SENATE . . . . . No. 935

The Commonwealth of Massachusetts

EXECUTIVE DEPARTMENT.
STATE HOUSE, BOSTON, April 2, 1965.

To the Honorable Senate and House of Representatives:

I am returning, herewith, without my approval, House Bill No. 3580 entitled "AN ACT ESTABLISHING THE COMPENSATION, TRAVEL ALLOWANCES AND EXPENSES OF THE MEMBERS OF THE GENERAL COURT."

I am witholding my approval because I believe than any increase in State expenditures for the next fiscal year, other than those of an emergency nature, should go hand in hand with measures which will raise the revenue necessary to meet anticipated State fiscal needs for that same year. Let me state in more detail what I mean.

Total appropriations passed by the 1964 legislature amounted to $596,427,012. In order to produce a balanced budget, certain tax payers were required to advance their payments in the amount of $40 million dollars. Expenditures will continue with no corresponding reduction. The bitter truth is that for the coming fiscal year, we will need approximately $81 million in new revenue, just to meet the cost of presently authorized services.

My concern for our fiscal situation is increased by the knowledge that, as of February 28, 1965, the combined direct and contingent debt of the Commonwealth passed the one billion dollar mark for the first time. I am also concerned by the warning, expressed by financial experts, that our credit rating may be reduced.

We cannot alter the simple fact that, faced with the critical need to raise some $81 million in new revenue, and with nothing yet done to provide it, this pay raise bill would increase current spending by better than $600,000.00 per year.

This is not the occasion, of course, to discuss in detail the entire

problem of State finances. It is sufficient to point out that we face — right now — a fiscal crisis of serious dimensions.

This financial crisis has not come upon us without warning. On March 24, of last year, the then Democratic Chairman of the House Committee on Ways and Means, Rep. John J. Toomey, spoke to the membership of the House, in reporting the Appropriation Bill to that body. His remarks are found in House Document #3251 of 1964, wherein he said:

"I cannot emphasize too strongly the seriousness of continuing to spend in excess of our current income. The General Fund is in balance only by the use of over $40 million of non-recurring revenue. The Highway Fund is in even more serious condition. We cannot continue this policy of postponing the inevitable."

A similar warning was sounded in the Senate on April 22, 1964, by the then Democratic Chairman of the Senate Committee on Ways and Means, Senator William D. Fleming, when he reported the Appropriation Bill. In his remarks, found in Senate Document #816 for 1964, he said:

"I am certain that substantial sums of new revenue must be found before the 1966 budget can be passed. We will not be able to meet payroll costs, provide for the care of the unfortunate or educate the growing population of our youth unless this problem is resolved. We cannot, we dare not, delay."

This, then, is the framework within which we must consider, at this time, the pending bill to increase legislative salaries at a cost of more than $600,000.00 per year.

Now I do not quarrel with those who assert that the present salary of $5200 per year is not commensurate with the dignity and responsibility of a member of the General Court. Under our Constitution, as now seems clear, the determination of its salary is a matter for the Legislature. If the revenue were provided to pay the cost, not alone for this salary increase but for all other 1965-1966 fiscal demands, I would have a different attitude toward this bill. But to continue to spend in excess of available and authorized revenue, in my opinion, is to court disaster. I concur wholeheartedly

with the former House Chairman of Ways and Means that we cannot continue a policy of spending money which we do not have.

All of these facts underscore that 1965 must be the year in which we put our financial house in order. I, therefore, take the firm position that no fiscal problem, nor any spending program, shall take precedence over action on revenue bills essential to the maintenance of our governmental service program. I shall continue to limit my recommendations for appropriations to those items which are essential to programs for which we are already committed.

Members of the General Court are surely entitled to a proper wage. But I do not look upon service in the General Court as merely a job, for which members are paid wages. It is more than a profession. Senators and Representatives are elected public officials, entrusted with the supreme responsibility of enacting all necessary laws. One part of this responsibility is the delicate duty of determining their own compensation. This, however, is not a priority item. First things should come first.

My recommendations for raising the necessary revenues are before you, and I urge action on them as soon as prudently possible. The next fiscal year begins July 1, and consequently the General Appropriation Bill, with adequate and sound financing to support it, ought to be passed by that time. I would hope for even earlier action.

In view of the pledge made in my inaugural message, to make fiscal responsibility our number one goal, I respectfully return this bill to you without my approval.

Sincerely,

JOHN A. VOLPE,
Governor of the Commonwealth