

appropriations made by the board giving five mills on the dollar valuation. The rate of the state school tax shall not be less than one-half mill, nor more than one and one-half mills on the dollar valuation; and the rate of the state sinking fund tax shall not be more than three-fourths of a mill on the dollar valuation in any county in the state." It will thus be observed that this board as a board of equalization shall equalize taxes by varying the rate of taxation in the different counties in case inequalities appear to exist in the valuation of property as returned by such counties. By the limitation of statute preventing a levy of the general fund state tax to exceed five mills on the dollar valuation, it has been found necessary by the board of equalization, in order to meet the appropriations made by the legislature, to levy to the full limit allowed by law. Even then the revenues raised for a series of years past have been insufficient. It will thus be seen that the board has found itself unable to equalize taxes by varying the rate of the general fund levy and that the equalization of the valuation of property in different counties has been restricted to the variations permitted in the levy of the state school taxes, which shall not be less than one-half mill nor more than one and one-half mills, and the sinking fund taxes, which shall not be more than three-fourths mill. The margins thus allowed for equalizing these taxes are entirely inadequate and if this method of equalization shall obtain in the future, I urgently recommend that greater latitude shall be given the board by amending this section of the statute so as to increase the levy for general purposes from two to four mills on the dollar valuation. This would give a much better opportunity of equalizing the burdens of taxation by varying the levy in different counties as the different valuations may require and yet enable the board to collect the necessary revenues and meet the appropriations made by the legislature.

#### Beet Sugar Bounty.

Nebraska is essentially an agricultural state. Her growth, prosperity and the increase of wealth of her citizens depend very largely on the success which we may be able to achieve in the many different branches of agricultural enterprise.

For a number of years our people have given much consideration to the growing of beets from which to manufacture sugar. Two great factories have been established within her borders for the manufacture of sugar from the sugar beet. At no time since the establishment of either of these factories, unless perhaps in 1894, on account of the drought that season, has there been any dearth in the production of sugar beets ample to test the full capacity of each of these factories during the season of operation. In fact, those operating these factories have been compelled each season to refuse to contract for a large acreage of sugar beets which the farmers desired to produce, because of lack of capacity for caring for them.

Experience thus far has demonstrated that we possess in this state the soil, climate and all things else required to grow this very useful plant as advantageously as in any other portion of the country. That we should make the most profitable use of these favorable conditions, I think we are all in entire accord. The experimental work engaged in by a department in the state university in determining the most approved method of sugar beet culture, and in the dissemination of the knowledge thus obtained, as well as the analysis of sample beets sent to the university for that purpose, have greatly assisted the practical sugar beet culture. The growing of sugar beets and the manufacture of sugar therefrom in this state may be said to have fairly passed the stage of experiment and is established on firm footing. The acreage which could profitably be cultivated in this one crop alone is almost unlimited in extent. The establishment of manufactories, thereby permitting the cultivation of much larger acreage, is greatly desired, and any encouragement which could properly be given would meet with general approval.

The preceding session of the legislature passed an act for the avowed purpose of encouraging the growth of sugar beets and the manufacture of sugar therefrom by giving a bounty of five-eighths of one cent for each pound of sugar manufactured within the state by factories already established, and one cent for each pound of sugar manufactured by factories to be established, providing in each instance that five dollars per ton should be paid for the beets purchased by such factories. The same act also provided for a bounty for the

manufacture of chickory from chickory beets.

Under a conviction of official duty, believing an act of this character unsound in public policy and a wrongful use of the power of taxation, I withheld executive approval from the act referred to, but it was passed and became a law notwithstanding. Under the provisions of this act, claims were presented against the state properly certified by the secretary of state for sugar and chickory manufactured during the season of 1895, amounting to the sum of \$47,690.31, and warrants upon the state treasury were drawn therefor, notwithstanding no appropriation was made by the legislature for the payment of such claims. For the season of 1896 it is estimated in the report of the secretary of state that 10,861,700 pounds of sugar will be manufactured, which would make claims for sugar bounty amounting to \$67,885.62. Upon the declaration of the state auditor to issue further warrants, suit was instituted which resulted in an opinion from the supreme court adverse to the position taken by the bounty claimants.

The result of the operation of this bounty act has only served to confirm me in the views which I then entertained. A claim against the state aggregating more than \$115,000 has thus been permitted. Its liquidation seems a very heavy burden on the already overtaxed citizens of the state. There has not as yet been an additional acre cultivated in beets or a new manufactory, with their corresponding benefits, secured to the state. To the claim of some that such a bounty is for the benefit of the sugar beet grower rather than the manufacturer, it is proper to remark that justice to all interests of the state would hardly require that an industry, which is admittedly remunerative and which thousands are anxious to engage in as soon as factories are established to consume what they may produce, shall be made more remunerative at the expense of the vast majority of those engaged in other branches of agriculture who receive too meagre remuneration as a reward for their toil. What is more to be desired than a bounty, which its warmest advocates admit is only a temporary expedient, is a fixed and well-defined policy of encouragement by natural means and mutual co-operation between grower and manufacturer, relying upon the paramount conditions which surround us for the full development of this industry.

That part of the bounty act holding out inducements for the establishment of new factories, which seems to have been unavailing, is more equitable and has much more foundation in justice and reason than that which helps support an industry already established at the expense of others less favored.

#### The State University.

The state university is in a very flourishing condition. The excellent work in the educational field occupied by this institution under the direction and efficient management of the chancellor is very gratifying to all citizens of the state. The high rank which it occupies among similar institutions of the land testifies to the excellent work which has been performed. The university educational work has been extended so as to provide a practical training for a short period of time in the varied branches of agriculture for those who are unable to avail themselves of the opportunity afforded to take the prescribed course in the college of agriculture and yet wish to prepare themselves for active and intelligent work in agricultural pursuits. In a state such as ours, where the agricultural interests are paramount to all others, it seems to me that an effort to promote this feature of university education must find much cordial support by the people generally. In considering the needs of the institution especial attention is requested to this branch of the work which is now in process of development.

The law provides for two funds to be used in support of this institution, first, the endowment fund, to be invested and the interest of which can be used only in its support; and, second, the regents' fund, which shall consist of the proceeds of the investment of the endowment fund, the annual rental of the university and agricultural lands, the matriculation and other fees paid by students and a tax of three-eighths of one mill on the dollar valuation on all taxable property. From this it would appear that it was the intention to have the university supported from these funds rather than from an appropriation from the general fund, unless for repairs and permanent improvements. The condition of the state's finances would seem to emphasize the

necessity for adherence to this method of deriving revenues for the current expenditures for the institution as nearly as possible, without injuring its usefulness. The estimate of expenditures calls for an appropriation from the general fund of \$24,500, and also, \$50,000 for permanent improvements.

While I am strongly impressed with the necessity of economizing wherever possible in making appropriations for the expenses of state government, I bespeak for this highly useful institution a liberal support sufficient to maintain its various departments unimpaired. The report of the regents for the biennial period just closed will be submitted to you and is worthy of your careful consideration. It is an improvement on all past reports in its thoroughness and the attention given to details respecting the past management and the future requirements of our university.

#### Board of Transportation.

I am of the opinion that our board of transportation laws may be amended in many respects so as to give greater powers and more latitude in the operation of the board in the enforcement of the law, thereby assuring a better administration of this important feature of state government. It would also seem advisable to give to a board of transportation not only the right to control railroad traffic, but also that of telegraph and express companies doing business between points within the state.

This entire matter is submitted to you with the hope that if any changes in our present law are found to be advisable, the subject may be legislated upon by you so as to bring about equitable dealings between these several corporations and their patrons. While protecting the rights of the individual, every consideration which wisdom and justice requires should be given to the corporations whose business is thus sought to be regulated.

#### Other Matters.

The governor treats of various other matters at much length, but with great clearness. He discusses the effects of the depository law, and gives as his conviction that it is a good thing. Several amendments are suggested, notably that the bond should be signed by others than those actively in the bank's management, that it should be for two years only and that a bank can be suspended at will.

The governor details his effort to induce the other members of the board of educational lands and funds to invest the half million of permanent school money in state warrants, and their refusal on alleged legal grounds that he considers were not well taken. He asserts the belief that the new board will co-operate with him.

The state institutions are treated in detail. He rather inclines to advise the discontinuance of the branch soldiers' home at Milford as an unnecessary expense, and favors the state taking control of the home for the friendless and home for fallen women, but to appoint boards composed of women to manage them. The penitentiary and the management are given much attention, and he advises a law placing it under state management that would put it on a higher moral plane. He recommends increasing the accommodations at Norfolk for insane patients, and is strong in the belief that the governor and not the board of public lands and buildings should appoint all heads of state institutions, as is the case with some of them.

He criticises the delay in the pushing of the maximum freight rate case, but advises against any law being passed until the federal supreme court passes on the old one. He urges that the board of transportation give some relief by exercising its functions.

The governor favors an increased appropriation for the state militia and highly commends General Barry and Major Fchet. He favors continuing the labor bureau and increasing its efficiency by making it also an employment bureau and to take charge of immigration matters. If this is not practical in the matter of immigration the Nebraska club is commended as the proper disburser of any appropriation. Considerable space is also devoted to the subject of irrigation, and any encouragement in that line will receive his approval. The drought is discussed at length and the act of the commission detailed.

The governor favors making the offices of district and supreme court clerk salaried ones, and he believes that greater powers should be given the banking board over suspended institutions. He thinks the board ought to appoint receivers and direct distribution of assets.

A liberal appropriation for the Trans-Mississippi exposition at Omaha is recommended. In conclusion he said:

I extend to you, in conclusion, my hearty co-operation and earnest support in every effort you may make to advance the interests of Nebraska and the welfare of our fellow-citizens. I hope your stay in the capital city may be pleasant and that, having diligently attended to the affairs which call you here, you may return to your homes with the satisfaction of having faithfully performed your duty as representatives of a free people.

Sutton & Hollowbush have invented a cough drop. They call it the S. & H., Sutton & Hollowbush, and it is a good one. Stop and get one on your way to the theatre. It will save you a spasm of coughing.

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