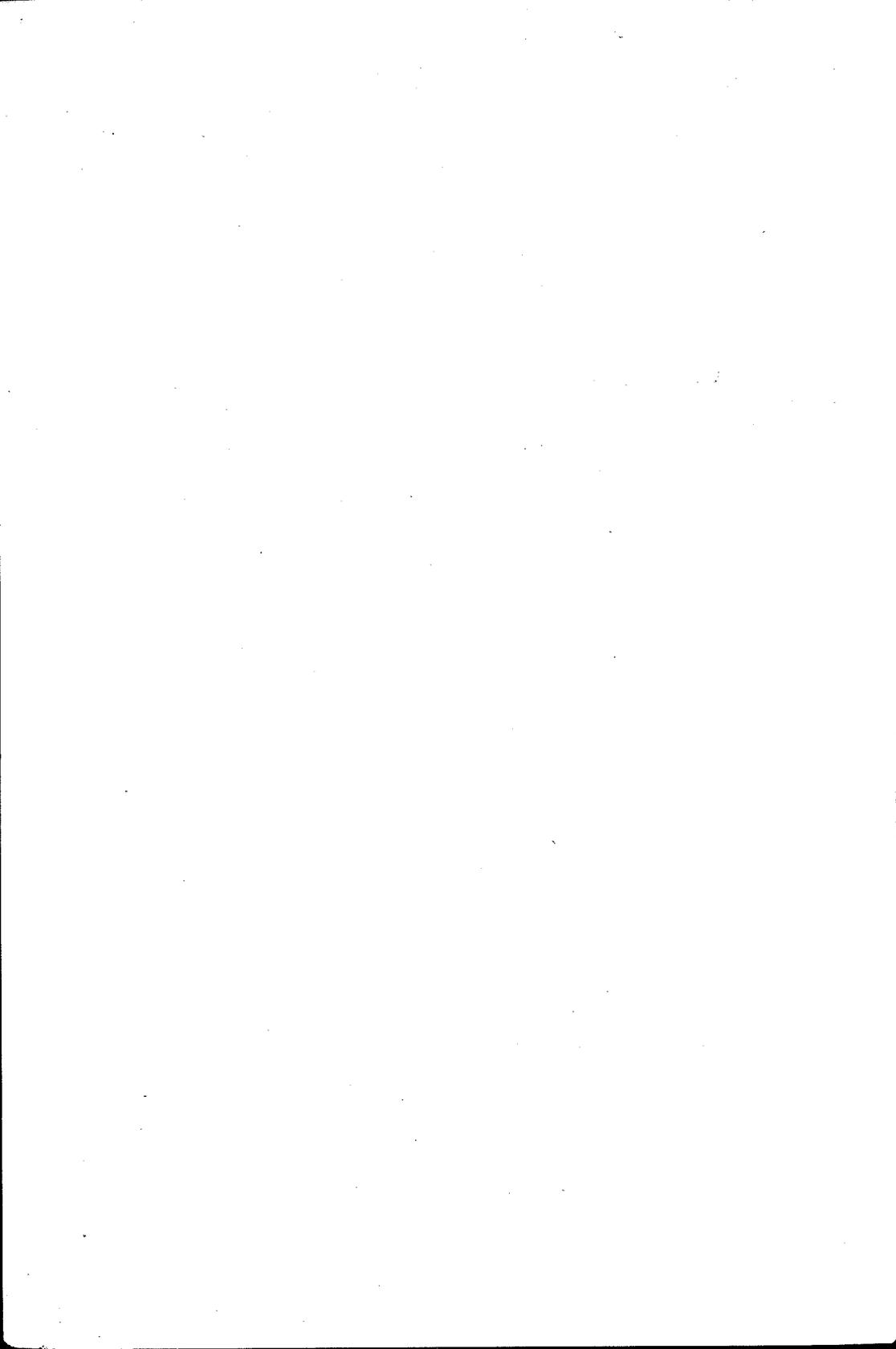


Inaugural Message
of
Governor Theodore Christianson
To the Legislature of
Minnesota

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INAUGURAL MESSAGE
OF
THEODORE CHRISTIANSON

GENTLEMEN OF THE SENATE,

LADIES AND GENTLEMEN OF THE HOUSE OF REPRESENTATIVES:

In one respect I feel that I am singularly fortunate. At the beginning of my administration it is my opportunity to work with a group of men and women, constituting a majority of this body, who have been my legislative associates, and with many of whom I have worked in this Legislature for a decade. Out of this association has come a mutuality of understanding, and, I trust, of sympathy, which should make possible the utmost co-operation between the legislative and executive departments of the government during the next two years.

The people of the State have spoken. In unmistakable terms they have expressed their demand for a reorganization of the State government and the utmost economy in its administration. They have declared against paternalism and against experiments in government ownership and operation of industrial enterprises. They have said they do not want increased bonded indebtedness. It will be my duty as the Chief Executive, and, I am sure, your purpose as members of the legislative branch of the government, to put into effect these mandates of the people.

REORGANIZATION OF THE STATE GOVERNMENT

Minnesota was a pioneer in the movement which since has become nation-wide, to simplify the structure of State government in order to effect greater efficiency and economy. The plan submitted to the Legislature of 1915 by the Efficiency and Economy Commission, which was rejected here, became the basis for administrative reforms elsewhere. The public indifference responsible for the defeat of the reorganization proposals of a decade ago, has been superseded by an insistent demand for a simplified and unified administrative structure. This change of sentiment has been brought about by the burden of increasing taxation and a conviction that high taxes are due in large measure to a system in which ninety-two agencies have an incentive to spend money and no one has power to compel retrenchment.

To some extent, the complexity of our State government is due to the social, industrial and economic development of the commonwealth during the last sixty years. Almost every new situation has suggested a new State activity, and nearly every new State activity has resulted in the creation of a new State department. Some departments are headed by individuals, others by paid boards, still others by unpaid boards, many of them *ex officio*. Some department heads are appointed by the Governor or some other constitutional officer, others by appointed boards, others are elected by the people. In some cases they may be removed for cause, in others without cause. Sometimes the terms are for two years, at other times for four or six. I am not insisting that uniformity of organization, appointment, tenure and term has any virtue in itself; results count for more than symmetry. What I am criticising is the practice of creating departments without due re-

gard to the way in which they will articulate into the pre-existing scheme of government, and of deciding on the form of organization without due regard to the fitness of form to function.

To have substantial value, the reorganization of State government should accomplish more than a mere grouping of administrative agencies on a functional basis. Such grouping is desirable as a means of centering responsibility and eliminating overlapping of activities and personnel where such overlapping exists. But reducing the number of state officials and employees, although effecting a saving in salaries, would be but a half measure. Of greater importance is placing somewhere the power to limit those officials and employees in the spending of money. The Legislature exercises that power to some degree by appropriating or refusing to appropriate money—a power which must never be modified or curtailed. But the Legislature is in session only once in two years and then for only ninety days. It is obviously impossible to determine with any degree of exactness two years in advance the minimum requirements of the administrative departments. Hence, the only safe course is to appropriate enough—and enough is always too much. When the Legislature adjourns, it ceases to have any control over the money it has appropriated. The funds it has provided as a margin of safety are nearly always spent, and sometimes a deficiency is created. Seldom is there a substantial unexpended balance, for unexpended balances are an admission that the Legislature was too generous; and generosity in a Legislature is not a virtue to be emulated by its successor.

It is evident, therefore, that the only way to compel the administrative departments to exercise the

most rigid economy is to lodge in the Executive the power to limit expenditures. The experience of other States has shown that there are two ways in which this can be done effectively. Illinois and Ohio have accomplished it through a cabinet form of government in which all administrative functions are administered under the direction of nine directors, all of whom are appointed by the Governor for terms which coincide with that of the Governor, and are removable by him at any time with or without cause. This form of State government represents the extreme centralization of executive power, for under it the executive head of the government can control, not only expenditures, but every detail of policy.

Massachusetts and Pennsylvania have accomplished control over expenditures without adopting a cabinet system, through the creation of a department closely connected with the Governor's office, in which are grouped the fiscal activities of the State. In Massachusetts, the department of administration, as it is called, combines the functions of preparing the budget, checking departmental expenditures thereunder by a system of pre-audits, buying supplies and equipment, and standardizing employment and classifying positions in the civil service.

There will be submitted to you a report of the Interim Committee of the House of Representatives on the Reorganization of State Government, in which are contained recommendations which I trust will receive your careful consideration. The essential recommendations of the Committee are:

- (1) That the ninety-two boards, bureaus and departments of the State government be consolidated into a few major departments.

(2) That the Governor be given power to limit and control the expenditures of these departments through a department of administration and financial control, in which shall be centered the budget-making, auditing, purchasing, personnel-selecting and tax-regulating functions of the State.

(3) The abolition of all departments and activities that are obsolete and the repeal of all laws creating functions which the State should no longer exercise.

It is to be noted that this plan extends the power of the Executive in one direction only: it gives him power to limit and prevent the expenditure of public money. Up to this time he has had responsibility for extravagance without power to prevent it.

HOLD APPROPRIATIONS DOWN

Giving the Executive power to limit expenditures in no wise relieves the Legislature of responsibility to hold down appropriations. The Legislature from time immemorial has been the tax-payer's last line of defense. Its power to limit or withhold revenue it must not and cannot relinquish. On account of the financial distress which we have suffered during the past four or five years, the demand for tax-reduction is at the present time especially imperative. I would therefore most strongly urge the necessity of holding the total of appropriations well below those of 1923. In order to accomplish this, it will be necessary to adopt and adhere to the following principles:

(1) We should authorize no new State activities and create no new State institutions.

(2) We should raise no salaries, except when it can be clearly shown that through salary increases it

will be possible to obtain the services of administrative heads who can save their salaries through greater efficiency and economy of operation.

(3) We should authorize no construction not imperatively and immediately needed.

(4) We should create no new state obligations.

(5) We should make a careful survey of the administrative code to determine whether it would not be feasible to discontinue some of the State's activities.

(6) We should not extend any new form of State aid to promote local activity, nor should we accept any new form of Federal aid conditioned on State expenditures.

THE LEGISLATURE A FACTOR IN LOCAL TAXATION

Careless students of taxation have sought to absolve the State government from responsibility for high taxes by citing the fact that State taxes constitute only a small part of the total. They overlook entirely that many increases in local levies have been necessitated by laws passed by the Legislature and approved by the Governor. Every time the salary of a local official is raised, every time a new activity is made mandatory on a community, every time a new form of State aid is held out as a bait to a township or county, local taxes are being raised just as surely as if the levy for them were made by the Legislature.

The situation suggests that the Legislature should be reluctant to impose additional obligations on local governing bodies, that legislation affecting the smaller units of government should be permissive rather than mandatory, and that exercise of a power grant-

ed should not be made compulsory unless imperatively demanded by considerations of the general welfare.

MUNICIPAL INDEPTEDNESS

The State can greatly affect local taxation by placing reasonable limitations on the power of municipal bodies to issue bonds. There are limits beyond which the State cannot go in its efforts to check local extravagance. Counties and cities are self-governing bodies and as such have inherent rights to impose taxes. If the State limits too rigidly, it jeopardizes the very existence of the local unit of government. If it does not limit at all, it makes it possible for the local unit to jeopardize the property rights of individuals. While it is undoubtedly within the power of the State so to regulate the relations of communities and individuals as to protect the rights of both, it is a power which should be exercised with wisdom and moderation.

However, there is one power which local units of government have, in the exercise of which they should be rigidly controlled. That is the power to issue bonds. As a generation, we are wasteful. We are not only using up what our fathers accumulated; we are mortgaging the earnings of our children. We are trying to spend in one generation the product of the effort of three or more generations. Most of us inherited assets. Unless we mend our ways, our children will inherit only liabilities.

Whatever may be thought of the State's right to limit the power of a municipality to tax the living, there can be no question as to its duty to protect the voiceless and voteless unborn. I would therefore recommend the enactment of legislation that would make any bond issue by any municipal unit of gov-

ernment for any purpose except refundment of an indebtedness incurred heretofore, null and void, unless it carried with it as an integral and inseparable part thereof, an irrevocable tax levy running over the entire period between the creation and maturity of the obligation, to create a sinking fund sufficiently large to discharge the bonds at the expiration of that period.

THE GASOLINE TAX

At the recent election the voters gave approval to a constitutional amendment empowering the Legislature to place a tax on gasoline, the proceeds of which should be used for building, improving and maintaining trunk highways. The adoption of this amendment constitutes a mandate from the people to enact a law imposing such a tax. I do not believe it was the intention of the people to assume an increased burden of taxation, but to place on non-resident users of our highways and residents who use them in such a way as to give them unusual wear, the obligation of contributing fairly to their maintenance. If this interpretation of the intention of the voters is correct, it would obviously be your duty to reduce the motor vehicle tax in such measure as to give effect to that intention, before imposing the new tax on gasoline. Obviously the special gasoline tax should not be imposed on gasoline or kerosene used for other than vehicular purposes. It will therefore be your responsibility to find some practicable and lawful way, if it can be done, to rebate taxes paid on gasoline used for such other purposes without taking the money out of the revenue fund.

MOTORBUS REGULATION AND TAXATION

One of the outstanding phenomena of the present day is the rapid extension of motorbus transporta-

tion. There has resulted a contest between motorbus companies and the railroads for local and short-haul traffic, in which the public is more than an onlooker. The railroad companies contend that the elimination of motorbus competition is necessary if there shall be a continuation of local and short-distance passenger train service, and the motorbus companies retort that they are giving the traveling public a service it demands. It is evident that railroads and busses both fill a want, and that both are here to stay. It will therefore be the duty of the Legislature to define the conditions under which both may continue to function.

The first principle involved is that public necessity should determine the right to run either a railroad or a bus line. No one should be heard to claim that he has a right to operate any public utility, superior to the right of the people to impose such conditions as may be necessary in order that other utilities may also be operated. The right of some people to ride in busses should not be construed to deprive others of the right to ride on trains. And if regulation of bus lines is needed to determine, when, where and how they shall run, it is obvious that the proper body in which to vest that power is the Railroad and Warehouse Commission.

The second principle involved is that railroads and bus lines should be so taxed as to give advantage to neither. The proposal to tax busses off the road is arbitrary and unwise, and would never receive the approval of the people who have indicated in no uncertain way that they want bus service. On the other hand, the bus lines are not at the present time paying their share of the taxes. It would seem that the proper basis for the taxation of motorbuses and trucks would be to impose on their owners a tax

equal to the gross earnings tax now paid by the railroad companies, plus the cost of repairing the damage and wear to the highways which the busses and trucks occasion. The State should not assume to say in which kind of vehicle its people must ride. It should not discriminate against one kind of transportation in favor of another. It should impose terms equitable to both and destructive to neither. It is safe to say that if this policy is pursued, railroad company and bus owner will each find a field in which it can best serve.

CONSERVATION OF RESOURCES

There should be a better coordination of the various agencies that deal with conservation problems in Minnesota. There is a vital connection between water-levels and game and fish; likewise, between drainage and forest fire prevention. Before state land is sold to farmers its relative fitness for agriculture and reforestation should be ascertained definitely; hence there is need for team-play between the agency which sells land and that which controls the State's timber policy. The immigration department has a function which should be closely related to that of the land commissioner, for its facilities might well be used to find buyers for the State's own land.

There should be a consolidation of the activities now carried on by the superintendent of lands and timber, the superintendent of mines, the timber board, the forestry board, the state forester, the game and fish commissioner, the drainage commissioner and the commissioner of immigration, to the end that the State might have a definite and consistent policy of conservation in the future.

The constitutional objection that certain state lands cannot be sold except by the state auditor can

be overcome by requiring that until the constitution can be amended, all conveyances of such lands be executed by the state auditor and the department of conservation jointly.

America's history is a story of exploitation. Nature was here so bountiful that until recently there was apparently no need for a conservation policy. From Plymouth Rock to Puget Sound the march of the white man's civilization has left stumps of primeval forests burned or cut down, skeletons of game wantonly killed, beds of lakes needlessly drained, fields robbed of their fertility growing varieties of weeds the prairies never knew, streams from which all fish has been removed and mines which no longer hold minerals, villages built at the cost of much money and effort abandoned by inhabitants seeking newer fields for exploitation westward.

The course of indiscriminate killing, reaping and lumbering has been almost run. Tomorrow's task will be to conserve what the exploiter has left.

THE STATE'S EDUCATIONAL POLICY

That an enlightened electorate is the chief safeguard of a republic has been said so often as to become a truism. Frequent reiteration of the statement is, however, the best evidence of general acceptance of its truth. Minnesota does not apologize for her system of education. During the decade from 1910 to 1920, the percentage of illiteracy in this State was reduced from 3 to 1.8. The percentage for the entire United States in 1920 was 6.

The State government is making liberal contributions to education. Of the \$40,000,000 appropriated by the 1923 Legislature from the revenue fund,

approximately \$23,000,000 was for educational purposes.

While it is desirable that the State should continue its policy of liberality, it should ever be borne in mind that the quality of education is not always to be measured by its cost. If money is spent for non-essentials, if it is dissipated to provide a multiplicity of school courses for pupils incompetent to elect wisely, if it is squandered on buildings needlessly elaborate or equipment needlessly expensive, if faculties are over-manned and administration made top-heavy, there may be a loss of educational efficiency, even with an increase of educational cost.

I believe our policy at this time should be to be liberal in our support of essentials, to refuse demands for expansion, to discourage expensive building programs, and to insist on higher standards of thoroughness in education from the grades to the University.

Our educational system is expansive enough. Let us from now on labor to make education intensive.

PROMOTE THE GENERAL WELFARE

You will note that I am making no special plea for any group. I am not asking for legislation for the special benefit of the farmer, the working man, the merchant, the manufacturer, the women, or any other body of people. Special remedial legislation to correct marketing evils, to equalize tariff protection, to reduce transportation costs, must come, when it comes, from the Federal government; for transportation and marketing present problems that cross State lines and involve national policy.

The best thing the State of Minnesota can do for the farmer, the laborer or any other man, is to re-

lieve him, so far as it may be done, of the burdens it has imposed on him. Reduce taxes, and farms will yield a larger net return. Reduce taxes, and the manufacturer can make goods and the merchant sell them at a lower price, and the laborer's wage will have greater purchasing power.

I am proceeding on the principle that what is best for the people as a whole is best for every class of people. Remove discriminations created by law in favor of any group and you will go far to eliminate the necessity of legislation for the relief of other groups.

The experience of the last few years suggests less faith in panaceas, more in the exercise of the time-tested virtues. Good government cannot be reduced to a formula. It can be had only by applying to every problem as it arises a measure of common sense.

Inasmuch as most of my public service has been in the legislative branch of the government, I can say without offense that legislatures sin more often by enacting laws than by defeating proposed measures. "When in doubt, vote No," might well be emblazoned over the door of every legislative hall. Calvin Coolidge, speaking to the members of the Senate of Massachusetts, more than a decade ago, said, "Men do not make laws—they do but discover them." No law is ever justified that rests only on the assent of a temporary majority; it must express one of those principles of right that inhere in the nature of things and are sanctioned by universal experience. Hence, do not be in a hurry to legislate. It would be to the credit of the 1925 Legislature if it should pass fewer laws than any of its predecessors.

To pander less to clamorous and insistent groups, to minister more to the well-considered needs of the

people, should be the purpose of those entrusted with the powers of government. The acts of legislatures and the policies of executives should rest on judgments no less impartial than the decisions of the courts.

Minnesota is one, its parts are inseparable, its social groups interdependent, the interests of its people mutual. A policy which harms one class harms all; a policy which justly and truly promotes public welfare in one section advances public welfare elsewhere. Wages and dividends have no legitimate quarrel, for there can be no continuity of one without assurance of the other; nor can the factory continue to produce unless the farm is made to prosper. It is my supreme hope that during the next two years, the emphasis may be placed on the things on which we agree, not on those on which we differ, and that loyalty to the North and to the South, to the city and to the country, may be merged in our greater loyalty to the State.