

# rope Way to Work



Everything by a night-like darkness. In the picture, taken downtown about 9 A. M. people are shown coming to work while near darkness still prevailed, although the sun rose at 7:33 A. M. Automobile headlights, guided the group.

# Legislature Hears Budget Message

Proposed Expenditures Total About Same as for Current Two Years; Cuts to Offset Increases

By JOSEPH H. BALL

(Text of Governor Stassen's budget message on Page 3.)

Governor Stassen recommended to the Legislature today appropriations totaling \$92,987,323 for the next biennium, approximately the same as expenditures for the current two years, but with slashes for most departments to offset appropriations for new activities, and some increase.

Highlights of the Governor's special budget message, delivered this noon at a joint session of the House and Senate, were his recommendations for:

Inclusion of a homestead lien provision in the old age assistance law and raising of the amount of property a recipient may own from \$3,500 to \$5,000, estimated to cut OAA costs for the biennium by \$250,000.

An increase from 8 to 10 per cent in the iron ore occupational and royalty taxes, estimated to raise \$1,525,000 additional revenue.

Repeal of the Dunn 1-mill road and bridge tax, proceeds of which go to counties, coupled with extension for two more years of the additional 1 cent a gallon gasoline tax.

Repeal of two other statutory levies, the 23 mill university tax and the tenth of a mill levy for veterans relief. (Veterans relief would be financed out of the regular relief appropriation.)

An "administrative cost" assessment of 5 per cent on trunk, highway and game and fish funds, estimated to add \$1,800,000 to the revenue fund during the two years.

Carrying his reorganization program further by grouping all state inspection agencies, including liquor, oil, hotel, insurance, securities and banking, under a new department of commerce, headed by a single commissioner.

Having all fees, now collected and spent by various state agencies without legislative control, totaling some two or three millions a year, paid into the revenue fund and made subject to legislative appropriation and budgeting control, which the Governor wants strengthened.

Approximately the same appropriations for the university. (Please Turn to Page 2, Col. 1)

## Ain't Saying



SENATOR CARAWAY

Washington, Feb. 1.—(P)—Hattie Caraway of Arkansas, only woman senator, had cake for lunch today—a cake with 21 candles.

It was given her by office associates on her birthday anniversary. Asked what milestone she was passing, she grinned and declared: "I ain't a-saying!"

## Sex Crime Fight Goes to Solons

3-Point Program Submitted by St. Anthony Park Group

A three-point program dealing with sex criminals was sent to the Minnesota Legislature today by the St. Anthony Park Safety board.

In a recommendation signed by Roscoe S. Moore, chairman of the board of citizens formed following attacks on women in the St. Anthony Park district last October, the legislators were requested to consider changes in the present parole procedure. More adequate psychological and mental examinations for sex offenders and additional facilities for the treatment of such criminals were urged.

The recommendation comes after three months of study of the prob-

# Sparkle Tonight

## Is Slap Happy!

### Wife, Judge Rules

A man is wife, Finne-denying ry. Ku-added: slapped there would be fewer divorces." Mrs. Kuhar alleged her husband, John, 24, a musician, was cruel, and testified that two weeks after their marriage last June he slapped her twice when she refused to go dancing with him. "More slaps aren't acts of cruelty," his honor held.

## New Industry Opened Here

## Music, Comedy, Grace Combined In Ice Pageant

Royal entertainment—a blend of the color of a dozen lands, music, comedy and the formal grace of the ballet—will be provided for King Boreas' followers tonight.

The impressive pageantry of the Winter Carnival will take a mid-week pause while luminaries of the figure skating world present the opening performance of the

### Queen Has Day Off

Her Majesty, the Queen of the Carnival, enjoyed her new regal state in leisure today.

The queen, in private life Miss Irene Foss, a billing clerk at Farwell, Ormun, Kirk & Co., took a day off from work today to rest after her coronation Tuesday night.

## Quadruplets Born in Texas

Galveston, Texas, Feb. 1.—(P)—Four lusty-junged girl babies made

sity and for state school aids as during the current biennium, with a \$1,687,500 building program for the university and other state institutions.

The Governor's printed budget table is worked out on the basis of cancellation of all unexpended balances, not hitherto dobe, and routing of all receipts now appropriated automatically to various departments through the revenue fund for legislative appropriation, so that comparison with past appropriations does not give an accurate picture of his proposals.

**"SAVING" EXPLAINED**

While total appropriations of the 1937 Legislature were only \$61,316,419, exclusive of relief, this figure does not include reappropriated balances and fees received by various departments.

Including these items, Stassen estimated total expenditures for the current biennium at \$62,340,195. As against this total, he proposed expenditures of \$79,300,823 during the next biennium, or \$3,039,372 less.

All but \$605,860 of the reduction, however, is accounted for by the fact that income tax school aid during the current biennium will total around \$13,035,512 because of the inclusion of one extra \$5 per pupil payment, while during the next biennium it will total only \$10,600,000 on the regular basis. This difference accounts for \$2,433,512 of the reduction shown in the table.

Stassen recommended that the \$10,900,000 recommended by the previous administration for direct relief be appropriated, plus an additional \$1,100,000 for veterans' relief now administered by the Board of Control, and aid to needy high school and college students, amounting to some \$300,000 a year, and heretofore borrowed by the State Executive council under the so-called Calamity act.

**ADVISES BORROWING**

This brings the relief total to twelve millions, which Stassen recommends be financed by borrowing.

In addition, he would borrow about \$4,500,000 which he said will be needed to meet deficiencies in various state agencies, but chiefly for relief and old age assistance. His building program also would be financed by borrowing, bringing the total borrowing to \$18,187,500.

**PLANS DEBT REDUCTION**

Despite the borrowing, Stassen estimated that through retirements of existing debt during the next two years, the state's total debt

will be reduced about nine million dollars in the next biennium, from \$132,883,045 to \$123,774,951.

The new buildings he recommended are a new field crop building at University farm and a class room building on the main University campus at \$450,000 each; a school building at the boys' training school at Red Wing, \$110,000; a new school building at the School for Feeble-minded at Fari-bault, \$150,000; a new power plant at Fergus Falls hospital for the insane, \$290,000; \$190,000 to complete Unit B of the new physical education plant at the Bemidji State Teachers college, and \$47,500 for a sewage system at the Minnesota Soldiers home in Minneapolis.

**ASKS PROPERTY LEVY**

Stassen recommended a one-mill levy on property each year for the revenue fund, but wants the total state property levy kept at 10 mills or less by elimination of the 1-mill road and bridge tax, the .23 mill university tax and the tenth of a mill veterans relief tax.

He tied his plan to cut out the road and bridge levy, all of which is allocated to counties for their road and bridge funds, with continuation of the 1-cent increase in the gasoline tax, one-third of which goes to counties for their road and bridge funds. Unless the 1-mill tax is eliminated, Stassen said, he is opposed to continuation of the gasoline tax increase.

The 1-mill property levy, together with his proposed increase in iron ore taxes and the 5 per cent assessment against highway and game and fish funds, the Governor estimated, will provide sufficient revenue to meet all appropriations the next two years with a \$66,000 balance.

**ASKS IRON TAX STUDY**

Stassen's recommendation for inclusion of the homestead lien provision in the old age assistance law would make Minnesota's act conform to that of Wisconsin. It would give the state lien rights on homesteads to repay assistance grants.

He also proposed that the provision requiring children to contribute to support of aged and needy parents, when able, be strengthened. At present this provision in the law is virtually a dead letter.

In addition to recommending an increase in the iron ore occupational and royalty taxes from 8 to 10 per cent, Stassen urged that an interim legislative committee be named to study the entire problem of iron ore taxation, with particular reference to the debt problems of Iron Range communities.

His budget picture, he said, is based on the premise that his reorganization proposals, calling for consolidation of similar agencies and simplification of procedure, as well as a quarterly allotment budget system with real budgetary control, are adopted by the Legislature.

**REVIVES CIVIL SERVICE**

He also recommended civil service again, and included an appropriation of \$120,000 a year for it in his budget.

A surprise was his plan to abolish the State Commerce commission as such, and substitute a new department han-

**ding all state inspection services.**

This department would include not only the commerce, securities, banking and fire marshal divisions now under the Commerce commission, but also liquor and oil inspection, hotel inspection and the division of weights and measures, now under the Railroad and Warehouse commission.

The tax collection functions of the oil inspection and liquor control divisions, however, would be handed over to a new department of taxation under Stassen's plan.

**AID FOR YOUNG, BLIND**

The total appropriation for state institutions under the Board of Control would be about the same under Stassen's budget, but the Moose Lake hospital for the insane would receive an \$187,000 increase, one or two others would get small increases, and most would be cut in varying amounts.

Stassen recommended the same maintenance appropriation for the university as in 1937, \$7,000,000, but would cut miscellaneous university appropriations \$178,000. While old age assistance would be cut \$250,000, Stassen recommends an increase of \$500,000 for aid to dependent children and \$38,000 for aid to the blind.

A new appropriation recommended would be \$50,000 for the State Resources commission, formerly the State Planning board. Because of the cuts in various departments, Stassen also asked for a contingent fund of \$300,000, to be used to meet any emergencies by the budget director.

**BORROW TRUST FUNDS**

In recommending the same appropriation for state school aids, Stassen urged that the supplemental aid, designed to assist poorer school districts, be increased some and the apportionment aids cut.

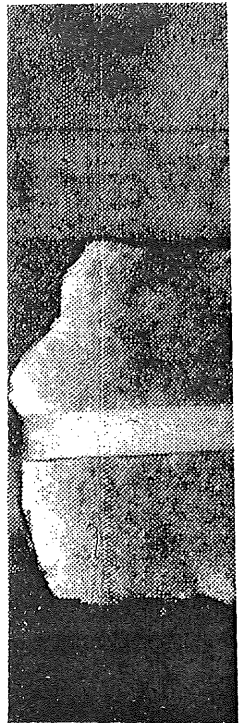
The budget director should be required to reduce allotments to departments if revenues fall below estimates, the Governor said. He also suggested that the Legislature pass a special act to permit borrowing of relief funds from the state trust funds at 1.5 per cent interest.

The trust funds, he said, now have ten millions idle cash on hand because they cannot obtain investments at the required 3 per cent interest rate.

The Governor told the legislators that the net deficit in the Highway department January 1 was \$1,625,236. To meet the situation, he said, the department is cutting its maintenance budget to \$6,000,000 for 1939, as compared to a total of \$11,679,447 used for maintenance in 1938.

**Lommen Lashes At Shipstead**

State Senator George H. Lommen, Eveleth Farmer-Laborite who was chairman of the recent state convention of the party, lashed back today at Senator Henrik Shipstead in a vitriolic statement predicting "political oblivion" for the senior United States senator.



Miss Coletta Kelly pound chunk of rock r in Ireland. Official doc Cleveland committee a from the Blarney cast stone.

**Two More Candidate**

Legislative caucuses today

said a caucus late today expected to be final. The has twenty legislative votes Reports were that the race close between Dr. A. E. Olsc R. L. Griggs, with A. E. Mcl and Rollo F. Hu at also in th ning.

The Senate, after a brief over parliamentary procedu day, postponed for 24 hours action on committee proposa several appointments by f Governor Elmer A. Benson n confirmed.

The list included the nam William Mahoney, liquor cc commissioner; George C. Pa Hibbing, member of the Poultry Improvement board,

Mrs. Helen T. Bur

**Service**  
  
**MINNEHAHA CLEANERS**  
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