

Farewell address  
of  
Horace F. Graham  
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**Thursday, January 9, 1919**  
**Farewell Address**

*Gentlemen of the Senate and House of Representatives:*

Very little attention is paid to the retiring message of the Chief Executive. It must of necessity treat of work done and policies already fixed. Man, while interested during leisure moments in history, prefers to learn and to engage in problems yet to be solved. Especially is this true if he is to be one of the active participants in their solution.

**LEGISLATION OF THE SESSION OF 1917**

Among the important acts of the Session of 1917 is the one consolidating and bringing into one department all the agricultural and forestry interests including suppression of insect pests, testing cattle for tuberculosis and the disposition of those found to be infected. An examination of the report of this department will give an insight into the workings of this law. I am confident that the results attained are more satisfactory and of greater value than those accomplished by four departments, operating separately. I recommend that further aid be extended to agriculture and forestry and to the farm bureaus of counties or proper districts. The past two years demonstrated the advantage of availing ourselves of Federal aid for agriculture and forestry and proved that our previous arrangements lacked good business foresight. The scarcity of farm labor will continue for some time, and only up-to-date methods ought to be used in Vermont's greatest industry. Scientific agriculture will offset to a great degree the shortage of labor.

**INSURANCE**

The office of Insurance Commissioner was established and the commissioner made fire warden. I believe this law gives general satisfaction. Insurance companies, foreign and domestic, contribute annually well towards two hundred thousand dollars of our revenue and are entitled to a state department.

**BONDS FOR STATE OFFICIALS**

The last legislature also passed an act requiring bonds from all state officials, to whom money is advanced for conducting their departments. The practice of making advances is followed in most of the states under similar restrictions. Officials required to disburse large sums of money for the business of the State cannot be expected and certainly cannot afford to disburse these funds from private means. This practice of making advances has existed since the late E. Henry Powell was auditor from 1878 to 1892 and has been continued to the present time.

**CHARITIES AND PROBATION**

The Board of Charities and Probation, brot into being by act of 1917, I commit to your careful consideration. It has done excellent work. The Budget Committee, believing that the department was engaged upon new work, did not recommend as large an increase in the appropriation as the department desires, but left it at the modest sum of fifteen thousand dollars. I recommend that you carefully go over the work done and appropriate a larger sum for this work. Twenty-five hundred dollars has already been donated by charitable citizens for the treatment of defective children and is being expended by a special committee. Doubtless the secretary of the board will explain this to you fully.

**DIRECTOR OF STATE INSTITUTIONS**

The office of Director of State Institutions was established and the general management of our five institutions brot under one head. This official is a member of the board of control and has the advice and assistance of that board in all important matters. I believe this is a better and more business-like way of conducting our institutions than the former plan of having two or three separate boards. Altho the war has increased the rate of wages and the cost of all materials and supplies, the institutions have been able to live for substantially what they did during the preceding biennium. For details of administration, your attention is invited to the report of the director.

A forward step was taken in connection with this department in the establishment of detention farms, where men under sentence are employed. Jail prisoners and persons serving sentences at the State Prison and House of Correction have already done much work upon the state forest lands, state farms and state highways. This is a strong argument in favor of the continuance of the detention plan.

#### BOARD OF CONTROL

The Board of Control was created. The workings of this board and the results it has accomplished are soon to be submitted to you in its report. It has been urged by some that this board is a useless appendage and has accomplished no good. Criticism comes largely from those who are wholly unfamiliar with the results attained. I ask you to read the act creating the board and its report of things done. It is for you and for the incoming Executive to decide whether the board shall be continued.

I have thus briefly touched upon but a portion of the legislation passed at the last session. Its continuance, its amendment, its repeal rest with you. You will examine into all of it carefully and, I am sure, adopt the course best for the State as a whole.

#### STATE INSTITUTIONS

Your committees, who visit the state institutions will, I think, find them in excellent condition. For the past two years the Director has aimed to increase the production of foodstuffs and has succeeded remarkably well. At the State Prison, the barn was destroyed by fire and a new one has been built. At the Vermont State School for Feeble-Minded Children at Brandon, temporary quarters have been provided for fifty children. Here Dr. T.J. Allen has succeeded Dr. Russell as superintendent. At the Vermont Industrial School, a fire loss has been repaired. Because of the high cost of material and the scarcity of labor and its need in other fields, no other new construction has been attempted here although appropriations were available. Much praise is due the several superintendents for the extraordinary efforts they have made and the prudent and careful way in which they have conducted their respective institutions. The State suffered a great loss in the death of Dr. W.L. Wasson, late superintendent of the Vermont State Hospital for the Insane at Waterbury. Dr. Wasson gave his heart and mind to the institution and to the care of the unfortunates who came under his charge. His place has been taken by Dr. E.A. Stanley, who I am sure will prove a capable successor.

#### PAROLE BOARD

Some legislation should be enacted looking to a uniform practice in imposing maximum and minimum sentences. I would suggest that the parole period be at least twice the length of the minimum sentence. The modern idea is to shorten the time of actual confinement and to increase the period of supervision.

#### LOCATING OFFICES AT THE CAPITAL

In October, 1902 when I came here, no offices were maintained and kept open at the State House, except during the session, other than the office of Dr. Ranger, Superintendent of Education, and the office of the Secretary of State, which was kept open by the deputy. I was the first to open and keep open at all times, except as stated, a public office at the State House. The others came and went occasionally, usually very occasionally. I have seen the state government at last brot together at the capital, there to remain. I hope, whatever good or ill the future may hold in store for me, that I have helped to some slight degree in this advancement.

#### PUBLIC HEALTH

A few months ago Dr. Charles S. Caverly, president of the State Board of Health deceased. Dr. Caverly was a recognized authority thruout the country upon matters of public health. For many years he gave his best thot, his time and of his means to the betterment of health in Vermont. One of the subjects dear to his heart was medical inspection in schools. Had this subject been given more attention in years past, the rejections on account of physical defects under the selective service law would have been greatly lessened, some authorities claim to the extent of fifty per cent. Adequate means should be taken to retain for treatment, until cured, those in our state institutions who are found to be afflicted with venereal diseases. Such persons ought not to be permitted to go forth and continue a public menace.

## TUBERCULOSIS

The appropriation for fighting tuberculosis should be increased. The expenditure for this appropriation will be in charge of the governor and you may be certain that it will be carefully and economically used. We may well expect an increase in tuberculosis following the war and the influenza epidemics. Washington County has already voted, under an act of 1917, to establish a hospital. Our curable cases are now cared for at Pittsford and our advanced cases at Haydenville, Massachusetts and at Pembroke, New Hampshire. A preventorium has been established at Essex Center by The Vermont Association for the Prevention of Tuberculosis.

Additional provision should be made to confine for treatment, persons in jails or state institutions for crime, found to be suffering from tuberculosis. They should not expose other inmates to this dread disease. At the expiration of their sentences they should not be permitted to go forth and continue a menace to the community. I bring this subject to your attention and refer you to a statement upon the subject of tuberculosis in the appendix of this message.

## VACANCIES IN THE HOUSE

As soon as may be, the necessary steps ought to be taken for filling vacancies in the House of Representatives. At the present session Windsor is deprived of her representative by the untimely death of Bert E. Cole.

## UNIFORM LAWS

Your attention is directed to the report of the Board of Commissioners for the Promotion of Uniformity of Legislation in the United States, and you are earnestly requested to give consideration to this very important matter of legislation.

## CONCILIATION AND ARBITRATION

The Board of Conciliation and Arbitration was organized and willing to perform any duties devolving upon it. This potential willingness was sufficient to adjust a strike at West Pawlet, without the necessity of a formal hearing by the board.

## LABOR

I wish at this time to express my appreciation to labor for the unselfish and patriotic stand taken by the laboring men of Vermont in aiding every war endeavor. The sane forces of organized labor will surely prevent any revolutionary overturning of order in America.

## STATE BUILDING

During the present biennium, the new state building for the Supreme Court, State Library, Vermont Historical Society and state offices has been completed and occupied. The appropriations for this building totaled two hundred thousand dollars and the entire cost, including new stacks for the library and the complete furnishing of the Supreme Court room was \$202,873.87. The commission, believing that the State should have a Supreme Court room in keeping with her dignity and the standing of her Court, took the initiative and furnished the room at an expense of \$4,203.37. To do this they were obliged to borrow \$2,356.62 and hope you will see fit to reimburse them therefore. Of the appropriation of thirty thousand dollars for the expenses of the changes in the wings of the State House, formerly occupied by the library, for a central heating plant, and for repairs elsewhere \$26,957.71 was used, leaving a balance unexpended of \$3,042.29. I suggest that this balance be made available to reimburse the commission, thus keeping the entire cost of the new building, the necessary changes in the interior of the State House, and the central heating plant within the appropriations. Of the work you can judge without further comment on my part. The commission consisting of William W. Stickney, Charles W. Gates, Charles P. Smith, Harvey W. Varnum, and the governor, have given their services and charged no expenses to the State. Dwight J. Dwinell, Sergeant at Arms, had charge of the work under the direction of the commission and since he became Sergeant at Arms has received no compensation for his services in supervising construction and repairs. By vote of the commission most of the work was delegated to a subcommittee, Mr. Varnum and the governor.

For your information summaries of the expenditures under these appropriations accompany this message.

### SCHOOLS

By act of the last legislature the two agricultural schools were put in charge of the State Board of Education. This change has proved beneficial and, while the attendance has been small because of war conditions, the schools are equipped to go on with the work. Altho the building program of the State was modified by war conditions, a new dormitory was built at Randolph Center because three consecutive legislatures recommended it and appropriated for it. If this had not been done the school could not be maintained properly and efficiently. In 1903 we had two thousand four hundred and fifty-four legal schools with an enrollment of sixty-six thousand four hundred and ninety-seven pupils. In 1918 there were two thousand four hundred and four schools with an enrollment of sixty-two thousand and forty-eight pupils, a loss of fifty legal schools and four thousand four hundred and forty-nine pupils. The commissioner of education is of the opinion that this decrease is caused by older pupils entering service or engaging in war industries. As so much has been said of late about the return to the little red schoolhouse, I give you these figures. They show an average of twenty-five pupils to each legal school. Personally I believe in educating the children, especially the younger ones, as near home as possible, but only when a school of respectable size can be maintained. Certainly each school ought to have the benefits of association and competition of at least twenty-five pupils.

### HIGHWAYS

During the past two seasons, work upon our permanent highways has of necessity been very much curtailed. The rapid advance in the price of labor, its scarcity and the increase in the cost of such materials as go into highway work, all contributed to bring this about. In addition to this the National Government, thru its proper boards, insisted upon only such work being begun as would be of advantage in the conduct of the war. Now that the war is over, highway work must again be strongly pushed, either under our present system or under such a plan as may in the end seem best to you. You must, however, bear in mind that while some restrictions have been removed, it is not probable that in the immediate future the cost of road material will be lessened to any appreciable degree. With half a million men kept in the service, with no immediate immigration and with an estimated loss in immigration for the last five years of from four to five million, we have no reason to expect, even when conditions become settled, a surplus of labor or much reduction in daily wages. The National Government is as yet apparently undecided as to what its highway policy is to be. The construction of trunk line roads with Federal aid will probably be the outcome. It would seem that we should hasten slowly along this path. We should first be sure of getting our own plan and that of the National Government in accord. In 1903 there was expended for permanent improvement of highways \$147,801.90. In 1917 this had reached, including maintenance, \$871,571.26. Of the first amount \$90,806.50 was from the state treasury and of the latter \$525,355.60. Since 1902 we have expended upon our permanent highways, including maintenance, engineering service, drawbridges and the Sand Bar bridge, \$7,168,442.21 or substantially \$475,000 each year. How much more the State can afford to do, if anything, is an open question about which men will differ. Including funds from automobile registrations we are now close to the million dollar mark. Can we go beyond this? Each of you can judge of the results of this work. Can you get more for your money? If so, how? Ought you to go into debt to advance this work? The appropriation of money from the automobile registration fees for the improvement of the so-called backroads has proved a great benefit and should be continued. The amount set apart for this work should be increased. By good schools and good roads we encourage those now on our hills to remain and new citizens to come. This can be done without unduly increasing the burden of taxation.

### RECEIPTS, DISBURSEMENTS AND TAXATION

In 1903, the receipts of the State from all sources were \$1,276,238.01 and the disbursements \$1,212,781.19. In 1918 the former had increased to \$4,006,679.61 and the latter to \$3,738,076.72. During the same period the average tax rate of the towns had increased from \$1.60 in 1903 to \$2.36 in 1918. The grand list of the State from a little less than two millions increased to a little more than two and one-half millions. The deposits in savings banks, trust companies and savings banks and trust companies subject to taxation increased from forty-three millions to one hundred and six millions. There has been a slight falling off in these deposits since 1916, cause probably by war withdrawals. In 1917 they had reached over one hundred and eleven millions. The

deposits in national banks subject to taxation are now about twelve millions. While our wealth and general prosperity as shown by the increase of the grand list and the taxable deposits in banks has greatly increased the burden of taxation has increased. The State has reached the limit of indirect taxation. If you are to increase the expenses of government you must either do so by direct taxation or by going into debt. You may be able to cheese-pare a little here and a little there, but the saving you will make will be relatively small. The only way you can keep income and expenses equal, while conditions remain as they are, is to do without some things.

I have appended to this message a table showing the receipts and disbursements of the State for the past fifteen years.

The tax commissioner has gone into the subjects of revenue and taxation fully and I commend to you the careful reading of his report. I endorse his recommendations as they are the result of practical experience in the conduct of his department for a period of six years.

The report and recommendations of the Budget Committee, showing the expected revenue and recommended disbursements, have been placed in your hands, so you are early advised of what there is to do and what you have to do with.

While the cash on hand does not show in this report, I am advised that it is sufficient, with the certain revenues to come in before the close of the present fiscal biennium, July 1, 1919, to carry on the government and leave it without a deficit on that date. You will bear in mind that you must provide for the payment of one-half of the million dollar appropriation made by the last legislature for war expenses. One-half is being paid during the present biennium and one-half is to be paid, if you so vote, during the next biennium.

#### STATE BARGE TERMINAL

The subject of water transportation for inland commerce has been receiving increased attention from shippers, commercial bodies and legislators throughout the country. The war activities of the Nation showed an immediate need for additional facilities for freight transportation. This need will continue with the demand for cheaper freight rates, which it is expected will be obtained by means of water transport. Several states are constructing canals, improving natural water courses and building terminal facilities.

In May last, New York State opened to traffic the enlarged barge canal system, now operated by the United States Government. These canals by connection with Lake Champlain and having state terminals at all cities from New York to Buffalo and at ports on Lake Champlain, offer Vermont a free water route to the sea, to the Great Lakes and to the coal regions of Pennsylvania.

The subject of building and operating a state terminal as a means to induce and facilitate inland commerce at lower cost for the benefit of our people, should have your most careful consideration. In connection with highway improvement I call to your attention the report of the State Barge Terminal Commission favoring such a project.

#### ACCOUNTING SYSTEM

During the pre-election campaigns of 1902 and 1906, considerable criticism was made of the methods employed in handling state accounts and the results attained by the system then in use by the auditor of accounts. The Legislature of 1906 provided for a commission to examine into this matter. Pursuant thereto Governor Fletcher D. Proctor appointed Joseph A. DeBoer, then president of the National Life Insurance Company and Olin Merrill. These gentlemen with the then auditor, very carefully examined the office, its books and accounts and on May 1, 1908, established and put into force the present system. The commission made a full report to the governor, stating quite fully the conclusions reached. I suggest that you examine this report with care, should you determine that the present conditions demand a change in the system. It has seemed to me that it would be entirely out of keeping with my present office to make any explanation of my official acts as auditor.

## WAR

In referring to the part Vermont had in the great war, I shall say but little, as the subject is fresh in your minds. To many of you it has come home in the loss of some dear one killed in action, missing or dead from wounds or disease. Many will return incapacitated by wounds or disease for their former activities in civil life. To these you will in the years to come extend a helping hand. Many more will return strengthened in health and character and with a broader view of life. These will soon become the rulers and guiders of the destiny of this Republic and what they believe to be best for us will become the principles about which our governmental activities will center. In passing let me say that now is the time when Vermont's part in the great struggle should be written by competent minds. I hope you will see to it that provision is made for this before you adjourn. It can best be done now by those who have lived what they would write. Some Vermont troops were called into service before war was actually declared and the balance followed directly. After encampment at Fort Ethan Allen, the Regiment was ordered to Camp Bartlett in Westfield, Massachusetts and when the 26th Division was formed, Vermont troops were used to make up the major part of the ammunition train and the machine gun battalions of that Division. In the early fall of 1917 this Division, made up entirely of New England National Guard troops, went abroad. It was the first National Guard division to go overseas and the first to go into the trenches. The balance of the regiment about three hundred in number, soon went south and for a time, with many other National Guard organizations, remained inactive. It then became the 57th Pioneer Infantry and was used as a replacement regiment. Finally with many men from Tennessee this regiment went overseas in October, 1918. On arrival in France the troops were used for replacement purposes and many of the officers given other commands. I endeavored without avail, to have the Regiment kept as a unit and filled to modern war strength with volunteers and selective service men. While many National Guard officers were discharged because of physical or mental defects, not a National Guard officer from Vermont has been found wanting; all have remained in the service and many have gone to higher and more active commands.

The Vermont Committee of Public Safety was appointed in March, 1917 and immediately organized under the chairmanship of Colonel Ira L. Reeves and the secretaryship of Fred A. Howland. When Colonel Reeves was called into service he was succeeded as chairman by James Hartness, who subsequently was succeeded at his entrance upon special war work at home and overseas, by Judge Leighton P. Slack. When Mr. Howland entered upon the War Savings Stamp campaign, Joseph G. Brown became secretary of the Committee. The Committee has been able, with the aid of patriotic and liberal citizens, to finance its work without funds from the State and now has a balance in the hands of its treasurer, Charles F. Lowe. While in some of our sister states, like expenses have been paid from the public treasury, Vermonters have performed this service as a patriotic duty.

Vermont joined with the other New England states in furnishing sawmill units of use in England. When the Vermont troops left Fort Ethan Allen, one thousand dollars was placed in the hands of Major J.M. Ashley to assist any of the men. The District Exemption Board was organized as prescribed by the President, George O. Gridley representing manufacturing; Willis N. Cady, farming; Alexander Ironside, labor; H.C. Tinkham, M.D. as the medical member and Judge Henry Conlin as the legal member. The board appointed J.G. Norton, Chief Clerk. A Local Exemption Board was organized in each county, Rutland County having two boards. Medical and Legal Advisory Boards soon followed. Captain S.S. Cushing was appointed Military Aide and Dr. J.B. Wheeler, Medical Aide to the governor. Dr. Wheeler was afterwards succeeded by Dr. J.H. Woodruff. In one of my interviews with General Crowder he told me that the machinery of the law was as well organized in Vermont as in any other state and had given his department the least trouble. Vermont has contributed two officers to the office of Provost Marshal General Crowder, Lieut. Colonel Joseph Fairbanks and Major Henry B. Shaw. Adjutant General Lee S. Tillotson went into service in December 1917. Colonel Herbert T. Johnson was appointed Acting Adjutant General and has proved to be a most efficient and painstaking officer. It should be borne in mind that all this organization and the work that followed meant many conferences, much correspondence and many trips to Washington and elsewhere. I have attached to this message a table showing the condition of the military appropriation on December 31, 1918. At the suggestion of the National Government, a Home Guard regiment of twelve companies of fifty-three officers and men each, was organized. The First Regiment, Vermont Volunteer Militia should be kept intact until Congress determines the military

policy of the Country. The officers and men have been attentive to the work, have served without pay and, while luckily they have not been called into active service, were fully armed, clothed, equipped and thoroly drilled and if needed would have given a good account of themselves. From Colonel Johnson down, many of the officers and men had long been in the National Guard, some had seen service in the Spanish American War and a few in the Regular Army. For a time certain factories, plants and public utilities were under guard at state expense. These guards were withdrawn at 6 p.m. Saturday, June 30, 1917. The State has a valid claim against the National Government for approximately \$150,000 for money expended in putting the First Vermont Infantry upon a war footing and I am advised by those in authority that this claim will be honored in due time. The question of whether state pay shall be granted to all who entered the service will come before you, and the Treasurer will advise you how this matter is being handled in other states and what the probable expense will be. This is a matter of state policy for you to determine. About fifteen thousand men have entered the service from Vermont, thirty-five hundred have been paid the state pay in full and thirty-three hundred are now on the roll. The balance of the fifteen thousand who have not yet applied are mostly selective service men to whom the present law does not apply. Volunteer nurses should be recognized as well as enlisted men. The total amount expended for state pay to December 31, 1918, was \$512,103.94. The balance of the war appropriation unexpended on that date was \$194,846.78. Sixty-one men from Vermont have been cited for their conduct or for bravery.

I have appended to this message a table showing the total enrollment from Vermont and the casualty list as it stood on December 31, 1918. I recommend that a proper certificate be given to each soldier, sailor, nurse and civilian employee from Vermont, showing fully the war service performed. It is needless for me to recount the different war endeavors, each of which Vermont has made a remarkable success.

Vermont was the first state to organize the pupils of her public schools for home garden work. This organization was known as the Green Mountain Guard. The second year it became a branch of the U.S. Boys' Working Reserve. A movement is now on foot to provide farms for returning soldiers. In Vermont, this matter is in charge of a committee consisting of Elbert S. Brigham, Commissioner of Agriculture, and Frederick H. Bickford, State Farm Labor Agent. Last week I named as delegates to a conference called by the Secretary of the Interior, at Springfield, Massachusetts, Willis N. Cady of Middlebury, Orlando L. Martin of Plainfield, Ernest W. Dunklee of Vernon and Edson N. Connal of Newport Town, the last two of whom are members of the present House.

James Hartness of Springfield retired from the chairmanship of the Vermont Committee of Public Safety to become Federal Food Administrator for Vermont. Later he was sent overseas as a member of the Aircraft commission and was succeeded as Food Administrator by Frank H. Brooks of St. Johnsbury.

In the early part of the war, Hugh J.M. Jones of Montpelier was appointed Federal Fuel Administrator. He was assisted by Mason S. Stone, who was succeeded later by Marshal J. Wood of Montpelier.

Rooms were provided in the State House for the District Board and for the Fuel Administration from their organization until just prior to the convening of the legislature. When Mr. Brooks took charge of the Food Administration, he established his office in the State House and just recently moved it to St. Johnsbury.

The Commissioner of Industries was early selected by the Federal Government to look after labor matters in Vermont. To this work he has been obliged to give considerable time.

#### SECRETARY OF CIVIL AND MILITARY AFFAIRS

I recommend that the secretary of civil and military affairs be given extra compensation for his services during the past two years, because of the enormous increase in his work occasioned by the war and the additional duties imposed upon him as secretary of the board of control. The compensation for this office was fixed by the Legislature of 1915 and has remained the same up to the present time.

#### IN CONCLUSION

I wish to express to all the state officers my appreciation of the cordial and unhesitating support they have given me during my term of office. Whenever they have been called upon to perform any service in connection

with war work in addition to their regular duties they have most willingly given of their time and without expense to the State.

I look forward to the incoming administration of Governor Percival W. Clement as one of the most progressive and beneficial yet given Vermont. During these times of readjustment the State will have the leadership of a prudent and successful business man.

HORACE F. GRAHAM.