

The Governor's Messages

In 1965, Governor Hughes set something of a record when he addressed the legislature four times. He delivered three required messages and a special message dealing with labor.

In 1967, he may have started another new pattern. He not only delivered the three required messages but greatly expanded the "thank you" letter, which a Governor usually sends a legislature upon adjournment, into a full-fledged review of legislative accomplishments and failures.

State of the State Message

As his second term neared the end, Governor Hughes told a joint session, on January 10, that Iowa's condition "is one of robust good health and glowing promise for the future." For Iowa, he noted, "is a peaceful and prosperous garden spot on a troubled globe."

We have much to be thankful for—and the causes that should unite us are infinitely greater than the misunderstandings that sometimes divide us. Our future is in unity and understanding of neighbor towards neighbor.

The Governor explained he had made this judgment not alone on how much money was in the vault, because economy is not the only measure of a state's condition, nor on the quality of

service in meeting human needs, although this "is a relevant factor," but also on "an intangible quotient" that is essential in determining the state's true condition.

I refer to the spiritual temper of the people — their morale, their idealism, their receptiveness to new ideas, their commitment to progress, their concern for their fellow man, their faith in the future, and their willingness to contribute to, as well as to benefit from, the blessings of a free society.

But, he warned, there are disturbing signs of backlash in the world today that could change the temper of the people. He explained:

We seize upon some isolated incident to justify the prejudice we secretly carried in our hearts all the time. The backlash can be an anti-warfare, anti-progress, anti-business, anti-labor, anti-education or anti-racial or anti-religious minority. The extremist backlash is emerging in many places, but it has no . . . reason to exist in Iowa.

Governor Hughes suggested specifically that "the zest of achievement we have tasted" in recent years in "the breakthroughs for better government and a better society" should not "blind us . . . into minimizing the great problems that remain before us."

He detailed achievements of recent years in 10 major areas, dividing the tenth (human resource development) into nine parts, saying:

The upturn in farm income was the most important single factor in the remarkable growth of our economy.

Iowa's rate of increase in personal income in 1965 was 11.9 per cent compared to the nation's 6.5 per cent.

The record agricultural production since 1965 was instrumental in keeping the American housewife's outlay for food at only 18 per cent of her husband's paycheck—lowest in the world.

Due to continuing determined efforts of the Iowa Development Commission working with 250 local groups, 27,000 jobs were created in 600 industrial developments.

Iowa's healthy fiscal condition, with over \$80 million in the treasury, was due largely to economic growth reflected through increased sales and income tax revenues, and from initiating the withholding tax.

Administrative innovations included a new idle fund investment program, changes in auditing procedures, initiation of a strong meat inspection program and establishment of a consumer protection division. . .

He also called attention to:

Physical improvements in the gold-domed Capitol and construction of a new state office building.

The newly-created Iowa Public Utilities Commission, that saved Iowans \$8 million through rate reductions. . .

The Iowa Tax Commission which teamed with local assessors to bring greater equalization of land valuations.

The Iowa Public Safety Department for its continuing highway safety program.

The new area vocational-technical schools, which opened a new era of post-high school education.

The new \$500,000 state college scholarship fund.

The reconstruction of 189 miles of 18-foot highway; the replacement or widening of 249 bridges, and the 60 per cent completion of Iowa's portion of the new Interstate highway, with 426 miles open to traffic.

The 9 million visitations to state parks in 1965, indicating a growing interest in outdoor facilities.

Iowa's many human development programs to fight alcoholism, to train manpower on the job, to improve public health, to benefit senior citizens, and to deal with human rights, economic opportunity, and public welfare.

The strengthening of the employment security and workmen's benefit programs.

Third Inaugural Message

Before an audience that packed the House chamber, and overflowed into the Senate chamber and other areas in the Statehouse, Governor Hughes, 44, took the oath of office for a third two-year term on January 12.

Sworn in by Chief Justice Theodore G. Garfield, he became the first Democrat and the fifth man in Iowa history to serve as the state's Chief Executive for a third term. He was Iowa's thirty-sixth Governor and the thirty-fifth man to hold the office. Samuel J. Kirkwood's first two terms (1860-1864) were divided from his third (1876-1877).

The Governor skipped portions of his 10,000 word, 22-page address, the last five pages of which were not processed until two hours before delivery. Inadvertently missing from the text was the labor section. The Governor sent this missing section to legislators immediately upon completing his address. In it he urged modification of the state's right-to-work law, using milder language than employed in his 1965 inaugural address.

Governor Hughes complimented all legislators on winning election, bestowing a special bouquet on the five women Representatives. Noting the division of legislative control, with Republicans holding the House—89 to 35, and Democrats the Senate—32 to 29, the Governor said the two-party system was on trial.

Recalling that he had worked with a Republican-controlled legislature in his first term, and a Democratic-controlled legislature in his second, he pledged 100 per cent cooperation with a divided legislature in his third. He added, significantly:

It may surprise you to hear me say this, but I couldn't care less about my own political future beyond this present term of office . . . and I couldn't care more about what we have the opportunity to do here for the future of Iowa.

His third inaugural address was packed with recommendations. He called for legislation to:

Repeal the property tax on personal household items, costing an estimated \$5.3 million a year in lost revenue to be replaced from the general fund.

Increase municipalities' share of the road use tax fund to 15 per cent from 13 per cent.

Double the present \$62.50 maximum homestead tax credit as it applied to homes of persons over 65 and with incomes of \$3,000 a year or less.

Establish a statewide educational television network.

Approve six of the eight proposed constitutional amendments initiated by the 1965 legislature, for submission to the people at the general election on November 5, 1968. The six he mentioned were those for (1) home rule, (2)

annual legislative sessions, (3) a new legislative apportionment formula, (4) item veto, (5) short ballot, and (6) extending terms of Governor and Lieutenant Governor to four years from two years with candidates for these offices running as a team.

Not mentioned were the two 1965 proposals (1) to legalize bingo and (2) to authorize the legislature to decide the reimburseable expenses of its members as well as their compensation.

He also called for legislation to:

Permit private students to ride public school buses.

Permit municipalities to issue revenue bonds to finance rehabilitation of downtown areas.

Consolidate the existing 120 state administrative subdivisions (boards, agencies, commissions) into not more than 18, nor less than 13, new departments.

Authorize a semi-voluntary check-off system under the State Marketing Division to help finance commodity organizations recognized by the legislature.

Require the humane slaughtering of livestock.

Remove the 4 per cent ceiling on interest that Iowa banks were permitted by law to pay for temporarily idle public funds.

Lower the voting age to 18 years from 21.

Liberalize residency requirements for voting in presidential elections.

Establish realistic campaign expense limitations.

Establish a state arts council.

Provide state funds to help local governmental units in times of natural disasters.

Authorize projects to demonstrate how strip mine land can be reclaimed.

Authorize a special fund to pay certified teachers for

Amish schools attended by children whose parents will not permit them to attend public schools.

The Governor declared his opposition to proposals to "reward" school districts by increasing their share of state aid in return for holding school taxes below specified levels. He viewed such proposals as "penalties" against districts striving to provide local tax support for quality educational programs.

He also opposed proposals requesting Congress to call a constitutional convention to repeal the one-man, one-vote legislative apportionment decision by the United States Supreme Court.

The Governor requested the legislature to:

Increase state aid for public schools at all levels, kindergarten through university.

Increase welfare funds.

Adopt a model sentencing act.

Increase funds of the Iowa Human Rights Commission.

Provide training for emotionally disturbed teenagers.

Adopt a state civil service law.

Provide funds to buy more park land.

Provide funds to help control Dutch Elm disease.

Establish a state peace officers academy.

Create a state toll bridge authority.

Adopt a law controlling junk yards and billboards along state highways.

The Budget Message

On January 19, Governor Hughes appeared for the third time before the legislature to deliver one of the earliest budget messages on record.

Prepared in what he called an atmosphere of "conservative optimism," it requested a record-setting \$376.3 million a year to run the state for the biennium starting July 1, 1967. This was \$123.1 million below the \$499.5 million a year asked by state subdivisions, but it was \$105.3 million (38 per cent) above the \$271 million a year appropriated for 1965-67. Even so, the Governor said it could be met without raising taxes.

Governor Hughes wasted little time in answering a question lingering in many minds since the 1966 campaign when he estimated the state surplus at \$94.4 million early in his speech. This was short of what some campaign orators had guessed, but nearly \$15 million above the level where most had pegged it.

The Governor proposed using \$69.2 million of the surplus to finance long-range building programs at state institutions, keeping \$12.7 million as a working balance, and investing \$12.4 million in non-recurring items. He opposed suggestions to refund part of it to taxpayers, commenting "the immediate benefits of investing these funds in our future will far outweigh the luxury of a refund that would be modest for most taxpayers."

He said the surplus grew from "legitimate, once-collected state revenues. No taxpayer has paid any tax twice, although it is true that the 1965 personal income tax was collected in the same year in which wages were withheld for 1966 tax-

es." Of the surplus, he said, \$40.4 million represented a withholding tax "windfall" and an additional \$7 million resulted from another 1965 law requiring that the sales tax be turned over to the state monthly instead of quarterly.

Governor Hughes said that \$231 million a year (61.4 per cent) of his proposed budget would be returned to municipalities, counties, and school districts in various forms of state aid which, he hoped, would provide a measure of property tax relief.

Analyzing the revenue picture, Governor Hughes noted that the sales tax for 1965-66 was up 11 per cent, to \$86.2 million, over 1964-65. He estimated the individual income tax would bring in \$110.1 million a year in 1965-67 (up 20 per cent) over 1963-65. He said all indications point to continued increased revenue from these two taxes in 1967-69.

The Governor asked for these major appropriations for each year of the 1967-69 biennium:

Board of Regents—\$80 million for operation, up \$18 million, plus \$15 million for building needs.

Board of Control—\$34 million for operation, up \$8 million, plus \$4.5 million for building needs.

Board of Social Welfare—\$34 million, up \$10 million.

School Aid—\$72 million, up \$25 million, including \$6 million to operate area vocational-technical schools and community colleges, plus \$7 million for buildings. He also asked \$3 million to start a statewide educational radio-television network.

Agricultural land tax credit—\$19 million, up \$4 million.

Department of Public Safety—\$8.3 million, up \$1.7 million. This included funds to add 30 men a year to the Iowa Highway Patrol, increasing its authorized strength to 460.

Conservation Commission—\$2.65 million, up \$450,000, plus \$6 million for buildings and land.

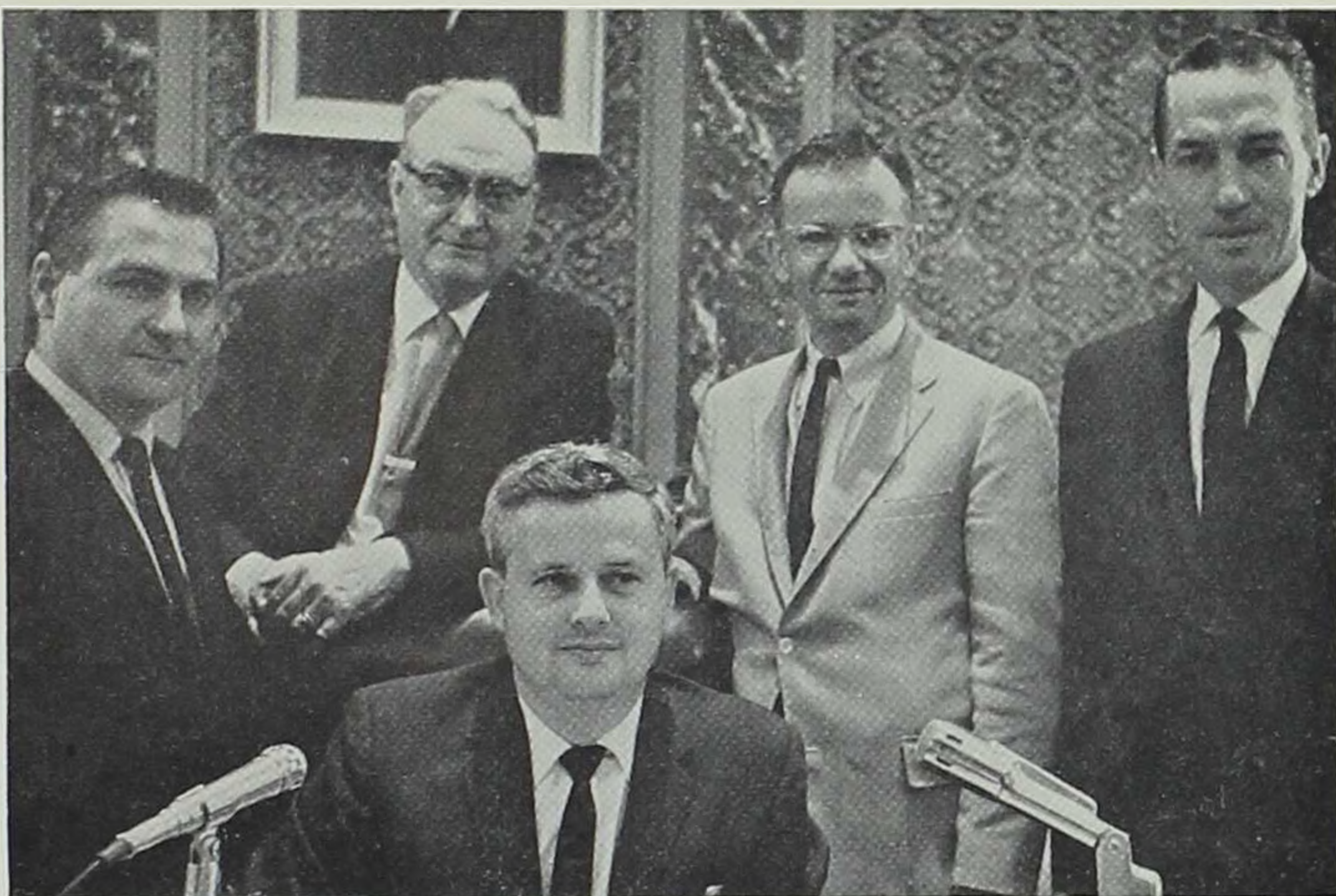
Administrative departments—\$28.8 million, up \$5.49 million, plus \$3 million for buildings.

The Governor said his budget provided for a 5 per cent, two-step salary increase, spread over the 1967-69 biennium, for state employees at a cost of \$6.6 million. It further provided for removal of the \$4,800 a year salary lid on which employees' pension contributions are collected, and for increasing the percentage of contribution deductible from paychecks to 3.75 from 3.5 to improve the Iowa Public Employees Retirement System. He acknowledged these changes would increase property taxes because local governmental units would have to raise funds to match employees' contributions.

The Governor asked for \$50,000 to pay certified teachers in any school district where an emergency might exist. Obviously, this was tailored to meet the Amish school situation.

The Adjournment Message

The Governor's "adjournment message" was in the form of a nine-page letter dated July 2. In it he praised legislators for tackling major problems—property tax replacement, reapportionment,



Senate Leaders: Lieut. Gov. Fulton (seated), Democratic Leader Frommelt, President Pro Tempore O'Malley, Republican Leader Rigler, Assistant Democratic Leader Coleman.



House Leaders: Speaker Baringer (seated), Speaker Pro Tempore Kluever, Democratic Leader Gannon and Assistant O'Malley, Republican Leader Millen, Democratic Whip Doderer, Republican Assistant Leader Van Nostrand.



Senator Hill (standing at back) conducts joint appropriations subcommittee hearing on vocational-technical schools.



Senator Kibbie (back to camera) holds Senate education committee meeting.



Reapportionment conference committee (from left) Reps. Harbor, Van Nostrand, Mowry, Gannon, Senators Denman, Kibbie. Not in picture: Senator Mills, Dodds.



Iowa Legislative Subdistricting Commission (from left): former Rep. James F. Denato, Des Moines; Mrs. Raymond F. Sheets, Iowa City; Mrs. Ellwood Olerich, Rolfe; former Senators Jack Schroeder, Riverdale, and David O. Shaff, Clinton; Asst. Prof. Charles Quirk, Cedar Falls; former Rep. Robert F. Wilson, Cedar Rapids; Harry Smith, Sioux City; Ben Webster, Des Moines; Jack Warren, Waterloo.



Governor Hughes hands pen, used to sign fair housing law, to Rep. Cecil Reed as Rep. A. June Franklin (at Governor's left) and other lawmakers instrumental in its passage look on.



Speaker Baringer and Senator Denman, chosen outstanding legislators by Statehouse press corps. (Photo by Don Joslin.)



University of Iowa legislative interns, Mark Belz and Ann Bowers, with Speaker Baringer (second from left) and Lieut. Gov. Fulton. Belz was assigned to the Speaker, Miss Bowers to the Lieutenant Governor for the session.



Rep. Harold (Grumpy) Fischer orders State Republican Headquarters Lobbyist George Brown off House floor.



Dutchmen all: Rep. Van Nostrand, Senators Van Eaton and Van Gilst, Reps. Van Drie and Van Roekel.



House Sergeant-at-Arms Ralph Lancaster at call box with Pages John Godlove, Jim Benda and Mary Patton.



The Senate pages who served in the Sixty-second General Assembly.



These are the House pages who were on duty during 1967's long session.



Rep. Raymond Miller, Dubuque, is sworn in on May 31, succeeding the late Rep. Utzig. Reps. Millen (partially hidden) and Van Nostrand stand as witnesses.



Edna Gillespie, journal clerk, was honored on her retirement.



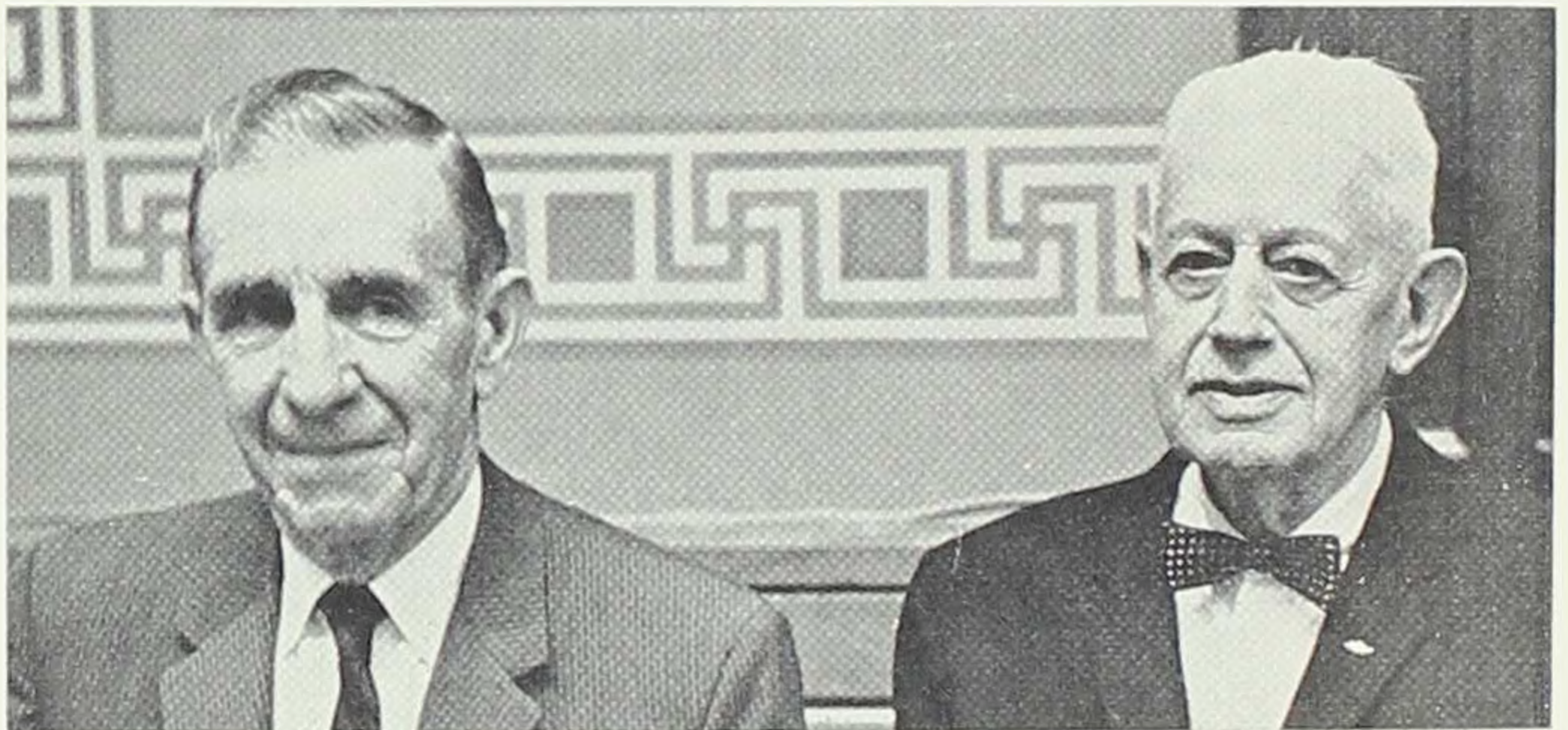
Chief Clerk Wm. Kendrick responds at a surprise party in his honor.



Senator Balloun (center) explains Senate procedures to school pupils from Tama County.



Roland (Dump) Dyer, a pioneer lobbyist, talks old times with Pioneer Lawmakers Stanley Hart and J. T. Dykhouse.



Pioneer Lawmakers Harry Weichman and J. C. Davis.



Pioneer lawmakers attend ceremony honoring them in House chamber.

state school aid, and governmental reorganization.

The cardinal accomplishment of this session was your courage in meeting the long standing need for major tax revision. . . . The extensive tax program enacted to finance the massive property tax relief represents, on your part, conscientious effort to equalize the tax load among all segments of our society. There isn't a citizen who won't carry his proportionate share of the tax load, nor is there a citizen who won't share, in some measure, the relief from the repressive taxes on property. . .

Judged in its entirety . . . you have given Iowa a tax relief program that is properly responsive to economic change. In other words, the revenues and aids will increase or diminish as the economy of the state changes so that new taxes and major alterations in the tax system won't be required at each successive session of the legislature. An integral part of the tax revision package was the enactment of a sound assessment bill which provides for the statewide equalization of property assessments at 27 per cent of the fair market value.

Turning to other matters, he expressed gratitude that the legislators had approved five proposed constitutional amendments initiated by the 1965 legislature, as the basis for reorganization of the administrative branch, and disappointment over defeat of two of the other three amendments.

The legislature won the Governor's praise for taking the first steps to institute reorganization recommendations proposed in a study by the Public Administration Service of Chicago, as authorized by the 1965 legislature. "The major part of the restructuring awaits future legislative action,"

he observed, while expressing satisfaction that the 1967 legislature did:

Create a new Department of Revenue to replace the Iowa Tax Commission and to combine all the state tax collecting responsibilities.

Combine the Boards of Control, Parole and Social Welfare into a new Department of Social Services.

Establish civil service for state employees.

Accelerate industrial development by adoption of the industrial revenue law.

Provide additional funds for recreation facilities and the purchase of more land by the Conservation Commission.

Improve retirement benefits for public employees.

He listed as disappointments:

Failure to (1) enact a minimum wage law, (2) lower the voting age, (3) enact a law permitting private students to ride public school buses, and (4) enact some proposed budget proposals.

He also expressed regret that cities were not given a larger share of the road use tax fund.

The Governor concluded:

It has been a long and difficult session and I know that many of you have served through it at considerable personal sacrifice and inconvenience. I want to express my deep appreciation for the constructive work you have done and the personal courtesies you have accorded me. I wish you health and happiness and hope that your interest in Iowa's public affairs and her future development will continue undiminished through the years.