

SHELDON'S FAREWELL MESSAGE

Advice He Has to Offer to New Lawmakers Regarding Many Matters of State Wide Interest.

Governor Sheldon's farewell message to the legislature was a lengthy document, covering many subjects of state policy and legislation. Chief among the topics touched on which will attract more than ordinary attention are his recommendations relating to taxation, the revision of the state primary law and liquor legislation. The portions of his message on these topics are quoted herewith. Other recommendations and comments he makes are as follows.

That the governor be given discretion to refuse to review applications for pardon or commutation of sentence.

That an indeterminate sentence law be passed by the legislature and a board of pardons be established by an amendment to the constitution.

That a plant be established at the penitentiary to manufacture goods used by the various state institutions.

That the state institutions be in good condition and great improvements have been made during the last few years.

That the state carry its own insurance wherever suitable fire protection has been provided.

Commending the National Guard as deserving of the most loyal support by the citizens of the state.

Deploping that there are not better militia companies in Lincoln and Omaha and pointing out lack of means is the cause of inefficiency.

That the state build armories in those cities which are maintaining militia companies.

That officers of militia companies be appointed by the governor after a competitive examination.

Calling attention to the fact he has appointed a commission on the conservation of natural resources, to serve without pay and to report to the governor.

That the legislature make provision so that Nebraska can be represented at the Alaska-Yukon exposition.

That the state fair grounds be equipped as speedily as possible with permanent buildings.

Commending the National Corn exposition as a credit to the commonwealth and praising the Nebraska exhibits.

Reporting that the silver service donated by the state to the battleship Nebraska had been presented at San Francisco June 8.

Recommending the legislature appropriate \$15,000 to apply on the cost of a monument to Abraham Lincoln on the capitol grounds.

Calling attention to the necessity of re-organizing and improving some portions of the capitol, more particularly the basement.

Concurring in the recommendation of the state veterinarian that a live stock sanitary commission be established.

Recommending an appropriation sufficient to enable the state authorities to maintain a live stock quarantine where needed.

Favoring an appropriation to enable the experiment station to make investigations for the cure and prevention of hog cholera.

Favoring means be provided for the establishment of a bacteriological laboratory.

Public Education. Recommending liberal appropriations for the training of teachers in the state university and normal schools.

Favoring an appropriation of at least \$20,000 to further junior normal work.

Favoring an appropriation to assist weak school districts.

Directing attention to the fact that the increased value of assessment property will curtail normal growth of the state university and provide means for increasing the salaries of some professors.

Favoring an increase in the size of the university campus so that an athletic field and a place for cadets to drill can be provided.

Favoring appropriation for agricultural experiment work.

The establishment of additional experiment stations, one to be in the sand hills district, another in the extreme western part of the state and another in the irrigated section.

That in grazing counties the county board or the people might require that crop land be fenced instead of grazing lands.

Reduction in State Debt. There was a greater reduction in the state debt during the last biennium than ever before. On November 30, 1906, there were warrants outstanding against the general fund amounting to \$1,916,671.13. On November 30, 1908, this had been reduced to \$768,620.72. The reduction in 1907 amounted to \$531,006.69, and in 1908 the reduction was \$1,154,949.55.

The 1-mill levy, provided by law to reduce the debt, produced during the biennium, \$636,123.55. Therefore, the levy which was made for the general fund produced \$511,916.74 more than was necessary for the general expenses of the state government, and that amount was applied on the payment of the debt. The levy for general purposes during the biennium was 5 mills, the same as in previous years.

Calling attention to the report of the commissioner of public lands and buildings to the effect the permanent school fund should be reimbursed \$225,587.50 and showing there is in all about \$5,290,000 of trust funds in the permanent school fund.

Recommending a change in the law for the securing of public funds, so that first mortgages on real estate or other securities of equal value may be used as security.

New Savings Bank Law. Calling attention to the need in this state for a law that will encourage the establishment of private savings banks. The conditions are such in most of the smaller towns of the state that a savings bank of itself will not pay, and consequently none are established. Two plans are suggested: Either the enactment of mutual savings banks with the privilege of having branches in various parts of the state, or a law authorizing and providing for the establishment in commercial banks of a savings department, but requiring the business to be kept separate and distinct.

That legislation be enacted providing

for publicity of county funds and the interest paid thereon.

Taxation. The state board of equalization under the administration has endeavored, so far as it was possible, to make the assessments of property uniform so that each class of property should bear its just proportion of the burdens of taxation.

To this end, the Union Pacific Railroad property, in 1907, was increased 25 per cent. Increases were made on other railroad property. Altogether the assessed value of railroad property in 1907 and 1908 was increased by the board, \$5,654,441.

Any one who has given the question of railroad assessment much consideration, and has familiarized himself with the facts, must realize that the railroad companies are, comparatively speaking, not equitably assessed. Some of the roads whose earnings are small are probably assessed at a higher value than some of the other and greater railroads whose earnings are much larger. However, these inequalities must necessarily continue to exist until the railroad companies fall out with each other. At present there is an apparent disposition among the railroad companies to stand together and not give information concerning another company that would be helpful to the board of equalization.

In 1907 the lands of this state were assessed at approximately \$146,000,000, an increase of \$55,700,000. This increase was brought about from the fact that lands had not been assessed since the year 1901, and because since that time there has been a great increase in the value of lands throughout the state.

Difference in Valuation. When the assessment of lands was returned to the state board of equalization, this year, it was apparent that county assessors had not used the same measure of value. The board endeavored to correct that condition and perform its duty as the law requires.

It is the duty of the board of equalization to equalize all classes of property so that the burden of taxation may be equally shared.

The first essential in a just system of taxation is to provide means for a uniform assessment. No class of tax payers will complain of their assessment if the property is assessed uniformly throughout the state.

The question of taxation is not an easy one. But anyone familiar with the history of the assessment of property of this state during the last ten years knows that the property at the present time is by far more uniformly assessed than it was under the old revenue act.

It is true that it is difficult for the board of equalization to do justice in all instances, because no one can have knowledge of the actual value of all the property in all parts of the state.

The board of equalization is composed of officers elected by the people of the state. There need be no fear that such a board will deliberately and intentionally do an injustice to the taxpayers in any portion of the state.

Powers of State Board. The board should not be deprived of the right to lower any class of property or all classes of property returned for a county. Neither should the board be deprived of the right to raise all the property or any class of property of a county when, compared with other counties, such property has been under-valued.

When the revenue law was first enacted, the board could raise the lower assessment of the property within a county, but it did not have the right to raise or lower any particular class. Experience demonstrated that it was necessary to change the law, and experience has also demonstrated that this change was a wise one. The law in this respect should be left alone. There is no necessity for any change in the law in this particular.

So far as the assessment of land is concerned, it is a matter of common knowledge that the per cent of increase in the assessment of land values in 1908, with the exception of some parts of the sand hills district, increased from the east to the west. It is also a matter of common knowledge that the lands in the eastern part are assessed at more nearly their actual value than they are in the western part of the state. There should be no complaint that such is the case because the people in the western part of the state are still in that period of development when many sacrifices must necessarily be made, a good many of which are for the welfare of the whole state.

Assessment of Railroads. So far as the lands and the railroads are concerned, I am firmly of the opinion that the railroads, with the exception of the Union Pacific Railroad company, are assessed as high in proportion to their actual value as are the farm lands of this state. I believe the assessment of the Union Pacific Railroad company should be still further increased, in justice to the other taxpayers of this state, and have so maintained while acting as a member of the assessment board.

So far as the election of assessors by precinct is concerned, that is a different matter, and to that I have no objection if you deem it wise to make the change. If any amendments to the revenue law are made, the object should be to secure, if possible, a more just and equitable system of taxation.

A glance at the grand assessment rolls of this state will convince anyone that it is more necessary to devise ways and means whereby the owners of personal property may pay more nearly their proportion of the taxes than to make amendments which will restrict and curtail the hands of the board of equalization.

In 1906 the personal property of this state, other than railroad and private car service, was \$75,062,000; in 1907, \$83,186,000, and in 1908, \$82,538,000.

Anyone who is familiar with the conditions in this state knows that the actual value of personal property in 1908 was greater than it was in 1907, yet the grand assessment rolls show a decrease of \$593,000.

The holders of the invisible personal property evidently have discovered various ways of concealing their property. When the new revenue act was passed in 1903, and first went into force, there was

a great increase in the assessment of personal property. It is well worth your while and attention to make the same manner and methods the personal property owners are employing to conceal their property from assessment, and to amend the law, if need be, so that such action can be prevented.

Record of Legislation of 1907. I am pleased to inform you the railway commission estimates that shippers and passengers of this state have been saved \$6,000,000 as a result of legislation passed by the last legislature, reducing passenger fares to 2 cents a mile; express rates 25 per cent, and freight rates, on grain, live stock, fruit, lumber and coal, and other commodities in carload lots, 15 per cent.

Experience has demonstrated that the terminal taxation law which was passed by the last legislature has provided a more equitable system of taxation, and on the whole has been beneficial to the taxpayers residing in the cities and villages.

The last legislature also passed an act to control lobbying, which has had the effect of abolishing legislation; abolished the free pass evil by enacting an anti-pass law; enacted a state-wide primary law, requiring political parties to nominate their candidates by direct vote of the people, and gave the railway commission power to put an end to rebates and discriminations in transportation, to make and to fix rates, and to control them properly in all particulars. Telephone, telegraph, express and street railway companies were also placed under the control of the railway commission.

That legislature passed a pure food law and an employers' liability act. It enacted laws providing for neglected children; provided for free high school privileges for normal training in high schools and assistance for weak school districts; prohibited pooling by bridge contractors; and provided a way to remove officers for willful neglect of duty and failure to enforce laws.

Primary Law. The primary law should not be repealed but in some particulars should be amended. Provisions should be made for a rotated ballot. The precinct-committee should be selected by the voters at the primaries instead of being appointed by the county candidates, as now provided.

There should be a different provision than that now continued in the law regarding platform conventions. Now each county is entitled to one delegate. This is not representative. The object of this change in the platform convention is to have the platform convention held in the county instead of being appointed by the county candidates, as now provided.

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SHALLENBERGER'S FIRST MESSAGE

Urges Passage of Bank Guarantee Law and Makes Other Recommendations and Suggestions.

Following is the principal subjects touched upon by Governor Shallenberger in his first message to the Nebraska legislature:

To the senate and house of representatives of the thirty-first session of the Nebraska legislature: I congratulate you upon being called to serve in your legislative capacity at a time when the state is enjoying general prosperity. Nature has been kind and her yield bountiful. Our people are industrious and the demand and prices for their products satisfactory. Our population is not dense, but the state is well settled and millions of people dwell within our borders. A study of the records of our bureau of statistics will show how marvelous have been the achievements of these latter years. So rich our soil, so matchless our climate, so wonderful the industry of our people that here upon Nebraska soil, American civilization in its highest development piles up each year a larger surplus of useful products than a like number of people can produce upon any other spot on earth.

With a clearness of vision and understanding as to the purposes and possibilities of legislative enactment, a steadfast and successful people will not expect of you impossible things or unreasonable laws. Having swung year after year, great riches from a generous soil, they now know that they can compel prosperity to abide with them always. They will however, expect of the party, whose members control this senate and house, the specific legislation which will be the platform upon which you were elected.

Governor Sheldon has detailed to you the result of his administration of state affairs, and you have listened to his recommendations. I urge that you give earnest and careful consideration to all that he has said.

I shall briefly call your attention to legislation, the prospect and hope of which, in my opinion, has brought about this change in the control of the executive and legislative departments of state government. It is first to be noted that no new or radical legislation is asked for. Every suggestion is but to amend, correct, or improve some existing law.

As a general rule, we already have too many laws numbering our statute books. Many are good, some imperfect, a few bad. The good should be retained, the imperfect cured, the bad repealed. What is needed, in my judgment, is an honest and fearless enforcement of the laws that we now have, rather than a constant cry for new laws, and new laws as an excuse for inaction and delay.

The matters to which I wish to call your special attention are not numerous, but I believe them to be important. I shall present them to you under separate heads.

Suggestions as to Improvements in our Banking Law. Andrew Carnegie has said, "America has the worst banking system in the world." I scarcely think that will warrant such a statement, but it will warrant the opinion that we have not the best system that it is possible for us to obtain and nothing but the best should be good enough for the people of Nebraska. Our present law is very much in advance in all that pertains to safe and proper banking to the law which preceded it. No one will venture to maintain that the one now in force, is perfect, therefore, we are warranted in asking for still further improvement. The primary purpose for the establishment of banks so far as the public is concerned, is first that the people shall have a safe place to deposit their money, and second that those who need them may conveniently obtain funds upon proper security after the money shall have been gathered together by the banking corporation.

The ideal system of banking will guarantee to depositors the absolute certainty of the return of their deposits, when the need of them arises. The greatest possible volume of loanable funds in banks for the needs of business. The state and nation should see to it that every safeguard shall be provided for the security of the depositor since they permit and authorize the receiving of deposits under the sanction of a charter granted by the state.

From time to time, these guarantees have been increased until losses to depositors are almost unknown. The report of the comptroller of the currency for 1908 shows that a tax of one twenty-sixth of one per cent levied upon the deposits in national banks during the forty-five years that that system has been in existence would have raised a sufficient sum so that no person, who had trusted his money to a national bank, would have lost a cent.

A study of the figures of our own state banking department shows even a more satisfactory condition. During the last eight years, has the law provided for a complete report from receivers of failed banks. During this period a tax of less than one-thirtieth of one per cent levied upon the deposits in our state banks would have raised a sum sufficient to have insured every depositor against any possible loss.

With these facts before us, I do not hesitate to say that it is a reflection upon our American civilization and business methods to not to establish an insurance guaranty fund and banking law, which will make every dollar deposited in a Nebraska bank absolutely sure of being returned to its lawful owner upon demand. Certain deposits are now secured in state and national banks by safe guards in addition to the guarantees which the law exacts of the banks to protect his individual depositor. The country, the state and the nation have found by experience that the security which the law provides for the ordinary depositor are at times insufficient and therefore required that the banks shall at their own expense deposit bonds as additional security to protect them against any possibility of loss.

I believe that the desired security can be obtained by levying a light tax upon the capital stock of each bank transacting business under our laws, thus providing a guaranty fund to pay promptly any possible loss to a depositor by reason of the failure of a state bank. The amount

of such tax to be a certain per cent of the average deposits as shown by the reports of the department of banking and payment to be made at stated periods and for a fixed amount.

Our state department of banking has a complete record for the past eight years showing the result of receiverships of insolvent state banks. This record shows that since 1900 a total deposit of \$515,242.43 has been placed in jeopardy by reason of the failure of state banks. From the assets of these insolvent institutions depositors claims have been liquidated until the balance unpaid for the entire period of eight years is \$198,255.23 or an average annual loss of about \$25,000.00 to depositors. Creditable as this showing is, I feel quite certain that with a number of improvements which can be made in our present law, the percentage of loss will still be materially reduced. The minimum capital required for the incorporation of a state bank should be increased to at least \$15,000.00. Bank examinations should be made twice a year instead of once as now required. Examiners should be assigned to a certain territory and thus eventually would become familiar with conditions and securities in that locality and would acquire the necessary knowledge as to the worth of the bills receivable of the banks which they would examine, which is the essential thing in determining the solvency of any banking corporation.

Under a guaranty plan which would make the banks of the state sustain the losses of the entire system, the bankers should be given a share in the control of the department. The present banking board, which is composed of three officers elected for an entirely different purpose, should be abolished and a non-partisan board established to be composed of three members appointed by the governor each of its members to have had at least five years' practical experience in banking and at least two of them to be actively engaged in that business at the time of their appointment. A bank commissioner should be appointed by the governor with the approval of the banking board, who should have had an experience in the banking business equivalent to that required of a member of the board, and he should select the necessary number of examiners with the approval of the board of control. The banking board should sit in session at Lincoln at stated periods and be paid for the actual time in session. They should have complete control of the issuance of charters and the general administration of the banking laws. It has been urged by critics of the guaranty of deposits plan that it would lead to the establishment of too many banks. This would be a serious objection if such were the result. It would greatly strengthen our banking system if the banking board were empowered to exercise a proper censorship over the issuance of bank charters.

The possibilities of profit to be made in taking other people's money on deposit, looking it to the public and keeping the interest thereon is so alluring that at times the number of banks increase more rapidly than the needs of business require with consequent overloading, hazardous risks, extravagance in buildings and expenses with the result that in lean years failures occur and innocent people suffer. The overissuance of charters can be in a great measure overcome by increased requirements as to the amount of capital stock necessary to be paid in by the stock holders before a charter shall be issued. The amount required in each instance should bear a proper proportion to the population of the town or city in which the bank is to be established. As an example, showing the manner in which requirements as to capital affect the number of bank charters issued, 3,542 national banks have been organized since 1900 when the requirements of capital stock was placed at \$25,000.00 as a minimum. This is 352 more banks than the entire number in existence when the law was changed in that respect. The reduction of the minimum capital stock requirement to \$25,000.00 has doubled the number of national banks in eight years. A substantial increase in the amount required as a minimum capital for the establishment of state banks would have a salutary effect in keeping the number of banks within a satisfactory limit and also provide greater security to the depositors.

As to the amount of assessment to be levied in order to provide an adequate fund for the prompt payment of deposits of insolvent banks, I would suggest that one-fourth of one per cent be levied upon the deposits as shown at the last statement published prior to the commencement of the operation of the law, and this assessment to be followed with additional levies in like amount at periods of six, twelve, and eighteen months thereafter. After the accumulation of a guaranty fund equal to one per cent of the average deposits in the guaranteed banks, an annual tax of one-tenth of one per cent should be levied, because it is necessary under a proper system of insurance that the prosperous years should pile up a surplus fund to provide for the inevitable demands of less fortunate times. As an additional security against any possible emergency, such as extraordinary demands upon the fund the board should be empowered to levy an assessment of not to exceed two per cent of the average deposits in any one year. While this assessment might never be levied, the power to use it would have a sustaining effect in times of possible panics. Such provisions would result in accumulating in eighteen months with the average of deposits remaining in state banks as at present a guaranty fund of \$42,351.00. This would be \$127,097.00 more than the entire amount of deposits involved in bank failures in this state in the last nine years. It is three times the amount that would have been necessary to have paid upon demand all the money due depositors in failed banks during the years with the heaviest failures of any in the past decade. It is seven times as much as would have been required to pay immediately all of the deposits in state banks during any one of the last seven years. With the additional amount that would be contributed to such a guaranty fund during the

Contagious Diseases. A contagious disease is one in which the disease-producing organism goes direct from the person having the disease to a person who has not the disease without passing through an intermediary medium, as in tuberculosis for example. Malaria, on the other hand, is an infectious disease, because the organism which produces it is taken from a person by a mosquito, reproduces itself in the mosquito and is transmitted by the mosquito which may never have been in contact with

the person by whom the original organism was given off.

Honor Conferred on American. Rev. Dr. John H. DeForest, a veteran Congregational missionary at Sendaya, Japan, has been decorated by the imperial government with the Order of the Rising Sun, the distinction having been conferred in recognition of his services in dispelling anti-miscegenation among Americans. Dr. DeForest has been doing mission work in Japan for 35 years.

Doctor (to man who has fallen)—You need a strong punch of some kind. Mr. Flynn (an old enemy)—Let me give it to him, doc!

DREADFUL DANDRUFF. Girl's Head Encrusted—Feared Loss of All Her Hair—Baby Had Milk-Crust—Missionary's Wife Made Two Perfect Cures by Cuticura.

"For several years my husband was a missionary in the Southwest. Every one in that high and dry atmosphere has more or less trouble with dandruff and my daughter's scalp became so encrusted with it that I was alarmed for fear she would lose all her hair. After trying various remedies, in desperation I bought a cake of Cuticura Soap and a box of Cuticura Ointment. They left the scalp beautifully clean and free from dandruff, and I am happy to say that the Cuticura Remedies were a complete success. I have also used successfully the Cuticura Remedies for so-called 'milk-crust' on baby's head. Cuticura is a blessing. Mrs. J. A. Darling, 310 Fifth St., Carthage, Ohio, Jan. 20, 1908."

Opposed to Toll Roads. Maryland, following the recent lead of Pennsylvania, is moving to abolish toll roads. Gov. Crothers has expressed the hope that before his term is ended every tollgate in the state will be abolished and every road free. He believes that the work of the good roads commission will ultimately result in wiping out the gates. "The tollgate," says the governor, "is not of this age and has no proper place in this time. It is ridiculous to think of charging people money for coming to your city."

BREAKS A COLD PROMPTLY. The following formula is a never failing remedy for colds: One ounce of Compound Syrup of Sarsaparilla, one ounce Toris Compound and one-half pint of good whiskey, mix and shake thoroughly each time and use in doses of a tablespoonful every four hours. This if followed up will cure an acute cold in 24 hours. The ingredients can be gotten at any drug store.

Valuable Couch Shells. The couch shell is highly prized in India. In many of the temples they are blown daily to scare away the malignant spirits while the god receives his daily meal. A couch with the spiral twistings to the right instead of to the left is supposed to be worth its weight in gold. Some years ago a couch of that description was offered for sale in Calcutta, with a reserve price of a lakh of rupees placed on it. It was eventually bought in for \$20,000.

The Disturbing Telephone. "The telephone has destroyed all the privacy of society," said the society girl. "It breaks in on everything. Nothing is sacred to it. You may be saying your prayers. The telephone or in the midst of your bath. The telephone. Or doing up your back hair, or, worst of all, a delightful man may be making love to you, when k-l-i-n-g, k-l-i-n-g! The telephone breaks off the thread of his theme and he fails to resume it."

Rather Hard. The messenger entered the palace with the dispatches. "Brimstone and asphalt!" ejaculated Castro, as he read the yellow slip. "Holland threatens to spank us." "Well, what of it, your excellency?" responded the secretary. "Other nations have threatened to do the same." "Yes, but, confound it, this is a spanking that will hurt. The Dutch wear wooden shoes."

ROSY AND PLUMP. Good Health from Right Food. "It's not a new food to me," remarked a Va. man, in speaking of Grape-Nuts. "About twelve months ago my wife was in very bad health, could not keep anything on her stomach. The Doctor recommended milk half water but it was not sufficiently nourishing. "A friend of mine told me one day to try Grape-Nuts and cream. The result was really marvelous. My wife soon regained her usual strength and to-day is as rosy and plump as when a girl of sixteen. "These are plain facts and nothing I could say in praise of Grape-Nuts would exaggerate in the least the value of this good food."

Ever read the above letter? A new one appears from time to time. They are genuine, true, and full of human interest.

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I believe that the desired security can be obtained by levying a light tax upon the capital stock of each bank transacting business under our laws, thus providing a guaranty fund to pay promptly any possible loss to a depositor by reason of the failure of a state bank. The amount

of such tax to be a certain per cent of the average deposits as shown by the reports of the department of banking and payment to be made at stated periods and for a fixed amount.

Our state department of banking has a complete record for the past eight years showing the result of receiverships of insolvent state banks. This record shows that since 1900 a total deposit of \$515,242.43 has been placed in jeopardy by reason of the failure of state banks. From the assets of these insolvent institutions depositors claims have been liquidated until the balance unpaid for the entire period of eight years is \$198,255.23 or an average annual loss of about \$25,000.00 to depositors. Creditable as this showing is, I feel quite certain that with a number of improvements which can be made in our present law, the percentage of loss will still be materially reduced. The minimum capital required for the incorporation of a state bank should be increased to at least \$15,000.00. Bank examinations should be made twice a year instead of once as now required. Examiners should be assigned to a certain territory and thus eventually would become familiar with conditions and securities in that locality and would acquire the necessary knowledge as to the worth of the bills receivable of the banks which they would examine, which is the essential thing in determining the solvency of any banking corporation.

Under a guaranty plan which would make the banks of the state sustain the losses of the entire system, the bankers should be given a share in the control of the department. The present banking board, which is composed of three officers elected for an entirely different purpose, should be abolished and a non-partisan board established to be composed of three members appointed by the governor each of its members to have had at least five years' practical experience in banking and at least two of them to be actively engaged in that business at the time of their appointment. A bank commissioner should be appointed by the governor with the approval of the banking board, who should have had an experience in the banking business equivalent to that required of a member of the board, and he should select the necessary number of examiners with the approval of the board of control. The banking board should sit in session at Lincoln at stated periods and be paid for the actual time in session. They should have complete control of the issuance of charters and the general administration of the banking laws. It has been urged by critics of the guaranty of deposits plan that it would lead to the establishment of too many banks. This would be a serious objection if such were the result. It would greatly strengthen our banking system if the banking board were empowered to exercise a proper censorship over the issuance of bank charters.

The possibilities of profit to be made in taking other people's money on deposit, looking it to the public and keeping the interest thereon is so alluring that at times the number of banks increase more rapidly than the needs of business require with consequent overloading, hazardous risks, extravagance in buildings and expenses with the result that in lean years failures occur and innocent people suffer. The overissuance of charters can be in a great measure overcome by increased requirements as to the amount of capital stock necessary to be paid in by the stock holders before a charter shall be issued. The amount required in each instance should bear a proper proportion to the population of the town or city in which the bank is to be established. As an example, showing the manner in which requirements as to capital affect the number of bank charters issued, 3,542 national banks have been organized since 1900 when the requirements of capital stock was placed at \$25,000.00 as a minimum. This is 352 more banks than the entire number in existence when the law was changed in that respect. The reduction of the minimum capital stock requirement to \$25,000.00 has doubled the number of national