THE OMAHA DAILY BEE: FRIDAY, JANUARY 4, 1907.

economy. The total estimates for current expenses during the next hiennium made by the heads of the several institutions are so large that it will be necessary for you to investigate thoroughly the needs of these different institutions before mak-ing the appropriations. Promiscuous junk-eting is expensive and in the past has not sincerely recommended tilt a joint com-mittee be appointed for the purpose of visiting the several state institutions and inquiring into their actual needs before the appropriations are made. Care of State Finances. The indebtedness of the state should be

Industring into their actual needs before the appropriations are made. Care of State Finances. The indebtedness of the state is prosperous, By an act of the last legislature provision was made for payment of the outstanding indebtedness of the state. That act will insure the payment of the debt within a rew years if future appropriations are kept within reasonable bounds. This current ex-penses must be kept within the income of the state. It will not do to increase the public debt at this time. The constitution of the state will not permit the permanent school fund to be in-reseted in any other securities than res-perted for investment of this fund should be enlarged. There are other forms of in-resting and a state securities. The field for investment of this fund should be enlarged. There are other forms of in-vestment equally as safe that would in-trease the interest return to the fund. If it were invested in municipal bonds, school bonds, or in Nebraska mortgages, the state und be benefited on account 300.000 each year. A large part of this floating indebted-interest being naid at home. The 1-mill levy will reduce the floating indebtedness of the yearmanent school fund. There will be, therefore, about \$300,000 each year. A large part of this floating indebted-ind. There will be, therefore, about \$300,000 each year. A large part of this floating indebted-ind. There will be, therefore, about \$300,000 each year is urgently recommended that this leg-ind will not remain fully in the hands of the the permanent school fund each year to be reinvestid on this account alone. This urgently recommended that this leg-spiel off. Times and conditions changes is paid off. Times and c

Terminal Taxation. The cities, towns and villages of this state in almost all insumces have a high rate of taxation. It is important thesefore, that property therein be equitably assessed. At present the resident property holders pay a very greater proportion of the city, town and village taxes, according to the value of their property, than do the rail-roads which have their terminals within the corporate limits. The railroads receive benefits from the cities, towns and villages, and in return should pay their proportion of the city, town and village taxes. **Bailroad Tax Evasion.** It may be a debatable question whether

Not a Crusade Against Wealth. I realize fully that this reform move-ment is not a crusade against wealth, but rather a movement against graft and greed, and abuse of power. It has for its object the establishment in this state, from one end to the other, of government by the people and for the general welfare of the state. Legitimate interests must be pro-tected. Conspirators against the common good and violators of the law must be prevent.

prosecuted. prevail. ope and trust that I shall have the I hope and trust that I shall have the loyal support and the wise counsel of the good citizens of this state. With the light of their intelligence, and with the valces that God may grant me. I hope and trust my administration may meet the ex-pectation of the people of this state who have elected me.

RETIRING GOVERNOR'S MESSAGE

Condition of State as it Appears to Mr. Mickey.

The annual message of retiring Governor Mickey followed the address of Governor

of the city, town and village taxes. **Railroad Tax Evasion**. It may be a debatable question whether the great corporations of this state have of the taxes. But the Union Pacific and Burlington railroads have refused to pay in the past been paying their full share of the taxes. But the Union Pacific and Burlington railroads have refused to pay in full the taxes which have been regularly assessed and levied against them for the years 1804, 1806 and 1806. They are aiready delinquent about 5750,000 for 1994 and 1005. The refusal to pay this year's tax will place them delinquent over \$1,000,000. Their action in this respect is not fair to the other taxpayers of the state and is wholly unwarranted when past conditions in the state are conditered. The government gave bountifully of its land, and the people of this state in a great many instances voted bonds to help built these railroads. Be-siteicion whatever placed upon them in the matter of freight rate charges. They have always up to the present time charged what they pleased. It requires patriolism at times to support and maintain a stable government. These great corporations, by their conduct, apparently lack that noble quality. It is not strange that their con-duct has veced a patient people. No doubt they would ask for the protection of the state if their property were in danger, yet itself the right of the state govern-ment to assees and tax their property as it assesses and tax their property is the future of freight of the state govern-ment to assee the collection of these delinquent to enforce the collection of these delinduent to enforce the collection of these delinduent to enforce the collection of these delinduent to enforce the col Mickey followed the address of Governor Sheidon, Mr. Mickey said: To the members of the Thirtieth Beasion of the Legislature of Nebraska. Gentle-men: You are assembled at a time when history is being rapidly made. Never be-fore has there been an era when the public conscience was so quickened to a sense of justice and when there was such a gen-eral demand for the purging of the ine-qualities which have been tolerated in our chill switch. The time is rine for improvequalities which have been tolerated in our civil system. The time is ripe for improve-ment along ethical lines. Abuse of special privileges and opportunities must give way to justice. Organized society has drifted to a higher plane and the inquiry of the times is "how can the greatest good be conserved and guaranteed to the greatest number?" This, I take it, is the present day spirit and I trust it is the dominating sentiment which will control the actions of each of you through this entire session. The Revenue Law. The citizens of Nebraska cannot enjoin the collection of a tax levied against their property, because they are denied that privilege. But railroads, being nonresidents of the state, seek relief through the federal courts. Until congress shall pass a law depriving them of this pravilege, they prob-ably will constinue this practice. It is, therefore, recommended that a joint reso-ution be passed memorializing congress to pass a law that will deprive a nonresident from enjoining the collection of a tax le-vied upon property within the state. Burlington railroad for the purposes

The Revenue Law.

The restaurce when the state in debedges
 The art as a method with the state of the state in the state interval in the state in the stat

NEW OFFICERS IN CHARCE. Methods of the state of the stat Shortage of Permanent School Fund. On June 20, 1965, the supreme court ren-dered a decision which, in all probability, finally disposes of the mut brought by the state to recover from the bondsmen of former state treasurer J. S. Bartley. The state lost, though the decision referred to was bussel on a mere technicality. This famous case has run the gauntiet of the courts for a number of years and it now appears that there is no possibility of re-covering from the bondsmen any portion of the Bartley shortage. Such being the fact, it remains for the state treasury to adjust itself to the consequent conditions. Section 8, article vill, of the constitution reads as follows: "All funds belonging to the state for educational purposes, the interest and in-come 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." It is therefore obligatory upon your body to make provision for the restitution of the depleted funds, either by authorizing the

In May, 1985, charges of incompetency, of failure to maintain proper discipline and of permitting subordinates to assault, abuse and mailtreat patients were preferred against the superintendent and assistant superintendent of the Norfolk Asylum for the Insane. These charges were investi-gated by me and also by the Board of Public Lands and Buildings. I found that the allegations were sustained, and on July 10, 1996, I issued formal orders removing the superintendent and the assistant su-perintendent from their respective offices. They refused to vacate and I then insti-tuted ouster proceedings in the supreme court. Later and before a decision was rendered by the court both of the officials reconsidered their action and vacated their positions to my appointees, the present in-cumbents. Since then the grand Jury of Madison county has indicted four of the ward attendants of the asylum and they are now awaiting trial in the district court on the charge of assault with Intent to do great bodily harm. School Lands and Funds. In his blennial report the commissioner of while having and buildings recommends

.\$325,587.50 Total

Restriction of the Lobby.

great bodily harm.
School Lands and Funds.
In his blennisi report the commissioner of public lands and buildings recommends that deferred payments on public lands shale contracts be placed on a 5 per cent basis, instead of 6 per cent, as at present. For the reason that an abundance of private monsy can be obtained at the lower rate on farm loans the purchasers of state lands are rapidly paying up back principal, taking a deed and negotiating private loans to permissible securities bearing nearly so the interest revenue of the state because it is impossible to reinvest the funds ho constitution be amended so as to permissible securities baring nearly so rement, state and county bonds and state warmants. The opportunity to invest in much securities as the constitution now permissible is being rapidly curtailed, for various which the amount of money which the state has for such investment is thermatic state and county bonds and state warmanent. The opportunity to invest in which securities as the constitution now permission be also be investing to so which the amount of money which the amount of money which the state has for such investment is thermatic in both these recommends to so the private in the opportunity to invest in which is being rapidly curtailed, for various permissioner and will so continue. I concur with the commissioner in both these recommendations.

Temporary school fund tax colgovernor, the presumption is that such laws mean something and that the governor will exercise the power conferred upon him when the circumstances surrounding the case warrant action

Important Bills by Joint Committee. I believe the public interests will be best subserved if all bills affecting the more important matters of legislation could be formulated and introduced by a folnt com-mittee of the two houses. This suggestion subserved if all bills affecting the more important matters of legislation could be formulated and introduced by a joint com-mittee of the two houses. This suggestion is especially periment to such subjects as direct primary, anti-pass, freight rate and rallroad legislation. It will be recalled that the new revenue haw was propared by such a committee and the plan worked so well in that case that I think it would be wise to follow it in all instances where the gen-eral public has more than ordinary concern. Any other course is likely to result in a multiplicity of bills upon the same subject, a divided support, and either no legislation at all or the final adoption of a faulty measure.

Agri State Suits Involving Heavy Loss.

measure. State Saits Involving Heavy Less. The suggestion of President Rooseveit in a recent message to congress that a law should be passed to prevent courts from setting aside just decisions for mere tech-nical errors in pleadings, instructions and evidence, recalls some of the civil cases wherein the state of Nebraska was on technical grounds a defeated party, and brings to public attention the necessity for providing a remedy against public losses like those revealed in the litigation of civil cases instituted by the state. The chief executive has exercised his right to direct the bringing of suits to en-force civil obligations to the state, but the fruits of iligation, during seasons of both democratic and republican rule, have often been an enormous bill of costs for the state to pay, and a judgment releasing the de-fendants from all liability. The gravity of the situation will be realized by the means for the support of government, when a few of the cases and the extent of the losses are mentioned. The of these cases was the state against the Omaha Nationsi bank, a suit to restore to the state treasury S01,58406 of the state's money, unlawfully transferred to the bank by former State Treasurer Bartley, by means of a state warrant, and never re-

Statement No. 5.

State university Soldiers' and Sailors' home, Mil-Soldiers' and Sallors' home, Grand ford Island Horpital for Insane, Lincoin..... Hopsital for Insane, Norfolk... Institute for Feeble Minded Youth Boys' Industrial school..... Home for the Friendless Hospital for Crippled and De-formed Children Actual Current Expenses... Leartslative expenses

1.000.00 25,000.00 claim Estimated deficiency claims For miscellaneous claims (esti-mated) 30,000.00 10,000.00 Total Adding state school apportion-ment to be disbursed during 1907 and 1908 .\$4,152,893.84 1.840.937.61 85, 493, 831, 51

\$5,161,559.01 Estimates for expenditures for the fiscal period commencing April 1, 1907, and ending March 31, 1909: New Permanent Improvements-\$180,000,08 14,700.00 <text><text><text><text><text><text><text><text><text><text><text> 18,915.84 57,000.09 50,000.09 57,500.00 42,000.00 60,000.00 100,000.00 20,088,00 22,660,00 32,000,00 11,690,00 24,580,00 20,580,00 31,280.00 33,000.00 7,000.00 61,600.00 97,310.00 10,750.00 36,190.00 16,580.00 25,300.00 766,000.00 61,523.00 153,230.00 117,980.00 201,200.00 137,400.00 401,780.00 113,400.00 36,010.00 115,200.00 111,500.00 131,400.00 40,000.00 82,575.00 12,800.00 2,500.00 15,000.00 10,000.00 7,000.08 30,500,00 6,000,00 15,000.00 5.100.00 10.000 00 224,000.00

lections Interest on school and saline land Lease on school and saline land Interest on bonds Interest on warrants Game and fish licenses Temporary university fund taxes Interest on university land Lease on university land Interest on agricultural college lands on agricultural Lease

iands United States government agriculture and mechanic fund United States government 844 ulture

12,804.00

11,481.30

24,447.23

8,057.00 50,000.00

5,141.47

6,098.58 2,512.33 62,825.87 300.00

38,500.00 119,538.21 1,532.83 6,670.00 fund University cash fund Normal interest fund Normal school library fund, Peru Normal school library fund, Kearney State library Vocestich for Insano fund

Biate library Hospital for Insane fund Convict labor Penitentiary fund

\$5,161,659.01 \$2,998,674.79 1,330,044,45 877,765,79 118,163,22 6,058,50 2,512,83 300,09

School fund University fund Normal school fund State library fund Hospital for Insane fund Penicentiary fund (land) .



2,000.05 5,000.05 6,000.00

2,000.00 11,000.00 6,000.09

such a flaw would increase the rate of inter-est because Nebranks is not yot a credi-tor's state. If such is the case the possi-bility of an increase in the interest rate may be avoided by permittin the privilege of contract whereby the owner of the land may, if he chooses, pay the tax on the in-terest of the mortgage. He could afford to do that and be none the worse off than he is at present. Certainly if all the domestic capital that is evailable for the investment of mortgages is driven out of the state nonresidents may be expected to raise the rate of interest as they no doubt will do when there is no longer competition by domestic capital.

The the rate of interest as they no doubt will do when there is no longer competition by domestic capital. The people of this state have been paying off their indebiedness and ac-oundating capital, which should be in-vested at home. The present law discrimi-nates against domestic capital and in my state to invest their capital in securities system plainly imposes a double tax upon mortaged property, when the mortages is held by a resident of this state and to the tax upon that class of property. It is not fair to the residents of our state and it is gainst good public policy to con-tine this respect. Exemption of Debta.

Exemption of Debts. Another amendment that is needed to



Stuart's Dyspepsia Tablets Restore Lifeless Organs to Mormal Condition.

A TRIAL PACKAGE FREE.

Many a sufferer from Dyspepsia, Indiges tion and kindred aliments of the digestive organs carries around an absolutely useless stomach-a dead load, and a cesspool for ever-increasing disorders. The muscles are seemingly worn out, the mucous lining has ost its secretive power, and food taken into the stomach lies there and ferments, causing sour eructations, beichings, heartburn, dissinces and other distressing conditions. Many sufferers have given up in despair until they have been induced by some intereated friend to try a box of Stuart's Dyspepsia Tablets. Stuart's Dyspepsia Tablets are the dys-

peptic's sure and only hope. They are a natural restorative of healthy action to the stomach and small intestines, because they supply just the elements that the weak stomach lacks-popsin, diastase, goldon seal and other digestives. If you are afflicted with any of the symp-

toms above described, be assured that your igentive organs are losing power-they need help and there is no more sensible help to be given them than to supply elements which will do the work of digestion for them.

Stuart's Dyspepsia Tablets have been found by the test of reputable physicians in the United States and Great Britain to the United states and treat Britain to have remarkable digestive powers, one grain of the active principle of these tab-lets being sufficient to digest 2,000 grains of ordinary food. It is plain that no matter what the condition of your stomach or how fa: your disease has progressed, one only of Stuart's Dyspapsia Tablets taken at meal time will do the work-give your stomach an opportunity to regain its lost pow-ors, the muscles will be strengthened, the glands invigorated and you will be a new

han. It costs nothing to prove the effectivenes of this cure. Send for a free sample packige today. F. A. Stuart Co., R Stuart Bidg., Marshall, Mich.

Alt drugsists soll Stuart's Dyspepsia Tabinto at 50 cents a box.

United States district court, they have appealed to the United States supreme ourt, where the insues are now pending. The amount involved is 20 per cent of the total taxes due from the two roads to the several counties, with the exception of those counties where the amount in controversy is less than £2,000. For the years 1504, 1906 and 1906 the total taxes thus withheld is about \$1,000,000. Approximately \$100,000 of this sum belongs to the state, and the re-mainder to the several counties, achool dis-ricts and mulcipalities. Manifestly the failure to collect such an amount of tax is working great hardship and embarrass-ment to many county treasuries. Firmly believing that the railroad assessments as made by the state board are not more than the law makes obligatory, and are not out of proportion with the assessment of other forms of property. I confidently look to the highest court in the nation for a vindi-cation of the state's right to assess any and all corporations upon the actual value of their property and the issuance of an order compelling the payment of all de-terroit taxes. **The State Debt.** properly conducted where there is friction in its management. All the superintend-ents and head of the different institutions that are appointed should be held respon-sible for their conduct and for the man-agement of their institutions directly to the governor. The laws of this state should be amended so that in case of mismanage-ment and misconduct the governor may remove them summarily. We have with nessed in the past at several different times the pitiable condition in which governors of this state have been placed when trying to remove a delinquent or incompetent ap-pointee. I trust this legislature will see to it that the laws are amended so plainly thappen again. Abolish the Lobby.

Abolish the Lobby.

Abolha the Lobhy. The stread corporations of Nebraska, espe-fishes the sail of the legislature. The presence of the bolt is the second of the presence of the bolt of professional tobby is the of bolt is the second of the presence of the presence of the term of the bolt of the presence of the presence of the second of the presence of the tree of the tree work which the presence of a strength of the presence of the the the the second of the presence of the presence of the tree work which the presence of a strength of the presence of the the the the the second of the presence of the tree work which the presence of a strength of the tree work is the second of the tree work is the the the the second of the tree work is the the the second of the tree work is the <text><text><text> Control of Telephones.

Control of Telephones. The use of the telephone as a means of communication is becoming general in Ne-braska. There are complaints in many parts of the state of unreasonably high rates and poor service. It is therefore rec-ommended that the railroad commission. In addition to control of railroads, be also authorized by law to control telephone companies and regulate the rates thereot. Suggestions for Railroad Laws.

In regard to the railroad legislation than you are about to enact, permit be to offer

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to this commission for relief from railroad oppression. The measure of success achieved by the board will very largely de-pend upon the choice of a secretary. He should be an expert. During my term of office many complaints have reached me predicated upon alleged unjust freight charges imposed by the railroads. In the matter of shipments within state lines in particular it is as-serted that the companies operating in this state collect rates which are far in excess of the current rates for similar service in the states to the east and which, measured by the length of the haul, are dispropor-tionate. These are matters which most scriously affect the interests of all our citi-zens. I have made no personal investiga-

ionste. These are matters which most seriously affect the interests of all our citi-sens. I have made no personal investiga-tion of freight rate conditions because, whatever my findings might be. I have had no power to act and there has because, board of commission to which such ques-lions could be referred. The railroads of Nebraska are, in the main, owned and con-trolled by castern capitalists. These peo-ple are much more interested in their own profits than they are in the general welfare of the citizens of this state, though there should be an equitable relation existing be-tween the two. The tendency of the times is toward a concentration of capital and experience teaches that where there is cen-tralized power there is apt to be oppres-sion. The railroads have been a subcreme factor in the development of Nebraska and no one will gainsay their right to reason-able returns upon their actual investments. It is also right that the people should be protected against unjust discriminations and exteritionate rates. The remedy of na-tional legislation is being vigorously ap-plied and it remains for the several states at the sill operate against discrimina-tion and will guarantee equal privileges to all. Now that the people have established a railroad commission and have authorized in the develop have due there is confidentity applied and it remains for the several states is to be equally active. I favor such legal re-straint as will operate against discriminations and extertionate rates are the several states in how that the people have established a railroad commission and have authorized in the outhor is with ample power, marked improvement along these lines is confidentity appeted. Education. Education.

Education. The growth of our educational system in all its branches has been phenomenal and highly satisfactory. Our people are alive to the importance of good schools and have ever shown a willingness to provide for the needs of such institutions when-ever the need has been made manifest. At the present time the state is supporting by direct taxation the university and two normals, a school for the blind and for the deaf and dumb. I have no doubt but that your honorable body will carefully consider the requirements of all these institutions as will further their progress and be in line with the growth and development of the state. state.

Institutional Comments.

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Labor Bureau. The results accomplished by the Bureau of Labor and Industrial Statistics are not satisfactory, and are not commensurate with the cost of maintenance. So far as I have been able to observe the entire his-tory of the bureau has been a disappoint-ment. If you think best to continue the department, I recommend that the services of the clerk be dispensed with, as the deputy commissioner and the stenographer constitute ample office force. Law Enforcement. I have a firm conviction that the chief

The Junkin Act in provide a penet of the violation of the state to curb trusts, the violation of the state to curb trusts, the violation of the state to be be and the violation of the state of the state to be s <text><text><text> Berger and of this amount \$2,942.02 has been used.
Supreme Court and Comminaton.
During the last two years the supreme court of list memory is a commission of six members, has been assisted in the consideration of cases by a commission of six members, and the nine so working together have reduced the docket so that cases now or heard and determined within a little less makeshift to add to the judicial force with a district courts can be heard and determined within a little less makeshift to add to the judicial force with out contravening the constitution. The proved and adopted by the court before have reduced the commission must be sproved and adopted by the court before have can have validity. The system is a makeshift to add to the sufficient membership to be tolerated only until such the tast court of sufficient membership. The system is a strate of its business without unand should be tolerated only until such to take care of its business without unand for a court of sufficient membership. The sufficient membership to take care of the business without unand it recommend that you submit to the electors and amage of the further second to the suprevision of the discretion of the suprevision of the suprevision of the discretion of the suprevision of the suprevision of the discretion of the suprevision of the suprevision of the discretion of the suprevision of the discretion of the suprevision of the suprevision of the discretion of the suprevision of the discretion of the suprevision of the suprevision of the discretion of the suprevision. The period with the discretion of the suprevision of the suprevision of the suprevision and the suprevision of the suprevision of supreme Court and Commission.

Relited Passenger Rates. With the abolition of free transportation, which I assume this legislature will ac-complish, will naturally come increased aralings to the passenger departments of the several railroads. As these corpora-tions are already earning sufficient income upon their stocks and bonds, it follows that the people should have the benefit accruing by reason of the disappearance of the pass. Assuming that the anti-pass law will be rigidly enforced, it is a sufe conclusion that reasonable reduction in present rates can be made without doing injustice to the rates of 1 cents per mile, and trip tickets at a cents per mile would be fair and just, and i suggest these rates for your consid-eration. ration.

General fund collections on back taxes Binking fund collections on back taxes (house roll 204) Collections of obsolete funds (sen-ate file 80) Interest on deposits Mincellaneous collections Frees, source of public accounts Press, suditor of public accounts Press, suditor of public lands and buildings Frees, state of inspector Frees, state food commissioner... Frees, board of irrigation United States government "aid" Soldlers' and Bellors' home ...

Railroad Passenger Bates.

Statement No. 4.

JOHN H. MICKEY. Governor. In addition to the recommendations cov-ered in the foregoing, Governor Mickey recommends that the law regarding notaries public be changed to fix the minimum age for commission at 21. He refers to the Jamestown exposition and his appointment of a commission at the invitation of the president, and also calls attention to the Alaska-Yukon-Pacific exposition, to he held at Seattle, without recommendation. His action in making arrangements to se-cure for the university a further appropriation from the general government under the provisions of the Hatch fund and the necessity of a law to relinquish state control over a lot bought by the general gov-ernment at North Platte for experimental station purposes is set out. A more adequate appropriation for the state veterinarian is also asked. The purchase of the

sliver service for the battleship Nebraska is also related. Payment of insurance on public buildings and for the bond for the state trueasurer is brought to the attention of the legislators. The child labor law is also mentioned.



cient.