

Inaugural address
of

William H. Wills

As it appears in the

Journal

of the

JOINT ASSEMBLY

BIENNIAL SESSION

1941

Thursday, January 9, 1941.
Inaugural Address

Members of the General Assembly:

“Government is a trust, and the officers of the government are trustees and both the trust and the trustees are created for the benefit of the people.” These words, spoken by Henry Clay in 1829, have a fresh significance today.

I appreciate the honor conferred upon me by the State and I am fully aware of the responsibilities of the great office entrusted to me by the people of Vermont.

It makes me particularly happy to know there are in this Assembly so many with whom I have served, and those with whom I have worked so closely on the State’s business. Before us lies a great task, and together we shall meet it.

It will be my aim as Governor to offer only constructive criticism — to avoid merely tearing down when I cannot suggest a practicable improvement. Our joint efforts should be to keep pace with progress while still keeping faith with Vermont traditions.

In accordance with the provisions of the Constitution of the State of Vermont relative to the duties of the Chief Executive, appear before the General Assembly today to speak to you and through you to the people of our Commonwealth.

We meet at a critical hour; abroad free institutions by the score have been wrecked by ruthless tyrants so that few traces remain of governmental structures under which mankind possessed liberty of action, thought, and speech.

We in Vermont, in America, are deeply concerned; we are resolved that here we will be vigilant to guard and to defend the republican form of government and our way of life.

The decay of fallen republics overseas has been caused not alone by an over-zealous tyrant; it and the dry rot with which they have been afflicted first had their origin in a disillusioned unthinking, incompetent people.

The germs of the disease, which has proved fatal elsewhere, are present in our body politic; preventive measures must be taken.

The challenge which confronted those republics faces us today. We have the ability to surmount the difficulties, to retain our liberties, to safeguard our institutions.

The antidote lies in your hands, in those of the judiciary, in mine, in those of the freemen of the State of Vermont: namely, laws wisely conceived, intelligently interpreted, discreetly administered strictly enforced, and by all willingly obeyed.

We in Vermont, as elsewhere, must learn to recognize and render ineffective all attempts of subversive groups to undermine our governmental structure or shatter public morale by creating dissension and discord among us.

Mere lip-service to the letter of democracy, however, is not enough. There must be clear thinking and positive action. The task is not easy; it requires courage, self-reliance, and hard work. Yet, liberty is not for the weak; it is for the strong in spirit.

Today our country is engaged in a vast, far-reaching program of industrial mobilization and national rearmament. In it we all share, since the strength of our armed forces is determined by the productiveness of our civil population. We must play our part unstintingly, wholeheartedly, and with singleness of purpose.

I am confident that the country needs no reassurance that toward this end Vermont, and Vermonters generally, will contribute their all if necessary. They will cooperate to the fullest possible extent in order to preserve and conserve the priceless heritage which we have so long enjoyed.

SECTION I

I have several subjects pertaining to the vast program of our State to discuss with you. Passing reference may be made to State finances but the detail on this subject will be included in my budget recommendations to be made to you at a later date. The following matters, important to the welfare of our people, I do wish to call to your attention today.

OLD AGE ASSISTANCE

The problem of caring for the needy old aged has been searchingly discussed in previous legislative sessions.

In my budget recommendations there has been provided an increase of \$75,000 above the previous biennial appropriation. This provides \$600,000.00 for 1942 and \$600,000.00 for 1943, making a total of \$1,200,000 in State funds and the additional appropriation when matched by the Federal government will provide \$150,000.00 additional new money for old age assistance payments.

So, with State and Federal contributions, total expenditures under this program in Vermont during the biennial period will be approximately \$2,400,000 for assistance to the aged, burial expenses, and administration of the State law.

It is the hope that with an improvement in general business condition together with payment under other Federal Social Security programs, further increases in State appropriations will not be necessary.

UNEMPLOYMENT COMPENSATION

The complex nature of this law, and its necessarily involved administration, leads me to say briefly that I am sure the Commission will recommend such liberalization of its provisions as may be socially and economically sound.

PUBLIC WELFARE

State assistance to the needy and physically handicapped has become a grave fiscal problem. In one way or another, the State assists in supporting dependent mothers, dependent children, the blind and the crippled. These dependents deserve assistance and aid for them should be continued.

The proper administration of these services is of vital concern to us all. Recommendations respecting proper inter-relationships between the State and the municipalities will no doubt be contained in the report of the special commission authorized by the General Assembly of 1939. I recommend a careful study of this whole problem.

The evident trend toward integration of welfare administration to avoid duplication of services and controls seems to indicate that ever increasing responsibilities must be assumed by the State. With the increase in these responsibilities, it is incumbent upon you to apportion these benefits among all the people so that the greatest good is done for the greatest number; this must be done with a view to place the least possible burden, consistent with duty and our general welfare, upon the productive forces of the State. There are human values as well as financial aspects in all this work, both important.

EDUCATION

Rural Schools

Vermont's economic, social, even physical and moral future welfare is in the hands of our grade teachers — "As the twig is bent so the tree's inclined," and if Democracy is to continue, it must begin with the training of our young.

My predecessor, acting under authority granted him by statute, has recently established a salary schedule for all State employees providing for a minimum salary and promotion according to rating and ability. Obviously, our teachers, competently trained in our State Normal Schools and constantly attuned to progressive standards in education, to whom we entrust our children during the most important years of their lives, should have equal consideration.

Teachers' salaries are now fixed by the Towns, and it is my recommendation that future steps be taken, under our State Aid policy, in continued cooperation with the towns, toward a standardization of salaries.

Standardization of Schools

I recommend that the rural school improvement plan be continued.

Teacher Training

Allowance has been made in the regular budget for increased scholarships and additions to Normal School libraries.

Vocational Education

This is an expanding subject which deserves most careful thought. The National Defense program calls for occupational training, and there is a demand for increased instruction in trades and industries as well as in agriculture and home economics. I believe we must approach the ideal through a broader cooperative program, extending our school facilities to out-of-school youths and adults, and authorizing the training of teachers for vocational education.

High Schools

I recommend continued efforts in standardization and a broadened curriculum to meet the present day standards for college entrance and requirements for adjustments and employment after the completion of High School.

Temperance Education

In my opinion the laws requiring temperance education in the schools need to be implemented further.

HIGHWAY SAFETY

The problem of safety becomes more serious as the development of speed continues and winter driving increases. For the purpose of coordinating the safety activities of the many excellent organizations in our State which are promoting traffic safety and for the purpose of cooperating with enforcement agencies engaged in accident prevention, a properly organized State Safety Commission would be of great value.

It is my opinion that to accomplish the greatest safety results the educational program which has been worked out and is popularly known as the Vermont State Safety Commission should be enacted into law, thus superseding the Governor's Highway Safety Council which expires April 1, 1941.

As this is a highway problem, I believe the funds for the purpose should come from Motor Vehicle Revenue.

Highways and Bridges

The Bureau of Public Roads and the War Department have designated 845.2 miles on the Federal Aid System as strategic highways in Vermont. It may, therefore, become necessary that we spend all or part of the federal funds on these designated highways. This is in line with, defense regulations as to highway policy in the United States. This also will involve Federal Aid secondary funds which may of necessity be used for access roads in and around military areas; however, an effort is being made by the New England Governors to have the federal government provide independent funds for this work.

I wish to call to your attention a problem which will come before you for consideration — the Missisquoi Bridge at Swanton. From a careful study, it seems to me that the payments on the bonds can be met by the Bridge Commission if, during the coming biennial period, aid is rendered by the Highway Board in maintaining the approaches.

The cross-state highway between Newport and Richford has now been put on the Federal Aid System. That indicates that this important link of highway may be built within a reasonable length of time.

MOTOR VEHICLE REVENUE

The revenue from motor vehicle registrations, drivers licenses, and gasoline tax should continue to be used as in the past, solely for highway purposes and should not be diverted to other uses. It should be handled by each legislature, however; to lock this money up by Constitutional amendment in any way is, I believe, unwise and unsound.

AVIATION

Vermont now stands forty-seventh among the states in progress in aviation. Therefore, I recommend that this Legislature give consideration to the question of State policy respecting development of ports and fields, consideration of which is now left entirely to the financial ability and the initiative of the towns and cities. This program raises the question: If under present policy we can do our share in providing sites for fields needed for national defense and our own development?

STATE PLANNING BOARD

In addition to the research work regularly carried on by this agency, there is need that their work on interstate streams and their cooperative work with the Motor Vehicle Department and with local agencies on airports and airfields be continued. Further, there is much that the Planning Board can do to assist the work of the State Defense Council,

SECTION II

I find that on the whole our departments are manned by a conscientious, efficient and loyal group of people. However, new times and changing conditions demand new standards, so I want to discuss:

THE MERIT SYSTEM

The Legislature of 1939 authorized a Special Commission to study State employment conditions, positions and salaries with a view to establish a merit system for State employees.

At the present time, employees in those State Departments operated in part by federal funds are governed by a system conforming to federal requirements. It is my belief that a merit system in all departments of the State would be advantageous both to employees and to our State government. I urge you to give most careful consideration to legislation authorizing such a policy.

COMPTROLLER

I am deeply impressed with the responsibility of the Governor for the administration of an annual budget of more than eleven million dollars. And I appeal to you for legislative authority to establish an office to be known as the Office of the Comptroller to assist the Governor in the discharge of his responsibilities as chief executive officer of the State's extensive and involved business establishment. It is not my purpose, nor wish to disrupt the work of the Treasurer and Auditor but rather to correlate their duties with the duties of a comptroller who would be directly responsible to the Governor in carrying out the fiscal program voted by the Legislature.

Several states have reorganized their business procedure, during the past twenty years, in accordance with the plan I have in mind. The results in all cases, so far as I have been able to ascertain, have been satisfactory. Consequently, there is not only precedent for the plan of reorganization I should like to propose but also experience to which you may refer in working out the legislation needed.

INDUSTRIAL DEVELOPMENT

Since the depression began, ten years ago, much attention has been focused on the problem of unemployment. This has been nationwide. National defense is bound to remedy this in some localities, at least temporarily. Here in Vermont, however, we have a situation which has grown steadily worse over the past fifty years. An analysis of census figures makes us realize that we must face an unpleasant situation and find a remedy for it.

Between 1930 and 1940 Vermont lost population. This despite the influx of new residents and despite a favorable birth to death ratio. During these ten years nearly 30,000 Vermonters, or more than the population of

Burlington, left the state. Most of those leaving belonged to the so-called productive-age-group — twenty to forty-five years.

This exodus of younger Vermonters has been going on for several decades. As an unfortunate result, Vermont has a progressively smaller proportion of people in this productive age group (20 to 45) and an increasingly larger proportion in the older group (65 and over) than does New England or the nation.

Our towns have thus been losing population steadily. If this trend is allowed to continue we must face the necessity either of reorganizing our historic town-unit-system form of government or of increasing the burden on those who remain and denying to them many of the social gains that have thus far been made.

We are justly proud of the accomplishments that sons and daughters of Vermont have made in all walks of life — after they have left the state. But do we ever think what Vermont might be today if even a part of the energy and creative genius which left us could have found opportunity for development at home? Why have the young folks left? Chiefly because we failed to make room for them here and did not give them faith in our future. They felt that they could not find the means of earning a living and that there was no outlet for their abilities: jobs and opportunities were lacking.

While this migration of our young people has been going on — expansion of industry has offered the outstanding but neglected possibility for the needed extensive increase of employment opportunity and an expanded market for more of our agricultural products.

Prompted not only by a desire to see a betterment of industry, with a consequent increase in taxable sources and the enlarged opportunities that would be offered, but more particularly from a desire for the general betterment of Vermont, I suggest to you that at this session of the legislature the subject of the State's policy toward industrial development be given most careful consideration. There must be closer cooperation and better understanding between government and business.

I do not think of a program for industry whereby Vermont would be made a heavily industrialized area nor by which mammoth factories would be located here; either of these alternatives would be harmful rather than beneficial. As I see it the greatest benefit will come from locating small to medium size units here and there about the state while at the same time substantially preserving present natural conditions.

1. We cannot afford to foster sweat-shop industry, relying as it does either on sweating labor or exploiting the locality.

2. We cannot afford industries such as smelters, which in their operation destroy all vegetation in the surrounding area. Neither can we afford industries which destroy other natural resources or that make living intolerable in their vicinity.

3. We need and should have industries that can use not only an increasing amount of agricultural products and crops adaptable to our climate and soils but those other resources with which we are so richly endowed.

4. Most desirable in my opinion, are those industries whose products are worthy of the Vermont-quality label. Particularly, those industries which depend for success more on a supply of loyal, cooperative, non-transient labor so characteristic of that to be found in Vermont than on low material cost, low transportation or other low operating cost.

For such industries Vermont, with modern means of transportation, offers many outstanding advantages. Today, honesty and good-housekeeping in State and Municipal government as reflected by reasonable taxes, laws and law enforcement, is frequently more important to industrial success and harmony than is a location close to sources of materials or markets.

I believe an effort to increase our industrial establishments is wise and timely. I suggest that, to obtain the greatest benefit to the state, an industrial agent be authorized by you and an agency for this purpose be established; that this agency may be given at least three duties

1. To survey possible available properties and assist our existing industries to meet their problems.

2, To encourage and give assistance, other than in financing, to Vermont citizens in establishing new local enterprises.

3. To develop and carry on the effort to attract the right kind of industry to Vermont.

To carry out these duties effectively, this agency should be set up with a director of outstanding ability and he should be authorized to employ, temporarily, such technical consultants or advisors as may be necessary.

I feel strongly, for the reasons I have outlined, that you should enact necessary legislation to put this plan, or a better one, into operation.

SECTION III

In addition to legislation necessary to implement any or all of these changes in organization, there are certain others I suggest for your deliberation, namely:

CONSTITUTIONAL AMENDMENT

I direct your attention to the fact that, following the procedure laid down in the Constitution, proposals to amend that document may be offered during this session.

In your deliberations, it should not be overlooked that once an amendment is made to the Constitution over twelve years must elapse before it can be modified or repealed.

Therefore, I suggest that unusual care be taken in initiating any amendment to the Constitution and that consideration be given only to those designed for the lasting good of our State.

STATE REPORTS

The people, under our democratic process, are the owners or stockholders of the governmental establishment. There seems to be no good reason therefore, why State Department Reports should not be as understandable in their presentation as are newspapers, magazines and scientific journals.

ENABLING LEGISLATION

Power Plants

For many sessions, the General Assembly has had presented to it for enactment special bills, to enable individual municipalities to construct and operate local electric power plants. These measures have consumed the valuable time of the entire body when it would seem that such time might more profitably have been given to problems involving the state, as a whole. I, therefore, recommend to you that a general enabling act be passed that will dispose of the matter on a state-wide basis, enabling any local geographical unit or political subdivision of our State to construct and operate such a utility, provided the standards of the state-wide enabling act be met by protecting cities or towns, the taxpayer and the private concern.

Should this recommendation meet with your approval, such an act should of course be so drafted that it will be fair to the unit fostering the development, the individual members of that unit, privately established public utilities, and to the state as a whole

SESQUI-CENTENNIAL

In 1791 Vermont became the first state after the original thirteen colonies to be admitted to statehood. It is this year that we celebrate the one hundred fiftieth anniversary of that memorable event.

The Commission appointed to make plans and preparations for the recognition and celebration of that event will shortly place in your hands their report. I ask your cooperation in considering and carrying out the suggestions therein made.

SABOTAGE

Maintenance of our internal security is a joint responsibility. The times demand wholehearted cooperation between Federal and State law-enforcement agencies. In this national emergency I am convinced that our sabotage statutes are inadequate, and recommend a careful study and revision where necessary.

FEDERAL AID

Local and State government is increasingly dependent upon federal aid to meet many of their responsibilities increasing reliance is placed in federal subsidy. I wish to offer one word of caution: the huge amount of such aid now being granted cannot continue indefinitely. There may come a day when it will be unavailable. We must in the meantime, in looking to such a day, strive to make ourselves as strong and self-reliant as possible.

TRADE BARRIERS

Should it develop that legislation is introduced that may tend to interfere with free intercourse of trade between our state and the sister states, I ask you to weigh carefully the desirability of such legislation lest we unwittingly increase trade barriers between the states and thereby increase the demand for more federal regulation of interstate transactions.

SECTION IV

Now I come to the life blood of our vitality, the sources of our state's income and the health of the economic basis from which that income is derived.

AGRICULTURE

Agriculture is one of the most important industries in our state. Cash farm income in Vermont, not including income from, tourists and work off the farm during the past year was about \$43,000,000.00. This income was distributed to the many farm families in every town. It then was used by these families in purchasing the goods and services which they need, from "the butcher, the baker, the candlestick maker." Thus, it is that we are all vitally interested in that farm income and it is just good business judgment for us to concern ourselves with the problems involved in this, our great and fundamental industry.

About 75 percent of our farm income is derived from our dairies. In this enterprise we are in competition with other areas and we need efficient production and effective marketing if we are to continue to compete successfully.

Bang's Disease

One of the great problems in efficient production is the control of devastating dairy diseases. Bang's disease, affecting as it does both public health and, the farmer's welfare, is a great menace. Its control is correspondingly important. The Legislature of 1935 provided for State control by the test and slaughter method; additional measures authorizing control by other methods were enacted in 1939. The United States Bureau of Animal Industry has recently conducted a nationwide experiment in preventive control by calfhood vaccination which renders young animals immune to this disease. If control by this method is as effective as is predicted, it will be of immeasurable value to both farmers and taxpayers by eliminating the slaughter of so many valuable animals and payment of huge sums for indemnity. The Department of Agriculture has been studying the various methods of control and is prepared to submit amendments to the present laws. It is recommended that this important matter be given careful consideration by the legislature.

Herd Improvement

It is gratifying to note the increased development of dairy herd improvement projects. This indicates a growing interest and alertness on the part of our farmers, which bids well for future economy in production and consequent improvement in earnings on the farm,

Insofar as possible, measures should be taken to improve the quality of our pastures and to increase and improve the quality of the winter feeds which we produce.

Milk Marketing

We have heard less of milk marketing problems during the past year or so. Apparently, the activities of our milk control board and the Federal marketing orders have given general satisfaction and helped to stabilize the

situation. I hope farmers may not be led to lean too heavily on these “props” but that they will continue to a greater and greater extent to set up their own controls and to solve their own problems.

There is one great inefficiency in the handling of milk after it leaves the farm, namely, duplication of plants and collection service in gathering, milk throughout the territory. An authority on this subject declares that it occasions the waste of more than \$2,000,000.00 annually. This offers a very fertile field for study and activity on the part of the cooperative associations in seeking to eliminate as much of that waste and loss as is practical and possible.

There have been two exhaustive studies made of the milk problem in Vermont by committees authorized by the legislature. I believe that the State-supported agricultural institutions should take a positive action either by demonstrating specifically how the suggestions made can be followed by the individual farmer or by recommending alternatives having the same ultimate objective in view.

Diversity in Agriculture

But, dairying is not all; we have many other agricultural enterprises. Poultry production is growing in importance. Our farm forest products, maple sugar and syrup, lumber, pulp wood and cord wood, altogether comprise a considerable part of Vermont farm income but not so much as they might under good management. Other enterprises are: potatoes, apples, small fruit and vegetables, honey and many others — and we should be constantly seeking additional ones. It is usually unwise to have all our eggs in one basket and we will be wise to be seeking new crops and other products we can produce.

Industrial Agricultural Products Commission

The Industrial Agricultural Products Commission has been most effective in its program for a more profitable diversified agriculture and utilization of our land. In their help is offered a partial solution of another situation with which Vermont has long been confronted, the loss to our state of its younger people. Youth demands opportunity: it exist on our own farms here in Vermont it has been made attractive in many individual instances; it can and must be made so generally.

Rural Electrification

As a means of solving this problem, continued rural electrification should be encouraged. The Grange, the Farm Bureau, the Extension Service, the Public Service Commission, and private utility companies under the coordinating influence of an energetic Rural Electrification Board should exert every effort to bring the benefits of electrical service to all by a continuing increase in this field in which so fine a start has already been made. Let's stimulate these efforts to a finish.

Cooperatives

Cooperative organizations are commanding greater interest in all parts of the nation, not only in agricultural pursuits but among consumers as well. Vermont has reason to be proud of the development of its cooperative creamery associations. Their growth in the past twenty years has been substantial. They appear to have been built on a foundation that is enduring. Their growth is testimony to the fact that they have fulfilled a mission needed by their membership. They appear ever-willing to push forward by seeking legitimate aid for the farmers through practical and workable marketing order. It is my opinion that the future for Vermont farmers is made brighter through the activity of these associations and particularly by reason of their growing tendency to work in closer harmony as a group.

Future for Agriculture

In order to hold a truly competitive position with other sections of the country, we must gird ourselves for activity of a constructive character which may call for the abandonment of some of our prejudices of years past and force us to look forward with a determination and courage that will lead to the improvement of our average farm incomes. The Vermont farmer still has advantages not found anywhere else in the country. His are not the problems of the dust bowls, artificial irrigation and such. Nature has endowed Vermont with an abundant supply of water, with fertile lands for cultivation, with rich pastures and woodlots. Geographically, too, he has the

advantage in its nearness to markets. The farmer, as well as every one else, must make adjustments to meet the contingencies of the times, but the essential benefits in our Vermont country life can not be evaluated in dollars and cents. By discounting the future on our farms, we fail to keep pace with the times or to keep faith with youth.

INDUSTRIAL RELATIONS

The wise action of previous legislatures in treating and maintaining a Department of Industrial Relations is unquestioned. It is to this agency of our State government labor and industry look for counsel; here they meet, here they learn their respective rights under existing law. Such a vital activity of our State government, important to both labor and industry, should be encouraged and implemented.

The problems of labor deserve your earnest consideration I ask that in the consideration of labor legislation, you seriously weigh the representations of that group. Our aim must be to preserve our state as a healthy community of satisfied citizens, working together in the Vermont tradition of unity. I am sure that you are conscious of this, and I know you will have that always in mind.

You and I realize that if we have a prosperous state, there must be unity among agriculture, labor, industry and business. The success of each is dependent on the success of the others. We do not believe that we can strengthen the weak by weakening the strong. Neither do we believe that we can further the brotherhood of man by pitting class against class.

RECREATION

I am impressed to find that our recreation business yields about \$28,000,000.00 annually. In her natural resources Vermont today possesses unique and often unappreciated assets of invaluable importance to her spiritual and economic welfare.

Our soil, valleys, mountains, forests, water resources and wild life must not merely be taken for granted. Fortunate are we that they are here for our use, enjoyment, and financial benefit, but in using them we are not sole owners with a right to exhaust or to destroy. Instead we are trustees privileged to enjoy and use them while we operate the state. We must ever be careful lest we destroy the benefits which by right should belong to the Vermonters of the future.

TAXATION

We all must realize that government cannot operate without funds and that only through the taxing process can these funds be raised; it is from the purse of each of us that this money comes. The smaller amount we pay in direct or indirect taxes, the more dollars will remain for us to spend as we wish. The power to tax is the power to destroy. I feel sure that in your hands this power will be prudently used and that you will continue to respect Vermont's traditional pay-as-you-go policy. We in Vermont do not believe that we can bring about prosperity by discouraging thrift. Neither do we believe that we can keep out of trouble by spending more than our income. In the true Vermont fashion, let us cut our pattern to fit our cloth.

AMUSEMENT MACHINES

The Legislature of 1937 legalized mechanical devices known as amusement machines by licensing their use. The use of these machines has been the cause of much grief and I now urge the repeal of this law. I appreciate fully that this would mean some loss of revenue to the State, but I do feel that the income lost is insufficient to offset the moral damage under this license.

STATE OFFICE BUILDING

I wish to call to your attention today a serious condition which exists in the business operation of our government. I hope for favorable action by this legislature on the suggestion that I now advance for your consideration.

We are in dire need of an adequate office building. We suffer from a lack of the facilities that it would afford.

The first and most important improvement to result from its construction would, be the establishment of proper safeguards to life and property under existing circumstances.

I am informed that the old National Life building now occupied by the State, is in a dangerous structural condition owing overloading; the boilers in the Library building constitute a serious fire and explosion hazard. The lives of the many employees and the property of the State in these two buildings are constantly endangered. The Attorney General has informed the Sergeant-at-Arms that the responsibility for the safety of the lives of those persons and the property of, the State rests with the Governor. I herewith and now, hand that grave responsibility to you. I am informed by competent authority that no high pressure boiler should be placed under such a valuable building containing property which can never be replaced.

Safeguards to life and property, although they are serious problems, are not, however; the only considerations involved, The financial loss, through inefficiency in operation and impediments to cooperative action between various departments scattered throughout the city of Montpelier cannot readily be appraised in dollars and cents; but a careful study of the unfortunate condition indicates that it is considerable.

There is now being paid out in rents nearly nine thousand dollars annually for State occupied quarters. This amount will increase as leases expire and operations further expand.

The State Governments business has increased during the past few years far beyond our expectations. No new building to remedy this additional crowded condition has been undertaken since 1919.

Most of our buildings and nearly all of the rented quarters are not fireproof structures. Irreplaceable damage and great financial loss would result were our records, documents, surveys and summaries of experiments so vital to our everyday operations destroyed by fire.

We are at the cross-roads on this subject. It will probably be many years before we can build so advantageously and at so low a cost. I trust that positive action will no longer be delayed on this extremely important matter.

A building of suitable design and construction to conform to the State House and Annex, with provision for future development and needs, which would give the State adequate office, and storage facilities, I am advised by competent authority, would cost approximately six hundred thousand dollars, for which we have sufficient cash in the General Fund. The steady improvement in business has provided substantially more General Fund revenues through taxation, licenses and fees than the amounts used in budget estimates. By June 30, 1940, the Treasurer had accumulated a free cash balance in the General Fund of \$1,080,214.20. Since then, collections have continued to exceed budget forecasts. Consequently, it is reasonable to expect that the State will again close its books next June with a free cash balance of something more than a million dollars, after carrying out the financial program authorized by the Legislature of 1939.

SOLDIERS' BONUS

The balance of surplus cash, in my opinion, should be set aside as a reserve against the State's obligation for a soldiers' bonus that may accrue if and when the National Guard is inducted into the Federal Service. Section 8057 of the Public Laws provides that, "Enlisted men of the militia, National Guard, and volunteers in the service of the United States shall be paid by the State the sum of ten dollars each per month in addition to the pay which they shall receive from the Federal government provided that the period for which such state pay shall be allowed shall not exceed one year." It is estimated that this extra pay for our soldiers would approximate three hundred thousand dollars, for which there is no provision in the budget.

Moreover the Legislature should also consider the establishment of a Home Guard to substitute for the National Guard while the latter is in federal service. I am advised that adequate equipment for the purpose would cost \$25,000 and I suggest that the expenditure also be financed with surplus cash.

CASH SURPLUS

Before leaving the problem of financing the new office building proposed and the prospective soldiers' bonus, I should like to remind you that the accumulation of cash surplus is unusual, and for that reason should

not, be used for recurring items or depleting revenue for the future. This surplus accumulated because General Fund Revenue collections through an unexpected improvement in business exceeded reasonable estimates with which our biennial budget was concerned. Therefore, I sincerely hope that this Legislature in its financial deliberations will at all times consider that the revenue estimates to be submitted in my executive budget are the maximum amounts which we can reasonably expect during the coming biennial period, as all of the revenue estimates have been raised to new heights — conservative but not elastic.

SECTION V

My message to you would be incomplete if I neglected to call to your attention a fundamental weakness and a trend, which, in my opinion, have much to do with our uneasiness and spirit of unrest. We have great meetings and discussions on economic subjects, but the citizens of Vermont are not giving adequate attention to the spiritual needs of the individual and of the State as a whole; We comment about the break-down of morals both within the State and the Nation but fail to recognize the fact that it may be due, and in my opinion is due in large measure, to the spiritual indifference of citizens. We comment frequently on the prosperity of a bygone age but seldom in our passing comments do we connect the two thoughts that the people of yesterday were pious and devout in the matter of their religious beliefs and practices. We as individuals would do well within our respective communities to join with others in serious study, analysis and action, toward reviving interest and stimulating activity in the realm of our spiritual needs. If America is to be saved, each individual must first put his own house in order. The Ten Commandments cannot be improved upon, nor can the Sermon on the Mount be surpassed as a guide for ethical conduct.

The Governor having concluded the reading of his message, was escorted to the Executive Chamber by the committee appointed by the Chair.

The Joint Assembly dissolved.

Rawson C. Myric,
Secretary of State, Clerk.