

Inaugural address
of

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Inaugural Address

To the General Assembly and the People of Vermont:

Each of you, as members of the 46th Biennial session of the General Assembly, have taken your oath of office. I have now received that investiture of my office. It is a heartfelt occasion set in the mood of awareness of our responsibility for guiding the destiny of our State in the ensuing biennium. The authority thus placed in our trust, when used, may well be felt long beyond our term of office. In another sense we are but temporary residents of a perpetual office. Our term is but one link in the unending chain of history. The authority and responsibility entrusted to us has been exercised by our predecessors since 1778 and will be exercised in the future by our successors.

Thus the historian studies the action and charts the course that the role of government has taken. You stand on the threshold of history. As your predecessors' actions have charted history, thus will you indelibly inscribe the pages of history.

Before stepping from this threshold, it is proper to pause and review that history, consider the basic concepts and discuss the role of government. Indeed, that is the duty of leadership.

Men everywhere, in every age, have lived under some form of government. But they have very different opinions as to the amount of control that government ought to be allowed to exert over their affairs.

In this consideration, we should keep in mind one basic fact. Because this is a government whose programs and policies are determined by the winners of free elections, their actions reflect the demands of the society which elected them. Hence the role of government in a particular period of history reflects the needs and beliefs of the society of that period. We are the masters of our own government.

A century ago the structure of society, even in the most advanced countries, was relatively simple. In Vermont, as in most of America, large centers of population, cities, were relatively non-existent, and the foundation of the society lay in the farm family. None of the problems existed attendant to the gasoline engine, public utilities, transportation, communications, and the tensions between countries. These people, our ancestors, living on the land were self-sufficient, existing almost independent of the production and endeavors of others across the country. In that society of individual self-sufficiency and independence, little was asked of government. Government was considered a practical necessity and largely confined to preventing people from injuring one another and property; that is, the role of government was policeman and umpire. In this period of history, the concept of the role of government can be called basic government.

Thus what we know today as the Omnibus Bill, making the appropriation for the support of government, in 1860 contained a page and one-half, only seven sections and appropriated Fifty Thousand Dollars for the General Assembly, Lieutenant Governor, Governor's salary, Treasurer; Eighty Thousand Dollars for the Court System; Fifty Thousand Dollars for the salaries of other state officers; relief for the poor at the asylum, the militia, the Board of Education and other miscellaneous items; and Fifty Thousand Dollars for the purpose of paying any debts of the state not otherwise provided for. A total of two Hundred Thirty Thousand Dollars raised by one tax of twenty cents on the grand list of the towns and cities of the state. For our population of 315,116, it represented expenditure of seventy-three cents per person.

On the heels of this society of simplicity came the Industrial Revolution. A complete utilization and development of such things as railroads, telegraphs, telephones, automobiles, airplanes and submarines. Through these new instruments, government could assert authority instantly at any distance to mobilize a nation almost overnight, make war with machine guns, tanks, submarines and airplanes. It brought to us a world of engineers and machinists, electricians and aviators, scientists and technicians, of huge industries and businesses, professions and crafts undreamt of in an early age and molded us into a nation of mechanization, concentration of population, urbanization and individual specialization. It made each individual's life dependent on and affected by the lives of others. There sprang a society with a complexity of economic, social and moral problems.

The effect of the evolving new society was to open to government not only great international responsibility, but an ever-widening domestic realm of novel obligations, duties, tasks and challenges. Society demanded of government a wide variety of controls applying to industrial production, agriculture, trade, transportation, communication, banking, insurance and what-not; and thus evolved a broadening concept of the function of government. It has been called regulatory government.

It would serve no purpose here to detail each of the acts and amendments thereto, embracing the new fields into which government ventured with controls and regulations. Suffice it to say, they were numerous and included making the Public Service Commission a full department in 1923. In 1910 the "Act to Provide for the Support of the Government" had risen to one Million Nine Hundred Twenty-three Thousand Dollars or Five Dollars Forty cents per person with our population at 355,959. It contained two pages and twelve sections. In 1925 it contained twelve pages seventy-eight sections and appropriated, including highways, Five Million Five Hundred Eighty-two Thousand Seven Hundred and Sixty-three Dollars or Fifteen Dollars Eighty Cents per person with our population at 352,956.

We are all acquainted with the tremendous impact of the depressed 30's on our society. The problems of mere existence during those times are still vivid in the minds of men. Those were drastic times; society demanded drastic measures. You are aware of the actions taken as recorded in the pages of history. Collectively they show the great broadening in the concept of the function of government in the development of measures designed to meet the tremendous economic problem of the nation.

On the heels of the 30's came World War II of the 40's. Unification and mobilization of all our resources to produce the products and means by which we could preserve our nation resulted. This meant the unavailability of necessary funds for domestic needs such as education and highways. Hence at the close of the war we emerged a nation of prosperity facing many domestic needs neglected during the war effort.

These events resulted in a new concept of the role of government. The experiences of our times gave birth to the belief that government should take systematic and continuous measures to promote and protect the education, health, comfort, security, general well being of the mass of people. Implicit in today's view of governmental function are newer ideas of social justice, strongly tinged with humanitarianism. In pursuance of them we find steadily widening public provision for education on all levels, public owned and operated utilities, multiplied facilities for public recreation, compulsory sickness and accident insurance and retirement plans, old age pensions, maternity and child welfare legislation, unemployment insurance, social security and the recently enacted limited hospitalization, nursing home and medical care for the aged, to mention a few.

A major tendency of government in our generation has, indeed, been to become less purely political and more socio-economic. This has resulted from the demands of the electorate on their elected representatives.

The impact of the taxpayer is indicated by the fact that in 1947 biennial appropriations, exclusive of highways, was Twenty-One Million Dollars, in 1959 Fifty-Four Million Dollars. In 1961 I will be recommending Sixty-One Million Dollars; or Seven Million more.

This latter concept of government is relatively new, still in the stage of development. It envisions government as an active, aggressive, expanding, regulating force ever seeking new ways not merely of protecting people, but of advancing their economic, social and moral well being. The extent to which government can go within that concept is unlimited. It embraces every area of our existence. I welcome this concept of the role of government as necessary to the preservation and progress of our way of life. Yet implicit within that welcome is the knowledge that no greater period of history demands leadership in development of the means and methods by which that concept is exercised. It will be determinative of the truth or falsity of the communist world's charge that our grandchildren will live under socialism.

During the historical development of government to date, we continued to maintain as the foundation of our economy the free enterprise system, capitalism. This economic philosophy holds individual freedom inviolate and has its roots sunk in the incentive of individuals to attain financial success. The ownership of the instrumentalities of producing and distributing goods rests in private business.

I am convinced that no other economic system would have attained such rapid technical advance as has our free enterprise system. I am equally convinced that no other system holds the hope for progress in the future as does that system. This is becoming of greater and greater importance because of the necessity to maintain the capacity to defend ourselves and to remain the progressive picture of hope if we are to maintain our position of world leadership. Our society must be more progressive and dynamic than that of communism.

To date, our concept of the role of government, has remained generally consistent with our economic foundation of free enterprise. The broadening of the role of government has been chiefly to refine and improve our economic system by social and stabilizing economic legislation.

The future development of this newest concept of the role of government is of great concern to me. Proper development based upon an irrevocable dedication to consistency with the free enterprise system can lead to new horizons for Vermont and America. Development which does away with private ownership of the instrumentalities of producing and distributing goods with the eventual installation of the state as owner, employer and manager, thereby turning government into a veritable colossus of managerial authority, would be disastrous. That is one possibility, that is socialism.

This concern does not spring solely on the basis of patriotism or that the word "socialism" is associated with something bad. I use it in its theoretical meaning. Rather I fear it as a system, incompatible with individual liberty, incompatible with maximum incentives hence maximum progress, incompatible with human nature. But I fear it most because it would mean death to the free enterprise system. A system compatible with individual liberty, compatible with maximum incentives—in short—the only economic system by which we could have obtained the standard of living and position of world leadership which we now enjoy.

This is the greatest ideological and practical problem facing this nation. The problem of what course the development of the role of government will take. It must take a course consistent with free enterprise, its development must be to refine and improve that system, not to destroy it.

You now embark upon your deliberations which will determine the role of government for the next two years, and even perchance, beyond. We deal with practical problems whose solutions should embrace broader thoughts that new horizons be not dulled.

We meet in an age of revolution. Humanity is restless, moving. It sits on the powder keg of international relations and scientific discoveries. It gropes for a moral and spiritual life among the atoms. Vermont has the basic ingredients in its way of life to satisfy the hunger of humanity.

We can hang in suspension or move ahead. We can paint a picture of quaintness or a picture of pioneering. There is but one choice. We must create a true national vision of Vermont reflecting ideas, imagination and action. We must be bold and adventuresome to meet the challenges of both the present and future. We must and will venture beyond our borders with the finest weapon -- a briefcase full of ideas and methods of accomplishment.

It means nothing to say that Vermont is entitled to a share of this great nation's wealth. We must earn whatever gains we seek. We must admit that we have no rightful place in the ranks of greatness unless we think optimistically and positively about ourselves. Our tradition is not something to merely bask in. It is the foundation upon which to build.

Let us continue the deep-bred tradition of responsible ideals, reliable goals and a better life with leadership, imagination, action and hard work. Let this be the image of Vermont.

Our immediate concern is to underwrite the specifics of a program during this legislative session which will mean that type of progress for Vermont. To do this we will have to look well to the programs, total expenditures, the resulting taxes, and the areas in which these programs strike.

The budget for the next biennium will be our greatest concern. The amount which is appropriated requires you, as it has me, to make an educated guess as to the probable revenues from taxes during the period July 1, 1961 to June 30, 1963. Based on those estimates it will represent a 13% increase in expenditures over the last biennium. No new general fund taxes are recommended or needed under my budget.

You will be beset by many persons advocating spending beyond a progressive budget which will be presented. Totalled it can only mean new taxes -- none of which is required in my budget.

As a guide to your determinations and deliberations, you should keep in mind:

First; Vermont's population has risen only slightly and if we are to provide job opportunities whereby people may live here—your children, my children—a favorable business climate must be created and maintained.

Secondly; presently Vermonters are third in the nation in the amount of taxes paid per thousand dollars of income. Where this fact may attest to the willingness of Vermonters to maintain needed services, the conclusion is inevitable that any increased taxation will have a stagnating influence upon new job development and creation of a favorable business climate.

Thirdly; refusal to impose new taxes will be done in the knowledge that your state government will be providing a vast and varied program of service of which you can be proud.

Fourthly; experts tell us that we are in a period of mild recession and unemployment, our action should encourage the forecasted recovery.

This information should lead you to the conclusion, as it has me, that no program including new general fund taxes can be considered progressive. New taxes will stagnate and could destroy our potential development.

The budget which will be presented to you was not lightly considered. It involves each department filing their request for funds, the Budget Division of the Department of Administration holding lengthy preliminary hearings to substantiate the requests and a second period of almost three weeks of budget hearings which I personally conducted. Only after these extensive considerations were decisions made. I am convinced that it represents a financial plan of progress for the ensuing biennium. I am satisfied that the needed services contained within it are consistent with the economic welfare of the people of Vermont. I am equally convinced that increased taxation would be disastrous to the overall economic progress of Vermont.

The budget I shall present to you will not require any new general fund taxes. I will present it in detail later but now urge its eventual adoption. It is a plan of progress and of fiscal responsibility.

The program this administration proposes has four main objectives:

One, to effectively use the Department of Administration, the Reorganization and other recommendations of the "Little Hoover" Commission to make our state government organizationally sound and the most economical and efficient possible. *Two*, to create and maintain a favorable business climate, to actively solicit new business and to satisfy needs of existing business. New jobs will be the first order of the day. *Three*, to make capital investments in projects best calculated to develop the economy of the state and thus provide new jobs and higher incomes. *Four*, to be humanitarian in its approach to social problems.

May now I turn to a discussion of the means of accomplishment.

No. 329 of the Acts of 1959 popularly known as the re-organization bill, takes effect March 1, 1961. The purpose of the delayed effective date was to give you an opportunity to review the act. I most strongly urge that any review be done early in the session and that this reorganization take effect as scheduled.

The new Department of Administration has been operating since July 1st. Already policies instigated by its personnel have resulted in substantial savings to the state. There is much yet to be accomplished. The management function of the department has not yet been activated. We have under consideration the establishment of central data processing, both of which, it is my hope will be commenced early during my administration.

It will be my purpose as Chief Executive to devote all needed time to the administrative responsibility of the office.

A state may possess all of the essential ingredients creating the desire of people to want to live there; yet without a job this becomes an impossibility. A state may possess the finest educational systems; yet without

jobs its youth will necessarily leave the state. The happiness and the welfare of its citizens are related to the ability to earn a fair standard of living.

In this space age Vermont's potential is the greatest ever. Our endeavors in development should be directed to the attainment of growth in all areas of our economy. Vermont wants industry, Vermont wants recreation, Vermont wants farming, Vermont wants all associated business. Not one but all.

The problems of spearheading economic development are many pronged. It involves restoring natural assets which we have abused on the one hand, and developing those which we possess undeveloped on the other. In some cases it even means creating natural assets. It comprehends creation of a favorable climate in which to do business, a modern transportation system and good schools. It demands competitive solicitation to sell business and tourists on Vermont.

In short, it means an interwoven dynamic program given coordination and direction from the Governor's chair. This I promise to do.

The underwriting of the cleaning up of Vermont streams; a million dollar bond issue for state funds for sewage treatment plants; a million dollar bond issue for park improvement and expansion; increasing non-resident hunting license fees to provide an expansion of stocking access areas, creation of ponds; a new program in overall state research and planning; enactment of a State Industrial Building Authority to provide financing for plant construction; balancing the general fund budget without new taxes; matching all available federal funds to continue our dynamic highway program; a \$375,000 bond issue for Airport construction; providing of the funds for the eradication of brucellosis; amendment of the milk bonding laws; approval of increases in the V.D.C. appropriations are a part of such a program.

They are needed as the basis of an interwoven vital program of total development. To these I pledge, as your Governor, to give coordination and direction and to personally and actively solicit business for Vermont. Thus the new horizons and potential can become actuality.

We have assumed no greater responsibility than the responsibility to our youth. Not only to each as an individual but collectively to the generations which will lead our state and nation in the future. Meeting that responsibility focuses on superior educational opportunity.

To discharge our obligation we must act in the knowledge that we have provided the physical plants, teachers and comprehensive and broad educational program to meet the many and varied talents of youth.

That we may do so there will be submitted a Four Million Dollar bond issue to provide funds for elementary and high school classroom construction. A four million dollar bond issue for construction at U.V.M., to include a gymnasium, engineering building and remodeling of the Billings Library. I am told this will conclude the construction needs at U.V.M., for at least 10 years.

In addition I recommend construction of a gymnasium at Johnson Teachers College and a men's dormitory and dining hall at Castleton Teachers College. The latter being the beginning of a long range development of Castleton to accommodate one thousand students. The new Vermont Agricultural and Technical Institute is an expanding and valuable program and construction of new classrooms is recommended.

I endorse the recommendation of the Teacher College Study Commission. The recent accreditation of Castleton was a most welcomed event. Appropriations for teacher education contemplate further accreditation.

A study of the budget to be presented to you will reveal it provides expansion of comprehensive and broad educational opportunity.

It will provide Vermont youth with elementary and secondary education, higher education, a growing State University, accredited teacher college education, education in agriculture, electronic, highway and mechanical technology; on the job apprentice training programs leading participants to certification as master electricians, plumbers, and other skills. In special education, schools for retarded children, unfortunates at the State Hospital, the blind and the home bound.

Thus we can provide superior educational opportunity, the soundest investment in the future.

One unknown factor exists, the probability of a new educational program at the Federal level, its extent and effect on Vermont. I will maintain close contact with our Congressional delegation and recommend that our final considerations in the field of primary and secondary education be had later in the session when Federal action becomes determined.

I anticipate that you will be called on to consider revision of the State Aid to Education Formulae. Much has been said about the inequalities of the present method of distributing this aid. There will be distributed in this biennium \$10,270,000. I am recommending \$11,020,000 for the ensuing biennium, an increase of \$750,000. This is both a liberal and substantial sum of money; it represents 18% of our total general fund budget and the total of one year's collections from the income tax. I strongly oppose any revision which calls for an appropriation over that recommended. Any revision must be tailored to fit the sum recommended or it will be your task to raise Vermont to first or second in total taxes paid per \$1000 of income. This would be a dubious distinction. It would dramatically encumber our drive for an expanding economy and hence our ability to provide financing of educational programs in the future.

I have previously discussed the impact of mechanized, specialized and urbanized society on obligations of government. Vermont is no exception. Our programs to advance the welfare of our citizens have become and are a vital part of government. Pressure will develop on you to greatly expand or embark on new programs. Here, as in all areas, decisions must be made on degree, that is, the extent of old programs, need of new programs and the taxation resulting therefrom.

Within my budget recommendations you will find provisions for public assistance involving poor relief, child welfare services, aid and services for the blind, aid to dependent children, children committed to the State, nursing and limited hospital program, the state hospital, Brattleboro Retreat, Brandon Training School, Weeks, Vermont Sanatorium, retarded children, Community Mental Health, various vocational rehabilitation programs, alcoholic rehabilitation, aid to the permanently and totally disabled, old age assistance, multiple services in the Department of Public Health. This review is not intended to be entirely comprehensive. It does fairly indicate the multiple and excellent social programs to be provided for in the ensuing biennium.

One of the important problems facing us today is that of our senior citizens. This has resulted from the great medical achievements adding years to our life span on the one hand and society on the other drawing the arbitrary line of old age at 65. There are 40,000 persons over 65 in Vermont, and I am told this increases 2,500 annually. Many are able and willing to work and remain self-supporting; many should; all must have the opportunity, help and encouragement to work and remain active beyond the "legal" retirement age. This is of concern to all of us because shortly each working person will be supporting himself and a retired person. I recommend and will draft introductory legislation to meet this need. My budget provides for the appropriation.

I strongly urge the adoption of the social program listed in my budget so Vermont can continue its outstanding work in this important area. Vermont's greatest asset is her people.

Here then lies a course of progress. It is broad, it is optimistic, it is ambitious. Let these words be the eventual description of your actions.

In recommending a course and concept, I am mindful that our partnership was patterned by the framers of our Constitution. By that pattern, if the programs and ideals which I have discussed are to live, then you must give them birth by legislative breath. I do not propose to trespass upon your legislative prerogative, yet I look forward to working closely with you in these common goals for the common good.

May we forever assemble as free men governing ourselves. May our actions make us worthy of that privilege and responsibility.