

## Messages of the Governors

Although of opposite political faiths, the retiring and incoming Governors of Iowa found themselves comfortably in agreement on several recommendations made during appearances before separate joint sessions of the General Assembly.

Republican Norman A. Erbe, who was retiring, and Democrat Harold E. Hughes, who was taking over, agreed that it was time to lengthen the terms of Governor and Lieutenant Governor from two to four years, that governmental reorganization was long overdue, that there should be state regulation of utility rates, that the Kerr-Mills medicare law adopted in 1961 should be implemented, and that there should be a fair employment practices law.

They disagreed on some matters, too, notably whether or not three-member boards and commissions should be replaced with single-member administrators.

Considering that they had been opponents in a hard-fought political campaign only a few months previously, they were most complimentary to each other in their respective addresses. Governor Erbe wished his successor well in a genuine display of good will in concluding his message. Upon being sworn into office two days later, Governor

Hughes praised his predecessor for being "most gracious and cooperative" during the transition period between election and inauguration.

*Erbe's Farewell Message*

Completing two years in office, Governor Erbe told the legislature on January 15 that his administration's watchword had been "efficiency and economy coupled with a progressive spirit."

"Administrative costs during those two years have risen only four per cent," he noted, "compared to an appreciably higher gain in our state's economic level."

He said Iowans could look back proudly upon the achievements of the 59th General Assembly which, "with no increase in taxes," boosted state school aid 25 per cent, agricultural land tax credit 7 per cent, Board of Regents appropriations 14 per cent (plus \$20.8 million for new buildings), Board of Control appropriations 11 per cent, and which allocated \$2.1 million to the Iowa Conservation Commission to improve recreational areas and parks along the Mississippi and Missouri rivers.

The 1961 session, he continued, also passed a proposed amendment to change the present constitutional formula for apportioning legislative seats, redistricted the Senate's seats on the basis of the present formula "for the first time in 60 years," passed enabling legislation permitting cities to participate in the Federal housing program upon a favorable 60 per cent vote, and revised the formula

for distributing the road use tax fund on a more equitable basis.

Governor Erbe said the 1963 legislature should give serious consideration to enacting legislation:

1. Permitting the Governor to appoint all state administrative officials who are now elected, excepting the Attorney General who, he said, should be appointed by the Supreme Court.

2. Extending the terms of Governor and Lieutenant Governor from two to four years.

3. Providing Governors-elect with an office, a staff and supplies for the period between election and inauguration.

4. Providing for mandatory revaluation of property to permit equitable distribution of state aids.

5. Providing for annual legislative sessions, with the additional session restricted to budgetary and fiscal matters.

6. Substituting single administrators, responsible to the Governor, for present three-member boards and commissions.

7. Giving the Iowa Commerce Commission authority to regulate utility rates, and to transfer warehouse inspection duties from the Commission to the Department of Agriculture.

8. Setting up a fair employment practices law.

9. Establishing a continuing Commission of Local Government to provide greater liaison between state government and its subdivision.

10. Creating a permanent code revision office.
11. Implementing recommendations of the "Little Hoover" report of 1950 for reorganization of the administrative branch.

Governor Erbe noted that his administration had installed data processing procedures; coordinated efforts of the State's Universities and the Iowa Development Commission to develop "all areas of the economy;" removed 106 miles of curbing from primary highways; opened many new miles of Interstate highways; brought the Iowa Liquor Control Commission under the budget and stepped-up agricultural marketing and utilization programs.

He estimated there would be \$20,998,000 in the state treasury as of June 30, 1963.

#### *Hughes' Inaugural Address*

Governor Hughes, at 40, a strapping former All-State high school football player, got right to the heart of what most of his listeners were thinking about in the opening remarks of his inaugural address on January 17: Could a Democratic Governor and a Republican legislature work together for the good of Iowa?

"As I see it," he observed, "we have no choice — if we are to keep faith with our oaths of office. Our constitution states that 'all political power is inherent in the people.' The people of Iowa elected a Democratic Governor. They elected a Republican majority in both houses of the Assembly. They

expect us to do our jobs regardless of party labels."

The new Governor added that it is worth noting "that the differences that divide us as partisans are small by comparison with the common ground that unites us as fellow Iowans."

"We all want a better, more progressive, more prosperous Iowa," he continued. "To attain it, we must seek both unity and continuity in government."

A Republican himself until five years ago, when he ran for the Commerce Commission on the Democratic ticket, Governor Hughes became the state's thirty-sixth Chief Executive and the fourth Democrat to hold the office in the last 30 years.

He promised to work with the Republican legislature for "a progressive, prudent, pay-as-you-go program of government." He pronounced the keynote of his administration: "To realize as fully as possible the potential that exists in the present framework of government and to use with initiative and prudence the authority that our constitution and statutes have placed in the hands of the executive."

The new Governor stressed the word "initiative," saying he hoped suggestions for changes in government would not be met with the same it-can't-be-done-because-it-never-has-been-done-that-way attitude that greeted him when he suggested innovations four years earlier as a

freshman member of the Iowa Commerce Commission. He promised to find new ways to try out good suggestions, even if they are different.

Most of the Governor's recommendations were identical to his campaign pledges. But there was one brand new proposal that attracted immediate attention: to permit private and parochial school pupils to ride on public school buses.

His more familiar recommendations were for legalizing liquor-by-the-drink, strengthening the Iowa Development Commission, stepping up school district reorganization, permitting banks to pay interest on idle funds of state sub-divisions, funding the Kerr-Mills medicare law, extending terms of all elected state administrative officials from two to four years, reorganizing the administrative branch along lines recommended by the 1950 Little Hoover Commission and the 1958 Commission on Economic and Social Trends.

The Governor also called for legislation to give the Iowa Commerce Commission power to regulate utility rates, to abolish capital punishment, to accelerate the highway construction program, to create the post of public defender, to establish a state human rights commission, to provide more state aid to schools, to give financial support to the Alcoholism Study Commission, to establish fair employment practices, to set a prevailing wage law covering public work contracts, to legalize the union shop, to give municipalities more home rule,

and to establish a security hospital for the criminally insane.

He came out flatly against the proposed Shaff reapportionment amendment passed in 1961, which required confirmation in 1963 before it could be submitted to the people.

The Governor left the touchy problems of taxes and property tax relief for his budget message, although he did call for a review of the moneys and credits tax with the possibility of repealing areas of it which he "considered inequitable, illogical and a deterrent to the state's industrial growth."

### *The Budget Message*

Governor Hughes made his second appearance before the legislature on January 31 to recommend a record annual budget of \$230,005,315 to operate state government, excepting the highway program, for the biennium beginning July 1, 1963.

In a sense it was somewhat revolutionary, including some proposals for adjusting the property tax burden and others for the new revenue that would be necessary to pay for it, but he described his budget as "realistic," "equitable," and "balanced." If the legislature adopted it, he declared, the same amount would be left in the state treasury on June 30, 1965 as on June 30, 1963 — an estimated \$21 million.

His proposed budget was \$36,114,846, or about 18 per cent, above the 1961-63 annual budget of

\$193,890,439, and approximately the same amount under the \$266 million a year requested by the various state subdivisions for the 1963-65 bien-nium.

Governor Hughes said he faced facts realistically in these four general areas in making up the budget with Comptroller Marvin R. Selden:

1. The need for new funds to meet increased costs of administering state programs.

2. The need "to attract and retain the highest level of personnel in the administrative branch" for efficiency and economy.

3. The need for corrective legislation and new revenue to guarantee "a sound financial base at all times."

4. The obligation to treat fairly "the various components of our state — agriculture, industry, and rural and urban citizens."

He proposed easing the property taxes by increasing existing annual appropriations for (1) school aid by \$14,750,000; (2) homestead tax credit by \$9 million; (3) agricultural land tax credit by \$4.5 million. He also recommended \$10 million a year for capital improvements.

The additional money needed to pay for these increases would come from \$49.6 million in new revenue to be collected as follows: (1) \$17.8 million through adjustments in individual income tax rates; (2) \$9.6 million from two to four per cent normal growth in the economy; (3) \$8.1 mil-



lion through adoption of a withholding tax plus \$2.4 million from individuals who manage somehow to escape filing income tax returns under existing law; (4) \$5.5 million through an increase in the corporation tax from three to four per cent; (5) \$2.7 million by requiring monthly, instead of quarterly, reports from retailers collecting \$300 or more a month in sales tax; (6) \$2.5 million from liquor-by-the-drink if legalized; (7) \$1 million by extending the two per cent sales tax to hotel and motel rooms.

Significantly, the Governor did not close the door on a sales tax increase as Governor Erbe and his fellow Democrat, Governor Herschel C. Lovelless, had done in actions that created wide rifts between them and the legislature. But Governor Hughes left no doubt that he considered the sales tax "regressive" and he flatly opposed an adjusted gross income tax as "manifestly unfair" to those least able to pay.

The Governor proposed annual appropriations of \$46.9 million for Board of Regents institutions; \$22.6 million for Board of Control institutions; \$20.6 million for the Board of Social Welfare, including \$2 million to implement the Kerr-Mills medicare act; \$11.2 million for administrative departments, and \$5.3 million for the Department of Public Safety, each representing an increase over the current appropriation. He included a recom-



In a contemplative mood, legislators sit in joint session in House chamber to hear Governor Erbe's farewell address



Having listened to the Governor's Messages, the Legislature gets down to business. Representatives John Camp (hand on table) presides over joint appropriations subcommittee hearing on highway access control bill with Governor Hughes (second right from Chairman Camp) as an observer.



Senate officers: Senator Clifford M. Vance, President Pro Tempore, and Lieutenant Governor William L. Mooty.



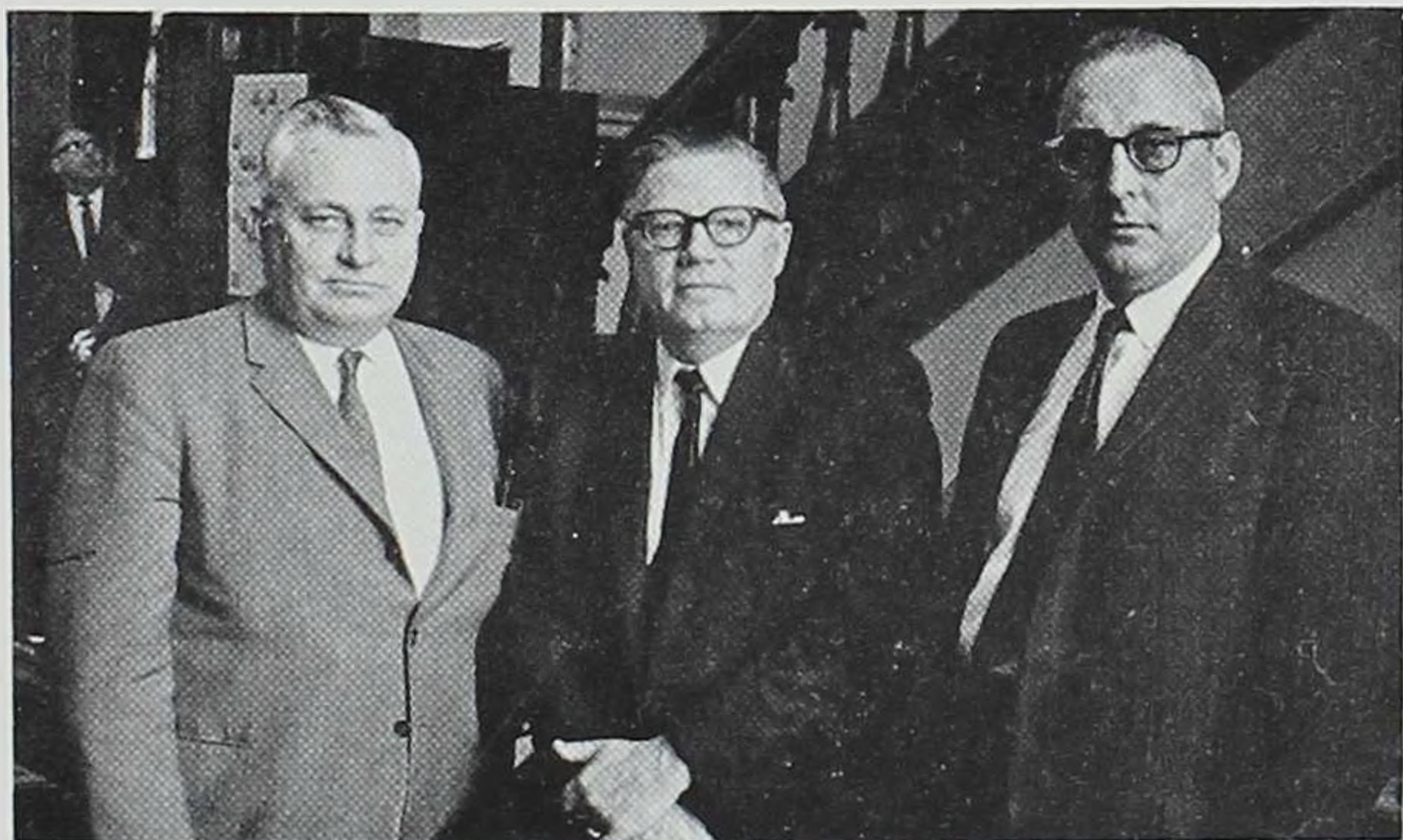
Senate leaders: Senator Robert R. Rigler, Republican leader, and Senator Andrew G. Frommelt, Democratic leader.



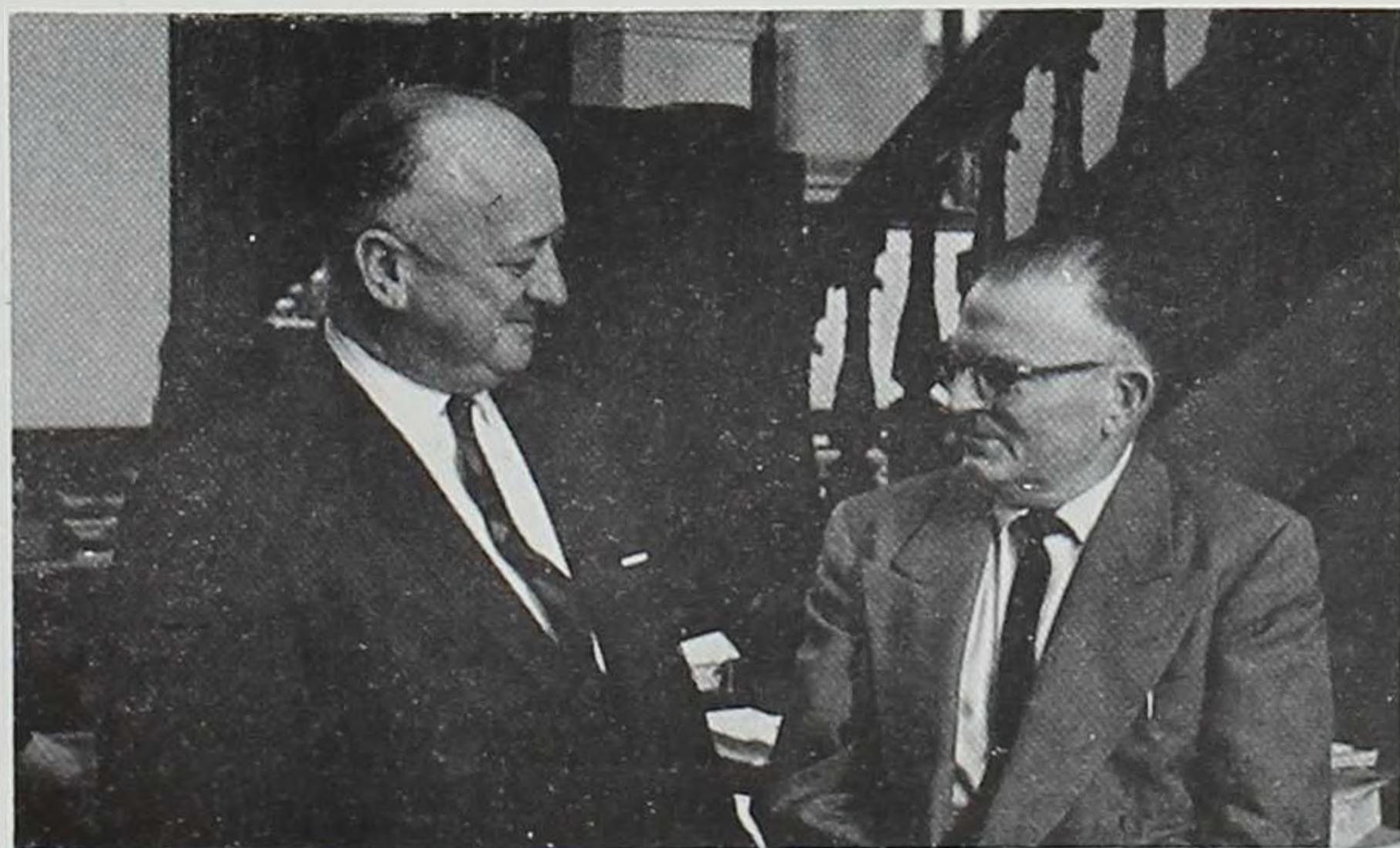
Senate longevity record holders: Senator George E. O'Malley, Democrat, and Senator J. T. Dykhouse, Republican.



House officers: Representative Robert W. Naden, Speaker, and Representative Marvin W. Smith, Speaker Pro Tempore.



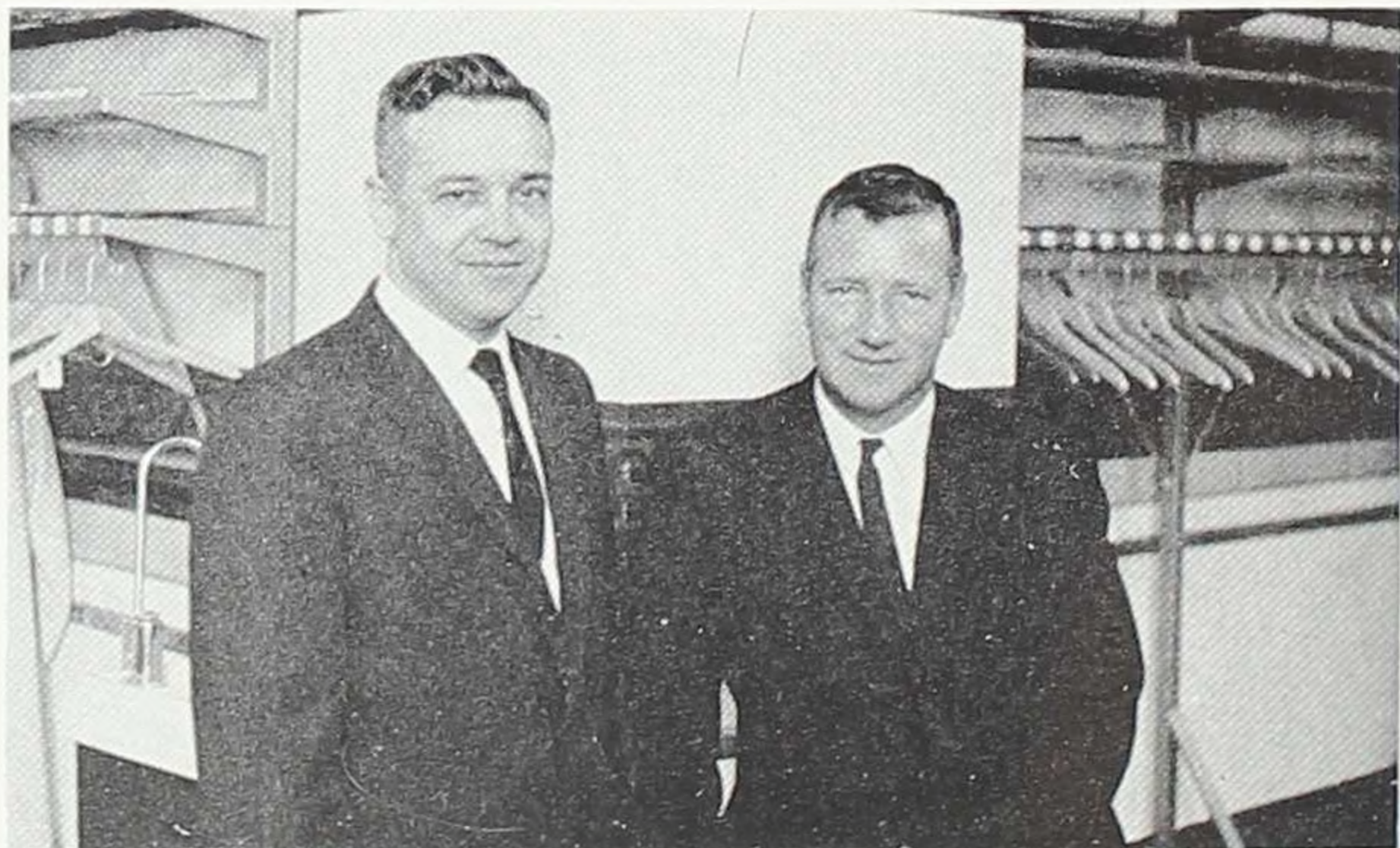
House leaders: Representative John Camp, Republican assistant leader; Representative John Mowry, Republican leader; Representative Raymond Eveland, Democratic leader.



House longevity record holders: Representatives Casey Loss, Democrat, and Representative Dewey E. Goode, Republican.



Chairman of Appropriations Committees: Senator John D. Shoeman and Representative Ray C. Cunningham.



Chairmen of Ways and Means Committees: Senator David O. Shaff and Representative Elmer H. Vermeer.



They handled the liquor bill: Representative Samuel E. Robinson, chairman of the House Safety and Law Enforcement Committee, and Senator Jack Schroeder, chairman of the Senate Judiciary 2 Committee.



Outstanding legislators as selected by newsmen covering the 60th General Assembly: Representative Lawrence D. Carstensen and Senator David O. Shaff.



Youngest and oldest members of Senate: Senator Robert Fulton, 33, and Senator George L. Scott, 75.



Oldest and youngest members of House: Representative Fred B. Hanson, 74, and Representative Lorne R. Worthington, 24.



*Photo by Don Reid, Iowa Press Association*

Members of Civil War Centennial Committee: Representative Elmer F. Lange, Senator Joseph B. Flatt, Representative A. L. Mensing and Senator Eugene M. Hill.



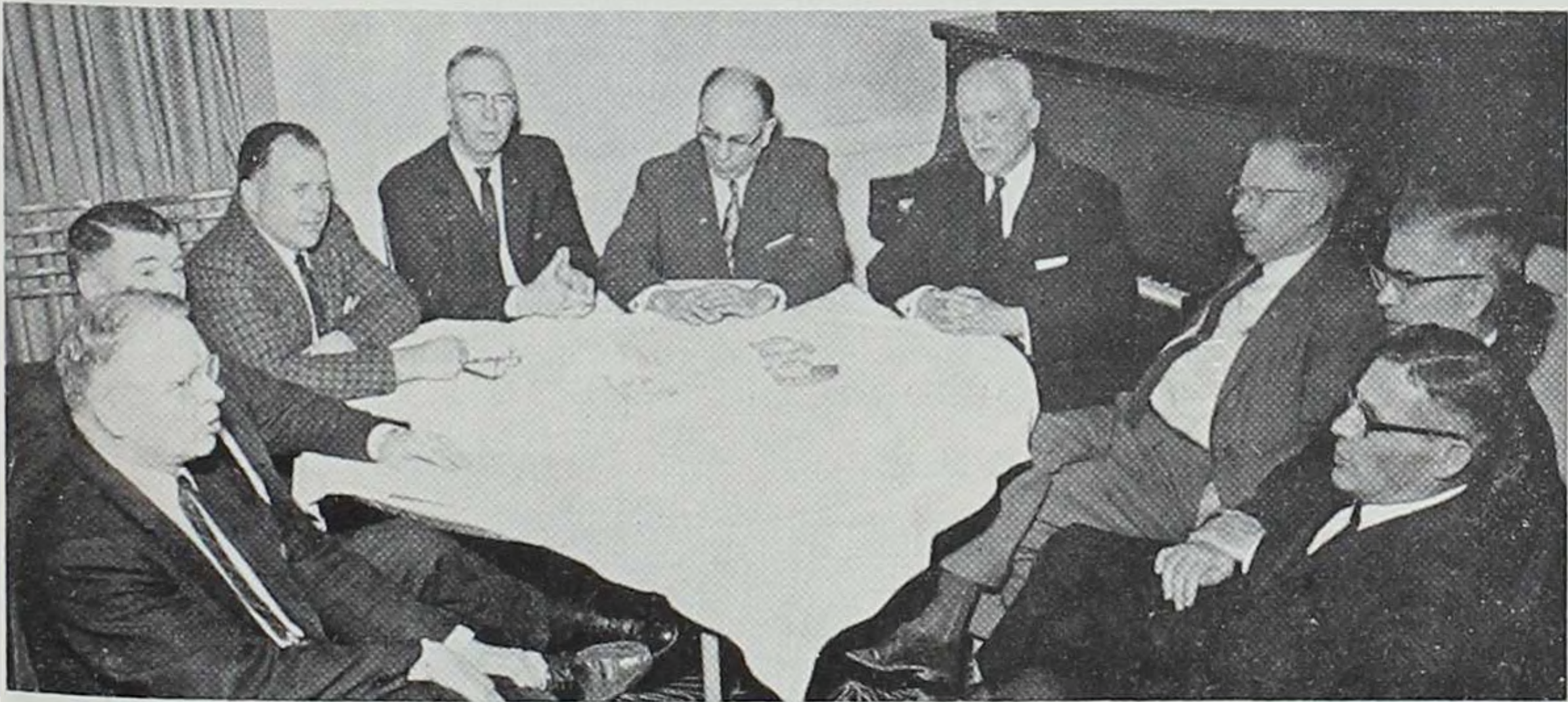
Librarian Geraldine Dunham and staff members at State Law Library, a studying place for legislators.



Members of the "Third House": Lobbyists Orville Crowley, R. G. Hileman, Kenneth Neu, Mike Hicklin, Roland Dyer and DeVere Watson.



State Historical Society Features All-Iowa-Menu at Banquet Tendered the 60th General Assembly.



Legislators Ho'd Song Fest After Enjoying All-Iowa-Menu.



Lady Legislators Feast Eyes on Smoked Suckling Pig at Historical Society Banquet: From left—Representatives Percie Van Alstine and Frances G. Hakes, Senator Vera Shivvers, Representatives Katherine M. Falvey and Lenabelle Bock.





Senate debate finds Senator Eugene M. Hill (left) discussing a point with Senator Richard C. Turner.



Governor Hughes signs bill legalizing sale of liquor-by-the-drink in Iowa for first time since repeal of prohibition with these witnesses, from left: Representatives William F. Denman, Bruce E. Mahan and Riley Dietz; Senator Andrew G. Frommelt and Representative Raymond Eveland.

mendation for healthy salary increases for key state officials which, he said, were long overdue.

In dealing with schools, the Governor strongly advocated the enactment of a foundation plan proposed by a study committee. But, he said, it might be impossible to put it into effect during the next two years because unequal property tax valuations prohibited equitable distribution of state school aid. He noted, however, that his budget was drawn to lay the groundwork for eventual enactment of the foundation plan.

It was one of the hardest-hitting budget messages ever delivered by an Iowa Governor — the kind that many legislators in both parties said privately that all Governors should deliver.

In presenting it the Governor promised complete cooperation "in our common goal of arriving at financial legislation that will benefit all of our people and still insure the continuation of sound fiscal policy in Iowa."

FRANK T. NYE