to me that a vocational or trade school established under the direction of the State Board of Education, supplementing other educational facilities already existing in Nevada, would help to supply this opportunity. Such a measure would benefit the State in affording educational facilities to those who would care to avail themselves of such facilities.

I cannot present these suggestions in detail at this time, but I have available material which will be at your disposal for further study of these subjects if you so desire.

INDUSTRIAL DEVELOPMENT

During the past two years several industries have come into existence by reason of wartime demands. Nevada has benefited in a degree through these industries. Among others, I refer to the Magnesium Plant at Henderson, in Clark county. Its value to the war effort has been tremendous. The need for its product has been diminished. Operations at the plant have been

deeply curtailed and its use as a magnesium producer in the future is uncertain. We must not let this plant be dismantled and moved out of the State. We must exert every effort to find some way for its transition and future use. My earnest hope is that it can be adapted to the treatment of some of our raw natural resources. It is also my hope that this plant, or as much of it as is feasible, will be taken over and operated by private enterprise. It would seem that low-cost power and water and the attractive tax structure of our State could bring this about. By proper transposition, units of this plant might be used in processing lead, zinc, copper, and other minerals besides magnesium. Fabrication plants in the immediate vicinity would add materially to the value of this enterprise.

We also would like to see Boulder Dam given its full development, and we desire very much to see additional reclamation projects set up along the Colorado River. In a word, we should strive to bring about the situation where more of our plentiful supply of raw materials, like copper, lead, zinc, magnesium, manganese, iron ores, as well as the products of our ranches and farms, will be transformed into finished materials ready for the markets.

Stock should be taken of the mineral resources and industries of this State in order that we might have an idea of the extent of their availability. Then we could develop them to supply the peace needs on a stable basis. Nevada, like all the other Western States, does not want to lose any ground gained during the past four years in the industrial field.

UNDERGROUND WATER DEVELOPMENT

For several years there has been a definite need to explore and develop underground waters in Nevada. Now, more than ever, that need is urgent because of the necessity of providing for the future expansion of agriculture and industry in this State. I have asked that the sum of \$35,000 be included in the budget for the office of the State Engineer for the purpose of carrying on exploration and development work seeking underground waters in this State. I ask your consideration and the allowance of this item under such restrictions as you may see fit to impose for its use.

In order that this fund might be used on a cooperative basis with the Federal Government, an enabling Act would be necessary. This Act should give the State Engineer authority to enter into contracts with the proper departments of the Federal Government for carrying this into effect.

AVIATION

Another of the most promising fields for future development is aviation. With the large number of men and women now trained and being trained in aviation, I believe there will be notable progress made in public and private air transportation in the postwar period.

At the present time there is no legally created agency within the State charged with the responsibility of direction, promotion, or development of aviation. The State is now served by three transcontinental airlines. Recently permission was granted to a local company for the establishment of an intra-state line to operate between Reno, Elko, and Las Vegas, and intermediate cities and towns. Several measures of legislation are now pending in Congress dealing with the development of aviation throughout the United States. Nevada should not neglect its opportunity for development in this field of transportation. The creation of a department of State to function as a department of aviation, it seems to me, would be in order. It would also be appropriate that you determine how this unit of government shall be created and where it should be placed, and also to provide the necessary funds for its operation.

BUILDING

At the Fortieth session of the Nevada Legislature an Act was passed creating a bond issue to enlarge the State Prison. One of the improvements contemplated was an additional cell block. This cell block addition has not been

completed because of wartime restrictions. Another project, approved by a preceding Legislature, was the central heating system at the University of Nevada. This project also has been held up because of wartime restrictions. Work on these projects will be resumed as quickly as conditions permit.

I refer you to the "Six-Year Plan," as presented by the State Planning Board, and ask that you adopt such portion of the plan as is consistent with good business and the financial condition of the State. It appears to me that the most pressing needs at this time consist of an addition to the State Capitol to provide more office space, and additional buildings at the State Hospital for Mental Diseases, an additional class building for the University of Nevada, a State building in Southern Nevada, the establishment of a trade school somewhere in the State, and a Highway Department building.

LABOR

I am happy to report that there have been practically no disagreements arising between industry and labor in this State during the past two years. There has been, on the contrary, a marked degree of harmony displayed between the two groups in dealing fairly with one another, and in promoting the war effort, and thus achieving a true progress. Almost all lines of industry, except the war industry, have been short of labor, but this condition, in these critical times, was to be expected.

Over the period of the past two years employment has been plentiful and, as a consequence, a benefit reserve fund of \$8,774,345.71 has been accumulated in the State Employment Security Fund. This money is now available for the payment of benefits to those entitled to unemployment compensation. The increased cost of living makes it necessary, however, that benefits be increased. I respectfully suggest that such benefits might be increased as follows:

A minimum of \$8 per week and a maximum of \$18 per week, with an additional amount of \$3 per week up to two dependents, but not to exceed \$24 per week.

That payments commence at the end of one week after the benefit accrues and continue for a period of 20 weeks or until the person is reemployed within the said period.

I respectfully urge that the Reserve Benefit Fund should not be reduced under an amount equal to \$3,500,000.

HIGHWAYS

Maintenance of our State Highway System has been conducted on the same high standard as that in effect during more normal years. This has made necessary the expenditure of larger sums of State funds as Federal reconstruction cooperative funds were not available during the biennium, except in improvements on roads used for military purposes and for strategic mine access roads approved by the War Production Board.

Congress recently authorized an extensive fund which will net to our State the approximate sum of \$4,891,000 per year to be matched by \$940,644 of State funds per year, for each of the three postwar years. The apportionment to Nevada of these Federal moneys is on the same basis as that in effect for a great many years, that is: one-third based on population, one-third based on mileage of post roads, and one-third based on the geographical area of the State. This Federal fund will become available for use in the postwar period, and no additional State taxation will become necessary to meet Federal requirements.

During the years 1943-1944 the personnel of the Department of Highways has consistently declined because of drafts for the armed services, and also because of the curtailment of departmental work.

PUBLICITY

Following the cessation of hostilities, tourist traffic, undoubtedly, will be resumed on an ever-increasing scale. In order to attract as many as possible of these travelers, and to capitalize on what our State has to offer them in

return for their tourist dollars, it would seem appropriate to establish a fund for an advertising program, having a State-wide viewpoint. This advertising, to begin at the end of the war and consistently carried on, should promote the industrial, agricultural, recreational, educational, and mining advantages existing in our State. For the information of the members of the Legislature, it might be in order to say that several neighboring Western States have had access to such a fund for many years, and, even during the war era, have carried on their advertising with a view to attracting visitors to their States when traveling conditions are more propitious. Evidently these States have learned from their experience that their advertising dollars bring commensurate return. Nevada would do well, I believe, to adopt a similar plan in this regard.

COUNTY AND CITY RESERVE FUNDS

In accord with the idea of future planning, I respectfully urge that counties, cities, towns, school districts, and special improvement districts be given the right and authority to establish and set aside reserve funds for the purpose of financing the cost of planning and carrying on public works beneficial to their local needs. Limitations can be placed on the use of such funds if you deem this course necessary.

PURCHASE OF FEDERAL SURPLUS PROPERTIES

At this time and when war stops the Federal Government has, and will have, great amounts of Federal surplus properties at its disposal. Some of this property, undoubtedly, will become available, through purchase, to State and local governments. So that the State and the local governments may take advantage of opportunities in such surplus property offerings, I urge that measures be taken to authorize the buying of such property by these governmental units, as can be used by them beneficially, with proper safeguarding provisions.

PROBATION SYSTEM

Under the laws of Nevada our District Courts have no power to suspend sentences of those convicted of crime. This condition applies to all crimes, whether of major or minor character. As a consequence many minors are sent to the penitentiary, for less serious infractions of the law, who might be more readily rehabilitated if placed on probation. The commingling of these youthful offenders with the more hardened criminals of the State institution does not tend to regenerate them, and in most cases the youthful offenders become schooled in devious methods for carrying on a criminal career after the expiration of their sentence.

A constitutional amendment giving District Court Judges the power to grant probations is necessary. I believe it would be well to have such a necessary Act which will give the District Courts authority to meet the rightful demands of justice.

STATE POLICE

During the sitting of the last Legislature, provision was made to reestablish the Nevada State Police. In accord with the laws enacted and the appropriations made, a State Police Force of six men has been maintained since then. I am pleased to report that this police organization has rendered excellent service to the people of Nevada. Two police schools have been conducted under the direction of the Federal Bureau of Investigation and the Nevada force has benefited greatly from the excellent training they received in these schools. I commend the State Police to you and solicit your favorable appropriation for its efficient operation. Two more members, added to the present force, would give a more effective coverage of the State, and assure the proper function of the State policing unit.

STATE FIRE HAZARDS

Range and timber fires have caused much destruction of valuable property in this State during the past several years. Approximately 285,506 acres of public timber and grazing lands have been affected by fires during the past

biennium. Private properties have also been destroyed. Loss in range and privately owned properties has been estimated at \$1,500,644.

In order that we may successfully combat this condition, a group of department heads, both State and Federal, have cooperated with individuals and concerns to first, prevent fires, and second, to adopt effective methods to control those fires which have been started. This cooperative effort has been in effect for the past three years.

Closer cooperation and better results could be obtained, I am convinced, in the setting up of a fire protection unit by law. This could be accomplished by placing the responsibility of organizing and directing the operations of fire protection functions under one of our already existing State departments. It would involve very little added expense to the State and would result in a saving of many thousands of dollars to our citizens by cutting down fire losses.

MINING

Particular attention should be given to the mining industry of our State. War conditions have brought about many industrial changes in the West. These changes have brought with them the construction of plants which are sustained by use of ores, metals, and nonmetallic materials, and these materials constitute a large part of our western natural resources. These plants were erected primarily for war production. When hostilities cease these war production units very likely will also cease to operate in their present capacity. Unless some way is found to utilize the existing structures and equipment the plants themselves will come into disuse and deteriorate. This might also mean a serious dislocation in our peacetime economy. For that reason, I am convinced that these war plants should be retained and put to a use which will benefit the mining industry. Through such use the plants will make for a maximum employment of men in mining. Encouragement should be given to private enterprise for taking over and operating such discontinued government war plants in our State.

Encouragement should also be given to mining by making changes in existing unfavorable laws and regulations affecting the industry and by making new beneficial laws if necessary.

In directing your attention to the following items for consideration, I do so with the view that perhaps it would be the wish of this Legislature to memorialize the National Congress for repeal or change of such of these laws as are proving to be obstacles, and the approval of those which permit the full development of our State's mining industry.

1. War Production Order L-208, which should be rescinded or modified in order that a more liberal policy for producing gold and silver bullion be adopted.

2. The advocacy of gold and silver as a monetary base in establishing world currency.

3. The stock piling of strategic or critical metals in sufficient amounts for any future war emergencies.

4. The retention of tariffs on metals or minerals in order to prevent a decrease in mining activities in the West.

5. That proper financing of mines closed under order L-208 be arranged.

6. A prompt revision of Federal tax laws following the war to allow a return to the American principle of free enterprise.

7. The disposal of defense plants in an orderly transition from government ownership to private ownership and operation at reasonable figures.

LIVESTOCK AND AGRICULTURE

Attention should be directed to the construction of flood control reservoirs, which would stabilize the flow of water in some of our rivers. This stabilization in turn will afford an opportunity to establish power units and at the same time make larger agricultural districts in our valleys. This would also mean more ranches and more livestock, which would give greater agricultural opportunities to our people.

One of the pressing needs for increasing our stock herds is the replenishment of the ranges. This can be accomplished through a cooperative arrangement between our ranchers and the Forest Reserve and the Grazing Service for reseeding in places where economic benefit would result.

In this connection, I urge that you give consideration to the grazing problem. Recently a study was made of this matter by the Livestock Association of the State.

A question has arisen whether fees should be charged growers for revenue purposes or whether fees should be determined upon the basis of sound economic development of the livestock business. In other words, whether revenue should be raised beyond the amount necessary for an equitable operation of the service. It is my belief the Taylor Grazing Act never intended that fees for revenue beyond necessary cost of operation should be charged. We need to operate the stock business on a basis which will assure the growers a fair economic return on their private business.

CIVILIAN DEFENSE

The need for continued home-front activities to help win the war exists now as much as ever before. It is important that we continue the activities of the State Defense Council and County Defense Councils throughout the State. There remains sufficient money from the 1943 appropriation to carry on this work; therefore, no additional appropriation will be asked.

RECOMMENDATIONS BY THE ATTORNEY-GENERAL

The Attorney-General has made several recommendations for amendments to some of the laws on our statute books. These recommendations have merit and I urge your earnest consideration of them, and action upon such of them as you deem advisable. The recommendations are included in the Attorney-General's Biennial Report for the period of July 1, 1942, to June 30, 1944, and may be found on pages 297 to 299, inclusive. I understand that copies of this report have been sent to each of you.

CONCLUSION

In this my first message to the members of the Forty-second State Legislature, I have attempted to outline a broad plan for the economic development of our State following the war. There is a possibility that the Allied Nations shall achieve at least a partial victory in the war before another regular State Legislative session is scheduled to convene. Our soldiers on the battle fronts are giving every ounce of their intelligence and strength to bring about a quick victory. Surely, we at home, must do our best to help them now and take steps to make our State a better one to which they can come when the war is over.

Upon the wise and sympathetic cooperation of the three branches of our government depends the enactment, interpretation, and enforcement of laws which will benefit our State and its people. We should all strive to make some contribution toward the lasting good and welfare of our State and Nation.

I look forward with pleasure to working with you in this session of the Legislature. I know you will discharge your responsibilities well, and through wise legislation, demonstrate that free government can be effective. As the work of the session progresses, I may again have occasion to address other communications to your honorable body as conditions justify. In such event, I shall give proper notice to both Houses in due time.

I know you will act and serve your people well and in keeping with the basic principles of freedom, liberty, and justice. With a firm faith in God, and a wholesome respect for the dignity of man, we can all face the future with confidence and undimmed hope if we display the same character of courage which was so manifest in our people at the time of the birth of our Country and our State.

Respectfully submitted,

E. P. CARVILLE,
Governor of Nevada.