

Farewell address  
of  
George D. Aiken  
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1941

**Thursday, January 9, 1941**  
**Farewell Address**

*To the General Assembly and people of Vermont:*

As I come to the end of four years as Governor of Vermont, it becomes my duty to give to you an account of the events of this period so that you may know what steps have led to this day, when a new legislature and a new governor must continue along the path way of Vermont's destiny.

During these four years Vermont, in common with the rest of the nation, has experienced changes and put into practice new functions of government that were either unforeseen or in the visionary stage a few years ago. Our task has been to apply these innovations in a practicable manner and to meet the will of the people without departing from our hereditary principles.

We have been successful for the most part. Of course, there have been times when we have encountered rough places on the highway of our history.

I will now take up one by one the work of our state departments :—

**ADJUTANT GENERAL**

The Vermont National Guard which will be inducted into Federal service soon will be in the best condition in which it has ever entered Federal service, better clothed and better equipped than ever before.

During the last four years, the strength of the Guard has been increased from 90 officers and 1,141 enlisted men to 115 officers and 1,443 enlisted men—being on January 1, 1941 the largest National Guard ever maintained by the state. The morale of this organization is high. We need have no fear that the men of Vermont will be poorer than the best when inducted into regular army service.

The state has cooperated fully with the War Department in its plans for our national defense. A State Defense Council has been organized and is prepared for work; the selective service organization is operating smoothly. Plans are on hand to organize home guard units on short notice.

**AGRICULTURE**

Agriculture has long been the mainstay of a large percentage of Vermont's population. In January, 1937 the condition of our farmers was most distressing. The milk market on which so many depend was in a state of almost complete demoralization. Our dairymen seemed hopelessly divided among themselves. Meeting after meeting between different groups failed to produce satisfactory results until finally state officials and several of the farm cooperatives appealed for a federal marketing order.

As a sufficient percentage of farmers voted for this order, it went into effect. The result was a general stabilization of the Boston milkshed and later of the New York milkshed so that the year 1940 saw the best income since 1930 accrue to the state from the sale of fluid milk and its by-products.

This condition has been brought about by the wholehearted cooperation of producers themselves, the state and the Federal government. It needs all three of these forces to maintain prosperity for the dairymen. No two of them could succeed working alone.

The most gratifying result is the fact that today the milk producers of Vermont are working together for the purpose of maintaining our agricultural welfare. It is safe to say that over 90% of our production is now marketed at wholesale through the farmers' own organizations.

That our farmers are cooperatively minded is indicated by the fact that during the last four years there has been a net gain of twenty-five new farm cooperatives. So long as we work together we may expect this better era in agriculture to continue.

The State Department of Agriculture has been actively working for better farming conditions. Re-testing the state for bovine tuberculosis continues, and the percentage of infection in Vermont herds is being kept below one-half of one percent.

The Legislature of 1939 enacted a Bangs' Disease Law. This has not resulted as its sponsors expected, and comparatively few reactors have been slaughtered because of the blood test. The appropriation of \$50,000 has not all been used.

This is probably fortunate, for it appears that a better plan will soon be available, that calf vaccination—a preventative measure—is rapidly coming forward and through its use in combination with the blood test, it is believed that we may avoid the slaughter of many valuable cattle and the payment of enormous sums for indemnities.

Recently there has been established a pathological laboratory which is rendering a much needed service in testing for disease in poultry. Poultry growing and turkey growing have taken on added importance. Production has been handicapped somewhat by lack of an adequate course in poultry husbandry at our state university.

The uniform milk inspection law enacted in 1939 has worked out successfully and has corrected some very unsatisfactory conditions. It is no longer possible for producers whose milk will not pass requirements in other states to sell this milk to the people of Vermont and our out-of-state guests.

Vermont farmers have received good cooperation from the Federal Surplus Marketing Administration. In the season of 1939, approximately 100,000 bushels of Vermont apples were inspected and marketed through this collaboration. The purchase of surplus milk by this federal agency has done much to maintain a better market in the city distribution areas.

#### ATTORNEY GENERAL

Our state is cooperating with the Council of State Governments both financially and through active participation of our officials. We have done much toward the elimination of interstate trade barriers as well as the adoption of uniform state legislation for the control of crime. The Attorney General's Department has sponsored uniform legislation enabling Vermont to work in cooperation with other states in law enforcement.

Many recommendations of this office have been enacted into law, making the pursuit of crime a more hazardous occupation in Vermont. Schools for the instruction of enforcement officials have been held at Windsor. An additional state investigator has been employed.

The Legislature of 1937 authorized the appointment of a Deputy Attorney General who has aided materially in liquor law enforcement and in other ways.

#### BANKING AND INSURANCE

Banking conditions in Vermont show one of the most gratifying improvements of this four year period. The system of state charter banks has been materially strengthened in many ways. In 1938 a merger of six mutual savings banks was completed, which brought under a single management the task of administering and liquidating a substantial amount of real estate and foreign mortgages, besides strengthening and clarifying the banking situation in southern Vermont.

The situation was further strengthened by the liquidation of three banks. The amount of foreclosed real estate owned by Vermont banks has been cut in two during the past four years.

The proportion of sound banking assets to total assets has increased greatly. Deposits are now stabilized for the first time in ten years and are increasing. Seven trust companies within the state have completely retired their Preferred "A" Stock. Bank statements are now more generally dependable, as assets are carried at reasonable figures by most banks.

#### COMMISSIONS

During my term of office, it has been my privilege and duty to choose a great many Vermont men and women for commissions authorized by the legislature, as well as for many unofficial committees whose advice

and efforts I found to be of great value. These committees, official and unofficial, have spent hundreds of hours in studying such important matters as state institutions, taxation, transportation service, banking laws, the dairy industry and a dozen other important matters. Hardly a person has declined to serve on one of these unpaid commissions. Almost invariably they have gladly given their services to the state.

One of these commissions that I would specifically mention is the Industrial Agricultural Products Commission. These men have not only given their time and paid their own expenses, but have raised funds to carry on demonstration and experimental work. They have made definite studies and accomplishments in the field of paper milk containers and soy beans.

More recently they have engaged in an effort to promote the use of whatever small idle factories there are throughout the state. It appears that Vermont has very few empty plants suitable for present day manufacturing purposes.

We all desire our Vermont industries to prosper and enjoy seeing our plants working at capacity, yet I do not share the perturbation of some because Vermont is not experiencing an industrial boom at this time. The present war time boom is necessarily of a temporary nature and is bound to be followed by serious problems of dislocated population, unemployment and relief.

### CONSERVATION AND DEVELOPMENT

The Department of Conservation and Development has been very active. The increasing importance of recreation as an economic factor in Vermont life has brought about demands for more facilities. A decade ago the Country Life Commission recommended that the state acquire forest land to the amount of 100,000 acres. During the last four years, 20,512 acres including Smugglers Notch, have been purchased, making a total of approximately 74,000 acres now state owned. It is advantageously located for recreational purposes in nearly all parts of the state. A few sections—such as western Rutland County—are still inadequately serviced in this respect.

There has been a great and profitable development in winter sports throughout the state, particularly in the Mansfield and Pico Mountain regions. Vermont is one of the few states that can sell four feet of snow and twenty below zero at a profit.

The hurricane of 1938 felled a great quantity of timber. With the splendid cooperation of the United States Forest Service, a large percentage of this timber was salvaged with good returns to the owners. In this respect, let me say that during my term of office, we have received nothing but the best of cooperation from this branch of the Federal government.

Our forest fire fighting equipment has been greatly improved and increased, and a new system has been developed which promotes control of forest fires with a minimum loss of time and expense.

A recent venture of the Fish and Game Department, which should be of immense value, has been the purchase of 1,000 acres of land in the towns of Newark and Westmore on which to establish trout and salmon rearing stations. I am told that this location is one of the very best in New England.

The Fish and Game Service has inaugurated a system of competitive examinations in the selection of wardens.

The 1939 Legislature, delegated to the Board of Conservation and Development the right to make rulings for the protection of wildlife where problems of a strictly local nature are involved. Six hearings have been held under this law, and I have had no complaint but what they were all conducted fairly with satisfactory results to the community.

With the difficult problem of trying to satisfy all the people all the time, the Department of Conservation and Development has occasioned a minimum of complaint.

### EDUCATION

Educational work in Vermont has been progressive but not spectacular. We haven't had the high cost that many other states have had, but I feel we are getting much for our money. Vermont rural schools particularly

rank high. There are many private schools within our borders. Enrollment at our colleges and private schools is at capacity, and at most of these institutions, applicants have to be turned away. It is gratifying to us that people from other states think highly enough of Vermont to wish to have their children educated here.

### FREE PUBLIC LIBRARY

The most important work of this Commission has been the organization and development of the regional library system. Four regional offices have been located in Montpelier, St. Albans, St. Johnsbury and Rutland, and book service made available to all citizens of the state.

Over 1,000 rural schools, 114 villages and 626 farm homes are now being served as well as the 227 organized libraries in Vermont. The circulation of books has increased from 80,000 four years ago to over 200,000. The demand still far exceeds the ability of the Commission to meet it.

Vermont is the only state with a state regional library system organized as state aid. Other states are making plans to follow our example.

### HIGHWAYS

I believe that the people of Vermont are generally satisfied with the work of the Highway Department. In the last four years, 230.77 miles of new road have been constructed—about 26 miles on the state-aid system and the rest on the state system. New bridges totalling 246 have been built.

During the year 1940, the Highway Board placed contracts for 62.3 miles of highways, 9 bridges of over twenty foot span and 11 railroad flashing signals. There remain to be contracted for on the present program 3 short highway projects and one overpass.

Two of these highway projects are held up by legal proceedings. Although the second article of the Vermont Constitution says that “private property ought to be subservient to public uses when necessity requires it,” yet it is possible for persons so minded to delay public construction through legal processes. Much of the delay in highway construction has been due to this cause.

It is perfectly right that property owners should be fairly recompensed as provided for in the same article two of our Constitution. But it is also wholly conceivable that the state at some time might receive irreparable damage because of lack of statutory authorization to acquire private land for highways and airports without delay. The very safety of our state might well hinge upon the ability of persons so minded to impede and delay construction through legal processes.

In September, 1938 the highways of Vermont received a severe setback because of a destructive hurricane. Repair work was started immediately, and \$500,000 was made available from the general fund Treasury by the Emergency Board. This, with what the towns and federal agencies contributed carried the work along until the Legislature of 1939 met.

That Legislature, after much discussion, authorized the expenditure of three and one-half million dollars, or as much thereof as might be necessary, to reimburse the afflicted towns for their earlier expenditures, and to complete the restoration or relocation of highways and bridges destroyed and damaged by the hurricane.

As the work progressed, it appeared to me and to other state officials that the sum of two and one-half million dollars would be sufficient to make restoration complete.

Considerable repair work and construction was done in connection with new projects and permanent betterments which had been planned or were desirable.

The Attorney General ruled, “If, in the repair, reconstruction replacement or relocation of such **State and State Aid Highways and Bridges** the Board has expended money in permanent improvements or betterments in excess of the cost of restoring such highways and bridges to as good condition as existed prior to such flood and hurricane, such excess should be charged to the regular construction program and not be charged against the appropriation made by said Act No. 42.”

Under date of December 11th, the Chairman of the Highway Board advised me, "The cost of flood repair over and above the amount of the bond issue of two and one-half million dollars has been taken care of by the regular highway funds and is charged to betterments which is a very small percentage in view of the total expenditure."

Of the two and one-half million dollars borrowed for hurricane and flood repair work, \$800,000 has already been repaid and the remaining payments will be made over a period of four years as required by statute.

Although I have not received or heard of one single complaint from town officials that the work in their town was not well and satisfactorily done, and although many town officials have advised me that the work was done far better than they had hoped for and that their roads and bridges are in the best condition they have ever known, yet there has been criticism by a few interested parties because only two and one-half million dollars was spent.

If there is any blame attached to the failure of the state to spend a million dollars more than was necessary, you may place it on me because I refused to authorize the borrowing and spending of the other million dollars. Certainly it could have been spent in stream control work, in building wider roads and in a hundred ways, but so could ten million or fifty million more.

My insistence on saving this million dollars, which the towns afflicted did not demand, was because every dollar borrowed for the purpose of highway and bridge reconstruction has to be paid back and be paid back out of the so-called surplus highway funds which remain in the treasury on July 1st of each year.

These surplus funds are the money on which we depend to extend construction of the state highway system, which is not part of the federal highway system. This money belongs to the people of all the state, not to any particular section, and I refused to penalize all for the benefit of a few and in a manner which I knew to be illegal.

The so-called back roads of Vermont, or farm roads, are of ever increasing importance to our agricultural, our industrial and recreational life. It is from our forests and our farms that a large percentage of our wealth originates. The condition of high ways leading to the farm and forest areas may determine whether they can be profitably occupied and operated or not. The 1937 Legislature increased the appropriation from state funds to the towns for town road work from \$500,000 to \$750,000.

In my opinion, this was one of the most profitable investments the state ever made. By building and maintaining better back roads, by keeping these roads open for winter travel, it has been possible for Vermont farmers to get their children to school, to deliver milk and pulp and lumber and other produce to market, or to shipping stations, at a cost which enables them to continue operating their farms in this highly competitive agricultural world. I feel that a large part of this additional \$250,000 appropriated for the maintenance of back roads has been returned to the state in the form of increased gasoline tax receipts and increased registrations.

## INDUSTRIAL RELATIONS

On my recommendation, the General Assembly of 1939 created a Department of Industrial Relations to supersede the old Department of Industries, which was merely a division under the Department of Public Service.

This new department began functioning on March 2, 1939 and has taken a major and rightful position in our department system of state government. It has given the laboring people a new department to which they can appeal their grievances and impart their needs.

The following legislation has been enacted: increased benefits under the Workmen's Compensation Act; a reduction in the daily and weekly hours of labor for women and children; a new, intelligent and workable Child Labor Law; inclusive of the Sergeant-at-Arms employees within the provisions of the Workmen's Compensation Act; elimination of the requirement of a full trial before the Commissioner in Workmen's Compensation hearings; provision for the enforcement of awards in such cases through suits in courts of law, and an enactment of an entirely new and workable law to facilitate mediation and arbitration in labor disputes.

In 1937 the Commissioner of Industries was for the first time given sufficient funds with which to employ a Deputy Commissioner. This resulted in an industrial statistical division being established within the department. In 1939 an increased appropriation made possible the employment of two more factory inspectors bringing the number to three.

During the first fiscal year thereafter, field inspections increased from 526 to 2,579—or about 500%. Employers and employees have become more safety conscious. Information concerning labor laws has been widely disseminated, and a marked improvement in working conditions in many plants has directly resulted in elimination of accident hazards.

Several strikes have taken place in Vermont since January, 1937. Most of these have ended with a better understanding between employer and employee. The cost to the state for maintaining order has been negligible. The public-spiritedness of both labor and employers has made Vermont outstanding in the matter of harmonious labor relations.

### LIQUOR CONTROL

The Liquor Control Board has functioned well. We are fortunate in this respect. The state policy has been to discourage excessive use of intoxicating liquor. To this end about \$9,000 has been spent for reference text books for use in the public and private schools and libraries.

The creation of the office of Deputy Attorney General has resulted in more effective prosecution of criminal violations of the liquor law.

I am advised that Vermont probably has the lowest cost of operation of any state liquor system of the seventeen states handling spirituous liquors by a similar method.

### MERIT SYSTEM

Recent federal legislation has required installation of a merit system for employees in the departments of Public Welfare, Old Age Assistance, Public Health and Unemployment Compensation. The system has not yet been completed, but it is expected that the first qualifying examinations will be given within a short time. It is anticipated that the merit system may soon be extended to include any state departments which benefit from federal funds. This means that the Department of Highways and the Department of Agriculture may be required to hire and employ all persons under the merit system.

The 1939 Legislature authorized a Commission to study the feasibility of adopting an official merit system for all state employees. This Commission has worked faithfully without pay over the two year period. It will submit its report to this Legislature.

After four years' experience, I realize what a benefit may result to the state, to the Chief Executive and to department heads by the adoption of a merit system for employees. It was realization of this which prompted me last month to direct department heads by Executive Order to put into effect a uniform salary schedule and classification plan for their employees. The order does not make provision for qualifying examinations.

Like most innovations, this uniform salary system will require smoothing up. Doubtless much reclassifying will have to be done. My order does not materially affect salaries at this time, and will not later create any particular increase or decrease in the total amount the state pays for services.

It will take at least until July 1, 1941, to get it really working. It may take two years to get it into full operation. But it can be made to work to the definite advantage of our state and the people who work for it.

Another problem which we constantly face is that of faithful employees who by reason of age or physical condition can no longer perform their duties efficiently. Except for school teachers and the Motor Vehicle Patrol, we have no retirement system for public employees in Vermont.

Yet we have men and women who enter the service of the state in our offices, on our highways and in our institutions who devote their years faithfully. They are not highly paid; they grow old in the service until the time comes when they can no longer do their work, and they haven't much to look forward to. The plight of these old employees has disturbed me much.

## MOTOR VEHICLES AND AVIATION

The Motor Vehicle Department is one of our most efficient and outstanding departments of state. In 1937 seven men were added to the Highway Patrol, bringing the total number now employed to thirty-eight.

Our Highway Patrol not only brings into the State Treasury each year more than enough funds to maintain itself, but it has earned the confidence of Vermonters and the admiration and respect of our out-of-state guests. By providing state-owned vehicles for the use of our highway patrol, a considerable saving to the state has been made.

Another outstanding feature of this department has been the rapid development of School Safety Patrols, until now approximately 2,000 children are continually in training. During the past four years, no school child has been fatally injured while under the supervision of the School Safety Patrol.

In 1937, the appointment of an Advisory Board on Aeronautics and the employment of an Inspector-Examiner of Aeronautics was authorized as a Division of the Motor Vehicle Department. As far as the Department is concerned, this work has progressed well and has been done faithfully. I am disappointed in the progress made by Vermont in aviation.

Not that our people are not anxious to develop this extremely important phase of economic life as well as national defense, but because we are lagging behind terribly in the matter of facilities.

In 1936 we had 12 airports, 57 aircrafts and 86 licensed pilots. This year we have 81 aircraft, 493 licensed pilots and fewer airports than we had four years ago. With the number of pilots increasing 573% in four years' time, we cannot hope to keep these young people in Vermont unless there are available opportunities for them to use this training which they have received.

Development of air transportation would increase every activity of our economic life including other means of transportation. Without this development, we cannot hope to keep up with other states that are going ahead of us at high speed.

## PLANNING BOARD

The major activity of the State Planning Board for the past four years has been the study of the flood control problem and the river systems in Vermont. This has involved actual field surveys of possible dam sites and compilation of considerable information about them.

This work has been done to provide a measure of protection for our state against possible unwise decisions of the Federal government to locate storage reservoirs where great harm to Vermont would result.

We believe that in the construction of dams, consideration should be given to the viewpoint of all affected industries, rather than to the engineering viewpoint alone. We have already given consent to the construction of four or five dams on tributaries of the Connecticut River and would doubtless consent to the building of several more where little serious damage would be incurred.

I feel that it would be unwise to give blanket consent to the Federal government to acquire jurisdiction over any and all lands that Federal officials might desire.

Such consent by the state of Vermont would be the same as telling the Federal government, "We are ready to abandon our statehood." Such has not been the attitude of Vermont during my administration. We have been willing at all times to cooperate, but at no time have we been willing to submit to virtual domination by those who do not know our problems or understand our ways.

Let no one get the idea from what I have just said that I am opposed to public development of natural resources. I mean that each proposed project should be considered by itself in its true light, and we should proceed with a full knowledge in detail of what we are doing and why.

## PUBLIC SERVICE COMMISSION

Vermont on the whole is a thinly populated state. Previous to 1935, there were many sizeable areas without any electric service. In 1935, a Rural Electrification Law was enacted and the ground work was laid for



extension of power lines into unserved rural territory. A program calling for the construction of 500 miles of line over a five year period was agreed upon by farm leaders and utility operators.

This program moved ahead the first two years a little faster than the expected rate, but it was apparent that even with the completion of this program there would still be great areas and thousands of farms which could not be profitably served by private corporations as they are set up. To meet this need in thinly populated areas, there have been three Rural Electric Cooperatives organized.

In May, 1939, power was brought to the first group of some 150 previously unserved homes and farms in the towns of Eden and Lowell. Since then, these rural cooperative lines have been extended rapidly to a constantly increasing number of members. When lines now under construction are completed, which will be soon, the two rural electric cooperatives with headquarters at Eden Mills and East Montpelier will have built in two years time 608 miles of line, carrying light and power to over 1500 rural homes. The work of extension still goes on.

A recently organized rural electric cooperative in Windham County has not yet started construction.

With the coming of electricity to these thinly populated areas and with the maintenance of better roads, we may expect a larger development of these communities. Combining the number of farm homes serviced by private corporations with those of the cooperatives, we find that between three and four thousand Vermont farms have had the advantages of electricity brought to them within the last four years.

When I took office four years ago, this was one of the things I hoped for most strongly, and I am very much gratified with the results.

In addition to the extension of electric lines to thousands of farm homes—other users of electricity are constantly gaining additional benefits by the way of reduced rates. Although Vermont produces an excess of electrical energy, yet we are one of the high rate states of the Union.

Until 1939 the Public Service Commission had practically no means, except that of persuasion, at its disposal by which it could regulate, to any extent at all, utility companies charging excessive rates or rendering inefficient service.

The 1939 Legislature made available the sum of approximately \$12,000 for the use of the Commission. As a result, during the two year period from September 1st, 1938 to September 1st, 1940 – 22 electric utility systems filed 51 new retail rate schedules with the Commission. This is an average of over two new schedules per month. All of these new rate schedules were designed to encourage increased use, and all except two gave reductions to present users. With one exception, all schedules were adopted voluntarily after a conference with the Commission.

The saving to retail customers for this two year period amounted to approximately \$150,000. Most of these reductions in rates were made by the smaller companies. Besides rate reductions, improved service has been brought to many towns.

There seems to be reluctance on the part of certain non-resident controlled companies to reduce rates in Vermont to a point comparable to those paid by consumers in other states. To enforce regulation on these corporations controlled by out-of-state holding companies, with their confusing schedules of rates, costs and valuations; their army of retained engineers, lawyers, economists and experts; their thousands of small investors who know little about the business in which they have invested; their interlocking directorates with other utilities, financial institutions and industrial enterprises and their mediums for disseminating such information and news as they wish to have disseminated, would incur great cost.

It may be greater than the people of Vermont can pay. But before deciding that, as a state, the problem is too big for us, and that we will adopt the easier course of non-regulation, we might consider well these facts.

There is a definite trend in the United States toward centralization of authority and control of all resources in the national capitol. There is a majority demand by the people, even of our own state, that no industry or group of industries shall be more powerful than government itself. Failure of the state to properly regulate those to

whom the right to develop natural resources has been granted will result in absolute federal control if not federal ownership of these resources.

After four years of intimate observation, in spite of the extension of rural lines to over 3,000 Vermont farms; in spite of the many substantial rate reductions and in spite of all earnest efforts by the Public Service Commission, I am forced to confess that the steps toward federal control have been more rapid than the steps toward adequate state control of the larger corporations.

#### PURCHASING AGENT

The office of State Purchasing Agent has become of increasing importance. It is conducted efficiently and without favoritism, and orders of any size are placed on a purely competitive bidding basis. This practice may have disappointed some, but it has been a high contributing factor to the satisfactory condition of the state treasury.

During the four year period the business of the department has increased 37% while operating costs increased only 17%. Last year this department wrote 26,004 orders amounting to \$5,550,204.07.

In 1939 a full time engineer was added to the Purchasing Agent's staff. His services are available to all departments and institutions and have proven very valuable.

The Purchasing Agent also serves as administrator of the Institutional Industries which produced over \$46,000 worth of merchandise in the last biennium and furnished the inmates of Windsor Prison with 68,012 man hours of labor.

The salary of the Purchasing Agent for doing nearly \$6,000,000 worth of business is fixed by statute at \$3,000 a year and will remain at this figure until some conscientious legislature puts it where it ought to be.

#### SOCIAL WELFARE AGENCIES

The world has ever possessed a social consciousness, and legislation expressive of this state of mind is as old as government itself. Yet it has been during the last decade that this social consciousness has been translated into full-speed-ahead action.

It is during the last four years, that many developments built upon previously laid ground work have fully transpired. The departments dealing with social welfare in Vermont are the Public Welfare Department, the Unemployment Compensation Commission, the Old Age Assistance Department and the Department of Public Health.

Besides these four major departments are several smaller ones of a public, semi-public or private nature, such as the Cancer Commission and organizations for the aid of the crippled, the blind and the tubercular.

#### PUBLIC WELFARE

Among the outstanding steps taken for the Department of Public Welfare has been the beginning and completion of a \$500,000 building program at our state institutions, through the office of the State Purchasing Agent. This has provided badly needed facilities, even though they are still inadequate.

On July 1st, 1937 a system of full time probation and parole officers was installed. I have no hesitation in saying that six full time officers and a supervisor are doing much better work than large number of part time officers could do previously.

To meet the problem of handling out-of-state parolees, the Interstate Probation and Parole Compact was drawn up by the Council of State Governments. As Governor of Vermont, it was an honor to be the first Chief Executive to sign this compact. Since Vermont signed the compact, thirty-two other states have joined, making supervision of parolees and probationers more effective

The state has pursued a policy of preventative work seeking to hold the population of our institutions at a minimum. To this end a psychiatric service for children and mental hygiene clinics have been established.

The rapid increase of health inspection in our schools has aided this program. More attention is being paid to under-privileged children in their own homes. During the last two years, there has been a reduction in the average cost of care per child from \$145.45 to \$135.25.

This saving has been accomplished partly through cooperation with the National Youth Administration sewing centers. The state furnishes the material, and the sewing centers make clothes to fit each individual child, at no labor cost to the state.

During the last two years, the Department of Public Welfare has taken over the Junior C.C.C. enrollment, the Veterans' Service and work for the adult crippled. I think the public has little realization of the tremendous and widely diversified work that falls upon the Department of Public Welfare today. The Commissioner would need to be super-human to do all that is expected of him.

### UNEMPLOYMENT COMPENSATION

The Vermont Unemployment Compensation Commission was just sixteen days old when I took office and had been occupying its office only seven days. A few days later, January 15, 1937, the first employer contribution was received. From that time until November 30th, 1940, \$5,333,805.68 had been collected.

From January 31<sup>st</sup>, 1938, when I personally handed the first recipient check number one, to the close of the books, November 30<sup>th</sup>, 1940, \$2,254,121.49 has been paid out in benefits. The record of the employment of over 78,000 people is kept by this department.

A new and well equipped office building built to order was occupied in 1940.

The State Employment Service and the Unemployment Compensation Commission have been merged into a unified administration for the purpose of more efficient operation and maintenance of records.

In 1936, the State Employment Service with a total personnel of forty-one doing nothing but placement work made 3,763 private placements. In 1940 with a personnel of forty-eight, this division will make approximately 10,000 private placements besides taking over all of the Unemployment Compensation claims in local offices and a great deal of other work.

The U.C.C. pays out on an average \$2,550 each agency working day in unemployment compensation benefits. During the three years that benefits have been paid, only seventy claimants and employers have taken exceptions to the benefit determinations of the Commission, and many of these seventy did not present their cases on appeal. No employer has as yet sought to restrain any act of the Commission.

I will say, however, that efficient as the work of this Commission is, some new amendments to the law will be necessary if it is to fully meet its purpose, but it is not my prerogative to propose these amendments to you today.

### OLD AGE ASSISTANCE

The Old Age Assistance Department pays 5500 people over sixty-five years of age approximately 1,000,000 a year—half of which is furnished from federal funds. This amount has constantly increased each biennium, and yet does not meet the needs of the old people of the state. Probably it never can, for the amount available for those who need is governed by the ability of others to pay. We can only hope that a proper balance will be maintained.

### PUBLIC HEALTH

One of the most gratifying features of state government in Vermont is the cooperation existing between different departments. A good example of the benefits of cooperative effort is the manner in which the Department of Public Health has received the cooperation of the Departments of Agriculture, Highways, Industrial Relations, Publicity, Public Welfare, Education and the Liquor Control Board. Without this cooperation, the Department of Public Health could not have maintained its splendid record.

The 1937 Legislature authorized inspection and licensing of tourist homes and camps and all eating places within the state. Last year, they were inspected and licensed 1,483 tourist homes and camps, 787 restaurants and

201 hotels, or a total of 2,471 places in all—thus assuring out-of-state visitors as well as our own residents that food and lodging obtained in Vermont are up to standard.

There has been an increase of interest in public health in Vermont. Sixty-eight towns now appropriate money for public health nursing. These funds are being matched by state and federal appropriations. Today the death rate in our state is the lowest ever recorded and compares favorably with other states.

### TAXES

The collection of taxes has been ably handled, and few changes have been made in our tax laws. Railroad taxes have been reduced materially. But this loss of revenue is more than made up by the cigarette tax which is now yielding a little more than \$500,000 a year.

Our tax laws are not all airtight. Failure of previous legislatures to correct deficiencies in the inheritance and income tax law is resulting, I believe, in a loss of about \$50,000 a year, which should properly accrue to the state.

### STATE FINANCES

I shall say little about state finances. The situation can be summed up by saying that our state finances are satisfactory. In spite of the fact that we spent three million dollars for hurricane repair work and \$500,000 on an institutional building program, the net debt of the state is a few hundred thousand dollars less today than it was four years ago today.

The Treasury has a substantial balance, and there are no temporary loans at this time. This is the first winter for many years that the state has not borrowed anything to carry us through the late fall and winter months.

An efficient accounting system has been worked out and set up by the State Auditor's office in collaboration with the State Treasurer's office.

I am not making recommendations to you today, because that is the prerogative of the new Governor who you will hear this afternoon. But I do want to make one request of the members of this Legislature.

Governor Wills has indicated on many occasions that he earnestly desires to keep the expenses of the state within the amount of probable income. I am asking you to stand back of him in his determination to do this. He can't do it without your support, but with your support he can handle the affairs of state in such a manner that a few years hence, if financial disaster should come to other states or even to our nation itself, all persons may look to Vermont as a beacon light typifying progressive government with sound financing.

You need have no fear that the people of Vermont will not endorse your stand in this respect. During the past, every time those who would have Vermont depart from traditional ways of sane government or who would emulate the extravagances and wastefulness of some other governments, have proposed this to the citizens of Vermont, they have been defeated decisively.

### CONCLUSION

I now come to the close of the review of the past four years. I have told you what work the departments have done but have not mentioned the employees and heads of departments by name. Nearly all have cooperated with my office to the fullest extent and have given the best they have to the service of Vermont.

They have worked together in a manner that has brought definite progress to our state and definite stability to our finances. It is with great regret that I give up the pleasant associations which I have had with the departments of Vermont's government, but I know that all of them will give to my successor the same loyalty and the same spirit that they have given to me.

The Governor, having concluded the reading of his message, was escorted to the Executive Chamber by the committee appointed by the Chair.

The Joint Assembly dissolved.

RAWSON C. MYRICK,  
*Secretary of State, Clerk.*