THE OMAHA DAILY BEE: FRIDAY, JANUARY 6, 1899.

meet such appropriations.



Great Benefits Which Have and Are to Accrne to State from the Exposition Commented Upon-Admission the State is Prosperous.

LINCOLN, Neb., Jan. 5 .- (Special.)-The biennial message of Governor Holcomb was delivered to the legislature today. Starting but with a review of the war with Spain, the governor, in speaking of the part played by Nebraska, says:

"In the creation of the volunteer army for the war with Spain the citizens of our state responded with promptness and patriotism, inspiring and gratifying to all Nebraskans, and there were soon enrolled in the volunteer service two regiments of infantry and one troop of cavalry. This was supplemented in a short time by a third regiment of infantry of the maximum strength of 1.326 enlisted men and officers; and the two regiments first organized were recruited to the same strength. Nebraska thus contributed to the army of the United States, in the late war, in round numbers, 4,000 volunteer soldiers, besides numerous individual enlistments in the various branches of the milltary service.

the

and more perfect civilization.

Agricultural Interests Have Flour-

ished and Tide of Immigration

Setting This Way.

'The conduct of the Nebraska soldiers in the trials of camp life, their manly bearing, their readiness in adapting themselves to the soldier's life, their proficiency in arms, and finally their heroic conduct in battle has gained for them the unstinted praise of civilians and the commendation of their superior officers in command. One regiment of Nebraska infantry and the troop of cavalry have been mustered out of the service, and the peace negotiations having happily been consummated, we may hope for the early return of the two regiments yet remaining in the service.

"For the patriotism displayed by the volunteer soldier, for his willingness at the first indication of danger to sever home ties and surrender his business affairs-in many instances a matter of great pecuniary sacrifice to himself and those dependent upon him-for the many sacrifices endured, the people of the state have on many occasions expressed sentiments of the highest appreclation of their unselfish and patriotic action. For myself, and in behalf of the people of the state. I wish to here record my most sincere and profound acknowledgment of gratitude for the manly, heroic and patriotic conduct of the Nebraska volunteers in the Spanish-American war of 1896.

EXPOSITION GREAT EDUCATOR

Fluck and Enterprise Which Made i Highly Praised-Benefits Will Be Felt for Years.

"While our country was engaged in a war upon land and sea there was inaugurated and carried to a successful conclusion upon Nehraska soll, and within the gates of her metropolis, an exposition of the arts, inventions, industries and progress of the

manhood and womanhood whose energy, industry and intelligent efforts in the last "During the last blennium warrants were half century have wrought from nature's drawn against the general fund of the state rude environments the highly perfected ivilization of the mid-west of the present treasury in the sum of \$1,933,271.74 and for

the same period general fund warrants were redeemed in the sum of \$2,248,793.12, to-"It is but just, however, to say that the uccessful planning and consummation of gether with accrued interest thereon in the sum of \$200,962.45, making a total of \$2,449.this great undertaking is largely due to the public-spirited citizens of Omaha and Douglas county, and of Omaha's sister city, 755.57 disbursed by the state treasurer in the cancellation of general fund warrants. Council Bluffs, Is. With daring spirit, a These transactions resulted in a reduction courage dauntless and a faith almost subof the bonded debt during the last biennium

lime, these citizens banded themselves to- in the sum of \$315,000 and of general gether and for more than twelve months fund warrants \$364,589.46, a total of \$679,cased not by day or night in their tireless 589.46. This reduction includes \$46.885.26 cudeavors to show to the world, as well as of sugar bounty warrants which by a deto our own people, the matchless developcision of the supreme court are declared to ment and surprising advancement of this be illegally issued. great area of country during the half cen-"I have not deemed it necessary in this resume to speak of indebtedness hereto-

Reduction in State Debt.

"Many of the states of the union gave of. | fore existing by reason of warrants drawn ficial recognition to the exposition by mak- against the temporary university fund and ing liberal appropriations, appointing state the fund for the Institute for Feeble commissions, erecting attractive and com- Minded Youth, approximating \$59,169,13, befortable state buildings and maintaining in- cause these warrants have all been reteresting and instructive exhibits of the deemed, the indebtedness cancelled and warproducts and resources characteristic of the rants against these funds are now paid as state thus represented. Many foreign coun- presented. tries were likewise represented by exhibits

"The bonded indebtedness of the state is a of rare beauty and excellence, which were matter calling for no special concern. For greatly admired by visitors, and which added the payment of it ample provisions have almuch to the splendid success of the enter- ready been made. There is due the sinking lease of the bondsmen. This, entire sum will prise. The complete, highly interesting and fund by reason of levies heretofore made, in be lost to the state unless, perchance, some instructive exhibit by our own national gov. uncollected and delinquent taxes, upon a ernment was a prime factor in the perfect careful estimate, \$285,747.70. It would re- dends paid by the receiver of the institution. success of this great undertaking and it quire the collection of less than 50 per cent The right of the state to share in these divigave to all who were permitted to observe of this sum to liquidate all the remaining dends is now a subject of litigation. the many interesting features of this ex- outstanding bonds. Much more than this hibit special and added reasons for feelings will doubtless be realized and legislation will be required for the purpose of trans- bonds of suspended banks, or by dividends, of patriotism and greater pride of citizen-

able with wares and merchandise, with manot taken into account in these figures the chinery and inventions, the product of the appropriation made by the legislature of 1895 state. unsurpassed intellect and genius of the to reimburse the sinking fund in the sum of American people, contributed in no small degree to the success of the exposition. "In this magnificent triumph of of the general fund, but not accounted for man over nature and nature's forces by ex-State Treasurer Bartley.

"All unpaid bonds of the state are now people of Nebraska of all stations, vocations and callings conheld as an investment for the permanent tributed their full share to its final and school fund. Therefore there exists no presscomplete success. They entered into the ing necessity for their immediate payment, work with zeal and courage, and loyally although past due. Payment and cancellation may be made as rapidly as funds acsupported every move calculated to advance the interests of the exposition. The state cumulate in the state treasury for that purwas represented by a state commission under pose.

whose supervision there were displayed General Fund Indebtedness. creditable exhibits of its principal resources "I invite your serious consideration to and industries. Nearly all state instituthe general fund indebtedness of the state. tions were properly represented by suitable The state is now paying \$75,000 or more and distinctive exhibits. The educational a year as interest on its outstanding gen exhibits by the university, normal school, erai fund warrants. These wararnts run the public schools of the state and private from eighteen to twenty-two months after

institutions of learning challenged admiraregistry before they are called for pay tion and elicited unqualified praise from ment. The state cannot very well do busithousands who viewed these most excellent ness according to approved business methpresentations of the achievements of our inods unless it makes provision for the paystitutions of learning. I think I am safe ment of its current obligations with reain saying it was the consensus of opinion sonable promptness; neither can it hope to of those competent to judge that the educahave its affairs satisfactorily administered tional exhibit was the best of its character if the indebtedness which is constantly ever presented at any similar exposition being incurred in maintaining state governheld in this country. State organizations, ment shall exceed to an appreciable degree the revenues which it may derive from fostering and encouraging different industries of the state, were all represented. taxation and through other sources. If Almost every county in the state had an such a policy shall be pursued for any conexhibit of its resources and development. siderable length of time it can but result "The grand structures of this beautiful in bankruptcy or the necessity of funding white city will soon pass away, but I am such indebtedness in interest-bearing bonds, to be paid off by future generations. persuaded that this great exposition has "The twenty-fourth session of the legislabeen productive of untold benefit and in-

calculable good to our people and those of ture, held in 1895, made appropriations authe great west, and that its beneficent inthorizing warrants against the general fund in the sum of \$2,537,539.60. The revenues refluences will continue for generations and as long as man shall love progress and strive ceived at the state treasury during the biennial period ending November 30, 1896, to 'o advance in the affairs of life to a better meet the expenditures so authorized were:

PROSPERITY FOR NEBRASKA Total\$1,738,592.53 Thus authorizing an expenditure of \$798,-47.07 in excess of the receipts of revenues rom all sources.

The twenty-fifth session of the legislature. or the session of 1897, made appropriations "The growth of the state and its material authorizing warrants against the general progress during the last two years have not fund in the sum of \$2,125,343.40. The been without satisfactory results. The agri-

was the creation of the progressive spirit ing a total interest-bearing debt November to meet general fund warrants now out- number of votes, not because the voters were but this seems to be incorrect. standing, or which will be drawn against not in favor of the amendment, but because appropriations already made. It is possible of the manner of submitting the question that these receipts will fail to reach the of constitutional amendments and the con-

sum required to meet the present obliga- struction placed upon the law by the supreme tion. The narrowness of the margin at court as to the number of votes required to least admonishes us to authorize no new in- | adopt a constitutional amendment." debtedness except provisions are made or can be made for meeting the same by a NEED OF NEW CONSTITUTION levy of taxes and from other sources which can be relied upon with reasonable certainty for the production of revenues sufficient to

Defects of Present Organic Law Can Be Remedied Only by Constltutional Convention.

Suspended Banks and Defalcations. "The state has been unfortunate in the "Judging by past experience, it seems almethods adopted in recent years in the manmost hopeless to expect any amendment to agement of its financial affairs, resulting in our fundamental law by submitting the great loss by reason of the suspension of question to the voters, under the provisions banks which had been designated as state of the constitution as construed by the court. lepositories, notably that occasioned by the | I am of the opinion that the time has arfailure of the Capital National bank of Lin- rived when it is almost imperatively recoin, in which the state lost \$236,361.83, and quired that the constitution be amended. in other banks in smaller amounts, \$85,- | not only with regard to the investment of 088.96, making a total of \$322,450.79. In the trust funds of the state, but also in several instances suits upon the depository other material respects. Assuming, as I bonds have been instituted, but at this time have, that this cannot be done by amendnothing has been recovered. In the case of ments separately submitted to a vote of the the Capital National bank the sureties on people. I recommend that the legislature the depository bond were found to be withprovide for the calling of a constitutional out financial responsibility and recovery of convention for the purpose of revising our any sum from this source was entirely hopepresent constitution, in the manner provided less. . Suit for the recovery of the money was by section 2 of article xv of that instruinstituted upon the official bond of ex-Treasment. urer J. E. Hill, which resulted in the re-

"A revision of the constitution could Nebraska ... Colorado Wisconsi hardly be made and adopted by the people short of three or four years. Our present Missouri A., fraction of the amount be realized by diviconstitution was adopted over a quarter of Pennsylvania Kansas a century ago, at a time when the state was new and only partially developed. Its capalowa Maryland bilities, growth and needs were then little "It is difficult to approximate what sum Michigan Massachusetts known or understood. New conditions remay be recovered upon the other depository quire new laws. The rapid growth and deelopment of the state calls for a revision of the law suitable to present conditions rather than to a time when the population and property interests were but a fraction of what they are today."

NEED OF REVENUE REVISION

Present Laws Inequitable in Addition to Failure to Meet the Requirements.

"A revision or amendment of the revenue aws of the state is required in order that inequalities now existing may be abolished and all shall be required to contribute their equitable and just share to the public revenuce. To what extent and in what particular feature is left to your judgment.

"In this connection I would especially urge upon your attention the wisdom of enacting a law providing for the collection of an inheritance tax. Such a law has been in successful operation in many of the older states, having the result of yielding large revenues to the state, and is found to be a most satisfactory as well as just and equitable method of raising revenues.

"Whether this legislature will feel war ranted in entering upon a general revision

of our revenue laws at the present session, or provide for a revenue commission which may take time to gather all useful information obtainable, thoroughly investigate and consider all the complicated and lifficult phases of the subject and report to a future body for action, is left to your combined wisdom and judgment to determine." The inequalities in taxation as between the various counties under the present system are pointed out and also the impossibility of correcting them with the present limitations regarding equalization. He also points out that with the present mode of assessment and the legal limit placed

upon the levy it is with extreme difficulty that enough money can be raised by taxation to meet the needs of the state.

Some provisions are urged to be made whereby the large floating indebtedness now outstanding may be gradually reduced until finally extinguished

ernor adheres to his former recommendamade in his annual report, that certain funds tion against the appropriation of state money which are now idle and useless be transferred to the general fund and for the lowerwithin the control of the state. ing of the rate of interest to be paid by de-

"It is also recommended that the present law be amended so that all companies of whatsoever nature, from other states and countries, as a condition precedent to their doing business in this state, be required to file power of attorney with the officer in charge of matters pertaining to insurance. appointing him as alterney for such company for the purpose of serving civil processes in litigated cases. A resident agency law should also be enacted. There should be no insurance written on property in this state

Weaker, paler, thinner, day by day, no moneys received from insurance companies appetite or strength, no desire for work or by this state and that received by neighbor-ing states. It is really surprising to note of heart and sore of limb-these are the conditions of countless numbers of half sick men and women anxiously awaiting some this state contributing to the support of message of hope and cheer. There is no excuse for most people being other state governments without deriving sick. There's a medicine that will cure any corresponding advantage to themselves. The receipts in this state from insurance

them. A medicine that goes right to the roots of the causes of nearly all sickness, business have seldom exceeded \$20,000, and The name of this good medicine is Dr. Dix \$15,000 or \$16,000 seems to be nearer the correct sum. The cash receipts from insurance companies for the year 1897 in

9,000, and earer the from in-r 1897 in r 1897 in s 17,131 co s 17 "It is quite evident from the foregoing that we have by our own action deprived ourselves of an income which is received by

the states mentioned to our detriment and the states mentioned to our detriment and disadvantage. To remedy this by suitable legislation, I ask your careful consideration. "The management of the business of fire and life insurance of this state has reached such magnitude in volume and importance that provision might well be made for a disease may be no difference what the doc-tors call it, this medicine is what you need. tors call it, this medicine is what you need. Ten minutes after you take the first tablet you'll feel better. Dr. Dix Tonic Tablets are for sale by all druggists at 50 cents a box. But we want to introduce them to every reader of this paper many of whom need such a remedy. For a limited time the proprietors Hayes & Coon, 408 Hull Build-ing, Detroit, Mich, will send a trial pack-age free by mail to all who will send their name and address (enough to convince the most skeptical of their great merit) Send at once and be well and happy again. Tell your friends and neighbors about this most liberal offer. "The anti-compact insurance law passed by the last legislature was resisted by the insurance companies interested, and an apneal was made to the federal court for an injunction against the auditor, attorney general and county attorney of Douglas county

to prevent a prosecution for a violation of its provisions. The injunction was granted and the case is still pending in that court without determination, although I am admost liberal offer. vised that it was argued and submitted to the court in February last. In the mean-

the means of gathering crop statistics of the

state do not appear to meet the requirements of a live, up-to-date agricultural state such as ours; and the results attained are not of REPORTS OF STATE OFFICERS sufficient benefit to the state, in making known her unsurpassed agricultural resources and growth. The state board of agriculture in its annual reports covers the ground quite well and gives information of much value. By the time these publications are issued, however, the information therein state officers and superintendents of state contained becomes more or less out of date as a matter of news, and is more useful as opinion that the affairs of the state have a matter of reference. What is required is some proper means for gathering informabeen carefully looked after and asks for appropriations for the coming biennium equal tion relative to the different crops cultivated. to the per capita cost of conducting the their condition and prospects, the magnitude and kind of crops raised from time to various institutions during the last two time. Such information would be interesting and instructive and be given to the public, and especially to those interested, by means of the public press and bulletins issued for the use of the people." The law creating two agricultural experi-

the general fund advises the levying of a ment stations is cited and also the fact that The litigation growing out of the dual no appropriation has been made to make the private and state management of the Home law effective. The governor recommends for the Friendless at Lincoln is reviewed that such an appropriation be made as one and the governor points out that it has not of the most effective methods of furthering yet reached a final determination. The govthe development of the state. The importance of encouraging irrigation is also pointed out as a means of rendering a porfor the support of institutions not entirely tion of the state much more largely and certainly productive.

"A marked improvement in the conduct The necessity of more effective laws for and management of all public institutions e protection of live stock from contagiou of the state, not purely educational in their diseases is urged upon the attention of the legislature. a law were enacted abolishing different

The recommendations of the treasurer,

pository banks to 3 per cent, are endorsed.

unless by duly authorized agents residing here. Get Off Easy in Nebraska. "I beg also to call your attention to the great difference between the amount of the marked difference in this respect. This peculiar condition results in the people of

several states are as follows:

separate bureau of insurance.

time the insurance companies are conduct-

ing their business without regard to this

Administration Generally Commended

-Some New Legislation

Required.

Speaking of the reports of the various

institutions the governor expresses the

years. He recommends the construction of

a brick and stone fireproof building for

the hospital for the insane at Lincoln and

instead of making the appropriation from

tax to create a special building fund.

nsin

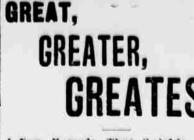
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GREATEST

A New Remedy That Quickly Tints Pale Cheeks With the Glow of Health.



ship. Private exhibitors almost innumer. forring the surplus to another fund. I have but it will be safer to assume that much the larger part will ultimately be lost to the "In addition to the foregoing losses former \$180,101.75, lost in the failure of the Capital State Treasurer J. S. Bartley, in making National bank, and which was drawn out settlement with his successor, defaulted in the following sums: Amount of general fund warrant and interest to reimburse sink-

Total\$553.074 61 The governor then goes at length into the history of the litigation growing out of the Bartley defalcation, both civil and crim-

inal. TRUST FUNDS ACCUMULATING

Large Sum Now Lying Idle for Lack **Opportunity** to Investof Remedies Proposed.

"As shown by the treasurer's report, trust or educational funds on hand and uninvested amount to \$266,876.53. These include the permanent school, permanent university, agricultural endowment and normal endowment funds, of which the permanent school fund is by far the largest and most important. The state constitution provides that 'all funds belonging to the state for educational purposes, the interest and income whereof only are to be used, shall be deemed trust funds held by the state and the state shall supply all losses thereof that may in any manner accrue, so that the same shall remain forever inviolate and undiminished,

on United States or state securities or registered county bonds of this state." "It has become a serious and perplexing question as how best to provide for the in-

vestment of this fund and thereby carry out the plain mandate of the constitution and the law governing the subject. While United States bonds are a safe investment for this fund they yield too small income to

be desirable. State bonds are limited in amount and all are now held in this fund and will soon be paid off. County registered bonds of this state are being issued

only at long intervals and largely to refund existing indebtedness, a large part of which is already held in this fund. Sharp competi-

and shall not be invested or loaned except

transmississippi country which excited the wonder and admiration of millions of the citizens of this and other countries who visited it. This stupendous civic enterprise

From the First Day

The public has long felt that the art cultural states of the union. of curing sexual decay, impotency or lost manhood, was one of the most unstate, certain of sciences. No two physicians other discouragements in past years, are could agree as to the treatment, and again being occupied and put to useful

the public just- purposes. People who have left the state became dis- with a view of finding more favorable locasusted with tions are fast returning, convinced that Nephysicians in braska offers advantages equal to those of general. most natural in the western part of the state has taken result was that firm hold and millions of acres heretofore weak men. see- poorly adapted for farming are now made ing no chance of obtaining re- "In the growth and development of her lief from the resources Nebraska offers opportunities for regular tioners, fied for property and securing homes where families help to the may be reared amid churches and schools large army of quacks, and healthful surroundings equal or superior who emptied their pockto any section of the country." ets and frequently irre

pairably damaged their REVIEW OF STATE FINANCES Electricity health. today the only known cure for Sexual Weaknesses, and I positively guarantee a permanent cure when Electricity is applied through the melium of DR. BEN-NETT'S ELECTRIC BELT, which is the discovery for the upholding of the honor and

lory of man. Beneficial results are noiced from the very first day. Failure is mpossible. You must have electricity in the system; Nature will not furnish it, for Nature has been imposed upon. The gentle, sure and never-wavering current of Electricity generated by my Belt feeds the brain, making new tissue, strengthens all the cells by supplying them with vivified blood that is perfectly pure and healthy. It feeds all the muscles of the body, strengthening and hardening them, as no drugs on earth will. The prices of my belts are-only \$8 and \$10-and a cure is worth more than money to you; it is worth life itelf. To married men, middle-aged or advanced in years-who suffer from wapt of power-I asure a speedy and permanent relief; you can begin treatnent with my Belt with the same conti- ing interest-bearing debt against the state dence of a cure as food would be to a of the sum of \$2,404,540.82. Of this sum. starving man to satisfy hunger. With \$468,267.33 represented a bonded indebtedold men the effect is a happy one-the | ness, and the sum of \$1.936,273.47 a floating power and vigor of youth being restored, | indebtedness evidenced by warrants drawn Gu tranteed to cure Kidney, Liver and against the general fund of the state

guise, Constipation, Dyspepsia, Female per centum per annum from date of Complaints, etc. Has soft, silken, registration. chamcis-covered sponge electrodes that cannot burn and blister as do the bare renewed for any price.

Call upon or write me today-sacred- \$1,230,141.74 disbursed by the state treasurer we have as a charge against the state at every male purchaser of one of my \$1.188,048.47.

cultural interests have steadily increased ovenues received at the state treasury for the biennium ending November 30, 1896, from year to year. We advanced to first were place in the magnitude of our corn crop From taxation\$1,798,858.08 From all other sources 176,576.46 for the year 1897, excelling all other states From taxation n the union. While we may not be able

to maintain this high rank at all times, it Total\$1,975,434.54 s gratifying to know that in the production "The authorized expenditures exceeding of corn as well as of live stock, cereals and the revenues in the sum of \$149,906.86. other products of the farm, Nebraska com-"In making the above calculations I have pares most favorably with the best agrieliminated the 3-6 mill levy for the tem-

porary university fund and the appropri-"Many farms in the western part of the tion made against the same and have abandoned because of drouth and endeavored to speak only with reference o general fund indebtedness and resources rom which the same is met.

"It is to be borne in mind that the authorzed expenditures as provided by the appropriations, may not always be actually expended, and reference must also be had to The any other portion of the union. Irrigation he warrants actually drawn against this fund to ascertain the current expenses acsurately; yet it is a safe guide, speaking n general terms, and experience has demto produce in the greatest abundance. onstrated that the appropriations have been exceeded and deficiencies incurred oftener than there has existed a surplus in practi- engaging in profitable business, acquiring he appropriations above the actual expenses

> propriations. Analysis of Expenditures. "Analyzing the appropriations of the legis-

> > Total

incurred for the period covered by such ap-

with strict regard to economy and with an carnest desire to reduce them to the lowest Care and Economy Needed to Make amount consistent with the welfare and the Receipts Satisfy the Deproper administration of the affairs of the mands Upon Them. tate in its various branches and depart-

"The state's business has been carried on in a satisfactory manner. Economy and businesslike methods have as a rule prevailed in all branches and departments of state sums: greatest and grandest government. Expenditures have quite generally been kept within appropriations. The state's indebtedness has been liquidated as rapidly as the collection of revenues would

permit, and it holds today a financial credit and business standing unassailable and far in excess of what it has enjoyed for many years. "I am gratified in being able to present to

you a statement showing a material imvided as follows: provement in the condition of the finances Legislative . of the state.

"At the beginning of the blennial period commencing December 1, 1894, according to the reports of the state treasurer and the state boards 24,210,00 University (general fund) and nor-mal school the reports of the state treasurer and Maintenance state institutions Maintenance state institutions ... 877,310.00 Miscellaneous appropriations 457,126.04 auditor, the state's indebtedness may be summarized as follows: Total general fund

funding bonds\$ 449.267.35 State university, 3s-mill levy

Total\$1.127.093.10 "At the close of the biennium mentioned and its income I have not overlooked the (November 30, 1896) there was an outstand-Bladder Troubles, Rheumatism, in every treasury, bearing interest at the rate of 5

"During the blennium there were issued general fund warrants in the sum of \$2 .metal electrodes used on all other unakes 348,559,59, and general fund warrants were of belts; can be renewed when worn redeemed in the sum of \$1,160,511.12, toout for 75, cents-no other belt can be gether with accrued interest thereon in the

advice without cost. My ELECTRICAL indebtedness of the state was reduced \$51.- we have in uncollected and delinquent gen-SUSPENSORY for the cure of the vari- 000, and the floating or general fund in- eral fund taxes \$2,422,038.43. This leaves and official dishonesty. ous weaknesses of men is FREE to debtedness was increased in the sum of a comfortable balance on the credit side of

tion, too, wherever an issue of county bonds the Board of Educational Lands and Funds to secure them.

"State warrants drawn against a regular appropriation by the legislature, for which a levy of taxes has been made, are by the

supreme court declared to be state securities "I invite your careful attention to the subwithin the meaning of the constitutional ect of life and fire insurance. I am adprovision quoted. Under the present advised that under the provisions of the insurministration a large amount of current genance laws now upon the statute books there eral fund warrants were purchased. Howare two old-line life insurance companies ever, it was soon demonstrated by healthy which have incorporated and are transacting competition that Nebraska general fund warbusiness in this state, and fifty life and acci-

rants drawing 5 per cent interest were worth dent companies which have come from other more than par and warrants quickly went states and from Europe for the purpose of to a premium and have ever since steadily transacting business in this state. It folcommanded a premium of from 1 to 1% per lows that a large life insurance business is cent. This has occasioned much difficulty being carried on with the people of the state in buying these securities, owners naturally of Nebraska, and yet the laws regulating preferring to sell to private parties paying life insurance are involved in doubt and unsuch premiums rather than to the state at certainty. Life insurance companies are par. complying with fire insurance laws, and yet

"During the present blennium there has the law regarding fire insurance specifically been invested of these trust funds the sum provides that life insurance companies shall of \$738,199.91, as follows: In registered not come under its provisions. Life insurcounty bonds, \$410,363.55; in state general ance companies, both domestic and foreign, fund warrants, \$327,836.36, and a balance of are paying fees to the state provided in the \$266,876.53 remains in the state treasury unfire insurance law, which appears to invested.

Amount of Trust Funds.

"The state holds securities by investment of should have a well-defined and comprehenlature of 1897, which I believe were made the trust funds to the amount of \$3,580,030.21. At the close of the preceding blennium the amount of such securities held was \$3,273,-251.35. The accumulation to these funds for the biennial period just closed has been \$382,-509.09; by the payment of securities held by day justify. ments, it appears that there was apthe state as an investment, \$412,322.50; a

propriated for extraordinary objects-for total of \$794,831,59. purposes other than those necessary for the "The accumulation of these trust funds is ordinary current expenditures, the following steadily going on, and within a decade the state will have approximately \$6,000,000 to

\$5,000,000 requiring investment in some form or other in order to accomplish the pur-Deficiencies for preceding biennium 93,125 00 pose for which the funds were created. Not \$313,125.00 only will provisions have to be made for the "Leaving the sum of \$1.812,218.40 as repprofitable investment of this ever-growing resenting the amount to be expended for the sum, but the payment from time to time of ordinary current expenses of the state for securities now held as investments may be he blennium, or \$906,109.20 per annum. expected to increase from this time forward. These authorized expenditures may be dithus necessitating the reinvestment of such funds. I earnestly urge the importance of

providing by suitable legislation means by \$ 130,000.00 which these investments may be made, that the patrimony of the youth of the state may be put to the most advantageous use

"As a temporary expedient, I believe that the legislature should reduce the interest on state warrants so that they will command as\$2,125,393.40

nearly as possible only their par value in 210,500.00 the markets when negotiated by their own-ers. I am of the opinion that the interest on "In speaking of the state's expenditures state warrants may safely be reduced to 4 per cent. Such a reduction would enable fact that there is a large sum of uncollected the Board of Educational Lands and Funds and delinquent taxes due the state general to invest trust funds not otherwise employed fund, now aggregating the sum of \$2,422,in state warrants at their par value, and 038.43. At the close of the last biennium. would be a ready means of keeping a large November 30, 1896, uncollected and delinpart of these funds employed until a more quent general fund taxes amounted to \$2 .permanent investment could be made. I am 330,692.76, thus showing an increase during also inclined to the view that state warrants the biennium of \$91,345.67. It is to be borne would command their par value in the open in mind that out of these uncollected taxes market at this rate of interest. This would the expenditures of state government are save to the state near \$15,000 a year on its be met for the remainder of the period interest charges. Such a method, howfor which appropriations have already been ever, could only be regarded as temporary made, to-wit, until March 31, 1899. This in its nature, as it is expected that the

amount will approximate one-third of the floating indebtedness of the state, or the annual expenditures for ordinary purposes, greater part of it, will be paid in a short sum of \$69,630.62, thus making a total of 334.04, the present floating indebtedness, and Investments by means of the other securily confidential-get symptom blanks, in the cancellation of general fund warrants. books and literature. Consultation and It appears that during this period the bonded approximately \$1 \$88,334,000 To meet this ties mentioned in the constitution seem by approximately \$1,869,334.04. To meet this quate, resulting in large sums constantly remaining idle, a temptation for corruption

"No other means of investment can be prothe state's balance sheet. But this is a Belts. Sold only by DR. BENNETT "From the reports of the state treasurer theory rather than a condition. It is real- mental law of the state. This has been tried vided, except by amendment of the funda-ELECTRIC CO., Rooms 20 and 21 and auditor for the blennium just closed it ized that a large amount of the delinquent under the faw providing for constitutional Douglas Block, 16th and Dodge Sts, appears that there now exists bonded in- taxes will never be collected, and it is amendments at different times and for differ-Omasa, Neb. Open 8:30 a. m. to 8:30 debtedness of the sum of \$153.267.35, and a highly probable that the state will receive ent purposes, and, with one exception, invadebiedness of the sum of \$153.267.35, and a highly probable that the state will receive ent purposes, and, with one exception, inva-floating indebtedness of \$1,571,684.01, mak- from this source not more than is required riably failed of receiving the necessary that the law now requires such a deposit. "In this connection I be

is offered for sale, makes it difficult for DEFECTS IN INSURANCE LAWS character, would, in my judgment, follow if Several Instances Where Home Com-

boards as at present constituted and making provisions for the creation of one state board panies Are Discriminated of charities and corrections, which should Against. have complete control and supervision over

all such institutions. Whether such a board with the powers which should be given it to make its work most effective can be enacted under our present constitutional restrictions regarding executive officers is quite uncertain.

Management of State Prison.

"The condition of the prisoners and the management of the prison affairs have greatly improved under the control of the present warden. All prisoners, except those disabled or in hospital because of sickness are quite generally employed at some useful labor. In the cooperage factory 110 are kent steadily employed, 95 in the broom factory, 7 in the shoe shop and the remainder, except cripples and the sick in general, work around the buildings and grounds in operating and maintaining the institution and in making

needed repairs and improvements. "As shown by the warden's report, there be was realized from prison labor during the brought about by custom rather than by biennium \$44.240.21; due from contractors, statute. It would seem that the state \$3,301.26. It cost the state, from legislative appropriations, to maintain the institution sive life insurance law, making ample profor the biennium ending November 30, 1894

visions for the organization and business of \$97,104.77, and for the biennium ending Noboth domestic and fereign companies, and vember 30, 1896, \$42,142.93. containing such provisions and restrictions "The last legislature appropriated but

as the wisdom and experience of the present \$60,000 for the maintenance of the prisoners. There has been used of this appropriation "It is true we now have a fair assessment \$19,869.55. Three to four thousand dollars life insurance law, providing for the incorwill probably be required for the remainder poration of life companies on the assessment of the period for which it was made, leavplan and without capital. This act could ing some \$37,000 to revert to the treasury. properly be amended by providing for an Only \$39,000 is asked for the coming biincorporation fee of about \$20 and a fee of ennium. The institution may, and probably 50 cents for agents' certificates. These pro- will, be conducted for a less sum than is low as to prevent the corporation sought visions appear to have been omitted in the asked for. This will depend largely upon to be regulated from earning a fair return original bill and, under the ruling of the the ability of the warden to make advantageous contracts for the employment attorney general that such companies cannot be granted charters and certificates free of of the prisoners, or putting them at some charge, they have heretofore paid \$50 for profitable employment on behalf of the state. The contracts now in force expire during the present year and will have to be

Labor Commissioner.

"I am told by those wel, informed upon the subject that the fire insurance laws of the state, which were mostly enacted in

serves an exceedingly useful purpose and its powers and field of operation should be 1873, fail to meet the requirements of the enlarged rather than diminished. While, present day. One of the objectionable primarily, the law was intended for the features pointed out is contained in section , which provides that Nebraska companies may be organized for five purposes, towit: Fire, accident, fidelity, bonds and live stock in the state, one of the most important nsurance, but no one company can be alfactors in our social and economic system, owed to pursue more than one of the five it has been found wise, by practical experiines of business mentioned. Foreign comence, to extend the subject of statistics and panies, however, are doing a business in this state embracing as many as seven different classes of insurance. This discriminations against our own companies works an unnecessary hardship, and I can see no

"Experience has shown, also, that companies doing fire and other insurance business sometimes leave the state when they have policies still remaining in force, and require the insured to follow them to some other state and there obtain the relief

or redress to which he may be entitled inder his policy of insurance. This could The means at present for gathering statis- used for the public convenience to be dese avoided by requiring the foreign com- tics for this bureau by the assessors of the termined? Shall it be its reasonable, fair panles to make a small deposit of good different counties seem entirely inadequate and just value at the present time, or shall securities with the state treasurer, to be and some more specific and definite law the cost of construction and equipment deheld so long as the company has a risk in seems to be required before it will give the termine? Shall it be the true and actual

REGULATION OF RAILROADS Legislation Recommended in the Line

of the Maximum Bate Law of 1893.

"The supreme court of the United States, in an opinion handed down in March last by Justice Harlan, held the act of the legislature of 1893, popularly known as the maximum freight rate law, to be inoperative tu that it contravenes the provisions of the fourtcenth amendment to the United States constitution, wherein it is declared that no state shall 'deprive any person of life, liberty or property without due process of law, nor deny to any person the equal protection of the laws."

"The opinion is one of the most important and far-reaching ever rendered by that high tribunal and takes its place beside, celebrated cases in the past concerning great questions of public importance affecting incrests extending throughout the republic.

"I have the time only to speak briefly of some of the more prominent features of this celebrated case. The opinion holds, without qualification, that the legislature under our constitution has the authority by appropriate legislation to establish reasonable maximum charges for the carrying of freight by railway corporations between points within the state. The court says: 'It cannot be doubted that the making of rates for transportation by railroad ccrporations along public highways, between points wholly within the limits of the state, is a subject primarily within the control of the state.' The court says in substance, however, that the rates thus fixed must be reasonable and must not be so upon the value of the property used for the public service, after deducting necessary operating expenses.

"The judgment of the legislature as to the reasonableness of the rates thus fixed is not conclusive, or, in other words, while the renewed in some form or some other pro- legislature may establish rates, which visions made for utilizing the labor of the in its judgment are entirely reasonable and which prevent extortion or unjust exactions in local freight rates, the controversy prop-"My predecessor advised that more liberal erly becomes a subject of judicial inquiry. appropriations should be made for the labor Suits may be instituted and the question commissioner or the bureau abolished. I do tried in the same manner as other connot believe that it should be abolished. The troverted questions of law and facts in the operation of the bureau under the law courts.

Entitled to Fair Returns.

"There ought to be no controversy, and I think there is none, regarding the right of railway corporations to earn a just return purpose of securing information relative to upon the fair value of the property used labor and its relation to capital, and all in the public service. No fair-minded permatters pertaining to the industrial classes son desires that they shall be compelled by statute to serve the public at a loss or to be required to accept for their service charges that would yield no remuneration for the the gathering of general information to all service rendered.

"What are just and reasonable rates is the difficult problem to solve, and regarding tics and matters pertaining to labor in its which there may and apparently does exist restricted sense, the scope of the work of a wide difference between the legislatures the bureau has been broadened so as to in-clude statistical and other interests per- will be answered by each individual, largely Doubtless this question taining to the agriculture and agricultural re. from the standpoint of observation occupied sources of the state. Mortgage statistics by him and the standard or guide which are under the present law forwarded to the he shall set up to aid him in its determina-

"What are the factors which justly enter properly come under the supervision of this into a rightful determination of this quesbureau by a suitable amendment to the law. tion? How is the fair value of the property capital which has been invested, or shall all "In this connection I her to suggest that the stocks and bonds issued, regardless of

the principal industries and business interests of the state. In addition to the statis-

piled annually. This work might more

good reason for its continuance.

that losses occurring after they are gone auditor of public accounts and by him com- tion.

Favors Foreign Companies.

incorporation and \$2 for agents' certificates, the same that is required under the fire insurance law. It is hardly right to require companies in our own state, which are endeavoring to start in business, to pay the convicts. same fees as the financially strong and well established companies from other states and Europe.