HOUSE BILL NO. 241.

Executive Office,
Austin, Texas, May 2, 1905.

To the Secretary of State:

I disapprove and herewith transmit House Bill No. 241, entitled "An Act to authorize counties and cities incorporated under the general law to issue bonds for the purpose of raising funds for the payment of valid floating indebtedness and to provide for the levying and collection of a tax to pay said bonds and the interest thereon, and prescribing the duty of the county and city treasurer with reference thereto."

I give notice and proclaim that I object to this bill for the following reasons:

There is no general demand for the character of legislation proposed and, if this bill were to become a law, I apprehend that any particular local advantage it might by possibility subserve would be more than outweighed by the injurious effects that are liable to result from its general operation. Its effect would be to encourage our county and city governments to incur indebtedness beyond the requirements of prudent and economical administration of their affairs. It might serve to keep up a system of bond issues from year to year independent of and not limited to present indebtedness and thereby lead to increased and extravagant expenditures. It would invite speculation in depreciated scrip bearing no interest to be exchanged at par for intrest-bearing obligations at the expense of the original holders, thereby promoting selfish benefits rather than the public good.

If the obligations of a county or city have become depreciated and discredited by improvident methods and management, the correction lies in retrenchment and the economic employment of remedies now available.

The tendency to issue bonds and contract obligations to be satisfied in the future is already too strong. It should not be encouraged beyond what is absolutely necessary and in harmony with sound public policy. A bond is always a burden, but not always a blessing.

It may be doubted if this bill requires the proposition for the issuance of the bonds which it would authorze to be submitted to the taxpaying voters, whatever the intention may have been. It provides that "All bonds issued hereunder shall be issued in strict conformity with the law authorizing the issuance of bonds by counties and cities." This provision might be construed to apply only to the form and manner of execution of the bonds.

Believing that this bill is unwise in policy and, if it should become a law, would be liable to abuse in practice, I can not give it executive sanction, and it is accordingly vetoed.

S. W. T. LANHAM,
Governor.