Inaugural address

of

Franklin S. Billings

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Members of the General Assembly:

Agreeable to custom it is my duty to bring to your attention matters that in my judgment require your careful consideration. I trust that we shall work most harmoniously together and accomplish much for the best interests of Vermont.

Governor Proctor and the last Legislature accomplished an immense amount in the way of placing our financial system and our various departments on a sound business basis. The creation of the office of Commissioner of Finance was a distinct forward step and the present incumbent has accomplished much. In my judgment nothing should be done to lessen the importance of the office. The Legislature of 1923 realized that the State must be careful in her expenditures and I trust that you will agree with me that appropriations should be kept within the income of the State.

We should make a strong effort to have our expenditures such that no State tax will be necessary.

LAW ENFORCEMENT

This is one of the greatest problems which we have confronting us at the present time. A number of states have had to resort to what is known as "State Police", for the purpose of a better enforcement of the laws.

To enact laws and then fail to enforce them shows an inherent weakness in the government. I hope that you fully realize the seriousness of such a situation and that you will agree with me that we cannot afford to lose sight of our duty to restore, through the instrumentality of our present law officers and a sentiment of respect for our legislative acts, a high standard of efficiency in the enforcement of the law.

It is my duty, under the constitution, to see that the laws are enforced and with this end in view, I ask for and shall expect the hearty co-operation of all good citizens and especially from those whose duty it is to take cognizance of all unlawful acts committed against the State. I shall expect that all officers of the law faithfully perform the duties of their office in accordance with the oath which they have taken.

If we do our duty as the law requires, there will be no necessity for "State Police" and the taxpayers will not be burdened with the additional expense incurred if we increased our police force.

SECRETARY OF STATE

The Automobile Department has been as efficiently administered as the available funds have allowed but this traffic is becoming so great that it seems to me that some action should be taken to conserve life and limb. People financially irresponsible as well as those responsible should be compelled to carry liability insurance, or be bonded. This whole subject is so important and needs such careful study, I would recommend that a special joint committee be appointed to take up the entire automobile question including the codification of the automobile laws.

I recommend that the gasoline tax be increased to two cents per gallon. This tax is collected with very small expense and part of it is the only income that the State receives from automobiles from other states.

The suggestion has been made that the Automobile Department be taken from the duties of the Secretary of State. I feel that this would be a grave error. The department is now well organized and being efficiently administered and the expense would be greater if the change was made.

Publicity

There are 116 towns in the State that have a smaller population today than in 1820. Those towns surely are as attractive now as then. We know that there are people all over the United States looking for homes. I, therefore, recommend an appropriation of \$10,000 per year for our Publicity Department to be used for the purpose of advertising our agricultural and industrial advantages as well as attracting the summer tourist.

The law governing bill boards should be amended to allow the Secretary of State to more fully control this objectionable evil and more easily collect the license fees.

MILITARY DEPARTMENT

I trust that the policy of building one armory every two years will be continued. On March 4th, a native son of Vermont will be inaugurated President of the United States of America. I consider it the duty of the Legislature to decide whether or not our Infantry Regiment shall be sent to Washington to do honor to President Calvin Coolidge.

AGRICULTURE

This is the basic industry of our State and should so be kept. I have urged co-operation among the farmers and this, I still believe to be of the greatest importance, not only in their selling but in their buying.

The fight to eradicate bovine tuberculosis in my judgment should be continued to the extent that the State can afford and that I believe to be at a cost of not over \$100,000 per annum. Former Commissioner of Agriculture, E. S. Brigham, states in his biennial report, "It will be seen that in some counties of the state considerable progress has been made in placing the herds under supervision. I believe that a bill providing for township area testing should be considered by the next legislature and should be enacted for the benefit of those sections of the state where almost complete eradication has already been accomplished. If the areas could be completely tested for a few years and quarantined against movement of infected cattle into them, it would not be necessary to test herds as often as once a year, and a considerable saving would be effected thereby in the expense of making tests". In October, 1922, in a public address I made a similar recommendation and am as strong now as I was then for this area testing. I believe greater progress can be made in this way.

EDUCATION

This department reorganized under the laws of 1923 is giving good service and now the great thing needed is stability. To change the laws governing a department every two years weakens that department and makes for inefficiency. Therefore, I urge you only to amend these laws in a very few minor particulars. I will suggest one.

The present laws have increased the burden of the smaller towns as to supervision. This should be changed to more fairly equalize this expense.

Our rural schools have greatly improved during the past year. There has been a sincere desire among them to become either a Standard or Superior School, and the one who proposed the plan should feel great satisfaction in the results. Everything should be done to encourage and improve these community centers.

Free Public Library Department is now under the State Board of Education. It has done splendid work throughout the State but during the past two years has been greatly handicapped by lack of funds. Four changes have been made in the office of Secretary during the past two years as too small a salary had to be paid. I, therefore, recommend an appropriation for this department of \$10,000.

STATE INSTITUTIONS

Under the efficient direction of our Commissioner of Public Welfare these have functioned as well as the appropriations and the size of some of the plants would allow. If Vermont's income were larger, many things could be done to improve them. Although I feel that the greatest economy should be exercised in the affairs of the State, I think that a new dormitory at the State School for Feeble-Minded at Brandon would result in economies to the State and I strongly urge the Legislature to provide a proper sum for this purpose. I have not included this in the Budget, however.

HIGHWAYS

The Commission plan has now been in force for four years and I consider that it is working well. During the past two years great improvement has been made in our highways, not only in many stretches of newly constructed roads, both gravel and hard surface, but also in new bridges, dust laying and the efficiency of the

patrol system. I believe that this same policy should be continued and that all monies received from automobiles and the gasoline tax be expended on our highways and Highway Department, I *still* do not believe that it is wise for the State to bond for this purpose, but as much money should be spent for hard surface roads in places where the travel or natural conditions make gravel roads unprofitable as the State can afford. The suggestion has been made that the State take over some of our highways and I stated in my campaign that I thought "the next Legislature should give careful consideration to the taking over by the State the Federal Aid Roads either in part or in whole." I have examined during the last months the feasibility of this proposition, and I find that it is more complicated than it at first appears. I therefore recommend that the committees on Highways and Bridges in careful consultation with the State Highway Board make a thorough investigation of the proposition.

RAILROADS, BUSSES, AND TRUCKS

As we look back over the history of Vermont, we may well wonder what progress she would have made in her development if she had not had the railroads. Even today in some of the winter months the railroads are practically the only means of transportation (both passenger and freight) that Vermont has. The railroads have had to build their own road beds, have paid very large sums in taxes, and are now very strictly regulated. In competition with the railroads the State now has the jitney bus and the truck. These have their road beds furnished by the State and towns, and are taxed (by registration) a very small sum. They are regulated very little in comparison with the railroads. We certainly do not wish to drive the railroads out of business and ought to be fair with them. I, therefore, recommend that the busses and freight trucks be more adequately taxed and regulated in a way that will be just to the railroads, to the busses, and to the trucks, and will also be a protection to the public.

PUBLIC SERVICE COMMISSION

Considerable criticism has arisen because of the manner in which public service corporations are permitted to issue securities. The law requires that the Public Service Commission, after hearing, approve the issue of stock, mortgages, bonds or other securities of such corporations in order to prevent overcapitalization. For several years no funds have been placed at the disposal of the Commission or the Attorney General for investigations in such cases and the hearings have necessarily been more or less ex parte. Because overcapitalization affords a basis for higher rates to the consuming public and in view of the fact that such Corporations advertise that their securities are approved by the Public Service Commission of the State of Vermont, I believe that the companies should pay a sufficient sum to enable the Commission to make a proper investigation before their approval is granted in each case, and that all such hearings should be attended by the Attorney General or the State's Attorney of the County that the good name of the State may be protected and that it may be more nearly impossible to put out such securities for more than their actual value. Otherwise the law requiring such approval should be repealed.

Since 1917 no railroad grade crossings have been eliminated. Conditions largely due to the war made it unwise for the expenditure of money in this way. Now, matters have so adjusted themselves that it seems to me wise for a reasonable appropriation to be made each year for a continuation of the work. It is certainly for the safety of the people.

TAXATION

Taxes should be kept at the lowest possible point consistent with the proper needs of the State. Attempts every two years to enact new modes of personal taxation upsets the business interests of the State and creates a feeling of instability. In the past a number of bills have been introduced creating an income tax law. It is my opinion that such a law would be injurious to Vermont. Florida has recently amended her constitution to provide that there shall never be an income tax in the State. Oregon has recently repealed her income tax law. Vermont may well learn a lesson from such movements.

TAXATION OF HYDRO-ELECTRIC PROPERTIES

On January 4, 1917, Governor Charles W. Gates in his retiring message to the General Assembly said, "A situation confronts us at the present time; which should receive the attention of your body. During the last few years we have witnessed the development of several of our water powers by foreign and other corporations.

These corporations have spent immense sums of money in the development of these water rights, and as a result the state will be immensely benefited if a proper policy of control and taxation is adopted."

"In the future there is bound to be more development along these lines, and it is to me that the time has arrived when the state should adopt a definite policy of taxation of these hydro-electric plants and other water power developments."

Little has been done along this line since then, although there have been further large developments of hydro-electric power. The State should receive more benefit from her water powers. I, therefore, recommend that the local property tax be left undisturbed and the State impose a very small per cent tax on the gross receipts of these companies. If this mode of taxation should prove difficult to assess on account of plants in this State being "hitched up" to plants outside the State, then some other plan should be found.

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 estimates, requests and recommendations for appropriations or other authorizations for expenditures from the treasury of the State for the next biennial fiscal period".

Wishing to assist you in all possible ways to hasten the business of the session, I have the Budget prepared and herewith submit it.

In an effort to expedite the business of the session and to keep its length within proper limits, I have requested the State Officers and the heads of departments to have ready at the opening of this session, all bills covering changes in the law respecting these several departments which they recommend. It is hoped that members of the General Assembly intending to introduce bills touching the law respecting these State departments will introduce them within the first two weeks of the session so that the Committees may have before them very early in the session all proposed changes in the laws respecting the general administration of the business of the State. If such a course is pursued and the time limit for the introduction of bills is really made a limit as the rules provide, it should be possible to give ful1 and fair consideration to the simpler and less complex bills early and the last part of the session be given over to the appropriation bill and other very important measures. Furthermore, to press the consideration of a large number of bills upon the Governor in the closing hours of the session may compel immature consideration and the failure of some meritorious measures which might have become law had they been brought forward earlier.

I shall be glad to confer with members of the General Assembly at any time, and I am sure that we all wish to do our part to make this session a profitable one for the State. Please remember that there is more danger of making too many laws than of making too few.

FRANKLIN S. BILLINGS.