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## GOVERNOR MARK O. HATFIELD ADMINISTRATION

Governor from January 12, 1959 to January 9, 1967

### RECORDS FROM 1961

For more records see the [Governor's Records Guides](#).

#### Legislative Message, 1961

Source: STATE OF OREGON LEGISLATIVE MESSAGE TO THE FIFTY-FIRST BIENNIAL LEGISLATURE MARK O. HATFIELD GOVERNOR

#### GOALS AND GUIDELINES

Mr. President, Mr. Speaker, Members of the Fifty-First Legislative Assembly:

Two years ago I presented to the Legislative Assembly and the people of Oregon, a program designed to meet the needs of our state. This program was set forth in harmony with the pioneering attitude which has dominated our state's history. Today I have a second opportunity to lay before the Legislature and the citizens of Oregon a program directed toward an even greater growth and progress.

During the Legislative Session of 1959 an air of pessimism existed in many quarters. There were those who predicted that it was not likely that Oregon would prosper during the 1959-61 biennium. This sentiment evaporated as it became apparent that the economic climate was changing.

The excess of the state revenues over state expenditures, reported in my budget message, is symbolic of the change in business climate and is the result of two developments. First, a healthy increase in economic activity. And, second, a concentrated effort on the part of the executive branch to hold in check the cost of government while maintaining the level of services authorized by the Legislature.

Our budget for the coming biennium reflects specific examples of the savings effected in the executive branch. Also, I am sure that you can observe the long-term confidence which exists as a result of the economic growth of the past two years.

My budget seeks maximum benefit from the financial resources we expect in 1961-63. The principles underlying these budget recommendations should be restated on this occasion.

Our primary budgetary consideration is that of holding the tax line. Economic productivity results primarily from individual enterprise and individual expenditure. Government stimulates and, in significant measure, guides economic endeavor. By holding the tax line we will be doing our part in promoting a balanced and growing economy.



Bust of former Oregon Governor Mark Hatfield located at the Oregon State Capitol in Salem. Photo by Gary Halvorson.

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A second commitment is that of affording tax relief, where possible. I do not advocate tax relief at any cost. Rather, adjustment of the tax burden must increase the equity of its distribution and come after careful consideration of the needs of our citizens for state services.

Our third aim in presenting a fiscal program is that of maintaining the adequate standards of service our state not provides for its citizens.

A fourth goal of our financial recommendations is to expand or intensify those programs for which we need is clear and compelling.

Finally, we offer essential new programs designed to enhance the well being of our citizens and assist in the development of Oregon.

It is with firm faith in the future of our state that I present these recommendations for action.

## ECONOMIC DEVELOPMENT

Repeatedly I have said that the number one job facing us is the building of a diversified economy. We have unique advantages to foster this development --- a high level of education, abundant recreation opportunities, excellent transportation facilities, land, water, power, markets and a skilled labor supply. These assets must be increasingly utilized to achieve new jobs and greater job opportunities.

In the matter of new jobs and greater job opportunities, there are certain statistics which are encouraging. Recent personal income figures show that Oregon's percentage gain was above the national average for the first time since 1953. Another sign is that Oregon had a percentage gain in new corporations which exceeded California and Washington and was above the national average. Our Planning and Development Department reports that during the past year 93 new or expanded corporations added 5,700 new jobs. These and other figures indicate that our attempts to diversify Oregon's economy are producing results. The seasonal nature of our three main economic activities --- timber, agriculture and tourism --- still present a challenge we must meet. The effects of seasonality can be reduced only as we continue to attract industries which will bring us year around payrolls.

In addition to capitalizing on our natural advantages, state government must assume its rightful role. This does not mean offering financial "gimmicks" or enticing industries to pick up a tax tab. Our goal must be that of an equitable and competitive tax structure and the maintenance of a strong fiscal position.

We must be aware that virtually every activity of state government will affect our economic progress. Public activity in education, recreation, mental health and natural resource development realties directly to the economic expansion. If we demonstrate, both through legislation and administration, that we are forward-looking and ready to assume our responsibilities, we will have contributed positively to the future development of our economy.

## TAXATION PROGRAM

### Net Receipts Tax

The voters of Oregon have repeatedly indicated their support of the personal income tax as the base of our tax system. A need for widening the tax base is recognized, however, Dr. Sly emphasized this position in his report submitted to the 1959 Legislature. At that time I recommended the adoption of the net receipts tax. The need for greater equity which such a tax would provide is as real today as it was then. Once again I urge you adoption of this proposal.

### Inventory and personal Property Tax

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Our inventory and personal property taxes have long been criticized as being inequitable and discriminatory.

The disadvantage of these taxes has been emphasized to us during the past two years in our efforts to attract new industry to the State of Oregon. A net business income tax would be far more equitable in its application. It should be adopted in lieu of the inventory and personal property taxes.

#### Timber Taxation

All of us are conscious of the importance of our forest resources. By our action today we must assure future generations that they too may inherit this resource in abundance. Intensive sustained yield management of Oregon forests, both public and private, is of fundamental importance to our economy both now and in the future. The method by which we tax our timber will play either a positive or negative role in our conservation program.

One of the major tax problems which you will consider is that of timber taxation. Legislation relating to it should seek to encourage sound forest management and extended cutting practices while at the same time providing that forests share their fair proportion of the tax burden.

#### SOCIAL LEGISLATION

In the field of social legislation there are a number of matters to which you will devote your energy and attention.

#### Labor

Good labor-management relations are necessary for economic stability and growth. Oregon has an unbelievable record, but legislative action is needed to fill the void where the Federal Labor-Management Relations Act does not apply.

Foremost is the need for an effective and practical procedure for secret elections conducted under state administration --- a procedure that will permit employees to choose whether they desire to get represented by a collective bargaining organization, and, if so, which one. Jurisdictional disputes between unions and coercive practices by either union or management thus can be minimized.

With good laws, enlightened management, alert union members and responsible union leadership, Oregon labor-management relations can advance our industrial and social climate.

#### Workmen's Compensation

Oregon has one of the nation's best workmen's compensation laws. There are a number of revisions which would strengthen the law and prove beneficial to both employer and employee groups.

Employers subject to the Workmen's Compensation Law now pay at rates based on the accident experience of their industry. Employers who can demonstrate financial ability to pay their actual claim costs should be permitted to self insure through the Industrial Accident Commission. All claims against these employers would be administered by the Commission but the employer would pay only the actual cost. Such a program would provide strong incentives for improvement in accident prevention while providing proper protection to both employers and employees.

The hiring of persons with prior disabilities is limited because of the fear of employers that their costs for insurance against injuries to these people will be excessive. The Workmen's compensation Law should be amended to eliminate this barrier to the hiring of the handicapped. If handicapped persons are denied employment a great resource is lost.

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The Workmen's Compensation Act originally was directed at hazardous occupations. Serious injuries occur in all occupations. The problem of the injured workman is not related to whether the law has labeled his job as hazardous. With minor exceptions the law should require coverage for all occupations.

#### Migratory Labor

Migratory workers play a significant role in the harvesting of Oregon's farm produce. We have made real improvement in state regulation and private provision for sanitation, housing, working conditions and education. There is now available a study by the Department of Education which points toward needed further improvement in our services to these workers. Funds for this program were not included in the budget since the study had not been completed prior to the budgetary deadlines. This should not preclude passage of the appropriation requested by the department of Education for the training of migrant children.

#### Children and Youth

In my message of two years ago the need for remodification and rewriting of the laws relating to children and youth was pointed out. These laws are often conflicting and are scattered throughout the many chapters of the statutes. Each passing year accentuates the need for action of this vital matter.

Our public health program is another area of concern that relates to children and youth. IN the past decade maternal and infant deaths and venereal disease rates have actually shown an increase. One reason for this is the lack of clear definition in law of the authority and necessity for local health departments. You should consider establishing legal status for local health departments.

#### Senior Citizens

There is a growing concern throughout the nation for the welfare of the aging. The high percentage of senior citizens in our state reflects tow encouraging facts. First, people are living longer, second, many Oregonians who retire are remaining within our borders and others are coming to us from throughout the country.

It is up to us to institute state programs which will aid them in preserving their independence and the fruits of their labor. I urge you to consider three basic programs.

First, the Legislature should promptly take advantage of the "Medicare" program established by the Congress. The state budgeted for 1961-63 includes funds for the participation in this program. There are those who expect that the social security laws will be amended to private care. If this be the case, the money budgeted should revert to the general fund.

The second program is one I commend to you once again. Homestead retention is fundamental to the preservation of personal independence. We would do well to encourage such retention by granting a reasonable exemption from taxes on the homes of our older citizens. I would stress that the encouragement should be by exemption and not merely by deferral. A deferral would create significant administrative and fiscal problems and would reduce materially the psychological goals of the program. I would suggest that the relief take the form of a percentage reduction of the tax and afford the broadest possible coverage.

The third recommendation is that recreation facilities be designed with specific attention to the needs and interest of older citizens. Such facilities would contribute to more vital interests and to more vigorous health.

But beyond this we need to take a special care to assure that we do not discard or segregate from the mainstream of our economic, social and political life this precious reservoir of experience and wisdom.

#### Welfare

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Developments in the public welfare field during this biennium deserve special mention. The work program for general assistance recipients has demonstrated anew that idle hands can be used in productive enterprises which are of immeasurable benefit to both the recipient and the community. We can take greater satisfaction in what a work program does for the self-respect of the individual than in the visible results of the project. Administration of the work relief projects has indicated that added legislation will permit wider utilization of the benefits to be realized through this program. Legislation should be adopted which will make it possible for recipients of general assistance to engage in work relief projects in the municipalities as well as in the counties.

The budget includes funds for a graduate school of social work. The establishment of this school is viewed with great expectation, for though it we will meet the ever-increasing demands for trained personnel in our social welfare programs. This new school can be expected to alleviate our present loss of personnel, while providing the stimulus to creative approaches to our public welfare problems.

#### Mental Health Clinics

We should strengthen mental health services in accord with the recommendations of my Mental Health Advisory Committee. There should be established in connection with the over-all reorganization proposals an statewide pattern of community mental health clinics and programs. This advance is essential services would be jointly undertaken by the state and the counties as local interest and resources and forthcoming.

#### REGULATION AND PROTECTION OF PERSONS AND PROPERTY

The original --- and still major --- function of government is the protection of persons and property. It is the performance of this function that determines whether a government will expand or contract the limits of our individual freedoms. In many instances the very continuation of freedom is dependent upon government's preservation of the balance among the competing forces in a society such as ours.

#### Consumer Protection

For many years the national and state governments have carried on programs designed to protect the consumer from deceptive and harmful practices and products. The consumer is no longer the victim of the practices of fraud and adulteration that were widespread at the turn of the century. Yet, there is a further need to insure that the consumer is able to make the most of his dollar on credit purchases, that he has a reliable source of data regarding items which affect his economic well-being, that he is not victimized by false advertising, and that he has a central point to which he can make complaints known.

It is for these reasons that I urge you to authorize the proposed Department of Commerce to develop a program for more adequate consumer protection.

I should also like to direct you attention to the Commercial Code which will come before you. If adopted it will provide further protection for the consumer.

#### Traffic Safety

There is no more tragic commentary on our civilization than the horrible self-destruction and property damage which occurs on our streets and highways through automobile accidents. I refer to Oregon's nearly 1,000 deaths, more than 40,000 injuries and an economic loss of nearly \$150,000,000 in the past two years. Unless strong, firm, forward-looking measures are taken by this Legislative Assembly, we will see the continuance of his carnage which can only become bloodier as we experience increases in population, motor vehicle registration and annual motor vehicle mileage.

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Measures which would give Oregon a maximum speed limit, implied consent for chemical tests for intoxication, and police authority to arrest on probable cause at the scene of accidents must be passed.

To do less though inaction is an invitation to human slaughter.

### Billboards

Few measures in recent years have stimulated the expense and the intensity of feeling, as did the billboard control proposal in the November election.

It is heartening that the billboard industry has been meeting with the committee which supported the proposal in an attempt to develop acceptable legislation. My desire is that legislation be adopted which meets the federal standards. By so doing we become eligible for significant additional federal funds for highway construction. More important, we will provide the means of assuring preservation of Oregon's scenic vistas and roadside beauty.

### Liquor Regulation

Liquor control and regulation require our continuing attention.

One problem is still pending in the courts. The constitutional amendment permitting sale of liquor-by-the-drink requires that such beverages be sold only in connection with a food service. This requirement has been permitted to deteriorate to the point that some establishments serve practically no food and we find ourselves returning to the days of the saloon. This administration was the first to order through liquor commission regulation that these establishments derive a specific minimum of their gross income from the sale for food. Unfortunately, while recognizing the principle the courts ruled that the Commission did not have the necessary statutory authority. I urge you to provide the Commission with such authority.

It is recommended that you adopt legislation requiring a tamper-proof identification card for persons between 21 and 25 years of age. Such an identification card would serve to eliminate many of the illegal liquor purchases by minors and would protect the seller.

In my budget recommendations, I have suggested that the cities share in the revenues of liquor administration by an increase from ten to fifteen percent. Our counties have suggested that they too should receive a percentage of these revenues as an offset for their costs in the enforcement of liquor laws. You will wish to give this requires you careful consideration.

### Public Convenience and Necessity

The legislature should provide statutory protection against future duplication of utility facilities. Such duplication has become common, particularly in the electric industry, and about 100,000 rate payers are in areas of present or prospective duplication. This means they pay for more investment in facilities that is needed to give adequate service. Most states have statutes authorizing the issuance of certificates of public convenience and necessity to preclude wasteful duplication.

The Legislature also should provide for the issuance of certificates of public convenience and necessity to log truckers. Such a certification procedure is essential in order to assure the adequacy of truck service and to avoid cut-throat competition that can be harmful to loggers, truckers and general public.

### Atomic Energy

The Committee on Federal-State Relations appointed by President Eisenhower recognized that the states have a vital interest in the control and regulation of peaceful uses of atomic energy. Congress has enacted agreement with states whereby the Commission may discontinue and the state may assume regulatory

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authority over by-product materials, source materials and special nuclear materials in quantities not sufficient to constitute a "critical mass."

Regulation by the state will greatly enhance research and use of nuclear materials. Our Public Utilities Commissioner and State Health Officer have devised a program for state regulation and legislation permitting state participation. The adoption of such legislation is vital to our continued growth in the field of atomic energy.

#### Military

For some time it has been recognized that our Military code needed revising. A revision will be submitted for your consideration. This proposal is based upon a comprehensible study, and I urge its adoption.

#### Civil Defense

A number of communities have done an excellent job in planning for civil defense and are worthy of your approbation. I am concerned that so-called target areas have emphasized planning for evacuation to the virtual exclusion of a program of protection against fallout. Building codes in some communities do not encourage the construction of fallout shelters. I recommend that tax allowances be made for civil defense construction by individual citizens and by those who construct residence and office dwelling. This may encourage greater civil preparedness in these days when the alternative to annihilation may lie in our own efforts for self-preservation.

#### Racing

By administrative order I have directed that members of the Racing Commission and its employees shall not have a financial interest in racing horses or dogs in Oregon nor shall they be permitted to wager on races under their jurisdiction. These safeguards would be made a part of the racing law.

#### CIVIL RIGHTS

Our state has an enviable record in the field of civil rights. There is a continuing need to keep our civil rights statutes progressive, strong and adequate. Of particular concern is that of extending the Public Accommodations Act to cover those areas commonly called "personal services." I know that you will want to give this your most serious consideration. We cannot rest easy in the enjoyment of our freedoms until we have eliminated all vestiges of second-class citizenship.

#### EDUCATION

##### Basic School support

We have every right to be proud of our outstanding school system. In virtually every national ranking that attempts to measure quality, Oregon is listed in the top five. The preservation of this quality in terms of the expanding school population is becoming increasingly difficult for our local school districts. Many citizens are feeling the press of a burdensome property tax. To afford an opportunity for local tax relief I have recommended in my budget an increase in state basic school support.

This increase will permit some communities to be in the position of lowering property taxes, while others will find themselves in the position of not having to raise property taxes to meet existing needs.

##### Scholarships

In 1955 as a State Senator, I authored a proposal for establishment of an enlarged program of state scholarships on a new basis.

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The last Legislature provided a State Scholarship Commission but no appropriation was granted .I hope you will appropriate funds to administer these responsibilities, underwrite some of the costs of those who, on the basis of need and competitive examination merit help, and authorize use of such stipends at either public or private higher education campuses within Oregon.

This program is offered in the certain knowledge that we cannot afford the erosion of our brain power now taking place for lack of individual financial resources.

## NATURAL RESOURCES

In my message on government reorganization specific proposals were made, which will assure more adequate conservation of our great natural resources. Beyond the context of reorganization there are several items you should consider.

Proper management and orderly development of recreational and scenic resources should receive high priority. An inventory of existing facilities and planning for the accommodation of present and future citizens in the field of outdoor recreating is imperative, not only to maintain the general health and well-being, but as an important adjunct to industrial and economic development.

Modern construction demands huge quantities of sand and gravel, but we must assure that the dredging of these materials is done in a manner compatible with the conservation and use of other resources.

We must strengthen the means of combating air and water pollution by providing simplified methods for the financing of municipal sewage treatment plants.

During the past year we have noted an appalling increase in the numbers of man-caused forest and range fires. I recommend enactment of laws which will provide more stringent punitive measures as a deterrent to those who thoughtlessly endanger our lands.

In carrying out the mandate of the 1959 Legislature, the Department of Agriculture is making numerous changes in its organizational structure of Agriculture is making numerous changes in its organizational structure which would promote its services to farmers and consumers. Greater emphasis has been placed upon promotion and marketing of crops and emphasis has been placed upon promotion and marketing of crops and livestock. There are other improvements to be made to enhance this reorganization. I cite you two examples: (1) The Milk Audit Law, which needs revamping to be of greatest service to producers, processors and consumers; and (2) the Grain Warehouse Act, which needs substantial change to assure that the farmer who stores his grain in a public warehouse is fully protected.

Soil conservation districts have done much to conserve natural resources. I strongly urge you favorable consideration of measures which will allow more adequate state participation in the Small Watershed program.

The proof of competence in the handling of firearms should be demanded as a prerequisite for the first-time licensees if the annual toll of hunting accidents, fatalities, and vandalism is to be reduced.

In view of recent ruling by the Attorney General, it is necessary for this Legislature to consider clarification of the laws relating to the authority of the Land Board and other public agencies to lease and sell public lands. The full development of the industrial and economic potential of state lands in coordination with the preservation of their scenic and recreational values is of primary importance.

Your support of these and other measures designed to augment the present activities of our natural resource agencies is vital.



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## LOCAL GOVERNMENT

IN local government there are signs of increasing strength. The appointment of home-rule committees in nine counties, the progress of school district reorganization, and continued efforts in intergovernmental cooperation are among the evidences of interest and action.

I hope that in the course of you deliberations you will review the laws governing annexation, which is the key to orderly city development.

In view of the increasing scope and complexity of metropolitan problems, this Legislature will help assure further progress by authorizing an executive assistant in the Governor's office with special responsibility for matters of intergovernmental coordination.

## SALARY INCREASES

One of the most critical problems in state government is the lack of adequate salaries for classified and unclassified personnel, including those in higher education and state police. There has long been concern expressed over our failure to gain and retain the most competent employees for various state agencies. Private employers, the federal government and some local governments are paying salaries in excess of those currently paid by the state. This gap must be narrowed if we are to provide the services our citizens expect from their government. No program, regardless of how sound it may be, can function without qualified people.

I suggest that the Legislature adopt the salary recommendations contained in the budget. I further advocate the replacement of the statutory method of setting salaries for key administrators and to permit their establishment in essentially the same manner as for the classified service.

## HOLIDAYS

Washington's and Lincoln's birthdays need no longer be considered as legal holidays but may be set aside as special days of commemoration. In lieu of these two legal holidays, it would be fitting to establish February 14, Oregon Statehood Day, as a legal holiday.

I also urge that primary and general election days be considered as regular working days for public employees. IN making this suggestion, it should be clearly established that public employees be permitted the time off to vote in instances where the need is demonstrated.

## ELECTION LAWS

There is much that can be done, along the lines suggested by a bipartisan committee, to improve our election laws, particularly in the corrupt practices act and reporting procedures. Moreover, it is my hope that a procedure be established to permit prompt investigation and action when defamatory and inflammatory campaign materials threaten the proper conduct of elections. The procedure should be completely nonpartisan, and can only be effective if it is conducted in the white light of publicity. The state cannot afford to leave to the combatants the correction of blatant efforts to swing an election by smear and fear or by the alternate use of the whisper and the big lie.

## JUDICIARY

Since you last met, two circuit judges were appointed and elected as required by ORS 3,160. The status of the docket in that jurisdiction did not justify the addition of two judges. Yet two positions were put on the ballot to comply with the requirements of law. I hope you will take corrective measures so that the automatic factor that ignores the question of need is eliminated.

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I should like to pay tribute to the record of improvement which has been achieved by the Supreme Court in reducing its backlog of cases during the biennium. In my remarks before the Fiftieth legislative Assembly I urged a test for practicality of the pro tem system before considering further the proposal for two additional full-time justices. The wisdom of your decision to concur in that recommendation is borne out by the fact that nearly \$55,000 was saved when salary, secretarial staff and other considerations are totaled. Moreover, the objectives were achieved earlier than predicted.

#### LEGISLATION WITHOUT APPROPRIATION

In all of your deliberations which involve programs not envisioned by the budget presented to you, it is my hope you will avoid sending to my desk legislation which requires expenditures for which no appropriations are provided.

#### CONSTITUTIONAL CONCERNS

##### Executive Succession

IN these days of modern communication and transportation, there is no more need for a temporary Governor than there is for a temporary President.

In the last session, realistic steps were taken in the event of the Governor's physical or mental incapacitation. We were thus one of the first in the nation to deal with that possibility. I urge that we take a similar forward step and refer to the people a constitutional amendment elimination from Article V, Section 8 the words, "absence from the state."

Moreover, I recommend that another referendum amend the Constitution to provide that the Secretary of state succeed to the governorship upon death or incapacitation. This would give the people a chief executive they themselves had elected on a statewide basis. His service, should the absence provision not be eliminated, would be at no additional cost to the taxpayers. The proposed effective date should be January, 1965, beyond the present terms of the occupants of the offices involved.

##### 23rd Amendment

Another matter of constitutional concern is that of prompt approval of the 23rd Amendment to the U. S. Constitution. IN the November election Oregonians supported the idea that people within our borders should not be disfranchised in presidential elections because they could not meet the residence requirements. It is only fitting that in this same spirit the franchise should be extended to residents of the District of Columbia.

##### Constitution Revision

During the 1951, 1953 and 1955 sessions of the Legislature, it was my privilege to work with others in attempting to call a constitution convention. Unfortunately, those efforts were not successful. The need continues but the possibility of its occurring appears to be some years in the future.

Although your predecessors have been unwilling to approve the calling of a constitutional convention, the citizens of this state in the past general election did authorize the Legislature to submit extensive, coordinated revision of the document. I urge this session to begin the implementation for this mandate from the people.

#### BUILDING PROGRAM

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The budget which has been submitted to you contains funds for a realistic building program for higher education and state institutions. There are an number of items which I suggest you consider in order that the long-range building needs of our state be adequately met.

A project which should be given high priority is the construction of a transportation building on the Capitol Mall. This administration inherited from the preceding administration a lease on the building in which the Motor Vehicle Department is presently housed. This lease expires in 1964. If we are to meet economically the space requirements of the Motor Vehicle Department, we need to begin immediate planning for transportation building.]

Another significant area in planning for future building requirements is that of enlarged facilities for the Supreme Court and the Department of Justice. The present building no longer meets their needs.

In order to facilitate legislative services to the people, we are requesting planning money to study the feasibility of the Capitol extension to provide the needed legislative offices and committee rooms.

IN conformity with the directive of the Fiftieth Legislature, the Department of Finance and Administration has bade an extensive study of the need for a state correctional facility for women and funds for its construction are included in the budget.

## REORGANIZATION

You have received, in a special report, my recommendations for the reorganization of the executive branch. The establishment of a manageable and responsive executive organization is certainly one of the most significant proposals that will be before you. If government administration is to be as efficient and effective as it ought to be, we require a cabinet system.

The Fiftieth Legislative Assembly directed the submission of reorganization recommendations. I do so in the firm conviction that the proposed changes are urgently needed.

These recommendations are not the product of any one mind. Any political party. They are an outgrowth of previous legislative study, departmental review and a citizens committee's suggestions. This committee was headed by former Governors Chares Sprague and Robert Holmes and to it I also named four member of this Assembly, along with representatives for business, labor and agriculture..

I think perhaps the most eloquent testimony in behalf of the reorganization proposals is the nature of the objections so far heard. The voices of caution, the voices of resistance to change are always prompt and numerous. They appeal to instinctive rare of the unknown. They prefer the old, because it is familiar, to the new, because it is strange. Heed these objection and you shall have failed to take steps to meet the challenge of the sixties.

The Hoover Commission gave Congress a blueprint for betterment. James m. Landis has handed President-Elect Kennedy a chart for a new course of action as it applies to a number of federal agencies. We in Oregon now have an outline to eradicate obsolescence. Should you choose to do nothing, then the buck-passing which now characterized some administrative procedures must rest at your door.

## UNPRECEDENTED OPPORTUNITY

The length of the legislative session and the breadth of you endeavors have been of increasing concern in the light of the meager compensation accorded to you. There are factors in 1961 which could and should assure for the people of Oregon a session which will be remembered for its seriousness and for the dispatch with which business was conducted. You received the budget document 38 days ago; the reorganization plan was in your hands t here weeks ago; last month you conducts a preliminary legislative conference embracing some one-third of you membership; you have created a fiscal committee which provides added

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staff services; the number of experienced legislators portends familiarity with procedures and problems; election of majority leadership with prior gavel experience and a continuance of minority leadership in the Senate along the lines suggested in this message two years ago --- these are the factors which give you an unprecedented opportunity to get to the heart of the matter promptly and decisively.

### **Special Message, 1961**

Source: STATE OF OREGON SPECIAL MESSAGE TO THE FIFTY-FIRST BIENNIAL LEGISLATURE MARK O. HATFIELD GOVERNOR SALEM, OREGON FEBRUARY 14, 1961

Mr. President, Mr. Speaker, Members of the Fifty-first Legislative Assembly:

On the day which marks the anniversary of statehood for Oregon, I can think of no more appropriate manner to observe this occasion than sending to you a special message of what is believed to be great significance to the entire state.

Those of us who have been concerned about the seasonality of employment in Oregon, the need for diversification both from the standpoint of the calendar and the geography of our state, the enormous potential of space age, the realization of new job opportunities for our people in short the progress of Oregon are heartened by the prospects now on the horizon.

I strongly urge you to examine fully what is herein proposed and to give legislative guidance so that Oregon will move with wisdom and foresight toward the realization of our potential for greatness.

Transmitted herewith is a draft of proposed legislation needed to implement the establishment of the Space Age Industrial Park at Boardman and the secure for it a leading space technology firm as an industrial tenant.

So that you may have full information for proper consideration this proposal, I am also sending you copies of the proposed lease\* submitted by the Boeing Airplane Company, together with a draft of proposed legislation.

The proposed leasing of the park represents the fruits of more than a year of intensive effort by the Department of Planning and Development, other state agencies, departments and agencies of the Federal government, members of the congress, and a number of Oregon citizens who gave unstintingly of their time and talents to assist in phases of this complex project. To them, each and every one, the citizens of Oregon.

A short review of the phases of the project and its development may assist in bringing into focus the need for legislative action.

First, the acquisition of the Boardman Bombing Range.

Second, the acquisition of adjacent lands needed to complete the park.

Third, obtaining a tenant.

### **ACQUISITION OF BOARDMAN RANGE**

The Boardman Bombing Range consists of 96,000 acres in Morrow County, Oregon. It is currently used by the United States Navy for practice bombing purposes. The navy has stated it expects to have a requirement for a bombing range indefinitely.

Decision to acquire the Boardman range for the state was prompted by a determination that it possessed many unique advantages as a site for space technology industries, and that its use for such purposes would convert a large acreage presently of little or no economic value to the state into a major economic asset.

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In discussions with members of our Congressional delegation, the Defense and Navy Departments and others, it was determined that special Congressional authorization would be needed for state acquisition of the Boardman range. Such authorization was obtained in provisions of Public Law 86-500, enacted by the Eighty-sixth Congress, which authorizes the Secretary of the Navy to transfer title to the State of Oregon when the state meets two conditions. The first condition is that the state provide the Navy with an acceptable substitute practice bombing facility. The Second is that the state pay the difference, if any, between the fair market value of the Boardman lands and the lands accepted by the Navy in exchange.

Of the sites for a substitute facility offered by the State Land Board, the Navy has selected one in the Wagontire area of Lake County as most suitable for its use. The State Land Board has filed an application to acquire this site of approximately 96,000 acres of public domain land, and has offered in exchange 65,000 acres of state-owned lands in Lake County. Discussions have been held on these procedures with Lake County public officials, rangers and others.

Completing the land exchanges and fulfilling the obligations involved in moving the Navy comprise a major problem which, I believe, calls for legislative direction and ratification as well as an appropriation of state funds. Unfortunately, exact monetary requirements cannot be predicted at this time. The monetary difference, if any, in the land values appraisals are completed. This difference can range from nothing up to as much as \$600,000. Also, there is the cost of providing facilities on the Wagontire site and the cost of moving the Navy. It appears now that these costs will range between \$250,000 and \$400,000 or possibly \$500,000. The Boeing Company has agreed to reimburse the state for the Navy move up to a maximum of \$250,000 over the next five years. It will be necessary, however, for the state to expend this money now. WE cannot acquire title to the Boardman site and make the Boeing lease operative until the Navy is moved.

It is possible for the state to acquire the Boardman site by exchange or by outright purchase from the Federal Government. Present federal law, however, (P.L. 86-500) authorizes only an exchange. A purchase would require another special act of Congress, which might not be accomplished while you are still in legislative session. Also, there still would be the problem and cost of moving the Navy to a new site which might also have to be purchased, unless it was federal land that could be made available to the Navy Department. Because of these problems, I believe it best to continue with the plan of acquiring the site by an exchange.

#### ACQUISITION OF ADJACENT LANDS

The second phase of this project is the acquisition of adjacent private and public domain lands to connect the Boardman range with the Columbia River and thus complete our Space Age Industrial Park. THE State Land Board has filed application with the Bureau of Land Management to acquire some 3,800 acres of public domain lands in the Boardman Area, and has offered in exchange state-owned lands of equal value in the southwestern part of the state.

Also, an option was taken on some 7,000 acres of privately owned lands to be acquired on an exchange basis. Negotiations for an extension of this option are in progress.

#### ACQUISITION OF A TENANT

Work on the third phase of the project --- acquiring a tenant --- has been going on continuously for more than a year, and simultaneously with the land acquisition phases. To carry this out successfully, we became acquainted with the space technology industry, its problems, requirements for facilities and probable future direction. We became acquainted with the major companies in this new industry. Staff members on the Department of Planning and Development attended classified briefings of the National Aeronautics and Space Administration, and consulted with top officials in NASA, the Air Force, Navy and other agencies.

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A detailed prospectus and site report was prepared, along with a presentation kit consisting of 16 maps, charts and other exhibits. (These are available to the presiding officers of this Legislature and to the Committee or Committees they designate.) Discussions on possible use of the site were held with nine companies. The potential availability of the site was well known throughout the industry. Three companies inspected the site, and discussions reached the active negotiation stage with two firms.

With one of these two firms --- the Boeing Airplane Company --- we have reached agreement on the terms for their occupancy of the site. We cannot expect the company to declare its intentions for the precise use of this property until such time as negotiations are consummated. May I direct especially your attention to the safeguards which are written into the proposal in order that actual development is likely to take place within a reasonable amount of time. I should like to caution against taking a position that might be interpreted as an effort to stampede the Company into hasty action, an effort that could thwart patience with and interest in Oregon. To execute this lease, it is necessary that an agency of the state be given clear authority to acquire the land, perfect the title and execute a lease.

#### COMMON SCHOOL FUND

Another problem that should be examined arises because the State Land Board is the custodian of the common school fund which with its revenues, must be applied exclusively to the support of our schools. The Board is placed in a unique position as trustee of this irreducible fund.

However, the opportunity that now presents itself to us is of a much broader nature and effect than the school fund. In our efforts to protect and perpetuate that valuable fund, we must not lose sight of the scope, potential or the state-wide economic impact of the industrial park.

#### ASSIGNMENT OF FUNCTION

The additional and separate duty to negotiate and manage the Boeing lease of Boardman can be assigned by you to the State Land Board without jeopardy to the common school fund. ON the other hand you might want to consider the possibility of manning some other state agency to this task, or perhaps a special board could be created to administer this one project as its sole or principal duty.

It is my recommendation that the Legislature appropriate the money necessary to accomplish this important milestone in Oregon's growth and that it give the State Land Board specific authority to acquire the draft of such legislation is enclosed with this message.

THE \$900,000 requested covers these costs:

\$400,000 for possible difference in the fair market value of the lands to be exchanged;

`\$400,000 for facilities on the Wagontire site and for moving the Navy; and

\$100,000 for appraisals, engineering studies, other expenses and contingencies.

Only amount actually required will be expended. It is my conviction that even if this full amount or more is needed it will be returned to the people of Oregon many times over in new jobs, payrolls, taxable wealth, and economic growth.

A draft of a bill is also enclosed which would give the Land Board authority to execute a lease for land not yet under state ownership. This will permit the immediate execution of a binding lease, conditioned, of course, upon the final acquisition of clear title to the land.

Because of the need for such specific authority, the need for adequate funds to acquire the land and move the Navy, and the need to secure general ratification of the acquisition of the site and its leasing for

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industrial purposes, I am sending the Assembly this message, the proposed legislation and the proposed lease.

When a state enters the highly competitive arena of active, industry seeking it is inevitable that speculation, rumor, hearsay, and misunderstanding will result. Across the country there are several thousand development committees, chambers of commerce, aggressive state agencies, with portfolio in hand, ballyhoo in brief, eager to offer opportunities to industry. In this setting, then, two points of conclusions seem worthy of mention:

First, we do not subscribe to the proposition that a state need dream up fantastic, unrealistic, "gimmicks" of a gift nature to attract industry; but neither do we look at industry to pick up a tax tab. We welcome industry, both the new neighbor and the expansion of existing companies as full-fledged citizens of the state community.

Second, within the competitive business world, some of the initial discussions just be of a confidential nature. In the preliminary stages the matter is one of private business. But once a government has a proposition under active consideration it then has a responsibility to make public that proposal in keeping with the philosophy of a people's right to know. The public press has followed the progress of these negotiations from the time of the basic idea, through Congress, In Land Board discussions a recently as last week, and now it shares with you the distribution of information presented in this message and its attachments. Thus the citizens of this state, though their press and through you as their elected representatives, are given a proposal, some alternatives, full disclosure of lease provisions, and an opportunity with clear implications of immeasurable meaning for decades.

May you be given the incentive, the wisdom, and the understanding to arrive at appropriate decisions.

Respectfully Submitted,  
Mark O, Hatfield  
Governor

### **Biennial Report, 1961**

Source: A BIENNIAL REPORT OF THE EXECUTIVE DEPARTMENT 1959-1961 (SOME NOTES ON STEWARDSHIP)

To Members of the Fifty-First Legislative Assembly:

It is the custom for you chief executive to come before the Legislature with an address of recommendations. In anticipations of this legislative session, several message have been prepared. One is the budget which was made available on December 1, 1960 and another is the series of recommendations for reorganization of the executive branch issued on December 15. Yet neither provides a coordinated report of executive department action in the past two years.

You have available a wealth of information in the biennial reports of the departments but nowhere is there what might be termed "Some Notes on Stewardship" to which I believe you are entitled.

Such a report must necessarily be brief and can cover only highlights of the period from January 12, 1959 to January 9, 1961. Additional detailed may be found in the departmental reports. It is my hope you will find this compilation useful.

### **ADMINISTRATION**

Appointments

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In my Inaugural Address to the Fiftieth Legislative Assembly, I said: "... I would publicly recognize that choosing the right individual for the right job at the right time constitutes one of the most important functions of you Governor..." Even as these words were spoken, the first of more than 550 appointees was taking office. This number includes full-time state\* or county public officers as well as members of boards and commissions who as laymen, contribute their time and wisdom to the making of public policy.

Among the appointments were those of Secretary of State Howell Appling, Jr. as my successor in that office; State Treasurer Howard Belton, who succeeded Sigfrid Unander when he was named to the Federal maritime Board; U. S. Senator Hall S. Lusk, who filled the unexpired term of the late Senator Richard L. Neuberger; associate Justice A. T. Goodwin of the State Supreme Court, who took the Lusk position on the high court. As the two-year period closed, you Governor had under consideration a successor to Superintendent of Public Instruction Rex Putnam, who resigned because of health.

In addition to state boards and commissions, there are county officers, district attorneys, judicial offices, the Port of Portland and many other appointments and governor is required to make many of which are usually thought of a coming under this authority.

#### Coordinating the executive branch

One need only glance at the cart of state government organization as it now exists to realize that departments have been created through the years without a realistic appreciation of the need for coordination. A governor is literally swamped with demands for appointments --- an average of one for every work day of the biennium --- yet once the appointment is made the board, commission or department is most instance the stand aloof from a governor's inquiry. Without statutory authority coordination has been achieved through informal meetings of set frequency. Sessions are held with one-fourth of the department heads each week until, in rotation, the Governor and each department executive have met in a month's time.

These meetings make for a better understanding by the Governor of the department's activity and to the department head is given an over-all view o sate government and its inter-relations.

Moreover, the full capacity of one member of the Governor's staff has been devoted to providing liaison with boards and commissions.

At the direction of the Fiftieth Legislative Assembly --- and because administrative necessity requires it --- a plan of executive branch reorganization was prepared. Although not suggested by the Legislature, it appeared prudent to seek the counsel of individuals with the widest possible base of experience in government and other executive responsibilities. Each of the 17 members of the advisory committee brought with him particular background qualifications which are readily apparent. They deserve you gratitude as well as mine for this high public service. Their recommendations appear as an appendix to the report I have submitted to you.

I am grateful for the indications of support which have been given thus far to some of the general aspects of the reorganization proposals. The have been kept from taint of partisanship and I am sure you will wish to maintain an atmosphere of objectivity as you approach the subject in earnest.

#### Budget

Just as government functions best in relation to the caliber of people in government, so budgeting follows as crucial corollary of efficiency. The budget proposals before this assembly were made available 38 days prior to you convening. While you may find agency requests which exceed that which is budgeted you may be assured the best possible measuring sticks were used to determine the figures presented to you. In essence, I hope you choose to live within our income rather than launching expansions beyond our means which would re quire a new sources of revenue.



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For the first time, a "Budget in Brief" is available to assist you in interpreting the budget to you constituents who would not require the extensive document you have under study.

Also this year, for the first time you have before you a six-year capital construction budget that lays out realistically the building needs of the next biennium and the four years beyond that. The making of this budget revealed many inadequacies in our planning processes. These are being corrected. It can be expected that the six-year program to be presented to the 1963 Legislature will be even more useful.

Capital construction has proceeded on schedule during these two years except for a steel strike which halted work on the Labor and Industries building for nearly six months. The Correctional Institution began operations, Dammasch State Hospital construction will permit that institution to open this spring, conversion of Eastern Oregon State Tuberculosis Hospital, new facilities at institutions under the Board of Control dormitories, classrooms and other facilities for our institutions of higher education have been among the results of action during the past two years.

Administrative improvements.

IN the state Tax Commission some marvels of administration were achieved. A new tax reporting form was introduced which in itself resulted in savings of \$200,000 and much greater convenience for the public. Better personnel utilization enabled the Commission to reduce its assigned positions by 90. Convenience to the taxpayer, simplification of effort, closer cooperation with county officials, continuance of the reappraisal program --- these are achievements of the Commission.

Considerable reorganization of the military Department was undertaken by the new adjutant general. The Portland armory office of the adjutant General was closed, 11 positions were eliminated in the Department office, \$17,500 in budgeted general funds will be returned through a tighter policy in transportation control, 40 separate funds at the local armory level were eliminated and through tighter fiscal controls and amount exceeding \$325,000 will be saved in this department alone.

Many improvements were realized in the Motor Vehicle Department, including a speedup of registration and licensing, initiation of renewal notices for automobile licenses, reduction of operation divisions from eight to six, integration of field offices with the Public Utilities Commissioner at considerable savings handling of a five per cent increase in business plus registration and titling of house trailers under new law with reduced personnel and saving of \$9,000 annually were realized in mailing procedure change.

Traffic safety efforts embodied the three axioms for improvement --- education, engineering and enforcement- but the results were hardly encouraging. You governor initiated some dramatic steps to call public attention to the human toll and perhaps some of these did result in fewer accidents that otherwise might have been experienced. Helicopter and observation patrols were put into service, extensive roadblocks were set up at certain holiday periods, and a stepped-up patrol car coverage with some unmarked vehicles filled out the program.

When the field of law enforcement, the phasing-in of the forty hour week in the State Police Department was accomplished with effectiveness thus putting these unclassified personnel on the same work schedule as the majority of other state employees. Improvements were made in the rigorous training program of the State Police, but inadequate pay remains as a deterrent to ideal recruitment.

In the Highway Department, a total of \$62,800,000 worth of contracts was let in 1960, or \$25.5 million more than the amount contracted in 1959. More than 11 million visitations were recorded in Oregon's 175 state parks during 1960, and increase of six per cent over 1959. AN additional 614 acres were taken into the park system this past year. A survey by the Traffic Engineering Division indicates Oregon and its residents were hosts to more than Six million tourists during 1960, a gain of more than 400,000 over the previous year.

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Our most recent State Fair was outstandingly successful from nearly every point of view. A greater number of our citizens participated in exhibiting and in other activities than in any previous Fair. Of particular note is the fact that participation by our youth significantly exceeded other years. A gratifying aspect was our financial success in 1960. A gain in assets of \$1-7,432.69 exceeds any other year in the fair's 95-year history. The cash profit of \$64,143.78 is contrasted to a cash profit of \$20,000 last year and a \$53,000 loss experienced in 1958.

Historically, one of the reasons advanced for creating regulatory agencies was that cases were delayed too long when processing through the courts and that administrative agencies would be able to give prompt action. Few have done so. In the Public Utilities Commissioner's office a major effort has been made in this direction. No longer do heads of operation division sit as examiners on cases while evidence is presented by their subordinates. Also, the number of employees at the Salem office has been decreased from 175 to 154 without decreasing services.

The activities of the Industrial Accident Commission have resulted in revitalized administration and have been characterized by greater service to employers and to employees. Two new commission members were appointed. The commissioners have carried their program to the local communities through a series of public meetings. Better relationship with employers, claimants, doctors and hospitals has been developed through the creation of area coordination programs. An administrative survey has been undertaken which promises even greater modernization of administration in the biennium ahead.

The 1959 Legislature abolished the Unemployment Compensation Commission and created a Department of Employment to be administered by a single Commissioner. The new agency became effective July 1, 1959. As anticipated, the reorganization has proved to be a substantial administrative improvement. The emphasis of the agency has been shifted from unemployment to employment, with concentration on job counseling and placement. The problems of farm placement have received particular attention with effort directed to avoiding the acute labor shortages during critical harvest periods that have occurred in the past. Mechanization of agriculture has been recognized through efforts to relocate workers. Areas requiring large numbers of seasonal workers have received special attention in improved utilization of local labor resources.

State licensing agencies affect the rights of many people. It is imperative that the procedures by which licenses are granted, denied, or revoked protect those rights. I have not hesitated to remind the licensing boards of their dual responsibility to safeguard both the rights of those they license and the general public.

Although progress has been made in the past two years in the area of personnel management there have been discouraging factors. On the positive side, we can point to more effective utilization of employees, and to improvements and strengthening of training programs designed to motivate individuals as well as to prepare them for greater responsibilities. On the negative side, our disadvantageous position on salaries has resulted in a number of costly losses of higher skilled personnel. It is difficult to evaluate the adverse effect these losses have on the competence of our state services. Certainly the circumstances demand action.

The Department of Finance and Administration has broadened its services to the Governor as well as to the other agencies of state government. The Department's role in the development of reorganization plans, the six-year building program, the shuttle-bus service between Portland and Salem that reduces the number of state vehicles on the freeway, and the fact that the budget document was released on schedule are evidences of the increasing usefulness of this 10 year old agency.

Two years ago, the state had barely begun to utilize the advantages of electronic data processing. We had before us the report of a survey by a consulting firm urging that further use of this equipment be considered on a statewide basis. This we have done. We have also given full consideration to the recommendations in the report. There is now a central inventory of equipment, central review of control of acquisition and plans for acquisition and use of this equipment.

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Within higher education, the approval of the constitutional amendment lifting the limit on self-liquidation bonds for construction was of immense significance and you governor served as honorary chairman of the citizens' committee. Dr. O. Meredith Wilson, president of the University of Oregon, resigned to become head of the University of Minnesota and dr. A. L. Strand, president of Oregon State College, announced his retirement from that office effective next fall. The Board of Higher Education responded to the suggestion of the Governor that meetings be held in a more easily accessible location and agreed to hold session more regularly on the campuses around the state.

## ECONOMIC DEVELOPMENT

Oregon's most urgent need a biennium ago appeared to be for a new business climate and a new confidence for our economic future.

In an all-out effort to attract new payrolls to Oregon and provide a sound basis for expansion of existing industry, emphasis and direction has been given the Department of Planning and Development. A transcontinental sales task force, headed by your Governor and including 19 leaders in industry, kindled an interest in Oregon among the investors of the East and Midwest. A similar personal contact was established with the electronic industry at its annual meeting in San Francisco. During 1960 alone, a total of 93 new manufacturing plants and plant expansions were recorded, creating a total of 5,700 new jobs.

One of the most complicated and far-reaching real estate transactions was achieved on the old Boardman bombing range site which has been redesignated as the Space Age Industrial Park. Through the cooperation of the Congressional delegation, local government officials, the national administration and private citizens, there is now available approximately 100,000 acres to meet the requirements of the missile age. Just when a tenant or tenants might be obtained is speculative. But the fact is Oregon now possesses one of the few remaining, available sites which offers ideal conditions for an investment of this nature.

An important key to our economic growth is the role of research. Oregon's participation in research activities has grown rapidly. Two of the outstanding examples of our significant participation were the Science Seminar conducted by the Department of Planning and Development and the announcement of the establishment of a primate research center.

In the former, Oregon's leading scientists and technicians met with the Director of the National Aeronautics and Space Administration, the Directors of Research for the Army and Navy, and Assistant Director of Research for the Air Force and numerous representatives of leading industries engaged in scientific work. The dissemination of information from this meeting significantly accelerated Oregon's interest in research and scientific production.

In the latter, the United States Public Health Service approved two grants totaling nearly \$2,000,000 for the construction of the initial sections of a Regional Subhuman Primate Center in Portland. The center is associated with the University of Oregon medical School in basic medical research with particular emphasis on cardiovascular study.

The month of August, 1960, saw an all-time high in employment with a record figure of 734,100. by this and several other measurements, Oregon's economy experienced inspiring growth during the two-year period covered by this report. In January of 1959, for instance, there were 619,900 employed, 58,800 unemployed --- in January of 1960 there were 639,500 employed, 47,600 unemployed. Other measurements during the time from January of 1959 to January of 1961 --- personal income, bank debits, retail sales, corporation receipts --- are heartening. As an example, Oregon ranked above the national average in personal income for the first time since 1953.

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An advisory committee to the Industrial Accident Commission worked with vigor during a period of significant transition in that department. These able individuals have given valuable public service and I urge you to invite them to discuss with you any aspect of their responsibilities.

On three occasions in which both management and labor indicated a willingness to sit down together and discuss possible strike solutions in the Governor's office a settlement was attained. I refer to the strike which tied up construction in 1959 and subsequent strikes affecting the cheesemakers and the Willamette Valley milk producers. Some 40 hours of presiding at the conference table were involved with one session concluding at 4 a.m.

## SOCIAL SERVICES

The social services of our state are usually of paramount concern and in the past two years they have been provided with wisdom and effectiveness.

In the administration of the public welfare program, two steps are of especial significance. I refer to the initiation of work projects whereby recipients who are able-bodied are employed in public works. Begun in 1959 and adopted by others with encouraging results. Public acceptance --- by those so employed and by the general citizenry --- has been without serious objection.

The migrant labor pilot education program conducted through the Department of Education, along with the interim committee report of two years ago, brings forcefully into focus one of the foremost social problems in our state. In other phases of the migratory labor program, the Executive Department effected the coordination of the three agencies --- Labor, Health and Agriculture --- through the agreement on goals and areas of responsibility to implement the action of the 1959 Legislature.

The Governor's Committee on Children and Youth and the State Council on the Aging have been active since 1959. The Children and Youth Committee was represented at the Golden Anniversary White House Conference on Children and Youth held in Washington, March 22 to April 2, 1960. In addition, a Statewide Conference was held in Salem, November 4 and 5, 1960 which provided an opportunity for citizens to discuss protective and treatment services to children and youth.

Our Council on Aging also will be represented at a White House Conference early this year. Similarly, this group in the spring of 1960 sponsored a meeting where citizens from throughout our state met to discuss problems of senior citizens. The Council has been of real value in focusing public attention on pressing needs and in providing research data which point up those needs.

One of the most depressing statistics in 1959 was the waiting list for admission to Fairview Home. In January of 1959 the active waiting list was 378. Today this active waiting list has been reduced to 203. With the opening of Magruder Cottage this month and by filling 25 vacancies which have been created by transfers to other institutions this active waiting list will be only 78. Between now and July 1, 1961, this waiting list will increase by approximately 93 people. The last Legislature appropriated funds for one additional 115 bed unit which is now under construction. With the filling of this unit the waiting list will be reduced to approximately 56 individuals for immediate admission.

A Fairview Home Committee of Visitors was appointed and functioned during the biennium with effectiveness and was particularly helpful in the transition between the administrations of the late Dr. Irvin B. Hill. And Dr. James A. Pomeroy.

## NATURAL RESOURCES

The forests, soils, wildlife and water we have inherited and will pass on to succeeding generations demand continued wise use and development.

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The biennial report of the Committee on Natural Resources and the reports of the separate departments in this field admirable tell the story of progress and action during the past two years. In establishing the committee, the Legislature placed the Governor as chairman. This responsibility I have welcomed and I can report we have spent many hours in frank, detailed discussions, the minutes of which are available to you. The manner in which these representatives of a variety of agencies were able to place the over-all good of the State of Oregon at the forefront indicates to me we would be strengthened by combined action such as through a Department of Natural Resources.

The Committee did not dodge responsibilities. It has taken stands. One of these was a drafting of revisions for the Oregon Dunes National seashores Recreation Area bill before Congress. It is a matter of record that the most prominent sponsor of that legislation, the late Senator Neuberger, was kept fully informed of our point of view and expressed his attitude in these words in a letter dated January 27, 1960: "... I have very confidence that we shall be able to work together successfully for a bill establishing a national Park on the coast which will be in the interests of our state and the nation"

In other major activities the Committee on Natural Resources:

Cooperated with the National Outdoor Recreation Resource Review Commission and supplied local and regional data to assist that body in completion of its assigned role.

Provided assistance and coordinated efforts in the long-range sand dunes stabilization and erosions control program on the Oregon coast.

Recognized the continuing necessity for provision of adequate public assistance for recreation purposes to public lands in Oregon, by forming an Access Advisory Committee to assist with the problem.

Encouraged a broadened program of public information in the general field of outdoor recreation through a conference on "Good Outdoor Manners."

Coordinated activities in connection with carious annual conservation observances such as "Red Hat Days," "Conservation Week," and "Soil Stewardship Week."

Submitted information on Oregon's water resources problems to a Committee of the Congress investigation this phase of national resource management.

Recommended measures to increase federal assistance to local communities for construction of sewage treatment facilities to reduce water pollution.

Supported the "Control Use Act" for the national forests; and a bill to designate the Salmon River of Idaho as a fish sanctuary pending the solution of fish passage problems.

Called for a northwest Governors' meeting on conservation of the Columbia River salmon resource.

On a number of occasions during the past year, the State Land Board has been presented with proposals which could ultimately mean much in terms of jobs, economic growth, year-round industry, and a sounder fiscal basis. Although a letter of advice from the Attorney General filed some seven years ago clearly counseled the Land Board it could proceed in several of these negotiations, it was determined that a more formal opinion should be sought. The net result is a stalemate until such time as you give further indication of legislative direction. The matter merits you full attention.

The brucellosis (Bang's) disease control program achieved a modified certified status in July of 1959, costs are cut through blood testing chiefly on a market slaughter basis and an intensified calf convention program is underway. The meat inspection program is among the best such state services in the nation. The long-standing dissension within livestock and veterinary ranks has apparently been resolved. As authorized by

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the 1959 Legislature, the Department is reorganized with an aim to bring to Oregon consumers expanded protection by closer attention to food sanitation, truth in advertising, honest weights, deceptive packaging and harmful spray residues.

The protection and administration of approximately one-half of Oregon's 30 million acres of forest lands is the responsibility of the State Forester and the Board. Holding burned acreages to a surprisingly low figure in view of extremely dry weather of past two seasons, addition of the Klamath Agency district, attainment of the half-way point in the rehabilitation of the 250,000 acres of state lands within the Tillamook burn, increased revenue from state timber sales (\$5,582,146.15 up to December 12, 1960), and expansion of the tree nursery and farm forestry programs, are manifestations of departmental activity.

#### INTERGOVERNMENTAL ACTION

In our federal system, state government must maintain effective relations with national and local governments and in its own economic interest must develop international contacts as well.

The state's centennial celebration is a subject of the report of the Centennial Commission. In addition to the central program on the grounds in Portland it is important that any evaluation recognize the significance of the individual community efforts throughout the state. Also, the International Trade Fair brought new stimulus to Oregon in many ways.

Oregon was visited by many people from other countries during the year as tourists, as students, as officials studying particular segments of our government. We participated in welcoming to Oregon the King and Queen of Nepal, the Crown Prince and Princess and Prime Minister of Japan, several ambassadors, and many other representatives of other nations. IN addition, a long list of officials of our own federal government, in all three of its branches, visited Oregon during the biennium.

IN liaison with federal departments and the Congress there has been much activity. Meetings with individual members of Oregon's delegation in Congress have been productive. Testimony before regulatory agencies resulted in some decisions in which Oregon realized gains. A personal appeal to the President on funds for Green Peter dam, and Yaquina Bay project, port development, and a number of other matters were helpful in conjunction with support from many sources. There were disappointments such as the loss of the regional post office without justifying evidence. On the whole relations both with a delegation, a majority of which is of a party opposite to the Governor's and with federal agencies have been harmonious.

During the past two years there has been continued negotiation with the other six states in the Columbia River Basin Compact which represents the maximum degree of agreement possible at present. While a more comprehensive program, such as that envisioned in the regional corporation concept, would be desirable, we have dept open the door of interstate cooperation.

The Port of Portland and the City of Portland's Commission on Public Docks --- one appointed by the governor one by the Mayor of Portland --- operate in a jurisdiction essential to our economic p progress. As a first step toward bringing about closer cooperation between the two agencies, all named to the Port of Portland the then Chairman of the Dock Commission. The opportunities for the development of the Columbia River require more than closer state-city action. Under study is a proposal for an Oregon-Washington compact along the lines of the New York Port Authority.

One of Oregon's most tragic disasters occurred on the night of August 7, 1959, when a truck exploded in downtown Roseburg claiming 14 lives and causing approximately \$12,000,000 property damage. The community demonstrated unusual courage and calm in facing this catastrophe. Order was maintained and property protected thorough the alert action of the State Police, and units of the Oregon National Guard as agencies, including such state organizations as the National Guard, the State Police, the Public Utilities Commissioner, Insurance Commissioner, Highway Commission, and Civil Defense Agency cooperated very effectively as they demonstrated the ability of the state and local agencies to meet the test of crisis.

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Your Governor experienced the privilege of election to membership on the nine-man executive committee of the National Governors' Conference in June. In addition, I have taken the chairmanship of the Western Governors' Conference committee on economic development of the West.

As the two-year period covered by this report came to a close, it became possible for Mrs. Hatfield and me to accept the invitation of the governments of Brazil and Argentina to spend some two weeks in those countries. There can be no doubt that the people-to-people program President Eisenhower envisioned can do much to develop further good will among the formal functions and made our way independently to schools, hospitals, and homes of modest income it became increasingly apparent that such exchanges must go beyond the well planned itinerary and the scheduled tour. I have said previously we in this country must arrange for our guests to "get off the Manhattan-Hollywood axis and out to the crossroads of America for a true idea of what we are like." And so it is in visiting other countries.

In the 20 months since you adjourned, three former Oregon chief executives and a United States Senator have died: Oswald West, A. W. Norblad, Douglas McKay and Richard L. Neuberger. I note the passing of these four statesmen as a solemn reminder of their careers and the purposes for which we are met in efforts to be worthy of our heritage.

Respectfully Submitted,  
Mark O. Hatfield

#### **Veto Messages, 1961**

Source: STATE OF OREGON VETO MESSAGES BY MARK O. HATFIELD, GOVERNOR FIFTIETH AND FIFTY-FIRST LEGISLATIVE ASSEMBLIES SALEM, OREGON JUNE, 1961

Note: All vetoes on which legislative action was taken by the adjournment of the 1961 session were sustained. (\* Four vetoes made after adjournment will go before the next legislature.)

SENATE BILLS, 1961

SENATE BILL 96\*

June 2, 1961

Senate Bill 96, while a laudable and humanitarian approach to the problem of mental illness or defect in a criminal case, is, in my judgment premature. The bill lacks adequate safeguards and there are not sufficient institutional facilities and trained personnel to employment that could become sideswiping changes in our concepts of criminality.

If a substantial percentage of persons who now are incarcerated in our penitentiary and other correctional facilities were to be helped by or in mental institutions, it is imperative we have assurance of adequate security both from the standpoint of the plant and the personnel who would maintain that security. Society should not be subjected to potentially dangerous criminal behavior in the instance of one found to have a mental defect of illness any more than by criminal activity by those with an insufficient mental defect to be absolved.

I have every sympathy with promotion of mental health. The Legislature passed the principle recommended to them in my message for community mental health clinics. I am impressed by diligent efforts, as in this bill, to modernize our statutes and concepts.

Two national authorities tell us that "it was long believed that a clear distinction in kind exists between the normal mind and the abnormal mind; that each person is clearly and distinctly either sane or insane. Such a belief is no longer held by scientific students of mental problems. It is quite apparent that most normal

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individuals exhibit certain abnormal traits, and that many persons suffering from mental and nervous disorders exhibit some degree of mental integration and intellectual lucidity.”

With this I concur. But presented to me is a bill which would open the door to an era of complete re-evaluation of our approach to the criminal with mental problems. And even with full recognition of advances in sociology and psychiatry, I do believe we are not yet prepared for the custody and treatment problems which would result. Poor custody and inadequate treatment could set the program back by decades.

Ward 38 at the State Hospital in Salem has become a well-known facility both because of the nature of its occupants and because of some headline events which have occurred there from. There have been other instances of public alarm and concern as a result of the inadequacy of the facility to deal with some of those put in its charge.

Until such time as we are adequately prepared to cope with these individuals --- both from the standpoint of treatment and custody --- they and society will be better served under present law.

Therefore, because of these objections, I file herewith SB 96 unsigned and unapproved.

SENATE BILL 510\*

June 2, 1961

I file herewith Senate Bill No. 510, unsigned and unapproved.

This bill prides that the Highway Commission shall pay the cost of moving certain utility facilities that may be located on the highway right-of-way. The constitutionality of this bill is in serious doubt. This question was raised by the Chief Counsel of the State Highway Department before the House Committee on Local Government. He and other legal counsel believe such use of highway funds violates Article IX, section 3 of the Oregon Constitution and also, that it would be lending the credit of the state contrary to Article XI, Section 7. In addition, the classification of persons who would benefit from this bill is arbitrary and discriminatory.

Because of these objections, I am filing SB 510 not approved.

SENATE BILL 526\*

June 1, 1961

SB 526, which authorizes a sixty-day injunction against action taken by the Liquor Control Commission in suspending or canceling licenses, here-with is filed without my approval or signature.

Oregonians have historically insisted upon close regulation and control of the sale of alcoholic beverages, although some departures from the original concept of the Knox law have occurred through vote of the people's and legislative action. Maximum control can be realized only when substantial authority remains in the hands of the administrative agency. SB 526, with its provision for a sixty-day injunction against Commission actions, would in effect frustrate the administration of the law and would be a disservice to the people of the State of Oregon.

Some states believe in this concept so strongly as to permit no appeal at all. Oregon does have a procedure of appeal to the Circuit Court. The state is better served by the expeditious abatement of a public nuisance with a fair right of review than by providing a restraining order which would result in undesirable delays. Our enforcement efforts would be severely handicapped if this act were to become law.



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My opposition to the principle involved herein is well known and was made clear during the legislative session. I cannot condone the continued operation of an establishment which has been shown, with reasonable basis, to be in violation of liquor control regulations. The fact that the existing statute has been fairly and equitable administered clearly demonstrates that this legislation is not needed. Because of these objections, I file SB 526 unsigned and unapproved.

SENATE BILL 90

May 4, 1961

Senate Bill No. 90 would reduce the maximum penalty for a proactive which is universally condemned by our society and by most other societies, as well.

There is ample leeway in present law for consideration of extenuating circumstances. There is no need to restrict, as this bill would do, the imposition of a sentence severe enough to deter those who would deliberately engage in a criminal activity that helps to lure others into lives of immorality and crime.

This bill is not the public interest. I, therefore, return it unsigned and unapproved.

SENATE BILL 32

May 4, 1961

As I indicated earlier in my suggestion that Senate Bill No. 32 be recalled from my desk when passed in its original form, I do not feel that valid data is not available to justify the proposed tax reduction to operators of large trucks. THE tests being conducted by the American Association of State Highway Officials are under way and their results are expected to provide needed additional information which may provide a factual basis for lessening or realigning the tax burden now borne by the trucking industry. I would certainly recommend to the 1963 Legislature that appropriate action be taken to reflect the date provided as a result of these tests.

THE Legislature has amended the original bill which reached my desk, to place a time limitation upon the reduction. I cannot endorse what I believe to e an improper act merely because it has an automotive termination.

Not only have I received the consistent counsel of the State Highway Commission against such reduction, but I have also followed with interest the statements of the President of the United State on the subject. President Kennedy favors additional taxes, increasing the share trucks would pay for federal highway construction. I have not been willing to concur in this view, even at the urging of the Chairman of the Governors' Conference, who sought my endorsement before the Congress of this proposal for an increase.

Oregon's highways are the envy of much of the nation. We have made rapid progress, yet much remains to be done. The trucking industry supported financially a major share of this progress but it has also benefited substantially because of the reduction in travel time and distance resulting for our highway improvements.

Oregon highways needs remain great in all parts of the state. The factual data to support a reduction of needed revenues is not yet available. In view of these facts, I cannot, in good conscience, support this bill. Therefore, I return Senate Bill No. 32, unsigned and unapproved.

SENATE BILL 457

April 14, 1961

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Upon the advice of legal counsel, including that which I am informed is forthcoming formally from the Attorney General next week, I return herewith, without my approval, Senate Bill No. 457, a bill relating to major political parties.

This bill is so broad that its passage would incite violation. It appears to contravene the Oregon Constitution.

I return Senate Bill No. 457 to the Senate unsigned and unapproved.

HOUSE BILLS, 1961

HOUSE BILL 1653\*

June 2, 1961

I am filing herewith House Bill No. 1653, unsigned and unapproved.

My objection to this bill is that it appears to be unconstitutional. The Chief Counsel for the State Highway Department, appeared before committees in both houses and raised the issue as to the constitutionality of the bill as an illegal diversion of highway funds in contravention of Article IX, Section 3, and as arbitrary and discriminatory in contravention of Article I, Section 20, of the Oregon Constitution.

ON May 1, 1961, In Opinion No. 5211, the Attorney General ruled that this bill, if passed, would provide for an unconstitutional diversion of highway funds contrary to Article IX, Section 3, of the Oregon Constitution.

For these reasons I am filing HB 1653 without my approval.

HOUSE BILL 1015

April 14, 1961

As government grows and becomes more complex it opens up the potential for magnitude beyond proper management, control and coordination. The people of Oregon have repeatedly, both in expressions by the electorate and in the history of the Legislature, indicated a desire to have state institutions and headquarters of major departments located in the capital city.

To legislate prohibitions which would prevent the location of a department headquarters in the capital city would be a backward step and would invite further encroachments upon clearly administrative responsibilities of the Chief Executive. Moreover, the expression of intense regional interests as they relate to possible future locations of state departments could result in log-rolling of a nature the State of Oregon has to a remarkable degree avoided over the years.

It is my conviction that the people will be better served through the location of the State Public Welfare Department in the state capital than they are with the headquarters elsewhere. IT is my hope that better communications, coordination, and service will result though closer inter-agency actions between the Welfare Department and such other state activities as those which deal with employment, vocational rehabilitation, veterans affairs, most state institutions, electronic computation, labor, budgeting and like matters.

For purposes of public understanding it is important to note that location of top administrative arm of Public Welfare in the state capital will not reduce the effectiveness of services performed to the individual welfare recipient. These services are provided through the county welfare offices. Moreover, it is intended to retain branch offices of such services as may deal with private organizations operation in the Multnomah County area.

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The foregoing reasons, together with the belief we can achieve new harmony and effectiveness through the inclusion of the Public Welfare Department in the more direct relationships in a geographical as well as an administrative sense, form the basis of my decision.

Opposition to this position has been based to a large extent on the fact that Multnomah County is the largest in population and therefore should retain the Public Welfare Department. This argument would locate virtually the entire state capital activities in Portland. It is not a sound position in my opinion.

I am, therefore, returning House Bill No. 1015 unsigned and unapproved for the objections cited herein.

SENATE BILLS, 1959 SENATE BILL 500

May 29, 1959

I am filing Senate Bill No. 500 unsigned and unapproved.

My objections to this bill are that it could make the selection of medical services a matter of court review. The claimant now may choose the first series a matter of court review. The claimant now may choose the first doctor to treat him; and the Commission, I know, upholds the principle of free choice of a doctor. Under present law, however, the Commission has the right, seldom exercised, to reject a doctor's services in a particular case and, I believe, it would be costly to the state and most cumbersome to the Commission if court appeal from such a refusals were permitted. In the rare case when a particular doctor's services are refused, there are many others from whom the workman may make his choice. It is the duty of the Commission to husband the rust fund, and it must be allowed to exercise authority and discretion in preferment this duty.

SENATE BILL 366

May 29, 1959

I am filing Senate Bill No. 366, unsigned and unapproved.

My objection to this bill is that it adds to the number of positions exempt from civil service.

There is room, I believe, for improvement in the Multnomah County system, such as removal of the discriminatory age and residence requirements. THE overall effects of this bill, however, are detrimental to county civil service, and for that reason it has been opposed by Multnomah County employees and their civil service commission.

SENATE BILL 526

May 28, 1959

I am filing Senate Bill No. 366, unsigned and unapproved.

My objection to this bill is that it adds to the number of positions exempt from civil service.

There is room, I believe, for improvement in the Multnomah County system, such as removal of the discriminatory age and residence requirements. The overall effects of this bill, however, are detrimental to county civil service, and for that reason it has been opposed by Multnomah County employees and their civil service commission.

SENATE BILL 459

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May 5, 1959

I return herewith Senate Bill no. 459, unsigned and unapproved.

My objections to this bill are that it prevents an elected official from holding his office until the time of accepting a second, to which he has also been elected, and it does not consider the possibility of an election contest, which may not be settled until later than the vacancy date expressed in the bill, nor does it consider the possibility of a tie vote for Governor, which would have to be resolved after the Legislature convenes in January.

The right to hold an office until the acceptance of a second one is well recognized in our system of government and has served us well. There is no need to change this concept now. When the people elect a person to one office and then elect him to another, there is no reason to deny them arbitrarily and almost immediately his services in the former.

Furthermore, there is a serious question as to the constitutionality of the bill as it applies to offices, the terms of which are fixed by the Oregon Constitution.

SENATE BILL 446

May 5, 1959

I return herewith Senate Bill No. 446, unsigned and unapproved.

My objection to this bill is that it unnecessarily limits the conditions upon which a public official's resignation must be based. I feel that there is no need for such legislation. It places undue restrictions upon a public official who may wish to resign upon the occurrence of an event the time of which is not known in advance. Prospective resignation should be encouraged rather than discouraged so that decisions to resign may be known early and plans for orderly transfer of the office can be made. Laws concerning resignations of public officers must be flexible in order to meet the great variety of situations that will develop. Restrictions should be limited to those that are necessary to give the law meaning and workability and protection to the public.

SENATE BILL 420

May 5, 1959

I return herewith Senate Bill No. 420, unsigned and unapproved.

This legislation is unnecessary and establishes again the beginnings of a myriad of boards, commissions, and advisory units diffusing responsibility by statute. Because the Board of Control can, and no doubt will, appoint an Advisory Committee to serve as a Board of Visitors to the Fairview Home, it is my opinion that we need not at this time add to the statutes with such groups as indicated in the proposed legislation.

Believing that one or the other of these companion bills- Senate Bill No. 419 and Senate Bill No. 420 --- might be desirable, but not both, the Board of Control will attempt to combine the desirable features of each into the single committee to be appointed.

SENATE BILL 419

May 5, 1959

I return herewith Senate Bill No. 419, unsigned and unapproved.

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This legislation is unnecessary and establishes again the beginnings of a myriad of boards, commissions, and advisory units diffusing responsibility by statute. Because the Board of Control can, and no doubt will, appoint an Advisory Committee to serve as a Board of Visitors to the Fairview Home, it is my opinion that we need not at this time add to the statutes with such groups as indicated in the proposed legislation.

Believing that one or the other of these companion bills --- Senate Bill No. 419 or Senate Bill No. 420 --- might be desirable, but not both, the Board of Control will attempt to combine the desirable features of each into the single committee to be appointed.

#### SENATE BILL 371

May 5, 1959

I return herewith Senate Bill No. 371, unsigned and unapproved.

The essence of a presidential preference primary is that delegates reflect to the base of their ability, at the national nominating conventions, the expressed wish of the majority of their political party. An omission from this bill, as finally passed by both chambers, leases the proposed measure considerably weaker than existing statutes. I formed this opinion after simultaneous consultation with the state chairmen of both major political parties, Mr. Dave Epps and Mr. Peter Gunnar. Bi-partisan attempt was made this morning to have the Senate recall the bill from my desk for repassage with the complete amendment included. But, because of the time facto and owing to the lateness of the hour in the 50th Legislative Assembly, I am advised it did not seem practicable to recall the bill.

Believing, therefore, that present law is preferable to this proposal in the form in which it arrived at my desk, I am, therefore, returning it disapproved.

#### HOUSE BILLS, 1959

##### HOUSE BILL 617

May 29, 1959

I am filing House Bill No. 617, unsigned and unapproved.

This bill is unnecessary. It merely recognizes the long-standing practice of creating interim committees by joint resolution. Moreover, the bill attempts to make a resolution the same as a law, which it is not.

##### HOUSE BILL 455

May 29, 1959

I am filing House Bill No. 455, unsigned and unapproved.

For almost half a century, the management of certain of our state institutions have been vested in the Governor, Secretary of State, and State Treasurer acting as a Board of Control.

To many observers, the existence of the Board of Control is objectionable as a division of executive authority, a weakening of the Governor's position. There has been --- and properly so --- recognition that if we are to hold the Governor responsible for the acts of the administration, the Governor should have power to appoint and direct the heads of administration departments. But, there is one group of agencies to which such administrative logic does not apply. Their residents of our institutions do not have freedom of political action. We, therefore, require special assurance that these wards of the state are cared for by a state agency

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that assures breadth of wisdom and experience and iniquity of policy, through consideration of administrative issues, at open meetings.

The best device we have found for these purposes is the Board of Control.

I cannot assent to its abolition at this time. I would appoint out that the provisions of House Bill No. 126 authorizes government reorganization plans to be submitted to the 1961 Legislative Assembly. Reference will very likely be made to the management of our state institutions in a comprehensive presentation for reorganization.

HOUSE BILL 215

May 29, 1959

I am filing House Bill No. 215, unsigned and unapproved.

My objection to this bill is that it could prevent lumbermen from financing their payrolls and other expenses by means of warehouse receipts, because banks could no longer rely upon the value of such receipts. This would unduly hamper and discourage lumber operations that depend in any substantial degree upon warehouse receipts. There appears to be no actual necessity for such legislation; and the harm it could cause to this vital Oregon industry, and the jobs dependent thereon, far outweighs any of its possible advantages.

HOUSE BILL 211

May 29, 1959

I am filing House Bill No. 211, unsigned and unapproved, for the reason that both the Fish Commission and the Game Commission, at the present time, have sufficient authority under existing statutes to take fish and shellfish for the purposes deprived in the proposed legislation. Present laws are sufficient to discourage vandalism or molestation of racks or other obstructions or the fish or eggs they hold.

The bill places no limit on the length of time racks, traps et cetera, may remain in a stream. It is questionable whether this latitude should be given since an entire run of anadromous fish might be lost to the stream.

It is suggested that the Legislative Interim Committee on Natural Resources may wish to give further study to this problem.

HOUSE BILL 656

May 28, 1959

I am filing, herewith, House Bill no. 656, unsigned and unapproved.

Although the goals which this legislation seeks to accomplish are desirable, these same goals can be realized without the adoption of this Act into law. THE legislation is unnecessary and merely adds to the cast number of statutory boards, commissions and advisory units.

Since there is a need for a study of the operation of the industrial Accident Commission, and a review of the Workmen's Compensation Law, A Governor's Committee can and will be appointed to undertake the necessary studies. An executive committee can perform the function without adding to the complexity of the statutory structure of state government and can readily disband if and when its purpose is completed.

HOUSE BILL 496

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May 26, 1959

I am filing, herewith, House Bill No. 496, unsigned and unapproved.

My objection to this bill is that at a time when traffic deaths are mounting at an alarming rate there can be no justification for easing the driver controls exercised by the Department of Motor Vehicles. License suspension is one of our most effective deterrents to traffic violations and is a major part of our traffic safety program.

The Motor Vehicle Department has a definite responsibility for the quality of drivers using our public streets and highways, and this responsibility can be discharged only by removal of those drivers who repeatedly violate traffic laws. Such control is necessary to protect the public safety.

The department has recently established a workable and fair procedure for granting special license to deserving drivers and has thus removed whatever necessity there may have been for legislation on the matter. Furthermore, experience in other state, where attempts have been made to legislate occupation licenses, has shown such laws to be impractical.

HOUSE BILL 138

May 28, 1959

I am filing, herewith, House Bill No. 138, unsigned and unapproved.

Collective bargaining, the essence of labor-management relations in private enterprise, cannot operate effectively in a government setting. Government, with its civil service, legislative process and many other personnel procedures unlike those of private enterprise, has most of the protections, and opportunities for which unions were formed. Government must always remain responsive to the governed. The introduction of collective bargaining would be contrary to the requirements of democratic processes.

The entity with which the union would bargain such as a department head, school superintendent, county official is not the final source of decision in setting salaries. Bargaining with a department head cannot accomplish budgetary changes which are decided by legislature or a city council; bargaining with a school superintendent does not determine the outcome of the school budget election; the same is true with respect to the county court or commissioner and the county budget.

The strike, used by unions which collective bargaining fails, is an essential element in true collective bargaining. But no government can concede the propriety of strikes by public employees.

A need for this legislation has not been demonstrated.

HOUSE BILL 47

May 28, 1959

I am filing, herewith, House Bill No. 47, unsigned and unapproved.

It is my conviction that this legislation would be injurious to the effective functioning of the Workmen's Compensation Law, would jeopardize the relationship of physicians with the Industrial Accident Commission and would result in no benefits to the worker. In a since, the legislation would violate the confidential relationship existing between the doctor, the claimant and the Commission. At the present time physicians feel free to give the connected, with the injured workman's condition, which is of course, to the workman's advantage. If these reports are not confidential, the physicians will be concerned that some of

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their statements could be misinterpreted by the patient and they would be reluctant therefore to give full and completely frank reports.

I believe the legislation would lead to increased legislation, which would further congest the courts and increase the cost of administration of the law without any corresponding benefits to the injured workman.

If medical reports are necessary, they may be secured by subpoenaing the examining physicians at the time of a trial.

HOUSE BILL 72

May 8, 1959

I am filing herewith House Bill No. 72, unsigned and unapproved.

My objection to this bill is that it will not accomplish the purpose for which it is intended. The purpose of the bill, as stated by its proponents, is to provide rate protection for log truckers to eliminate some of the hardships which now exist because of competition in the industry.

Experience in other states has shown that enforcing rates of log trucking is not administratively feasible. The Rate Division of the Public Utilities Commission of the State of California, in a report dated April 15, 1959, said, "considering the difficulties and the substantial continuing expense which the establishment and maintenance of such rates would necessarily entail, it must be questioned whether the undertaking would be justified as a matter of public policy." IN Washington, where a law similar to House Bill No. 72 has been in effect for some time, representatives of the Public Service Commission have recognized that the law cannot be equitably enforced, and reportedly they have virtually abandoned any attempt at its enforcement. The attempts that have been made appear to have met with resentment from both logging operators and truckers.

After a thorough review, The Oregon Public Utility Commissioner feels that the administration and enforcement of this bill in a manner acceptable to the log and dump truck operators, large and small, is impossible, principally because the many factors upon which rates would be based are unstable and do not lend themselves to generalization.

The bill can be of no benefit to the affected carriers, but with its companion, House Bill No. 29, would impose upon them a substantial increase in fees as well as added burdens in the way of hearings, complicated reporting, detailed record keeping, and adherence to numerous restrictive regulations.

I feel the bill is not in the interest of either the trucking industry or the general public. For the above reasons, I have vetoed House Bill No. 72.

HOUSE BILL 29

May 8, 1959

I am filing herewith House Bill No. 29, unsigned and unapproved.

My objections to House Bill No. 29 are that it and House Bill No. 72 have been considered as companion measures. House Bill No. 29 was designed to provide the funds necessary for the administration of the provisions included in House Bill No. 72.

Since House Bill No. 72 is not being approved, House Bill No. 29 has no purpose, and it is hereby vetoed.

HOUSE BILL 23



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May 8, 1959

I am filing herewith House Bill No. 23, unsigned and unapproved.

House Bill No. 23 creates a separate Board of Tax Appeals without altering the responsibilities or organization of the State Tax Commission.

I find the bill objectionable because it creates an agency without a legislative appropriation to cover its necessary expenditures.

For these reasons, I veto House Bill No. 23.

HOUSE BILL 626

May 5, 1959

I return herewith House Bill No. 626, unsigned and unapproved.

My objections to the bill are that it creates no material benefits but rather imposes additional labor, complications and expense upon the offices of sheriff and county treasurer, especially in Eastern Oregon counties where staffs are small and in some cases part-time. The transfer of tax collections to the treasurer on or before the 10th of each month, as now required by law, has proved satisfactory wherever covered. The acceleration of such transfers would only work an unnecessary hardship on both offices in the majority of counties. Distribution to the taxing districts by the treasurer would still have to await the sheriff's statements and his destination of the funds to which the moneys are to be allocated.

HOUSE BILL 404

May 1, 1959

I return herewith House Bill No. 404, unsigned and unapproved.

Passage of this proposed legislation would be discriminating, potentially disturbance-creating, and offensive to some patrons. Entertainment on premises such as those affected by his bill has been permitted in the past entertainment in taverns. It would be a mistake to commence a return to those former conditions.

Furthermore, the bill applies to Class A and Class B retail malt beverage licenses only and on to restaurants licensed under ORS471.25909 subsection (1) nor under subsection (2), nor to dispensers licensed under ORS 472.110, subsection (2). This makes the legislation discriminatory.

The potential for disturbance is considerable in neighborhood taverns. Unless separate singing facilities are provided some patrons would find singing objectionable whereas hushed conversation is not.

Taverns do not have as their purpose the provisions of setting for singing. The need for this legislation has not been amply demonstrated. Objections to it far outweigh what pleasures it might bring to a vocal minority.

HOUSE BILL 366

May 1, 1959

I return herewith House Bill No. 366, unsigned and unapproved.

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My objection to this bill is that it extends the racing season in Oregon from six months to eleven months and thereby encourages operators to increase racing facilities and activities throughout the state. In my opinion legislation which may contribute to the multiplication of racing facilities out of proportion to the state's present population is not in the best interest of our people.

HOUSE BILL 148

May 1, 1959

I return herewith House Bill No. 148, unsigned and unapproved.

My objections to this bill are that it would open the door to a rash of lawsuits against the state of Oregon and would require the Highway Commission to pay from State Highway Funds for the effect of grade changes occurring along county roads being built with Federal aid money. Actually, the Highway Commission is service merely as an administrator of the Federal program for the benefit of counties and any required grade change is a benefit to the county, not to the state; and, its costs should be paid from county or Federal money, not state.

It is, therefore, wrong for the state to have to pay out of its highway fund for damage to property by reason of a grade change.

Also, the bill makes the state liable for "any damage." This term is undefined and must be too broad. Furthermore, the bill makes provision for joining many plaintiffs in one suit, which omission could lead to an unbearable multiplicity of suits. In addition, section 4 of the bill appears to give to the court the power to settle claims of persons not before the court and thus deprives them of constitutional rights.