Lieutenant Governor McManus, President of the Senate, presiding, presented Governor Loveless, who delivered the following inaugural address:

Mr. President, Mr. Speaker, Mr. Chief Justice, Senators and Representatives, State Officials, Distinguished Guests, Ladies and Gentlemen:

Today, we stand on the threshold of a legislative session with unparalleled opportunities to enact far-sighted legislation of lasting benefit to all of our people and, also, opportunities to engage in narrow short-sighted partisan bickering that can bring discredit on all of us, members of both political parties.

It is almost certainly no exaggeration to say that we stand at an historic crossroad; are we, as elected officials of both parties capable of making the two-party system of government operate in Iowa? Are we prepared to meet the problems confronting our State and its people? The answers are ours to provide.

As you undertake your legislative duties, you have at your disposal a number of very outstanding study reports. These reports cover a broad range of topics. But they have one feature in common: a clear-cut recognition of the long overdue needs for governmental reform and rejuvenation in the executive, legislative, and judicial branches, and a rebirth of the pioneer spirit of enterprise that converted Iowa from a sparsely populated wilderness, to a prosperous, modern State. For too many decades, Iowa has remained a comparatively static State. We seem to have lost the dream of greatness that motivated our earlier leaders, and to have become complacent in an era in which complacency is fatal.

I do not wish to be misunderstood. Iowa *is* a great State; we have made progress in providing a better life for our people. Those of you now responsible for legislation to extend our accomplishments have a rich tradition on which to build, and incomparable assets with which to work. But build we must, if we are to retain our position as one of the nation’s foremost states.

The specific recommendations submitted to you, the members of the Fifty-eighth General Assembly, have been based on several fundamental convictions:

First, as elected officials we are responsible for the formulation of programs that facilitate adjustments to the changing economic and social environment in which our citizens live, earn their income, and participate in community affairs.

Second, in order that government shall keep pace with other segments of society, we must take all possible action to apply modern scientific and technological developments in the care of those less fortunate than ourselves, in our educational programs, and in the construction and maintenance of public transportation facilities.

Third, the structure of government, in all its branches, must be brought into conformance with recognized standards of efficient organization, equitable representation, and the changing needs of our population.

Fourth, the economy of Iowa must be strengthened in order that a larger number of our young people may find attractive opportunities for employment within our borders.

Finally, we must always keep foremost in our thoughts the primary role of the individual in our scheme of values.

In accord with these basic principles, I respectively submit the following specific recommendations, covering the major areas of legislative responsibility.

REAPPORTIONMENT

You have recently been provided with a copy of the Report of the Reapportionment Action Committee. This Committee, appointed in February, 1958, is composed of legislators and lay members; of citizens from rural areas, small towns, and large cities; of farmers, homemakers, businessmen and professional people. Every Congressional District is represented in its membership.

After careful analysis of the problem, and thoughtful consideration of a large number of proposed solutions, the Committee has submitted a unanimous recommendation. It is highly significant that the members of the Committee, with diverse backgrounds, interests and views, were able to come forward with a unanimous recommendation. I concur in their recommendation, and urge the members of the Fifty-eighth General Assembly to take favorable action on the proposed amendment to the Constitution of the State of Iowa.

All of us are familiar with the gross inequities in the present pattern of representation in the General Assembly; both of the major political parties have adopted platforms calling for reapportionment. Next year the Federal Government will conduct its regular decennial census of population.

If the results of this census are to become the basis for a new apportionment, the Fifty-eighth General Assembly must take the initial step by passing a resolution calling for a Constitutional amendment.

As elected representatives, you and I have a moral obligation to take action to reestablish equity in representation. The basic pattern was set in 1886, and has been modified only in minor respects since that time. At present, less than one-third of the voters of Iowa are electing majorities of the memberships in both the Senate and the House. Continuing shifts in Iowa’s population will create even greater inequities unless positive action is taken to:

1. Comply with the basic principle of our system of government by giving an equal voice in government to all our citizens—wherever they live; and
2. Establish a dependable method to bring about future adjustments without the lags that have persisted in Iowa for over half a century.

ORGANIZATION OF STATE GOVERNMENT

Two years ago I recommended to the Fifty-seventh General Assembly that action be taken to put into effect recommendations of the Governmental Reorganization Commission established, in 1949, by the Fifty-third General Assembly. My two years of close contact with the operation of the various agencies and departments of State government have served to strengthen my conviction that, through faulty organization, improper allocation and duplication of functions, and lack of coordination, the State is wasting millions of dollars and, at the same time, failing to provide the services the citizens of the State of Iowa have a right to expect.

A committee of one hundred of the State’s leading citizens from all economic, political and geographic groups expressed general approval of the recommended principles set forth by the Governmental Reorganization Commission, as well as the earlier recommendations made by the Brookings Institution, and concluded: (I quote from their Report)

 “Governmental institutions and procedures in Iowa are clearly outdated, and are grossly inadequate for the tasks that lie ahead. . . . The costs of antiquated government are tremendous. Tax dollars are inefficiently employed, services suffer, and substantial losses of time and effort result. In short, the full potential of public efforts is not realized in Iowa. Moreover, there is the incalculable social cost of a diminished public confidence in governmental activities. A wholesale overhaul is needed.” (End of quotation)

I concur in this conclusion. But, as the committee of leading citizens recognized, all of our accumulated deficiencies can not be eliminated in one brief session of the General Assembly. However, the magnitude and complexity of the task is no excuse for continued postponement of a beginning.

As a feasible program for immediate action by the Fifty-eighth General Assembly, I recommend the following steps be taken to initiate a longer-run program of governmental reorganization in Iowa:

1. The Gasoline Tax Division should be transferred from the Office of the Treasurer, to the State Tax Commission. There is strong evidence that the revenue collecting function of the division has not been performed properly under the present set up; because of differences in seasonal patterns of tax work, operations of the Gasoline Tax Division could be combined with other activities in the Tax Commission with some economies in personnel, space, and equipment. The functions of the Beer Permit Board should also be made a responsibility of the Tax Commission.

I respectfully urge the Fifty-eighth General Assembly to authorize employment of an independent, private, certified Public Accountant, to conduct a thorough audit of the Motor Vehicle Fuel Tax Division, and to appropriate $15,000 for the purpose of conducting such an audit and meeting the expenses connected therewith.

In the recent audit conducted by the Auditor of State, it was concluded that: (and I quote from the report)

“It appears that unless some remedies are taken, the possibilities of great losses of unpaid taxes is self-evident. . . . Due to the magnitude of the transactions in the Motor Vehicle Fuel Tax Division, and because of lack of time, it was impossible to make a detailed audit of the Department.”

I submit it is imperative that a full and complete audit be made immediately, in order that the Fifty-eighth General Assembly may have available full knowledge upon which to base legislative action. The appropriation requested can undoubtedly be recovered many times over by a more complete collection of the taxes due the State of Iowa.

1. The multitude of inspections made by over half a dozen different agencies and departments of State government should be placed under a single, unified agency of government. This proposal will save substantial amounts of travel expense, prevent duplication, and improve service to Iowa citizens and business establishments; moreover, it will greatly reduce the numerous visits of inspectors to specific establishments, and the resulting disruption in the regular activities of such establishments; and
2. The functions now performed by the Industrial Commissioner, the Bureau of Labor, and Mine Inspectors should be consolidated in a single Department of Labor, with a director appointed by the Governor, with approval by the Senate.

Reorganizations are urgently needed in other areas of State government, including Public Welfare, resource management, regulatory functions, and business and economic development. The preparation of suitable plans for new, or revised departmental organization is an extremely complex undertaking, requiring more time and professional assistance that can be made available during a legislative session.

Therefore, in order to provide a framework within which some of the more complex reorganizations can be undertaken, I urge the Fifty-eighth General Assembly to approve a Governmental Reorganization Act. Briefly, the Act would authorize the development of reorganization plans which would become effective only if not disapproved by future session of the General Assembly to which such plans would be submitted.

HIGHER EDUCATION

According to informed estimates, we may reasonably expect a substantial increase in the enrollment in all institutions of higher education by 1970. At present, enrollment in the public supported institutions is roughly equal to the levels of ten years ago.

Iowa, with its long established tradition of excellence in education, will meet the essential needs in the future.

Two years ago, I recommended a three-point program to meet these needs in an orderly manner. The basic features of this program are again presented for your consideration. Specifically, it is recommended that the General Assembly:

1. Enact the necessary legislation to establish a sound, long range financing program to meet the needs for capital improvements at the State supported institutions. In the Fifty-eighth General Assembly a revenue bond plan was recommended and, in fact, was approved by the Senate. This is one way of meeting the long range needs. However, the needs can also be met by a general obligation bond issue which, of course, would require approval by the voters before it could be placed in operation. The revenue bond method could probably be placed in operation somewhat more quickly, however, it would require the payment of a higher rate of interest on outstanding obligations than would be necessary if the general credit of the State is pledged in a bond issue.

 Insofar as my own views are concerned, I do not feel that it is so important which of those two methods we use, as it is that one or the other be authorized, so that plans for future construction may be formulated and carried out economically and efficiently.

1. Appropriate, from the General Fund, amounts needed to permit immediate construction of urgently needed facilities. Regardless of which method of long range financing is authorized, it will require considerable time before either the revenue bond or a general obligation bond program can provide funds for construction. Some construction should be undertaken during the coming biennium.

 To a very substantial extent, the most urgently needed capital improvements represent a backlog of needs that has accumulated over the past quarter of a century. It is entirely appropriate, therefore, that the accumulated surplus in the State General Fund be used to meet the backlog of construction needs. There is nothing unsound in such a method of financing. It would not endanger the adequacy of the “working balance” in the General Fund, nor would it impair our ability to meet current needs from current revenues.

1. Provide not only for the physical needs of State supported institutions, but for adequate staff as well. The Budget Message will contain my specific recommendations to cover appropriations for this purpose.

I respectfully request that the Fifty-eighth General Assembly set up a merit scholarship program designed to achieve two basic objectives:

1. Provide modest financial assistance covering tuition costs, to highly qualified high school graduates who, because of financial reasons, might not be able to attend an institution of higher education. The scholarships would be available for students selected on the basis of merit and capacity to benefit from further training.
2. Through the emphasis that would be placed on educational achievement by the merit scholarship plan, the general level of quality of work in our secondary educational institutions would be improved.

On the average, a tuition cost of approximately six hundred dollars per student per year would probably be sufficient. As a beginning, I recommend that one hundred such scholarships be provided each year, with a provision that the scholarships would be continued so long as the student maintains a high order of scholarship. The merit scholarships could be used by the student to attend any Iowa institution of higher education, public or private.

At present, the Code provides that only one alumnus of each of the three State institutions of higher education may be a member of the Board of Regents. This limit is unnecessarily restrictive, excluding from appointment many individuals who could serve with distinction on the Board. I recommend that the Fifty-eighth General Assembly raise this limit to “not more than two” from each of the three institutions.

It is almost certain that because of rising enrollments, additional expenditures will be required in our publicly supported institutions of higher education during the years ahead. However, if we are to meet the educational needs of all who qualify and all who wish to attend such institutions, the time has come when we must adopt new methods and new approaches to the challenge facing us.

Basically, the organization and pattern of operation of institutions of higher education in America were set centuries ago in the educational institutions of England and Western Europe. These methods and approaches may have been entirely appropriate when higher education was a privilege extended to a very small fraction of the population—but if higher education is to be provided to a very large segment of our population, we must adapt our methods to the task we are trying to accomplish.

For this reason, I urge the General Assembly to carefully examine the suggestions which have been made in Iowa and elsewhere, for substantial changes in the organization and operation of institutions of higher education. These suggestions include greater use of television and other visual aids as a means of bringing outstanding teachers to larger numbers of students; the scientific programing of courses, classes and other educational activities to provide better utilization of physical plant; twelve months operation of physical plant (with or without staggered terms for individual students and teachers); and a reexamination of the curriculum to eliminate superfluous offerings and duplications among institutions.

PUBLIC SCHOOLS

Excellent progress has been made in reorganization of public schools during the current biennium. However, as important as reorganization is, it alone does not automatically solve all of our problems, or guarantee that educational excellence will be maintained in our State.

There are several public school matters to which I should like to call your attention.

In recent years an increased amount of State revenue has been directed to local school districts for the stated purpose of “property tax relief.” Yet the forms in which State aid have been made available to public school districts have, in general, failed to provide any method whereby the additional aid would bring about reduced property taxes.

The basic aid formulas which have been developed have also been deficient in that they have provided little incentive for improved educational programs and increased efficiency in the operation of the schools.

I respectfully urge the Fifty-eighth General Assembly to take effective action to modify present aid formulas to the end that the State funds now being made available, and such funds as will be made available in the future, will:

(a) Encourage qualitative improvement in educational programs;

(b) Increase efficiency in the utilization of physical plant and personnel; and

(c) Provide property tax relief.

As you will recall, several school reorganization measures were enacted by the Fifty-seventh General Assembly. There is some benefit to be gained from leaving these laws unchanged until additional experience has been gained in the practical effects of the legislation already on the books. For one thing, the precise meaning of these statutes is seldom clear until the courts have rendered decisions thereon, and until reorganizations can be planned in terms of these decisions.

However, I would suggest that the General Assembly may need to modify present laws to the end that small minorities shall not have the power to prevent reasonable reorganization clearly favored by the vast majority of voters. At the same time, we must exercise caution to properly protect the interests of all groups in school reorganization.

The Fifty-seventh General Assembly enacted a teachers’ pension program which has provided much needed financial assistance to those teachers who retired prior to July 4, 1953. The appropriation made for the implementation of this legislation was inadequate; fortunately, the Budget and Financial Control Committee saw fit to supplement the appropriation so that the minimum pension of $75 per month could be provided. It is my understanding that the supplemental funds will be exhausted this month, and I strongly urge the Fifty-eighth General Assembly to provide a supplemental appropriation to carry this program forward to the end of the current biennium, and to make adequate regular appropriations for the coming biennium.

Along the same lines, I recommend that a minimum pension of $75 per month be made available to *all* teachers, regardless of the date at which they retired.

The Iowa Public Employees Retirement System is a good program, actuarially sound, and designed to provide, ultimately, a reasonable level of benefits. However, for several more years retiring teachers will have had insufficient time since the establishment of the program to accumulate credits necessary to provide benefits consistent with the maintenance of a decent standard of support in retirement.

I am therefore recommending that legislation be enacted to establish a minimum of $75 per month for all retired teachers. This will put the teachers who have retired since July 1953 on the same basis as those who retired prior to 1953, insofar as the I.P.E.R.S. program is concerned. I shall recommend in my Budget Message an appropriation adequate to meet the expenses required to bring present monthly benefits up to the $75 level. Under no circumstances should increased benefits be paid from present reserves of the I.P.E.R.S. program. To increase benefits by this means would undermine the actuarial soundness of the entire program and be grossly unfair to individuals covered by the Public Employees Retirement System.

It should be noted that this strengthened retirement program will be of great value to local school districts by stabilizing employment in the teaching profession, particularly among the more experienced teachers. However, this proposal will in no way increase local school costs or property tax levies.

As you know, we have had many studies of our public schools, including studies of their financial problems. All of these studies have produced valuable statistical information and many very useful suggestions for improvement. There remain, however, several areas in which we lack adequate information upon which to base sound public policies. We know too little, for example, of the factors associated with efficiency; and clear-cut public policies are difficult to formulate in the absence of better knowledge of our goals and objectives than we now possess. To cite but one example of the type of question to which we do not have adequate answers: are we placing the proper emphasis on the various types of vocational education?

To meet this deficiency in our present stock of knowledge, I respectfully recommend that the Fifty-eighth General Assembly establish “a public school study committee” of business, professional, educational and governmental leaders, and vest it with broad authority to reexamine our entire public school system, with a view toward recommending measures designed to strengthen our educational program and improve the efficiency with which we utilize our resources.

While I do not wish to belabor the point, I think the people of Iowa are entitled to an explanation of why we are spending more per child to provide public education than most states, and, at the same time, we are paying our teachers at rates substantially below national average levels. Our people are also entitled to an independent evaluation of the adequacy of Iowa’s public school system.

SOCIAL WELFARE

The categorical assistance programs—Old Age Assistance, Aid to Dependent Children and Aid to the Blind—have been developed to meet the needs of specific groups of our less fortunate fellow citizens. If such programs are to continue to meet these needs, periodic reviews and modifications are required.

The Iowa Department of Social Welfare will present a number of recommendations for legislative action to facilitate administration, to remove inequities in the operation of the programs, and to bring the Iowa statutes into conformity with the standards of the Federal Social Security Administration. I urge the members of the General Assembly to give careful attention to these proposals.

Rising costs of consumers’ goods, medical and nursing home care, as well as increased numbers of dependents in some of the assistance programs will require additional appropriations, if we are to maintain the level of economic protection provided for the recipients of assistance. Recommended appropriations for the State’s share of the costs of these programs will be presented in the Budget Message.

At this time I respectfully call your attention to certain basic deficiencies in Iowa’s welfare programs, and urge that the General Assembly take appropriate action.

Iowa has, so far, failed to enact legislation permitting our citizens to participate in the Social Security program for assistance to the disabled. This program has been adopted by all but four states. Federal funds derived, in part, from taxes paid by Iowans are available for this program on a matching basis similar to the three assistance programs already in operation in our State.

At present, individuals disabled by heart disease, arthritis, polio, multiple sclerosis, muscular dystrophy and other crippling diseases and accidents, must turn to county poor funds for any public assistance. The proposed program would relieve county funds of sole financial responsibility for the needy disabled, by making available State and Federal funds to the extent of approximately three-fourths of the assistance grants. Moreover, it would provide a state-wide, uniform standard of assistance, designed to meet the essential needs of disabled men and women not eligible for assistance through existing programs.

I recommend that the Fifty-eighth General Assembly enact legislation to make available to the residents of Iowa Federal funds for aid to the disabled. The Budget Message will contain a specific recommendation for the appropriation necessary to meet the State’s share of the program.

I respectfully urge the Fifty-eighth General Assembly to take action to abolish “warning to depart” notices as a means of preventing legal settlement.

This obsolete provision of Iowa law is the source of unmitigated human misery. It has its origin in medieval society and serves no useful purpose in the existing developed stage of welfare legislation. Moreover, to the extent that the continued existence of such a law prevents economically underprivileged families from seeking improved opportunities elsewhere, it tends to thwart rehabilitation of adult individuals, and perpetuate poverty and dependence by reducing mobility. In the interest of human welfare, and the development of a modern framework within which our poor laws can be administered, this practice should be abolished.

MENTAL HEALTH PROGRAMS

I am certain that the members of the Fifty-eighth General Assembly will want to continue—and improve upon—the progressive mental health programs initiated by your predecessors. During the past two years, much progress has been made in the development of a positive program of treatment and rehabilitation; the needs of our mental health institutions in the coming biennium will be dealt with at some length in the Budget Message.

However, at this time, it should be recognized that the success of the State program of treatment, rehabilitation and return to society will require a program of “after care” in the local communities to which former patients are returned. Therefore, it is suggested that the General Assembly give careful attention to appropriate measures to encourage local communities to participate in this program for the conservation of human resources.

It is also recommended that the Fifty-eighth General Assembly give formal statutory approval to the creation of a Department of Mental Health in the Board of Control. This approval will strengthen the administration of the Mental Health program in all the institutions under the Board of Control.

PENAL AND PAROLE SYSTEMS

In order to provide for improvements in the operation of penal institutions, and to facilitate the rehabilitation of prisoners, it is recommended that a Director of Penal Institutions be hired, and that he be provided with an adequate staff to supervise and coordinate the operation of penal and correctional institutions under the Board of Control.

It is also recommended that additional parole officers be employed by the Board of Parole. The present staff of parole officers is carrying an excessively heavy load. As a result, inadequate supervision of parolees produces a large number of “repeaters” among parolees who might make good in society, with proper supervision. Also, the shortage of parole officers sometimes makes it difficult to release inmates from prison at the most opportune time to promote their rehabilitation.

I concur in the recommendation of the Penal Affairs Committee that the General Assembly should establish a Commission to make a careful study of crime and institutions of correction. Such a Commission should be charged with the responsibility of preparing recommendations relative to the need for a recodification of criminal laws and procedures in Iowa.

I respectfully urge the members of the Fifty-eighth General Assembly to give careful attention to the Report of the Penal Affairs Committee. This brief document contains some excellent suggestions for improvement of penal and parole practices in Iowa.

WHITE HOUSE CONFERENCE ON AGING

Public Law 85-908, provides that the President can call a White House Conference on Aging, to be held in January, 1961. The Act authorizes funds to assist the States in their preparations for participation in the Conference, and in sending delegates to the National meeting; states may apply for grants of not less than $5,000, nor more than $15,000.

It is my understanding that authority to request, receive and expend such funds is lacking in Iowa.

Therefore, it is recommended that the Fifty-eighth General Assembly pass the necessary enabling legislation, in order that Iowa may participate by:

(a) holding one or more State Conferences prior to, and in preparation for, the National Conference; and

(b) sending delegates to the National Conference to be held in January 1961.

No matching funds are required in order to participate in the Federal program of financial assistance.

HIGHWAY AND HIGHWAY SAFETY

Iowa has made substantial progress in the current biennium in highway construction and improvement. Outlays on highways of all types and on roads and streets now account for one of the largest forms of governmental expenditure in the State of Iowa. It is extremely important, therefore, that the Fifty-eighth General Assembly give careful attention to measures designed to improve the effectiveness with which these expenditures are made.

Specifically, I recommend that the Fifty-eighth General Assembly:

1. Formalize the activities associated with long range planning. The Highway Commission recently announced the adoption of a long range plan. But, as you know, the membership of the Highway Commission changes and I believe it would be highly desirable to set up, as a legislative matter, a regular procedure through which long range planning would be made a permanent feature of our highway program, with a statutory responsibility to successive sessions of the General Assembly.
2. Revise the allocation formula under which revenues in the Road Use Tax Fund are ear-marked for specific types of highways, roads and streets. Present formulas were established many years ago. Under the present formula vast improvements have been made, particularly in secondary and farm-to-market roads. It is inconceivable that the pattern of need is now the same as when the allocation formula was established. Continued adherence to an allocation formula that no longer reflects relative needs, will almost certainly result in excessive funds being spent for some purposes, while inadequate revenues are made available for other types of highways and streets.
3. Give increased emphasis to need factors in the redesign of the allocation formula. It is, of course, much simpler from an administrative standpoint to allocate funds on the basis of area, miles of roads, population, or some other numerical measure. But we shall fail to spend the Road Use Tax Dollar where it will produce the most benefit, if we rely exclusively in such measures. Iowans have made gratifying progress in the reduction of highway fatalities during the past year. I strongly urge the Fifty-eighth General Assembly to provide legislation that will permit State and local safety authorities to make further progress in the years ahead.

It is recommended that the Fifty-eighth General Assembly:

1. Enact a daytime speed limit. Our own experience with the nighttime speed limit, and the experience of other states in enacting daytime speed limits, indicate that fatal accidents can be reduced by such measures.
2. Enact a 50 mile per hour speed limit on the State’s secondary roads. With the enactment of a nighttime speed limit and stricter enforcement on the State’s primary highways, an increased percentage of our fatal accidents have occurred on secondary roads. While our secondary road system is unquestionably the best to be found in any state in the Nation, it was not designed for high speed travel.
3. Give formal statutory approval to an administrative point system now being used as a technique for isolation and restriction of habitually careless drivers.

Prompt action by the Fifty-eighth General Assembly to give statutory approval to an administrative point system will be of tremendous psychological advantage, and also provide the Department of Public Safety with a more effective measure for the protection of the public against the acts of carelessness and/or irresponsible drivers on the State’s highways.

PERSONNEL POLICY FOR STATE EMPLOYEES

The administration of State government has become “big business” in terms of payrolls and the number of persons employed. The duties which key employees are called upon to perform require technical skills of a high order. It no longer seems consistent with the best interests of the citizens of Iowa, to fill such positions on a political basis.

Two years ago I recommended to the Fifty-seventh General Assembly, the establishment of a bona fide Civil Service System for State employees. My experiences during the past two years have strengthened my conviction that the quality of services and the efficiency of government would be vastly improved by enactment of a Civil Service Law. Coupled with the reorganization and reallocation of functions recommended elsewhere, a sound Civil Service program can work revolutionary changes in the morale of State employees and the quality of services provided to the citizens of Iowa.

In order to facilitate the development of an efficient, dedicated professional State Civil Service, to reduce turnover among personnel, and to provide more economical and improved services to the people of Iowa, I strongly urge the Fifty-eighth General Assembly to establish a non-political Civil Service for State government.

IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Under present laws, employees and governmental units (the State, counties, municipalities, and school districts) each contribute three and one-half percent of wages and salaries, up to a maximum of $4,000 per year. The total contributions during the period of covered employment determine the monthly pension received by the public employee on retirement.

In order to provide retirement benefits more nearly commensurate with future needs of public employees, it is recommended that the maximum salary on which contributions are based be raised to $4,800 per year. Beginning this month, the maximum wages and salaries subject to the Federal Old Age and Survivors Insurance Tax was raised to $4,800; by setting the I.P.E.R.S. ceiling at the same level, some simplification in accounting will also be achieved.

It is also recommended that the increased contributions of employing units of the government, including counties, municipalities, and school districts, be paid from an appropriation from the General Fund of the State of Iowa, in order to eliminate any need for increased local levies on property to meet the higher contribution rates required of governmental units.

LABOR

The growing importance of nonagricultural workers in the Iowa economy is a well established trend. In 1957, about one-half of all personal income in Iowa was received in the form of wages and salaries from nonfarm sources, as compared with only 43 percent in 1929; today, about 70 percent of the Iowa labor force is employed in nonagricultural occupations.

Therefore, the terms of employment, working conditions, and income security have become matters of vital concern to an ever-increasing number of our citizens.

Iowa, along with all other states, participates in the Federal unemployment insurance program. However, in many important respects, Iowa has failed to keep pace with progress in other states in the improvement of employment security. Consequently, workers are less than adequately protected, and the operation of the Employment Security Commission is impaired by obsolete standards and unrealistic limitations.

Rising price and wage levels have not been reflected in commensurate adjustments in the dollar limits appearing in several sections of the Code; minimum and maximum weekly benefits have become unrealistically low because the price-wage levels have risen while the statutory rates have lagged.

In order to facilitate the operation of the Iowa Employment Security Commission, and to provide more adequate protection to workers, it is recommended that:

1. The Employment Security Commission be authorized to acquire lands and buildings for employment security administrative purposes with funds allocated to the State of Iowa by the Federal Government, subject to approval by proper State authorities;
2. Minimum and maximum weekly benefit limits be substantially increased;
3. The duration of benefits, now set at 24 weeks, be extended. The experience of the past two years—a period of only moderate unemployment in Iowa—has demonstrated clearly the need for a longer benefit period; and
4. The harsh penalties now invoked for “voluntary quitting” be modified.

It is also recommended that the Fifty-eighth General Assembly modernize the benefits provided under workmen’s compensation by raising benefits to levels that will provide adequate protection for the victims of industrial accidents. There is also need for an extended healing period during which workers are protected.

Two years ago, I asked the Fifty-seventh General Assembly to abolish the statutory prohibition of “union shop” contracts between employers and employees. I urge this body to restore the right of freedom of contract to workers and employers by removing this unfair and discriminatory feature of Iowa law.

Unionism is a perfectly legitimate form of organization among individual workers. Ethically, labor organizations stand on the same ground as trade associations, farm organizations, cooperatives, and professional associations. The right of labor to organize and bargain collectively is recognized by law, and by the more enlightened leaders of business and industry.

But, clever and misleading phraseology—the “right-to-work” slogan—has been used to undermine and defeat the effectiveness of collective bargaining by those who pay only lip service to labor’s right to organize. The so-called “right-to-work” law has not guaranteed a job to any Iowa worker; it has prohibited freedom of contract between workers and their employers, and it offers an inducement to free loaders to enjoy union established wage scales, working conditions and fringe benefits without contributing to the efforts to obtain them.

For whatever virtue consistency in government policies may have, it ought to be recognized that Iowa is now in the position of prohibiting effective union action to promote the interests of workers; at the same time, the sovereign power of the State is invoked to collect taxes used to promote the interests of the members of a variety of associations. I leave to your powers of rationalization the process by which such patently discriminatory treatment is to be explained.

As suggested elsewhere in these remarks, and as recommended in the Report of the Governmental Reorganization Commission, the various departments having responsibilities for matters affecting safety, working conditions, and workmen’s compensation should be placed in a single agency. At the same time, legislation to more adequately provide for regulation of safety and sanitary conditions should be enacted.

BEVERAGE CONTROL

At the earliest practicable date, I recommend that the General Assembly authorize a referendum designed to provide an expression of the preferences of our citizens with respect to the control and distribution of alcoholic beverages.

The results of such a referendum will, of course, have no legal, or statutory effect. But, in a matter on which there are strongly held, and sincere differences of viewpoint, the General Assembly would be in a better position to legislate if such an expression of public preference were available.

It is recommended that the referendum be held at an early date, in order that the result may be available to the members of the Fifty-eighth General Assembly prior to the closing weeks of the session.

MISCELLANEOUS

References have already been made to some of the excellent reports of various studies available to the members of the Fifty-eighth General Assembly. Two others deserve your most careful consideration:

1. The report and recommendations for judicial reform, and
2. The report and proposed recodification of the Iowa Corporation Act.

Many hours of valuable time have gone into the preparation of these reports and suggestions for legislative revision. Judicial reform, and reorganization—like reorganization of the executive and legislative branches—are long overdue.

If Iowa is to provide attractive opportunities for further industrial growth, some revision of laws under which corporations are formed, chartered and operate is desirable. I respectfully urge the members of this body to give careful attention to these reports and recommendations.

CIVIL WAR CENTENNIAL COMMISSION

Finally, I call your attention to the fact that the Nation will shortly observe the Centennial of the Civil War. A National Commission has been created by Act of Congress, and Iowa has been urged to establish a State Civil War Centennial Commission to work in cooperation with the National body.

I need not point out to you the vital role of our forefathers in the preservation of the Union; the names of Iowans are forever inscribed on the rolls of valor.

But, as a practical matter, I urge the General Assembly to make provision for a Civil War Centennial Commission, in order that our State may participate in the nation-wide observances with honor and with dignity.

CONCLUSION

Allow me to conclude by asking your forgiveness for the length of this address, and by expressing my appreciation for your patience.

I believe the programs recommended are worthy of your most careful consideration. Perhaps never before in our history have there been such large areas of agreement by spokesmen for both political parties in advance of a session of the General Assembly. In these areas I am confident much will be accomplished for the benefit of all our people.

In other areas, I am equally confident that such differences as exist can be reconciled in the common interest we have in the State of Iowa, and in its citizens.

Thank you.