It is my privilege, in my brief tenure as your thirty-seventh Governor, to deliver this message which is traditionally known as the “State-of-the-State” address.

As you all know, the honor of serving as your Chief Executive for a period of fourteen days came to me when Governor Hughes resigned in order to assume his elected place in the United·States Senate.

Since it was not my intention to pre-empt either the accomplishments of the Hughes administration or the potentials of the Ray administration, I have not pretended that these would be the fourteen days that would shake the world.

My friends of the press have plied me with questions as to exactly what I proposed to accomplish during this mini-term. Perhaps I should have had one of my young children answer for me, as one of President Kennedy’s once did for him.

One Sunday, a White House reporter asked three-year-old Caroline what her father was doing.

“He’s not doing anything,” she replied. “He’s just sitting up there with his shoes and socks off, doing nothing.”

I am sure that there are those who would contend that my speech, like my administration, should be graced with brevity. But I will warn you that there is nothing in the Constitution that compels a short-term Governor to deliver a short address.

My remarks today will be somewhat unorthodox as State-of-the-State messages go. I believe I can make a more useful contribution with a personal, philosophical evaluation than with the customary formal listing of facts and figures.

I have viewed the course of state government from several vantage points in the past decade. Prior to this fleeting term as Governor, I was a member of the House, a member of the Senate, and served for two terms as your Lieutenant Governor. After Thursday, I will once again be out of public office, a toiler in the vineyard of private enterprise.

I doubt if any Lieutenant Governor in Iowa’s history has had a closer and more congenial bond with the Chief Executive than I have been privileged to have with Harold Hughes. It has been the richest experience of my life. Even those who have disagreed with the Hughes policies have found, as I have found, that the man himself is a dynamic and forceful leader.

It has also been my privilege, over the course of these years, to work closely with many of you veterans of the General Assembly who are here today. I can only say that this experience also has been incomparably rewarding. Partisan differences have not deterred us from working together for the good of the state or from enjoying a high order of personal friendship and mutual respect. I want to thank all of you colleagues of the Legislature for your cooperation and personal generosity, and I want to wish you and the newly-elected members of both houses the greatest success in this Sixty-third session of Iowa’s General Assembly.

Above all, I extend to Governor-elect Bob Ray and the members of his administration success in their endeavors.

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Exactly. what constitutes or determines the state of the state at any given point in history?

Obviously, many factors are involved—economic health, quality of public services, fiscal posture of the government, the relation of the state to its subdivisions, the welfare of the people—these and many more factors.

But, as Harold Hughes pointed out, there is something more, beyond the sum of these factors—an “intangible quotient” that is the essential determinant of the true state of the state—“the spiritual temper of the people: their morale, their idealism, their receptiveness to new ideas, their commitment to progress, their concern for their fellow men, their faith in the future, and their willingness to contribute to, as well as benefit from, the blessings of a free society.”

When this intangible quotient is high, we know that people have found the good life.

“The success or failure of a state,” Hughes said, “is gauged in the final analysis by the opportunity it affords its people for the good life, in the highest sense of this concept.”

This is the hour of the changing of the guard. It marks the end of the Hughes era and the return to complete domination of the state government by the Republican party—a situation which, needless to say, has often existed in years past.

Whether or not it signifies a sweeping reversal of the basic policies, innovations and reforms of the past six years remain to be seen. With a clean sweep of all state elective offices and with top-heavy majorities in both House and Senate, it is clear that the new administration will have the firepower to revert and retrench, if this be their will.

I sincerely hope that this will not be the case. The great social, economic and organizational advancements of the Hughes era are not rightly classified as partisan issues, although they were seen, at times, in this light.

The credit for the forward thrust of the state in these action-packed years belongs to people of Iowa of all political faiths. It is significant that the same electorate that voted in these office-holders also approved the five constitutional amendments that were on the ballot. It is also significant that these five amendments had strong bi-partisan support during the campaign, including the active endorsement of the standard-bearers of both parties.

The basic contest in this state, as one experienced observer has put it, is not between Republicans and Democrats, between rural and urban people, or even between liberals and conservatives in the true sense of those words. The real contest is between progress and inertia, between willingness to adapt to changing conditions and the granite-headed resistance to change, between reform and retrenchment, between public interest and narrow private interest, and between action and stagnation.

One of John Kennedy’s favorite quotations from Oliver Wendell Holmes epitomizes the spirit that should animate all people who care deeply about the state of their state—not only for today but for generations to come:

“… We must sail sometimes with the wind and sometimes against it—but we must sail, and not drift nor lie at anchor.”

It is not my purpose here today, in my evaluation of the state’s conditions and needs, to make a partisan political speech; but it is my purpose to express my deep concern about issues that cut across party lines and deserve the support of all people who care deeply about Iowa.

The great struggle in the world today is to retain our human qualities and the values of our civilization in a technological age.

Whatever one may think of specific issues involved, the record shows that no period in Iowa’s history has produced more major reforms, innovations and breakthroughs for progress than the past six years.

So many things were accomplished in such a short space of time that it is easy to take them for granted and to lose sight of how profoundly our state has changed in these half-dozen years.

In January of 1971, when Governor Ray presents his State-of-the-State message, he will have new accomplishments to set forth—and I sincerely wish him well with them.

I hope, and feel confident, that some of these accomplishments will be continuations of the progress that has been made on many fronts in these past three terms, as well as new programs to fit the new needs of our changing times.

In any event, the custody of the future belongs to the new administration. But in order to gain any real insight into the state of this state as of January 14, 1969, it is necessary to look back briefly over some of the major changes of the past six years, as seen in the perspective of our state’s recent history.

The people of Iowa reared back, shed their inferiority complex, and put this state on the move.

The Constitution of our state says simply and succinctly: The political power is inherent in the people. When the people are mobilized behind a public cause, they can move mountains. We have seen this happen in the past six years.

These were the years when, working together, we established equality of voting rights. We enacted sensible liquor control laws and eliminated the infamous key clubs where minors, as well as adults, could buy liquor over the counter. We broke all records for industrial development, year after year. We came near doubling funds for agricultural land tax credits.

We brought school aid up to record levels and finally carried through the first realistic, long-range, school-financing plan in the state’s history. We enacted the state’s first property tax replacement program, after 80 years of promises. We established educational radio and TV and a plan for area vocational-technical schools that is one of the best in the nation. We erased the shame of public hangings from a civilized society.

We established a civil service system for state employees. We opened up the committee system in the Legislature. We made substantial gains in unemployment compensation and workmen’s compensation for the working man and woman. We gave unprecedented support to our universities and inaugurated a long-needed state scholarship program.

We established Iowa’s first statutory commission for the aging and the first statutory civil rights commission.

We made it possible for local government operating funds, deposited in banks, to draw interest for the benefit of the taxpayer.

We faced up to the need for government reorganization and got it under way. We established a division of tourism in the Development Commission. We substantially increased the Highway Patrol and instituted one of the most comprehensive traffic safety programs of any state.

We established a state law enforcement academy, put Medicaid in operation, founded an alcoholic treatment center and a maximum security hospital.

We spanned the state with our Interstate highway system and modernized hundreds of miles of the older primaries. We provided tax relief for the elderly and improved our programs for dependent children, the mentally ill, the retarded and the physically handicapped. We enacted a uniform commercial code and took Iowa’s first action for consumer protection.

We appropriated funds for long-needed public parks and outdoor recreation facilities and met the undeniable need for additional state office space.

We inaugurated comprehensive state planning, organized Sell-Iowa delegations to the financial centers of our own country and sent foreign trade missions to three continents.

This is only part of the list of major achievements registered during these six years.

Many other things that profoundly influence the state of the state are not recorded in the statute books or official administrative records.

I am thinking, for example, of Governor Hughes’ personal efforts to arouse citizen participation in crime prevention, in providing jobs for disadvantaged youngsters and in alleviating conditions of poverty.

And I am thinking also of the religious leaders and local officials who accepted the challenge so willingly and moved so directly to get at the roots of these problems before it is too late.

The events of the past six years that moved this state ahead by giant strides and liberated its spirit did not “just happen.” They were the result of a great deal of planning and hard work and tough-minded implementation.

And another point I feel must be made is that these issues, now registered as achievements, were not plucked out of the atmosphere as desirable political planks. Many of them were “hot potatoes” or unlikely crosses to bear, so far as political considerations were concerned.

They were not selected for purposes of political expediency, as a man would select flashy neckties in a haberdashery,

They were carefully thought-out measures, sensibly taken to meet the compelling needs of our state in an era of rapid change.

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Now, as we move into the new year, Iowa’s economy is sound and stable, and the business outlook for 1969 is generally optimistic.

Farming is still the foundation of our economy in Iowa, although combined wholesale and retail trade has, for the first time, surpassed farming in production of total income. Manufacturing did so several years ago. But as we all know, a great part of our industry and trade is farm-related, and farm income has a prime influence on our over-all economy.

Within the context of the general truth that the commercial farmer ia a long way from getting his fair share of the nation’s prosperity, the agricultural economy in Iowa is in comparatively good shape. Grain production last year was reasonably good. Feed-grains payments set a record that may well be surpassed in 1969, and Iowa ranked first in production of pork and marketing of grain-fed cattle.

For the sixth straight year, capital investment by industry reached a record level in Iowa—341 new industrial developments and nearly 7,000 new job opportunities created last year by industry alone.

In all sectors of the economy, at least 150,000 new and experienced Iowa workers, who needed jobs, found them within the state over the last six years.

And in that same period, the growth in total personal income of Iowans has paced the nation, rising more than 42 percent since 1962.

This phenomenal expansion of our state and national economy strained the ability of state and local government to finance the services demanded of them. Pressures built up to alter our state tax structure to provide the necessary funds.

At the same time, it became virtually impossible for local government to continue deriving tax revenues almost exclusively from the static, unresponsive property tax.

In these chambers two years ago, a bipartisan Legislature chose to deal forthrightly with these problems, enacting a far-reaching, sensible and necessary reform of Iowa’s state-local tax structure.

Even though they are only partially implemented, the revenue-sharing programs established by the Sixty-second General Assembly have kept the average statewide property tax levy comparatively constant. Full implementation should provide some reduction in the average property tax levy for this year.

Allowing local government a substantially larger share of the growth in state revenue has affected the availability of funds for financing the services of state government. This was to be expected.

With minor adjustments, however, the entire state-local tax structure will respond to fluctuations in the economy and, in something of an automatic way, provide Iowa with adequate funds for meeting the needs of the state. If any adjustments are to be made, the guiding principle should be to base them on ability to pay and on taxes that will grow with the economy, not lag behind it.

The nucleus of the tax reform program is the provisions for equalizing property valuations across the state, so that taxpayers in one area are treated no differently than those in another. To delay equalization or tamper with this basic reform is to perpetuate inequities that have already endured far too long.

The sales-tax credit inserted an income factor in what was otherwise consumer-oriented tax legislation. This credit should not be repealed. If anything, it should be strengthened to insure fair enforcement and be preserved for the continuing benefit of the low-income taxpayers.

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Here in Iowa—and indeed in all America—our political institutions must prove that they are amenable to change, reform and renewal, if they are to survive. To pledge allegiance to the status quo is to sentence our democratic institutions to death or deterioration.

A respected Washington commentator, David Broder, wrote a few months ago: “The American system of self-government is being tested … and so is the United States’ confidence in the institution of democracy.”

The contemporary English historian, Arnold Toynbee, has posed the thesis that cultures confronted with a changed environment will inevitably collapse. This would specifically apply to us, since there is no question but that the technological environment we live in today is as different from the rural Iowa of the last century as day is from night.

Our institutions of government must meet the challenge of change if they are to survive. They must meet it in terms of two general criteria.

The first criterion is that of responsiveness. To what extent are our governmental institutions responsive to the collective needs of the citizenry—both majority and minorities?

The second criterion is that of effectiveness. To what extent do our governmental institutions employ effective, up-to-date means of coping with the popular demands made upon them?

Here in Iowa, revolutionary trends—rapid urbanization, industrialization, and spectacular advancements in the fields of communication and transportation—have produced numerous day-to-day problems for our citizens and imposed new strains and demands on our public institutions and officials.

Can our governmental institutions adapt to the dislocations stemming from these revolutionary changes in our society?

The answer is that they can and must—if they are to survive. But there can be no turning back, no hesitation, no regression to the easy answers of an earlier era.

The modernization of our state government, commenced in the past two years, must be continued. We have only begun to reorganize the costly and inefficient proliferation of agencies in our state government.

Modernization of local government is also a crying need, and state government must have a more realistic and responsible attitude toward its political subdivisions.

The notion, prompted by innumerable political office-holders and their kin, that our archaic county organization is sacred is ridiculous and prejudicial to our state’s progress.

The ninety and nine of the Scriptures was not meant for counties in a state the size of Iowa.

The cities and towns of Iowa are in critical need of operating revenues. A method must be found in the immediate future to give the hard-pressed municipalities a source of revenue other than the overworked property tax. They also need sensible legislation to implement the home rule amendment approved by the voters in November.

For the Legislature to sweep their urgent problems under the rug, as has been so often done in the past, is to invite grave consequences.

The enactment of municipal home rule will be a hollow mockery if the General Assembly treats the cities and towns, where three-quarters of the people live, as disfavored stepchildren of the state.

The people of Iowa, in recent years, have amply demonstrated that they are ready and willing to support responsible programs of government reform.

This is one of the strongest positive elements affecting the state of the state as of January 14, 1969.

As you know, we already have a workable blueprint for the reorganization of the executive branch of the state government and the judicial branch, and significant first steps have been taken to carry out these recommendations.

With reference to the legislative branch, I feel that appropriate guidelines for needed changes were presented only a few months ago in the final report of the Iowa Legislative Processes Study Committee, a special blue-ribbon interim committee established by the Legislative Research Committee and headed by President Paul Sharp of Drake University.

Although I do not fully agree with every specific recommendation of the committee, I strongly believe that the committee has presented some valid goals on which I hope this session of the Legislature will take action.

The committee’s recommendations on improvement of legislative facilities, on staff assistance for standing committees and legislative leaders, on establishment of a legislative council, on reduction in the number of standing committees, and on the rewriting of legislative rules are all especially noteworthy.

The people of Iowa took the initial steps in making our Legislature a more responsive and effective governmental institution by approving three constitutional amendments dealing directly with the General Assembly—annual sessions, a more flexible method of legislative compensation, and permanent reapportionment and reduction in the size of the Assembly.

Since the last amendment establishes a maximum size of 150 members, I would strongly urge that this session seriously consider establishing a smaller assembly. I believe that a legislature consisting of around 120 lawmakers—80 representatives and 40 senators—would be substantially more responsive and effective. The salary savings realized from having a smaller legislature could be used for acquiring much-needed staff assistance.

We have come too far in these recent years, and there is too much at stake in the years ahead, to permit us any easy ambivalence about the needs of our state.

It is not enough to pledge allegiance to the objectives of a vitally-needed program of state service and then to stand by passively and allow its support to be cut away.

It is not enough to say that we must “cut out the cake” of our social programs, because I am not talking about cake, but about bread—bread to meet vital human needs. I am talking about education and mental health and essential aid to the indigent elderly, to dependent children, to the mentally ill and the physically handicapped, and other vital human value programs.

There is a school of thought being voiced in the state these days that in such areas as public health, education and welfare, we have been living beyond our means and trying to keep up with the Joneses (the larger and wealthier states).

It is said that Iowa has been trying to travel first class in the human value areas of state government and that we can only afford to be second class.

I can only tell you that this is not the voice of the people, but the voice of vested interest which equates the good of the state with its own private gain.

In education and in the other human value programs that mark us as a civilized people, I can only say—as Harold Hughes has said so often—we can’t afford not to go first class.

Take education, for example. Even if dollars and cents were our only consideration and human values were ignored, it would be foolish to abandon the pursuit of excellence in education, for we would inevitably suffer a decline in economic growth and sacrifice one of our major attractions to new industry.

Economy in government is an essential objective, and I appreciate the problems you members of the Assembly will be facing in appropriations and ways and means.

But economy at the expense of essential human needs and allowing our human values to deteriorate is not true economy at all.

As Oliver Goldsmith wrote in “The Deserted Village”:

“Ill fares the land, to hastening ills a prey

Where wealth accumulates, and men decay.”

For me, this visit with you today climaxes ten years of public service at the state level.

It has truly been an honor and privilege to serve with you and for you during these memorable years.