

Inaugural address
of

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As it appears in the

Journal

of the

JOINT ASSEMBLY

BIENNIAL SESSION

1931

Thursday, January 8, 1931

Inaugural Address

Members of the General Assembly:

The constitution of Vermont provides in Chapter II, section 5, that "The Legislative, Executive and Judiciary departments, shall be separate and distinct, so that neither exercise the powers properly belonging to the others."

The duties and powers of each branch of the state government are carefully prescribed by the constitution. It will be my purpose as governor, in accordance with my oath, to perform the duties cast upon me by the constitution and to execute the laws as made by the Legislature. It is not my purpose or may desire to attempt to interfere with proper legislative action by the General Assembly or to attempt to dictate legislation or to set my judgment against that of the Legislature in such matters. It is my duty, however, to lay before you such business as I deem necessary.

Best results can be obtained by co-operation. I assure you on my part that it will be my purpose and desire to work with you and give you every reasonable assistance within my power to the end that the purposes for which this Legislature is convened shall be accomplished in a manner to merit the approval of our masters, the people of the State of Vermont.

Governor Weeks has already given you a report of the accomplishments during his terms of office. During that time Vermont met disaster but under his leadership we have come through with our heads up and with renewed confidence in the future. The few suggestions I shall make to you are not revolutionary, but are intended to aid in the steady advance of our state now well started and to be continued through your acts.

ECONOMY

I urge upon you the wisdom of economy in making appropriations. The money which you will appropriate must be obtained by taxation. Whether the taxes are direct or indirect, whether the payment of those taxes is immediate or deferred, the people eventually pay. You should therefore consider in your legislation whether the condition of the people of the State will be made better or worse by the expenditures contemplated.

Economy does not mean parsimony. The State should be just to its officers and employees in the matter of compensation. The State should provide adequate public service according to modern standards. It should maintain properly the institutions which care for our insane and other unfortunates. It should strive to improve our schools and give equal opportunities to our youth, whether resident in thickly settled or sparsely settled communities. It should seek to improve our roads. It should try to build in every way for the future on a firm foundation. But you should ever keep before you the rule that you should not tax the people except for the public good.

THE BUDGET

Section 25 of No. 7 of the Acts of 1923 requires the Governor not later than the third Tuesday of the session to submit a budget "which shall embody his requests and recommendations for appropriations or other authorizations for expenditures from the treasury of the State for the next biennial fiscal period." The budget has been prepared and I expect will be ready for presentation to you as soon as your committees are ready to consider the same.

I desire to call attention to one feature of this budget. Many of our departments and institutions have more or less income from sales for farm products or other sources. The custom has crept in of appropriating for an institution or department a stated sum "plus receipts." I deem this not good practice. The appropriations should be for the entire expenditures and the receipts should go direct to the treasury as revenue of the State and not of that particular institution or department. The result to the State and the institution will be the same but the accounting will be more satisfactory. This change will make many of the suggested appropriations appear larger when in fact they are not.

In considering the matter of appropriations, I trust you will bear in mind that our expenditures must be limited to our revenues. If you appropriate beyond present anticipated revenues, it is your duty to provide additional taxes. This budget will require the same taxes we now have or other taxes producing the same revenue.

AGRICULTURE

Vermont is an agricultural state. The prosperity of Vermont farmers is essential to the prosperity of the State. At the present time our farmers are having strong competition. The State should give them every reasonable aid to meet this competition by quality products and more economical and efficient production, handling and marketing. I trust the recommendation for additional funds for the department of agriculture will be granted.

The dairy industry of Vermont is threatened with serious harm unless the State can speed up its work in the eradication of bovine tuberculosis. Not many years ago the wisdom of the tuberculin test was strongly debated in these halls. Its use by the State was bitterly fought. But times have changed. Whether tuberculosis is communicable from cattle to human beings may perhaps still be debated, but in view of the action of public health authorities in many cities and states, there is no longer any question as to the wisdom of using the tuberculin test as a business proposition. When milk from non-tested cows cannot be marketed, the farmer must have his cows tested or go out of the dairy business. We are confronted with that situation now. Area testing is the economical way to handle the proposition after the individual herd testing has proceeded a proper distance.

At the present time fifty-one towns in Vermont have been area tested. Fifty additional towns have signed up for the test which cannot be given until funds are provided. Moreover, federal appropriations will be lost to Vermont unless met before September 1. Therefore, I recommend a large increase in the appropriation for area testing. The appropriation for individual herd testing can be reduced somewhat.

PUBLICITY

Vermont has been getting a considerable increase of desirable publicity of late. Her business opportunities, resources and scenic wealth, her fine cattle, pure milk and delicious butter, her maple sugar, her granite and marble, her slate, talc and asbestos, her apples, seed potatoes and her crystal pure water, her good hotels, her good roads constantly growing better, her beautiful lakes and trout streams, her hills and mountains, and her unspoiled people are better known to the residents of other states than they were. People are coming to Vermont in increasing numbers for vacations and permanent residence. We must keep up our publicity work. If possible, we should increase the funds employed in the work and we should secure better cooperation with private and commercial organization that are large advertisers.

EDUCATION

Considerable progress has been made in the past few years toward equalizing educational opportunities to the youth of our State. Especially has there been marked improvement in the condition of rural school houses and the quality of teachers in those schools. The funds provided for equalizing the cost of education have been insufficient, however, so that as a result the towns have not been getting that which they were promised. These funds should be increased. Proposed increases in overhead can better await a later day, if either must do so because of shortage of available funds.

HIGHWAYS

Vermonters have reason to be proud of the progress made in road building and road improvement of late. With the increased funds available from motor vehicle registrations and the tax on gasoline, we now have a large sum for road construction after maintenance charges are cared for. Moreover, our road builders are constantly building better roads at a lower cost per mile.

I have been greatly interested in the past few weeks to have access to publications showing how other states are dealing with the road problem and especially those states where, as in Vermont, the road mileage is high and the population and wealth are low by comparison. I find that these states have been developing successfully a

low cost mud-free and dust-free hard surface road much like the type of surface treated or mixed in place roads which recently have been tried out successfully in Vermont.

This is neither a proper time nor place to discuss highway construction. I believe our highway department can be trusted to wisely spend the funds made available. The extent of our road building is largely a question of money.

I feel that you should provide funds which will enable us to increase the rate of construction of hard surface roads and at the same time give more attention to our secondary roads and town roads. We must provide reasonably usable roads or our farms will be abandoned. We are poor compared to most of our neighbors. We cannot fairly be expected to compete with them in road building. But we can go ahead so that we can care for the needs of our own people and the comfort of the visitors who come within our borders. Both must be considered for both are essential to the future prosperity of the state.

I urge a careful study and consideration of the facts and figures and the recommendations contained in the reports of the Highway department. I suggest especially that greater efficiency and better service will result if the State be given the care and control of main roads and that the time has arrived when this ought to be worked out on a fair basis.

MOTOR BOATS

The rapid growth of summer population around our lakes and ponds has created need for amendment of our laws regulating motor traffic on water. It seems that the motor vehicle department might well be given charge of the subject.

FISH AND GAME

Fish and game are valuable assets of the State. It is impossible to estimate accurately just how valuable they are for the benefits of clean out-of-door sport to our people can hardly be fixed in dollars. We may figure the commercial value of a slain deer or partridge or a pound of trout, but we cannot say how much the joy of the successful hunter or fisherman is worth.

It is good business for the State to foster and protect its resources in fish and game and we should endeavor to do it by business methods. The attraction to the summer visitor and the summer resident is great.

At present I have only one suggestion. Experience shows that frequently emergencies arise caused by drought or disease or local conditions which call for immediate action to safeguard the interests of the State in this department. I think you should give authority to the governor upon the recommendation of the Commissioner of Fish and Game to deal with such emergencies by proclamation.

STATE INSTITUTIONS

In general our state institutions are in excellent condition. One exception, however, is the Vermont Soldiers' Home at Bennington where extensive repairs are needed. This will probably require about \$30,000. A like sum is required for heating plant repairs and improvements at the Vermont Sanatorium at Pittsford, where a new building was provided by an appropriation of the last legislature. The State Hospital for the insane at Waterbury is getting badly overcrowded. It seems that a fire proof building or addition to handle at least fifty additional patients with attendants, etc., should be provided. The estimate for such a building fully equipped is \$125,000.

In this connection I call your attention to the fact that the number of our insane and feeble-minded is constantly increasing with a corresponding increase in the burden cast on the communities and the State. We are doing our duty about the care of these unfortunates, but practically nothing to prevent a further increase in their number. Medical science points out one definite course which has been followed successfully in some states.

I believe it is folly to keep erecting more buildings for our feeble-minded and insane and yet disregard ordinary business and social precautions. The Supervisors of the Insane in their biennial report recommend the

enactment of a properly safeguarded sterilization law. You will do well to give this matter serious consideration.

TAXATION

For many years there has been a growing belief that our system of taxation requires change to bring it more nearly in accord with modern conditions. Owners of real estate and tangible personal property have felt they were paying an undue proportion of the taxes. Especially has this claim been made as to farm property and with a good deal of apparent reason. Several legislatures have attempted to make changes without success.

In 1925 a tax on intangible was enacted. In 1927 this was amended so that it became in effect, if not in law, a tax of $6\frac{2}{3}$ percent on incomes from intangibles. This law has worked an improvement, has brought into taxation considerable property which under the previous confiscatory tax method evaded taxation, but due to various causes it is but partially effective. Apparently, also, there are serious legal questions confronting its future administration.

You have already had called to your attention by Governor Weeks the work of the special tax commission which he appointed pursuant to authority given him by the last legislature. The report of this commission is an able document prepared by honest, capable men after careful study. I am informed that from widely divergent original views, the commission finally became unanimous as a result of their study and deliberations. Their conclusions and recommendations merit your careful consideration.

No tax system in actual use anywhere is perfect. Theories necessarily give way to some extent to practical consideration. The towns and the state must have the money to carry on the business of government. But if you can accomplish a readjustment of the burden of taxation which shall be wise and accord with equity and do this without impairing revenues, you will have accomplished a real task.

PRISON LABOR

The so-called Hawes-Cooper law enacted by the 70th Congress will become effective on January 19, 1934. After that date prison made goods will have no rights in interstate commerce. Such goods shipped from Vermont into any other state will be subject to the local laws of such state. If the law is sustained by the U.S. Supreme Court, we shall be confronted with a serious situation as to the employment of the inmates of our State prison. I recommend that authority be given proper officials to study the problem and make report to the next General Assembly.

TAXATION OF PUBLIC UTILITY COMPANIES

The present basis of taxation of public utility companies and especially hydro-electric companies is unsatisfactory. The special tax commission which recently reported stated that it had examined the field somewhat and recommended that special study be given the subject either by a legislative committee or by an interim commission. I submit this for your consideration.

BUS REGULATION AND TAXATION

The problem of bus regulation and taxation has not been solved. The railroads furnish their own rights of way and pay heavy taxes while they are driven out of the passenger business by busses running on public highways and paying comparatively nominal taxes. Moreover, the menace to the traveling public from the law defying, fast speeding inter-state busses is great. I am informed that the regular schedules of certain inter-state busses going through the state are such that to keep up with the schedules the drivers must constantly violate our law.

Several persons have already been killed or injured. If our law is unreasonable, it should be changed. If not, our officials should be given proper power to deal with the subject.

FLOOD CONTROL

The reports of the Advisory Committee of Engineers on Flood Control submitted to Governor Weeks give a great deal of valuable information on this subject which is of interest to Vermonters. Some additional legislation to give the Public Service commission power to supervise action of this nature should be provided. I

believe we should look carefully into this matter but not go too fast. The State should endeavor to protect the people against future floods. But the State should be careful also to protect the people at the same time from giving to public service corporations, under the guise of flood control, rights in our beautiful and fertile valleys without adequate compensation both to the individuals concerned and to the State.

Storage reservoirs and power developments are not things of beauty and themselves uncontrolled may have as devastating effect on a valley as an occasional flood. We should not sacrifice the cream of our farm land to the development of additional electric energy unless satisfied that it will be beneficial to the State.

The State of Vermont should have first claim on the electric current developed in the State. These developments should be for the growth and betterment of Vermont and not be the sacrifice of Vermont for the benefit of other states and communities.

In closing, let me say that I assume the office of governor with a deep appreciation of its responsibilities. I shall need your advice and help and I shall not hesitate to ask it. If I may aid you, it will be my privilege and pleasure. I trust we may work together for the best interests of the people of Vermont.

STANLEY C. WILSON