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MESSAGE  
OF  
THE HONORABLE RALPH L. CARR  
GOVERNOR OF COLORADO

Delivered before the Joint Session of the  
COLORADO LEGISLATURE  
*Thirty-Third Session*

At Denver, January 9, 1941

Members of the Thirty-third General Assembly  
of Colorado:

On behalf of the people of Colorado, I welcome you to the performance of a task which, when the final verdict of history is returned, may prove to be one of the most important in the lives of all of us.

Since we met here two years ago, things have happened, conditions have developed, theories of national and international conduct have gained ascendancy of which we never dreamed then and which threaten now to influence the future of our lives, of our state and of our nation—of civilization itself. Two years ago our problems involved only the welfare of our state and its people. Our financial worries loomed big, and our local relationships and their adjustments filled our thoughts and claimed our every attention. But those were days of peace. And our problems were merely the age old bickering common to all large families.

As we gather today, Colorado's sons in the ranks of the National Guard of yesterday are learning the art of war in distant states of the Union; our youth is being conscripted for the defense of our own nation; and many of our more adventurous are offering their lives as volunteers in the service of the cause of Democracy under the flags of European armies. We can almost see through the windows of this chamber the outline of structures rising against the western skyline, designed for the production of death-dealing equipment on a war basis; the eastern air is alive with the planes of fighting

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birdmen whose wings may carry them we know not where. Our ears are still ringing with the pronouncement of the President that this nation can no longer remain inactive in the role of a neutral while democratic nations are erased on schedule in monotonous but terrifying sequence.

Every business house, every factory, every mine, every farm, every home, every life in this country has already been touched by the dread hand of war, although we are not actively participating and the actual conflict is thousands of miles away. The full weight of its pressure has not been sensed by most of us yet; but as the days come on and the record is made, we shall come to realize it all too clearly. And upon the members of this General Assembly and upon all persons engaged in the operation of the state's governmental machinery, there devolves a duty to our nation, to our people and to ourselves at once so grave, so immense, so vital in its every aspect, that all considerations of partisanship are dissolved. We are not Republicans; we are not Democrats; we cannot be in this crisis—we are Coloradans; we are Americans. Whether we agree personally with the policy adopted by the national administration in establishing a defense is beside the point. We are unalterably committed to that defense, whatever its direction, and our course must follow the line which the nation's heads determine.

In order to do our little part in the great undertaking of 1941, then, we must approach the solution of our local and state problems with an eye always upon the major factors of national policy. And our first duty is to see to it that essential state activities are carried on at a minimum of cost and with a maximum of efficiency. We must continue calm in any event and every approach to every question must be sane and practical.

It had been my hope, even before the critical problem of our national welfare was injected into the picture, that little of a controversial nature would have to be considered by your body at this session. The matters which you will act upon are in no sense partisan; and now, with the superior needs of our national unity overshadowing everything of local moment, I know that the members on both sides of your two houses will work in unison. Then the taxpayers of Colorado will be asked to bear no greater burden than is necessary, and a fuller measure of enjoyment may be returned from each dollar. The certain increased demands for national activities render an increase of state and local taxes unthinkable.

In order to cooperate properly with the National Administration in its conduct of our defense activities, it is necessary for us to organize a council of defense which will bring every available support to the task.



Flying fields, training camps, factories and plants designed to aid in the business of training our armed forces and providing materials necessary for defense have already been established and more are contemplated. It becomes obvious that we cannot blind our eyes to the presence among us of persons owing allegiance to nations against whom our defense activities are directed. To furnish some measure of protection for these enterprises, a home defense unit, to supplant the National Guard, which has already been called into the national service, is essential. Bills to provide authority for these will be submitted for your consideration. These should be given immediate attention so that our part in this phase of the nation's problems may be undertaken before the last of our National Guard units leaves Colorado.

It is to be hoped that the home defense unit may be limited to a small number. Equipment will be expensive. While the National Government is committed to furnish such equipment as it may have available this is such an indefinite quantity that we must act as if it were very limited in its availability. Let it be here understood that while the watchword of this administration has been and must continue to be "no additional new taxes," any essential activity in connection with our nation's defense plan must be considered as a necessary exception.

And so, with the picture of our nation threatened ever before our eyes, with the call ringing in our ears to bend every effort to promote its defense, let us approach our problems of state in a spirit of friendship, of cooperation, of true humility.

To its consummation I offer you every thought, every moment, every energy. Let us work together as no similar group of executives and legislators has ever worked; to the end that our task may be performed fully, wisely and inexpensively. To your everlasting credit will it be recorded that the members of this General Assembly caught the vision and completed a great task in a spirit of true Americanism?

It is agreed by both major political parties in this state that the only method of permanently reducing the expenses of government is to be found in a simplification of our complicated setup. Both have promised the people to accomplish a definite reorganization. Why then can we not agree on the details and put it across on a nonpartisan basis?

When it becomes clear that reorganization is being attempted for the good of the people, through the introduction of economy and efficiency in the conduct of state affairs, with no thought for personal gains or partisan preferment, then the job can be done.



No man's job is to be sacrificed for mere partisan considerations. On the other hand, no man should hold a job whose existence is not essential to some state benefit.

Wherever needed reforms are possible by the enactment of new statutes, such new laws should be passed at this session. Complete reorganization, however, can be effected only by the modification of existing constitutional provisions. Proper constitutional amendments should be submitted to the voters at the next general election by your action.

For example, the Executive Department should be organized along the same lines as that of the national government. The Chief Executive, with the aid of cabinet members appointed by him and in sympathy with his policies, should be permitted to carry out the program for which he stood when he was elected and should be responsible for the conduct of the state government.

The present Executive Council, made up of five elective officers, each under the necessity of satisfying individual campaign commitments and promises and oftentimes burdened by the hazard of reelection on the basis of his accomplishments at the Executive Council table, does not make for harmony, for efficiency or for the accomplishment of any definite program in the interest of the people. The adoption of a short ballot, making the Governor, the Lieutenant Governor and the Auditor the only elective state executive officials, would constitute a forward step in the direction of efficiency and would simplify the state's governmental setup immeasurably. When the State Treasurer is equipped to perform the tasks of collecting and disbursing all moneys in which the state is interested, when the Secretary of State keeps the records and performs the clerical business of Colorado, when the Auditor checks every transaction and the Attorney General is engaged in advising all officials and acting as lawyer for the state, then a large part of the answer will have been written.

In this connection, you should also consider the desirability of extending the term of the elective state executive officials to four years.

Consideration should be given to a revision of our court system to correct the present situation wherein some district judges are overburdened with work and others find their dockets extremely light. The Supreme Court might well be given the power to assign judges so that court work would be equalized and the disposition of lawsuits expedited. The abolition of the county courts and the transfer of their functions to the district courts would seem to be a desirable simplification of our judicial system. These reforms



may be secured only through appropriate constitutional amendments.

Two years ago it was suggested that Civil Service, as conducted in Colorado, was rushing to its own destruction and to the certain loss of the merit system. Those in charge were called upon to correct existing abuses. Unfortunately, little has been done, and at the present time important offices are being filled under regulations published by the Civil Service Commission which are cut to the pattern of certain individuals. This is not only not the merit system, but it outdoes the blackest evils of the spoils system. It selects a man without real competition and then crystallizes him in an office from which he cannot be removed by an enlightened and perhaps outraged citizenry at the following election.

In connection with reorganization, the ideal of those who believe in the merit system might be more closely approximated by a constitutional amendment calling for the establishment of a commission of non-paid members, whose duty it would be to determine policies and to make rules and regulations, thereby leaving to scientifically selected and trained and qualified persons the business of holding tests, grading examination papers and determining qualifications for office.

If we are to maintain any semblance of a merit system in Colorado, the present abuses must be wiped out. First among them should be a rule which will make it impossible for a provisional appointee to profit doubly by his appointment. When he receives an increased grade for the better paper which he is enabled to write because of his training at the expense of the state, he is not entitled also to a bonus in the form of credit for experience. When this one factor is remedied, a long step will have been taken toward the reform of our present system.

Of one thing I am certain, and I am again sounding a warning—there must be a cleanup of civil service. It should be forced by those who are interested in the merit system and who, because of their positions, have a stake in its correction.

Other suggestions made by your interim committee and with which you are familiar will guide your conduct and enable you to really accomplish a reorganization.

The effort toward reorganization may be more willingly attempted perhaps if it is understood that the Governor is not trying to force any particular plan down the throats of the General Assembly. I am merely asking you to determine what changes should be made and what boards, bureaus and com-



missions, from the multitude in our midst, are so closely correlated and connected with others that their several functionings may be accomplished under fewer administrative bodies.

When you went home in the spring of 1939, I asked you to study the reports of experts, made available to you, and to suggest changes in the measures introduced at the last session. Most of you are conversant with the whole question. Surely you are prepared for this great mission. Each of you knows of many boards and bureaus which might well be merged; of overlapping activities which should be eliminated; of accounting systems, inspection agencies and tax and license fee collection departments which might well be coordinated under fewer heads.

The function of tax collection should not be divided as it is now between the Secretary of State, the State Treasurer and other state departments. At this time it is not unusual in the outlying communities of this state for a merchant to receive on the same day visits from many different representatives of state departments engaged in the collection of revenue and the enforcement of various inspection statutes. For example, a druggist, say in Craig, may in one day be visited by different representatives of the State Treasurer's office checking on income tax, sales tax, use tax and service tax, and after these leave still another man may come from the same office to collect the chain store license tax. From the Secretary of State's office, this druggist may have a caller investigating some phase of the intoxicating liquor laws, and after he leaves, a representative of the State Board of Health may come for an inspection under the food and drug laws. Under a simplification of state government, the collection of revenue should be unified in the office of the State Treasurer and one man, not three, four or five, should be able to take care of all such collections in his trips throughout the state. This is purely an administrative matter in which efficiency should be the only watchword. The saving in salaries and traveling expenses alone would be sufficient to justify the unification of collection and inspection agencies.

Many boards, bureaus and commissions now functioning which collect license fees, taxes and other moneys which are known generally as cash funds and have amassed surpluses. In few instances have such bodies been established by the General Assembly for the purpose of raising revenue. Their sole function is to establish and maintain business, trade and professional standards for the protection of the public. If surplus license fees accumulate, it means that the cost of the service rendered has been too high. The obvious remedy is a decrease in the amount of the fees and taxes imposed. Provision should be made for the transfer of surpluses to the general fund at the end of each biennial period.



The expenditure of all but about 18 per cent of the state's revenue is now under the control of a multitude of independent boards, bureaus and commissions. This fact alone shows the necessity not only for the unification of boards, bureaus and commissions but also for the centralization of responsibility for the handling of all state finances.

Is it too much to ask that you set out immediately upon such a reorganization? It is for this reason and in the hope that you would take this suggestion kindly that the Chief Executive determined to come before you at this early date rather than to wait until the inauguration on next Tuesday. This suggestion should enable you to prepare bills and to agree upon methods of procedure before the time allowed for the introduction of bills has expired.

As the candidate for the Governorship, I twice pledged myself to reorganization. It is the one thing which I hope may be accomplished in the next years. I stand ready to devote my time to aiding you in this work. Whatever I have learned is at your service. Work done along this line is placed at your disposal.

In the name of the people, I am calling upon you, as the lawmaking bodies, to bring to my desk within the next few weeks enacted measures which will fulfill your promises and mine to them and which will accomplish for Colorado and her people the blessings which only an intelligent reorganization can accomplish.

The constitution requires the General Assembly to revise and adjust the apportionment of Senators and Representatives at this session, which is the next following an enumeration under the census made by the authority of the United States. In performing this duty, and in connection with your reorganization work, the Legislature might well consider whether the larger counties of the state should be subdivided in such a manner as to permit no section to be represented by more than one Senator or Representative. This would require a constitutional amendment, as there is a provision prohibiting the division of counties for such purposes. It would seem that the people in the various sections of a city like Denver could be more directly represented if it were to be cut up into smaller districts approximating a Senatorial or Legislative District in the out counties of the state. With the people in smaller districts afforded an opportunity to select their own representative, rather than merely to join with all of the people of the entire county in the selection of a larger number, a fairer and probably a more satisfactory representation could be affected.

One of Colorado's great problems, whose gravity has been fully realized officially only in recent years, involves the protection and preservation of the rights of the state and her



people to the flow of her natural streams. The fact that most of the important rivers of the semi-arid West rise in the high tops of Colorado and flow outward across her borders into other states has given rise, in those other states, to activities and plans which do not adequately take into account the future welfare of this state and its agricultural possibilities.

Within the last few years, for the first time, a Water Conservation Board has been diligently gathering data and information essential to an intelligent defense of our rights and their proper distribution. Colorado is in the best position in its history from the viewpoint of basic facts, but in many instances it seems possible that our delays have rendered their possession valueless. This work must be continued.

During the past two years, the federal government has placed in jeopardy the water rights of all persons in Colorado diverting water out of streams on which the Reclamation Bureau has built or is planning the construction of irrigation projects.

In the North Platte River case, where the states of Wyoming, Nebraska and Colorado were originally the sole parties, the United States is now an intervening claimant asserting ownership of unappropriated waters of that river under theories inimical to every idea of property rights on which Colorado has built her irrigation greatness and upon which she plans her future development. This claim by the national government must be challenged to the end that these long-established and valuable rights shall be protected and preserved.

During the past year a favorable decision by the United States Supreme Court confirmed title in the water users of Colorado holding decrees from our state courts safe from attack from without and from readjudication by any federal court. By a more recent opinion of that great court, however, all streams navigable or capable of being rendered so by improvement, come within the commerce clause of the constitution and are therefore within the control of the Congress. Just how far reaching this opinion may be and to what extent it might affect our water rights is not yet apparent. It calls for intensive study and furnishes another reason for unceasing vigilance and activity on our part.

Another matter which would call for the exercise of a degree of unselfishness and cooperation on the part of the decreed water owners of our state, seldom experienced in practical life, involves the proposed construction of small stock reservoirs in dry gulches, ravines, arroyos and on more or less dry creeks in the mountains and valleys of Colorado. For the most part the water so impounded would have its origin in flood flows.



The present statutes require that dams of a certain height shall be surveyed and approved by the State Engineer upon the payment of definite fees. Further, the necessity for invoking the general water adjudication statutes in order to secure the legal right to impound water might also be reconsidered to allow permits to be granted in proper cases by the State Engineer.

Whatever plan is worked out must be without prejudice to existing decreed rights. In fact in many cases it can only be done with the generous acquiescence and permission of such priority holders.

The value of such reservoirs to the irrigation interests can readily be proved to those who know the value of ground storage and who realize the effects of erosion. A reasonable number of such small stock reservoirs, constructed under permits issued by the State Engineer under proper rules and regulations, would have a beneficial effect, not only upon the stock-raising industry, but also upon the irrigation activities of the state. It is to be hoped that some form of cooperation may be devised which will render such a procedure possible.

During the last two years I have become convinced of the evils flowing from the lack of a scientifically organized and functioning Board of Pardons and Paroles. Under the constitution the duty of determining when any, except automatically paroled persons, shall be entitled to leniency or commutation falls upon an already busy Governor who usually is not endowed by nature, by training or by education to perform the duty properly. It is physically impossible under existing conditions for that official to give applications for executive clemency the attention and the study which they require. There should be a Pardon and Parole Board of non-paid members, giving of their time and energies as public-spirited citizens, to study every case appearing to warrant action and to form conclusions and make suggestions to the Governor. The board should be assisted by a paid secretary of known ability and probably by a psychiatrist of established reputation.

Our present method smacks of barbarism. It does not make for better citizenship, for the reformation of criminals, for the rehabilitation of men, for more efficient penal institutions, nor does it even approximate justice or mercy. I earnestly hope that a board based on a fairer, saner and more scientific system may be established in order that society, the criminal and his family and dependents, may be more intelligently dealt with.

One of the important questions to be considered by the General Assembly involves the ten-year building fund which was established by statute in 1935. By its terms a levy on



property of 1.18 mills annually was to be made over a period of ten years for the construction of state buildings. The federal government, through the Works Progress Administration, then joined in furnishing a portion of the funds for the building plans. The result is that by the end of the fifth year of its operation, through the addition of such federal funds, approximately the amount originally intended to be expended in the improvement of our building system will have been spent. The whole plan has not been completed, however, and there are those who feel that the state should continue the levy throughout the ten-year period without reference to the accomplishments already made and the money already paid out. The maintenance costs of the buildings already constructed are heavy. Changes are due in the next few years which may materially alter our needs. Any chance to give the taxpayers a break by easing their load should be embraced. I think that the plans for building should be trimmed to immediate essentials, that provision for the maintenance of new structures should be made out of the fund, and that the remainder of the levy should be repealed.

May I pause here to commend the members of the State Planning Commission for the intelligent handling of this situation and at the same time extend thanks to the heads of our institutions for their unselfish cooperation in trying to reach an intelligent solution.

The effective regulation of the small loan business has come to be recognized as a necessary social measure. There is a field of activity within whose borders the legitimate money lender may operate. The small borrower must have a place to which he may go for money. And the man who loans to this type of borrower is entitled by the very hazards of the business to larger returns than are afforded the average banker.

But the existing Colorado law permits exorbitant charges and lacks regulatory provisions which would properly arm the state to stop abuses and to prevent the exploitation of necessitous borrowers. High rate lenders have taken advantage of this weakness in our laws.

Because of defects in our existing law and because of the passage of effective regulatory Acts in other states, Colorado has become a haven for high rate and unscrupulous lenders. Shocking as it may be, interest rates exceeding five hundred per cent a year are lawfully chargeable under our present law. Misleading advertising which the state authorities are powerless to prevent draws the prospective borrower. Loans are split so that unconscionable charges may be exacted. Should a borrower fall behind in his payments, harsh collection methods are invoked.



There will be presented to you legislation modeled after the Uniform Small Loan Law as recommended by the Russell Sage Foundation. This law has been successful in many other states, not only in regulating the small loan business, but also in making it possible for small wage earners who are confronted with emergency needs to secure small loans at reasonable rates of interest. The General Assembly, conscious of its social obligations, as I know it is, should not hesitate to end the existing evil by passage of the proposed uniform law. Legitimate money lenders will welcome the improvement. The unfair one is not entitled to be heard.

The current tax problem in one section of the state involving the assessment of a certain mining property with acreage in three counties demands a clarification of existing tax assessing statutes which would afford a better guide to taxing officials. A provision assessing ores in the county where such ores are actually produced might offer the solution.

At each meeting of the Equalization Board in the fall of the year, the point is made that there is no uniformity in the valuation of property for tax purposes over the state. Values have been steadily lowered on some forms of property for tax purposes for the past twenty-five years or more. The result has not been to decrease the taxpayers' burden, however, because, with expenditures fixed the loss in valuation is compensated by an increase in tax levies. This has worked great injury to state institutions and departments having fixed mill levies as their chief sources of revenue. Further inequalities, unfairness and injustice have been multiplied.

It has been necessary on several occasions in Colorado to readjust these inequities by a revaluation of tax properties. The financial problems of the six institutions of higher education in Colorado might almost be solved by a readjustment of property valuations. The legislature should consider the wisdom of financing a reassessment by the Tax Commission to evaluate honestly and fairly all property subject to assessment.

The proper advertising of Colorado's natural attractions would result in a definite increase in our tourist business immediately. Living as close to the Rocky Mountain beauties and opportunities for vacation needs as we do, it is difficult for us to understand that the rest of the world is not equally well acquainted with them. The fact remains that comparatively few people in the United States know anything about Colorado's mountain highways and the accessibility of our fishing, hunting, camping and mountain resorts. These truths should be told in proper manner to those who would spend their summers in the cooler sections of the country.



Further, the best snow for skiing on the North American continent is found in Colorado. When it is realized that there is no place in the Union so well adapted to winter sports as Colorado, then the idea can be put over that this state is a twelve month playground, where extremes of heat and cold are infrequent and short, and where more real pleasure can be enjoyed with less money than in any other part of the country.

In order thus to publicize Colorado's attractions, a reasonable appropriation should be made. My one insistence is that it shall be used for advertising purposes and that a major portion of it shall not be eaten up with salaries, traveling and overhead expenses. We have remained silent too long. There are thousands in the country who usually go overseas a portion of the year who are now looking about for a vacation country. Colorado offers it, and we should advertize it.

With the activity in connection with national defense, there are two matters to which the legislature might well give attention. One involves the business of not permitting saloons and pleasure resorts to be located too close to training camps or to places where young men are to be gathered for any other reason.

The next proposition involves the right to make or to store munitions only at safe distances from towns and communities. Colorado should be a desirable location for such enterprises, but there should be definite rules which would preclude them from becoming hazardous.

These things can be accomplished without friction and without incurring the hostility of those in charge of such operations.

Other similar problems may present themselves to you, and it would seem at this time, as we go into changed conditions, that we should provide, as far as possible, for the prevention of abuses which might prove costly.

In meeting financial problems, as usual the weak chicken is favored and gets most of the attention from its caretakers. This is true in attempting to solve our money questions.

The general fund, which must furnish the motive power for truly essential state activities calls for attention and increases. Two years ago, the normal income approximated \$5,800,000, while the requests for expenditures, including a deficit from the preceding biennium, was a little over 14 million. Through the cooperation of departments and institutions, your appropriation committee cut appropriations to a little over 12 million dollars. We were forced then to transfer the



fire insurance sinking fund and certain other revenues to the general fund, and with the reenactment of the service tax and the allocation of 65 percent of the income tax collections, we were able to make the revenues meet the anticipated expenditures. Good fortune has enabled us to make collections a little beyond the anticipated amounts, and it now appears that even after assuming certain obligations which were not expected, we can go through the biennium with a small surplus.

For the reason that we have not provided any permanent cure for the ills of the general fund, a similar problem confronts us at this time and will continue to be present at every two-year meeting of the legislature until some method has been discovered for taking care of the general running expenses of the state through some fixed source of income.

A large portion of this can, of course, be worked out by the reorganization which is contemplated. When the finances of the state are centralized in some official or group of officials, money can be spent more wisely than at the present time and savings will be accomplished which will enable the state to meet its needs with less money.

This year, of course, we have no deficit. The state's bills are being paid in cash as they fall due. In spite of this, however, the demands for state expenditures have grown very rapidly. Budget requests came in to the Budget and Efficiency Commissioner four weeks ago for a total of \$16,128,763.68 during the next biennium. The normal income, together with what would be derived from a revival of the service tax and a 65 percent allocation from the income tax collections, would produce something over 12 million dollars.

I do not have to argue with you that there is no way further to increase this income. That constitutes a limitation upon the expenditures. We cannot pay 16 millions with only 12 million available.

Automatically, then, the money which can be expended in the general fund during the next biennium is limited to the money derived from the normal income, a reenactment of the service tax, and an allocation of a portion of the income tax collections. The exact appropriations to be made will be determined by your appropriations subcommittee and, with your known revenues furnishing the guide, you will be enabled to determine how much of the anticipated budgetary expenditures may be allowed and which ones shall be cut.

While we are clamoring for savings in connection with our expenditures, we must remember that in a growing state in this day and age there are normal increases which cannot be avoided. On the other hand, there are things which have been done for the last five or ten or twenty years which have come to be accepted although they may not be essential.



May I direct your attention to the fact that the home for mental incompetents at Ridge has asked for an increase of 50 thousand dollars over an allotment of 57 thousand dollars for materials and supplies during the last biennium. Those in charge of the institution advise that the children in that school enjoyed fresh fruit on only four occasions last year, one being on the Fourth of July when they were given bananas, two others in the fall when watermelons were cheap, and the last cause for rejoicing was on Christmas Day, when each got an orange in his stocking. This is a condition which no lawmaker or citizen can justify or ignore.

There has been a completed wing at the Colorado General Hospital, standing idle for the last two years because we had no money with which to open it. Several hundred applicants for admission to that institution for treatment stood on the books at all times, with 84 beds in the wing unoccupied. Your Governor took it upon himself to advise the head of the institution that the wing should be opened on the first of the year and that ways and means would be found to pay for its occupancy at the rate of six thousand dollars per month during the remainder of the existing biennium.

I mention these things to you just to illustrate the pressing need for increases in various directions. They are not happy things to contemplate, and an increase in expenditures is something which we would avoid, but we must meet problems and we cannot gain anything by running away from the realities of life.

Such conditions, however, in some portions of our state activities should simply spur those who are inclined to cooperate to find methods of savings in order to justify the additional expenditures for those who are in such straits.

In this connection, something should be said about the allocation of the income tax money. You probably know that the money which was taken from this source by your generous vote in the last assembly went to take care of the state's share of relief. Had this not been done, the problem of caring for the poor would have fallen upon the towns and counties of Colorado which were in such poor condition to assume such a burden. We are confronted with exactly the same condition at this time.

Your appropriation for relief two years ago was four million dollars from the general fund. The Governor vetoed 300 thousand dollars of that so as to make the appropriations balance with the revenue.

The request is now made for \$5,000,000 for relief during the next biennium. There just isn't that much money available in the state pocketbook. The budget suggested would permit \$3,700,000 during the coming biennium to match the amount which it will have cost in the current biennial period.



It would seem, with the development of new industries in Colorado and with the new jobs which are bound to be furnished in the national defense activities, that a large part of our employment and relief problem would be solved. There seems to be little justification, under all the conditions and with the expenditure of the enormous amounts of money by the Federal Government in Colorado to increase relief expenditures. It remains for the Legislature to determine how much the state is to do for persons on relief. If relief were to be turned back to local authorities, then no income tax allocation would be necessary.

I do not recommend any such thing, however. I simply am trying to advise you of the conditions. The people voted definitely that the income tax collections were to be used as the constitution provided originally. It is my hope that no more of the income tax collections than is absolutely necessary for essential state activities shall be taken. The exact amount you will have to determine when you pass your appropriation bills.

You will be confronted with the question of whether the state should provide additional money by new taxes for the payment of old age pensions. It should be recalled that the *Old Age Pension* amendment to the constitution, sets up six different sources of revenue for its payment. These sources of revenue have not developed sufficient money to pay the forty-five dollars every month. The amount which is paid into this fund, however, is astonishing when it is compared with the money which is used for all state purposes out of the general fund. The expenditures already made and those which are to be made for this biennium for old age pensions will be approximately 31 million dollars while all expenditures for the general fund amount to a little more than 12 million dollars.

With the needs of people on relief, with the demands of those in our charitable and penal institutions ever before us, and with a very definite limitation on the further increases which we can make against our taxpayers, it would seem that the pensioners must be satisfied, through the present stringent times at least, with what is developed for them under the constitutionally allocated sources of revenue.

I cannot justify a recommendation for the enactment of any new tax law to increase the fund of the old age pension. The times are such, the conditions are so trying, and the amounts which we are able to pay to other needy people limit our generosity.

When the whole picture has been blended by a reorganization of the state's functions, it may be that the dream of the proponents of the 45-dollar pension can be realized. It cannot be today.



In this connection, may I make the suggestion to state employes generally—there seems to be a feeling among the people of Colorado that those who work for the state do not expend as much energy in the performance of their duties as they would be required to do in private industry. While it is impossible for the Governor or any other set of officials to police the activities of departments and institutions, it would seem that a standard of efficiency might well be established in every department and institution which would require a given number of active hours' work every day to be rendered by every person who draws his support from a state paycheck.

It is entirely possible that some such reform as this might develop a situation which would take care of a large part of the state's employment problem. It cannot be more than a suggestion. It does not, of course, apply to every individual or to every department. It seems to be enough, however, to justify giving it some attention and consideration. May I ask for cooperation in this direction.

In conclusion, may I hope that my message may not be considered altogether as one of fault-finding or pessimism. Many great things have come to Colorado in the past two years, including the saner adjustment of some of our financial problems.

We have taken care of those entitled to the bounty of the state in a fair manner, business conditions have improved, and the whole feeling of the people has become one of optimism and an earnest desire to cooperate. There is little of bitterness in political circles, and there is perhaps more of the spirit of working in harmony than has ever before marked the opening of a new administration.

For this I am grateful. I shall always remember the men in the Thirty-second General Assembly who worked so unselfishly and tirelessly for the solution of difficult problems. To those who are not with us today, we send a word of greeting. To those of you who are new in the work of the state, may we say that we welcome you as friends. We hope that you may enjoy this great task the same as we, and at the close of this session we may separate happy in the knowledge that we have made a large group of new and fine friends.

May I again repeat that my entire time and life and efforts are at your disposal to cooperate, to counsel and to receive your suggestions.

The people of Colorado have confidence in you; they are behind you in your every effort. You will receive credit for every attempt made to run the state better. You will find it more than worth the effort. I thank you.

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