

# 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 to 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 has 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 are in good condition and great improvements have been made during the last few years.

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

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

Deplored 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 repairing 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 \$30,000 to further junior normal work.

Favoring an appropriation to assist weak school districts.

Directing attention to the fact that the increased valuation of assessment property will care for the 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, 1908, there were warrants outstanding against the general fund amounting to \$1,916,671.13. On November 30, 1909, this had been reduced to \$768,630.72. The reduction in 1907 amounted to \$531,606.69, and in 1908 the reduction was \$1,185,064.59, making a total reduction of \$2,148,040.59.

The 1-mill levy, provided by law to reduce the debt, produced during the biennium, \$636,123.85. Therefore, the levy which was made for the general fund produced \$211,916.74 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 8 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 \$525,875.50 and showing there is in all about \$5,230,000 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 this 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 1904, 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 that board could raise or lower all 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 the 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 tie the hands of the board of equalization.

In 1906 the personal property of this state, other than railroad and private car service, was \$75,055,000; in 1907, \$83,188,000, and in 1908, \$82,593,000.

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 \$928,000.

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 put into force, there was

a great increase in the assessment of personal property. It is well worth your while and attention to find out what 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 saved \$5,000,000 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 and to prevent corrupt practices affecting legislation; abolished the free pass bill 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 employees' 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 members 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. Another objection is that the platform convention is not held until after the primaries. A party platform should be promulgated before the candidates are nominated. Provisions should be made so that the platform convention shall be held before the primaries or the matter of platform-making left to the candidates nominated by the respective parties.

**Sterilization of Delinquents.**

Those dependent upon the state have been increasing year by year, and more particularly the insane and convicts. This is a matter for exceedingly serious consideration.

Society is justified in adopting such policies, and in carrying them out against individuals, as will in the long run tend to help elevate and perpetuate the human race. Careless and ill-advised marriages have had a great deal to do in increasing the dependent classes and in producing untold misery. I therefore recommend for your earnest consideration a change in our marriage laws so that it will be impossible for any man or woman to marry until a certificate from a physician licensed to practice in this state has been presented, containing a statement that their health is good and that they are capable of producing healthy offspring. Those who are a burden upon society should not be permitted to reproduce themselves.

In order to prevent the confirmed criminal and the incurable insane from producing offspring I suggest that you give careful consideration to the necessity of passing a law providing for the sterilization of that class of people.

**Regulation of Liquor Traffic.**

In my opinion the time has come for advanced legislation to better regulate and control the liquor traffic. At the present time there is no political party which publicly will "stand pat" on the Slocumb law. The demands of the hour call for legislation to control and regulate this traffic in accordance with the present conditions and needs of the state. This question should not be permitted to drag along until legislation is enacted that will satisfy the law the extremists. In that event the legislation will probably be that which a minority rather than a majority approve. Experience in the enforcement of the liquor laws demonstrates that it is difficult to enforce these laws in any community where public sentiment is against such action.

The saloon as it now exists is indefensible. It breaks our laws, corrupts our politics, degrades our men and fills our prisons and asylums.

This question must be met in a practical way. After careful consideration I have come to the conclusion that the proper thing to do at this time is to pass a state-wide prohibition act, making provision so that any municipality may suspend such an act by a three-fifths vote, and in such instances to have liquor dispensed as may be provided by law. This will put the burden upon those who desire to make a profit out of the saloon business, rather than upon the people of the state who desire the saloons abolished. I therefore recommend that you pass such an act and that you also submit to the people of this state a constitutional amendment embodying such provisions.

**The Anti-Treat Law.**

In the early part of my administration I was requested by numerous petitions to enforce the anti-treat law. To such I replied that I stood ready to do all in my power to enforce that law, but that nothing could be done unless those who had knowledge of its violation would themselves take the initiative in securing the evidence, presenting it to the prosecuting attorney and standing behind the complaints.

This particular section of the Slocumb law has become obsolete and is a dead letter. If it could be enforced it would be one of the best possible measures to prevent intemperance that could be proposed.

Therefore, I recommend that you amend this particular section, known as Section 31 of the Compiled Statutes, so that the authorities who grant the saloon licenses will be compelled to revoke a license whenever any person drinks liquor in a saloon that he has not himself paid for.

# 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, probably less than one and one-half 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 wrong 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 the house, the specific legislation pledged in 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. Innumerable our statute books. Many are good, some imperfect, a few bad. The good should be left alone, 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 the facts warrant such a statement, but will venture 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 every dollar deposited, and this will insure 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 guaranties have been increased until losses to depositors are rare indeed. 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. Only 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 longer fail to provide 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 guaranties which the law exacts of the banker to protect his individual depositor. The county, the state and the nation having found by experience that the securities 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 \$517,384.24 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 \$198,235.23 or an average annual loss of about \$24,000.00 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 can 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, loaning it to the public and seeing the interest thereon is so alluring that at times the number of banks increase more rapidly than the needs of business require with consequent overloaning, 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 issue. 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, 2,942 national banks have been organized since 1900 when the requirements of capital stock was reduced to \$25,000.00 but 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 depositors 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 extra ordinary 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 \$642,351.00. 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 tied up 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

years when no failures would occur and added to this the power to raise in any one year by extraordinary assessment six times as much as has been placed in jeopardy during the worst year that we have experienced since the present law was established. It is my judgment that such a system would be a rock of refuge for the banks and for the people in the fiercest financial storms that may come.

I desire at this time to congratulate and commend the management of our present banking department for the splendid results it has secured under the present law. It is the showing of exceedingly small losses sustained under our present management and system which gives us confidence to believe that with improvements in our laws as to capitalization, management and control a still better showing can be accomplished. The proposed guaranty fund under such a system as has been suggested should be deposited with the state banks under regulations similar to our present state depository law or with such additional security as the legislature may require. The proposed law should provide that national banks may avail themselves of the advantages and protection of the guaranty fund under suitable provisions and satisfactory showing as to the condition of such banks to the banking board.

The banking board should be empowered to fix the rate of interest to be paid depositors by banking corporations operating under the guaranty of deposits law, or if this be thought too great a power to confer upon them, the rate should be fixed in the statute by the legislature.

**Revenue Law.**

Our present revenue law should be amended in so far as is necessary to restore to the people the right to elect the precinct assessors and to limit in part at least the arbitrary powers which the present law gives to the state board of equalization and assessment, so that the people shall have restored to them some voice in determining the amount of taxes they shall be compelled to pay to support the state government. It appears to me too great a gift of power to give to the state and county boards the right to determine the amount of the levy which shall be laid upon the property of the citizen and at the same time empower the state board to determine through its mandates to the county assessors and his deputies the valuation that shall be placed upon the property of the tax payers. When we consider that the members of this all powerful board of assessment act in their official capacity as the heads of different state departments are authorized to spend the money taken from the pockets of the people by the force of this same revenue law, the danger lurking in this excess of power becomes more apparent. It is to be remarked that different state departments have commended the present law because it provides much money for their use. It is generally to be noted that those who pay out money which others must pay in, view the magnitude of the amount to be expended with greater equanimity than those who have to provide it. The cost of our state government has increased enormously in recent years. I wish to impress upon you that funds should be provided to meet every legitimate demand of the government, our different state institutions and our school, but every dollar that comes out of the treasury must have been paid in by some tax payer and the great bulk of the state's income is dug out of the soil by the unremitting toil of those who can ill afford to pay for extravagance or unnecessary expense.

**The Primary Law.**

Our present primary law is unsatisfactory and unfair in many of its provisions. The expense to the state in holding a state wide primary is enormous, and unless the election results in registering the will of the party majority of those voting and placing better candidates before the people than the convention method, the benefits of the law cannot be said to warrant its cost. Under the present law, the accidental alphabetical position of the candidates named upon the ballot is at times more potent in obtaining nominations than merit or ability. The number of names required upon the petition of a candidate for a state office, is grossly insufficient. The cost of elections both to the candidates and the state is greatly increased. It is doubtful if the average elector will ever have the required acquaintance with the long list of candidates for the different offices upon the ballot in a state wide primary to insure intelligent selection. I would suggest to you a county primary to nominate county officers and delegates to a state convention. The state convention to select two or more names for each office to go upon the primary ballot and to make the party platform, which ought to be issued in advance of the primary, instead of subsequent to it, as at present.

**Administration of State Institutions.**

I would suggest that the constitution be so amended that a non-partisan board of control could be created to be appointed by the governor and have conferred upon it the entire management of our various state institutions. The state institutions should be removed from politics as far as may be done and merit alone should determine the right of any person to serve the state in the different departments made subject to the board of control. This board, in my opinion, should consist of three members and have at its command the state account and a qualified purchasing or business agent, who should have a general knowledge as to machinery, material and construction contracts and of all matters of business coming before the board. This board of control should purchase the supplies for all the state institutions by open competition among those desiring to sell to the state. The practice of maintaining a cash fund at the various state institutions should be abolished and the business of the state so far as it applies to the general conduct and administration of the different state institutions should be thoroughly systematized.

It is my most confident belief that if you provide satisfactory legislation relating to the question to which I have referred, you can go home with the certainty that you will meet a satisfied constituency. With a firm reliance upon the wisdom and judgment of this legislature and hope that with your assistance, we may together in some fair measure fulfill the hopes and meet the expectations of the citizens of Nebraska, who have trusted us with power. I submit these questions to you, gentlemen of the house and senate.