

Inaugural Address
of
MARK O. HATFIELD
Governor of Oregon
to the
Regular Session
of the
Fiftieth Legislative Assembly



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SALEM, OREGON

*Mr. President, Mr. Speaker, Members of the Fiftieth Legislative
Assembly:*

We stand at the threshold of the second century of statehood in Oregon.

If we look forward with the same dedication to destiny as did our pioneer predecessors ten decades ago near this spot, those who look back from the year 2059 will be proud of their heritage.

To our plateau of time, with its social and technological enlightenment, let us bring an achievement worthy of the Oregon pioneer. His trail was long and hazardous and he had to travel light. He learned quickly to economize, to abandon the frills for the sake of the materials and tools he needed to build a new country. The question he continually asked himself as he necessarily lightened his wagon was: "Is this essential or merely desirable; and, if it is only desirable, can I afford it?" The West from the Mississippi to the Columbia was bedecked with items which brought the answer, no.

The pioneer in those lean decades learned something else. He learned that in clearing his land and providing for his family he needed the skills and knowledge of others. His mind was open to new ideas and he and his compatriots pooled not only energy but talents.

Let us, too, be willing enough, keen enough, frank enough to project our imagination ahead toward future needs. Let us be tolerant enough to bow to our colleagues' ideas, and humble enough to change our solutions when they fail to serve. May we ever be mindful there is a distinct difference between appeasement and constructive compromise.

Let us be remembered for our wisdom, not our wilfulness; our determination not our defiance, and our proud spirit of duty rising above personal interests and party alliance.

I propose no moratorium on party achievement. But I urge that the first test of any proposal be the pioneer's test. If a material or service is not truly necessary, but only desirable, can we afford it? If all proposals which fail this test are left beside the trail of the second century, then we truly will have rededicated ourselves to destiny—to a bountiful destiny for all.

A MORE MANAGEABLE GOVERNMENT

Our state government seems to have developed through sheer growth rather than design. As we enter Oregon's centennial year, the remarkable thing is that our government functions as well as it does, despite the ambiguities, the obsolete and inappropriate provisions of our state constitution. More than once I have urged the Oregon legislature to pave the way for a constitutional convention. Once again I urge such action. It is the only feasible way in which we can achieve the comprehensive revision that will give us the framework for a more manageable government.

One of the prime goals of constitutional revision would be to create a framework in which coordination and cooperation between state agencies would not only be possible but inevitable. In the meantime, many of the benefits of the cabinet form of government can be achieved by executive action. The heads of key state agencies will be called together for consultation on the major decisions that confront the Executive Department. One member of my staff—a career public servant with experience in four state departments—will be in constant touch with agency problems and opportunities. This should help us achieve a more manageable government.

Your interim committee on governmental reorganization has recommended that the governor be given authority to reorganize state agencies, subject to legislative veto. I concur in that recommendation. It places the primary responsibility for administrative organization precisely where it belongs—with the state's chief executive. It would be a long step forward toward a more manageable government.

A MORE EFFICIENT GOVERNMENT

If we make our government more manageable, we make it possible for that government to be more efficient. But efficiency is more than reorganization, desirable though that may be.

Efficiency is the product of leadership, competence and teamwork that creates a climate in which economy can grow and flourish. The foremost function of a Governor is to devote himself to active, personal administrative leadership of the executive branch. It is important that a Governor visit every corner of the state; to listen as

well as speak to those who are concerned with what our government does. But the Governor's travels and his speaking and listening are useful only when they assist in strengthening his leadership in achieving a more efficient government.

We can strengthen the competence of our government by reinforcing the merit system in the selection and retention of state employes, and by improving where we can the conditions of employment. The state should encourage and assist employes in improving their individual skills by a carefully designed training program. This will contribute to a more efficient government.

America's expanding economic life is based on the increasing productivity of our workers. Much of state administration is paper work and paper work is in the midst of a revolution of staggering proportions. It shall be my purpose to see that the state shares fully in the more efficient use of our manpower. We shall keep abreast of the possibilities of the electronic marvels that are at our fingertips. And we will take advantage of every other opportunity to increase the productivity of each payroll dollar.

A MORE ECONOMICAL GOVERNMENT

Within the past few days, like you, I received the detailed outline of the budget recommended by the outgoing administration. Although it fails to provide for increased social security and unemployment compensation premiums that will be assessed against each state department and fails to account for some price increases that are already well known, it is a stern reminder that reorganization and efficiency alone will not suffice.

For too long we have budgeted for "the existing level of services, *plus*—." For too long we have tailored our budgets to fit available revenue. For too long we have ignored the clear evidence that state and local government in Oregon are taking a larger proportion of our income than is true of the states with which we compete for business and industry. The result is a proposed expenditures budget that includes the gloomy forecast that by 1961 we will face a deficit of more than \$76 million.

I am fully mindful of the so-called fixed expenses, with built-in

expansion factors. But we face a grim reality. I expect to submit, at a later date, specific recommendations with respect to the expenditures budget and building program. These will reflect our determination to restrain the growth of state expenditures.

To meet our current and urgent needs, I commend for your attention revision of our income tax to increase participation in sharing the costs of government. Income remains the best measure of ability to pay and every income earner owes at least a small fraction for the services he receives from his government. This suggestion seems to me to be in accord with the philosophy of the Sly report as are my further recommendations that investments in Oregon jobs should be encouraged by enactment of a capital gains provision and that the inequities of the inventories tax should be eliminated.

BOARDS AND COMMISSIONS

Much lip-service has been given to the unwieldiness of Oregon's 100 plus boards and commissions. I propose that the Hydroelectric Commission be abolished and its duties absorbed by the Water Resources Board; that the State Engineer's office be amalgamated with the Water Resources Board; that the Governor no longer be chairman or a member of the State Board of Forestry but that the Board instead select its own chairman from those especially suited for the position; that the State Forester be empowered to proclaim emergency closure of forests for the deer hunting season; that the State Board of Forestry assume the duties of the Forest Protection and Conservation Committee and the Forest Products Research Advisory Committee; that the Inheritance Tax and Gift Tax administration be transferred from the Treasurer to the Tax Commission; that the administration of the weight mile tax be transferred from the Public Utility Commissioner to the Department of Motor Vehicles; that the duties of the State Boxing Commission be transferred from the Governor and the Secretary of State and vested solely in the Attorney General; that regulations for parking in the Capitol area be drawn up and administered by the State Police department rather than the Secretary of State; that Capitol guide functions, now under the Secretary of State, be assumed by the Travel Information Divi-

sion of the State Highway Department; that the position of State Fire Marshal be made separate from and independent of the State Insurance Commissioner; that the Livestock Auction Markets Committee and the Livestock Advisory Committee be combined; that the Sanitary Authority, Air Pollution Authority and Radiation Advisory Committee be combined into a single agency and given broader powers; that the Commission on Uniform State Laws be combined with the Legislative Counsel Committee; that the Labor Elections Division be abolished; that the Collection Agency Advisory Board be abolished and its duties transferred to the Corporation Commissioner; that the Rogue River Coordination Board be abolished; that the McLoughlin Home Board of Trustees be abolished and duties transferred to the Oregon Historical Society; that the Flax and Linen Board be abolished; that the Americanization Commission be abolished; and that a complete review be conducted on the remuneration of all lay boards and commissions to bring about equity in per diem payment among those citizens who lend their time and talents to state service.

CIVIL SERVICE

We must constantly strive to improve and expand the merit system in order to build a stronger and more respected career service. I recommend, for example, that all the administrative division heads in the Motor Vehicle Department be included in the classified service.

Referring to appointments by the Governor, I would publicly recognize that choosing the right individual for the right job at the right time constitutes one of the most important functions of your Governor, whether it is a full-time department headship or a lay board or commission membership. I earnestly ask that you encourage able people to make themselves available for government service.

EDUCATION

Less than two years ago as the Forty-ninth Legislative Assembly was convened in special session, the Soviet sputnik was newly aloft and there was prevalent a spirit of anxiousness among our people. Today, although there still is an air of anxiety about areas of international tension, we have regained much of our scientific confidence

and, indeed, are applauding an American accomplishment of spatial ventriloquism.

Within even more recent days the U.S.S.R. has again challenged world imagination with a new cosmic rocket. The implications for this game of universal leapfrog are clear. In order to afford the costly scientific and ideological competition without fiscal catastrophe at the national level, states must be ever more prudent in expenditures. We have only to look to our neighboring states, north and south, to find the long-range significance of deficit finance.

Here then is our paradox: we need education equal to the times, yet our means are not without limit.

Few services a government can provide are as important as education. Oregon traditionally has done an excellent job in this field. The number one problem in education is how to finance our programs. We can no longer afford a patchwork system and geographic rivalry, but must obtain the facts from a comprehensive study of the entire problem of school financing, both from all sources of revenue available and formulas of distribution. I therefore propose such a study be made.

I shall call upon the Board of Education to coordinate a study on school construction. New developments in design offer many possibilities for economy which might enable the smaller school districts without great resources to avail themselves of good counsel in this area.

To assure continued professional administration, I urge that the superintendent of public instruction be appointed rather than be elected. The Board of Education and the Board of Higher Education are lay boards requiring the stimulus of the finest of ideas. In order to approach that objective and relieve somewhat the overburden of time now devoted by members, I recommend enlarging the State Board of Higher Education from nine to twelve members and the State Board of Education from seven to nine members. I also favor transferring the authority for Oregon Technical Institute to the state system of higher education from which it receives many policy guides at the present time. It should remain in Klamath Falls but we should begin planning now for a similar 13th and 14th grade technical institution in Multnomah County.

The rural school district law has proved to be inequitable in suf-

ficient instances that it needs revision. It is an irony in today's society that finds opposition, however well intended, to lengthening of the school year when there abounds so much more knowledge to stretch the capacity of the human mind. Our costly physical plants are idle more days than they are in use.

All encouragement should be given local school districts which seek to strengthen their curriculum through enrichment programs for the gifted student.

We should also take notice of new programs of selective admissions at the collegiate level. We should not place college out of financial reach. The new selective admissions policies placed into effect in our institutions of higher education are not only a matter of necessity, they are desirable. Academic ability does not go hand in hand with economic station. The fee remission program of the state system of higher education, whereby a percentage of students each year at each institution has tuition waived, should be changed to become a State Scholarship Fund. Deserving students, selected on the basis of need and examination, would be given the stipend directly and be permitted to select the institution of their choice, either public or private within the state.

YOUTH

The well-being and the development of our entire state is in direct proportion to the well-being and development of its youth and we must not err in providing for them a framework wherein the maximum capabilities of each will be developed and utilized.

Oregon's adoption laws should be strengthened by giving the State Public Welfare Commission authority to lawfully accept permanent commitments and relinquish children for adoption. Children who now have inadequate legal protection when relinquished by private individuals for adoption could in this way be protected, and hundreds of children now receiving assistance from the Public Welfare Commission, many in foster homes, could be placed in families they could call their own. Adoption rather than foster homes should be our goal.

Oregon law has many conflicting sections relating to children and youth. These laws are also scattered throughout the several chapters

of Oregon Statutes. Recodification and rewriting of these laws would be a significant contribution to the welfare of Oregon's children.

The availability of skilled personnel to provide services to children is severely limited. Oregon should give careful consideration to establishing a graduate program of social work, in connection with our System of Higher Education, in order that the critical and costly shortage of graduate trained social workers in Oregon can be alleviated.

SENIOR CITIZENS

Times of inflation are especially difficult for our senior citizens whose incomes have been halted or greatly reduced. I believe it would keep many from requiring public assistance and would contribute to their morale as well as their economic well-being if property taxes were waived for those over 65 years of age having a gross income of less than \$2500 and whose true cash value on their residence does not exceed \$7500.

It is a demonstrable fact that physical and mental inactivity frequently contributes to senility. Thus we have those who are prematurely terminated from occupational pursuits becoming wards of the state, if not in terms of welfare then in terms of institutional care. Therefore, I urge passage of a law which includes prohibition of job discrimination because of age.

I commend to you the New York State statute on this subject as a point of departure for your thinking.

UNINSURED MOTORIST

Protection against the financial hardships resulting from injuries inflicted by the irresponsible, uninsured motorist should be provided by requiring the inclusion of the uninsured motorist clause in every automobile insurance policy. For too long the industry has failed to provide leadership to deal with this vital problem. This plan avoids many of the disadvantages of compulsory insurance.

JUDICIAL REFORM AND ADMINISTRATION

Of the many recommendations made by the Legislative Interim Committee on Judicial Administration I particularly urge considera-

tion of these changes as essential to a judicial system of the highest order:

First is the selection of judges. The so-called Missouri Plan of selecting Supreme Court Justices and lower court judges deserves careful study.

Second, that the position of Chief Justice of the Supreme Court be filled on a permanent rather than rotating basis. We should start on the drawing boards plans and specifications for a Supreme Court building to provide facilities to meet the needs of this branch of government.

Third, the system of district courts should be broadened to assure that offenders, no matter how petty, shall have their cases handled by men knowledgeable in the law and aware of the purposes of our judicial system.

Fourth, all matters pertaining to juvenile offenders should be handled in a court of law.

Enabling legislation should be promptly passed to implement the constitutional authority granted by the people for circuit judges to be moved up to the Supreme Court bench on a pro tem basis. Moreover, this system should be tried for practicality for at least a biennium before considering further the proposal for two additional full-time justices.

In order to provide the legislature with a personal report from the judicial branch of government, may I suggest that you invite the Chief Justice of the Supreme Court to address you in joint assembly on the status of judicial administration in Oregon. I am concerned that an early trial with prompt review is not now possible in many instances.

I would advocate, further, you consider adoption of a maximum sentence law and thus many inequities may be erased.

NATURAL RESOURCES

Oregon's largest industry is its timber industry. It directly supports one in seven Oregonians, and indirectly adds to the security and well-being of almost every one of us. This vital asset must not only be properly utilized by this generation, it must also be conserved for our citizens of the future. Non-utilization of our timber resources may

amount merely to wastage—not conservation. We must, through efficient management of our forest lands, set the example for the federal government to follow. We must then exert all of our influence to assure that the agencies of our federal government permit the harvesting of ripe timber—timber which will be lost forever if it is not harvested.

Our state policy and administration should include adequate and far-sighted administration of our timber tax laws. These laws and policies must be both stabilized and standardized to insure the growth of forest crops for the equal and guaranteed use of the future.

AGRICULTURE

I respectfully recommend that the Board of Agriculture be re-organized to provide that the seven member board serve six year staggered terms, that there be a near-balance of political affiliation on the board and that no two members come from the same commodity interest. I would urge also that an emergency fund be provided so that prompt action could be taken in unforeseen agricultural circumstances short of measures requiring a convening of the state emergency board. Finally, I believe the State Fair Commission should be abolished and its duties and responsibilities returned to the Department of Agriculture.

LABOR

The trade union movement has been one process through which many gains have been achieved for labor and for management and for our economy as a whole. In general, we have enjoyed good labor-management relations in this state and such a condition is a credit to the leadership of both.

Whether the state need take any legislative action to assure the individual union member maintains a free voice in the activities of his union is a subject I believe you should discuss frankly. Encouragement should be given to national or state insistence on a broadening of requirements for secret ballots in elections and strict accounting of union funds. The Anti-Picketing law of 1953 should be repealed.

UNEMPLOYMENT COMPENSATION

Unemployment Compensation after twenty years of operation as a Federal-State system has demonstrated considerable value in economic stabilization as well as in employe protection. In Oregon, neglect in dealing with recent employment trends has resulted in critical depreciation of our reserves. Consequently, it is necessary that we immediately start rebuilding. Employers already have been forced to adjust their taxes to the new situation and still further sacrifices by affected parties may be temporarily necessary. Wide seasonal job swings in basic industries make Oregon's problem somewhat unique but not insoluble. By way of administration, it is my intention to provide additional protection to the fund through tightening benefit payments by more adequately determining if individuals are actually in the labor market and by placing greater emphasis on using the statewide system of employment offices in making more placements of persons drawing benefits. The recommendations of the Experience Rating and Advisory Council merit your consideration. In my opinion, however, not all of these proposals would be in the best interests of the state. For example, I do not concur with the recommendation that the present experience rating system be abandoned for the payroll decline experience rating system. Rather, I would urge the adoption of legislation that would provide for elimination of the extremes in experience rating and the establishment of a surtax which could be imposed in the event of future emergencies.

STATE INSTITUTIONS

Care for mental and tubercular patients should be improved by increased use of new developments which make it possible to treat many patients without institutional residence. The outpatient programs at Oregon institutions should be strengthened to take full advantage of these developments. Not only is such care more effective but it can also help avert further costly expansion of our state institutions.

The problem of mental retardation is of deep concern to every citizen of Oregon. The cooperation of the state, local communities, and individual citizens is essential if progress is to be made in this field.

The chief needs at present are increased research, early and adequate diagnosis and treatment, and increased public understanding. We need to expand our out-patient facilities, eliminate the long waiting list at the Oregon Fairview Home, and increase our professional staff to improve rehabilitation. Many more mentally retarded persons could be gainfully employed if treatment of complicating physical, emotional, and social factors were started earlier. Rather than starting another public institution, which would necessarily have an extremely high operating cost, we should use available funds to try to reduce the number of patients needing institutional care.

Local agencies of government and private groups should be encouraged by the state to develop care and educational programs for the mentally retarded.

HIGHWAYS

The development of our highway system is important to our economy, to our recreation potential, to our tourist trade and to traffic safety. Either we increase our state gasoline tax one cent a gallon—an amount equal to \$6.66 per year for the average driver of 10,000 miles—or we forego some of the opportunities that exist in the federal matching program now underway. If we want superhighways and freeways, improved and new routes, and the added features they bring, there is a price tag to be considered.

Specific target dates should be set for such projects as Winemucca-to-the-Sea and the Oregon-Washington bridge at Astoria.

NATIONAL GUARD—CIVIL DEFENSE

Two operations of government make tremendous demands for time and training, and these public servants frequently are required to perform thankless tasks. I refer to the National Guard and those who serve with Civil Defense. In the units of the Guard are found the Minute Men of this century, trained for battle or civil emergency. Those in Civil Defense are prepared to guide us should an enemy's action involve our homeland, and they are likewise standing by in readiness to aid in fire, flood or other disaster.

ELECTION REFORM

The election law reform of two years ago has done much to improve Oregon's elections. Some adjustments, however, are needed. I urge that pre-election reports of campaign expenditures and contributions be required so that voters will have a better idea of the political forces involved. Supplementary financial reports should be required quarterly until all campaign deficits have been accounted for. Consideration should also be given to permit new residents of Oregon, who have all the voting qualifications besides the minimum residence requirement, to vote for president and vice president of the United States.

I have earlier recommended that the superintendent of public instruction be removed from elective status. I would urge that you give consideration to making the Attorney General and Labor Commissioner appointive also.

CITY-COUNTY REFORM

One of the areas most in need of a fresh appraisal for the decades ahead is that of local governments. It has seemed to me that the efficiency of our City Fire Department personnel would be advanced by assuring to them the professional status of civil service procedures in their selection, promotion, and retention. Oregon's most significant social change has been that of urbanization which has put old governmental forms to impossible tests. I urge that in implementing the county home rule measure approved by the electorate in November you allow the greatest flexibility possible for those who will adapt their county government to the needs of the future. I also call to your attention a new study now beginning in the Marion-Polk County area which involves the cooperation of a school district, a city government, two counties, and the executive branch of state government. The goal is to discover new ways of achieving cooperation, economy and efficiency among overlapping jurisdictions. Popularly termed the "massive cooperation" study, it may provide practical solutions to problems and previously unrealized opportunities in our coming century.

LEGISLATIVE PROCEDURES

I am disheartened that the people at the November election turned down a proposal for an increase in legislative pay. But, in abiding by their decision, there may be ways in which your loss of time from occupational responsibilities might be reduced without impairing your efficiency, through improved procedures in the legislative process. For example, the introduction of electronic voting equipment, elimination of the use of memorials, increased use of joint committee meetings for hearings and consideration of bills, and evening sessions would contribute much to the goal of an accelerated session.

You may wish to give consideration to continuing your minority-majority leaders from session-to-session as in the Congress. Oregon can no longer afford the luxury of leadership-by-rotation in its legislative branch of government.

SUCCESSION AND RETIREMENT OF GOVERNORS

In view of the rapid changes in the governorship in the past dozen years wherein three chief executives were succeeded by individuals who were not elected by statewide ballot, may I respectfully suggest you consider returning to the line of succession whereby the Secretary of State acts for the Governor in his absence or succeeds him upon death or disability. Thereafter the State Treasurer, the President of the Senate, and the Speaker of the House, in that order, would form the line of succession. I would suggest that such a proposal, if adopted by a vote of the people, take effect in January of 1963.

Turning to a matter which history does not indicate has been a major problem in Oregon, but one which should be faced squarely in the event of an unpleasant development, may I make a suggestion for dealing with the problem of disability as it applies to the position of Governor. We know that at the national level the determination of disability as it applies to the Presidency has been the subject of both discussion and study. Out of this has come no uniform agreement. This, however, is no reason for us not to have a solution ready should this problem arise in Oregon with respect to the governorship. As at least a starting point for your thinking on the matter, may I respectfully indicate to you a suggested procedure for the day, should

it occur, when the Governor is unable physically or mentally to fulfill his responsibilities. My proposal would be that the Chief Justice of the Supreme Court be empowered to call a conference consisting of himself as chairman and including the Superintendent of the State Hospital at Salem and the Dean of the University of Oregon Medical School. These three individuals could, by secret and unanimous ballot, declare a disability to exist at which time succession would proceed in the established constitutional manner. I submit such a proposal for your earnest consideration as a safeguard against the day that the State of Oregon might be faced with a rare but tremendously difficult situation for which there now appears to be inadequate protection.

Several years ago, while serving in the senate, my predecessor sponsored a bill that would have placed former governors in the Senate. I renew his suggestion now, that the past chief executives be extended non-voting floor and speaking privileges in order that we might have available in the senate the experience of these individuals.

CENTENNIAL EXPOSITION AND TRADE FAIR

I have noted the spirit of the Centennial Year and the beginning of our second century of statehood. May I discuss frankly the matter of the Centennial Exposition and Trade Fair, its planning progress, its status, its potential. By this time in our preparedness program—with but a month before our birthday anniversary as a state and less than six months before we host the nation and the world—we should be aware among our people of an air of enthusiasm and excitement. I am not sure we yet realize what a tremendous impetus such an event, properly conducted, could be to bring Oregon to the forefront of the nation, to accelerate our economy, and to leave lasting benefits of immeasurable proportions. Many citizens have already invested long hours and much labor toward its success. Complacency still exists in some quarters. Some three-quarters of a million dollars have been allocated, much of which went into construction projects. May I recommend you make as an early order of business, a complete inquiry into Centennial organization and planning—perhaps personally headed by the presiding officers of the House and Senate—so that you might be satisfied we are on the right track. You in turn, with the confidence

you enjoy with thousands of constituents throughout the state, can then do much to further undergird this all-important undertaking. The basic patterns of activity are set, having been formed during the period served by the retiring administration. If you find them equal to the occasion, I shall join in approbation for what has been accomplished.

CONCLUSION

I believe we are willing enough, keen enough, talented enough to accomplish these things and many more in this first year of our second century of statehood. I am confident there will be found a cooperative coalition in this body—a coalition which thinks first in terms of programs and the people we serve. You will hear from those—and there are many—who insist on economy at any price; you will hear from those—and there are many—who plea for advanced appropriations at any cost. It is not the easy trail we are traveling. It is the trail of sacrifice and service. If we are to choose new services and expanded programs, we must be prepared to sacrifice. May we discover the way to meet the problems of progress with solvency.

Let us ask again and again the pioneer's question: "Is this essential or merely desirable; and, if it is only desirable, can I afford it?"

For those of us who make government policy, our good and bad alike live after us. The mistakes carry all the urgency of the bright successes. The omissions and failures drag their way through the decades, crippling the efforts of our successors. The seeds we sow, our children reap. Let us prepare for them a good harvest, so that Oregon may have a bountiful second century.