

Inaugural address
of
John B. Page
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Friday, October 9, 1868
Inaugural Address

*Fellow Citizens of the Senate
and House of Representatives:*

Having assembled in accordance with the provisions of the Constitution to enter upon the discharge of those legislative duties incumbent upon the representatives of the people, it devolves upon the Executive to bring to your attention such business as may appear necessary for your consideration. It is your duty to remedy any defects in the laws, to make and defend the rights of the people, and to render sure to all within our borders the benefit of our free institutions.

You will be called upon to consider many special and local interests that should receive the investigation and action their importance may demand.

The transactions of the executive departments of the government during the past year, as contained in the reports of the State officers, will be laid before you. From these reports I gather some facts, to which I would more particularly direct your attention.

FINANCES

It is gratifying to be able to report that our financial condition continues to improve. Under the wise provisions of former legislation the funded debt of the State has been reduced during the year two hundred and thirty thousand dollars. With no resources but direct taxation, and with the extraordinary expenditures during the past few years, amounting in the aggregate to upwards of five millions of dollars, we find ourselves at the close of the fiscal year with a funded indebtedness, after deducting balance to credit of sinking fund, of eleven hundred and sixty-eight thousand dollars.

With a continuance of the policy of providing for a portion of the funded debt, and with a due regard to the economical administration of the affairs of State, we may still further reduce the amount required to be raised by taxation.

The war claim of the State against the United States has received the special attention of the Auditor of Accounts. The unadjusted balance due the State is now \$207, 222.23. It is estimated by the Auditor that we may expect with confidence to receive within the present fiscal year at least one hundred and ten thousand dollars on these claims.

The Treasurer's report enables me to make the following statement of the finances for the fiscal year:

RECEIPTS.

Balance in treasury, Sept., 1867,	\$44,813 48
Balance to credit of sinking fund, Sept., 1867,	82,000 00
Collections on taxes,	515,028 95
Received from judges of probate,	10,448 91
Balance from county clerks,	24, 735 87
Received from United States on war claims,	57,637 71
Received from other sources,	19, 697 52

Total,	\$754,362 44

DISBURSEMENTS.

Debentures of General Assembly,	\$45,544 40
Extra pay and soldiers' allotments,	2,344 62
Organized militia pay roll,	516 55

Court orders,	53,481 44
Auditor's orders,	184,698 18
State bonds, redeemed,	230,000 00
Balance credit sinking fund,	59,637 71
Interest on bonds and loans,	88,366 73
Allowances to collectors of taxes,	16,904 33
Normal Schools,	1,500 00
Balance in treasury, Sept., 1868,	71,368 48

Total,	\$754,362 44

The classification of the expenditures for the current year shows, for

Debentures of General Assembly,	\$45,544 40
Expenses of the courts, (without including salaries,)	76,139 86
Interest on bonds and loans,	88,366 73
Expenses of printing,	14,395 88
For salaries,	39,968 16
Asylum for the insane,	14,089 57
Reform School expenses and appropriation,	11,695 92
Expenses of Board of Education,	4,545 94
Expenses of superintendents of schools,	4,235 67
Militia and Quartermaster General's expenditures,	6,454 79
Extra pay and organized militia pay rolls,	2,861 17
Expense of State prison, over income,	5,256 71
Expenses in Sergeant-at-Arms department,	4,631 83
American Asylum for Deaf and Dumb,	2,120 28
Expenses of State Library,	1,419 27
Appropriation to Normal Schools,	1,500 00
Official expenses, and miscellaneous,	15,983 68

Total,	\$339,209 86

ESTIMATED LIABILITIES FOR THE CURRENT YEAR.

For sundry balances in the treasury,	\$10,000 00
Interest on bonds and loans,	76,000 00
Other State expenses,	240,000 00
Sinking fund installment on bonds,	150,000 00

Total,	\$476,000 00

RESOURCES.

Balance in treasury and due on taxes,	\$78,153 15

Balance,	\$397,846 85

It will be necessary to assess a tax upon the grand list of the State, for an amount sufficient to meet the estimated liabilities, and such other appropriations as may be made. What is received during the year from the United States, may be appropriated to further reducing the funded debt, or applied to a reduction of the tax.

The balance in the treasury to the credit of the soldiers for allotments of United States pay is now, including interest, upwards of twenty-two thousand dollars. The object for which the allotment system was adopted having been fully attained, it may be well to inquire of some steps should not be taken having a tendency to bring these accounts to a close.

The aggregate indebtedness of all the towns and cities in the State, as shown from the returns made to the State Treasurer, is nineteen hundred and thirty-nine thousand one hundred and ninety-eight dollars. Nearly one-half of the debt is found in the counties of Bennington and Windsor.

ASSESSMENT OF TAXES.

It is evident to many who have been called upon to administer our assessment laws that the burdens of taxation do not bear equally upon all classes of property. This is owing in part to the method adopted in making up the list. In some localities the real and a portion of the personal estate is assessed at about one-half its value; while in others it is represented in the list at its full cash value.

The assessed value of the real and personal estate of Vermont was in 1860 nearly eighty-five millions of dollars, while its true value in money, according to the census of that year, was over two hundred and fifteen millions. The existing laws require that the real and personal estate shall be set in the list at "its true value in money." The adoption of any other course is unjust as well as illegal. It is the practice, on the part of listers in some localities, to file their lists in the town clerk's office without the oath prescribed by law, thereby easing their consciences for any irregularities in their mode of assessing the property set in the lists. It may be well to inquire if a more faithful discharge of the duties of listers would not be secured by prescribing some penalty for their neglect or violation of the requirements of the laws.

The right of appeal from the listers lies only in the party whose property is appraised. It has been suggested that it would be beneficial to give the right of appeal to any taxpayer, for if any part of the property in a town is assessed at less than its true cash value it is a matter of interest to all tax-payers to have it corrected. This right of appeal would also ensure a more faithful discharge of the duties of listers.

The taxation of personal estate invested in this State by non-residents has frequently been the subject of legislation, and as yet without any satisfactory result. An attempt was made at the last session of the Legislature to enact a law to regulate the taxation of stock in railroads held by non-residents. The bill passed both Houses on the last night of the session. It was concurred in by one branch after the other had closed its business and adjourned. On examination of the act, I deemed it my duty to withhold my approval, believing that had the attention of the Legislature been called to the questions involved the bill would not have been passed.

At the session of 1854, the law was passed to which the bill in question was an amendment. While neither affected the tax on the stock of residents, --the two acts being identical in that respect, --the bill of the last session changed only the manner of assessing and collecting the tax upon non-resident stockholders, and repealed without reservation the law of 1854, (sections eighty-eight, eighty-nine and ninety of chapter twenty-eight of the General Statues.)

By the direction of a former Legislature, proceedings had been commenced to enforce the collection of the tax upon the stock of non-residents in the Vermont and Canada Railroad Company. A bill in chancery in behalf of such stockholders was, therefore, brought against the State Treasurer, and an injunction procured restraining that officer from collecting the tax. This suit is now pending in the Supreme Court of the United States, and it is expected will be heard the present winter. I deem it the part of wisdom to postpone further legislation on this subject until the courts have passed upon the questions now under consideration.

I am advised by eminent counsel that should the decision of the court be in favor of the State, the enactment of the bill of last session would render quite doubtful the power to collect the accrued taxes now in arrears, -- estimated to amount to over one hundred thousand dollars. The inquiry from interested non-residents in regard to the fate of the bill, since the close of the last session, inclines me to the opinion that there was a design in the

amendment not apparent to the Legislature when the bill was under consideration, and it aptly illustrates the evil that may grow out of legislation under a suspension of the rules during the closing hours of a session.

There was in my mind another serious objection to the bill. The law of 1854 required the tax upon the stock of non-residents to be paid into the State treasury, where all the people of the State would receive a proportionate benefit. The proposed amendment gave the advantage from taxing stock of non-residents to the towns in which the railroad corporation might keep its principal office.

While nothing should be done to affect the validity of the law of 1854 until a final decision is reached in the case now pending, it may be well to consider whether it would not be sound policy to adopt a system of taxation which shall be consistent in its various parts, and do equal justice to all.

Neither the existing law, nor the proposed amendment applies to railroads built or owned by bondholders. The holder of a bond, who may receive his interest regularly is not taxed, though he is a non-resident, but the non-resident owner of a share is to be taxed, although the bond is practically as much a part of the railroad capital as the stock.

I am unable to see any sound reason why stockholders and bondholders in possession, should not stand on the same footing in this respect, or why railroad corporations should be subject to a different rule in regard to taxation from other property holders. There can be no doubt of your power to tax the real property in this State owned by corporations. It is the present rule to tax it as such, except in the case of railroads, and by including the real property of railroad under the general rule we should reach alike the resident and non-resident stock and bondholder, and should work equality and justice to all.

The only difficulty if any, in the application of such rule, would be found in the exemption from taxation granted in its charter to the Vermont Central Railroad Company which privilege is not enjoyed by any other railroad company in the State.

Nor is it apparent why we should apply, as we now do, to the personal property of residents in other states, a rule of taxation different from that which we adopt for our own citizens.

Our laws consider personal property as following the domicile of the owner, and require that all personal estates of an inhabitant shall be taxed where he resides. While we recognize this principle in the case of our own citizens, shall we seek to impose taxes on the personal property of non-residents, for which by the same rule they should pay taxes where they reside? This seems to me clearly unjust and should it be insisted upon will tend to prevent the investment of foreign capital in those enterprises so essential to our prosperity as the extension of our railroads, the improvement of our water powers, and the development of our quarries, mines and other resources.

One step towards the removal of these objections is to tax the real property of corporations in the several towns where such property is situated, upon its actual value, irrespective of dividends. By this means all the towns on the line of the railroads, or in which any corporate property is situated, will receive their just proportion of the taxes.

In this connection I would renew the recommendation of the last Annual Message in reference to the collection of taxes. This matter is one of importance to tax-payers, and should not be passed over without that consideration its merits demand.

UNITED STATES SENATOR.

The provisions of law require that you should proceed on the second Tuesday of this session, to the election of a United States Senator for the term of six years from the 4th of March next.

NATIONAL CEMETERIES.

I transmit herewith the report of Major William Rounds, Trustee of the Antietam National Cemetery Association, and have as therein recommended certified to the Auditor of Accounts the proportion to be paid by the State. I have also a communication from the Board of Commissioners having charge of the National

Cemetery at Gettysburg, requesting the adoption on your part of a resolution recommending the transfer of that Cemetery to the care of the General Government. These papers are placed at your disposal.

The report of the University of Vermont and State Agricultural College is worthy of your careful attention. The officers say that they are endeavoring to do faithful and valuable work for the State. An investigation that has been made with care, shows that during the last collegiate year, only one hundred and sixty or seventy young men of our State were members of any college or scientific school, either in Vermont or elsewhere. Not more than forty can have graduated during the year. This is a very small number of young men, for our population, to be pursuing a thorough intellectual training, and a larger number of our sons should be encouraged to enter the colleges of our State where they may receive that preparation "of value to men in every worthy vocation."

The condition of our common schools may be learned from the report of the Secretary of the Board of Education. We are expending annually nearly five hundred thousand dollars in the support of free schools, with an aggregate average attendance of nearly fifty thousand children, while the number of children of school age is about seventy-six thousand. Should we not seek for some means of securing a larger attendance upon our schools? It is the ignorant and idle that furnish inmates for our reform school, jails and prisons.

It would seem that the obligations of parents to their children ought to be sufficient to secure the attendance of a much larger number of scholars upon our public schools. It has, however, been found necessary to enact laws regulating this matter, and we are asked in the Secretary's report, if these laws cannot in their operations be made more effective by making it the duty of the school officers to inquire into and prosecute violations.

Is it not a matter of prudence in the expenditure of our public money that it should be paid only to well qualified teachers? As a means of securing them, and receiving the greatest benefit from our schools, we should by generous aid develop the full power for the good of our Normal Schools.

MILITIA.

As required under the act of 1867, the State has been divided into three military districts. The first district consists of the counties of Addison, Bennington, Rutland and Chittenden. The second district of Washington, Orange, Windsor and Windham, and the third of Caledonia, Essex, Franklin, Grand Isle, Lamoille and Orleans.

The necessary orders have been issued under which organizations can be made to fill up the regiments and battery. As yet only eight companies and two sections of artillery have been organized, but it is believed that the continuance of the present policy will secure a full organization in all the districts, and give some vitality to our militia system.

A considerable portion of the expenses incurred during the year in the department have been in collection, as required by law, of the arms and equipments in the hands of the State militia, and putting them in proper order. There now remains outstanding quite an amount of property belonging to the State, the return of which can only be insured by the enactment of a law more stringent in its provisions than the present statute.

STATE'S ATTORNEYS.

The operations of the law providing what is most counties of the State is a wholly inadequate salary for the duties that should be discharged by our State's attorneys, leaves undone a large amount of criminal business, to the great injury of our communities. An increase of salary, or what would be better, a return to a system of fees, would more fully comply with that constitutional provision which requires that "laws for the encouragement of virtue, and prevention of vice and immorality ought to be constantly kept in force, and duly executed."

STATE PRISON.

The reports of the officers of the State Prison are quite full, and doubtless will prove satisfactory. There are now confined in the institution seventy-two male and four female convicts. The expenditure has been thirteen thousand two hundred and nineteen dollars, and the income sixty-eight hundred and six dollars, leaving a balance of expenses over income of sixty-four hundred and thirteen dollars; nearly the average of the past four years. It cannot be expected to show better results during the continuance of the present contract for the labor of

the convicts, which expires in 1871. The operations of the laws of last session are beneficial in their effects upon the discipline of the prison. The commutation of sentence provided for is much more effective than the expectation of pardon, and entertaining this view, but few of the numerous applications for Executive clemency have been granted. The suggestions of the officers of the prison on this point meet my cordial approval.

REFORM SCHOOL.

The appropriation of last year for a workshop for the Reform School has been expended. The trustees have erected a substantial brick building at a cost of twenty-nine hundred dollars, and have made other improvements on the grounds and buildings, with a view to the permanency of the institution.

The expenses of the school have been ten thousand five hundred and thirteen dollars, from which is to be deducted seventeen hundred and seventy-nine dollars, the earnings of the boys in the shop. The products of the farm for the current year amount in value to twenty-nine hundred and sixty five dollars, and have principally been used in the support of the school.

The school has had eighty-seven inmates during the year and now has sixty-nine boys under its charge. Twelve of this number are placed out in good situations, to remain during good behavior. This course relieves the State from expense, and must prove an advantage to the boys who have become reformed and desire to show themselves worthy of being trusted. A number of young men have graduated, respectably prepared for business, and are in good situations. It is suggested that the law in regard to alternative sentences needs amendment to make it effective, and that the profitable employment of the boys would seem to require an enlargement of the farm.

The trustees report the school as under efficient management, and that it is accomplishing its work of reform with a reasonable expectation of useful and honorable lives from its graduates. The facts developed in this report are well worth your candid consideration.

RECIPROCITY.

The subject of reciprocity in trade with the dominion of Canada is now a matter of negotiation between the General Government and the authorities in Canada, in connection with their home government.

Any treaty that may be entered upon will require ratification on the part of the Senate of the United States, and doubtless some legislative action on the part of Congress to make it effective. Although it might not be best for us to enter upon the discussion of the details of exchange of products while these negotiations are pending, we may properly consider the commercial and political aspects; and in that view, no apology is necessary for inviting your attention to the subject.

The questions involved are of vital importance, not only to Vermont and New York but to all the New England States and the states bordering upon and tributary to the northern lakes. The annual increase of the productions of these Western States has exceeded the capacity of transportation of all the avenues to the Atlantic. At a recent commercial convention in the West, it was declared, as the deliberate sense of the large assembly, that: "The canal and various lines of railroads leading to and from the lakes while they have contributed vastly to develop the resources, increase the wealth and promote the permanent union of our country, are wholly inadequate to the demands of the increased and rapidly growing commerce."

If we can secure through the negotiations now pending the construction of a ship canal, connecting the waters of the St. Lawrence and Lake Champlain, a new and desirable route would be open to the great trade which passes between tide water in the Hudson River, the railroads of New England, and the Western States and Canada. The opening of this route is of vast importance to Canada as well as ourselves, and I have reason to believe that she is ready to construct this work, if a reciprocal treaty can be secured which in its operation should be mutually beneficial.

This project is not new. It has attracted the attention of many leading minds, and been approved by eminent and practical engineers. In 1854, careful and accurate surveys and estimates were made under the direction of the Canadian Board of Public Works, by Mr. Jarvis, well known from his connection with the public works of the state of New York. The survey of several routes was made, but preference was given to the direct line from

Caughnawaga to St. Johns, the country being very favorable, requiring but little heavy work at any point on the line, with a distance of but twenty-six miles, and a summit to be attained of only twenty-five feet, and involving a cost of construction of, say three millions of dollars, for a canal that would pass vessels of six to seven hundred tons.

As freight and tolls then stood, it was ascertained that the cost of taking property from Chicago to Troy, New York, with the enlarged canals of the State of New York, then in contemplation would be, via Buffalo \$4.85, via Oswego \$4.01, via the St. Lawrence and Lake Champlain \$3.90.

Mr. McAlpine, an engineer of high standing, came to the same conclusion. He declared that with the Caughnawaga Canal, the cost of transportation by the new route from Chicago would be less than by any other.

It is stated as follows by Mr. McAlpine:

Chicago to Whitehall, 1,451 miles, at two mills per mile,	\$2.83 per ton.
Expenses on the Canadian canals, Caughnawaga included - 96 miles, at three mills,	.29 “
Transfer of cargo at Whitehall,	.20 “
Transfer on present Champlain canal,	.58 “

Total cost,	\$3.90 “

With a connection of this character, no other route from the West to the tide waters of the Hudson will possess any advantage over the route via the St. Lawrence and Lake Champlain to the same point. And this route is greatly superior to any other in its relations to the trade between the West and that portion of New England and New York which borders upon and can be reached from the waters of Lake Champlain. It is demonstrated that produce from the West can be delivered on Lake Champlain by the St. Lawrence route at one-fourth less cost for transportation and in less time than by the other routes, while the connection with the Ottawa valley will be shortened ninety miles, and the rise and fall lessened one hundred and eighteen feet, an improvement of great importance, as we are dependent largely upon this source for our supply of lumber, which as an article of commerce stands next almost to grain.

The saving upon the single article of flour to the people of Vermont alone, in opening this new line, would amount to nearly or quite fifty thousand dollars annually, in the cost of transportation. If we did not succeed in retaining this sum in our own pockets, it would go to the producer, which would be a like benefit to the country as a whole.

Should not the building of this canal under proper guarantees be made a cardinal point in the pending negotiations for a new treaty? Has it not become almost a commercial necessity to the producing states of the West, as well as the consuming states of the East? There can be but one answer to these questions. Believing that an expression of your views may have an effect in promoting the progress of this work, I recommend the adoption of resolutions of instructions to our senators and representatives in Congress on this subject.

RESOURCES OF THE STATE.

The opening of this new line of transportation will largely develop the internal resources of the country, and it may be well briefly to consider this aspect of the case in its bearings upon Vermont.

The railroads extending east from St. Johns, Rouses Point, Burlington and Whitehall, with their numerous connections, would distribute and collect the trade on Lake Champlain. To supply the New England States with western products for consumption would of itself be an immense trade, which in connection with the export trade, would require the enlargement to at least fivefold the present capacity of our roads. The increasing business of the country would not only furnish such an amount of business as to require double tracks on the roads now built, but ensure the building of the projected new lines from Swanton through the Lamoille Valley, and from Rutland to White River Junction, and thence on to Portland. The natural increase of trade will furnish these new lines a large business, without seeming to affect the roads now in operation.

Our railroads are and must be the main artery on which much of the prosperity and much of the relative importance of the community depends. Develop and extend these arteries, and you largely increase our

population and the value of the real property of the State. I believe we should continue the policy of the laws of last session to encourage our manufacturing and mechanical industries, with such modifications as their practical application may require. Instead of an increase of thirty millions of dollars, as from 1850 to 1860, we may record in 1880 an increase of more than one hundred millions of dollars. The internal and local traffic of Vermont must depend on the convenience afforded by its railroad system to its local trade and while we guard the public interests, our railroads should not be hampered with any legislation tending to cripple their powers of benefiting the community.

To meet the policy of other states in extending aid to new roads, would it not be well to enquire if a carefully guarded law, – satisfactory in its details, – giving towns authority to take action, might not be beneficial.

The interest of the people on the line of a railroad in its operation and management and that of its owners are as it seems to me clearly identical, and cannot be separated without great injury to both.

You will have applications for charters for new roads, and they should receive your favorable action, unless it should appear that the application is made in the interest of a foreign corporation, the granting of which would be a great detriment to those interests we are bound to protect. It has been well said that our relative importance to the whole external world, must in great degree depend on the facilities and conveniences we afford for through travel in comparison with other communities. The management of our roads and the spirit in which they are conducted must in great degree depend upon our external communications and the relative degree depend upon our external communications and the relative importance of each railroad system and each railroad center. In these days of intense activity and eager competition it is therefore of the first importance to every growing community that the through lines of its railroad system should afford every facility for traffic, and should themselves be impelled by the utmost eagerness to extend their operations, an to increase their volume of receipts.

CONCLUSION.

It was said, during the late war, when the Vermont boys led the column, “We are all right, there will be no faltering from them.” The ranks were kept well closed up by a determined set of men, who went forth with a firm purpose of discharging their duty as becometh good soldiers.

Vermont is again in the van, and her sentiments have been clearly expressed through the ballot box in the re-election of her chief executive officers by the larges majority ever known in her history. This is her response to the call of our great Captain, “Let us have peace.” With General Grant as our standard-bearer, the national credit will be preserved, the strong arm of the Executive will be felt through out our country, insuring to all the people of whatever color or clime, be they rich or poor, high or low, that protection from every wrong and security in the exercise of ever right of citizenship which alone can preserve our free institutions and exalt us as a nation.

With a firm reliance upon Divine help, we have but to go forward, and with our best endeavors, use the abilities given us in the discharge of our duties to ourselves, mankind, and our God.

JOHN B. PAGE

EXECUTIVE CHAMBER,
Montpelier, Oct. 9, 1868 }
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