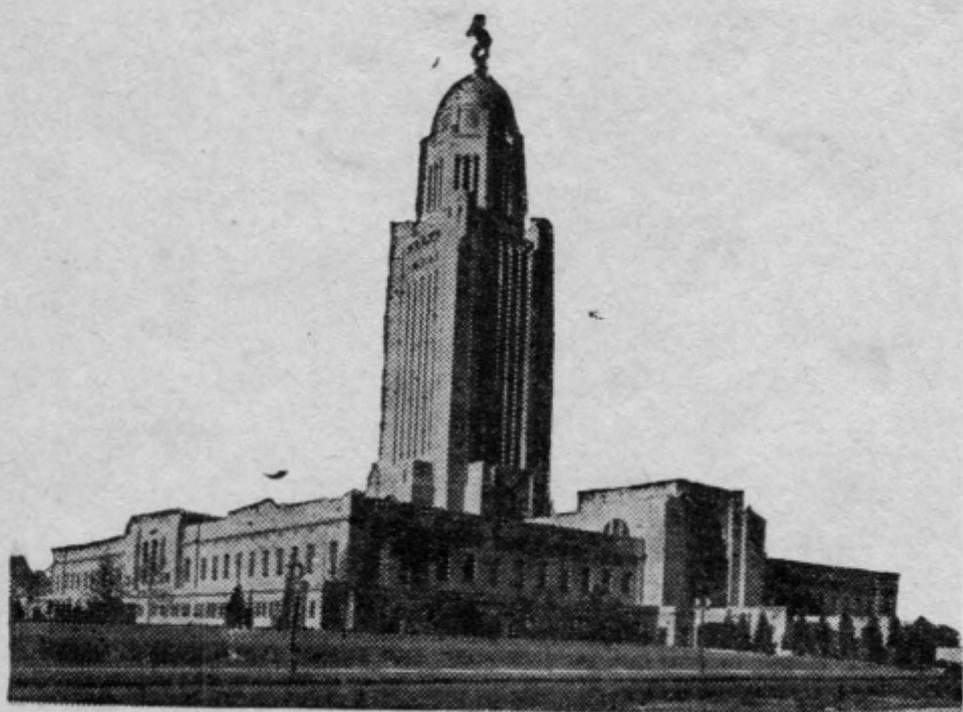


of

VAL PETERSON
GOVERNOR

To The
MEMBERS OF THE SIXTIETH SESSION
Of The
STATE LEGISLATURE OF NEBRASKA



Lincoln, Nebraska

Delivered January 9, 1947

Mr. President, Mr. Speaker and

Members of the Senate:

We meet in a period of great turmoil and uncertainty. Wise leadership on the part of world statesmen can start mankind on the path to the blessings of peace. Nationally, if labor, management, agriculture, finance, and government will compose their differences and strive to promote the wellbeing of all, we stand upon the threshold of a national prosperity which will carry us to higher standards of living with a stability which we have never heretofore experienced. Wise choices and Divine Guidance can lift all men to new and exhilarating experiences.

Nebraska is in sound condition. Both its state government and the business and agricultural communities which comprise it are in good shape financially. Land values are at reasonable figures and farm and business indebtedness have been kept at relatively prudent levels. Our people have not engaged in the speculative orgy that marked the period following World War I and which laid the foundation for the destruction and despair which Nebraska underwent during the depression years.

But to say that our state government is in sound condition is not to minimize the great task which is cut out for us. As a result of the depression, followed by several consecutive years of unprecedented drouth which devastated large sections of our state, plus the war time shortages of materials and labor, Nebraska has permitted its physical plant to fall into a state of disrepair and of

course has been prevented from making the expansion which our position as a great and modern state requires.

The factors just enumerated have put us as a state in the position of a farmer possessed of a sturdily-built but somewhat run-down farmstead. Figuratively and literally we need repairs, paint, cleaning, and polishing to brighten up the home place. Also, some things have been postponed too long. It is not my place nor purpose in this address to enumerate all that can or should be done. That is your job and I have confidence in you.

So far as the mechanics of government are concerned Nebraska is way ahead of the parade. Sometimes people make the mistake of ascribing this chiefly to the constitutional debt limitation provision so wisely written into our constitution by our forefathers. This provision of course is sound and has served Nebraska well. It is fitting, however, to remember that our sound budgetary, fiscal, and administrative procedures are the result of the foresight and effective leadership of a former governor of Nebraska, S. R. McKelvie, and the wisdom of your legislative predecessors who in 1919 enacted the administrative code which placed Nebraska in the forefront of her sister states in fiscal matters.

BOARD OF CONTROL INSTITUTIONS

In the past 20 years we have become more sensitive to mental illness. We recognize the symptoms more readily and have a greater concern about the proper treatment of those afflicted. Most of us in this

room will recall how in our school days we took the town fool and the somewhat queer student for granted, and how, until they became violent, practically let them wander more or less aimlessly through the community participating freely in the activities of it. When these unfortunates became unmanageable they were committed to the state insane asylums which were then and have continued to be to the present moment, too largely, merely places of incarceration.

No thinking individual can visit one of our state hospitals without coming away sick and disturbed; sick at the insufficient provisions which we make for these unfortunates particularly as regards trained doctors, psychiatrists, nurses, and attendants. True, the physical plant is deficient and in a small degree dangerously so. But, on the whole, Nebraska has done a reasonably good job of providing mere creature comforts.

Our failure, and it is common of nearly all of the states if not all, lies in the preventative and curative fields. Some mental illness can be cured. The citizen's job is to recognize the symptoms of mental illness early enough and provide adequate facilities to effect a cure and where possible prevent the need for commitment. Our medical men, our school teachers, our church leaders, parents and citizens generally must be alert to recognize the symptoms of mental disorder and take steps to put the afflicted back into channels of normality.

If society continues under its present plan of permitting those afflicted with mental illness to deteriorate to the place where com-

mitment is the only alternative, it is questionable whether we can erect enough buildings and raise enough funds to support those who will be committed. Here is another case where Poor Richard's maxim "An ounce of prevention is worth a pound of cure" is applicable.

It seems to me that each member of your Honorable Body owes it to himself and to his constituents to visit these institutions personally in order that he may come to his own conclusions as to their needs and the legislative action required. I believe the problem is of such importance that legislators cannot rely on committee reports alone.

My comments have been restricted to the needs of those committed to our state hospitals. However, it is likewise true that problems exist in the other institutions under the supervision of the Board of Control.

BLIND

In November 1946 Governor Griswold appointed a committee of citizens to study the problem of the blind in Nebraska. They are surveying our present legislation, administrative machinery, and all aspects of this problem to determine the manner in which we are meeting it. I have asked the committee to complete its work which it is now estimated it will do in March while your Honorable Body is still in session, and at that time its report will be forwarded to you for your information and such action as you think appropriate.

EDUCATION

Public Schools

Democracy, our complex business world, our diverse and mechanized agriculture are all impossible without a strong educational foundation. With the church, the public schools are basic to our way of living. We must foster and strengthen them. Our very life depends upon them.

Most Americans are in agreement with the sentiment just expressed. Yet as a nation it seems inconsistent that the amount of money we have allocated for our schools in recent years is less than what we spend for tobacco and less than half of the funds we allot for alcoholic beverages. Certainly our sense of values, consciously or unconsciously, is slipping out of balance.

Nebraska has long had a fine school system. Nebraska ranks at the very top, second in the nation, in literacy and is high in many other respects. Our teachers have done a splendid job even though sometimes under difficult circumstances. They are to be commended highly for the great service rendered.

I have full confidence that our people will adequately support our public schools when the needs are properly presented and sound proposals are advanced.

Money alone solves few problems. I do not want to minimize the financial need of some of our schools. However, our educators must ever be alert to improve the efficiency of our schools. They must everlastingly scrutinize their own activities to

determine what is worthwhile and to eliminate the worthless. The taxpayer must not be burdened with dead timber. First things should come first.

Before consideration should be given to state aid to our schools our statewide system should be on a sounder footing. Specifically we should consider re-districting in order that inefficient, costly and unnecessary school districts may be eliminated. Our school districts were set up in the horse and buggy period and are not in keeping with the present. Educational opportunity should be equalized in order that every boy and girl in Nebraska may have the priceless experience of good educational training.

Higher Education

Our university and our state teachers colleges at Kearney, Chadron, Peru and Wayne have made and are making great contributions to our state. They must be maintained as strong, efficient institutions. In the field of higher education, as well as every other governmental activity, we must cut our pattern according to our cloth. In Nebraska wealth comes the hard way. We literally dig it out of the soil, and create it in the hog lot and on the range. Money does not grow on bushes nor spout out of the ground. Nebraska simply is not a wealthy state. This means that we must carefully determine our objectives and outline them in the order of their importance in order that we may do some things well rather than do too much poorly.

I believe that your Honorable Body should scrutinize our system of higher education

with the view of making it more efficient and of keeping it in line with the ability of the taxpayer to support it. Let us, as a state, carry on an educational program, limited in quantity, but second to none in quality.

LABOR

Labor in Nebraska has established a splendid record. It is to be complimented particularly for the fine performance which it rendered during the war years. That record speaks well for the character of its leadership.

Unionism is absolutely vital to the welfare of the laborer. It is impossible in our complex and intricate society for the individual laborer to bargain successfully with the gigantic and powerful organizations by whom he is employed. The right to organize and bargain collectively must not be destroyed even when the actions of some shortsighted labor leaders have angered the public.

Unions must be responsible to their members and to the public. Society can condone no irresponsible elements. Monopoly in business or labor is harmful and destructive of human liberties and the dignity of man. Democracy cannot exist unless the public welfare is supreme.

RELIEF

Old Age Assistance

We must provide adequately for our senior citizens, for those who have served our state and who now for various reasons find

it impossible to support themselves. Nebraska has and is meeting its responsibility in a reasonably adequate fashion.

Much confusion, disappointment and bitterness on the part of old age assistance recipients and their friends is caused by the failure to recognize that, under our federal and state laws, assistance is granted on a basis of need and is not a pension received as a matter of right. Unless a pension system is adopted similar to the retirement provisions of the federal social security program it will be necessary to have rules and regulations and case workers to determine the degree of need and administer the assistance program. This means that there will continue to be some friction between those on the assistance roles and those who administer the law.

The assistance program now is the largest item in our state budget and because of this fact, and more so because of the humanitarian elements involved, I expect to make a check on the administration of the act a first order of business.

While we must always be alert to the needs of those who must turn to this program for assistance, yet we must never forget our obligation to the taxpayers. Obviously the costs of the assistance program cannot exceed the ability of the taxpayer to meet them and in the spending of this money, as is true of all governmental expenditures, we must strive for efficiency and wise economy.

RURAL ELECTRIFICATION

While this program is largely federal it is

of such importance to Nebraska that we must be ever alert to do everything to foster it and to see that the benefits of electricity are brought to every possible Nebraska farm home. This is one program emanating from Washington which is paying its way.

PRESS

A free, unfettered, competent, honest and courageous press is imperative to democracy. This is true at all governmental levels. The good government for which Nebraska is nationally known is due in a large measure to the efficient manner in which our press and radio have reported the activities of our state government. They have rendered a splendid service in keeping our people informed and thus making it possible for the electorate to function wisely.

As legislators and administrators we may sometimes find ourselves irked by the manner in which the press and radio treat our utterances and actions. We may feel, and in fact be, mistreated, but we must always bear in mind that the broader welfare of the state requires the utmost latitude for these agencies of public information. We should welcome publicity. We should foster it.

VETERANS

Nebraska is justly proud of the splendid part played by her sons and daughters in the recent war. They served well.

In my judgment, your Honorable Body, when in the 1945 session it expanded the trust fund for the relief of veterans to eight million dollars, indicated, in a notable and effective manner, its and the State of Ne-

Nebraska's appreciation to our veterans. The extension through the years of a helping hand to those who served is a thoughtful and generous act on the part of our people.

It is my understanding that our veterans' organizations are in accord that this fund should no longer be administered through any one veterans' organization but should be administered through an agency encompassing all organizations. Their agreement is to be applauded.

AGRICULTURE AND INDUSTRIAL DEVELOPMENT DEPARTMENT

Many states have found it advisable to organize agriculture and industrial development departments to foster their economic wellbeing. Nebraska has its quota of fine industrial trade and commercial organizations but it has no organization charged with the over-all responsibility for promoting the interests of the state as a whole. The happiness, prosperity, and security of our people is dependent upon our participation in the expanding agriculture and industry of this post-war period. Those who merely sit and wait for the world to bring things to them usually are lost in the resulting entanglement of weeds and brush that grows up about them. Nebraska must be alert to fight for the maximum development of every aspect of her economy.

I recommend that your Honorable Body consider carefully the feasibility of the establishment of such a department in our state.

ROADS

During the war, we Nebraskans, in com-

mon with people of other states, were obliged to watch our highways deteriorate. We had no other choice. Materials and labor ordinarily available for highway construction and maintenance were being expended in the war effort.

Now as we enter upon the period of post-war construction, I am eager to undertake the task of restoring and improving our highway system. In this connection, I am thinking not only of our hard-surfaced roads. I am thinking beyond the graveled roads too, although I am aware that almost every mile of them needs additional gravel and maintenance and many of them should be hard-surfaced as soon as circumstances will permit.

It is the so-called farm to market roads which are of special interest to me. As matters now are, a moderate rain or storm leaves many thousands of farm families isolated for days and in some cases weeks. This impedes the flow of agricultural products to the markets, thus retarding our economic growth. It is even more important to observe that such road conditions are unfair to a large and substantial group of our taxpayers. It is one of the factors which discourages young people from devoting their lives to agricultural pursuits.

I appreciate, of course, that under our laws and in keeping with our traditions the construction and maintenance of local roads has been kept in the hands of the officials closest to the people. Road building in Nebraska is first the problem of the township, then the county, and finally the state for

roads designated in the state and state-federal systems. This is as it should be and some of our local units have done noteworthy road building jobs while others have failed.

We must always remember that Nebraska is a state of vast distances. Our open road mileage is approximately 100,000 miles or enough to go around the world four times. Of this mileage 5,530 miles are under our primary federal aid system and 9,803 our secondary federal aid system for a total of 15,333 miles. This is our presently approved state system. Those who advocate the immediate improvement of thousands of miles of local roads by state action should bear in mind that in a period of 27 years of construction the state has been able to complete just 9,166 miles. This mileage, of course, carries the heaviest traffic. When the presently approved system of 15,333 miles is completed, 80% of the vehicle miles traveled in the state outside of cities and villages will be upon it.

It devolves upon your Honorable Body to decide whether Nebraska will continue along the road building policies long established or whether in order to get our farmers out of the mud you wish to charge the state with building or financing local roads. Should you determine to place this responsibility upon the state it will require millions and millions of dollars of additional funds for construction and large sums yearly for upkeep even under the lowest possible road construction standards. Such a program cannot be supported under our present system of taxation.

If you determine not to charge the state with the responsibility for the construction of local roads but rather to complete the presently outlined program, then it appears that the present sources of revenue for our highway program are adequate for the immediate future. Funds necessarily accumulated in the treasury during the war when construction was impossible. Further, I am advised that the new Congress is expected to extend the time limit for matching federal funds made available under the provisions of the 1944 federal aid act.

On the executive side, it is my resolve to enforce rigid economy in the highway department in order to make the money that is received accomplish the maximum benefit to highway users.

FINANCE

Matters of state finance will be discussed more fully in my budget message.

Assessment of Property

The assessment of property in Nebraska must be drastically improved. Further, to eliminate the possibility of a new form of taxation to which most of us are opposed, it must be improved rapidly. It is neither reasonable nor consistent with good government that Nebraska's assessed valuation which was \$3,167,489,300 in 1929 and dropped to a low of \$1,922,271,788 in 1940, should be raised in 1946 to merely \$2,162,048,610. This increase does not reflect the increased prosperity or value of our property as between 1940 and 1946 but rather reflects upon our honesty and our determination to make our present system work. More

than that, your Legislative Council Sub-Committee Report No. 9 submitted in November 1946, notes that the income of our population "in 1945 was nearly twice as great as that in 1929, which was considered a year of prosperity, and nearly four times as great as that in 1932, the worst year of the recent depression." Even allowing for the diminished purchasing power of the dollar it seems clear that if Nebraska was ever in a position to assume the costs of adequate governmental services it has been during the period from 1942 to date.

I am generally in agreement with the recommendations made by the Sub-Committee in its report and approved by your Legislative Council. Particularly I feel that the recommendation that "it be made the duty of each property owner to submit a sworn statement of all personal property, both tangible and intangible, owned by him, and that it be made the duty of the County Assessor to check and verify such sworn statements" . . . should be enacted into law and that with it we must make provisions for adequate punishment of those who falsify their returns. Teeth must be put into the law.

There are many things that can and must be done to make our present system of assessment of property work. Your Honorable Body has full knowledge of them. In justice to everyone we should make this system work.

BUILDING NEBRASKA

Soil Conservation

Nebraska's most priceless material pos-

session is her soil. Someone has said that it took a million years to make an inch of top soil. Be that as it may, it is a long process and yet many Nebraska farms have been stripped of their top soil in 40 to 60 years of farming.

We have made great strides in the development of better soil management practices but we must dedicate ourselves to the constant task of preaching and practicing soil conservation.

Pick-Sloan Plan

For years Nebraska has been losing population. It appears that the most effective means of reversing that trend is the development of the Pick-Sloan Plan. Its development is vital to all the states in the Missouri River Basin and outstandingly so to ours.

Nebraska, from a rain-fall standpoint, is in a marginal area. Summer finds our farmers down on their knees sometime between the 15th day of July and the 15th day of August praying for rain, and the difference between success and failure on our Nebraska farms is too frequently the realization of one or two well placed showers in that 30-day period.

The Pick-Sloan Plan will mean the addition of a million acres of land to those now under irrigation in our state. Those who have seen the prosperity created in the North Platte Valley and the more recent development in the Holdrege-Minden region realize full well the tremendous importance of such developments in our state. But the Pick-Sloan Plan brings other benefits — in

flood control, and all Nebraska knows how costly floods on the Republican, Missouri, Elkhorn and other rivers have been both in life and property; in our share of the 11 billion kilowatt hours of low cost electricity with all the benefits that it can mean for our people; in better municipal water supplies; in recreation and in increased wild life. I believe that one is not guilty of over-emphasis when he says that the future of Nebraska is inextricably interwoven with that of this plan. True, life will exist in Nebraska and some people will make money whether the Pick-Sloan Plan is completed or not, but it is entirely likely that Nebraska as a state will not go forward unless this great Missouri River Basin plan is completed.

Some authorities believe that enough water falls upon or runs through Nebraska to provide adequately for our needs if we were but wise enough to use it fully. Certainly in a state where water is as important as in ours, we are negligent if we do not use every drop of that water carefully and fully. We must not permit our selfish interests to stand in the way of the forward movement of our state. Every citizen may not benefit directly from the development of the Pick-Sloan Plan, but every citizen will benefit indirectly in the added prosperity which it will bring to Nebraska. To let our selfishness stand in the way of our progress is to cut off our nose to spite our face.

The over-all Pick-Sloan Plan is splendid. I realize, however, that projects involving our state must be scrutinized carefully to assure maximum benefit to our citizens.

At the time that project reports are forwarded to Congress copies are sent to the Governors of the states involved and they have ninety days to study them and make such comments and criticisms as they desire. No plans of direct interest to Nebraska will be approved by this administration until every interested Nebraskan has had a chance to express himself fully in a public hearing.

Chemurgy

The chemurgic movement is the affirmative solution to our farm problem. We must find and develop industrial uses for farm products in order that our farmers may produce everything possible on their lands consistent with good soil management practices. To carry out such a program is the responsibility not alone of the federal government but of the state, of agricultural organizations and of each of us individually. Our very wellbeing is wrapped up in the development of this program.

The scourge of agriculture in the past has been overproduction, bringing with it depressed prices and ruin and despair for our farmers and towns people.

As an illustration of the possibilities of the chemurgic movement let me give one example. Today there are over 600 known products produced from industrial alcohol. In the United States previous to World War II we used approximately 600,000 tons of rubber annually. Had all the rubber used been produced from industrial alcohol made from grains there would not have been one surplus bushel of grain in the United States,

and to the extent to which agricultural depressions have been caused by surpluses there would have been no depression, certainly at least not in the degree in which we experienced it. Today there is in operation in Omaha the Farm Crops Processing Corporation Plant which has a capacity, although it has never produced one drop of drinking alcohol, to produce 65% of all the alcohol consumed in beverages in America. This plant has been of untold benefit to Nebraska farmers, frequently using immature grain which they would have otherwise sold at terrific losses, and it also played a notable part in making possible the production of the synthetic rubber which was so essential to America's victory in the recent war. Today there are forces in America who would like to destroy this plant as well as its companion plant in Muscatine, Iowa. I feel that these plants have been of such value to us and to the entire farm area that we must do everything possible to see that they are continued in operation.

Certainly America can find a use for her agricultural output and certainly America in the interests of her great agricultural area is justified and should adopt, as a matter of national policy, the principle of maximum utilization of our farm products. We must do everything to prevent the black night of farm depression from falling once again upon our state. To that end we must foster research work in our state university. We must be alert officially and individually to fight for this movement of such great import to our wellbeing.

May I add here, as one who was out of

the state during the course of the war, my appreciation of the phenomenal job done by our Nebraska farmers during the war. Overcoming the great obstacles of deficient machinery and shortages of labor, their accomplishments were outstanding.

The future of our state depends upon the development of soil conservation, the Pick-Sloan Plan, and of the chemurgic movement. That future will be bright if we will fight unitedly to bring about their accomplishment.



I have noted in the weeks since the recent election that many of the members of your Honorable Body have been making careful preliminary study of state institutions and state problems at their own expense both in point of time and money. I feel that they are to be commended for their interest in the important positions which they now occupy in the affairs of our state. You, gentlemen, are the Board of Directors of the State of Nebraska, met to survey the problems of our state, to enact needed legislation, to appropriate funds necessary to carry on the activities demanded by the citizens whom you represent, and to establish the policies which we in the executive department are charged with administering. I am confident that our association will be pleasant and I trust beneficial to our state.

It is my purpose to be frank and honest with you and with the people of Nebraska at all times, to relate all the facts of government completely and to encourage public

discussion in the hope and belief that such a policy will lead to better government.

It is pleasant to accept the responsibilities of administration of the affairs of Nebraska from my friend, the outgoing Governor, Dwight Griswold. Pleasant because of the courtesy and helpfulness which he has extended to me and also because I know that he, as an outstanding Governor of our state, leaves administrative matters ship-shape. The gratitude of Nebraska goes with him and his family as he proceeds to European soil to assume new and important responsibilities. We wish him a happy and successful tour of duty.

I accept the office of Governor in a spirit of humility based upon a first-hand knowledge of the responsibilities which it entails. I accept it also with confidence that no matter how difficult the problems that lie ahead, the spirit and determination of our people as always manifested in times of stress in the past, will be equal to the demands. I solicit your cooperation and help in our mutual undertaking and pray that Divine Providence will guide me.