

# INAUGURAL MESSAGE

—of—

Dwight Griswold  
GOVERNOR

—to the—

Members of the Fifty-fifth Session

—of the—

State Legislature of Nebraska

Presented January 9, 1941

Mr. President, and Members of the Senate :

In assuming the office of Governor I am indeed conscious of the heavy responsibility which rests upon me. I realize that the acts of my administration will effect the welfare of people for years to come, and that thought should and does make me think seriously. I know that I will have the cooperation and help of you who are members of the legislature; I trust that I may receive the further support of the people of Nebraska, and I pray that I will have Divine Guidance to assist me.

Our Constitution and long standing custom require that at this time I should express publicly to the members of the Legislature, and to the people of the state, my plans for the next two years, and I appreciate the opportunity, at this early date, to express to you some of my ideas. I say to you candidly, however, that I have a very light legislative program to present. In my campaign I did not suggest a "cure-all" which would solve all the problems that are facing the people of Nebraska. In fact, I do not believe that many of our problems can be solved by legislation. I proposed during that campaign, and I promise now, to use the power and prestige of my office to give to the people of this state an honest, decent, and economical administration. That is the big responsibility that rests upon me.

### **CAPABLE DEPARTMENT HEADS**

As a first step in establishing that kind of an administration, I have requested a number of outstanding and capable people to take positions under me, and I do indeed feel fortunate in having been able to draft into the public service those who are accepting these responsibilities. Many of them are making real sacrifices in order to assist in making the state government of Nebraska, one of which all its citizens can be proud.

I am going to depend upon these people greatly for advice and assistance, and so far as is possible, each department head will actually be the chief executive of that particular department. It will be his special responsibility, and mine will be only of a general

nature. The program which I have set up for my administration is one of action on the part of these executive departments, rather than one which calls for much additional legislation. The big job that needs to be done in Nebraska is to select the state's employees on the basis of ability and then have them do a full day's work for the pay which they receive. This does not require any legislation.

### **LIGHT LEGISLATIVE PROGRAM**

I said that I have a very light legislative program to present to you. I feel that we who are now responsible for legislation in Nebraska may well receive credit for what we do not do, as much as for the things that we do. In other words, one of our big problems in this session of the Legislature may be to keep off the statute books a number of acts which would be a detriment to the people of Nebraska.

We should enact just as little legislation as possible. The Nebraska statutes are already encumbered with laws that are obsolete and unenforceable. It is not just a matter of making needless changes or cluttering up the statute books. I believe that the habit of passing new laws has an even worse effect in that it causes the people to feel that they have access to a never ending source of relief by getting the Legislature to pass some new act. This habit of placing reliance upon legislation destroys the initiative of the individual and develops a citizenship which is entirely too dependent upon the state. In case of doubt, my suggestion is "Vote No."

I urge you to make this legislative session a short one and I think if that is done, you will receive more credit from the people than for anything else that you may do. In furtherance of that desire, I suggest that you introduce very few bills. Many times some change in the statutes, which you desire, can be brought up as an amendment to a bill which has already been introduced. By doing it that way, you will not clog the committees and you will speed legislative action. In case of doubt, my second suggestion is "Don't introduce it."

Under our Constitution, the Governor must approve or veto all acts of the Legislature. You may, therefore, wish to know my attitude in advance. In order to expedite your work and help in making the legislative session short, I will therefore, at this time, express my views on a few of the major problems before the people of Nebraska.

## SERIOUS TAX PROBLEM

It will be necessary that you enact an appropriation bill, and in this I know you will be guided by the desires of the people of Nebraska, who have gone through drouths and depressions and who are simply not able to have additional burdens added to their tax load. There are many things that we as individuals would like to do—if we could afford them. There are many things which we as a state would like to do—if we could afford them.

Nebraska is faced with a serious problem so far as taxation is concerned. Ten years ago the assessed valuation of this state was approximately three billion dollars. Today it is about two billion dollars. During that ten year period, however, the demands upon our state government have increased tremendously. It is only logical that these demands should increase because the people themselves are more in need of help than they were. We are, therefore, caught in a vise. On one side we see our taxable wealth decreasing; on the other side we see the demands of government increasing.

Economy is a term with a two-fold meaning. In the realm of government, we often find there are services which can be discontinued and the expense thereby saved, or we find that the expense of carrying on some certain governmental operation can be reduced. That kind of economy results in a direct saving to the taxpayer. But there is also another meaning of the word which involves the spending of certain governmental funds in order to bring about a greater saving to the state or to the citizens in some other manner. We must think of economy in both of these lights, and it is our duty to decide what activities our state government should engage in and how much money they should be allotted. We cannot, of course, cut expenditures indefinitely.

I feel that the recent election was a referendum on a policy of increased spending and new taxes for Nebraska. My opponent in the recent campaign was candid and honest in saying that he felt Nebraska should spend more money and find some way of raising it through taxation. My stand was in opposition to that policy and the result I believe should be considered as a referendum on that issue.

I know that there will be requests to this Legislature that some new form or several new forms of taxation be adopted in this state. There will be proof that the present system of taxation is unfair.

Most pleas will be that the new tax money will be a replacement of that which is now being levied. I think, however, that each one of us who has recently been a candidate for public office knows very well that the real pressure today is from those who want additional funds to be spent out of the public treasury and my honest judgment is that if new forms of taxation are adopted in Nebraska during the next few years, the money will be spent as an addition to the present appropriations and it will not be used as a replacement of present taxes. Other nearby states have adopted new tax forms for replacement purposes, and in each of them they find today that it has become an additional tax.

Until a limit is definitely reached in regard to public expenditures, I feel we should continue our present tax system. I realize that for each one of us in public office it looks very attractive to adopt some sort of painless tax and promise relief to those who have to pay taxes which are really painful. My own personal popularity might be enhanced by this kind of a change. However, my judgment is that painful taxation is the most effective way of holding down the expenditure of public funds. There is probably more waste in those departments of our state government financed by painless taxes than there is in those departments where the money is raised through the property tax levy.

The amount of property tax money collected by the state government is a very small percentage of the whole, and if any appreciable reduction is to be made in the amount of property tax, it must come about through a reduction in the amount paid for the support of local government. I feel that every governing unit, large or small, should operate under a budget plan and there should be proper publicity regarding all expenditures. It might be possible also to combine some school districts or counties. It will be up to the local people to decide whether or not they approve of this, but the law should permit it to be tried, when efficiency and economy will result.

## **BOARDS AND COMMISSIONS**

Legislation will be presented to establish a group of commissions and boards to take over the executive responsibility of several of the major departments of our state government. There is talk of a highway commission to operate the state highway Department, an irrigation commission to have charge of irrigation, a health board to take

over public health activities, and a livestock sanitary board to take over that activity. There may be others as well.

I suppose this should make no difference to me as an individual because it is likely that the bills will provide that the Governor appoint the members of these various commissions. My opinion is, however, that the commission plan for handling executive responsibilities is not the best. It is often said that if a commission with overlapping terms is appointed, it will remove "politics." I doubt the truth of that assertion. My experience has been that you can have as much "politics" on the inside of a commission as you can have when some activity is under the direct control of the Governor.

As long as the Executive departments of our state government are under the direct control of the Governor, the people know exactly who is responsible and they can make a change in that control at any biennial election. Let a commission have charge and the people do not know who to blame or who to credit. Under commission control, there is usually some "power behind," but the public does not know who or what it is. Taking a governmental activity "out of politics" often means simply removing the control from the public view.

When we consider the administration of state government through commissions, it might be well to read the recommendation of former Governor Neville in his outgoing message in 1919. It will be remembered that up to the time of Governor Neville, practically all of the executive functions were handled through various state commissions, and after his experience of two years, Governor Neville said, "The board system is not only expensive and inefficient, but in addition divides authority and responsibility. It is at present impossible (said Governor Neville in 1919) to handle the state's affairs in the efficient manner that would be demanded by any businessman in the conduct of his private transactions, and the thing most needed is a centralized responsibility for the discharge of the trust assumed by men who are elected by the people to serve as public officers."

I realize that the argument between commission control and direct control is two-sided and my suggestion today is that you leave matters alone for the present, and I assure you that I will at some later date, make recommendations as to how our state government

can best be administered. But please do not change a system merely because you may not approve of the manner in which it has been administered.

I plan to consolidate the Highway Patrol and the State Sheriff's office. The statutes themselves provide for this, and I believe it should be carried out. The Highway Patrol has, on the whole, done very effective work and I believe they should be so organized that they can be more effectively used to prevent or solve crimes or assist in catching major criminals whenever emergencies exist. We do not, of course, want them to do work that local police officers should do, but a cooperative system should be established so that all police officers, local and state, will be working together.

### **THE MERIT SYSTEM**

I am a believer in a merit system for the selection of state employees. In fact, shortly after I was elected, I talked with the director of the present merit system in Nebraska and asked if he could give examinations to those wishing stenographic, and other subordinate positions with the state government. It seems that no such examination can be given under our present law.

I feel that those taking positions in governmental work should be chosen because they have ability to do the job. However, I am positive that a system is wrong which freezes people in positions so that they cannot be discharged or disciplined by their superiors. Some system of punishment and reward must be in effect if good work is to be accomplished and if executives are to have any authority. It is very proper to provide tests for applicants. It is also proper to provide, for instance, that not more than 60%, or some such percentage, of those in subordinate positions shall belong to one political party, but no system can be called a merit system which assures retention in a job regardless of the quality of work done. I believe it also violates the provisions of Sec. 1, Art. IV of our State Constitution, which gives the appointing power full authority to discharge.

### **STATE GUARDS**

I am not prepared, as yet, to recommend what should be done in regard to organizing state guards. I understand that this is being urged by the national administration, so that they can take the place

of the National Guard which is now in active service. At an early opportunity, I will go over this matter with the Adjutant General of this state and with the federal authorities. I have no fear of sabotage on any large scale in Nebraska, as I am confident of the loyalty of our citizens. I do not anticipate any trouble which will cause us to need a state guard. However, we may have catastrophes of one kind or another, and it might be well to have some organization which can function. I will report to you later my view in this connection.

### **OLD AGE PENSIONS**

Under modern industrial conditions, old age pensions are necessary. Men and women of advanced ages are simply unable to get jobs like they formerly could. I feel that the old age pension laws must be established on a more permanent basis, and in some cases, the pension payment should be increased. Better administration will help but the State of Nebraska has been hard hit by drouth and depression and we are simply unable to raise more money for the purpose of paying increased pensions. We do not have access to the large incomes prevailing in many states.

If people are dependent upon individual states, it will mean that the size of the pension will go up and down in different administrations and be dependent upon the prevailing economic conditions in that state. This does not tend toward a feeling of security and is not the result which is desired. I trust that Congress will give a great deal of attention to this particular problem. I recommend that they adjust some of their other social security programs and give their major attention to the solution of the old age problem. People grow old and unable to work, through no fault of their own.

### **DEVELOP INDUSTRY**

Everything possible should be done to develop the growth of industry in Nebraska, both what we today call "defense industry" and what by comparison may be called "peace industry." We have always been known as an agricultural state and in comparison with others, we deserve that reputation. However, Nebraska industry is tremendously important and those who travel over the state are often surprised to find in some of the smaller communities, a factory or industry which is furnishing much employment and many of them

are virtually keeping these agricultural communities alive. Industry should be decentralized and more of it should be developed in the West, and even in the small towns and agricultural communities. A very fine type of labor will there be found and in many cases an industry can be developed which furnishes employment to men in the winter, while during the summer months, they can do agricultural work.

In Nebraska, our major industries are those which process the raw materials which are produced by agriculture, and it is likely that our future development will be largely along that same line. Not many years ago, it required 75% of our population to feed the nation; today, we are rapidly approaching the time when 25% can feed us. That fact presents a real challenge to us and to the entire agricultural West.

Farm crops, however, are being discovered, which when properly processed, are needed in industry. Agricultural chemistry is finding new ways of using the things which the Nebraska farmer can raise. Much research along this line has already been done, but much more is needed. Several of our state agencies are qualified and equipped to make further study along this line, and it should be carried out in order that our progress may be accelerated.

## **AGRICULTURE**

Nebraska, however, will continue to be primarily an agricultural state, and farm prosperity is our great need today. The income from the farm maintains both the farm and urban population. Agriculture merits the most sympathetic consideration and the most intelligent encouragement.

Nebraska has the rich soil that is required for the production of bountiful crops, but the experience of older countries teaches us that we must conserve that soil. Crop diversification should be further extended and we need more livestock upon the farms of eastern and southern Nebraska.

We have also learned in recent years that we must have water to mix with our soil if we are to have prosperity. Drouth is not a new experience to this state, but its severity and its prolongation

have added to our concern. We should conserve the available waste and flood water in the streams, and we should also encourage pump irrigation wherever it is feasible. If legislation is necessary to accomplish this purpose, I recommend that it be enacted.

River irrigation in recent years has developed into a fight between various sections for the limited supply of water that has been available. Perhaps more rainfall and more storage water is the only adequate solution. Established rights must be recognized and there should be a fair and honest administration of the law. We must all recognize the fact that in dry years, it will be impossible to please all.

Electric power is a by-product of water conservation, with the revenue derived from its sale aiding in defraying the expense of irrigation. Cheap electricity is a real blessing and we trust that here in Nebraska, if there has been any unnecessary cost in the construction or purchase of our public power plants, the excess will be charged off by the federal authorities, so that the people of this state will not be called upon to pay excessive charges.

In recent years there has been an increase in rural electrification which merits every encouragement. Electrification of our farms and ranches makes life more worthwhile. It is indispensable to the welfare of the women as it lifts the drudgery and grind from their shoulders. Rural electrification, if the rates are reasonable, is also an economic benefit to the farm, stopping much of the fire hazard and being useful in many ways.

### **RELIEF ADMINISTRATION**

I wish very much that the federal government would turn over to the state of Nebraska the sum of money which they are now spending for assistance and relief in all of their different activities and then permit the state of Nebraska to handle this problem as it sees fit. I am convinced that the best solution of the so-called relief problem is to have it handled through local agencies. It would certainly cost much less to administer and while there might be mistakes and some inefficiency, yet I do believe they would be tremendously reduced as compared to the present situation.

I have lived among people who need relief, and who now receive relief, and I realize that a continuation of some such program is absolutely essential. But we need one program—not two dozen programs. Today we have two entirely separate old age pension laws, we have unemployment compensation, an employment service; we have WPA, PWA, NYA, CCC camps, FSA grants, rehabilitation loans, farm parity payments, aid for dependent children, mothers' pensions, aid for the blind, surplus commodity distribution and direct relief—all agencies for getting financial assistance from some branch of government to the people who need it.

My own opinion is that relief should be handled by some local agency in each county, with the people of that county paying part of the cost, and with the people also being fully advised as to just what is being done and how much money is being spent. That would bring some control to the local unit of government and would be the best possible check upon the efficiency of the administration. Certainly, the people of Nebraska, as I know them, do not want to see any neighbor suffer and if they have a share in the responsibility, they will see that people are properly cared for. At the same time, relief would be administered much more efficiently and much more economically than it is at present. I believe in having intelligent personnel handle this work and the waste and over-lapping should be stopped. We in Nebraska will be glad to be an experiment station and take over the administration of all relief work. Personally, I am confident we can do more for the recipients and turn back to the federal treasury a very fine balance.

### **CHANGE IN STATE GOVERNMENT**

A quarter of a century ago the state government of Nebraska was a rather simple affair. We raised a small amount of money and we spent it largely to take care of our educational institutions and the institutions in which we care for our unfortunates. Today our state government is far different. We are spending millions of dollars each year for the building of highways, for benefits to aged and dependent citizens, and for a wide variety of other new purposes.

There is another change in our state government. A large percentage of the money which goes through our state Treasury today is money which comes to us from the federal government. It is

really our money, furnished by the people through the payment of federal taxes or through the purchase of bonds. National authorities control its expenditure, however. A large number of the employees in this State Capitol are really federal employees. In other words, the state of Nebraska is no longer a purely state government—it is now a federal agency on a tremendously large scale. It is a change, the result of which in the long run, I am inclined to fear.

If our form of government is to continue to exist in this nation, I believe it necessary that it be continued approximately in its present form. One of the most important differences between our government and others is in the division of authority between the central or federal government and the local or state governments. I feel that this division of authority should continue, and that it should exist in fact as well as in form. There has been entirely too much tendency on the part of the federal government in recent years (and for more than eight years too) to centralize authority in Washington. We see it taking place right here in our own state capitol, with the federal government telling us how we shall operate our assistance program, our highway program, our health and other programs.

Nebraska, as a state, has certain rights which the federal government should respect and I expect to maintain to the utmost of my ability the integrity of those rights.

### **GOVERNMENT ON TRIAL**

Many today feel that our system of government is soon to go on trial. In the national field, the relative importance of government has been so increased and, by this same token, the stature of the individual has been so decreased that it is doubtful if we can ever recover the former balance between them. Candidly, I fear the result of this change, but I hope that political leaders will be developed of such breadth and with such outstanding wisdom that they will lead us aright.

Some feel also that state government is not as important as it once was, and by comparison with our federal government, this is true. We may find, however, in the coming years that the people

themselves may once again take charge of their government, and since the people are much closer to their state activities than they are to the federal, they may use the state as a guide. It is up to us as citizens of Nebraska to keep our state government upon a sound and solvent basis and the day may come when we will be a beacon light, shining clear in a dark sky and leading the entire nation to sanity and solvency. Certainly this kind of leadership must come from the middle west.

## **THE LEGISLATURE**

The people of Nebraska are to be congratulated because of the quality of this legislature. I say this, not as idle flattery, but from the background of my political experience, I feel that I know whereof I speak. We may disagree at times, yet I assure you that I will always respect your views, and I trust that you will have reason to always respect mine. Real and respectful friends can afford to disagree occasionally.

I am sure that a spirit of co-operation on both sides will prevail. Your responsibilities and mine come from the same source, the people. Our duty is to the same group, the people. There should be a division of powers between the legislative and Executive branches of government, but when intelligent co-operation prevails, much better results can be accomplished. I will advise you further throughout the session in regard to specific matters, and at all times, I will want to have the benefit of your counsel and advice. This message today has stated my views, only in order to assist in speeding up your legislative program.

In closing, I wish to pay tribute to the hard working, thrifty, and intelligent people of Nebraska. In 1942 this state will celebrate the Diamond Anniversary of its statehood. In that 75 years there has been built here a splendid civilization through hard labor, thrift, far-sighted vision, and careful planning. The people of Nebraska have been ambitious and energetic and they have always been willing to make sacrifices for the benefit of their fellow citizens and especially for the benefit of future generations. Throughout the decade just closed, we of Nebraska have been called upon to endure many hardships which have tested our qualities of courage and faith. We have completed that ten year trial with a stronger character than we had when we entered it.

We oftentimes protest because of the adversities which come to us. This is true of individuals, of communities, states, and nations. All of us today would enjoy better economic conditions and easier living, and yet we cannot read history or biography without coming to the conclusion that it is hardships which develop real character and real manhood, and it is easy living which develops the softness that can ruin the individual or the nation.

One reason that the middlewest has furnished so much leadership to this nation is that it is close to the pioneering age and in this section of the country there has thus been developed through adversity, the type of citizenship and leadership which the entire nation needs, both in its economic life and in its political life.

We in Nebraska still believe that there are no shortcuts to prosperity or recovery. We believe that a surplus of food or of public funds is a distinct asset. We believe that debts are a liability which in fairness should not be passed down to future generations. We believe that we should pay as we go.

But we do need encouragement and plans for the future. Certainly in this state we are looking forward to better times. The bitter years and adversities through which we have gone have developed us and prepared us for better days yet to come. Through intelligent planning we are going to make Nebraska a better state and a more prosperous state than it has ever been. With the lessons of the past before us, we are going to produce finer and more intelligent young men and women. We are going to do our part in making the United States a greater nation.