

Inaugural address

of

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**Inaugural Address**

Lt. Governor Burgess, thank you for what I regard as one of the most gracious introductions I've ever had bestowed upon me, I thank you with all my heart, Sir. The other Constitutional Officers, whom we have already greeted, Speaker Kennedy, President Janeway, Bishop Joyce, Rabbi Wall, my own Pastor, Rev. Mr. Brockway, who has tried from time to time to keep me on the straight path, sometimes successful, Mr. Chief Justice, Holden, the other Justices of our Supreme Court, for which it's been my privilege to practice some years ago, Senator Aiken, and the other Distinguished former Governors or I think I should say the other former Distinguished Governors, Members of this Joint Assembly, Ladies and Gentlemen.

I feel quite sure that you will believe me when I say that the opportunity to speak to you today is deeply appreciated and in saying that that it is more than a formal statement. As a matter of tradition on this very great occasion, I would like to take this opportunity to thank the people of the State of Vermont for giving me this opportunity to serve them once again for two more years. As I look around the House, I can see many who served in the last two sessions of the Vermont Legislature, and I think all in the House served in the last Biennium with the exception of 51 new representatives, and I believe there are eight or nine Senators. In speaking to you this morning, I have sort of a feeling that I should speak to you as a group with whom I have served with for the past two years and in two sessions. I know that some of you thought the two sessions last Biennium were a little bit strenuous, if it is any comfort to you, I promise you another one that will be equally strenuous this time.

With your permission, I would like to deliver three short messages; one today in which I will speak to you in somewhat general terms; one next week in which I will make specific legislative recommendations; and then the following week the Budget message.

So today, I would like to offer a quick overview of what has been happening in Vermont as I see it, in the hope that it will help bring into focus our circumstances, our needs and to some extent, our resources. I'm sure that some of you people have read frequently Kenneth Crawford, whom I regard as a very perceptive observer of the American scene. As you know, he just retired and he wrote his Swan Song in Newsweek just two or three weeks ago, and I think he made some pertinent observations that might be considered pertinent here today. He said, "Anyone who has lived as an adult through the last half century has seen more history in the making than anyone who ever lived before him. There has been more change, more cataclysm, more invention, more progress and more deterioration than ever happened in any previous fifty years."

And I think he might have added: more controversy and disagreement concerning fundamental issues affecting the State and the Nation. Some of those fundamental issues are coming before you this session for resolution.

These issues are coming to a head because social and technological changes are occurring at an unprecedented rate. But the capacity of Government to respond to change we find is being eroded by inflation, rising unemployment... exhaustion of revenue sources. . . and to a great extent by changing public attitudes.

The outlook in many of our sister states is grim indeed . . . so grim that some Governors at the last meeting of Governors at Sun Valley expressed deep and sincere fears of an imminent breakdown of Governmental services and structures. Although Vermont has some difficult decisions to make . . . our prospects, at least by comparison, are generally good. That is so because you grasped the nettle and passed the sales tax and you, by that act, put Vermont in a position almost unique among the fifty States. All around us, States are staggering under virtually unmanageable deficits. Other Governors are calling for massive tax increases in their Legislative messages. I shall not do so because you, recognized the problem, passed the sales tax, and put the State of Vermont in a position of fiscal soundness.

However, fundamental issues do remain, and you must deal with them. The details will become more clear as this session moves on. Today, I should like to give you the broad outlines of the decisions I believe you must make.

But first ... let us look at our Vermont situation as we move on into the 1970's. Let's count our blessings.

We have an excellent system of elementary, secondary, and higher education.

We have a highway system which ranks among the best of all the fifty States.

We have one of the most generous welfare systems—one which is designed to permit truly deserving people to receive assistance without loss of dignity or self respect.

We have a penal and corrections system which many authorities outside the State of Vermont, say is a model that other States ought to adopt.

We have a modern, highly sophisticated system for treatment of mental illness in its many and diverse forms. It is manifestly more humane than the custodial system we had only a few years ago. It is much more effective in restoring increasing numbers to productive employment or if not that at least the capability to live in their own homes and in their own communities in comfort and safety.

We are paying an impressive price for all of this, and some of the bills are only now coming due. To finance this high standard of service, Vermont has undertaken the second highest tax load of any State in the Nation on an average income basis.

Our tax effort needs no apology from anyone, to anyone.

During the last two years, we have improved the level of services in many of these areas mentioned and we have added new directions and new emphases.

For example:

Last year, you provided bold new standards for the protection of our land, water, and air, the natural resources upon which life itself depends—The Clean Waters Act, the Development Regulations Act, and the Land Use Plan. All of these together with legislation setting up air standards are the solid foundation upon which aroused and determined citizens will move forward toward preserving and improving the quality of life in our State.

You have moved emphatically toward improvements of our outdated and fragmented administrative branch. One of the eight proposed cabinet groupings, the Environmental Conservation Agency, came into being, by your mandate, June 1, 1970. It has already shown its capacity for rapid and effective action. Within forty-eight hours after our mercury problem became known, this Agency had put together an able team of technicians and in collaboration with outside experts, embarked earlier than any other state upon a most searching examination of the problem.

The same Agency took over the handling of applications for permits under Development Regulations. By mere fact of being an Agency with its component elements has reduced the time frame for handling these applications from an average of four months to approximately thirty days. Opportunities abound for other demonstrations of flexibility and effectiveness.

The two other cabinet groupings which you authorized, the Agency of Human Resources and the Agency of Development and Community Affairs, become effective, by your mandate, in just three days. Planning for the Development and Community Affairs Agency is well along. Present indications are that we will be able to reduce the present number of staff positions, in this grouping, from 95 to 75 and still properly discharge all of the functions hitherto performed by the separate divisions of the Agency.

It is my hope that you will move forward during this session with the implementation of the other five cabinet systems where even greater opportunities exist.

You provided a new formula for distribution of State aid to Education and you increased the level of such aid from \$18.8 to \$27.2 millions of dollars per year, an increase of about 50%.

You provided long overdue real estate and rent relief for the elderly.

You improved hospitalization and insurance programs for State employees and substantially raised their wages.

You made improvements in the Student Assistance program and increased its funding.

You established the Municipal Bond Bank which has already enabled 48 communities to sell \$41.2 million dollars of bonds at a more favorable rate. This is the first bank of its kind in the nation.

These are just a few of the highlights of the many bills you enacted into law during the last two years.

Now let us turn to those areas of fundamental decisions I mentioned earlier.

The two largest demands upon the State's revenues are public education and Social Welfare. Public education costs grow at an annual rate of between 16% and 18%. At the same time, the annual rate of pupil increase is less than 4%.

Since 1967 welfare costs in State funds alone have grown by 400%, or at an average annual rate of 80%. The trend is still moving dangerously upward.

The State's revenues are growing at only 7%. We cannot fund both welfare and education at the level we would like ... and certainly not at the level some are convinced we should.

I am sure you share with me the belief that if we are to break the cycle of poverty and its resulting human and social costs ... we must address ourselves to the treatment of causes rather than symptoms. A high quality education for every Vermont child is part of the long-range solution. But the tragedy is that a long-term solution is of little help to a child who is hungry, sick, or cold this winter. He must have ... and we must give him ... short-term help.

So you must make the decision to balance the need for State assistance to the schools which educate 106 thousand Vermont children and the obligation of the State to feed, clothe, and house nearly 14,000 Vermont children for whom Social Welfare is the only source of support.

One of the most encouraging developments in our attempts to break the poverty cycle, has been the spectacular success of the child care center program you established, with an appropriation, last year of only \$125,000. That money has grown ten fold, to over one million dollars with the local and Federal contributions, which your appropriations generated.

With that, we have tripled the number of licensed child care centers to 91 since the last session adjourned. Those centers care for over sixteen hundred Vermont children ... seven hundred of whom are from families either on welfare or struggling to stay off the welfare rolls. Several hundred mothers have been freed to contribute to their family's support ... and the children themselves will benefit from increased emotional ... social ... and intellectual stimulation. It is my firm belief that these centers will lessen future welfare expenditures ... lower crime and delinquency rates ... and reduce the future population of the State's mental and correctional facilities.

In addition to day care, the work incentive program offers great hope for rehabilitation of welfare clients.

Here in Vermont the work incentive program has proved to be a successful forerunner to the Family Assistance plan. It has proved that a substantial number of welfare recipients can be encouraged ... with economic incentives and necessary supportive services ... to take training and accept jobs. And these jobs can be good jobs.

In two years, 838 welfare clients have been enrolled: of these 190 hold jobs at the present time. And there are 139 presently engaged in training.

I am convinced that the real solution to Welfare will come only with basic Welfare reform at the Federal level, I'd like to say that again, because this is something that we should all be aware of, that real Welfare reform can only come when there is a basic Welfare reform program in action at the Federal level, plus the institution of high level of revenue slashing. And thank heaven, both of these at the moment seem more imminent.

But however encouraging day care centers ... the family assistance program ... or revenue sharing may seem as long-term solutions to the welfare program ... we must keep in mind that the sick, the aged, the disabled and the poor and their children must be helped now.

Part and parcel of the funding crisis is the necessity to establish a goal for the economic growth of Vermont.

One of the questions we need to face is the extent to which we want to see Vermont developed. Many love Vermont the way it is. It is a haven of peace and quiet and represents the good life for many. They dread to see its essential character changed, yet these same people and many others are pressing for good schools, good roads, good police protection and a modern and up-to-date approach to our problems of ecology, health,

mental health and all the other basic services to our people.

It is just so fundamentally simple and elementary simple that we cannot have an increasingly high level of public services without an expanding economy and an expanding tax base. Growth means more industry—more industry means more jobs, more jobs mean more people earning money. The last thing we want is explosive development. It would certainly create more problems than it would solve and greatly alter the substance of life in our State. On the other hand, I do believe that Vermonters are entitled to a fair share of the economic benefits of a modern society.

There is a middle ground. It is a posture of balance. It is a program of gradualness. A program in which we fiercely seek the protection of our environment yet seek the goal of gradual, sound growth as essential to our needs a growth which does not damage our countryside but does increase our average income and does provide an increasing number of job opportunities for our people; a goal which would maintain the balance needed to preserve a healthy agriculture, a healthy recreation and a healthy industry. I do not think we need to develop ourselves out of living space, nor stand idly by and see the same result accomplished by frantic immigration. But, I think reasonable growth is essential to the kind of life that Vermonters desire, and ought to have.

The answer is in regulation ... regulation built upon choice ... regulation designed to use our land and water and air—wisely—reasonably—and fairly and consistent with the long term interests of all. Such regulation in and of itself will have some restraining effect upon growth. We must accept this. Indeed we must seek it. But in the long run it will build a sounder, stronger, and more enjoyable community.

This program means we must submit to more governmental direction and control than we will like. We have not yet begun to see or feel the conflicts that will arise as enforcement of our environmental legislation moves ahead. This regulation encroaches upon many areas hitherto considered safely and eternally within the sanctity of individual rights. This conflict will express itself in litigation and perhaps even in organized attempts to undo much of what you did in the last session.

I firmly believe the greatest contribution you can make to your State is to stand firm when this conflict arises. If correction is needed in minor respects, as it will be, make it. But our goal is far too important to be lost in the backlash of annoyance that will inevitably result.

What I am saying is that we must strive for balance in all things. I have outlined to you the balance I feel we must achieve in a number of critically important areas of the State's Government. So, there remains the structure upon which that Government rests . . . The State's Economy.

The economy is formed by a tripod of agriculture, recreation and industry. This is a simple fact that must be in the forefront of our thinking. It is the mix which these three occupations produce that determines the essential character of Vermont. The rural scene so characteristic of Vermont is diminishing. Farmers are fighting a difficult and often losing battle with high farm wages, high costs of machinery, equipment and supplies. The fact that farmers buy at retail and sell at wholesale compounds the problem. This erosion is principally in the area of the small farm which does not lend itself so readily to an economic operation in this age of technology.

The number of dairy farms with 50 or 60 cows has remained stable for the last seven years, in spite of our total loss, and farms with 60 or more cows have gradually increased during this same period. Total dairy farm income has substantially increased and is increasing still. I am convinced that dairy farming will be around in Vermont for quite a while, and it is in our selfish interest to make sure that it is.

But for many farmers, the straw that often breaks the camel's back is the spectacular upward push of open land values, based upon competition and speculation, which soon reflects itself in a level of real estate taxation which cannot be supported either by dairy farming or any other forms of agriculture indigenous to Vermont.

In many towns a much higher proportionate share of the costs of local government is being transferred from the built-up sections of the towns and villages to the farms, forests and open lands. This is being accomplished by the application of the market value concept of real estate appraisal which is the key factor in the distribution of the local tax burden.

This is a disturbing phenomenon. It presents the danger of dramatically changing the quality of life in

Vermont. The social values inherent in farm life, particularly in dairy farming, have, for a long time in the past, made a substantial and wholesome contribution to the moral values, the political philosophy, and the mores of our distinctive Vermont community.

Moreover, to the extent that we are concerned with development of our State, the open spaces devoted to active farming are a real asset. The pastoral scene has tremendous drawing power for vacationers, recreationists and people who come here to live in increasingly larger numbers are seeking escape from the physical and psychological disadvantages of big city living.

There is strength in the diversity of our economy. The long-term future of dairy farming in Vermont will be decided by economic forces beyond our control. But the sudden and violent upswing of real estate taxes caused by the sudden, violent and disproportionate rise of real estate values has had a devastating effect and impact on the small farmer. Only retired senior citizens have experienced anything quite like it. Insofar as it lies in our power ... I believe we must ensure that this temporary phenomenon does not permanently distort the patterns of land use ... the makeup of the state's economy ... or indeed the very character of Vermont. Only a land use tax can forestall that distortion.

In conclusion, I have tried in these few minutes this morning to summarize some of the more pressing problems facing us as we launch this new biennium. I will have more specific recommendations on these and other matters in my next message to you. The governmental process is a remarkable experience. Last Spring you left Montpelier after completing one of the most productive legislative sessions in Vermont history and I am sure many of you felt that most of the tough decisions had been made and the next session would have to be easier.

But, today, we meet again and the agenda facing you is equally as challenging and equally as important to our people and their future. While it is tempting to take some comfort from the fact that our lot here in Vermont may be easier than some of our neighboring states, we must also realize this has come about because Vermonters have tried to keep a step ahead of the problems and have acted before the crisis became acute. It is our duty to maintain that tradition again this year and face up to our responsibilities. There are still so many unmet needs in Vermont. We must conserve our strength and use it wisely to be able to meet those needs.

All of us here asked the voters last year for the privilege and the opportunity to serve. As we meet here this morning in this historic hall that has been so beautifully redecorated, the time has come for us to deliver. The eyes of the State are upon us. I am confident we can meet the challenge.

And I want to do my level best during this session and including session next year, to be as helpful as I can towards the legislative process, which is your major responsibility. My responsibility, under the Constitution and the statute, is to make recommendations, which I shall do according to my own belief. The Governor proposes, and the legislature disposes, and I ask that you keep that difference clearly in mind during your sessions, but I also ask for you to consider whether this is not a time in our History when perhaps we could do just a little better job in creating a two way communication, I've learned a little something in two years about communicating with legislature. I've great respect for our Vermont legislature. In Vermont it is one of our great strengths by which we do nothing to imperil it or permit it to deteriorate. There is a difference between using the two party system for the purpose of advancement because of the interest of the whole people of the State and using it solely for our own interest and the support of our own parties. The job of finding where this line is, it isn't the easiest thing in the world, nevertheless, the principle, I think is sound. As far as I'm concerned, I would like to help create indication. We will have an exercise in unity as good as ever has existed in the history of the state.

#### REMARKS FROM THE CHAIR

Thank you governor, for giving us that calm and thoughtful appraisal of our position in the beginning of the eighth decade of this Century. I think you have helped us all a lot.

We are gathered here today Governor Davis, to do honor to you at your Inaugural, as others in this building and this State are doing and you might be surprised to know by some without the State. I would like to read to this Joint Assembly at this time a telegram which was addressed to you Governor Davis, here at the State House. "Inauguration Day is a time of beginning and hope. Your past efforts have truly earned the support, the confidence and good will of the people of Vermont, as you begin this new term as Governor, Pat

and I join in sending you hearty congratulations and warm wishes that the future will bring you continued success. With best personal regards, Richard Nixon.”