

Farewell address  
of  
Percival W. Clement  
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**Thursday, January 6, 1921**  
**Farewell Address**

*Gentlemen of the Joint Assembly:*

Man is an optimistic creature. He lives in the hope of the future and cares but little to look backward, unless perchance to recall some pleasant memory. It is fortunate that we are endowed with faith and hope; otherwise we would be very uncomfortable companions and neighbors. I know that you are awaiting expectantly the words of the incoming governor; but I should be derelict in my duty if I neglect to render an account of stewardship, or fail to call to your attention some of those things which merit your earnest consideration.

**PUBLIC SERVICE COMMISSION**

There has been in recent years large expansion of the so-called public utility companies manufacturing and distributing heat, light and power; and, in order to foster this development as a benefit to the industries of the State, these companies have been granted privileges far beyond those enjoyed by the ordinary business corporation. In return for these privileges, the people of Vermont are entitled to be furnished with adequate service at a reasonable charge. Of late there has been considerable complaint that the people are not receiving these benefits.

While the power of fixing rates and of requiring adequate service, as well as the duty of passing upon the character and amount of the securities issued by these companies rests with the public service commission, the commission is very much handicapped from lack of authority and funds to investigate such matters properly. To the end that the people of Vermont may be fully protected in all respects, the public service commission should be given authority to investigate, on its own behalf, such matters as come before it, including rates charged for power generated in this State, whether sold within or without the State; and the commission should be provided with necessary funds to conduct such investigation.

**COMMISSION OF FOREIGN AND DOMESTIC COMMERCE**

A year ago, Governor Coolidge of Massachusetts requested me to appoint a commission on foreign and domestic commerce. Inadequate transportation facilities, shortage of coal, and general business conditions appeared to me an emergency sufficient to justify the appointment of such a commission. The five men who were kind enough to accept appointments on the commission have given their time and services, without expense to the State. The commission has made a report which will be transmitted to you and I suggest that you give it careful consideration.

**FISH AND GAME**

The fish and game department, under the direction of the present commissioner, has become a strong factor in making Vermont an attractive place in which to live. Through his wise and efficient management, a spirit of cooperation has been brought about between the department and the people of the State. This department is self-sustaining and is worthy of the support of every member of the legislature.

The chief things accomplished by the department during the last two years are:

First, the purchase of a considerable area near the Sand Bar bridge in Milton for the establishment of a migratory wild fowl sanctuary. By this purchase, Vermont is the first eastern State to join the nation-wide movement for wild life conservation.

Second, the establishment of open zones around apple orchards where wild deer may be legally hunted and killed at all times.

Third, the extension of fish cultural work.

Vermont stands without a rival in the beauty and grandeur of her mountains, in her wonderful lakes and clear running streams. These natural attractions would be robbed of more than half their recreational value if the wild life of our fields and streams were seriously depleted. Such resources should be carefully conserved.

## AGRICULTURE

A comprehensive program has been undertaken by the agricultural department for the eradication of bovine tuberculosis from the herds of the State. As a basis for this program, the laws relating to live stock were revised by the last legislature. Applications for tests have been so numerous that the appropriation available is insufficient and the department is now a year behind in meeting the demands made upon it.

Bovine tuberculosis is not only a menace to our dairy industry, but also to the public health, because it may be communicated to humans through the milk supply. Complete eradication of this disease will be expensive, even if it is possible. The question is will the State make the effort. The commissioner of agriculture thinks that an ample appropriation for a few years to enable the department to test herds promptly, as applications are made, until all the herds of the State have been tested and freed from tuberculosis, will perhaps be a more economical policy than to continue small appropriations through a series of years.

Undoubtedly this disease is promoted by unsanitary conditions, not allowing cattle sufficient air and exercise and in herding them in barns not properly ventilated. If the State is to spend the enormous amount of money which will be necessary to eradicate the disease, it should control the care and housing of cattle so that when once the disease is eradicated, herds may be kept free from it in the future. The amount of money asked for the live stock department for the coming biennial period is \$500,000; and the same amount will be required for ten years hereafter. This is a large sum in proportion to the total income of the State. The legislature ought to consider how far the state money, collected from all sources, should be applied to promoting this one industry.

## FORESTRY

Forestry, in all that the word implies—stabilized, wood-using industries, closer utilization, conservation of stream flow, development of water power, as well as timber protection and culture, is being forced upon the attention of the people of this continent by the continued misuse of forested lands; and we in Vermont, through high prices and inability to supply our own wants for timber, are now feeling the effect of our own short-sighted forest policies. Forward-looking legislation should, therefore, be enacted and a forestry policy inaugurated to relieve the depleted condition of our forests.

## PARKS AND PLAYGROUNDS

The State should give attention to the care and planting of shade trees along our highways. I also recommend the enactment of law enabling the State and municipalities to accept bequests for playground, park and other civic development and authorizing the governor to appoint commissioners to accept such bequests or to advise with reference to their use. I suggest that for the present such commissioners serve without expense to the State.

## CHARITIES AND PROBATION

The board of charities and probation was established in June, 1917. The Legislature of 1917 appropriated for its use, \$10,000 for each year of the biennial term ending June 30, 1919. The Legislature of 1919 appropriated \$25,000 for each year of the biennial term ending June 30, 1921.

Children who are so delinquent that they cannot be cared for at home, may properly be placed in an institution where they can be controlled, at the expense of the State; and, undoubtedly, it is wise for the State to assume the care of imbecile children when they cannot be cared for properly at their homes. But town officials are inclined to pass over to the care of the State, children who are neither imbecile nor delinquent. Apparently this is done in order to relieve the town of the expense and responsibility of maintaining such children. This disposition, stimulated by the activities of the department of charities and probation, has increased the expenses of this board to an alarming extent. Only three years ago, it had an appropriation of \$10,000; and now the board is asking for \$50,000 annually, an increase of 400% in four years. It is well for us to remember that the population of Vermont is not increasing, while our taxes are becoming more burdensome year by year.

The board of charities and probation is performing its duties with the best intentions, but pauperism is ever increased by ill-considered charity. And this legislature may well pause and reflect upon this question of how far the State is prepared to go in this kind of paternalism.

## HIGHWAYS

The construction of roads in connection with the Federal Government is the largest proposition taken up by the highway department. The Legislature of 1919 amended the State Federal Aid Road Act by providing that the location of the work and the kind of construction should be approved by the governor and by the state engineer, so that projects are located by the highway commissioner, approved by the governor and by the state engineer and then submitted to the Federal Government for approval.

Under the Federal Aid Road Act, the State of Vermont has been allotted \$1,242,103.73 for the five years ending June 30, 1921. This matched by an equal amount by the State made \$2,484,207.46 available for actual construction work. Although this five-year period ends June 30, 1921, the Federal appropriation will be available for all projects which are surveyed, approved and contracted for during the year ending June 30, 1922; and locations have been agreed upon for the expenditure of the whole of the Federal appropriation.

There is pending before The Congress a bill providing for a further appropriation of \$100,000,000 annually for the four years ending June 30, 1925, allotted on the same basis as the present appropriation. Under this Act, the State of Vermont would receive approximately \$500,000 annually and would have to match it, making \$1,000,000 a year available for Federal aid road construction. This Act contains the provision that preference shall be given to such projects as will expedite the completion of an adequate national highway system connecting at the state boundaries. The work already undertaken in Vermont is on interstate highways, so that it will coordinate with any work that may be done under this Act. The result will be that the State of Vermont will have three classes of highways, viz:--interstate roads, which are a part of the selected highway system, other state aid roads and town roads. It is apparent that, eventually, the State will have to regulate traffic on all interstate roads, including regulation of the weight, height and width of loads and the size of tires.

The highway department has received from the Federal Government a quantity of motor trucks, highway machinery and equipment for which a garage was constructed on the road between Montpelier and Barre. All highway equipment has been carefully inventoried and looked after by an assistant to the highway commissioner.

I believe that the salary of the state highway commissioner should be increased substantially. In addition to the district commissioners, who are doing good work, the highway commissioner should be assisted by deputies qualified by training and experience to take charge of new construction and maintenance, respectively. I endeavored to employ such deputies, but was unable to do so because I did not wish to pay a deputy a higher salary than the commissioner himself receives. If such deputies are employed, the responsibility, but not the whole burden of the highway department would rest upon one person. With the vast amount of work for the highway department to carry out, continuity of service should be provided for in competent personnel. At present, the illness or temporary absence of the commissioner would seriously handicap the work of the department.

By reason of the Federal aid road projects, it has been necessary for the board of control to appropriate from the contingency appropriation additional funds for the state engineer. The new budget will contain a marked increase in appropriation for the department. The State cannot lay out its highway work intelligently or comply with the Federal requirements without funds for an adequate engineering force.

## STATE HOSPITAL

The increased production of farm products at the state institutions has resulted in keeping the per capita cost of maintenance very low in comparison with the general increase in the cost of living. I doubt if the people of Vermont realize the magnitude of the task of providing for these institutions; for instance, the state hospital at Waterbury consumes 500 loaves of bread and 600 quarts of milk every day in the year, the bread being baked in the hospital kitchen and the milk being produced on the farm. At this hospital we are taking care of from 750 to 800 patients all of the time. It will thus be seen that a considerable expenditure is necessary in properly

maintaining and providing for so large an institution. Under conditions which have existed during the past four years, it has not been feasible to undertake any much-needed construction or substantial repairs; and the amount of money required now for absolutely necessary new construction to meet the needs of this large population constitutes a large item as compared with construction cost of a few years ago. Yet, when you examine the report of the director of state institutions and see what is necessary to take care of the natural growth and development of the hospital, you will recognize that the amount requested for this institution is a modest figure to meet its requirements.

#### STATE SCHOOL FOR FEEBLE-MINDED

At the state school for feeble-minded at Brandon, remarkable work has been accomplished; but the need for new buildings is greatest at this institution. A day school has achieved excellent results in teaching many children who had not previously learned to read and write. Not all inmates of the institution can be benefited by this day school; but practically every boy and girl at the Brandon school can learn to do much useful work, and skill is promoted by patient and persistent training given to these children through the assignment of tasks for work with their hands. The labor cost of supervising the children has been reduced by provision for amusement and the purchase or local manufacture of inexpensive playthings. If the children are entertained, they are much easier to take care of. The children braid and weave useful and attractive rugs. The girls do mending and plain sewing.

The war interrupted the normal construction program of the school at Brandon so that admission has been denied to many children who would require residence of only a few years at the school to make them self-supporting, and for accommodations for the cases that already are a menace to their communities. A few of the worst cases, for whom adequate facilities do not exist at Brandon, have been taken to the state hospital for treatment. Some of these might well continue to be treated at the state hospital where there is a larger staff of resident physicians, but there should be proper provision for such cases as must remain at the school.

The necessity for increased housing accommodations is pressing, and this legislature should provide for the construction of a new dormitory and the completion of the one now in process of construction.

#### VERMONT INDUSTRIAL SCHOOL

Some of the pleasantest days during my administration were spent at the state institutions. I am particularly fond of the industrial school at Vergennes. That institution is doing a fine work for the State of Vermont. No Vermonter can visit it without feeling proud of the work that is there being done to train boys and girls, through the formative period of their lives, for useful citizenship. The first consideration at the industrial school, as well as at the other institutions, is the health of the inmates. In so far as a public institution can, Vergennes provides and surrounds each boy and girl with the spirit of the home. The pupils live in cottages, in charge of masters and matrons. The school at the institution provides instruction through all the grades and the equivalent of the first year of high school. On completion of this work, many students attend the city high school in Vergennes, where they have been received with friendliness on the part of the other students and have attained creditable standing in scholarship. A number of these students have gone to institutions of higher learning and have become successful citizens in their communities.

A visitor at the industrial school will see a tin shop in which the boys make tin and galvanized iron utensils for use in our various institutions. The boys have a printing establishment and do some job printing; they do the cobbler work for the shoes at the institution; are employed in all capacities around the farm; and they care for the school herd of prize-winning thoroughbred Ayrshire cattle with splendid interest. The boys also learn plumbing and steam-fitting and assist in the power house and boiler room. The laundry work is done by the pupils at the school. Each year, the girls can large quantities of fruit and vegetables. They do the sewing and mending and, in addition, design and make all of their own clothing. Some of the well-behaved students are allowed to leave the institution during the summer vacation, and many of them have accumulated substantial bank accounts from money earned during this time.

#### WOMEN'S REFORMATORY AT WINDSOR

The Legislature of 1917 authorized the construction of a women's reformatory at Windsor but, on account of conditions incident to the war, nothing was done during that biennial period. The Legislature of 1919 renewed the appropriation for this purpose. The building has been erected in connection with the state prison; the appropriation has been used; but, owing to the high cost of labor and material, the building is not entirely finished. A small additional appropriation will be necessary for its completion.

#### STATE'S RELATIONS TO PRISONERS

Splendid success has attended the continued policy of employing prisoners on various work outside the prison walls. Many prisoners are employed at all times, summer and winter, by private parties in and around the village of Windsor. For the past two years, there has been a camp of about thirty prisoners at Sherburne, employed on state highway construction. These men work there under the honor system, which they respect, improve in physical condition and are enabled to send home something of their earnings to their dependents. The men receive market wages for their work, one-third of which goes to the prisoners themselves. The men's share of the earnings amounted to several thousand dollars for each season's work.

The parole method of handling prisoners seems to me to be the best. It should be understood that, when a prisoner is on parole, he is not fully pardoned. He is allowed his liberty in charge of the state probation officer and may be returned by executive warrant, to complete his maximum sentence, at any time prior to the expiration of the parole period, when it appears that he has violated any of the conditions of his parole. I am, however, of the opinion that a person sentenced for felony should not be paroled until he can speak, read, write and understand English of everyday use. I recommend consideration of the indeterminate sentence, so-called. If the indeterminate sentence is not provided for, I would urge a modification of certain laws which will give the courts a wider latitude in sentencing persons for felony, so that there is a longer time between the minimum and maximum sentence. This procedure, when a person is released on parole at the termination of the minimum sentence, provides a longer parole period and what is more important a longer unexpired maximum sentence, which serves as a greater incentive against breach of parole.

#### FARM PRODUCE AT INSTITUTIONS

Every taxpayer should be interested and pleased to examine the figures with reference to the crop production of all state institutions. There is a farm in connection with each institution which has produced large quantities of the food consumed, thereby saving many thousands of dollars in cost of maintenance. This farm produce, from November, 1919 to November, 1920 at market prices, was valued at over one hundred and twenty-seven thousand dollars. This amount is a conservative figure; and the appraisal is based upon the schedule of the county farm bureau. While we may perhaps express the value in dollars, the real value is in the benefits to all persons at these institutions.

Our institutions are in charge of competent superintendents who, by experience and personality, are thoroughly qualified for their duties. I have the heartiest commendation for the work and tireless energy of the director of state institutions. All expenditures are scrutinized by him and held to the strictest economy. At the same time, he has built up an organization in each institution which insures thoughtful and splendid care of the inmates.

#### HOUSE OF CORRECTION

I recommended to the last legislature consolidation of the house of correction and the state prison, at Windsor, in order to bring the two institutions under one management. This was done, and the director of state institutions informs me that an annual saving to the State of from \$30,000 to \$35,000 will be made.

The house of correction building at Rutland was not offered for sale immediately after evacuation, because the board of control thought that the site, which is particularly well adapted for a normal school, might be desired by the board of education for that purpose. The board of education has decided not to use it, and the property is still unoccupied and in possession of the State.

#### EQUALIZATION BOARD

All citizens should bear their fair share of the burden of government. All property, therefore, should be assessed fairly and taxed proportionately once; and no property should be taxed more than once in the same levy.

With the state school and highway taxes and the present direct state tax, we are faced with a condition which always exists under a system of general property taxation, that is the disposition of some towns to make a low assessment of property values and thus escape their fair proportion of state taxes. This works a serious injustice to such other towns as assess property at its fair value according to law. In addition to the general disposition of some towns to make such low assessment, there are frequent occasions when property of large corporate or individual ownership is grossly undervalued, particularly with respect to personal property.

During the past year, such a condition of affairs existing in one town in the State came to the attention of the commissioner of taxes, where the personal property of a corporation was assessed at about one-tenth of the value placed upon it by the corporation itself; and this is a small fraction of the market value. Such a condition is unfair to the other property owners in that town and is manifestly unjust to property owners in other towns, who are thereby required to pay more than their fair proportion of state taxes.

The State is practically powerless under existing laws to correct such abuses, either with respect to towns in general or individual instances in any town. The problem of a just system of taxation is one which is ever with us; and doubtless, while human nature remains as it is, we shall never attain an absolutely fair and equitable scheme which can be carried out in practice. We can, however, make progress in eliminating to some extent the present evils of unequal assessment.

There is no provision in our law for an appeal from the local assessment by any one other than the landowner himself, or by the town agent, under certain circumstances. The commissioner of taxes should be given the right of appeal, either from the valuation as generally made throughout the town or from any individual assessment. He should also be required to investigate with respect to any particular appraisal, upon the written complaint of any reasonable number of other taxpayers in such town. The present method of appeal requires the commissioner of taxes to appoint appraisers. With the right of appeal given to the commissioner, this provision should be eliminated, and a method should be provided for a state board of three members who should constitute an equalization board, or board for re-assessment, to whom such appeals should be taken, whether by an interested landowner, the town agent or the commissioner of taxes.

I do not approve of the creation of additional boards or commissions; and, for the purpose above suggested, there is no necessity for any separate tribunal, as the public service commission is particularly well constituted to take on this additional service. The fact that there is a board in existence, having such power, will have a tendency to eliminate to a great degree the wrongs which we suffer under present conditions.

The commissioner of taxes will call this to your attention more in detail; and I commend his statement for your careful consideration.

## EDUCATION

Important among the questions which will engage your attention is our school system. Such action as you may see fit to take should not be the result of passion or prejudice, but should come only after the most exhaustive study and careful deliberation. It should be constructive, rather than destructive, and should be taken in the interests of the whole State, rather than for a particular locality.

Free education is justified in order that children may grow into good and intelligent citizens. That being the object of education by the State, the State might properly cease when that object is accomplished. The curriculum established in our high schools tends to educate children beyond what is necessary to develop them into good and intelligent citizens. The high school curriculum is directed toward such education as will admit students to colleges and other institutions of higher learning. I question the advisability of this kind of training on the part of the State. It is, however, thoroughly established and will undoubtedly be continued; but it should not be allowed to interfere in any way with the primary object of education, which is to prepare a girl or boy, when ready to assume the responsibilities of life, with such knowledge as will have a tendency to make them good citizens, valuable to themselves, their families and the communities in which they live.

One of the fundamental difficulties with the whole matter of education is the inadequacy of salaries paid to our teachers in rural and elementary schools. It is self-evident that we cannot obtain the services of the most competent teachers unless we are ready to offer them compensation equivalent to that which they can receive in other lines of endeavor. Some towns in the State pay their teachers liberally, but the number is few. We must furnish incentive to our young women to take up this line of work if the standard is to be maintained.

I urge generous, whole-hearted measures for the training of teachers. The teacher training courses in our larger schools are performing invaluable service along this line. They should be encouraged and, as fast as possible, extended. Properly fostered, these courses will go far in solving the problem in the rural school.

I believe in the policy of extensive improvement in the rural schools and of increasing their attractiveness in the local communities; and, further, in a system which enables the rural student to acquire in his own neighborhood the education suitable for his needs. And, in connection with the agitation for the return of the "little red schoolhouse," I would call attention to Section 1232 of the General Laws, which provides that three or more residents of any community having five or more pupils who desire an elementary school in that community may petition the selectmen of a town, who shall call a special district meeting; and the question of establishing such a school shall be decided by a majority of the voters at such meeting. Any town can have as many of the so-called "red schoolhouses" as the voters of the town, or school district, may see fit to establish.

The normal school question will come before you; and, in that connection, let me suggest that it is wholly up to the legislature to determine the number and character of normal schools which the State shall establish. You should, however, consider carefully how the State can attain the best results in the way of normal school education with the funds available for that purpose. My own notion is that one central normal school, independent of any other institution, equipped to prepare teachers for the elementary and rural schools is the greatest need at the present time and is the school that will give the State as a whole the greatest benefit.

#### AGRICULTURAL SCHOOLS

Two years ago I suggested to the General Assembly that it consolidate the agricultural schools. During the session, a committee of the legislature took this matter under consideration, visited both schools and, as a result of their recommendations, the legislature felt that it was unwise to take such action at that time. Since then, every one having any knowledge of conditions with respect to the agricultural schools, except possibly those who have some peculiar interest in one or the other, has come to the conclusion that it is extremely unwise and inexpedient to continue both institutions. I would, therefore, call your attention to this question with the recommendation that the operation of the Vail school should be discontinued, unless we are prepared to expend an amount of money that is entirely beyond the value of the institution to the State.

#### NATIONAL GUARD AND ARMORIES

Upon the return of the soldiers to civil life the Vermont Volunteer Militia, which had been organized and maintained during the war as an emergency force, was demobilized and the reorganization of the National Guard under the National Defense Act was begun at once. In this work Vermont has maintained a steady, healthy growth until we now have a force of over 600 men fully organized, armed and equipped, all the line troops being officered by ex-service men. In reorganization of the National Guard, Vermont has at all times been well in the lead of the other states.

The National Defense Act requires that states shall, by July 1, 1921, organize and maintain 200 men per representative and senator in Congress and that this number shall be increased by 50% each year until it reaches a maximum of 800 men per member, or for Vermont, 3200 troops. The National Government is recognizing as never before the necessity and importance of its National Guard; and the state should be ready to aid in every way in raising and maintaining this force. Vermont has always been a leader in making provision for the care of her soldiers in time of war and she should do her part in the movement to safeguard America against drifting into such a state of unpreparedness as, in the past, a declaration of war has found this Country.

The Government has assumed the expense of arming, equipping and training a civilian army; but it rests upon the state to provide suitable armories and storage for the equipment furnished. The best military training we can have is voluntary. Make military training attractive to young men by giving them good armories, good



equipment and my fostering the military spirit. That is why we have had good results in the past and it is the way we can continue to maintain a good standing army.

It is the policy of Vermont to establish armories in towns where companies of the National Guard are maintained. The amount of the appropriation for an armory, \$35,000, is too small to build an armory in these times. That appropriation should be increased to \$50,000.

#### RUTLAND ARMORY

At the time the contract for erecting the armory at Rutland was executed, the question of labor was somewhat uncertain; and, in making the contract for the construction of a building approved by the board of armory commissioners and the City of Rutland, it became necessary to assure the contractors that, if the price of labor employed on the building should increase, the contract price should be increased accordingly. The city had contributed towards the armory the site, valued at \$15,000, and \$100,000 in money. The appropriation by the State was limited to \$35,000. In justice to the State, and to the city which had made such a generous contribution, and on account of the demands of the National Guard, it seemed to me that the work should go forward; and I, therefore, became personally responsible for whatever the building might cost on account of increased price of labor in excess of the appropriations. Until the building is completed, it will not be possible to say definitely what, if any, the excess may amount to; but it will be very small, a few thousand dollars at the outside. The amount will doubtless be ascertained before the legislature adjourns; and, as soon as it is known, it is my purpose to submit the whole matter to the legislature, through its committee on military affairs, for such action as may be deemed proper.

#### ACCOUNTING

Under the system of state accounting which has been followed from time immemorial, advances of state funds to a very large amount were continually being made to state officials, which advances were to be accounted for later by receipted bills paid or the return of a cash balance. State officials receiving public money, have in the past made payments on account of state expenses from that money, accounting in the end to the auditor. This plan of doing business has subjected us in the past to much criticism and has caused us trouble.

The last session of the legislature authorized a change in our plan of accounting and our method of handling state funds which requires all state money to be received and disbursed by the state treasurer, with the exception of small advances made to state institutions to establish a petty cash account with which to pay express, postage and so forth, and an advance to pay the militia at Camp Devens at the end of their service period, thus meeting in that particular respect the plan of payment adopted by the Federal Government. Bills, when audited, are certified to the treasurer's office and payment from that office is made direct to the payee. The present system is similar to that in effect in the operations of any large business; and, after having tried it for a year and a half, we find that it is feasible and satisfactory. No one having to do with this branch of state business would consider going back to the old plan.

#### FINANCES

Two years ago the legislature provided a state tax of 40 cents on the dollar, to make up an expected deficit in meeting our obligations.

Under the plan of financing which we have followed for some years, and estimate of receipts and expenditures is made and the budget committee recommends appropriations which the committee believes will be sufficient to meet the requirements of various state activities, which recommendations are generally followed by the legislature. Against the appropriations made by the legislature and other appropriations which continue from year to year without special legislation are placed the receipts which go by law for these specific purposes and the estimated revenues for the current year.

If the amounts appropriated are paid out and the receipts and estimated revenues are insufficient to meet such payments, a deficit will exist. But, as a matter of fact, appropriations are not all expended within the period for which they are made; and if we provide for such requirements a long time in advance, we carry a

large cash balance in the treasury when all we need is a good working balance with authority given to the treasurer, upon approval by the board of control, to borrow if occasion requires.

Some figures which the auditor of accounts has prepared will demonstrate that the plan under which we have been working is unwise:

There is in the state treasury:

Cash on hand, July 1, 1920 .....		\$1,965,000
Received from various sources of state revenue, July 1 to December 1 .....	\$2,575,000	
Expended during same period.....	<u>2,316,000</u>	
Excess of receipt .....		<u>359,000</u>
Cash on hand, December 1, 1920 .....		\$2,324,000

It is estimated that we shall receive from

December 1, 1920 to July 1, 1921 .....	\$2,232,000
Estimated expenses, same period.....	<u>1,996,000</u>

Excess of receipt .....

	<u>266,000</u>
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Which will leave cash on hand, July 1, 1921.....\$2,590,000

The state tax of 40 cents for the two years ending June 30, 1921 amounts to ..... (about).....2,000,000

so that without this state tax there would have been at all times during the biennial period a working balance of cash on hand of more than.....500,000

I believe it would be of more benefit to the State if at least \$2,000,000 of this money were in the pockets of its citizens.

The cash balance on hand December 1, 1920 of .....2,324,000 is invested in U.S. Certificates to the amount of.....800,000 and the balance is placed indifferent banks in this State and in New York and Boston, drawing 2% interest.

I have authorized the purchase by the State treasurer of \$2,350,000 U.S. Certificates, drawing 5% interest, or more. With \$2,500,000 of cash in our State treasury, the State ought to carry at least \$2,000,000 of these certificates, rather than to place the money in banks, drawing 2% interest.

I wish to suggest to the legislature objects for which this surplus may properly be expended:

Construct a new receiving ward and dining room at the state hospital costing perhaps .....250,000

New construction at the Brandon school to cost.....200,000

Now that practically all state departments are concentrated here at Montpelier we are sadly in need of a new office building.

We might acquire the land west of the capitol grounds on State Street and erect there an office building similar to the Supreme court building to cost, say .....250,000

A central normal school, to cost .....300,000

Two garages located at different points in the State, convenient for storage and repair of State motor trucks, to cost \$25,000 each ..... 50,000

Also we could buy .....200,000  
of our Vermont State bonds and create an insurance sinking fund as recommended by the budget committee and discontinue the annual payment of about \$15,000 in insurance premiums.

All these improvements to our state property are needed and could be made out of this surplus now on hand; and at the same time we can go on for the next biennium without any state tax at all.

### SALARIES

Inflation of the currency of the United States and, consequently, the decrease in the purchasing power of the dollar is primarily responsible for the increase in wages in this Country. We are now facing an increase in the value of the dollar, measured by commodities and, consequently, a decrease in wages. This, therefore, may not be an opportune time for suggesting increases in salaries of state officials. Nevertheless, I wish to call your attention to the salaries paid to many of our state department heads and to our superior and supreme court judges.

In the early days of our existence as a State, the duties required of state officials took but a small portion of their time and, being rendered as a public service, it was not expected that any incumbent of a state office should receive a material salary for his services. As we have progressed, the duties have increased to such a degree that the organization necessary for the proper conduct of governmental affairs of the State is as important as that of any other business of similar magnitude and requires the entire time and effort of state officers. Further than this, the responsibilities attached to the various departments have increased as the volume of business has increased. On the other hand, while salaries have been increased somewhat, they have not kept pace with the increased cost of living, nor are they adequate for the services rendered and the responsibilities assumed. A private business would not expect to acquire the services of men competent to handle affairs of such importance as the heads of state departments have in their charge, for any such compensation as that paid by the State. While we have been extremely fortunate in having efficient, loyal and competent public servants, it has been because these officials were willing to make personal sacrifices in order that they might carry on some kind of work in which they were especially interested, or for public benefit.

I desire particularly to call your attention to the inadequacy of the salaries paid to our judges. If we are to maintain the high standard of our judiciary, of which we have always been so proud, we must make suitable provision, not only for adequate compensation for their services, but also for a proper pension when time or circumstances force them to retire.

We are often inclined to economize in small matters which frequently work against the best interests of the State and to be lavish in appropriations for private or quasi-public enterprises, sometimes of questionable value, which could with all propriety be eliminated as state activities. I believe that a substantial increase in the salaries of state official could be made at an annual expense not to exceed \$50,000 and that this amount could easily be offset by eliminating unnecessary appropriations.

### BOARD OF CONTROL

The board of control has thoroughly justified the wisdom of the action of the legislature in creating it. It has been a potent force in keeping the business of the State well in hand at all times, and the cooperation between the various departments has resulted in checking state expenses as well as coordinating the various state activities.

### CONSTITUTIONAL AMENDMENTS

You will have before you at this session of the legislature the proposed constitutional amendments. Let me impress upon you the importance of this matter, as the result of your deliberations may be to change the organic

law of the State, which should never be done lightly or without the most serious reflection. Under no circumstances, do I believe that we should remove any safeguards with which our Constitution is surrounded, or permit it to be changed without the sanction of the people, in the manner expressly provided therein.

Ours is a government of laws, not of men, and one of the finest things in our system is the way in which a man takes office and, at the end of his tenure, retires to private life. Every two years we elect one of our citizens to the office of chief executive. The man so elected comes before you and, upon taking the oath, is installed in his office, clothed with its power and authority and charged with its responsibilities. To a large degree he drops his personality and becomes the representative of the State, its government, its laws, its people. He is thereafter continually in the public eye. The responsibilities resting upon him are great. He is called upon to make decisions when his own judgment does not always coincide with what may, for the time being, appear to be the popular desire; and yet he must and should act according to his own convictions, accepting full responsibility in all such matters, believing that time will justify his actions.

The standard by which his record is measured is different from that applied to other men. It is the crucial measure of service, written upon the pages of the history of the State, by which in the end the public estimates him. By that record of service the man may be known long after his personality is forgotten. When he lays down the duties of his office and retires again to private life, if it be with a consciousness of having given to the State the best service within his power to render, he takes with him a clear conscience; and it is enough.

PERCIVAL W. CLEMENT,  
Governor.

The Governor, having concluded the reading of his message, withdrew, and the Joint Assembly dissolved.

HARRY A. BLACK  
Secretary of State, Clerk.