

Inaugural address  
of

Stanley C. Wilson

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### **Inaugural Message**

*Members of the General Assembly:--*

The people of Vermont have entrusted to us tasks that we have severally taken our oaths to perform. Some of those tasks are bound to be difficult. But we have pride in our state, we have confidence in the stability of our institutions, we have a steadfast faith in our people, and as true Vermonters we shall not lack in courage to attack and solve the problems that confront us.

It is my first duty to suggest to you such subjects of legislation as seem important for your consideration and to make such recommendations as seem to me advisable. Necessarily these suggestions and recommendations must be briefly stated, but every facility will be afforded you for such additional information as you desire. Yours is the chief responsibility for legislation, but you are entitled to executive aid.

In order that you may wisely determine what shall be done, it is essential that you have before you the facts as to what has been done, as well as present conditions.

#### **STATE INSTITUTIONS**

I am glad to be able to report to you that our state institutions are in excellent condition. We have no institution that requires any additions, improvements, or extensive repairs during the next biennial term.

Under authority from the last legislature a new fire proof dormitory for disturbed female patients was erected at the State Hospital for the Insane at Waterbury. This building is of the most approved type for the handling of that class of patients. It was built, completed, and fully equipped within the appropriation of one hundred twenty-five thousand dollars. This building will accommodate one hundred patients and should be sufficient to take care of any natural increase in patients at the state hospital for the present.

In this connection I call your attention to the fact that there is a constantly growing tendency to secure commitment to the state hospital as state patients of people who may perhaps be technically insane but who are not in need of care in an institution for the insane. The practice of unloading town paupers on the state through commitments of this sort should be discouraged.

By special appropriations, repairs and improvements have been made at the Vermont Sanatorium at Pittsford and the Soldiers' Home at Bennington, and from regular appropriations at the State Prison and Prison Farm at Windsor and the Industrial School at Vergennes. A sprinkler system for fire protection has been installed at the Vermont State Hospital for the Insane.

Our institutions now raise a large part of the farm and garden produce for their needs and the policy has been adopted of buying Vermont products.

#### **WASHINGTON COUNTY TUBERCULOSIS HOSPITAL**

In accordance with the provisions of No. 182 of the Acts of 1931, duly ratified by the voters of Washington County, the Washington County Tuberculosis Hospital was on the 2nd day of November, 1932, conveyed to the State and is now in charge of the Commissioner of Public Welfare. It is expected that the cost to the state of the maintenance of this institution together with the liquidation of the portion of the bonds assumed will not exceed the amount heretofore paid to the hospital for the care of patients.

#### **FISH AND GAME**

Practically one person out of every four in the state by procuring a license to fish or hunt contributes to the funds provided for the improvement and protection of the fish and game resources of the state. The facts show that the people of the state, as well as an increasing number outside, are interested in our fishing and hunting.

Our fish and game assets are of great value not merely for the sport furnished for the recreation of our people, but for the actual commercial benefit resulting to the state. In the last open season 1992 deer were reported lawfully killed, which according to prevailing prices had a commercial value of \$48,106.80. The

commercial value of other game killed and of the millions of fish caught each year cannot be accurately computed because not reported.

During the past two years the Fish and Game Department has made extensive additions and improvements to its plants and equipment for the propagation and rearing of fish. The policy has been adopted of raising fish to at least advanced fingerlings and in some cases to legal size before planting. This necessitated additional hatchery accommodations and equipment and enlargement of the facilities in the rearing stations.

A modern hatchery has been constructed at Salisbury. This hatchery is said to be producing the finest fish ever raised in Vermont. Extensive improvements have been made to the hatcheries at Bennington, Canaan and Roxbury. Numerous rearing pools have been constructed with the cooperation of fish and game clubs throughout the state.

By far the greater part of the funds available in this department are now being utilized for the actual raising and distribution of fish and game, while the law-enforcement work has been considerably curtailed. At the same time a healthy sentiment in favor of law enforcement has been built up through work with the fish and game clubs and in other ways. Public sentiment in a community in favor of enforcement of law is of tremendous aid to the promotion of fish and game interests. I think real progress has been made during the past two years in this respect.

### **REVISION OF STATUTES**

At the last session of the General Assembly a revision of the Vermont statutes was authorized. The preliminary work has been completed and the proposed revision is ready to be submitted to you. This work has been done at an expense somewhat less than the amount appropriated and very much less than the cost of the last previous revision.

Upon enactment of this proposed revision, provision should be made for the editing and printing of the revision with such amendments as may be required by legislation of this session.

### **UNEMPLOYMENT AND POOR RELIEF**

Vermont has suffered from unemployment and consequent necessity for poor relief less than most states. This does not mean, however, that we have been immune. In 1931 I appointed a State Committee on unemployment which acted in conjunction with President Hoover's Unemployment Committee, largely as a fact finding commission and a clearing house for information and suggested relief.

In 1932 we effected a coordination of several of the public relief and unemployment agencies including the above, the Mayors Committee, the Share-the-Work Committee, the Red Cross, the Committee for Trade Recovery, and representatives of the local overseers of the poor. The work has been quietly organized and apportioned. Improved methods of poor relief to avoid doles, eliminate frauds, spread work and create new work have been put in operation wherever cooperation could be secured.

The state itself through the highway department and the forestry department has aided materially in furnishing employment to those in need.

### **PUBLICITY**

I believe in Vermont. We are all proud of her agriculture and her industries. We are now alive to the wonderful scenic wealth and opportunities for recreational development which abound in the state. It is useless, however, to hope to attract to Vermont any great number of people either for vacations or permanent residences unless we tell them about the attractions of our state.

Two years ago the appropriations for publicity work were somewhat increased. I think the money has been well spent and that Vermont is reaping benefits from it. These benefits extend all the way from securing out of the state customers for Vermont farms, summer homes, and farm products, to a presentation of the advantages of Vermont for business and recreational purposes. We should continue our publicity work. The time to advertise is when additional business is needed. Avenues of approach to the people of other states have been opened which appear to be fruitful in results. Private and commercial organizations have assisted in the work.

As governor, it has been a pleasure to take on a considerable amount of work along publicity lines. Insofar as my time and other duties have permitted, I have endeavored to tell the story of Vermont and her beauties, her opportunities and her resources on every occasion when it seemed proper. Various broadcasting studios have aided by donation of their facilities. So far as I have been able, I have made use of them. In behalf of the state I now express appreciation of this cooperation.

## **EDUCATION**

Vermonters believe in education. They are disinclined to accept dictation, however, as to how it shall be provided. We are educating our youth far better than we formerly did. No change to our school laws should be made which will reduce the efficiency of our schools.

I believe firmly that every reasonable aid should be provided to give the pupils in rural schools and debt burdened small towns, educational facilities comparable to those enjoyed by pupils in populous communities.

I feel, however, that our schools are costing us unduly at the present time in many instances. Towns are somewhat hampered by state laws in attempts to cut costs.

A careful study of existing school laws convinces me that changes can be made that will enable us to reduce expenditures by the state and by the towns without sacrificing efficiency. I believe the department of education will cooperate with you to this end. I commend to you a careful study of the school laws and the appropriations based thereon. Specific suggestions will be made in connection with the budget.

## **BANKS AND BANKING**

The banking record of Vermont is unique in that during the past two years no bank in the state has closed its doors. This record is a strong testimonial to the stability of our financial institutions, the conservatism of our bankers, and the good sense of the tens of thousands of our people who own the deposits in our banks. These deposits amount to approximately \$145,000,000 in state banks and approximately \$50,000,000 in national banks in the state.

Banks are a great benefit to the state and to the communities in which they are located. Our people rely upon them for the protection of their savings, for a convenient and safe medium for handling of commercial transactions involving money payments, and for the credit facilities needed for the conduct of business. A great part of the loans of our banks are made upon mortgages on the farms and homes of our own people. It is to be remembered, also, that the banks contribute annually over a million dollars to our state treasury in taxes.

General business conditions during the past three years have made it difficult for banks as well as for individuals. When individuals, because of reduced earnings, do not have money to pay their loans, the banks in turn do not have those funds to finance other individuals. So, the banks may have some slow assets which may be worth full value but cannot be realized upon quickly. In times of depression, it is natural that bank depositors desire to draw upon their savings for use. If the people who owe the banks fail to pay fast enough to supply funds to meet these withdrawals, banks are forced to borrow money to pay their depositors until they can collect on their mortgage loans on homes and farms. Throughout the country, due largely to the present abnormal conditions, there have been a great many bank failures.

Our bankers have been laboring with the problem of adjusting the business of the banks to changing conditions in order to perform their full service without ill-treating their debtors and still supply the needs of their depositors on demand and furnish necessary loans for business and agriculture.

Other states are struggling with the same problems. In a few, where legislatures have been in session, legislative enactments have been made; in many others, legislation is to be proposed, looking to improvement of the situation. Banking, like most business, is conducted upon the foundation of credit. It is, therefore, our duty to see to it that the credit of our Vermont banks is maintained in order that our business may be conducted properly.

During the past year, at my suggestion, a voluntary organization was formed which includes in its membership eighty per cent of all the banks in the state, representing ninety per cent of all the bank deposits.

This organization, known as the Vermont Bankers State Committee, has created a central fund under a cooperative loan plan for the mutual protection of all. It has helped to stabilize credit conditions.

This organization is temporary and voluntary, however, and legislation will be necessary to safeguard permanently the interests of our banks, and when I say banks, I have in mind especially the depositors who are the people having the greatest interest, as well as the stockholders and the business men and farmers and home owners who borrow from the banks. It is essential to the welfare of the state that every reasonable effort shall be made to keep our financial institutions not merely sound, but able to perform their proper functions in their communities.

The Commissioner of Banking and Insurance has made an extensive study of present conditions, As a result, there will be presented to you proposed changes which he deems advisable to be made in the investment and administrative provisions of our banking laws. I trust these will be given your careful consideration.

I believe that the situation requires something more than routine action, You should go further and provide legislation to guard against contingencies that may arise in the future similar to that which is being provided in other states and which may be termed emergency legislation. In some states, the compulsory creation of a joint fund, contributed to by all banks and for the use of banks in temporary need of cash, has been provided by law. In others, legal status has been given to such a fund created on a voluntary basis. These are worthy of your consideration.

I deem our banking laws inadequate also in the matter of provisions for reorganizations, consolidations, and mergers. These are technical matters which I do not care to discuss in detail at this tune but which I suggest for your careful consideration.

In view of the misfortunes which have come to the banking institutions in many states and the serious financial conditions which prevail the country over, we will be derelict in our duty if we fail to provide every reasonable safeguard for our banking institutions in order that we may preserve to our people the benefits of the savings and financial genius of generations of Vermonters.

### **HOME LOAN BANKS**

By act of Congress Home Loan Banks have been created to aid in the financing of the construction of homes. The use of this governmental agency is desirable to enlarge the credit facilities of our financial institutions and facilitate the return of normal building operations. Building costs are now low and our labor in building lines is in need of employment. The contraction of ordinary bank credits due to the general financial stringency has put building operations at a low point.

Our statutes do not permit our Vermont institutions to take advantage of the provisions of the Home Loan Bank. I recommend that you provide proper legislation to enable them to do so and so release additional funds for the use of people who desire to build homes. Every dollar we can put in circulation for useful purposes will aid the general public

### **ERADICATION OF BOVINE TUBERCULOSIS**

Agriculture is the basic industry of Vermont. For many years Vermont has been committed to the policy of eradicating bovine tuberculosis through cooperation between the state government and federal government. We began with the accredited herd plan in 1917 and inaugurated work by areas in 1925. At the present time 113 towns have been area tested. Ninety-three of these are officially modified accredited tuberculosis free areas. One hundred thirty-five towns have not been area tested, of which 107 are already signed up for the test.

The last legislature recognized an emergency and provided an increase in appropriations for this work. The emergency is greater now.

If we continue the work by appropriating \$250,000 a year, as we are now doing, the work will not be completed until 1937 and the estimated cost would be \$865,000. The federal government will cooperate with their part of indemnity payments up to July 1, 1934. We have no assurance of federal appropriations beyond that date.

Our dairymen are threatened with loss of markets for their milk unless their herds are tuberculin tested, and this threat is especially serious because our neighboring states are finishing their work along these lines.

Very carefully revised estimates satisfy me that if funds are provided, the initial area tests can be completed before July 1, 1934 at a considerably lower cost than if the work is extended over three additional years. A plan has been worked out whereby we can provide funds and take care of the expenditures within the coming biennial period. The appraisals on cows are now low and the dairy industry needs the immediate relief.

I recommend for your careful consideration the plan which will soon be presented to you.

### **FORESTRY**

Interest in forestry continues despite economic conditions. During the past two years 2,193,400 trees were planted in the state in private lands, municipal forests and state forests. Five thousand seven hundred four acres were added to our state forests and state forest parks, making a total of 44,207 acres. There have been three splendid gifts during this time. The Thetford Hill State Forest, 260 acres, was a gift from Mr. Dwight Goddard. Mr. Walter K. Barrows gave 12 acres in the Gifford Woods in Sherburne, and Mr. Wallace I. Allis gave 135 acres on Bear Hill in Brookfield. The latter tract is now a scenic resort visited by many thousands of people last summer.

At the present time several hundred men are employed cutting wood and logs on state and municipal forests. On state forests the Commissioner of Forestry has arranged with overseers of the poor to give wood to the unemployed in return for labor culling the forest growth.

### **MOTOR TRUCKS**

The problem of heavy trucks on our highways is serious. I suggest for your consideration the further regulation of the use of these trucks and especially those coming into Vermont from other states, as well as the question of load limits and the adjustment of registration fees on the basis of weights including actual load carried.

### **HIGHWAYS**

Highways are essential to the business life of our state. The almost universal use of the automobile has made it necessary to build roads better in order to meet the requirements of present day traffic. Engineers and road builders are constantly improving well-known types of construction as well as developing new types adapted to changing conditions and at reduced costs. The present problem in Vermont is to make our roads usable the year around and to get our people out of the mud and dust as fast as possible with funds available.

The last legislature wisely provided for the state taking over the entire care of our federal aid roads. The action was taken so late that we did not get full benefits in 1931, but in 1932 the beneficial results have been manifest. The state has an added burden but the gain in efficiency and in satisfaction to the traveling public has fully justified the change.

We now have 1013 miles state roads, 3387 miles state aid roads, and 9952 miles town roads.

During the calendar year 1931 the state constructed on state and state aid roads 32 miles of cement surface roads, 21 miles of macadam and 125 miles of mixed-in-place and surface treated, or a total of 178 miles of modern surfaced road. During the year 1932 the state built 31 miles of cement, 29 miles of macadam and 96 miles of mixed-in-place and surface treated. In addition to this, there were constructed 92 miles of gravel surfaced road in 1931 and about 75 miles in 1932. These figures rate certain roads as macadam that formerly were put in the lower classification, the change of classification having been made to accord with the practice in other states. Some old style surface treated road surfaces were improved.

In 1932, due to unemployment conditions much construction was done by hand labor and on force account in order that as many as possible of our people could be kept at work. Some of this work is still in progress.

The federal government for unemployment relief advanced to be used before next July an additional \$600,000 to be used only on federal roads. This has to be used under special regulations which according to our

experience greatly reduce its value to us in construction results. State funds spent under our own regulations have produced better results both in accomplishment and unemployment relief.

We now have on our entire road system of 14,352 miles, 352 miles cement, 154 miles macadam, 2 miles granite block and other types of pavement, and 597 miles mixed-in-place and surface treated. Of these modern surfaced roads the distribution is as follows: state roads, 663 miles; state aid roads, 295 miles; town roads 147 miles. There has been no complete data on town road work until recently, or since all roads were re-measured in 1931. Base work has been done or is in process for at least 37 miles additional of cement or other improved surfaced roads.

I believe that during the next two years we should decrease our high type construction on state roads and increase our lower type construction of improved surfaced roads on our state aid roads. We have few miles of state road requiring immediate improvement of high type construction and we have a large mileage of state aid roads needing modern surface. The construction of bituminous surfaced roads will afford much greater unemployment relief and give more extended mileage. Not only should we get out of the mud as fast as we can, but we should put as many people at work as possible, consistent with efficiency. We should not decrease the amount of state aid to town roads.

### **EXPLOSION AT POWDER HOUSE**

On the evening of August 1, 1932 there was an explosion of dynamite and other explosives stored by the Highway Department near the State Garage in the town of Berlin causing damage to persons and property. On the following day preliminary survey of the damage and investigation of the cause of the explosion were made. The explosion resulted from fire of undetermined origin.

On August 3 a meeting of the Emergency Board was held upon my call, and upon considering reports from the Highway Department, the Attorney General, and State Detective, an appropriation of not to exceed twenty thousand dollars was made for the purpose of paying such damages to persons and property as were caused by the explosion. The adjustment of claims was handled by the Highway Department.

All claims have been adjusted and paid except a few property claims which were disallowed, and one personal injury claim which is unsettled because of continuing treatment of the injured person.

The total sum paid for damages and administration expense is \$12,740.74.

All claims were personally inspected, and settlements made appear to have been satisfactory.

### **TAXATION GENERALLY**

I am opposed to an increase in taxes. We have succeeded in relieving our grand list from all direct state taxes. All taxes, however, whether direct or indirect and whatever the immediate source are ultimately paid by the public. State taxes should be reduced if it is possible to do so and care for the endeavors of the state that must be continued or which should be continued because of the benefits which they give to our people.

### **INCOME TAX**

The income and franchise tax law enacted by the last legislature has had a year of operation. The taxes paid in 1932 were based on the incomes of 1931, a time of great business depression, yet the receipts from the tax for the year were \$685,935.73.

In revenue production for the state, the law has been a success, considering the unfavorable times. Administration costs have been below all estimates.

As is to be expected with a new law of such importance, minor amendments in administrative features seem desirable. I believe the law should be continued in force with such amendments as experience has shown to be needed.

This law has enabled us to do away with all direct state taxes based on the grand list of the towns, a very material measure of direct relief to real estate and tangible personal property, which has been bearing an unjust proportion of the burdens of taxation.

## **TAXATION OF ELECTRIC POWER COMPANIES**

The first year of operation of the new law providing a tax on electric energy generated in the state has also been successful. The taxes collected were \$239,154.00, or an average of about \$20,000 a month. The cost of collection has been small. The tax has not been passed on to the consumers through increased rates.

A commission appointed under authority of the last legislature to examine into the general subject of taxation of public utility companies engaged in the generation of electricity has filed a report making three recommendations. They recommend that the tax be continued in force. In this conclusion I concur.

They further recommend two changes in the law — (1) that these corporations be exempt from franchise taxes, and (2) that a different basis of deductions or credits be provided. The report will be submitted to you.

## **SALARIES OF STATE OFFICERS AND EMPLOYEES**

Referring to the compensation of state officers and employees, Section 57 of the Constitution of Vermont provides as follows:

\*\*\*\*\*“If any man is called into public service to the prejudice of his private affairs, he has a right to a reasonable compensation; and whenever an office through increase of fees or otherwise, becomes so profitable as to occasion many to apply for it, the profit ought to be lessened by the Legislature.”

It has seemed to me that the subject of decrease in salaries of state officers and employees should be dealt with by the legislature since a great many of the salaries are fixed by statute, and the legislature may of course fix the salary or wages of any employee.

Assuming that you will desire to consider the question of a revision of salaries, I have requested the Commissioner of Finance to prepare, classify, and tabulate information on this subject to assist you in your deliberations.

Vermont state officials and employees, as a rule, are not overpaid. Most of our officials in positions of responsibility are underpaid as compared with compensation of individuals in similar positions in other states and in private business.

It is only because of business conditions and the fact that many people are getting reductions in pay, that a general reduction in state salaries and wages may be justified.

I think that, because of existing conditions, salaries should be reduced. I feel, however, that the maintenance of a proper standard of living requires an exemption of one thousand dollars. A flat reduction of ten per cent on all salaries, after allowing such exemption, would, I think, be reasonably fair, with a corresponding reduction for officials and employees paid on per diem basis when such per diems are at a rate commensurate to a salary above one thousand dollars per year.

If after investigation you deem salaries and other compensation should be reduced, feel sure state officers and employees will accept the reductions in a patriotic spirit.

In case there is a reduction of salaries, authority should be given to the Commissioner of Finance or other officials to work out and adjust the salaries in accordance with the plan outlined by the legislature. If a salary reduction is made, corresponding changes should be made in departmental appropriations.

## **COST OF GOVERNMENT**

The net adjusted cost of state government has been tabulated by the auditor of accounts for the last thirty-two fiscal years. The tabulation shows expenditures for each main endeavor of our state government as well as totals. This tabulation deserves your study. You should consider, however, the causes of the changes. You should also bear in mind that these figures do not distinguish the portion of expenditures paid for through appropriations from state revenues which in many instances are much less.

All expenditures to be made from state funds must be specifically appropriated. The state is the agency, however, for the expenditure of various sums that do not come through state taxation, as for instance highway funds and other funds coming from the federal government and the income from trust funds.

The tabulation shows that the cost of government from about a million dollars in 1901 increased nearly every year until it reached its crest in 1929, when we had our heaviest expenditures due to the flood of 1927. The cost has decreased from that time, as follows:

For year ending June 30, 1929.....	\$16,776,302.71
For year ending June 30, 1930.....	\$13,447,335.57
For year ending June 30, 1931.....	\$12,006,221.90
For year ending June 30, 1932.....	\$11,040,634.44

The net cost of government during the last fiscal year was reduced from that of the previous year by \$965,587.46 and from that of the high year of 1929 by \$5,735,668.27. We have no reason to be discouraged, therefore, while we seek to make further reductions.

The great increase in the cost of our government aside from war time expenditures and those due to the flood has come about because the people acting through their representatives in previous legislatures have been constantly demanding that more be done for them through state agencies. We speak of essentials of government. The actual essentials of state government are few. Not long ago the state spent nothing for highways, public health, care of the insane, care of tubercular persons, public welfare, conservation, agriculture, forestry, industries, and supervision of public service corporations and but little for education and debt service. If we should eliminate expenditures for these endeavors now, we could run state government for a tenth of its present cost.

For practical purposes we must now define the essentials of state government to be those endeavors which are either necessary for the continuance of the constitutional functions of the state or which may properly be handled by the state and which the people had rather pay for and have the state carry on than to go without the service or provide for it through local taxes.

I believe governmental costs should be reduced. I believe the cost of town and city government should be reduced. To shift burdens from the towns to the state does not relieve the burden of taxation, although it may effect a different distribution of that burden and may secure greater efficiency. To cut off a state endeavor that is deemed essential will not relieve the burden, it will simply cast it on the several communities.

Probably we have no state endeavors that do not have merit. Some are absolutely essential to the continuance of our functioning as a state. Others are essential according to modern standards. Some are desirable only if we can afford them. We must reduce our expenditures both state and local to reduce taxes.

State revenues were decreasing in 1932, but with the cooperation of department heads and employees, we managed to keep state expenditures not merely within the appropriations but approximately \$300,000.00 below them after making allowance for balances carried forward because of commitments such as highway construction which has to be conducted on a seasonal basis. The state paid its bills for the year from current revenues, and at the same time paid the interest and \$472,000.00 of the principal on our bonded debt.

### STATE FINANCES

It is estimated that state revenues for the pending fiscal year may not be quite sufficient to prevent a deficit even with continued and increased economies, due to the fact that appropriations have entailed commitments that cannot well be avoided. I assure you, however, that we shall endeavor to keep down the departmental expenditures wherever feasible under the law, and I believe the deficit, if any, will be small.

On the basis of existing laws, the revenues of the state available for the payment of appropriations are estimated to be \$8,196,730.00 for 1934, and \$8,149,730.00 for 1935. The appropriations made by the 1931 legislature were 9,373,272.53 for the period up to June 30, 1932, including \$173,665.81 provided for advanced use in 1931, and for 1933 they were \$9,392,977.70.

It is plain to be seen, therefore, that with estimated annual revenues more than a million dollars below the annual appropriations for the pending biennial period, we must reduce expenditures to balance the budget.

## **THE STATE BUDGET**

Having these facts in mind, I have in preparation a state budget which will soon be presented to you for your consideration. It is prepared on the basis of existing laws except that in some instances recommendations for reduced appropriations are made which may require amendments to statutes and which amendments are suggested. Other suggestions are made as to changes which if adopted will effect further reductions.

No department of state government has been immune from reduction in appropriation. The percentage of reduction has varied considerably according to the nature of the appropriation. It is, of course, more difficult to reduce the cost of an endeavor, the performance of which is required by law and the scope of which is fixed by conditions over which we have no control, than to reduce an appropriation for an endeavor, the extent of which is measured only by the funds available.

The budget makes no allowance for any special appropriations. No special appropriations should be made unless the same are clearly founded upon necessity. If additional appropriations are made, it will be necessary to provide additional revenue.

The budget eliminates all appropriations for construction of new buildings or unusual repairs of present buildings.

I recommend that from the revenues received from motor vehicle registrations and fees and gasoline tax there be deducted the following: the annual payment on flood bonds, the interest on flood bonds, and the cost of operation of the Motor Vehicle Department; and that only the remainder, after these deductions, be appropriated for highway purposes. These deductions amount to approximately \$800,000 per year. I am therefore recommending that appropriations for highways be greatly reduced from the appropriations for the pending biennial years. I dislike to make this recommendation, especially in view of the fact that there is a likelihood federal appropriations for highway purposes may be reduced or cut off, and we need the work for our unemployed.

In the Department of Education, I recommend reductions on several items — elimination of one deputy commissioner, reduction of appropriations for superintendents, and changes of basis of state aid of several kinds. The changes are designed to curb the tendency to higher school taxes in the towns, as well as save money for the state.

I recommend the repeal of the statutes providing bounties for destruction of noxious animals.

In the Judiciary Department I recommend several changes in statutes and the elimination of certain courts to bring about reductions in expense.

Provision is made for caring for the emergency confronting agriculture in the matter of bovine tuberculosis eradication.

The recommended appropriations in the budget are within the estimated income. In other words, the budget will balance.

## **CONCLUSION**

Your work as legislators is especially important this session. Legislative action will be watched this year by the people as seldom before. These times of depression have brought forth a multitude of radical suggestions the country over. You will doubtless have some presented to you.

From the days when the Green Mountain Boys set up an independent nation more than a century and a half ago Vermont and Vermonters have stood for independent thought and action and for progress along conservative lines. It is your business to see that Vermont shall retain her proud position and in these troublous times lay the foundation for a new and greater prosperity that is bound soon to come. It is my earnest hope that we may labor together and accomplish much for our beloved state.

STANLEY C. WILSON.