

The Commonwealth of Massachusetts

ADDRESS OF HIS EXCELLENCY THE GOVERNOR
ON THE GENERAL CONCERNS OF
THE COMMONWEALTH.

January 12, 1977

The Commonwealth of Massachusetts

STATE OF THE STATE

Mr. President, Mr. Speaker, Ladies and Gentlemen:

When I spoke to you last year at this time, we had just come through one of the worst financial storms in the modern history of the Commonwealth.

I said then that the central question facing us in 1976 was whether we would use the hard lessons of 1975 to make the next three years productive ones for Massachusetts.

By all accounts, we *have* learned those lessons.

For the Bicentennial Year saw a strengthening of our fiscal stability, a restoration of confidence in our economy and major improvements in the day-to-day operation of state government.

In short, I think it's fair to say, we have finally come to grips with the limiting reality that government can no longer merely grow and spend. The shape of state government itself reflects these new realities. And compared with last year, or the year before that, or five years ago, state government is leaner, better run and in a far better position to meet the needs of the people of the Commonwealth. But confronting the reality of limited resources, as the Senate President pointed out last week, does not mean that initiative and progress in state government must come to a grinding halt.

Quite the contrary.

What it calls for is a new creativity — a willingness to explore new and more imaginative ways to improve the quality of life of our people without massive new spending programs.

I — you — all of us — can be proud of the things we have been able to do over the course of the past two years to make this vision of a new creativity in state government a reality.

— To reduce waste in government and turn those wasted dollars into valuable services for our people, we have already begun to implement the Management Task Force Report — probably the most exhaustive analysis of the operation of state government we have ever had. Within the next month I expect to file with you

a comprehensive legislative package to carry these reforms forward.

— To hold down the cost of essential consumer goods and services, we have reformed our auto insurance system so that irresponsible drivers bear their rightful burden; we have placed controls on hospital costs which had been spiralling out of sight; we have reorganized the Department of Public Utilities into a strong, full-time advocate for consumers which has turned down nearly a quarter of a billion dollars in unwarranted rate requests. And we have transformed the Alcoholic Beverages Control Commission, a disgrace two years ago, into a forceful and effective regulatory agency.

— To enhance the livability of urban neighborhoods, we have issued the first mortgage disclosure regulations in America, allowing neighborhoods to determine if redlining exists. In Boston, suspected cases of arbitrary mortgage denial can now be appealed to a unique Mortgage Review Board.

— To guarantee equal opportunity for all, we have adopted a vigorous affirmative action program, which has brought more women and minority citizens into state government than ever before, many of them in high positions of responsibility and decision making. And with your help, we are turning the Massachusetts Commission Against Discrimination into a full-time agency which will be working to protect the rights of *all* our citizens.

— To assist our neediest citizens, we have expanded and improved services for the mentally retarded, the mentally ill, disturbed adolescents and children. And my budget for next year will include additional funds for community mental health and retardation programs, secure programs for troubled adolescents, protective services for abused and neglected children, and expanded home care services for the elderly.

— To ensure that no one will live in substandard conditions we have begun to modernize our badly neglected stock of public housing. In the coming year we will expand that program, bringing new and rehabilitated housing to the elderly and providing special assistance to middle-income families for the purchase or rehabilitation of housing in our older urban neighborhoods.

— To confront our most basic responsibility of all — jobs for those who need them — we have embarked on an aggressive and increasingly effective economic development program, the first of its kind in the Commonwealth.

The important thing to bear in mind is that many of these programs have not cost Massachusetts taxpayers one dime. Some have saved money, and no one could call them unimaginative. So if anyone suggests that our fiscal limitations put a limit on creative solutions to our problems, they are wrong. And now that fiscal and management integrity have been restored to state government, we have a golden opportunity to devote more time and effort to improving the lives and livelihoods of the citizens of Massachusetts.

JOBS

From the beginning of this administration our single most important priority has been the creation of new jobs for the people of the Commonwealth. Given a choice people do not want unemployment insurance or welfare. Men and women who are looking for work, ready to work, able to work, are *entitled* to work. Everything we have been doing in the past two years to promote the economic development of Massachusetts has as its goal the employment of our people in meaningful, constructive jobs.

Our efforts, I'm happy to report, are bearing fruit. The Massachusetts unemployment rate has dropped steadily over the past two years.

70,000 more people in the Commonwealth are working today than in January of 1975.

Last year the Commonwealth awarded a record \$490 million in new construction contracts — 11,000 man years of constructive work in an industry traditionally hard hit by recession. These projects — from housing to schools to better highways and mass transit facilities — are basic investments in the long-term future of Massachusetts.

Environmental projects — particularly sewage treatment and water pollution control — will create another 8,000 to 10,000 jobs over the next few years.

And with federal approval, we will undertake a unique program to create several thousand jobs for welfare recipients and those

on unemployment compensation by turning benefit checks into paychecks.

We are targeting public investment in areas where unemployment is highest. Our older industrial centers are the places where our people most need jobs and where our communities need help. And it is in those communities where we must use our available funds to attract even greater amounts of private investment and new jobs.

A million dollars in state and federal funds for a 20-acre public park and marina on the site of the Charlestown Naval Shipyard and the relocation of the Massachusetts College of Art into renovated quarters in the shipyard's abandoned historic buildings are in the process of generating private capital for the investment of some \$60 million in new housing at the Navy yard.

Our commitment to build a new State Transportation Building has broken the logjam which had tied up the Park Plaza project for years.

State and federal funds for the Route 85 bypass in Hudson will mean another major plant expansion for Massachusetts and hundreds of new jobs.

State funds for the Lowell Heritage State Park are already sparking the economic rebirth of one of our oldest and proudest industrial communities.

The Community Development Finance Corporation which became law a few years ago, will provide up to \$10 million in capital to businesses in economically depressed areas of the state; and the Massachusetts Industrial Mortgage Insurance Agency will make \$20 million in new mortgage money available to industrial firms across the state.

Moreover, in the coming months I will propose the establishment of a Technology Development Corporation which will help provide capital for the new companies with potential for real growth in the high technology field. One of the strengths of our economic recovery has been the explosive growth of our high technology industries. If we are to build on that recovery, we must encourage firms which are willing to experiment and take risks.

There is also something far simpler and more fundamental we can do this year to help our economy. We can abolish our archaic

Blue Laws as quickly as possible. This is what the majority of the people of Massachusetts want, and it is a step which can bring new jobs, income and tax revenues into our state almost overnight.

PROPERTY TAXES

Unfortunately, our efforts to rebuild and revitalize the Massachusetts economy continue to be hampered by the nature of the Taxes that are imposed by state and local governments — and, in particular, the local property tax.

In fact, I know of no problem which has been the subject of more discussion and more debate in the halls of state government than the almost-chronic property tax increases which hit our cities and towns year after year after year.

I remember well the seemingly endless debates in this chamber when I was a member of the General Court; the battles over the passage of a sales tax which was supposed to solve our property tax problems forever; and the controversy just a few years later over state assumption of welfare and medicaid bills that were then costing local property taxpayers millions of dollars.

These millions in additional state aid to cities and towns were followed in quick succession by state assumption of fifty percent of the MBTA deficit; some twenty million dollars in annual matching funds to non-MBTA and fringe communities; and millions more from the state lottery.

In 1965 state government sent about \$198 million directly to the cities and towns. This year that figure will be \$722 million, and that does not even include the \$300 million for welfare and medical assistance which the state has taken off the backs of local communities.

Yet, here we are — ten years and hundreds of millions of dollars in additional local aid later — and it is property tax crisis time once again.

Clearly, the problem is serious. Clearly, the undue reliance Massachusetts places on the property tax is not only hurting our cities and towns but also our efforts to rebuild the state's economy and to provide more jobs for our people.

Beginning this year we must mount a major effort to help local communities stabilize local property taxes. First, by increasing

state assistance to localities; secondly, by limiting expenditures imposed on local communities; and third, by exploring ways to help citizens of cities and towns control their local costs.

In my budget I shall recommend that we begin state assumption of county court costs, an important recommendation of the Cox Committee. This action will ultimately lift some \$70 million from local property taxpayers.

I will also recommend that we add approximately \$12 million for local aid to education so that the proceeds from the numbers game can be distributed to the cities and towns under the lottery distribution formula and not, as we are doing this year, under Chapter 70.

In addition the Lieutenant Governor and I will be working hard with our counterparts from across the nation and our congressional delegation on a long overdue reform of the nation's welfare system which, if approved by the Congress, could free up millions of state welfare dollars for a major new local aid program.

To bring fiscal relief to local communities, the state must also limit costs imposed on local property taxpayers over which they and their local governments have little or no control.

For this reason, earlier this week I informed all county commissioners that I do not intend to sign any county budget for next year which is higher than this year's.

Similarly, we are holding the line on budget increases at the MBTA and MDC. Tough, new management at the MBTA has dramatically reduced the runaway budgets that had become an MBTA tradition and the MDC budget for next year will be the same as it was a year ago.

The legislative leadership and I, and I know many of you, are agreed that we will not mandate additional financial responsibilities on the cities and towns without the money to pay for them. *And we have not done so over the past two years.* Where we mandate new programs, we *will* pay for them — as I am proposing we do by including \$1.5 million in next year's budget to pay for the local share of the school breakfast program.

Nevertheless, it seems clear from our recent record that simply pouring millions of additional dollars into city and town treasuries and limiting mandated expenses will *not* stabilize property taxes in

Massachusetts.

Increased assistance on the revenue side is only half the solutions; the other half lies in giving local communities the means to control local spending. In fact, 15 other states have set ceilings on the annual amounts by which property taxes may increase each year.

I have no preconceived notions as to how this should be done. Clearly, it will be a complex undertaking. But Massachusetts may have to *insist* on such controls if state assistance to our cities and towns is not to vanish once again into ever increasing municipal budgets.

JUDICIAL REFORM

As I have already pointed out, property tax reform can and should be a part of judicial reform. And while everybody in Massachusetts has been talking about court reform for years, precious little has been done about it.

Now the Select Committee on Judicial Needs, chaired by Archibald Cox and including the Attorney General and many legislators here today, has delivered a compelling, carefully reasoned report which offers an eminently sensible program of reform. I strongly support the Cox Committee recommendations. The Attorney General strongly supports them. The time for action by the General Court is now.

For it would be difficult to design a judicial system that is more inefficient and more wasteful than the one we have today.

417 separate budgets . . .

Empty court rooms and clogged dockets . . .

Too many court officers and not enough secretarial help . . .

Six of the twelve slowest and most congested county court systems in the nation . . .

The waste and duplication of effort in the Massachusetts court system is positively mind boggling.

But more efficiency and better management of our courts — desirable and necessary though they may be — are not the only issues before us.

For there is something far more basic at stake here in this issue

of court reform — and that is the whole concept of justice in a democratic society.

The courts of the Commonwealth today are paralyzed. People have to wait three, four, even five years to get a civil case to be heard in Superior Court. Without the financial resources available to large and well-financed opponents, these people simply cannot wait. Worn down, after years of waiting, they are forced to settle out of court for a fraction of what they are entitled to.

And that's not all. Prompt trial is guaranteed by our Constitution. It is essential to effective law enforcement, for without it the penalties for crime lose their deterrent effect. Violent crimes which could be prevented happen because of intolerable delays between arrest and trial. Criminals who should be behind bars are on the street because the courts cannot schedule their trials.

Delay falls more heavily on the victims of crimes. In some cases the offender continues to move about the same community, not even brought to trial, while the victim is left with the daily fear that the crime will be repeated. And it is unfair to the accused as well.

Many of the reforms called for in the Cox Report are going to upset traditional power bases.

They may be vigorously resisted.

But this is no time for timid souls or band-aid solutions.

Fear of controversy should not, and *must not*, deter us from the task at hand. For the stakes are too high.

In this issue of court and judicial reform, the General Court last year demonstrated its commitment to the reform of our judicial system by eliminating the age-old and extremely inefficient system of part-time judges and district attorneys. But that important contribution toward a professional court system will quickly be lost unless we tackle these larger reforms. I don't think I am telling you anything this morning that you don't already know.

I consider action on these reforms to be the single most important issue before the General Court. If our people can no longer rely upon the courts to vindicate their rights promptly; if they turn away, cynical and alienated, from the judicial process as they sometimes have turned away from the electoral process,

then the fabric of our laws wears thin and our democracy itself is in danger. This democracy is rooted in the principle of justice, and today in Massachusetts justice is being denied every day and every hour in every county in this state.

Massachusetts has always been a leader for progress and reform. There is no doubt that we can continue in that tradition. Working closely with the General Court, I hope to build on the record we established last year. For if our imagination and initiative are tempered with careful reason and compassion, together we can transform this time of limited means into an era of progress and reform that will be remembered for generations. Our goal is nothing less than a guarantee that government will work for all the people.

I look forward eagerly to working with you as we move toward that goal.