

Farewell address

of

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**Farewell Address**

*Members of the General Assembly and the People of the State:*

I am glad of the opportunity to give to the members of this Legislature and the people of Vermont an account of my stewardship, covering the years 1941 to 1945. It has been, as was anticipated, a period filled with great problems but no outstanding issues; problems many of which have been solved, some on the way to a satisfactory solution, while still others, by their very nature, can never be completely settled and are therefore continuing.

Three years of the four have been war years, presenting unusual but highly stimulating challenges to a war Governor and his people. From December 7, 1941 to the present day, I have had the finest cooperation from the people of Vermont and from their elected representatives in two general and two special sessions of the Legislature.

In addition to this I wish to express my appreciation for the fine support given me by all the State Departments. Under the usual handicaps of general business in war time, those of shortages of manpower and materials, your state's business has been carried on by the heads of departments and those working under them, not only efficiently but with a fine spirit of unselfish devotion entirely incommensurate to the financial recompense provided.

So far in this war Vermonters in all civilian activities have met the standards set by our fighting men and women and by the best traditions of the past. What greater praise can be given them. I am grateful that in these stirring times, I have been privileged to be their Governor. Much ground remains to be covered in the days that will pass before victory is ours. There should be no let down here at home; if any change is to take place let us see that it takes the form of increased interest and greater effort by each and every one.

To provide leadership in all lines of endeavor during these past years has meant unceasing vigilance.

In the first year, 1941, the threat to the very existence of the University of Vermont was met and successfully worked out in a special September session of the legislature.

In December of that same year came the actual participation in World War II. This meant activating and thoroughly organizing the Vermont Council of Safety; the State Guard had to be set up to take the place of the National Guard called to active duty in February of that year.

Vigilance and much labor has been constantly necessary to insure to Vermonters their fair share of such materials as fuel, farm machinery and other essentials of which there has been a wartime shortage.

Moreover, because of a withdrawal to the armed services of the incumbents, more appointments to elective offices were made than in any similar period.

There has been also a constant turnover in the personnel in our State departments and institutions, 156 having entered our country's services and many others having gone into private industry for higher salaries available, creating a situation which has had many by products of administrative difficulty.

We have had to exert continual resistance to Federal encroachment upon State sovereignty. Even under the stress of war Vermonters are unshaken in their belief that the best government is still that which is closest to those whose servant it is—the people.

Through all these activities, there has been a consistent endeavor not only to lay the ground work for a postwar period which should be a substantial yet progressive one for the State and yet at the same time so carefully to husband the State's financial war gains that the future would not have to be mortgaged to pay for capital improvements.

I have here touched upon some of the highlights of these four years. There are some phases of governmental activity, however I would now like to discuss with you in their bearing upon future action, giving you my recommendations in the light of four years intimate experience with them.

### **Vermont Council of Safety**

At the beginning of my first term in office, it was apparent that this country would be involved in war, and if this happened an organization of citizens could serve as a strong right arm in the war effort.

The Vermont Council of Safety was authorized by Joint Resolution on September 13, 1941, and their duties were outlined. It consisted of seven members, with the Governor as Chairman. With the legal status given them on September 13th, the Council was ready on December 7th, 1941, to take over the war activities of the State.

I will not go into a detailed account of the Council, except to say that it rapidly developed into an efficient organization of 25,000 people represented by every section of the State and composed of loyal, patriotic men and women who, though present need does not call for the strenuous activity at one time demanded, are ready to respond should occasion require.

When the history of this war is written the activities of the Vermont Council of Safety will occupy a prominent place in that book.

May I publicly here express my thanks on behalf of the State, to those men and women who spent long hours, day and night, as air raid wardens, spotters, as auxiliary firemen, and in a variety of other capacities in those fateful days of 1941-42-43 when we did not know what might occur from day to day.

### **Vermont State Guard**

In my first message to the General Assembly of 1941 I recommended the establishment of a State Guard and the provision of funds to equip it. A sum of \$35,000.00 was appropriated and the organization of the Vermont State Guard was approved.

Since that time the Guard has maintained its strength in spite of frequent turnover, and has today about 1,278 men and 131 officers.

Regular drills are held, as well as maneuvers and expeditions according to the best present day military tactics, thus giving preliminary training to young men entering the armed service. A full and highly creditable encampment was held at Colchester last August.

These men who have given unstintingly of their time and effort have been a great source of security in a state which has no nearby army camp. They have guarded, at the request of the Federal government, vital structures such as bridges, electric plants and dams, under the worst of conditions, sub zero weather and inadequate clothing and equipment. They have been on call for many local emergencies such as forest fires, the finding of lost persons, searching for airplane crashes, and in the absence of the National Guard they constitute a fine, well trained volunteer group of citizens ready to meet any crisis competently and adequately.

As Governor for these war years, I am thankful for the security they give and cannot pay too high a tribute to the officers and men of the Vermont State Guard.

### **Camp Johnson**

For nearly 25 years this State enjoyed the services of Herbert T. Johnson as Adjutant General.

At the beginning of the war, early in 1942, war burdens were too heavy for his failing strength and he resigned his office.

On November 4th, 1942, while discussing with me the military affairs of the State, he died, in the Executive Office.

Not only was General Johnson loved by those who knew him but his counsel was sought outside the borders of Vermont on military matters.

Over a period of years General Johnson developed for the benefit of Vermont's soldiers one of the finest military camps in the country, at Colchester. Last summer during the encampment of the State Guard at that camp it occurred to me that this should be made a permanent memorial to him by naming it Camp Johnson.

I did so in an Executive Order on August 18th, 1944, until such time as this session of the legislature could take appropriate action in the matter, and it is my hope that this will be done in memory of a fine gentleman, a great soldier, and a true Vermonter.

### **War Powers**

The Legislature of 1943 granted to the Governor sweeping emergency war powers, effective until February 1st, 1945, the broadest ever granted a Vermont governor, only justified by the bitter fact of war. I have carried out my promise made upon its passage, that in return for the confidence placed in me the law would be administered with conservatism commensurate with the great trust which the power imposed.

Fortunately there have been only two occasions when I have had to use those powers. With the approval of the War Council, a proclamation was issued on April 14, 1943, making legal the blackout orders, and another on April 28th of that year, reducing our Motor Vehicle speed limits in the interest of gasoline saving, and fixing wartime truck loads and weights.

We here in Vermont may well be thankful that we have not suffered the ravages of war as in many parts of the world and that so little use had to be made of the emergency war powers granted to the Governor and War Council.

### **Veterans Affairs**

Vermont has somewhat over thirty thousand men and women in the armed forces of our country. Some have already been released and are seeking readjustment to that civilian life they left upon enlistment.

Various opportunities and benefits have been provided for these returning veterans under a wide variety of sponsoring agencies, Federal, State and private.

The need was demonstrated some time ago for the establishment of one State agency to which the veteran could go, have the welter of confusion swept aside, and be properly advised.

I appointed a committee to study the problem. As a result, there was established the "Governor's Committee on Veterans' Affairs", a fulltime executive secretary appointed, and funds made available for that position and its activities by the Emergency Board.

The Committee has already published a guide for veterans in which is set forth every State and Federal Aid available to him.

There is being set up, under the Committee's sponsorship, a town by town organization so that in each community there will be available a counsellor to whom the veteran can go for advice and guidance.

This undertaking is of considerable magnitude and importance. Now existing under funds provided for its interim operation, it is my belief that specific action should be taken by the General Assembly to provide an appropriation for the continuance of the work.

The Congress of the United States recently passed the Servicemen's Readjustment Act of 1944, popularly known as the "G. I. Bill of Rights". This bill makes it possible under certain conditions for returning veterans to obtain loans from our State financial institutions on a much more liberal basis than these loaning institutions could ordinarily make.

However, under our present law, these institutions cannot participate in this type of loan. I strongly urge this Legislature to give early consideration to a law which will make it possible for returning veterans to share in the benefits of this "G. I. Bill of Rights".

These men and women will, we pray, soon return to Vermont.

We must be ready for them—

Ready with help—not ribbons;

With jobs and guidance—not charity;  
With respect and gratitude—not only local praise.  
Ready—for their destiny is in our hands—  
And last, but not least—ours is in theirs.

### **War-time Federal-State Relations in Vermont**

Vermont has not only been particularly fortunate but has profited by the high caliber of men assigned to Vermont to take charge of the Office of Defense Transportation, the War Production Board, the Office of Price Administration, the Selective Service, and other federal agencies located here.

These gentlemen have ably demonstrated a deep awareness of their responsibilities and on occasions without number have cooperated completely when called upon by your governor.

### **Agriculture**

For the past three years Vermont Agriculture has gone to war in a big way.

The Federal Government early in the war asked agriculture to put all its efforts into increasing production of food, and Vermont has responded by the greatest production in her history.

The obstacles encountered have been many and serious.

Never before has the shortage of farm labor been so acute. There has also been a shortage of machinery, farm equipment, grain, feed, building materials and other agricultural necessities.

Not since pioneer days have women and children been required to take such an active part in the fields and in the care of dairy cattle.

All these obstacles have been overcome, however, by the sturdy, patriotic men and women of the soil, and their sons and daughters, and as a result the farms have produced more food than was produced in normal times with no such handicaps.

Our dairies produced milk enough last year to supply three and a quarter million soldiers or nearly one third of the whole armies' needs, if it all had been used for that purpose.

Figures for other production would be equally amazing. Not only have they produced more food, but in spite of the help shortage, they have found time to go into the forests and cut and haul vitally needed timber and pulpwood to help supply the great demands of war-time America for forest products. Records have been made in canning of produce by the women and girls.

It has required hard work on the part of our farm folk under most discouraging conditions. Besides the unusual hard work, those at home like many other citizens of our state, have taken upon themselves the extra work of draft boards, ration boards, state guard, civilian defense, and a host of other duties.

I have used the Executive Office in every possible way to help in the emergency, often carrying our farmers' troubles to Governors' meetings and to federal meetings where such subjects as equipment shortages, fair prices, grain and feed troubles and various aspects relating to our milk problems were discussed. Relief has been sought and obtained. Not the least of these problems was the situation brought about by curtailment of trucking facilities through reduction of the number of vehicles and ODT route consolidations, resulting in the rejection of large quantities of fluid milk at a Newport Creamery. This situation was given undivided attention and relief to the farmers in that area was quickly afforded. Again in 1943 authorization for leasing potato graders from southern states was given in order to more speedily handle the crop.

Early in the war there was set up a farm labor committee to give assistance to the farmers in obtaining help. Their work has been most beneficial, and as a result the State Supervisor reports that 1070 regular farm workers were placed and 5211 seasonal placements made, that a total of 5915 workers were ordered, indicating that the \$25,000 biennial appropriation of the 1943 Legislature was fully justified.

An act of the 1943 Legislature made it possible for the Governor to award a farm insignia to those boys who were deferred by Selective Service for farm work. There have been awarded over 9000 of these distinguishing

buttons. This insignia has been very much appreciated by those boys who have helped the war effort by producing food for freedom.

### **Two Suggestions on Agriculture**

The State School of Agriculture at Randolph Center with its program of intensive, practical instruction in agriculture at low cost to the students meets a real need in our state plan for agricultural education. It should receive the support necessary to maintain its present standards and for expansion to meet the demands of the post war period.

The program adopted by the State in 1941 for the control of Bangs disease, in my opinion should be continued on its present basis; likewise for the eradication of tuberculosis.

At this time I wish to pay tribute to the Administration of former Commissioner of Agriculture, E. H. (Ed) Jones, recently resigned. I feel that through his conscientious work during the past twenty years, and through the efficiency of the department, under his guidance, Vermont Agriculture has received great benefits which will be appreciated more and more in the years to come.

### **Labor**

In my message to the Legislature of 1943 I said:

“The most fortunate community is to be found where management and labor are not only enlightened but appreciative of the other’s position and problems. Experience in Vermont would indicate that here we have such a community.”

This administration has received the finest cooperation from Labor. We have worked together on many problems with satisfactory results.

While we have not always agreed, I have tried to be fair in my dealings and to be just. The patriotic spirit of both management and labor is to be highly commended during these trying war days and every Vermonter should be justly proud that, with but two slight exceptions we lost no time of war production due to work stoppages. This is truly a remarkable record.

During this administration, laws relating to labor have been liberalized.

Under the Unemployment Compensation law, the 1941 Legislature reduced the waiting period from three weeks to two weeks. The Legislature of 1943 increased the minimum weekly payments from \$5.00 to \$6.00 and also extended the duration of payments from 15 weeks to 18 weeks.

Under the workman’s compensation law by legislative action death benefits have been increased—numerical exemption has been reduced. Medical and hospital provisions have been greatly improved. Also other beneficial changes have been made.

We must continue to realize that if we are to have a prosperous state there must be unity between labor, agriculture, and industry; the success of each is dependent on the success of the others—that employer and employee must each seek to understand the problems and respect the rights of the other. There can never be a brotherhood of man if class is pitted against class.

Fortunately, in Vermont there is to be found a minimum of class consciousness and the ills resulting therefrom.

### **Industrial Development**

Small industries have been the very life blood of many Vermont communities in normal times. In recent years, many of these industries have gradually faded out of our economic picture. As they have faded out, there has been developing an emigration from Vermont of our young people. In addressing the 1941 General Assembly, I said:

“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”.

I became convinced, then and I still am convinced that an aggressive effort on the part of the Senate can do much to check and reverse the trend of this emigration of our youth if we seek to reestablish small industries in our Vermont communities.

Upon my recommendation, the 1941 General Assembly established the office of Industrial Agent.

Although good progress was made by that office in the first year of its existence, many of its functions were assumed and duplicated by a Federal agency set up to meet the existing needs of all out production for war. In view of the establishment of these Federal war time agencies and in the interest of economy, the activities of the State’s Industrial Agent were suspended.

I believe, however that there will be an even greater need for this office of Industrial Agent in the peacetime years to follow. Our towns and cities will continue to need industries to supplement the outlet for the talent of our youth, to assist the towns in their tax load, and generally to bring into better balance our State’s overall economy.

It is my hope that this Legislature will recognize the importance of this matter and will appropriate a sum large enough to allow this particular activity to be revived in full force **now** so that we may be ready to meet our needs in the postwar period.

### **Geologist**

This State needs a well organized and financed geologist’s office under the State Conservation Board, to develop our mineral deposits.

Our hills are full of valuable minerals and they should be more thoroughly explored.

I believe there is considerable development that could be made in this aspect of our State’s economy that for years has remained untouched and neglected.

Many times during the war, effort has been made to locate vital and strategic war materials here but because we did not have the facilities to furnish the information, it was impossible to answer the call.

To me Vermont is losing a great opportunity for future development by failing to interest itself sufficiently in the valuable assets lying right at our door.

### **New England Governors’ Freight Rate Committee**

The New England Governors appointed a committee known as the New England Governors’ Freight Rate Committee, to represent the New England States in proceedings before the Interstate Commerce Commission involving the railroad freight class rate structure of the country and to oppose various proposals pending before Congress for legislative establishment of so called nationwide uniformity of railroad freight rates. Certain representatives of Southern and Western states have claimed that freight rates in the South and West were unduly high in comparison with those in the North and the Interstate Commerce Commission is conducting an investigation into the matter.

The New England Governors concluded that the interests of New England required active participation in the Commission proceeding and active opposition to the legislative rate making proposals. This New England Governors’ Freight Rate Committee was appointed to this end. Mr. Heber G. England, appointed by me, ably served as a representative of Vermont on that Committee. The Committee has been active throughout the year both before the Interstate Commerce Commission and in the conduct of an educational program. The proceeding before the Commission is now awaiting decision and the proposed legislation, although still pending, has not been enacted.

## **Education**

At the last regular session I asked the Legislature to increase the per equated pupil State Aid under Section 92 of the Acts of 1935 from \$15.00 to \$16. 50. This was granted, the first increase under the present system of State Aid since its establishment in 1935.

In 1943 I asked the Commissioner of Education and the State Board of Education to make a study of our situation in the public schools. They reported to me, among many other recommendations made public through the press and in booklet form, that an increase in State aid on the equated pupil basis should be advanced to \$25.00.

Upon recommendation, the Special Session of 1943 increased the \$16.50 to \$20.00, designating this advance "solely for the purpose of increasing teachers' salaries above those paid at the end of the school year 1944."

The \$20.00 was recommended because an overall budget of the State's financial condition was not available at a Special Session and it was considered good judgment to adopt the \$20.00 base until this regular session when with a complete picture of the State's financial condition in hand, a more intelligent decision could be made.

With the two increases made by the 1943 regular and special sessions of the Legislature only 659 rural teachers, out of a total of 2509 teachers in the state, receive less than \$1,000.

I am convinced that if we are to go forward in our educational program in this state adequate salaries must be paid to our teachers, and more state aid to towns made available to them. By increasing the per equated pupil amount to \$25.00, it will be possible for us to adopt the minimum salary scale of \$1000 for our teachers if you so desire.

It is my hope that this session of the Legislature will take favorable action in this respect.

In December, 1943, I asked the heads of the colleges and junior colleges and the commissioner of education to study the needs of higher education. Their Report, the first to be made in the history of our State, contains three significant recommendations

- (1) That colleges and high schools cooperate more closely by setting up a joint pupil guidance service and by making needed curriculum changes;
- (2) That adult education be established on a statewide basis through the efforts of local communities, the colleges, and the State Department of Education, and
- (3) That adequate provision be made to provide higher education opportunities for returning veterans.

The planning committee has organized itself into a Higher Education Council which will carry on a continuous study of the way in which the institutions of higher learning can improve the educational welfare of the State.

## **REVENUE**

### **Highways**

At the time of the 1943 Legislature, highway travel restrictions were being imposed, making the estimates of future highway revenue uncertain.

The appropriation act for highways was based on the best estimate then available for motor vehicle income for the next two years. No appropriation was made for construction by either the State or the towns; and maintenance appropriations were considerably reduced. An appropriation of \$1.00 was carried on each of the construction items otherwise omitted, and a provision placed in the Act that should the income be greater than the appropriation figures, the increase was to be apportioned to the several items as determined by the Emergency Board. An Act was passed providing that, if deficiencies should develop within the highway fund resulting from decreased motor vehicle revenue, highway flood bonds could be refunded to the amount of \$425,000 for each year. This was unnecessary.

At the end of the fiscal year ending June 30, 1944, there was no deficit but rather a surplus motor vehicle revenue of \$928,714.44 after flood bond payments had been made, which, upon recommendation of the Highway Department, was allocated by the Emergency Board to the reduced items in the appropriation act, thus restoring to the towns for their road work sums which they had agreed to do without when the estimated income was expected to be so low.

With this restoration of appropriations the towns have their full amount for town road work, and their \$60 per mile for State Aid construction this year. Some of the additional revenue was allotted to maintenance items, and part for postwar construction.

The maintenance of highways during the last four years has been a difficult problem because of increased costs, decreased appropriations, but mainly because of shortage of materials and manpower. Old equipment cannot be replaced to any extent. Our highways have not been allowed to depreciate; special maintenance has had to be applied through certain sections because of the excessive loads they have had to accommodate due to traffic imposed by war activities.

The engineering personnel of the Highway Department has been materially reduced, but a small force is making plans so that road and bridge jobs can be let immediately following peace, a process usually requiring considerable time. Plans are now ready for about \$2,000,000 worth of work.

### **Public Welfare Department**

With the increased emphasis on welfare work, together with new and scientific methods developed in the care of the unfortunates throughout the nation, the last few years have seen the attention of state governments called, on repeated occasions, to the needs and problems of its welfare services and the institutions under the latter's control and direction.

The State government of Vermont has been no exception in that respect.

To these everyday problems of administration there has been added one of considerable magnitude directly traceable to the war, that is to say the labor turnover of institutional employees. One of our State institutions, for example, had an 80% labor turnover in one year. Another which is located in the center of Vermont's industrial section where high wages are offered by industry has found it almost impossible to retain the number and quality of help that the institution requires.

During this period, in spite of these handicaps, studies have been undertaken improvements made and plans outlined for adoption with the return of normal conditions.

A night school has been put into operation at the prison, and in all our major institutions the religious program has been broadened. Mass is celebrated for the Catholic population once a week and a Protestant Service is held once a week, with special religious education provided for the children in our institutions. When we remove persons from society it is our duty to make it possible for them to have religious and educational benefits, two factors most important to any rehabilitation program.

A farm coordinator now has general supervision of the several farms at the different institutions, and a uniform report system has been installed.

In addition to the foregoing, studies have been made of the State prison, the Brandon School and Weeks School.

The Osborne Association has remained in close touch with the House of Correction and State Prison at Windsor, continuing the study originated some years ago. The recommendations made by this reputable and capable organization have proven of great value; those suggestions that could be followed have been followed. The full report has been released and I invite your attention to those features which require legislative action if we are to have the modern type of penal institution that trained penologists tell us will meet minimum requirements.

Our State's prison population is at its lowest point in years. This is a condition always prevalent in wartime when adult crime decreases and juvenile crime increases. We must look forward, however, to the time when the population may again be at its maximum.

The Brandon State School was the subject of a careful study made by Dr. Samuel W. Hamilton in 1943. As you are aware provision was made by the last legislature for the construction of two buildings at the Brandon institution. The war has rendered it impossible to go forward with the construction. The need remains great, however, and additional plant to that already authorized will be necessary.

Our Brandon institution is badly congested. Originally set up as an institution for feeble minded children, it now houses a total of 380 patients, many of whom are adults but who were placed there in childhood. We are without laws for parole of those who might be returned to society under adequate supervision. The crowded condition there keeps out many children of the present generation who should be there and this deprives many families of needed relief to which they are entitled under our laws. There are approximately 125 on the waiting list at the present time.

Weeks School has again presented difficulties.

Late in 1943, rumors began to come to me and to the Commissioner of Public Welfare that there was trouble there. As soon as possible, Roy L. McLaughlin, Superintendent of Connecticut State School for Boys at Meriden, was engaged to make a study of this School. His services were obtained after consultation with Dr. Samuel W. Hamilton, Mental Health Advisor of the U. S. Public Health Service, and through the cooperation of Governor Baldwin of Connecticut.

The McLaughlin report was made public in full through the press so I will not go into the details except to say that as a result an advisory board was set up to advise with the Commissioner of Public Welfare.

This board is comprised of outstanding citizens representing business, medicine, religion, social work, psychology and education.

This board has given a great deal of their time, on a volunteer basis, in an advisory capacity to the Commissioner of Public Welfare, by making recommendations to him which in their judgment are for the good of the school, based upon the McLaughlin report.

They have been constructive in their recommendations to the Commissioner of Public Welfare, all of which according to the records he has passed upon. I believe progress has been made in this School with their assistance and their recommendations.

But I do not believe future difficulties have been eliminated and will not be until one outstanding obstacle is removed, namely, the keeping of boys and girls together at the school, a practice not now acceptable, a factor brought out forcibly in the McLaughlin Report.

I believe we should establish a definite school for boys and one for girls. Until that is done we will have, as heretofore, periodic disturbances at this institution.

It appears to me that ground work is now being laid whereby the Weeks School can ultimately perform a great service to the State in the rehabilitation of the great majority of these young people. This is the one institution dealing with youth who through no fault of their own, are often problems. With wise modern procedures, Weeks School can prove to be the crucible by which they enter useful worthwhile lives.

There are about 1080 patients at the State Hospital at Waterbury with bed space for only 920. These unfortunate patients are entitled to all the care and treatment that modern science can give them. We should not be lax in adopting new methods to help them on their way back to health. This large institution is understaffed and it is under manned and in great need of increased facilities. There has been a change in superintendents in this institution during the past year.

A committee appointed several weeks ago has completed a study of the building needs of all the state institutions, its institutional system and placement, as well as a limited study of existing laws relating to our welfare work. Their report will show the necessity of the building needs of our institutions and could well be

followed by the legislature in this regard. The estimated costs of an immediate building program is \$750,000. Funds for this purpose are available from the unappropriated surplus.

The work of the Department of Public Welfare has grown by leaps and bounds during the past few years. Demands have come from the Federal Government and citizens of the state; social work and social agencies have grown, all needing attention from the Commissioner.

The Commissioner should be relieved from all his ex officio duties, such as Milk Control Board and others.

I am convinced also that there should be set up by law a director of institutions. While this could be done without the enactment of a specific law for this purpose, I nevertheless believe the Legislature should create the office and define his duties, giving him full charge of the state institutions under the Department of Public Welfare.

All the ills of our institutions cannot be cured by money or Acts of the Legislature. There must be a changed attitude toward the purpose of these institutions and a deeper realization that the main purpose of such institutions is the rehabilitation of those unfortunates who are inmates therein, and for whom the State has a responsibility of attempting to make better citizens.

As you will see, we have tried to bring about such remedial changes as were possible with wartime conditions.

### **State Employees**

Much has been done during the past four years to recognize the faithful and efficient service of the State's 1300 employees and to make available the benefits to which they by right are entitled.

**Retirement System.** I am happy to report to you that the retirement system was established in April of 1944 after thorough study and much research. As of today, approximately 77 per cent of those eligible State employees have joined the system, thereby indicating their desire to join with the State in providing for their personal security.

The passage of time will, I am sure, amply demonstrate the wisdom of the Legislature in providing authority for the establishment of the employee's retirement system, that the time and effort devoted to this matter by the Governor and the Emergency Board was well given, and that the plan devised and adopted by the Board has met the present needs of our Vermont problems.

I offer this suggestion: let us not be too eager to change the details of the plan now in operation until we have the benefits of a longer period of experience to guide us in effecting such changes as have been demonstrated to be needful.

**Group Hospitalization.** In addition to the retirement system, the benefits of a group hospitalization plan have been made available to the employees of our State government. Nearly every employee has wisely taken advantage of the benefits available to him under this plan at a small monthly cost to the individual but with no cost to the State.

**Uniform Rules and Regulations.** Moreover, uniform rules and regulations have been adopted so that all departments operate on a basis of equality of treatment. Included in these are to be found sickness and vacation pay provisions in all departments, including institutions.

**Uniform Classification and Compensation.** When I assumed office in January 1941, the uniform classification and compensation plan was in effect for employees who were paid from Federal funds. This plan has been expanded to include all employees so that now all are on a uniform basis.

In this connection, there was established an office of personnel director. The duties of the director have been several, but among them there has been carried on a study of the salaries paid to State employees, the establishment of personnel records, the classification and compensation plan to which reference has been made, and comparisons of our set-up with those of our sister states.

I do not, I am sure, have to point out in passing that increased living costs and higher Federal taxes have made it imperative that we in Vermont give thought to and reflect those increased costs of living by upward adjustments in salaries to the State employees. In the course of our studies there has been recorded the following information relating to salary increases made during the four years:

It was found that the wage scale in our State institutions was far out of line, and, if we were to remain in a position to retain our employees at the institutions, something had to be done immediately.

In 1940, the 443 employees at our institutions received a total payroll of \$355,716; in 1944, 450 employees were receiving a total payroll of \$522,000, a total increase of \$166,284.

Even though the other State departments had had more recent attention in salary adjustments, it became necessary in order to compensate for increased cost of living and higher Federal taxes, to institute general salary increases. In 1941 the payroll of the State for Departments and institutions was approximately \$1,500,000 for approximately 1300 employees. In 1944 the overall payroll of the State was \$1,830,000 and there are approximately 1238 employees. This shows a general overall increase of the payroll for the period of 1941-44 of \$330,000, with approximately 60 fewer employees, and reflects an average salary increase of 28 per cent over this period. All these figures do not include per diem workers or those employees on an hourly basis.

I must point out, however, that there is one field wherein rising living costs and higher Federal taxes have not been reflected by upward revision of salaries paid—and that this matter should have your serious and sympathetic attention. I refer to those salaries set by statute and that can be revised only through legislative act.

After four years of close contact with the department heads made closer through the innovations by me of frequent meetings with them as a group around the table in the Executive Office, I can tell you, without reservation, that the State government of Vermont is capably run largely through the excellent administration of the laws by the heads of our State departments. We must provide salaries commensurate to the responsibilities placed upon them and I feel that as of today and the times, we are not meeting our obligation.

The ground work has now been laid so that this Legislature can adopt a merit system by law that will be efficient and workable and give to the State a well rounded program of employment.

### **Unemployment Compensation Commission**

The Unemployment Compensation Trust Fund of nearly eleven million dollars appears to be more than adequate to meet any obligation under the present law, notwithstanding the fact that many additional workers are now covered under the system due to the expansion of employment on account of the war.

It is expected that during the period of reconversion to peacetime production there will be a displacement of workers, and it would seem to me to be good policy to make preparations and adjustments that will insure the utmost assistance from our unemployment compensation system.

On January 1, 1942, at the request of the President of the United States, I, as Governor, agreed to transfer the State Employment Service to the Federal Government, but stipulated that the transfer be limited to the duration of the war. This Service should be returned to the State at the earliest practicable moment, because only through the closest integration of the Employment Service and the Unemployment Compensation Commission can the provisions of the Vermont Law be carried out to the utmost degree of efficiency.

### **New State Office Building**

One of the disappointments of this administration has been our inability to proceed to erect the new state office building, authorized by the 1941 Legislature. In my message to that Legislature I explained the need for the building. The bill authorizing the building appropriated a sum of \$600,000. It also set up a Building Commission consisting of the Governor, the State Purchasing Agent, and three commissioners appointed by the Governor, charged with the responsibility of purchasing necessary sites, employment of architects, and to proceed with the construction, if conditions warranted.

The Commission immediately began to carry out its duties. Two building sites were purchased at a cost of \$35,000—these adjoin the old brick office building on State Street opposite the State House.

Architects were retained, who made a thorough study of all the state departments, their requirements of additional space for present needs and further expansion.

Preliminary plans were drawn for a four story granite veneer structure to harmonize with the State House, and were approved by the Commission.

After this preliminary work was done, labor and materials became unavailable because of vital war needs. The Commission did not want to have an unfinished building standing for the duration of the war, and therefore continuation of the project was postponed.

Since the preliminary plans were drawn in 1941 it has become evident that a five, rather than a four-story building is needed and the Commission voted at its last meeting to recommend to this legislature that an extra story be added.

The State's business has grown with the war, and it will continue to do so. Then, again, the first study did not provide housing for the Welfare Department. Over this last two years that department has grown and needs not only safe quarters but additional space.

The new Office Building fund now available and earmarked in the State Treasury is \$533,000—after the purchase of property, the architects fees and other costs have been deducted from the original appropriation of \$600,000.

I am advised by the Architects that to meet additional building costs over 1941 for labor and materials, and for the extra story, an additional appropriation of \$150,000 will be needed. There are ample surplus funds to take care of this additional expense and thus continue the State's policy of using surplus funds for capital improvement and future obligations.

I do not need to go into more detail as to the necessity of this building. After four years close contact with the State's business I am convinced that the saving in rent costs for outside state property and the elimination of the inefficiency of doing business under overcrowded conditions in many of the departments will more than repay the State for the expenditure.

I hope this Legislature will provide the additional funds necessary so that this project may be undertaken the moment conditions permit.

### **Flood Control**

Much has been said and done during the past four years concerning the attempt by the Federal government to erect so-called flood control projects in the valleys of southern Vermont.

The contention of your State government and your elected representatives in the Congress has been that the State government should be consulted and have a voice in any such proposed undertaking.

This is not a new question nor has the last been heard concerning it. The same matters plagued my predecessor in office and I fear will rise to plague my successor.

My efforts, as your governor, have been directed toward the rights of the State.

The situation at the West River location and at the so-called Wilder development are not the same. In the West River situation no state agency representing the interest of Vermont and Vermonters was then admitted by the Federal government as having a voice in determining either the need for a dam or the compensation for land seized under eminent domain proceedings. In the so-called Wilder Dam proceeding, a case where a dam in existence for many years is sought to be enlarged, the State does have a voice provided by statute.

There is an existing deficiency in our Vermont law in the latter respect, however. There should be lodged in some state agency, such as the Public Service Commission, the power and authority to pass upon such projects as the Wilder redevelopment prior to the date when the condemnation of lands is sought. This is a question upon which, if you desire so to do, you may legislate at any time and is a matter particularly within your province.

A special committee was set up by the last Legislature to study the proposed development of the Wilder Dam and to report their findings to this session of the General Assembly. That committee, provided with funds

by legislative appropriation, was further instructed to examine the laws relating to dams and hydro-electric developments and to recommend such remedial legislation as they deemed desirable.

In the proceedings at Hanover relating to the Wilder development, held under the auspices of the Federal Power Commission, the State of Vermont was represented not only by the full membership of the Public Service Commission and by this special legislative committee, but also by representatives of a three-man board on water resources appointed by me to undertake special tasks in connection with this proceeding and the West River controversy. There has been great interest displayed by those who have the Wilder Dam situation at heart, because of their being adversely affected by proposed developments in that area.

There has been cooperation all along the line between the citizens of the Wilder Dam area and the legislature and authorized state officials.

In connection with the West River development, Freeman, Incorporated, an organization of citizens whose homes would be adversely affected by this development, have been unceasing in their opposition to it. They have carried their fight to any and all whose interest in and support of their position could be obtained.

I have sought to enlist the assistance of my fellow governors in our cause whenever occasion presented itself, carrying our message to governors' conferences and in many instances, provided with a \$10,000 fund by the Emergency Board, representatives of your State government have been sent to conferences with federal officials, with officials of our sister states, and with members of Congress in both House and Senate.

The immediate objective of the drive spearheaded by your State government was to secure a suitable amendment to the flood-control bill that not only made provision for this West River project but which was before the Congress for action.

A flood control plan for this particular West River area was devised by the State Planning Board assisted by special hydraulic engineering counsel retained for that specific purpose. That plan called for a series of small dams instead of one big dam. That plan was offered to and accepted by the Congress as basis for developing the flood control program in the West River.

There has been much labor in this whole controversy on the part of those representing the Vermont viewpoint. The Vermont congressional delegation has rendered complete cooperation throughout.

It is gratifying to me to be able to report that the joint effort of all those engaged in waging this fight has been successful and that the right of the State to have a voice in under takings within its borders has been recaptured.

### **Vermont Building at the Eastern States Exposition**

When the Vermont building at the Eastern States Exposition at West Springfield, Massachusetts, was constructed about fifteen years ago, it was expected that the demand would exceed the amount of space available. This has not been the case. Vermont industry has not been interested in displaying products; only the valiant work of the late and honored Morton Downing, in particular, and of the Building Commission, has kept the financial account out of the red. In spite of much travel and many hours of attempted selling, space was not entirely purchased at recent expositions. As a consequence, the balance was going down. A fortunate contract with the Army for use of the structure resulted in a balance of \$4,044.52, some of which will have to be spent for repairs.

It is my recommendation that the Legislature appropriate for the maintenance and operation of this building and that space no longer be sold. The Legislature should also consider a change in the law to place the building under the management of a state department instead of asking men otherwise engaged to give their time.

### **Federal Work Relief Fund**

Since 1937 there has been setup a fund at each session of the legislature to carry on work relief projects. At each session the fund has been reduced to meet existing conditions on work relief.

The Works Projects Administration ceased operation in Vermont on January 26, 1943. At that time I asked the Legislature which was in session to appoint a legislative committee to study all the projects then in operation and to determine which ones they deemed essential to be carried on under the work relief funds of the State.

This was done and I received from the Legislature a report in which I concurred, naming the school lunch program essential. Immediately receiving this report I set up the school lunch program under the Department of Education and used the appropriation for federal work relief funds to finance it.

It seems to me that the Federal work relief fund which was established in 1937 should now be entirely eliminated and an appropriation made to finance the school lunch program direct from the Department of Education.

### **Recreation**

In November 1943 I appointed a State Recreation Committee of statewide representation in order to meet the growing need for increasing and improving recreational opportunities in all sections of the state for children, youth, adults and service men.

In December 1943 I called the first state-wide Conference on Recreation. The Conference drew a large attendance and showed the extent of Vermont's recognition of the need for a state recreation program.

A state office was set up under the Council of Safety as one of the war services and a fulltime state director was employed.

Keeping in mind the need and the purpose it has been possible to offer practical assistance to the communities of our State.

The development of local Recreation Councils and Boards, the planning of local recreation facilities, including post-war plans and facilities as "living memorials"; the formulation, planning, and financing of comprehensive programs; the recruiting and training of leadership have been features of this assistance to the towns.

To date over 200 towns in the State have requested the director's help. The basic necessary work is beginning to bear fruit. Towns and villages throughout the State, realizing their responsibility to provide recreation, are using their facilities and resources more effectively.

Public concern about recreation is not new to American life. It is an interest of practically every function in which government participates, schools, law enforcement, conservation, planning highways, health, welfare and even trade and commerce. It is for all ages in all walks of life. The benefits to the community are numerous.

Our boys and girls in the armed forces have been introduced to the best in recreation and know the importance of it in their daily lives. No right exceeds the right of a veteran to speedy rehabilitation and a right to a normal life. Veterans are coming back expecting clubs where they can meet old friends and will insist on decent places for their families to live and play. The towns offering recreation to the returning veteran will keep their loyalty and interest.

We cannot afford any loss in population and in consequent industry so that viewed from the economic as well as character building and rehabilitating angles, it is necessary to continue the work already so well begun in war-time as a peace-time program.

In the past we have underestimated the importance of recreation in attracting industries. It is important for just plain good business reasons.

My recommendation to this Legislature is that this valuable work be continued and carried on under the jurisdiction of the Department of Education and a fund for its continuation be appropriated. Recreation should be recognized as a vital, necessary and important public service.

## University of Vermont and State Agricultural College

The Legislature of 1941 directed me to make an investigation and report on both the educational and financial status of the University of Vermont and State Agricultural College. I secured the services of some of the most experienced experts of the country on both phases of the matter and the reports were published on July 9, 1941. The situation as disclosed by these reports was even more serious than had been anticipated and it became obvious that substantial assistance from the State was necessary in order to insure the continuance of the educational work of the University. I called upon the Special Alumni Committee for support and assistance and for the presentation of a practical plan of rehabilitation.

At the same time I appointed a Public Advisory Committee made up of outstanding citizens of the State in order to secure the benefits of their study and recommendation.

This special Advisory Committee of citizens spent several weeks in a very serious and painstaking study of the facts and recommended to me a plan of rehabilitation.

I called a special session of the Legislature in September and after six days of consideration the general recommendations made by the Committee were followed and an appropriation was made sufficient to meet immediate needs. A further appropriation was made payment to be upon condition that an equal sum be contributed by alumni and friends of the University. The Alumni campaign for funds resulted in the receipt by the University of contributions in excess of \$300,000, more than enough to meet the legislative requirements.

The position taken by temporary President Packer and by temporary Business Manager Disque before the Special Session in 1941 was very clear and definite to the effect that this University would require \$150,000 to \$225,000 a year annually in the future in order to maintain its position as a first class institution. In my message to the 1943 Legislature I said in substance that the University would need \$150,000 in each year of the biennium 1942-3 and 1944-5, in order to balance its budget.

The appropriations made by the Special Session in 1941 and the 1943 Legislature have not all been required by the University, due to a combination of circumstances resulting in unforeseen income and gifts, and therefore was not requested.

The budget of 1943 was balanced and a surplus of \$100,000 was carried forward to the next fiscal year so that only \$50,000 was requested from the Legislature of 1943 for the fiscal year 1944. Just prior to the close of the fiscal year 1944 it was found that the income of the University was sufficient to meet expenditures without using the money appropriated by the State, therefore the State was not called upon to pay the sum appropriated to the University for the fiscal year ended June 30, 1944.

Since the rehabilitation plan has been in operation only the appropriations made for the fiscal years 1942, 1943, have been used and the 1945 appropriation will be required.

However, this does not mean that there is any prospect of the State making a decrease in its contributions in the future or at least for some time to come.

The University of Vermont and State Agricultural College, like all universities, has had to meet problems of extreme difficulty during the period of war. With the drafting of virtually all young men, the University enrollment was rapidly reduced after Pearl Harbor, which of course resulted in a sharp drop in the University's income from student fees. The adjustments necessary to meet this condition have been successfully met with appropriate reductions in the University's staff and operating expenses. The University has had the great satisfaction of serving the nation by training members of the armed forces. Several thousand young men have been trained in various specialties by the University. The largest number on the campus at any one time was approximately 1500, a number equal to or slightly greater than the peace-time enrollment of the entire institution.

Now that the training period has been completed, the University has returned to essentially a civilian institution. With all its facilities available, the University has found it possible to admit additional women students and this fall the largest freshman feminine enrollment in the history of the institution was recorded.

Though the University is operating at a point considerably below its maximum capacity, nevertheless all departments are being maintained and the minimum income necessary is being received.

There has been continued progress, however, and I am pleased to report that to you today, but it does not mean that the University is out of the woods.

The notes payable as of June 30, 1944, were \$324,063.98. This liability on June 30, 1941, amounted to \$445,160.00, which are a reduction of \$122,096.11 in three years. The annuities payable have been reduced from \$49,461.32 to \$44,496.29 during this same period.

Success of the plan laid down in the 1941 legislature depends of course upon the continued support by the State through the action of this and future legislatures and also upon the loyalty of the alumni and friends of the University.

In any discussion of the affairs of the University with the 1945 Legislature there is associated with it the future plans for the expansion of the College of Agriculture.

These plans have met the approval of agriculture groups over the State and have clearly shown that an expansion should be considered.

I am thoroughly in sympathy with this endeavor as I feel sure that an aggressive, well equipped College of Agriculture would do much for the State's agricultural interests and I hope to see a full realization of the plans. The State has done little over the years towards furnishing facilities for resident instruction on the campus in the College of Agriculture.

Too much stress, however, cannot be put upon the continuance of the rehabilitation program started in 1941 if we are to put the University on a sound financial basis. The two programs must not be confused.

(See House Journal, Page 25-33, 1941 Special Session for full details of condition at that time)

"In times of plenty, let us prepare for times of scarcity."

### Finance

Over these war years families as well as states have had unprecedented incomes . . . big wages to the workers and big income to the states because of greater earnings by individuals and business concerns.

Our State income has increased over these years to the largest point in our history. The problem has not been how to get money, but how to conserve it.

Early in my administration I adopted the program of "save for a rainy day", without, however, pursuing any policy which would impair the efficiency of our State government; so today I can report to you a sound financial condition exists in our State finances.

The reserves which have been built up will stand us in good stead in the postwar era, which, I hope, is soon to come.

Briefly thus:

Unappropriated surplus, June 30, 1944 (Present trend would indicate a substantial increase before the end of this fiscal year).	\$ 1,006,000.00
Soldier Bonus Funds, earmarked State Office Building \$600,000 appropriated by 1941 Legislature, property purchases for site, architects' fees, etc., leaves balance on hand	2,500,000.00 533,000.00
Buildings authorized at Brandon State School	120,000.00
Highway Funds on hand, approx.	1,000,000.00
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	\$ 5,159,000.00
Unemployment Compensation Fund—approx.	11,000,000.00
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	\$ 16,159,000.00

This backlog of funds will help us to meet the period of construction by furnishing jobs and help cushion any extended period of unemployment that may arise.

No additional taxes have been voted during this administration. A small reduction in bank tax has been made and the amusement machine tax has been eliminated.

Besides the available funds the State debt has been reduced, January 1, 1941 to January 1, 1945, from \$7,668,000 to \$3,875,000 nearly 50 per cent, and thereby a saving in interest payments on the debt of \$88,439.50 has been effected.

Another innovation of this administration has been the investment of funds on hand in Government securities. Income from this source has produced \$41,475.03 in 1944.

The soldiers of this war will not be obliged to help pay for their own bonus as did the veterans of World War I. At that time the State bonded for \$1,500,000 to meet bonus obligations and we are still paying it off with 26 years of interest payments added, the unpaid balance on October 1, 1944, being \$238,000. I expect the \$2,500,000 already earmarked will nearly meet the State's financial obligations to the servicemen of World War II.

On November 21, 1944, 2393 veterans have received their bonus payments, amounting to \$212,589. 05, or an average of 88.00 each. On this basis of 30,000 veterans entitled to payments at this average rate, our obligation would amount to \$2,664,000, providing, of course, that recruiting does not go on for too long a time. Only time can answer that.

The fund of \$2,500,000 already earmarked for this purpose was taken from surplus funds at that time. I suggest that at least \$200,000 additional be set aside for the next biennium, and that amount be taken from the present unappropriated surplus fund.

I am proud of the State's financial condition today, particularly after all our war demands have been met on a pay-as-you-go basis. Added to that, there have been extraordinary calls on the State Treasury, including the University of Vermont rehabilitation, Highway allowances, increase in Old Age Assistance appropriation, adjustment of wages and increased appropriations for the State Institutions and welfare work, and many others .

What the future holds for the State's revenue no one can tell. I do feel, however, that the present high rate of income cannot always continue and the funds accumulated during this period should be guarded carefully.

### **Post-War Planning**

During the latter part of 1943 I called together the State Planning Board to formulate plans for the state in the postwar era. The State had been ready for war and I wanted it to be thinking about a peacetime plan.

To make a study for this purpose, I appointed eight major committees representing Agriculture, Education, Manufacturing Industries, Public Works, Recreational Development, Transportation and Communications, Labor, and Promotion of Business.

In asking citizens of the State to take their places on these major committees, I received perfect cooperation and acceptances from 85 outstanding citizens.

In describing to them the purpose of their work and their duties, two objectives were outlined:

1. To find ways and means to provide, through private, industry and public works, jobs for our returning veterans and others.
2. To plan for long range improvements which will be of benefit to the State.

The major committees were split into sub-committees when necessary for specific work, and the work has been carried out on the local as well as on the state level.

After the reports of the various communities had been approved at a meeting of the committee chairmen they were summarized by the Planning Board and put into printed form.

There will be placed on your desks the results of their labors, and this document should give you a good overall picture of the extent of state and local planning for the postwar period, based upon the two objectives outlined. It shows that Vermonters are aware of the complications of the future, and are attempting to do something about it. The plan deals with our recreational or tourist business, Fish and Game, Forestry, Publicity and points to their importance in our economy.

I want to thank the members of these committees who have given of their time and effort to this endeavor.

I am proud in my retiring message to you to report that our state was ready for war and valuable information is prepared for the period following war's end.

And now we come to the close of this administration

For over three years now, this nation has been engaged in bloody conflict with the most dangerous and unscrupulous enemies that have ever dared to challenge us. Our fighting men, including the cream of America's youth, are meeting those enemies in all parts of the world. Thousands have already given their lives in the service of their country. Thousands more have felt the grievous wounds of battle. Many will return to carry the disabling scars of war until they die. And thousands are today behind the barbed wire of enemy prison camps waiting for the release that only a victorious peace can bring.

Here at home, many Vermonters, beneath their pride and courage, already know the full depth of sorrow and the bitter price their sons have paid and are paying for our victory and our freedom. Many homes have felt the deadening shock of news of the death, disappearance or wounding of their loved ones. Many more will do so before this war is won.

All of this, plus the knowledge that our enemies are not yet beaten and that the road to victory is still long and hard and bloody, is a challenge to us at home to do our utmost to back up our fighting forces till the last shot is fired.

We must keep our state and our people alert, organized and ready for whatever emergencies the unpredictable course of war may bring. Emergency measures already taken and emergency organizations already created and functioning should be carefully examined before they are allowed to lapse or disintegrate. All that is good and useful, or may prove to be useful and necessary, in our existing war emergency legislation and organization should be preserved until the crisis which prompted its creation is ended by victory.

Governors may come and Governors may go, Legislatures may come and Legislatures may go, but so long as the people of our State continue honestly to follow the principles of good government set forth in our Constitution, so firmly established in the hearts of our people, Vermont will go forward to greater accomplishments.

As Americans we can, and must, live up to the standards laid down by the immortal Lincoln in those difficult war days of 1865, alike in so many respects to our war days of 1945.

His wholehearted endeavor to bring the war to a successful conclusion was the same then, as is ours now.

Yet, in all, he held clearly before this nation its fundamental faith in God and man. As he did so, he gave to us these imperishable words which today I urge all Vermonters to adopt as their guide, their inspiration and their goal—

“With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work up the nation's wounds, to care for him who has borne the battle for his widow and orphan, to do all which may achieve and cherish a just and lasting peace among ourselves and all nations.”

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. MYRICK,  
*Secretary of State, Clerk.*