



**The State of Nevada
Executive Chamber**

**Robert List
Governor**

**Capital Complex
Carson City, Nevada 89710**

GOVERNOR ROBERT LIST

STATE OF THE STATE ADDRESS

**EXECUTIVE CHAMBERS
STATE CAPITOL
CARSON CITY, NEVADA
JANUARY 27, 1982**

7:00 P.M.

GOOD EVENING:

" ... WE STAND ON THE THRESHOLD OF A NEW NEVADA -- A NEVADA OF OPPORTUNITY, IN WHICH INCENTIVE AND DEDICATION -- WILL BE REWARDED -- A NEVADA MINDFUL OF ITS UNIQUENESS, AND DETERMINED TO MAINTAIN THE BEST OF THOSE QUALITIES WHICH HAVE MADE US UNIQUE.

WITH THOSE WORDS, I TOOK THE OATH OF OFFICE AS NEVADA'S 24TH GOVERNOR THREE YEARS AGO, AND SET A COURSE FOR THE FUTURE FOR MY ADMINISTRATION, AND FOR ALL THE PEOPLE OF THE STATE.

IT IS A COURSE WE HAVE STEADFASTLY MAINTAINED IN SUCCESSFULLY DEALING WITH SOME OF THE MOST COMPLEX AND DIFFICULT ISSUES IN THE STATE'S 117-YEAR HISTORY.

TONIGHT, AS I REPORT ON THE STATE OF OUR STATE, MY HOPES FOR THE FUTURE REMAIN HIGH, MY COMMITMENT TO THE NEEDS OF OUR CITIZENS REMAINS FIRM.

TRADITIONALLY, NEVADA'S CHIEF EXECUTIVES HAVE RESERVED THEIR STATE OF THE STATE ADDRESSES FOR PRESENTATION TO JOINT SESSIONS OF THE LEGISLATURE.

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TONIGHT, I EXPAND ON THAT TRADITION AND SPEAK DIRECTLY TO THE PEOPLE OF NEVADA. I DO SO BECAUSE I BELIEVE THAT YOU AND YOUR FAMILY DESERVE AN ACCOUNTING FROM YOUR ELECTED LEADERS OF WHERE YOUR GOVERNMENT IS GOING -- WHAT OUR PRIORITIES ARE, AND HOW WE, IN GOVERNMENT, ARE DEALING WITH THE IMPORTANT ISSUES OF THE DAY ON YOUR BEHALF.

AND SO, IT IS WITH A GREAT DEAL OF PRIDE AND PURPOSE THAT I REPORT TO YOU ON THE STATE OF OUR STATE, AND OUR DIRECTION FOR THE FUTURE.

NEW FEDERALISM

LAST NIGHT, PRESIDENT REAGAN DELIVERED HIS STATE OF THE UNION ADDRESS. IN IT, HE OUTLINED AN AGGRESSIVE PROGRAM FOR RESTORING POWER AND RESPONSIBILITY TO STATE AND LOCAL GOVERNMENTS. HE PROPOSES TO HAND OFF TO US THE RESPONSIBILITY FOR ADMINISTRATION AND DELIVERY OF MANY VITAL SERVICES SO LONG CONTROLLED BY THE FEDERAL BUREAUCRACY.

IT IS A BOLD MOVE.

THE NATION'S GOVERNORS HAVE LONG SOUGHT THIS KIND OF PARTNERSHIP WITH WASHINGTON. GIVEN THE FLEXIBILITY AND FUNDING, THE STATES CAN ELIMINATE COSTLY BUREAUCRATIC RED TAPE AND PUT YOUR DOLLARS WHERE THEY CAN DO THE MOST GOOD. DONE RIGHT, WE SHOULD BE ABLE TO PROVIDE GREATER SERVICE AT A REDUCED COST.

THE DETAILS OF THE PRESIDENT'S PROGRAM WILL BE HAMMERED OUT IN THE COMING MONTHS. I HAVE DIRECTED MY ADMINISTRATORS TO CAREFULLY ANALYZE THE FINANCIAL IMPACT ON NEVADANS. WE'RE TALKING HERE ABOUT BIG, IMPORTANT, EXPENSIVE PROGRAMS -- FOR HIGHWAY CONSTRUCTION, HEALTH CARE, EDUCATION, AND A HOST OF OTHERS.

WE'RE GOING TO HAVE TO PRICE THINGS OUT TO ENSURE THAT NEVADA WILL NOT BE HURT. THE WHITE HOUSE HAS ASSURED ME THAT WE WILL HAVE AN ACTIVE ROLE IN THE PROCESS AS THE EVALUATIONS AND NEGOTIATIONS GO FORWARD.

IT WILL BE DIFFICULT AND COMPLEX -- BUT IT WILL BE WELL WORTH THE EFFORT.

AND SO, ON BEHALF OF OUR STATE, I SAY TO OUR PRESIDENT, I'M EAGER TO BEGIN.

JUST AS PRESIDENT REAGAN HAS SET A NEW AGENDA FOR OUR NATION, WE, IN NEVADA, MUST SET A NEW DIRECTION FOR OUR STATE AS WELL.

ECONOMIC CONDITION

THE MOST IMPORTANT ISSUE FACING NEVADANS TODAY IS THE STATE OF OUR ECONOMY.

THE SCRAMBLE FOR DECENT JOBS HAS BECOME A DAILY CRISIS FOR THE THOUSANDS OF MEN AND WOMEN WHO HAVEN'T SEEN A PAYCHECK SINCE CHRISTMAS OR BEFORE.

IT'S TRUE THAT WE BEGAN 1982 WITH MORE NEVADANS EMPLOYED THAN AT ANY OTHER TIME IN OUR HISTORY, AND I'M PROUD OF THAT FACT -- IT'S A PRODUCT OF OUR GROWTH. AND IT'S ALSO A FACT THAT NEVADA'S JOBLESS RATE ACTUALLY DROPPED LAST MONTH, AT A TIME WHEN THE NATION'S UNEMPLOYMENT REACHED A SIX-YEAR HIGH. IN 1981, FOR EXAMPLE, NEVADA GENERATED A 4.3 PERCENT INCREASE IN NEW JOBS -- WHILE THE NATION ONLY SHOWED AN INCREASE OF 0.03 PERCENT.

BUT IT'S ALSO TRUE THAT SEVERE LEVELS OF UNEMPLOYMENT PREVAIL IN CLARK COUNTY, AND SERIOUS LEVELS EXIST THROUGHOUT THE REST OF THE STATE. UNEMPLOYMENT IS NOT A COLD STATISTIC RESERVED FOR PEOPLE WHO DON'T WANT TO WORK, OR HIGH SCHOOL DROPOUTS, OR FOR THE MAN OR WOMAN LIVING ON THE OTHER SIDE OF THE STREET.

IT STRUCK MORE THAN 30,000 NEVADANS LAST YEAR. IT HAPPENED TO PLUMBERS AND PIPEFITTERS, MINERS AND METALWORKERS, CARPENTERS AND CASINO DEALERS, ELECTRICIANS AND ENGINEERS AND MEN AND WOMEN FROM EVERY CONCEIVABLE WALK OF LIFE.

AND MANY OF THOSE WHO ARE NOW WORKING ARE JUSTIFIABLY WORRIED ABOUT KEEPING THEIR JOBS. THEY FEEL CONCERNED ABOUT WHAT 1982 WILL BRING TO THEM AND THEIR FAMILIES. EMPLOYERS ARE CUTTING COSTS TRYING TO MAKE ENDS MEET, AND SOME ARE CONTEMPLATING MORE LAY-OFFS.

MY FIRST PRIORITY WILL BE PUTTING NEVADANS BACK TO WORK AND SAVING EXISTING JOBS.

THIS MUST BEGIN WITH A NEW CLIMATE OF BUSINESS ACTIVITY, CONFIDENCE AND INVESTMENT IN NEVADA. THAT TRANSLATES TO EXPANSION AND DIVERSIFICATION. IT MEANS FRESH CAPITAL, NEW BUSINESS AND NEW JOBS. IN ORDER TO COMPETE WITH OTHER CITIES AND OTHER STATES ACROSS THE NATION, WE HAVE ALREADY TAKEN SOME INNOVATIVE ACTIONS, AND DEVELOPED SOME UNIQUE NEW BUSINESS INCENTIVES:

-- WE HAVE SEEN APPROVAL, IN THE PAST THREE YEARS, BY THE STATE BOARD OF FINANCE OF \$91 MILLION DOLLARS IN BONDING FOR INDUSTRIAL DEVELOPMENT PROJECTS . THROUGHOUT THE STATE -- INCLUDING 14 PROJECTS IN THE CITY OF HENDERSON, AND EIGHT PROJECTS IN THE CITY OF NORTH LAS VEGAS,

-- WE HAVE ESTABLISHED A STATE INDUSTRIAL DEVELOPMENT REVENUE BOND PROGRAM TO HELP FUND EXPANSION, RENOVATION OR RELOCATION OF BUSINESS AND INDUSTRIES IN NEVADA, WITH UP TO \$10 MILLION DOLLARS PERMITTED UNDER EACH ISSUE, AND WE HAVE ENACTED A TAX PLAN, WHICH SERVES AS A POWERFUL INDUCEMENT TO ANY POTENTIAL EMPLOYER.

OUR LONG-TERM PLANNING IS PAYING OFF IN OTHER WAYS. BY UNSNARLING THE ADVANCED WASTEWATER TREATMENT PLANT PROBLEMS IN CLARK COUNTY AND BY DRIVING FOR A GREATER SHARE OF THE POWER GENERATED AT HOOVER DAM WE ARE POURING THE FOOTINGS FOR OUR FUTURE GROWTH IN CLARK COUNTY.

BECAUSE OF OUR GREAT LIFE STYLE, AND THE INCENTIVES WE NOW OFFER, NEVADA IS ENORMOUSLY ATTRACTIVE. THAT IS ALREADY REFLECTED ON THE FACT THAT WE ARE THE FASTEST-GROWING STATE IN AMERICA.

CLEARLY, HOWEVER, MUCH MORE NEEDS TO BE DONE TO SHAPE AND ASSURE THE CONTINUED GROWTH OF OUR STATE.

WE HAVE A GREAT PRODUCT TO SELL -- AND WE MUST AGGRESSIVELY GO OUT AND PROMOTE IT. I HAVE DIRECTED THE DEPARTMENT OF ECONOMIC DEVELOPMENT TO PREPARE A NEW PLAN OF ACTION. IT WILL INCLUDE PROPOSALS FOR AN ECONOMIC DEVELOPMENT ASSOCIATION, AN ON-SITE LOCATION SERVICE, AND THE ENCOURAGEMENT OF INVESTMENT CAPITAL "BANKS."

TONIGHT, I ALSO AM ANNOUNCING THE FORMATION OF A SPECIAL INDUSTRIAL DEVELOPMENT PANEL, MADE UP OF SOME OF THE STATE'S TOP BUSINESS AND INDUSTRIAL LEADERS -- TO SEEK OUT NEW WAYS TO SPUR ECONOMIC EXPANSION AND DIVERSIFICATION.

NEXT MONTH, I'LL BE PARTICIPATING IN A WELL-ORGANIZED EFFORT PUT TOGETHER BY THE NEVADA DEVELOPMENT AUTHORITY TO TELL THE NEVADA STORY TO BUSINESS AND INDUSTRY LEADERS IN THE SILICON VALLEY OF SANTA CLARA COUNTY, CALIFORNIA. THIS IS THE KIND OF INITIATIVE WE MUST CARRY OUT.

AND SO IN THE MONTHS AHEAD, WE'RE GOING TO PUT ON A FULL-COURT PRESS -- A CONCENTRATED THRUST TO BUILD A NEW ECONOMIC MOMENTUM. OUR MESSAGE IS SIMPLE:

"NEVADA IS THE GREATEST STATE IN AMERICA IN WHICH TO LIVE, WORK, AND TO DO BUSINESS."

ANY DISCUSSION OF NEVADA'S ECONOMY MUST INCLUDE A SPECIAL FOCUS ON OUR TOURISM AND CONVENTION BUSINESS -- AND OUR NO. 1 INDUSTRY -- GAMING.

WHAT KIND OF SHAPE ARE WE IN?

FIRST, AND WITHOUT QUESTION, NEVADA'S CASINO INDUSTRY REMAINS THE STRONGEST AND MOST SUCCESSFUL IN THE WORLD.

YET WE'RE NOT KEEPING PACE WITH INFLATION.

IN FISCAL YEAR 1981, GROSS GAMING REVENUES TOTALLED \$2.4 BILLION DOLLARS ONLY -- AN 8 PERCENT TAXABLE INCREASE OVER THE PREVIOUS YEAR. STILL, THAT FIGURE IS IMPRESSIVE WHEN YOU CONSIDER THE NEGATIVE IMPACTS OF THE NATIONWIDE RECESSION, RISING FUEL AND VACATION COSTS, FIRES, CLOSINGS, AND THE AIR TRAFFIC CONTROLLERS STRIKE.

CONVENTION BUSINESS WAS IN FULL SWING IN 1981. THE LAS VEGAS CONVENTION AUTHORITY BOOKED 515 CONVENTIONS, WHICH GENERATED \$324 MILLION DOLLARS -- NOT COUNTING GAMING REVENUES -- IN THE PAST YEAR. THAT'S A 14 PERCENT INCREASE OVER THE PREVIOUS YEAR.

NEXT WEEK, THE LAS VEGAS CONVENTION AUTHORITY WILL SIGN A LEASE FOR THE CONEXPO '87, THE LARGEST INDUSTRIAL TRADE SHOW IN THE NATION, WHICH IS EXPECTED TO GENERATE MORE THAN \$80 MILLION DOLLARS FOR THE AREA.

THE RENO-SPARKS CONVENTION AUTHORITY HAS BOOKED 93 CONVENTIONS OVER THE NEXT TWO YEARS. THEY ARE EXPECTED TO DRAW MORE THAN 300,000 VISITORS AND GENERATE MORE THAN \$67 MILLION DOLLARS.

1981 SAW A SIGNIFICANT DECREASE IN AIR TRAFFIC TO THE STATE, AS A RESULT OF THE CONTROLLERS' STRIKE, AND INCREASES IN FARES. HOWEVER, VEHICLE TRAFFIC IN THE STATE ROSE CONSIDERABLY IN THE PAST 12 MONTHS. IN FACT, THE LAS VEGAS CONVENTION AUTHORITY REPORTED A 9.2 PERCENT INCREASE IN AUTO TRAFFIC.

AS MORE AND MORE TOURISTS CAME TO THE STATE BY CAR, WE SAW A RENEWED INTEREST IN NEVADA'S "BORDERTOWN" HOTEL-CASINO OPERATIONS.

AT JACKPOT, AT WENDOVER, AND AT LAUGHLIN, HOTEL CASINOS HAVE REPORTED INCREASES IN REVENUES BETWEEN 16 AND 40 PERCENT OVER THE PAST THREE YEARS.

TOURISM TOUCHES THE LIVES OF ALL OF US.

WE HAVE A SPECIAL OBLIGATION TO PROTECT OUR TOURISM INDUSTRIES, TO PROMOTE THEM, TO KEEP THEM STRONG AND VIBRANT AND COMPETITIVE.

TODAY, NEVADA FACES GREATER COMPETITION THAN EVER BEFORE, BOTH FROM OVERSEAS, AND FROM OTHER RESORT CITIES IN AMERICA.

WE ARE ONE OF THE MOST EXCITING AND COLORFUL DESTINATIONS IN THE WORLD. IT'S REALLY TRUE: NOBODY DOES IT BETTER.

AND SO, NOW IS THE TIME TO MAKE THE PUSH. WE MUST UNDERTAKE A RENEWED EFFORT IN BOTH THE NORTH AND SOUTH -- TO ATTRACT TOURISTS FROM NEIGHBORING CITIES AND STATES -- AND FROM OVERSEAS -- TO BRING ABOUT A NEEDED SURGE IN THE ECONOMY. TOGETHER, WITH AN AGGRESSIVE EFFORT, WE CAN AND WILL, MAKE IT HAPPEN.

MINING

IN RURAL NEVADA, OUR MINING INDUSTRY SHOWED A HEALTHY INCREASE IN 1981. HOWEVER, THE FALL IN WORLD MARKET PRICES IS SLOWING THE GROWTH OF THE INDUSTRY.

THE PRODUCTION OF NEVADA'S 470 ACTIVE MINES ROSE 9 PERCENT, AND TOTALLED APPROXIMATELY \$420 MILLION DOLLARS. NEVADA IS NOW THE NATION'S LARGEST PRODUCER OF GOLD, MERCURY, BARITE AND MAGNESITE. CAPITAL INVESTMENTS TALLING HUNDREDS OR MILLIONS OF DOLLARS ARE BEING MADE THROUGHOUT OUR STATE.

AGRICULTURE

FARM AND LIVESTOCK PRODUCTION IN NEVADA WAS ALSO STRONG IN THE PAST YEAR, BUT MARKET PRICES WERE DISAPPOINTINGLY LOW. THE BLESSINGS OF A GOOD WINTER AND GOOD WATER SUPPLY PROMISE THE OPPORTUNITY FOR A PRODUCTIVE YEAR AHEAD FOR OUR HARD-WORKING FARM AND RANCH FAMILIES.

JOB TRAINING

IN EVERY INDUSTRY, OUR FUTURE GROWTH AND DEVELOPMENT WILL . DEPEND UPON MAINTAINING A HIGHLY-TRAINED, SKILLED AND STABLE WORK FORCE. JOB-TRAINING IS CRITICAL.

LAST NIGHT'S LAS VEGAS REVIEW-JOURNAL CARRIED NEARLY TWO PAGES OF HELP-WANTED ADS. THIS MORNING'S LAS VEGAS SUN CARRIED ANOTHER PAGE, AND THE NEVADA STATE JOURNAL, IN RENO, CARRIED A FULL PAGE.

OUR TASK IS TO PROVIDE THE TRAINING FOR THOSE INDIVIDUALS
LOOKING FOR WORK, SO THAT THEY CAN ANSWER THESE WANT-ADS.

RESPONSIVE VOCATIONAL EDUCATION PROGRAMS IN SCHOOLS AND
COMMUNITY COLLEGES ARE ESSENTIAL.

OUR STATE LABOR COMMISSIONER IS WORKING CLOSELY WITH
ORGANIZED LABOR TO IMPROVE AND EXPAND TRAINING PROGRAMS FOR
THE STATE'S 2,200 REGISTERED APPRENTICES.

AND THE STATE EMPLOYMENT SECURITY DEPARTMENT HAS
ESTABLISHED THE POSITION OF COORDINATOR TO ASSIST OUR
UNEMPLOYED VETERANS IN FINDING ■EMPLOYMENT.

FINALLY, TO HELP ENSURE THAT NEVADA JOBS WILL GO TO
NEVADA WORKERS, THE STATE EMPLOYMENT AND TRAINING OFFICE IS
CURRENTLY ORGANIZING A WORKING GROUP OF LOCAL CETA AGENCIES,
COMMUNITY TRAINING ORGANIZATIONS, UNION APPRENTICESHIP
PROGRAMS, AND PRIVATE BUSINESS LEADERS, TO COORDINATE THESE
EFFORTS.

IT IS MY PERSONAL COMMITMENT TO SEE THESE ECONOMIC
INITIATIVES SUCCEED, AND TO REGENERATE THE FINANCIAL VITALITY
OF OUR STATE. I CALL FOR YOUR SUPPORT.

BEYOND THE ECONOMIC CONDITIONS OF THE DAY, THERE IS A SECOND ISSUE -- ONE OF EXTREME CONCERN TO NEVADANS -- TO WHICH I NOW TURN.

CRIME

WHILE THE NATION'S CURRENT ECONOMIC MISERIES AND HIGH INTEREST RATES PREY UPON US, THERE IS ANOTHER PREDATOR AMONG US.

THAT PREDATOR IS CRIME.

IN JUST THE TIME THAT I WILL BE TALKING TO YOU TONIGHT, SOMEWHERE IN THE UNITED STATES, AT LEAST ONE PERSON WILL BE MURDERED, 9 WOMEN WILL BE RAPED, 67 OTHER AMERICANS WILL BE ROBBED, 97 WILL BE SERIOUSLY ASSAULTED, AND 389 HOMES WILL BE BURGLARIZED.

IT'S TERRIBLY FRIGHTENING!

HERE IN NEVADA, IN THE FIRST SIX MONTHS OF 1981, CRIMINAL OFFENSES WERE UP 19 PERCENT. IN ALL, VIOLENT CRIME CLAIMED THE LIVES OF 149 OF OUR FELLOW CITIZENS LAST YEAR.

SINCE THE BEGINNING OF THIS YEAR, 15 PEOPLE HAVE LOST THEIR LIVES AT THE HANDS OF CRIMINALS. IN RENO, THREE PEOPLE WERE MURDERED IN THE LAST TEN DAYS.

JANUARY ISN'T EVEN OVER, AND WE'VE ALREADY PASSED 10 PERCENT OF LAST YEAR'S HOMICIDE RATE.

BEYOND OUR PERSONAL SAFETY, THIS RASH OF KILLINGS AND VIOLENCE REPRESENTS A VERY REAL THREAT TO OUR IMAGE AS A RESORT DESTINATION. WE SIMPLY CANNOT AFFORD THE REPUTATION OF LAWLESSNESS THAT HAS DISFIGURED THE IMAGE OF SUCH CITIES AS MIAMI AND NEW YORK.

IN THE PAST, LOCAL, STATE AND FEDERAL LAW ENFORCEMENT OFFICIALS HAVE DONE THEIR BEST TO COMBAT THIS SICKNESS IN OUR SOCIETY. THEY'VE WORKED LONG, HARD HOURS, AND I SALUTE THEIR EFFORTS.

BUT WHAT WAS MISSING -- AND WHAT IS ABSOLUTELY ESSENTIAL -- IS A UNITED FRONT IN WHICH LAW ENFORCEMENT OFFICIALS AT ALL LEVELS OF GOVERNMENT CAN WORK TOGETHER TOWARD A COMMON GOAL, WITH FULL PUBLIC COOPERATION, AND WITH A COMMON PURPOSE.

THE GOVERNOR'S TASK FORCE ON CRIME IN NEVADA IS EXAMINING THE STATE'S CRIMINAL JUSTICE SYSTEM, AND IS MAPPING OUT AN AGGRESSIVE PLAN OF ATTACK.

SINCE ITS FORMATION, THE MEMBERS HAVE DEVELOPED PROPOSALS FOR EXPANDED "SECRET WITNESS" PROGRAMS, ESTABLISHMENT OF LOCAL "9-1-1" EMERGENCY TELEPHONE CALL SYSTEMS, MANDATORY WORK PROGRAMS FOR PRISON INMATES, AND THE IDENTIFICATION OF, AND CRACKDOWN ON, CAREER CRIMINALS.

THROUGH TOUGHER SENTENCES ON THESE VICIOUS OFFENDERS, WE CAN GET THEM OFF THE STREETS, AWAY FROM YOUR FAMILY, AND BEHIND BARS WHERE THEY BELONG.

WE ALREADY HAVE ONE OF THE HIGHEST RATES OF INCARCERATION OF ANY STATE IN AMERICA -- YET, AS LAST NIGHT'S VICTIMS CAN TELL YOU, ALL THOSE THAT OUGHT TO BE LOCKED UP ARE NOT LOCKED UP.

ADULT CRIME HAS, AT ITS ROOTS, JUVENILE OFFENSES. EXPERIENCE TEACHES US THAT ONCE A CHILD BECOMES A JUVENILE OFFENDER, HE IS MUCH MORE LIKELY TO GROW INTO A STREET-HARDENED CAREER CRIMINAL.

AND SO WE MUST BE SENSITIVE TO THE NEEDS OF OUR YOUNG PEOPLE. SPECIAL ATTENTION TO JUVENILE PROGRAMS AND FACILITIES IS IMPERATIVE.

OUR TASK FORCE IS CURRENTLY DEVELOPING PLANS FOR AN ANTI-CRIME EDUCATIONAL PROGRAM IN THE SCHOOLS. AND FINALLY I ASK YOU, AS FELLOW PARENTS, TO ASSUME A GREATER RESPONSIBILITY IN THE HOME FOR INSTILLING A RESPECT FOR OUR FELLOW HUMAN BEINGS IN YOUR CHILDREN.

GOVERNMENT SPENDING

THERE IS ANOTHER AREA OF GREAT CONCERN TO NEVADANS THAT I WILL ADDRESS TONIGHT - - GOVERNMENT SPENDING.

THE DEPARTMENT OF TAXATION HAS REPORTED AN INCREASE OF ONLY 3.6 PERCENT IN SALES TAX REVENUES IN NOVEMBER, AND ONLY AN 8 PERCENT INCREASE IN SALES TAX REVENUES FOR THE FISCAL YEAR-TO-DATE. THESE FIGURES ARE BELOW PROJECTIONS, AND REFLECT THE NATIONAL ECONOMIC SLUMP. THIS MEANS LESS MONEY FOR STATE AND FOR LOCAL GOVERNMENT.

LAST WEEK, IN RENO, I WAS ASKED IF I WAS WORRIED ABOUT LOCAL GOVERNMENTS HAVING TO CUT BACK AND TIGHTEN THEIR BELTS BECAUSE REVENUES ARE DOWN.

I SAID THEN, AND I SAY AGAIN TONIGHT, THAT I'D BE MORE WORRIED IF GOVERNMENTS WEREN'T HAVING TO CUT BACK IN THESE TOUGH ECONOMIC TIMES, JUST LIKE THE REST OF US.

THE FACT THAT SALES TAX REVENUES ARE DOWN MEANS PEOPLE ARE NOT SPENDING AS MUCH AS THEY'D LIKE TO. IF ORDINARY CITIZENS HAVE TO CUT BACK, THEN I THINK GOVERNMENT SHOULD AS WELL.

THE DAYS WHEN FEDERAL, STATE AND LOCAL GOVERNMENTS FELT ENTITLED TO ALL THE MONEY THEY WANTED -- NO MATTER WHAT THE ECONOMIC CLIMATE -- ARE OVER.

THE BOTTOM LINE IS THAT LOCAL GOVERNMENTS WILL HAVE AN ESTIMATED \$61 MILLION DOLLARS LESS OF YOUR TAX DOLLARS TO SPEND FOR OPERATING AND MAINTENANCE DURING THE BIENNIUM THAN THEY OTHERWISE WOULD HAVE HAD. ALL THESE HEADLINES YOU ARE READING ABOUT LOCAL GOVERNMENTS HAVING TO CUT BACK IS BECAUSE YOU, AS TAXPAYERS, ARE PAYING LESS INTO GOVERNMENT COFFERS THAN YOU WOULD HAVE UNDER THE OLD SYSTEM.

AND THE MILLIONS OF TOURISTS WHO VISIT OUR STATE EACH YEAR ARE PAYING A GREATER SHARE.

SOME NEVADANS HAVE POINTED OUT THAT WHEN THEY MAKE A LARGE PURCHASE OF A CAR OR AN APPLIANCE, NO TOURIST WALKS UP AND PAYS A SHARE OF THE SALES TAX.

THEY'RE RIGHT, OF COURSE.

BUT, ON THE OTHER HAND, IT'S EXPECTED THAT TOURISTS WILL PAY \$105 MILLION DOLLARS IN SALES TAX THIS YEAR -- PRIMARILY FOR RESTAURANT FOOD AND BEVERAGES. THAT'S \$105 MILLION DOLLARS THAT NEVADA TAXPAYERS WON'T HAVE TO PAY OUT OF OUR POCKETS.

IT'S TOUGH HAVING TO CUT BACK, TO SET PRIORITIES, TO SOMETIMES SAY "NO." BUT IT IS ABSOLUTELY ESSENTIAL IF WE ARE TO BRING SPENDING -- AT ALL LEVELS OF GOVERNMENT -- BACK UNDER CONTROL.

MONDAY'S ISSUE OF THE WALL STREET JOURNAL, DISCUSSING THE FINANCIAL WOES THAT THE OTHER STATES ARE EXPERIENCING, POINTED OUT THAT NEVADA IS ONE OF ONLY SEVEN STATES WHERE A SURPLUS OF AT LEAST 10 PERCENT OF ANNUAL SPENDING WILL BE MAINTAINED.

THIS ISN'T HAPPENING BY ACCIDENT.

I HAVE IMPLEMENTED A FREEZE ON STATE GOVERNMENT HIRING TO HOLD DOWN SPENDING. A SIMILAR FREEZE I ORDERED IN 1980 SAVED TAXPAYERS NEARLY \$4 MILLION DOLLARS.

AND WE'RE CONTINUING THE IMPLEMENTATION OF OUR MANAGEMENT TASK FORCE RECOMMENDATIONS FOR MORE EFFICIENCY.

ONLY THROUGH SUCH ACTIONS CAN WE REMAIN AMONG THE LEAST-TAXED CITIZENS OF ANY OF THE 50 STATES. ONLY THROUGH SUCH ACTIONS CAN WE -- UNLIKE MANY OTHER STATES -- REMAIN FINANCIALLY SECURE.

I AM DETERMINED THAT NEVADA WILL REMAIN ONE SOUND STATE.

OTHER GOALS

IN ADDITION TO THESE UNDERTAKINGS, OUR AGENDA FOR THE FUTURE ALSO INCLUDES:

- THE REPAIR AND RENOVATION OF THE STATE'S 5,000-MILE HIGHWAY SYSTEM, INCLUDING CONSTRUCTION OF THREE PROJECTS TOTALLING \$35 MILLION DOLLARS, ON INTERSTATE 515 IN LAS VEGAS,
- AN OBLIGATION TO PROVIDE BENEFITS TO CASINO DEALERS AND OTHER WORKERS BASED ON THEIR TOTAL DECLARED INCOME,
- DEVELOPMENT OF NEW AND EXPANDED PARK FACILITIES THROUGHOUT THE STATE,

- CONTINUED EFFORTS TO IMPROVE THE SECURITY AND CONTROL WITHIN OUR PRISON SYSTEM,
- A GREATER ROLE FOR STATE GOVERNMENT IN FINDING SOLUTIONS FOR RISING HEALTH CARE COSTS, AND IN THE EXPANSION OF NEVADA'S SENIOR CENTERS AND NUTRITION PROGRAMS.

VOLUNTEERISM

INTERWOVEN WITHIN ALL OF THESE GOALS WILL BE A GREATER EMPHASIS ON RELIANCE ON VOLUNTARY EFFORTS AND THE PERSONAL INVOLVEMENT OF OUR CITIZENS.

GOVERNMENT ALONE CAN, AND SHOULD, DO ONLY SO MUCH. AND THAT IS WHY COMMUNITY SERVICE ORGANIZATIONS AND INDIVIDUAL ASSISTANCE PROGRAMS ARE SUPPORTED BY VOLUNTEERS -- MEN AND WOMEN WHO GIVE BECAUSE THEY CARE. THAT'S THE REASON I TOOK TIME OUT TODAY TO HAVE LUNCH WITH A GROUP OF CAMP FIRE GIRLS AND THEIR LEADERS.

THEY, AND THOUSANDS OF INDIVIDUALS LIKE THEM ACROSS NEVADA DO MORE THAN GOVERNMENT CAN EVER DO. IN THESE TIMES, VOLUNTEERISM WILL TAKE ON AN EVEN MORE SIGNIFICANCE.

CONCLUSION

MY MESSAGE TONIGHT IS ONE OF PRIDE IN WHAT TOGETHER, THE PEOPLE AND GOVERNMENT OF OUR STATE HAVE ACCOMPLISHED, AND ONE OF DETERMINATION THAT TOGETHER WE WILL WEATHER THESE DIFFICULT NATIONAL TIMES.

EACH OF US MUST ASK OURSELVES WHAT KIND OF STATE WE WANT NEVADA TO BE.

MY DREAM FOR NEVADA'S FUTURE IS A STATE:

-- WHERE ALL FAMILIES ENJOY THE FREEDOM OF FULL EMPLOYMENT; WHERE A REGULAR PAYCHECK MEANS HAVING THE MONEY TO AFFORD THE ESSENTIALS -- AND ALSO A NICE EVENING OUT NOW AND THEN, A SPECIAL BIRTHDAY PRESENT, A FISHING ROD, OR A BOWLING BALL, A WEEKEND FAMILY TRIP, OR THE MONEY TO SAVE TO PUT OUR KIDS THROUGH COLLEGE;

-- A STATE FILLED WITH OPPORTUNITY -- WHERE OUR CHILDREN CAN GROW UP TO BE WHAT THEY WANT TO BE -- WHERE THEY CAN EXCELL IN BUSINESS, INDUSTRY OR SCIENCE;

- A STATE WHERE THE CITIZENS NO LONGER FEAR THE NIGHTMARE OF VIOLENT CRIME;
- A STATE WITH CLEAN AIR AND CLEAN WATER, A PLACE WE'RE PROUD TO SHOW OUR FRIENDS AND VISITORS; A PLACE WHERE WE CAN ENJOY THE GREAT OUTDOORS;
- A STATE WITH COMMUNITIES WHERE WE CAN SOMEDAY RETIRE AND ENJOY THE BENEFITS WE HAVE WORKED FOR;

A STATE WHERE GOVERNMENT PROTECTS THOSE DREAMS,
WITHOUT BECOMING A BURDEN TO THE TAXPAYER.

THOSE ARE SOME OF MY DREAMS FOR THE FUTURE.

AND SO I CLOSE TONIGHT, AS I DID MY FIRST INAUGURAL ADDRESS THREE YEARS AGO -- WITH A CALL FOR ACTION, A CALL FOR UNITY, A CALL FOR COMMITMENT, AND MOST IMPORTANTLY, A CALL FOR THE OPTIMISM SO ESSENTIAL TO ACHIEVE THE DREAMS WE SHARE.

WHEN TIMES ARE TOUGH, NATIONS AND STATES AND PEOPLE MUST LOOK WITHIN THEMSELVES FOR THE INNER-STRENGTH, THE GRIT AND DETERMINATION TO MEET THE CHALLENGES:

THAT IS THE SPIRIT THAT HAS LONG CHARACTERIZED THE PEOPLE
OF THIS STATE.

THAT IS THE SPIRIT I CALL UPON TONIGHT.

OUR DESTINY REMAINS IN OUR OWN HANDS. TOGETHER WE CAN
MAKE IT A BRIGHT DESTINY.

THANK YOU AND GOOD NIGHT.