

Farewell address

of

F. Ray Keyser, Jr.

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**Farewell Address**

RETIRING MESSAGE

Mr. President, Members of the Joint Assembly  
Ladies and Gentlemen:

Today I have the privilege of adding another retiring Governor's message to the pages of history. I have known from the day that ninety-two thousand Vermonters sent me to the Governor's chair two years ago that at some future date this event would take place. Thus, it comes as no surprise; however, I may add that the timing is extremely poor.

I am told that this is an historical occasion. Frankly, I would like to disclaim any credit for its occurrence – it is not exactly as planned by me. We now leave the Governor's office and become what has been described as an "elder statesman". It is not that I mind becoming an "elder statesman", it is just the age at which it occurs that bothers me. It has its compensation, however, for there are few who have become so old so young.

I have been interested in observing the preparations for this day. I must say that they have raised my apprehensions about today's events. I was not exactly sure whether the batteries of the 105 millimeter howitzers were to be used as a part of the inauguration – or farewell. These worries have been relieved by the fact that the howitzers have been pointed to the west and not at the Governor's office. I understand that they are fully mobile and in case the new administration has any doubts, I would like to assure them now that I will go peaceably and use of the National Guard will not be necessary.

There are many individuals who have been and will be cast in the role of Governor. In this sense, my occupancy has been only a part of the life and vitality of the Governorship. Thus he who is cast in this roll must not detract from its high standards but add to them as envisioned by the authors of democracy, our founding fathers. This I have endeavored to do. Today I report to you on Vermont's progress as one of many Governors charged with advancing the broad public interest.

During the past two years there has been a concerted and determined effort to move Vermont ahead in many areas. Progress requires a many pronged program if real advancement is to be made. We did not select one or two fields of activity but chose rather to move on a broad base for effective progress. This program, as detailed in my inaugural message of two years ago, involved (1) improved economy and efficiency in government, (2) new jobs, (3) capital investments to develop the economy and (4) meeting social needs of our people.

Each of the four are equally important; let me discuss the first now.

State government now spends annually in excess of one hundred million dollars. Ten years ago annual spending was only at the twenty million dollar level. Understanding and administering an operation of this magnitude is a tremendous responsibility.

In 1960 startling legislative reorganization occurred, creating a department of administration and consolidating over 100 separate agencies, boards and commissions into 20 major departments. I was intimately concerned with this accomplishment as Speaker of the House and during these two years as Governor have enjoyed the task of making that legislation effective.

The over-all reorganization took effect March 1, 1961, and was accomplished smoothly.

The Department of Administration now stands as an effective force of governmental administration. Its organization has involved recruitment of top personnel. Three of the major divisions, budget and management, purchasing and personnel, have new directors. This administration's establishment of central electronic data processing required day-to-day attention which only those who have first hand knowledge of the problems of initial installation of any electronic equipment can fully appreciate. It is now operating efficiently and stands ready to perform many operations previously done manually or with less efficient equipment.

Management consultants hired by the State of Maine have recently reported and recommended adoption of a central data processing unit for that state. The forging ahead in this field of administration has given Vermont national attention.

Professional management was started in the budget and management division. Thus, for the first time in our history, the state's administrative system possesses the tools of organizational self-analysis and improvement. Already, use of these professional management services has resulted in instituting substantial departmental reorganization. This trend should continue and be an effective force for continual improvement in the efficiency of governmental operations.

You will experience during this session the impact of many new ideas in administration and greater detail in financial data. The budget itself as the result of action taken by me, will have a new look as a "Program Budget".

Progress has been made in personnel administration. A new classified employees pay plan was adopted removing the inequities of the old plan and providing needed increases in pay.

In-service training courses were started for state employees, in cooperation with the University of Vermont, offering classes in the field of public administration, accounting and other areas. The response was tremendous. The program should be continued and expanded under the concepts of enlightened personnel management.

Progress in Vermont government administration has thus moved ahead at the most rapid pace in our recent history.

This required both legislative and executive action. In taking executive action, let me express my appreciation to the employees of the state with whom I have enjoyed working closely, and without whose cooperation, advice, assistance and dedication these accomplishments could not have been made.

The second and third objectives stated in my inaugural of two years ago fall in the areas of economic development for the State. They received positive and specific impetus, founded in the belief then expressed that Vermont's potential is the greatest ever in this space age. I stand firm in this conviction.

The foundation has been built to attain this potential. Our competitive position with other areas of the country in attracting new jobs was improved by the fact that no new general fund taxes were enacted, one repealed and one placed in the process of repeal. Government was administered on a sound financial basis resulting in an operating surplus which was applied to the reduction of the inherited deficit by the cumulative amount of nearly \$2 million dollars. Vermont's interest and assistance in creating new jobs was widely broadcast. Thus, the climate in which to do business was enhanced.

The new Industrial Building Authority is organized, has made its initial loan, and stands ready to provide needed industrial financing in the future.

Bond issues of a million dollars for state park improvement and expansion, a million dollars for sewage treatment plants, a part of our total anti-pollution program, \$375,000 for airport construction and \$6.2 million for highway construction were the major items of capital investment to provide transportation and expanding facilities in a state looking to the future.

Funds from an increase in the non-resident hunting license fees have given greater ability to carry on programs of building ponds, access areas to our waters and stocking of our lakes and streams.

These were a part of a program which today is providing us with some of the finest state parks in the nation, a highway system of the future, following the new 14-year arterial highway concept, access for private flying and expanding hunting and fishing.

Equally important is the direction of development. We completed the controversial reorganization of the Development Department. While this received public attention as to the high level positions, there was complete reorganization throughout the department and our New York office. It resulted in publication of "Goals for Development" pinpointing the minimum long range goals for the State.

The State advertising campaign was changed in concept and in the various media in which it was placed. The 1962 Senior Girl Scout Roundup was a wonderful participation in a youth activity and the single largest promotional event which the State had ever undertaken. It was tremendously successful.

My use of the Governor's office to advance Vermont's economic welfare is well known and became the subject of some criticism. I have traveled extensively in the State's behalf, much of which was at no expense to the taxpayers and have opened the doors of industry to Vermont, promoted the vacation travel business, and Vermont farm products. This has been done as a part of an integrated program of development.

We had not previously been active in the middle west in promoting Vermont. During these two years a new office was opened in Cleveland and I am told that we experienced a noticeable increase in visitors from that area.

In-State speaking engagements have been designed to bring an awareness of the State's potential. I am convinced that national forces of exploding population, transportation, leisure time and higher standards of living will have great impact on Vermont. It should take place among an awakened people who will demand action in order that Vermont's attraction be maintained for future generations. Armed with this firm conviction I recommended and we are now engaged in a \$103,000 state-wide planning project. We will be the second or third state in the nation to have looked at planning on a statewide basis. This is a key program today for the future.

Thus, action for economic development has been designed to produce results during the past two years and to look to the future.

The results have given Vermont an enviable record. The State has enjoyed an increasing high level of employment. Many new industries located in Vermont and existing industries expanded. Industrial prospects increased 25 percent in 1962 over 1961. The Development Department reports far more activity now in the industrial field than ever before and with greater interest.

In 1962 the new advertising campaign resulted in a 47 percent increase in recreational inquiries and reports of the Federal Reserve Bank in Boston show our vacation travel business rose 5 percent. This leads all New England states and was five times greater than most.

Thus, Vermont has moved ahead in the field of new jobs and economic development. With the foundation which has been laid, its demonstrated success, effective future leadership should maintain an increase in the impetus thus started.

The fourth objective was to move ahead in meeting the social needs of our people.

Education advancement received top billing. Four million dollars was provided for new school buildings, curriculum improved, particularly from teaching material prepared. An additional \$750,000 in state aid to education will be paid during the biennium.

At the University of Vermont construction of a new gymnasium and field house, a new engineering building and remodeling of the Billings Library, totaling \$4,135,000, and increased operating appropriations provided progress and a means to meet the impact of increased enrollments expected in 1964.

At the Vermont Technical College a \$465,000 new building, equipment valued at \$250,000, provided the means of adding the mechanical technological course to the existing courses in highway, electrical and agricultural technology. In 1957 I had the pleasure of introducing the legislation which created this school. The high school seniors surveyed then showed the greatest interest in the mechanical technological course.

Reorganization of the technical and three teachers colleges under the jurisdiction of the Vermont State Colleges has received national recognition as a progressive educational step. It has already resulted in many changes, long range planning and the addition of a new nurses training program at Castleton.

In the field of special education, there were increases in schools for retarded children and funds for education of the deaf at the Austine School.

In today's changing world the demand for both quantity and quality of education require continual improvement. This progress was achieved. This legislature will play a vital role in a continuing need for improvement in education.

We have moved ahead in other areas for social progress. A new TB clinic; medical care for the aged by my executive order effective July 1; a new dormitory, equipment and land for Brandon Training School; liberalization of the occupational disease law; a new inter-departmental agency on senior citizens; increase in maximum old age assistance grants to \$80 was all new action taken.

Progress was made in the fields of public assistance involving poor relief, child welfare, aid and service for the blind, aid to dependent children, committed children, the State Hospital, Brattleboro Retreat, Brandon Training School, Weeks, Vermont Sanitarium, community mental health, various vocational rehabilitation programs, alcoholic rehabilitation, aid to the partially and permanently disabled, and multiple services provided by the Department of Health. These were a part of existing programs put to good and effective use during the past two years.

Thus, Vermont has moved ahead in the field of needed social services.

In addition to these four objectives, action was taken during the two years on what can be described as special problems.

*Rutland Railroad* In September of 1961 the Rutland Railroad became strikebound. Efforts at mediation by the federal mediator and myself personally, on request, could not avert it.

Management then filed a petition with the I.C.C. requesting abandonment or release from its obligation of service. The State became one of many parties to that action.

As Governor it became my duty to develop the State's position in that proceeding.

Let me pause here to explain that under the "Interstate Commerce Clause" of the federal constitution the federal government has exclusive jurisdiction over the operation of the Rutland Railway. The State at no time has had the authority or power to force the resumption of service.

The position of the State at all times has been in recognition of the importance of railway service to the western side of the State and to take action to accomplish its resumption. Not only is resumption important, but it is imperative that it be sound and of a character which reasonably can assure continued operation in the future. It has been our policy to restore stable rail service.

The State spent approximately \$25,000 in detailed studies by the best experts we could find on the economic feasibility of the operation of the railroad. To my knowledge, it is the only study which has been made.

On the basis of this it is our belief that stable railway service can be provided between Rutland and Burlington, the Bennington-Shaftsbury areas, with the outside possibility of Arlington, and in the Bellows Falls area to Gassetts. This would provide service to approximately 90 percent of all previous incoming and outgoing freight on the lines of the Rutland in Vermont.

While this was the position of the State as one of the parties to the ICC proceedings, the Interstate Commerce Commission has the responsibility of determining the question of abandonment. They ruled in favor of abandonment. As a result of a stipulation entered into any eventual authorized abandonment places the State in a position to designate purchases at a substantial reduction in price for the purpose of providing rail service. Without this stipulation, sale could be made which would not result in resuming service.

We inherited the problem, have faced it squarely and taken action in the best interest of the State. It is not a problem to be dealt with by political expediency and properly handled in the future resumption of railway service should be imminent.

*New York World's Fair 1964 -1965* In 1964-65 the New York World's Fair will be held. At my request a small appropriation was made and used as a part of the funds for planning a New England exhibit. Commitments have been made to the other New England states on participation costing two and one-half million dollars. Vermont's share is \$175,000. Over ten million people are expected to attend this international

event and I strongly recommend an appropriation early in the session conditioned on action as previously agreed by all New England states.

*National Guard* The federal department of Defense initiated a reorganization of reserve forces, which would have seriously impaired the National Guard's ability to carry out its multiple missions. I took an active part urging changes in the plan by participation in Congressional committee hearings, the New England and national Governors' conferences. This was of great concern if units were to be able to carry out their mission in a post-nuclear attack recovery period or in the event of civil or natural disaster. I am pleased to report that the authorized strength of the National Guard units in Vermont, instead of having a substantial reduction under the original plan, will now have a substantial increase.

*Educational Television* Through the University of Vermont and the Educational Television Commission, the groundwork has been laid for your consideration of an educational television network for the State. I strongly recommend that this be done.

*Medium Security Institution* There is a demonstrated need for a new medium security institution. During this administration detailed plans have been prepared and I recommend its enactment.

*State Parks* We have had two successive bond issues of a million dollars each providing development of State park facilities. They are a credit to Vermont and have contributed greatly to our economy. Demand for these facilities in the future requires that this program be continued on a self-liquidating basis.

*Medical Care for the Aged* During the preparation of the budget two years ago I endeavored to obtain the facts determinative of appropriations required to offer medical care to the aged under provisions for the near needy in the Kerr-Mills bill. It was not available and I requested the Department of Social Welfare to commence obtaining this information. This was worked out in the 1961 legislature, by giving the Governor authority to commence such a program between July 1 and December 31, 1962 by executive order. I am pleased to report that we were able to implement it at the earliest possible time by executive order. The program should be continued with improvements. It has always received my support.

*Lyndon Teachers College* Two years ago I requested and received legislation authorizing the sale or lease of Lyndon Teachers College for educational purposes. This was motivated by desire to provide better educational opportunity in the northeast and in the State generally. It was believed that its accomplishments would provide free scholarships for students of the area, provide a faster growing educational institution and be of tremendous economical and cultural advantage. Unfortunately, some in the area preferred to interpret the action directly opposite from this intention. I am told this attitude was the blow which doomed the possibility of attracting the necessary capital to the project.

*Problems Placed in Process for Action* There are other special problems on which we have taken action to lay the groundwork through research, necessary for the formulation of programs for their solution. These include studies on the feasibility of obtaining natural gas; improvement of mental health; the staffed Governor's Committee on problems of children and youth; cooperation of the Department of Social Welfare and Vocational Education Division, Department of Education, on a research project to determine changes in welfare programs to accomplish rehabilitation instead of welfare as a way of life; development by the Board of State Buildings of the long range capital needs of the State to mention a few.

One such project started, pointing to the future, should be given particular emphasis. I again mention the state-wide planning project now under way in the Development Department. It is my belief that it will be both constructive and controversial. It is my hope that it will be followed by effective leadership in order that our development can be based on long range thinking.

These special problems are not intended to be all inclusive. They are some of the matters which span administrations, and therefore, demand comment.

After traveling 200,000 miles and making in excess of 600 speeches in your behalf, the time has come to conclude this message. It is difficult, if not impossible, to properly survey in a matter of minutes the activities of the last 24 months. Suffice it to say that severe limitations were experienced by the fact that each day contained

only 24 hours. Without the love, understanding, and encouragement of Joan, it would have been impossible. Without a staff dedicated to making my task easier, to whom hours of work meant nothing, it would have been impossible. To them, members of the legislature, the departments and friends across the State, I will forever be indebted, for there is no greater satisfaction in life than the privilege of service. Thank you.

DISSOLUTION

The Governor, having concluded the reading of his Retiring Message, was escorted to the Executive Chamber by the Committee appointee by the Chair.

The Joint Assembly dissolved.

HOWARD E. ARMSTRONG  
*Secretary of State, Clerk*