

Inaugural address

of

Fletcher Proctor

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**Inaugural Address**

*Gentlemen of the Senate and House of Representatives:*

The privilege and the duty of legislation is yours but in accordance with the constitutional provision and in conformity to the usual custom I submit to your judgment some considerations which appear to me of importance in connection with your work the present session.

Vermont is making excellent progress in both agriculture and manufacturing, and our state is rapidly becoming known as a beautiful and desirable place for temporary sojourn or permanent residence and home making. The report of the United States Census Bureau shows that in the five years from 1900 to 1905 the capital invested in manufacturing enterprises in the state increased from \$42,499,640 to \$62,658,741 or 47.4 per cent; the annual value of our manufactured products increased from \$51,515,228 to \$63,083,611 or 22.5 per cent; our annual wages to industrial employees increased from \$11,426,548 to \$15,221,059 or 33.2 per cent; and the annual product of our creameries and cheese factories increased from \$5,500,545 to \$6,416,434 or 16.7 per cent. During the same five years our savings bank deposits increased from \$38,290,394 to \$49,371,907 or 28.9 per cent.

It is especially important that you should recognize this progress and prosperity and so legislate as to further advance it and establish it upon a permanent basis. To be sure we cannot create prosperity simply by legislation true prosperity must come from a deeper source. It must come through the efforts of the people,—through taking advantage of natural conditions and opportunities. We shall prosper agriculturally only so far as the farmer employs the opportunities and natural conditions at his command. Manufacturing will develop in Vermont only so far as brain, capital and energy utilize the splendid opportunities in our hills and water powers and our reasonable proximity to markets. But your duty to the state and her people is none the less important, for it rests with you to so legislate as to foster and not to discourage industry, to promote and not to retard prosperity, and to give to all our people the enjoyment of as many common public blessings as is consistent with the economical administration of their public affairs.

*STATE INSTITUTIONS*

During the past biennial term we have had an able, thorough and impartial investigation of our state institutions, the honesty and economy with which these institutions have been conducted is gratifying. We should at all times insist upon absolute honesty and every reasonable economy in the administration of all the institutions of the state. Our duty and responsibility, however, does not cease here. The strictest discipline should at all times be maintained. Sanitary and other conditions pertaining to the health of the inmates should be of the best. Modern civilization demands that the broadest and most scientific treatment should be given our unfortunate insane; and that our penal and reformatory institutions should be such as to improve if possible rather than further degrade their inmates. With this end in view I commend to your favorable consideration the reports of the Investigating Commission and such parts of the report of the Attorney-General and the message of my predecessor as relate to these institutions.

*COURTS*

Some re-organization of our system of courts and judicial proceedings is doubtless necessary, the Vermont Bar Association has given this matter much attention and is drafting a bill to be submitted to you providing for a general re-organization of the present system. Recommendations coming from such a source are worthy of your careful consideration, the recommendations of the Attorney-General contained in his report to you, covering the arrest, trial and commitment of persons charged with misdemeanors in our lower courts should also have your careful and favorable attention. His recommendations if enacted would result in greater economy and the better administration of justice

*FEE SYSTEM*

In this connection I remind you of the desirability of eliminating the fee system as much as possible, especially in the administration of the penal laws in our minor courts. It cannot be abolished entirely without making an unnecessary and disproportionate expense for salaries. But we should remember that in principle the payment of public officials by fees any further than the conditions absolutely require is undesirable,

### *PUBLIC SCHOOLS.*

An important matter to receive your attention is that of the public schools. While we have made progress during the past fifteen years in educational matters, this progress has not been so great as in many of our sister states nor what it should have been in Vermont. Sixty years ago in freedom from illiteracy Vermont was the second state in the Union; today she is the twenty seventh. While this is to some extent due to the increased number of foreign born children within the state, yet whatever the cause it is an unpleasant fact to which I urge that you give your prompt, earnest and best attention.

In the larger towns and cities the schools have decidedly improved, but in the rural communities the progress has not been so marked and rapid as it should have been. Our educational system is not right it is not producing the results it should, and it cannot produce satisfactory results until it gives all the children of the state the very best opportunities possible for securing a good common school education. Such an education is all many Vermont parents can give or leave their children. The state will not have performed its full duty until it has provided every parent within the commonwealth the opportunity for doing this.

Education in the highest sense for the common good. On account of the general movement from the smaller communities to the larger towns and cities, these larger communities are the recipients of the education of the smaller places. They reap the benefits of good educational facilities in the small communities and must suffer the penalties of their poor facilities. The difficulty with our state school tax is not that the larger communities are bearing some of the educational burden of the smaller communities, but because this money is not being expended in a business-like way and in such a manner as to reap the best possible benefits from it. .

Far too many children in Vermont do not attend school at all, many others are very irregular in attendance. The child labor law and the truancy law are both excellent and are helping in this important matter, If faithfully enforced they will eventually cure this evil. The weak point, however, in our school system is lack of skilled supervision.

Experience in other states has fully demonstrated the fact that the only way to carry out any definite educational policy in the state and to materially improve the country schools is to provide for them some kind of professional supervision. Local supervision never has and never will bring about the desired results. Equalization of all school advantages is what Vermont should strive for, and the first requisite for this is to provide more and better supervision for the rural schools. Skilled supervision is the only method by which we can secure anything like uniformity of work, improve our teachers, accomplish better results, and assure full returns for money expended. It is only through this method that drawing, music, industrial arts and sciences, and other subjects essential to the broad education of our children can be introduced. Unless some system of professional supervision is established over small schools our children will be unable to go out into the world as well equipped as those of our sister states.

In our larger towns and cities the work of the schools is directed by professional superintendents. If the urban schools with their better buildings and equipments, graded systems and trained teachers, require skilled supervision, certainly the rural schools, isolated as they are from other conditions that stimulate educational interest, need expert oversight. In some towns it is of course impossible to find persons competent to give this supervision. In consequence the state has no means for carrying out any definite educational policy. The state superintendent has no means of reaching the rural schools with any definite policy or program which he may desire to inaugurate. As a result poor teachers are employed and retained, pupils remain ungraded, the equipment is limited, and there is nothing to stimulate or arouse the interest of parent, teacher or pupil. The proceeds of the present 8 cents state school tax, amounting to about \$150,000 annually, would do the cause of education immeasurably more good if its expenditure were directed by those trained and skilled In this particular line of work.

County supervision was tried in Vermont from 1889 to 1901 and was not satisfactory. The county unit was as much too large as the town is too small, and in consequence the work of the county superintendent was little more than that of a county examiner. For a good supervision unit in Vermont the group or district system would be much, more satisfactory. The principle of group units for school superintendency and of the part payment of the expense thereof by the state is contained in sections 622 to 629 of our statutes. It does not contemplate skilled supervision, however, and in fact is so limited as not to permit it. The group system is in operation in Massachusetts and has recently been introduced in other New England states. Under this system two or more towns may form a supervision district, such district nor to exceed a maximum or fall below a minimum number of schools. The school directors from the several towns forming such a district elect a superintendent, each town paying its proportion of the expense according to its grand list. If this method of supervision were introduced town superintendency in those towns would be done away with and considerable expense saved. The present cost of town superintendency is nearly \$20,000. Also much could be saved in the line of director's services, examination expenses and purchase of books and supplies. In fact a considerable part of the cost of such supervision could be saved.

To establish and give this system a trial in Vermont, I recommend the passage of a law making such a system permissory in the state, and providing that in case towns unite by vote of their school directors for the purpose of professional supervision of a required standard and employ a competent superintendent, a portion of the expense should be paid from the general treasury of the state. As the state is and should be a partner in educational work and as many towns might hesitate to adopt the method recommended if they had to carry the entire expense, it is only right and just that the state assume a part of it.

#### *TRUSTEE PROCESS.*

Section 1364 of the Vermont Statutes relating to trustee process provides that if the goods, effects and credits in the hands of the trustee do not exceed ten dollars in value the trustee shall be discharged. This provision is simply one of convenience and to prevent the trusteeing of trivial sums of money. It is not in any sense an exemption since if the credit in the hands of the trustee exceeds ten dollars it is all subject to the trustee process.

Section 1313 exempts from the operation of the trustee process the proceeds of property exempt from attachment or execution. The long list of articles so exempt in Section 1805 consists in part of things necessary for the living and comfort of the owner and in part of things necessary only to his work. The same humane consideration which has led to the exemption from attachment and execution of such apparel and furniture "as may be necessary for sustaining life", a certain amount of food and fuel, as well as cows, swine, poultry horses, wagons, etc., and has exempted from the trustee process their proceeds, if sold, ought to exempt a certain amount of the wares of a workman which is often his on means of securing the necessaries of life.

Our exemption laws were originally drawn with reference to a farming community and have no proper reference to the case of employees, industrial or otherwise. The latter seldom have cattle, horses, sheep, oxen, wagons and other such property now exempt by law. In their case that which needs protection for the necessaries and comforts of themselves and families is a certain amount of their wages. I recommend that the law be so amended that wages or compensation due the principal debtor for work and labor performed by him in person should be exempt to the amount of ten dollars, and that wages only in excess of that amount should be liable to the trustee process.

#### *CAUCUS LAW.*

The present caucus law enacted by the last Legislature in response to a strong demand for some legislation in this direction. There had been gross abuses in caucuses in some parts of the state and where these abuses had existed, they were liable to occur again unless prevented by some effective caucus legislation. Caucus abuses may consist in the voting in caucus of men who are not legal voters, or the voting in a party caucus of men who really do not belong to that party and have no honest purpose of acting with it, or the influencing of voters in a caucus by corrupt and improper means. There should be some way to prevent all of these abuses.

The most advanced method for that purpose is a primary election law, and such a law is being introduced in many states. I do not believe a primary election law is necessary in Vermont or that it would be acceptable to the people at this time. Some simpler method is all that is required, but to effectively prevent persons voting in caucuses where they do not belong there must be a registration for caucus purposes at some time before the caucus, and a sufficiently long time before so that the registration will not be made in the heat of a political contest. The present law has met with considerable criticism but that is apt to be the case with the introduction of any radical innovation. Only a small per cent, of our towns have made use of the caucus check list and where it was actually used it worked satisfactorily. Much fault was found with the Australian ballot law soon after its passage. It was said that it was unnecessary and cumbersome, and many desired to repeal it. Now we are all substantially agreed that it is an excellent law and it has the practically unanimous support of our people. I believe that criticisms of the caucus law will rapidly disappear as we become more accustomed to its operation and that in principle it is as simple as any law of its kind could be and be effective,

The most unsatisfactory feature connected with it is the manner in which a voter may announce his political preference. I would suggest such change in the language of the registration as will clearly not extend it beyond its necessary scope, which simply is that a person registering with any political party has an honest purpose to act with it as a loyal member there of would ordinarily do. It should be considered also whether the method of taking the registration can be in any way simplified, and made more acceptable. It is only in a small portion of Vermont where caucus abuses have occurred or are likely to occur. The caucus check list, therefore, should continue to be optional in its operation and should be used when desired by a reasonable number of the voters in a town.

With such slight modifications as may be made to simplify and make more acceptable its registration provisions, I think the caucus law should certainly be retained. The whole tendency in all the states is towards some form of legal control of the caucus. The step which we took two years ago was a long one for us, but it falls far short of the measures which have been taken in some states and which have already been found to work satisfactorily. The repeal of the present law or the removal of its effective provisions without the substitution of some thing equally simple and effective would be a decidedly backward step.

#### *THE STATE AUDITOR'S OFFICE*

The state should exercise the strictest scrutiny over its disbursements from a two-fold point of view first, to see that no money is paid out not strictly within the provisions of the law and secondly, to verify, the accuracy of all accounts kept, and to so systematize, and combine them that exact information shall always be available to the public. This two-fold supervision was originally introduced by Alexander Hamilton into the Treasury Department of the National Government, and still prevails, there being one officer—the Comptroller—who must pass upon the legal sufficiency of all bills, and another officer—an Auditor—who must pass upon their clerical accuracy.

In this state both duties fall upon the State Auditor, The practice has grown up of electing a lawyer as State Auditor, and that course is practically necessary as a man not of the legal profession could hardly pass upon the legal sufficiency of particular items of expense. While the legal side of the Auditor's office has been well administered, such is the extent and detail of the state's business and so meagre have been the appropriations for the Auditor's office that it has been difficult to keep the book keeping or clerical side up to the same high standard. This is not the fault of the several incumbents of that office it is due to the fact that both sides of the work in all its detail is more than one man with the assistance now provided by law can possibly do.

The auditing work proper as distinguished from its legal aspect is important, not only as a check upon wrong-doing and the prevention of mistakes, but in the interest of an intelligent understanding of the affairs of the state by all our people. There should be a well considered, simple and uniform plan of keeping all of the accounts of the state and such work should be so kept up that at all times exact and concise information will always be available with respect to the public business. It is desirable that the people of the state should be accustomed to the consideration of these exact figures. The business of the state does not require that we should have both a comptroller and an auditor, but both lines of work can properly be done under one official. If such official be a lawyer, as has been the custom, he is able to pass upon the legal questions involved but he should

have a deputy at a sufficient salary to secure the services of a skilled accountant who, under the general direction of the auditor, could give his attention to the purely auditing side. He should also have such clerical assistance as is necessary to keep the whole of such clerical work in first-class shape.

I recommend that in conjunction with the efficient present State Auditor this matter be given a thorough investigation during the present session, that the system, prevailing in other states about our size be considered, that, if necessary, expert accountants be employed to advise with respect to a uniform system of book-keeping and returns for the state, and that the whole clerical side of the Auditor's office be put upon the best up-to-date business principles. Some uniform system of municipal accounting should also be worked out in the same connection. I would go no farther nor make any greater expense than any private business concern would incur doing as large a business as the State of Vermont, scattered over so much territory and transacted through so many individuals and institutions; but I do not believe that the state can afford to do less. The money which business corporations spend for this purpose is not spent for the sake of spending but for the sake of saving. The small increase in expense to the state would be more than saved by the results.

The recommendations of the State Auditor to my predecessor regarding the details of his department and the administration of justice deserve your careful attention.

#### *SPECIAL LEGISLATION.*

There is always a tendency on the part of many people to seek special legislation to enable them to do some special thing or to protect them from some real or fancied wrong when in reality such relief, if needed, could be obtained under the general law. This kind of legislation is wrong in principle and always dangerous. It unnecessarily takes the time of the Legislature, encumbers our statutes, and is more likely to do real injustice than to be of any actual benefit. You should, therefore, scrutinize most carefully all special legislation. In almost every case relief, if really needed, can be obtained under the general law.

There is also a tendency to seek legislation general in its character but special in purpose to fit some particular case which has arisen or is anticipated. This is even more dangerous, for though it may cover the particular case in mind, which may be entirely worthy and meritorious, it is often wholly unsuitable for general application.

All new legislation should be given very careful consideration, and when a law has been passed, unless there is marked reason for its repeal, it should be given a reasonable and thorough trial. The objectionable points are at once apparent and repeal is sought before it has had sufficient opportunity to bring out its real merits. You should, therefore, be conservative with reference to repealing legislation until it has been thoroughly tried.

#### *SPECIAL CORPORATION LEGISLATION.*

Corporations are the largest subject of special legislation. Acts granting special charters or amending existing charters of public or private corporations occupy 292 pages of the printed laws of the Session of 1904 while the entire public acts of that Session only occupy 241 pages. Such legislation arises somewhat from the tendency to seek special privileges but it is due more to the fact that our general laws with respect to the organization of corporations, both public and private, are not sufficient and complete.

We have now a general law (V. S. Chapter 165) for the incorporation of private corporations by voluntary association, but for some reason there is a constant application to the Legislature for special charters for private corporations, which ought to be granted under some well considered general law. Special charters are a good means for securing special privileges but they are very poor means for protection from corporate abuses. In a legislature constituted as ours is, consisting each session largely of new members and convened in a short session, special corporation legislation except in extraordinary cases is not likely to produce satisfactory and certainly not uniform results. It ordinarily happens that privileges which one legislature readily grants another will refuse and conditions regarded by one legislature as of importance are entirely disregarded by the next. Corporations as a means of doing business have existed for centuries. They are necessities. The right to form them, under proper restrictions should be equally free to all, but they should be equally subject to uniform provisions. The most useful corporations have no desire for special privileges not common to all corporations of their class and do not object being subjected to all reasonable limitations provided other like corporations are

subjected to the same. The greatest danger arises from special legislation, for it is ordinarily in this way that special privileges are obtained and exemption from proper restriction acquired.

I recommend such a revision of our general corporation laws as will bring them up-to-date. Their terms and conditions should be liberal but just and reasonable. It is right and proper that the state should receive, as it does, a reasonable fee for charters, but no laxity in the corporation laws should be permitted, as is done in some states, for the sake solely of revenue. When our corporation laws have been thus amended applicants for charters, except in extraordinary cases, should be left to the use of its provisions and the time now occupied by legislatures in the consideration of private corporation measures can and should be given to public business.

#### *SAVINGS BANK AND TRUST COMPANY CHARTERS.*

There are forty-five savings banks and trust companies in active operation in the state and every one has a special charter varying in some respect from the charters of every other. If it is desired to organize a savings bank or trust company a special charter must be sought, because there is no general law for their organization. Chapter 173 of the Vermont Statutes provides for the voluntary organization of state banks of circulation, discount and deposit, but that chapter is obsolete because such banks are not desired nor desirable while we have the present excellent national banking system. The whole chapter might just as well be repealed. There should be a general law for the organization of savings banks and trust companies permitting their voluntary organization in proper cases upon compliance with the provisions of the law and the payment of the necessary capital. So far as possible, the charters of existing savings banks and trust companies should be brought into conformity to such a general law so that the rights and privileges of all savings banks and trust companies in the state would be uniform. Although it is better to allow too much competition rather than too little, the presence of too many banks in a vicinity of restricted population and business activities might really be harmful to the general interests. There should be some general restriction, therefore, or some discretion in the Inspector of Finance with respect to the granting of new charters, but such a limitation can always be best accomplished under a general rule or in the discretion of some selected officer rather than by the action of the legislature upon each case.

#### *VILLAGE CHARTERS.*

There are forty-eight incorporated villages in the state. There is a general provision (Chap. 142) for the voluntary corporation of villages but its provisions are so incomplete that all, or substantially all, of them have in fact been incorporated by special charters. It may be said of them, as of the savings bank and trust company charters, that no one is in all respects like any other. In the case of municipal corporations this diversity is even more inconvenient than in the case of private corporations. The powers and privileges of villages should be uniform. If they were thus uniform there would become through the decisions of the courts and otherwise some general understanding of what those powers and privileges are. The law of villages being now largely special for each village is practically private law. It should be public and uniform. I recommend that Chapter 142 be so amended, enlarged and improved that it will answer the purposes for the voluntary incorporation of villages, and I also recommend that consideration be given as to the extent steps may be taken to bring existing charters within such general provision.

#### *CORPORATION TAX LAW.*

In 1882 Vermont began taxing corporations under what was termed the corporation tax law, which provided for a tax upon various corporations based upon their earnings but made no provision for any appraisal of their properties. This law was declared by the Supreme Court unconstitutional so far as it attempted to tax interstate business, to overcome this difficulty, in 1890 the Legislature passed a law providing for an optional basis of taxation: that is, in the case of railroads, it provided that they should be appraised and taxed at the rate of seven-tenths of one per cent, on such an appraisal, but that they might in lieu of this tax pay a tax of two and one-half per cent, on their entire gross earnings if such railroads are situated wholly within the state, or if situated partly within and partly without the state then of two and one-half per cent, on such proportion of the entire gross earnings of such railroads, as the mileage of trains run in this state bears to the mileage of all trains run on the entire main line of such roads for a given period. Since this optional provision was incorporated in the law of the steam railroads of the state, with two or three minor exceptions, have paid upon their gross earnings.

It is difficult to ascertain for the purposes of taxation the true value of a railroad. Many things must be taken into account in making an appraisal: The value of the railroad's franchise, its bonded and other indebtedness, its capital stock, the general condition of its property, terminals, connections, expense of operating, its opportunities for business, both through and local, and many other things naturally entering into such an appraisal, which make it very difficult to reach a result entirely satisfactory either to the state or to the railroad corporations. A state tax levied solely upon such an appraisal is not likely to be as just or satisfactory as the present optional method. A tax, therefore, based upon the earning power of a railroad in operation is the fairest basis and has met with general favor. Nor is it a satisfactory method to permit each town to appraise and tax railroad property locally. A railroad receives its franchise from the state, it is to quite an extent a public corporation and even its local property is not used locally in the ordinary sense but for its general business extending beyond the limits of any or any few towns. Such tax, therefore, as is levied upon it should be paid into the treasury of the state.

The rate of seven-tenths of one per cent, upon their appraisal was increased in 1904 to one per cent. As the railroad companies have, with minor exceptions, continued to pay upon the basis of their gross earnings this has undoubtedly been less than one per cent, on an appraisal of their property. While railroads, therefore, are paying a tax of less than one per cent, on the appraisal of their property the average tax rate throughout the state is about one and six-tenths per cent, — a greater difference than the facts and conditions warrant. Although there is a great difference in the value and earning power of railroads, in the different New England states it is significant that, according to the report of the Interstate Commerce Commission for the year ago the average tax per mile paid by railroads for the year ending June 30, 1902, was in Massachusetts \$1,401, in Connecticut, \$1,005, in Rhode Island \$888, in New Hampshire \$324, in Maine \$198, and in Vermont only \$146. It has been and should be the policy of Vermont to treat our railroad corporations fairly and with every consideration. We should take into account the natural conditions with which they have to contend in this state and the fact that they are contributing much to its welfare and upbuilding. However, they should bear their fair proportion of the burden of taxation and in equal justice to all interests in the state should pay an increased tax.

#### *SAVINGS DEPOSITS IN NATIONAL BANKS.*

Some national banks in the state run in effect a savings bank department and pay interest on certain time deposits. To the extent this is done the state receives no revenue thereon and it is doubtful whether such deposits generally get into the grand list of the towns. Some means should be devised to secure proper taxation of such savings deposits, because they should bear taxation equally with other savings deposits and because also without it national banks are enjoying a preference in a business, which does not properly appertain to them, over institutions which are especially created by the state for that purpose. If such deposits in national banks cannot be taxed directly by the state, and probably they cannot be, I recommend that provision be made for requiring national banks to disclose the names of their savings depositors and the amounts of such deposits in order that they may be properly taxed in their respective towns. There are decisions of the courts sustaining the right of a state to do this.

#### *DOUBLE TAXATION.*

Double taxation is an evil which so far as possible should be corrected, this problem has been studied and discussed for years and different solutions suggested and urged, but as yet any remedy suggested has seemed to lead into difficulties even worse than the present. The fact is that the matter is so interwoven with the whole question of taxation that no single provision can satisfactorily solve the problem. Any single provision would create all or some of the following difficulties the making of a new line of exemption, which is always unfortunate, the serious impairment of the revenue, of the towns or of the state, the raising of the rate upon which money can be borrowed, and in fact in towns where the tax rate is very high rendering the borrowing of money practically impossible. The attempt made in other states to solve the double taxation problem by some single provision has never been successful.

We should not, however, be discouraged by our own want of success thus far or by the failure of other states, but should take up the problem with renewed determination to satisfactorily solve it, Much inquiry, research and investigation is necessary in a question of this kind. We should know as far as possible to what

extent in fact double taxation exists in Vermont, study carefully any proposed change in its relation to the individual, town and state, and to the whole question of taxation. If with such knowledge as is available you are able to find a solution of this question that bids fair to bring the desired relief, with out the creation of other evils, it is most desirable that you do so. But you find that sufficient data are not available upon which to base, this necessary readjustment then I recommend that you provide for the creation of a strong representative commission which shall take up not only the question of double taxation but the whole question of taxation in Vermont and give it a thorough research and study. Such a commission should have the power and authority to collect statistics, examine books and records, and should study the system of taxation in other states. It should be of such a size and character and its research and examination so broad and extended that its findings would carry weight and give promise of a satisfactory solution by the next legislature.

#### *DEPARTMENT OF HEALTH.*

I command to your favorable consideration the work of the Laboratory of Hygiene and of the State Board of Health. There is no interest of the state more worthy of being fostered along sensible lines than the work which has been begun in behalf of the public health. Besides the great saving of life and prevention of suffering, which is the important matter, the State Laboratory is already saving the people of the state in money many times its cost. All efforts to control the public health by quarantine, inspection of water supplies, etc., are liable in the beginning to create some friction. That is to be avoided as much as possible, but there should be no departure from the policy upon which we have entered of controlling matters relating to the general public health.

#### *HIGHWAYS.*

The aroused public sentiment in favor of improved permanent highways is an indication of a greater interest of the people in the true welfare and development of the state. It is a most important subject and fully merits your most careful attention. We have many natural conditions with which to contend making the construction of the best highways difficult and expensive, but these conditions make it important to have such highways if possible.

Government aid for highways has been urged by some. It is, however, contrary to the whole spirit of our governmental system, nor for Vermont is it a practical or desirable policy. Not only is it wrong in principle but in the end it will be less burdensome for us to work out our own highway problem and leave other state to take care of theirs. Nor am I in favor of issuing state bonds for the purpose of building state highways. We are a rural community, our income is not large, and to load upon the state a bonded indebtedness with a fixed interest charge is poor business management. The condition of our highways at the present time is not such, nor the advantages to be derived from more perfect highways great enough to warrant the creation of a state debt. We are practically without debt at the present time and it should be our fixed policy to so continue.

In 1892 the state first began to assume positive responsibility with reference to highways by the enactment of a law providing for a 5 cents state highway tax, paid into the State Treasury and redistributed to the towns on the basis of their highway mileage. While in some towns this money was expended according to the spirit of the law, it resulted in but little permanent work for want of proper supervision. In many towns it was not in reality spent for permanent work but used for ordinary repairs. The Legislature recognizing this fact, in 1898 provided for the appointment of a state highway commissioner and the creation of a state highway department which should supervise, as far as possible, the expenditure of this state high way fund. This was a decided step in the right direction and there has been a marked improvement since then in the method of expending this fund and in the results obtained. There are many sections of excellent, well constructed, permanent road. Each year is showing an increase in amount and an improvement in quality. Soil accessibility of good road material, and other natural conditions enter largely into the results obtained but the greatest factor is the method in which the money is expended. Towns that have been fortunate and careful in the selection of a road commissioner, and when securing a good one have retained him, have invariably had splendid results from the operation of the law. The county meetings have been very educational and have created a genuine interest which has resulted in much more efficient work,

Notwithstanding the improvement that has been made in the method of expending the state highway fund and in the results obtained during the past few years, some towns are today gaining nothing from the

expenditure of this money in the way of permanent road and others but little. The larger towns and cities which are making a large contribution to this fund certainly have a right to demand that it should be expended in such a manner as to yield the best possible results. The state has not fulfilled its duty until it has provided for the expenditure of this large fund according to the best and most up-to-date method. I firmly believe that in every way much better and more satisfactory results can be obtained from the expenditure of the state's highway money under more complete and rigid supervision. It is utterly impossible for one man to properly supervise the expenditure of over \$100,000 distributed in small and varying amounts, in every town in the state. In the expenditure of this money we should aim at two important results: First, to procure its expenditure in accordance with the best scientific methods, and secondly, to have these sections of permanent road so located that in the end they will form continuous lines of permanent highways. The only way to bring about these results is to provide more supervision for the work. The state commissioner should give his entire time to outlining the work and to its general supervision and should be a salaried officer with reasonable allowance for office and clerical expenses. There should also be a supervisor for each county appointed by the State Highway Commissioner, with the approval of the Governor. The state highway fund should be expended in accordance with plans and specifications laid out by the state highway department and under the supervision of the County Supervisor, both as to its location and method of expenditure.

To further encourage the construction of permanent highways I recommend that any town or city making a special appropriation for permanent highway work should receive an allowance from the state for this purpose. The amount which the state should be called upon to contribute for this purpose in any one town during any one year should of course be limited.

Such additional funds should be located and expended under the same general plan as is provided for in the expenditure of the regular state highway fund. The state's contribution to such optional work should be paid from the general treasury of the state and not be taken from the regular state highway fund accruing from the 5 cents state highway tax.

#### *AUTOMOBILES.*

Automobiles have come to stay and they have their proper and rightful use in the pleasure and business of many people. They are likely to gradually fill a greater rather than a less place. For those who can afford them they are the most advanced method of highway travel. Besides their use by our own people they probably help to bring summer residents and visitors into the state. Where they have been used longer and are most used, in and about cities, they are practically ceasing to be a menace to horses, in any action with reference to automobiles these facts should be taken into account.

At the same time, during this transition period many of the men, women and children who are living up and down our hills and valleys are practically banished from the use of our highways both for the purposes of business and pleasure. Business in many of our communities is being seriously interfered with because the people are kept off our highways by the fear of meeting automobiles. In time our horses, will probably be come so familiar with these machines that much of the present difficulty may be removed, but pending that time I do not think it right that so many of our people should be deprived, to the extent they now are, of their natural and rightful use of the roads. We may well consider whether for the present automobiles should not be prohibited the use of certain highways, especially some of our narrow hill roads where the passing of a team and automobile is impossible without great danger to the occupants of the team.

The present law provides for a nominal registration fee of two dollars for each machine and an annual license fee of two dollars for operators. These together with dealers licenses produced last year \$3,398.94. Considering the use which automobiles have of our highways and their size, weight and speed, I think that they should pay an annual fee, adjusted upon some reasonable and fair basis sufficient to produce a more substantial revenue for state highway purposes. There should be some provision by which machines from without the state using our highways should pay a like license fee.

One of the greatest difficulties is the lack of consideration shown by some drivers of automobiles when they meet horses unaccustomed to them. It will be impossible for you to frame any law which will make people thoughtful and considerate, but you should consider whether the rules of the road for automobiles can in any

way be improved so that the conduct of the few thoughtless may be made to conform more closely to the action which the courtesy of most people naturally suggests.

### *GRADE CROSSINGS.*

The crossing of railroads and highways at grade is fraught with danger under the most favorable circumstances, As the frequency and speed of train service has increased the danger both to those using the railroads and the highways has likewise increased. The reports of the Railroad Commissioners show that during the ten years from 1894 to 1904 there were one hundred accidents at grade crossings in the state of Vermont by which fifty persons were killed and fifty others more or less seriously injured.

In the early construction of railroads it would have been practically impossible to build them without grade crossings but now they should be gradually removed. The life and safety of our highways and to the greater safety of our people. The receiving serious attention in all of our sister states. In Massachusetts from 1890 to 1905 inclusive there was expended for the removal of grade crossings \$24,310,377.67 of which the railroads paid \$14,721,897.04, the state \$6,420,601.93, and the cities or towns \$3,129,689.76. Our statutes provide that the Railroad Commissioners may under certain conditions order the removal of grade crossings, but the law is only permissory in character and but little progress is being made in that direction, The time has come when Vermont should recognize this great and increasing danger to her people and provide for the gradual compulsory abolishment of these grade crossings. Connecticut has such a law. We cannot expect to make rapid progress in their removal but must be conservative so as not to burden unduly either our people or the railroad companies.

There should continue to be, as at present, a provision for a fair division of the expense between the railroad company and the town or city in which the crossing is located. The state, as is so generally done elsewhere, may well contribute something, to be carefully limited by law, to this improvement of our highways and to the greater safety of our people. The number of crossings to be removed in any year should be specifically limited. Instead of the limitation under the present permit system, contained in V.S. 3842, to the removal of not more than one a year in any one county on any one railroad. I suggest that a more reasonable basis for the railroads themselves and for all concerned would be a limitation based upon the mileage of the railroad. The law might require, for example, that there should be one grade crossing removed each year for every specified number of miles which a railroad operates in the state.

### *CONCLUSION*

I cannot urge upon you too strongly the importance of taking up your work promptly and actively. Many of you are strangers to each other and new to the work before you. These reasons and many others tend to delay the progress of the important work of the session. Unnecessary and even pernicious laws are sometimes enacted, worthy and needful legislation is sometimes defeated, and all legislation is often unduly considered because wasted time early in the session compels haste at its end. All important legislation, such as that pertaining to education, highways, taxation, courts and state institutions should be introduced and considered early in the session. You can do the state no greater service than to actively take up your important work at once.

You should examine all special bills and special appropriations with great care. None should meet your approval until they have been shown to be worthy and necessary. The danger is far greater from too much than from too little legislation. The people of the state expect you to keep your appropriations within the limits of the strictest economy consistent with the performance of the full duty of the state to all her people. For four years we have been without a direct tax for the support of the state government. This should be our fixed policy. With this in view you should so adjust the state's income and expenditures as to make a return to a direct tax unnecessary.

As you enter upon your duties as the chosen representatives of the freemen of Vermont. you may well recall the worthy record of those who have preceded you in these halls, and the patriotic service of Vermonters at home and abroad, in war and in peace. Vermonters may well take pride in this past and in the unexcelled achievements of those who have borne our name. Let not this thought, however, be a satisfying one; its true

purpose and effect should be to arouse and stimulate you to so serve your state, to so legislate at this session, that Vermont in all respects may take and hold her rightful position in that grand march of progress which the twentieth century is today witnessing throughout our great country.

FLETCHER D. PROCTOR.

Montpelier. October 4, 1906.