

Farewell address
of
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Farewell Address

Gentlemen of the Senate and House of Representatives:

Complying with a provision of our Constitution and following custom established by my predecessors in the Executive Office, I present to you an account of conditions and developments in the several departments of the state government, and submit for your consideration such recommendations as my experience prompts me to make.

EXECUTIVE DEPARTMENT.

The departments of the state government have so increased in number, and the business in those departments has so increased in volume during the past ten years or more that the responsibilities and detail work of the Executive Department have outgrown the provision formerly made for handling the work. Considering the work at hand, and the desirability and economy of an office centrally located, it seemed to me upon taking office that the interests of the state would be best served by making the Executive Office at the State House at Montpelier, the permanent office for the biennial term rather than take the office with me, as has been the usual practice. The last legislature made this possible by providing a stenographer for the Secretary of Civil and Military Affairs, and the office at the State House has been kept open continuously for the transaction of official business, meeting of committees, heads of the various departments and for the benefit and accommodation of all those who had business with this department. It has not been so convenient for the Executive, but has, I believe, been very much more convenient and satisfactory to all who have had occasion to visit the office.

STATE BUILDING.

By an Act of the General Assembly of 1915, the construction of a building for the state library, supreme court, historical society, and other state purposes was authorized. An appropriation of One Hundred and Fifty Thousand Dollars was made to carry out the provisions of the Act.

I appointed a committee consisting of Horace F. Graham of Craftsbury, C.P. Smith of Burlington, W.W. Stickney of Ludlow, and Harvey W. Varnum of Cambridge. These gentlemen and myself were able to let the contract for a sum slightly within the appropriation. The building has now reached such a stage of construction that you can judge of its essential features. If the building is completed according to the contract and to keep within the appropriation, the inside finish will, of necessity, be very plain, and the front will be left practically as it now appears. In adopting the present plans your committee has made it possible to substitute, if the legislature cares so to do, a better quality of finish for the interior, and to add to the front a suitable porch or balustrade, which will give the building a much more finished appearance, and a character more nearly in accord with this class of modern structures in other states, and in keeping with the dignity of the state. We are building for all time, and should not neglect to perfect and beautify what we build.

Ample space has also been provided in the new building for installing a central heating plant that would serve both buildings more economically than would the two plants now in operation.

I recommend that you carefully consider this subject in connection with certain necessary changes in the present library wing of the State House, and that you provide for such expenditures as seem advisable to you.

STATE INSURANCE.

At the present time the state is supposed to be insuring its various properties at ninety per cent of their value. The total amount of insurance carried is as follows:

Buildings.....	\$1,471,000
Personal property	<u>714,700</u>
Total	\$2,185,700

Annual premium \$7,431.38; number of risks 145; number of policies 100; number of companies 46.

It is contended by those who have studied the situation that the experience of the state during the past forty years has been extremely favorable, and that the amount paid in in premiums has exceeded considerably the losses sustained by the companies. The losses at Waterbury and at Vergennes are the only serious ones we have sustained. Furthermore, in view of the fact that the policy of the state is at present, and in the future should be, one of constructing absolutely fireproof buildings, or buildings as nearly fireproof as possible, and also in view of the fact that after a thorough inspection of all the state property many of the expensive improvements have been made according to the advice and suggestions of experienced insurance inspectors, thereby greatly reducing the fire hazard and improving the risks we already have, it would seem to be an opportune time to consider the question as to whether or not the state should carry a part of its own insurance and thereby reduce the amount of premiums now being paid annually. Some plan whereby the state insuring only its principal properties, or each parcel of property for a part of its value, and creating a sinking fund into which shall be paid the premium which it would be necessary for the state to pay on the uninsured part of the basis of the insurance now carried, would, I believe work out to the advantage of the state. The sinking fund thus created would, if the past experience of the state is continued, amount in time to a substantial sum, and as the sinking fund grows the state would be justified in carrying a larger amount of its own insurance.

The mistake should certainly not be made of providing for the state's carrying a portion of its insurance without adequate provision for a sinking fund. The plan could at least be tried out for a few years with little danger of serious loss.

I urge you to give this matter careful consideration, and recommend that a law be passed based on the plan I have briefly outlined, and that the state insurance department be charged with the performance of the duties imposed by the act under such restrictions as you may deem wise to incorporate therein.

STATE PRISON.

For some time there has been a gradual decrease of commitments to our State Prison and at the present time there is the smallest number in many years. The sanitary conditions of the prison are the best and the men are kept clean and wholesome. Under the contract system every prisoner has steady employment and is furnished with every opportunity to develop the better side of himself and encouraged to make the best of his life there. He is instilled with the idea that prison life can be made bright and wholesome and that he can prepare himself while there to live a clean and upright life after his release. Chapel services, schools, entertainments in which the prisoners participate, ball games and other outdoor games are provided, and life in prison generally is made worth while, with special effort on the part of the superintendent to improve the morals of the men. On the whole the prison is quite ideal and with the humanitarian treatment employed, there is no reason why many of these unfortunate men cannot become good citizens and get a new grasp on life as they go out from there.

During my administration a prison farm of about two hundred acres has been purchased and has proved a success, about \$8000 worth of produce having been raised this year at a minimum expense. Six prisoners received special parole and have been employed on the farm making it unnecessary to hire outside help of any kind. The buildings on the farm have been repaired by help from the prison and the farm likewise has been generally improved. Mr. Walker, the superintendent, has had general supervision of the farm and under his able management a very creditable showing has been made.

I am convinced of the importance of the State's owning more land in connection with each of our penal institutions.

HOUSE OF CORRECTION.

The House of Correction stands differently than the State Prison. A large number of the men confined there are short time men and there is less opportunity to improve their condition, yet under Mr. Loukes' management the institution has improved and the men helped and encouraged.

The buildings of the institution have been well cared for and such improvements and repairs made, including a new and well equipped engine house, as has been necessary. The few acres of land connected with the prison have been utilized to good advantage demonstrating the desirability of the purchase of more land if the same can be obtained at a reasonable price and located near the prison.

PAROLE SYSTEM.

The Executive Department has made special effort to place the parole system on a sound basis, to follow up as carefully as possible all breaches of the conditions imposed, and to assist in every possible way the persons under parole in their endeavors to better themselves. The probation officers, sheriffs, and superintendents of the prisons have aided materially in the efforts that have been made to keep these wards well in hand. The department has endeavored to impress upon every man and woman released the importance of keeping the agreement made with the Governor. The results have been gratifying in a large measure, and while this work has its discouraging features, it has, on the whole, been satisfactory, and has led to a greater respect for law and order, by the prisoners themselves. Warrants have been issued for recommitment on the slightest breach of the conditions of the paroles, and during the term more than fifty have been returned to serve the balance of their sentence. This has had a very healthy effect upon all phases of the work. In and out of prison the word has been passed, that the Governor's warrant would certainly follow a breach of parole, and it has not only acted as a warning to those inside, but has held the paroled to strict compliance with the conditions imposed. With the proper enforcement of the law, the system I believe, is beneficial and helpful, and should be extended and enlarged as conditions would seem to warrant. The employment of the prisoners after release is very essential, and some system of obtaining positions for these men as they leave the prison, would be a great help.

INDUSTRIAL SCHOOL.

During my administration, I have been very much interested in the Industrial School. It is the most useful institution of its class we have because of its wide range of usefulness. The attendance has been increased, and many boys and girls are sent there that ought to be in some institution for homeless children. Many are committed on the slightest provocation, either because they have no home or because responsibility for their care has been disregarded. Separation of the children with criminal tendencies from those of the more homeless class is very important and should receive careful consideration.

The work done in the school is to be commended. The children are kept employed under a very carefully planned discipline. The day is divided into hours for work, school and play with much attention to the training of the morals of the children in the right directions. Encouragement along educational lines is an important feature and under a special arrangement there are now fifteen of the larger boys and girls from the institution attending the high school at Vergennes with a determination on part of some of them to enter college upon their release. This work has a strong tendency towards the development of a healthy and wholesome course for every child that is committed there

The hospital building has proved a very important acquisition to the school and the state is indebted for its equipment to Judge and Mrs. John E. Weeks, Middlebury, who have always taken a deep personal interest in the school and its development.

SCHOOL FOR THE FEEBLE-MINDED.

The appropriation of Twenty-Five Thousand Dollars made by the legislature of 1912, for the establishment and equipment of a school for the feeble-minded, was deemed by the trustees to be inadequate for the purpose, and not being able to decide upon a location out of the several properties offered, they brought the matter to the attention of the legislature of 1915, which increased the appropriation to Sixty-Five Thousand Dollars. The Chase Farm of Brandon was agreed upon as a suitable location, and was purchased for Thirteen Thousand Dollars. About Seven Thousand Dollars was expended in remodeling and repairing the two houses and other buildings, installing a heating plant, new plumbing for the water system, electric wiring for the buildings, and in furnishing and equipping them, making accommodations for the superintendent and family, attendants, and forty children.

The Seven Thousand Dollars expenditures also covered the cost of remodeling the cow stable, putting in a new cement floor and stanchion equipment for twenty-five head of cattle, and reconstructing another building to be used as a temporary laundry, making a total outlay for farm, repairs and equipment of buildings of twenty thousand dollars. An idea of the value of the purchase may be had from the fact that the insurance companies appraised the buildings for insurance at a little over Twenty-Eight Thousand Dollars.

A very satisfactory arrangement was entered into with the village of Brandon to extend the four-inch water main to the farm, and supply the buildings with all the water needed for domestic and fire purposes.

A contract was entered into for a new dormitory to cost complete, including plumbing, heating and lighting about Twenty-Three Thousand Dollars; this with an expenditure of around Ten to Twelve Thousand Dollars for water supply, sewer system, equipment and furnishing of new dormitory, a temporary kitchen and equipment, will make a total expenditure of about Fifty-Five Thousand Dollars of the Sixty-Five Thousand Dollars appropriated, furnishing accommodations for one hundred and ten children at a *per capita* cost of about Five Hundred Dollars each.

In order to provide accommodations for the children already in sight to be cared for by the institution, and to provide separate quarters for boys and girls, it will be necessary to build another dormitory the size of the one already being built, a central heating plant, laundry and service building.

I am satisfied that the plan of development adopted by the trustees, is admirably adapted to the conditions; that the results obtained to date are very satisfactory, and that the *per capita* cost to the state, when the plant is completed, will be considerably lower than that of most institutions of similar character in other states.

The superintendent, Dr. Russell, with seven years' experience under Dr. Fernald in the management of the School for the Feeble-Minded at Waverly, Massachusetts, comes to his task at Brandon with the best of recommendations, and an experience that fits him admirably for the task he has assumed.

The problem of caring for our feeble-minded children, is a serious one. The state has not been slow to recognize its duty in this matter, and has contracted for their care in institutions in Massachusetts and other states, until those institutions have served notice on us that they were overcrowded, and that our children should be removed as soon as possible. We have already brought back from those institutions thirty-three children, and have only seven left at Waverly, Massachusetts, which will be brought to Brandon, as soon as the new dormitory is completed.

Institutional care and treatment seems to be the best solution of the problem yet discovered, and is in the line of true progress. The trustees in locating the institution on this large farm in Brandon, and in making plans for developing the school, have taken advantage of the experience of other states, and have started a modern institution, with fireproof dormitories of concrete construction, arranged and equipped in the most up-to-date manner, and at a minimum cost, upon a farm of about two hundred acres, equipped with a complete set of well built farm buildings sufficient to amply provide for a large dairy, and for storing the farm produce and machinery. It will also furnish ample opportunity for the exercise and development of the inmates, and will, under proper management, be a very substantial factor in supplying food products for the institution. Under proper superintendence a major part of the work can be done by the inmates themselves. A fine showing has already been made by Dr. Russell the past year under very unfavorable conditions, with a very small dairy, insufficient equipment and only a few boys capable of helping with the work.

I earnestly recommend that sufficient funds be made available by this legislature to complete, equip and maintain this School in a manner that will be a credit to the state.

TUBERCULOSIS.

The legislature of 1915 increased the appropriation to provide in a larger degree for the care of the indigent tuberculous persons. This increase in the appropriation was much needed, for, during the biennial term 98 persons have been designated for treatment—90 to the Vermont Sanatorium at Pittsford, Vermont, 7 to the Hampshire County Hospital at Haydenville, Massachusetts, and one to the Huntress Sanatorium at Rutland, Massachusetts, at the total expense of \$14,446.36.

All of the incipient cases have been designated to the Vermont Sanatorium. This institution is doing very creditable work, discharging a large portion of its patients much improved in health and furnished with knowledge of proper personal care that will enable many of them to resume their life work practically cured.

The care of the chronic cases is a very serious problem, and just how far the state should go for the proper care of the indigent persons of this class, is a problem which should be carefully considered and some definite plan adopted. During the present administration, 7 cases of this class have been designated, all of which were removed from some undesirable environment and abounding in opportunity for the spread of the disease. The danger of the spread of the disease would seem to necessitate the adoption of very stringent methods to check its progress. Segregation of the affected persons is probably the only method that can be adopted with any degree of success, and I recommend your careful consideration of the desirability of providing some suitable place for the proper care of such persons, with the end in view of checking the spread of this great plague.

WORKMEN'S COMPENSATION.

The legislature of 1915 created a new department of state by the passage of a Workmen's Compensation Act. The more essential objects of the law are:

1. To lessen accidents.
2. To provide immediate relief for the injured.
3. To protect both the employer and the employee from long drawn out and costly litigation.
4. To promote better feeling between capital and labor.
5. To lessen the costs of the courts.

The Act provides that every employer of labor shall secure compensation to his injured workmen by insurance or bond. As the cost of insurance is based upon the extent to which the workman is exposed to danger, it will be seen that it is for the financial interest of the employer to safeguard his workmen as best he may.

One of the most beneficial features of the present law is that of immediate financial relief to the work man and his family. He is, on the happening of an accident, entitled to free medical, surgical and hospital service, and to such compensation as the Industrial Accident Board may fix upon under the law. If the workman is poor, he is no longer an object of charity, and the town where he resides is relieved from the support of him and his family.

During the first year of the act, July 1, 1915, to July 1, 1916, five thousand forty-three cases came before the Industrial Accident Board, and but one of these found its way into the courts. During the first half of the second year, July 1, 1916, to January 1, 1917, 2738 cases came before the Board, and but one of these cases was appealed, thus saving thousands of dollars to both employer and employee, which would have been spent in litigation.

The cost of administering the law for the first year was \$8,765.75. Assuming that two per cent of the five thousand forty-three cases had been tried out in the courts, the cost to the state would have been in excess of forty-five thousand dollars. That the act has created a better feeling between capital and labor, is best evidenced by the manner in which both parties have accepted of its provisions, and also by the fact that many concerns and their workmen, not necessarily bound by law, have voluntarily accepted its terms.

At the time the law went into effect, there were many negligence cases pending on the dockets of the several County Courts in the State. These have now, to a large extent been disposed of, and no new negligence cases between employer and employee can be brought to the courts for trial, except by way of appeal from the decision of the Industrial Accident Board.

The showing is indeed a creditable one, considering the fact that the law has been in operation only eighteen months, practically confirming the judgment of those responsible for its enactment. Several minor defects in the law have been discovered and changes in some of its details should be made. I recommend amending and strengthening the law along the lines suggested by the commission in order that Vermont may have an ideal compensation law adapted to meet conditions that prevail here.

FORESTRY.

Vermont has not been slow to recognize the importance of conserving our forests and has established a Forestry Department for the purpose. Much has been done to create a public interest in this matter and to protect our forests from fire as will be seen by a perusal of the Report of the Forester. Demonstration tracts have been purchased and planted to pine and spruce in the different counties, and a large quantity of young trees have been sent out from the nurseries at Burlington and at the Downer Farm at Sharon. It has been thought best not to increase the number of demonstration tracts during the past two years, but to use the money available for the purchase of forest lands in increasing our holdings at Mount Mansfield and Camel's Hump, which has been done, making substantial tracts now owned by the state on the slopes of our two highest mountains.

I trust the importance of this Department will appeal to you, and that you will continue such support as it deserves.

AGRICULTURE.

The activities in the department of agriculture during the past two years made possible by the acts of the Legislature of 1915, have shown the wisdom of increasing the responsibilities of the Commissioner of Agriculture, and of extending the scope of his work. A perusal of the Commissioner's Report will give a good idea of what has been accomplished during the biennial year. I trust that you will give this report careful attention, and the department the liberal support it deserves, so that it may prove still more helpful in developing our agricultural interests during the biennial term upon which we have just entered.

EDUCATION.

Among the most important and far-reaching acts of the last legislature was the passage of the so-called Educational Bill. The Board of Education has found the task of administering the law a large one, but during the short time it has been in operation, has met with sufficient success to warrant a full and fair trial of the plan the new law has inaugurated.

This is the most important and most expensive of all our state departments, and I urge you to give careful consideration to the recommendations of the board and to the Commissioner of Education, Dr. Hillegas, that they may be supported in their commendable work of improving the schools of the state.

HIGHWAYS.

In 1892 the legislature passed the law raising a 5 percent tax on the grand list, which is collected by each town and city, then is paid into the state treasury, and reapportioned to the towns and cities by the state treasurer, on the basis of road mileage, to be used in "permanently improving the main highways" of each town and city in the state.

The legislature of 1898 created the office of state highway commissioner to direct and supervise the expenditure of all highway funds raised, appropriated, apportioned by the state.

In 1908 the legislature appropriated \$50,000 annually for highways, making it available to towns in sums of not less than one hundred dollars nor more than three hundred dollars in any year, on condition that the towns vote an equal amount. This same legislature provided for the appointment of county supervisors, and for the selection of state roads in every town. These acts proved so satisfactory that the legislature in 1908 increased the appropriation to seventy-five thousand dollars annually, and the limit of aid to a town to five hundred dollars in any year. Again in 1910 the appropriation was raised to one hundred and fifty thousand dollars annually, and the limit to towns to seven hundred and fifty dollars in any year. In 1912 the appropriation was raised to two hundred thousand dollars annually, and the limit to towns was made one thousand dollars in any year.

The powers of the state highway commissioner have from term to term been increased, until he now has complete control, not only of the plan of construction, but of the location of the work, and appointing a foreman to take charge; but by treating the towns as partners, as they really are, the commissioner has been able to settle difficulties, and accomplish better results for the towns, as well as for the state, than was possible when the

authority was divided. The cooperative features of our state aid law have helped to create a public sentiment in favor of highway improvement, and a strong local interest to back up the state highway commissioner in his plans to a degree that is quite gratifying to those who have watched the interest grow for the past twelve years, or more, and especially for the last two years.

Towns have responded annually with liberal appropriations which is good evidence of the satisfaction the law is giving to the towns in improving their market and other roads in which they are particularly interested; and the use of the surplus of the annual appropriation, first on the roads that are not important to the towns in which they are located but are important to the public; and, second, on connecting links in our system of trunk lines, has already accomplished much to satisfy those who are especially interested in trunk line improvement.

A perusal of the State Highway Commissioner's Report will reveal the fact that much work has been done during the past two years, and that it has been well distributed in the fourteen counties.

Our gravel, and gravel-telford roads are giving such general satisfaction, and our plan of improvement without incurring any indebtedness, seems so well adapted to our needs and our conditions, that I recommend a continuance of the present law and appropriations.

I also recommend that the provisions of the law be changed so that incorporated villages, under proper restrictions, may have the same privilege of voting money to take advantage of the state aid law as towns and cities do now.

BRIDGES.

One of the most vital questions in connection with the highway department is the safety of our bridges. The rapid increase in the use of motor trucks, and the heavy loads they carry, and the extreme age of many of our bridges, make it important as a matter of safety to exercise the greatest care in their repair and rebuilding, especially on our main roads. The demand is for well built bridges of a capacity sufficiently large to meet the probable requirements for years to come. It is false economy to build for present needs only, and towns should be encouraged by the state to build for the future, that our bridges, the vital and dangerous links in our highway system, may be absolutely safe and equal to any demands that may be made upon them in the future by the increased traffic that the development of our state is sure to make upon them.

I, therefore, recommend that you carefully consider the present state aid law for bridges, and amend it so as to increase the percent of aid to towns as much as in your judgment the importance of the matter seems to demand.

MAINTENANCE.

The automobile law, creating a "Maintenance Fund" for the highways, which was passed by the legislature of 1908, has proved to be more satisfactory than its warmest advocates anticipated. The large fund it has created has made it possible to keep our principal highways in better condition than would have been possible without it, while the taxpayer is relieved of an extra burden of taxation that would otherwise have fallen upon him.

The improved roads have no doubt stimulated the use of automobiles, for we have today about 16000 automobiles owned in the state, 724 motor cycles, and 725 trucks—one automobile to every twenty-three inhabitants. The increased use of automobiles has made our road problem larger, and more complex than ever, and has led to the adoption of the patrol system of maintenance. Under the law providing for this system, acceptance of its provisions was made optional with the towns; few towns took advantage of it the first year, but the highway department reports 730 miles of road, and 100 patrolmen on the list of 1916. Towns are just beginning to realize what the plan means to them. Maintenance by patrol has, during a four years' trial, proved so satisfactory, and so much superior to the old town system, that I recommend the plan be continued, and that no legislation be enacted that will in any way hinder its development.

TOWN ROADS.

Our state aid law has automatically divided our roads into two classes—state roads and town roads. So much attention has been given during the past two years to improving our state roads, that scant attention has

been given to the needs of our town roads. In fact the problem has been so large that the state has adopted the safer policy of developing the plan only as fast as public sentiment seemed to demand. The improvements on our state roads have served by way of contrast to create a demand for better town roads. I believe the time has come when this situation should be met promptly and intelligently. Let me direct your attention to a few facts well known to you all, no doubt, that bear directly upon the question.

Our total mileage of roads in the state to be maintained today is practically the same as it was ten years ago. Their use has greatly increased during that period; the public is demanding better roads than ever before, and the shorter hours of labor, and the increased rate of wages now prevailing has greatly increased the cost of maintenance. Appreciating these facts, some towns voluntarily raise more than the 20 percent tax required by law, but a majority are satisfied to raise the minimum legal rate. This course, together with the wasteful expenditure sometimes made of the funds, has resulted in a slow but constant depreciation of the roads that have been subjected to this treatment. The grand lists of some towns have increased while those of others have decreased, but a majority have remained practically stationary. The solution of the problem would seem to be increased funds, and some sort of supervision of their expenditure. Therefore, I would recommend, that the law requiring towns to raise and expend not less than one-fifth of the grand list as a town road tax, be amended so as to materially increase this tax to adequately meet present conditions.

Furthermore, on account of the growing importance, and the increased use of the town roads for automobiles, I recommend that a portion of the "Maintenance Fund" be set apart, and be made available for towns, under proper restrictions, for aiding them in maintaining and improving their town roads. If, say, \$50,000 were appropriated from the "Maintenance Fund" for this purpose, it would be another step in advance in our state road policy, making available for the town roads under state supervision the same amount that was appropriated for state roads in 1906, thus extending the principal of state aid and state supervision to practically all the roads in the state.

I am convinced that these changes, if made, would go a long way towards developing a better spirit of co-operation among all our taxpayers, and give us steady, yearly improvement of our entire highway system to the advantage alike of taxpayers and the tourist, making farms and country homes accessible by serviceable highways, adding materially to their value, and producing a system of earth and gravel roads that will be of vast economic benefit to our state and without incurring any indebtedness.

REVISION OF STATUTES.

The report of the commissioner appointed to revise the statute laws of the state, under the authority of No. 242, Acts of 1915, will be submitted to you for your action. As this work will supersede the Public Statutes, and the session laws of a public character enacted since 1906, it should receive early and careful consideration by the appropriate committee, and by the legislature itself. The permanent edition, to be published after the adjournment of the present session, will also include all the legislation of a public nature which you may enact; and special care should be taken that the public acts of this session are framed with reference to the proposed revision, so as to be in harmony with it.

TAXATION OF HYDRO-ELECTRIC PROPERTIES.

A situation confronts us at the present time, which should receive the attention of your body. During the last few years, we have witnessed the development of several of our water-powers by foreign and other corporations. These corporations have spent immense sums of money in the development of these water rights, and as a result the state will be immensely benefited, if a proper policy of control and taxation is adopted.

In the future there is bound to be more development along these lines, and it seems to me that the time has arrived when the state should adopt a definite policy of taxation of these hydro-electric plants and other water-power developments. There are two reasons why this should be done; First, fairness to the state. Second, fairness to the corporations who are making these investments.

The state is obliged from time to time to levy direct taxes upon the various municipalities for the support of schools, up-keep of highways, and the general expenses of administration. Under the present system of taxation, these properties are subject to as many varied appraisals as there are towns and municipal subdivisions

in which these properties are located. The respective boards of listers exercise their best judgment in arriving at valuations of these properties; but, without much expert knowledge as to their real values, there is bound to be a divergence of opinion, with the result that all state taxes assessed are not uniformly collected.

Then, too, the corporations find themselves subject to the multifarious methods of varying assessments, and the propositions of being obliged to pay their taxes to several different municipalities at as many different dates.

In my judgment, the state, through its method of collecting the tax due from railroads, telephone companies and other public service corporations, has solved the problem of the taxation of these hydro-electric plants, and other water-power developments. These properties should be assessed and taxed in practically the same manner as railroads, telephone companies, and other public service corporate property is now assessed and taxed. The state through its machinery already developed, can readily arrive at a uniform valuation of these properties. The result will be that the corporation will have received fair treatment, and the state will have received the benefit of the tax to which it is entitled.

It may be urged that a few towns will lose the benefit of the tax which they are now receiving, but it must not be forgotten that the collection of a tax on the part of the state from these properties will serve to lessen by so much the tax to be collected from the towns for the various purposes for which the state levies taxes. Besides, the fact that the power developed by many of these plants is transmitted over long transmission lines to distant towns, some within and some without the state, would seem to place this kind of property in the same class with railroads and telephone lines to be taxed directly by the state, and not by the town in which it is located. Under this plan, all the towns in the state will receive equal benefit.

The state already has wisely assumed certain control of all these corporations through the public service commission, and the adoption of this plan of taxation will be entirely consistent with our policy toward all other public service corporations, and would, in my judgment, be a most satisfactory arrangement, and helpful both to the corporations and to the state. The result may be easily arrived at, without a large amount of new legislation by invoking the use of machinery now in force in connection with the taxation of other corporations.

I earnestly recommend that you give this important subject the attention it deserves, and that you take such action as may seem best to you in order to give the state proper control of these developments, and the corporation a fair plan of taxation.

CONCLUSION.

Gentlemen: You have been selected by your constituents to represent them in this legislature. It is a distinct honor to be chosen to perform this public service—a service not only to your respective towns, but in a larger and much more important sense, a service to your state. Let this thought direct you in your work, and bear constantly in mind the fact that the value of your public service can be measured only in terms of successful achievement for the benefit of all the people in the state. Measured by this standard, may we be able to place a high value on the services you render at this session.

The legislature of the biennial term just closing made an especially good record in this respect, both at the regular, and at the special session, and I am glad to publicly commend them at this time for their excellent service. I shall look back upon my administration, which closes today, with great pleasure and satisfaction because of the loyalty and support of the members of the legislature, and of the officials in all the departments of our state government.

I feel that no Governor in all the history of the state could have been more fortunate in his associates than I have been. It certainly has been a great pleasure for me to have been associated with these men, and to share with them the honor of whatever of accomplishment may justly be credited to this administration. I want at this time to publicly express to all of these officials my appreciation of the kind consideration and loyal support I have received at their hands.

Public sentiment is a very important factor in the success of any public service, and newspapers are responsible in a very large degree for public sentiment. I desire on this occasion to thank the press of Vermont for the unsolicited and unstinted support given me in my work during the twelve years I have served the state as

its public servant for words of commendation and criticism alike, all of which have been most helpful, and for which I am truly grateful.

Words fail me on this occasion to express through you, representing as you do every town and city in the state, my gratitude to the people of Vermont for the confidence they have so freely placed in me during these years of service, and for the great and unsolicited honor they have bestowed upon me in selecting me as their Chief Executive. I have tried to show my appreciation by rendering faithful service, and trust that, notwithstanding my mistakes and shortcomings, the service as a whole may prove to be helpful to the state.

In turning over this important trust to my worthy successor, Honorable Horace F. Graham, I bespeak for him the same loyalty and cooperation that has been so freely accorded me, and which is so essential to a successful administration.

CHARLES W. GATES.

The Governor, having concluded the reading of his message; withdrew, and the joint assembly dissolved.

GUY W. BAILEY,*Secretary of State, Clerk.*