

Inaugural address
of

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Inaugural Address

To the General Assembly and the People of Vermont:

I undertake my duties today as Governor of the State of Vermont with a sincere appreciation of the responsibilities which have been placed in my hands by the people of Vermont. I realize the task before me will not be an easy one.

In the two years which have elapsed since the General Assembly met here in the Capitol, our country has ended the shooting war in Korea, but is still in the "cold war" with Russia and her Red satellites.

Thus we are spared for a time at least the sad spectacle of our sons shedding their blood on foreign fields, and the terrible costs of all out war. Today the world is normally at peace but it is an uneasy peace, charged with uncertainty, distrust and hatred. Therefore, in order to be ready to defend our country, at a moment's notice, the Federal government still must expend great sums for the national defense.

The change from wartime to peacetime economy has had its effect on the people of Vermont.

There has been a falling off in state revenue and in those cities and towns which have keenly felt manufacturing shutdowns and layoffs, welfare costs have risen to high levels. Tax Commissioner Morrison believes that the fall in tax receipts will reach its lowest point during the fiscal period that ends June 30 of this year, and that from then onward the trend will be upward, but that the rise will be slow.

While state revenues have decreased, expenses of government have mounted until today we face a critical budgetary situation for the next biennium ending June 30, 1957, which the Legislature must tackle with understanding and courage. Estimates now show that on the basis of present state expenses and income, we have a deficit for the next biennium of some \$4,000,000 without any expansion of services.

This is partly due to the fact that the 1953 Legislature, rather than raise taxes to provide additional income for increased operating expenses, saw fit to use \$2,500,000 of the 1953 General Fund Surplus for current expenditures in this biennium. The greatest increase in costs during this period has been for personal services. Vermont can well be proud of its staff of department heads and employees right down the line, who are taking care of the State's varied activities loyally and efficiently. The salary increases granted under the Griffenhagen Plan were justified, but the cost to the State has been considerable. In the fiscal year 1952 the State's payroll totaled about \$8,000,000. Two years later for the year ending June 30, 1954 the total was about \$9,500,000, an increase of \$1,500,000 or nearly 20 percent.

With the pay increases under the Griffenhagen Plan, the payroll continues to increase substantially. Because of greater costs of operation, and the use of Surplus rather than increased taxes to balance the budget two years ago, you and I are now forced to begin our term with commitments against our biennial receipts, which greatly narrow the margins within which we can safely make new appropriations.

I will discuss this financial situation at greater length in my budget message but I want the people of Vermont to realize that if we are to inaugurate some new services which I recommend, we must increase our revenue. The people of Vermont have shown a continuing desire for better services and better government, and I feel that they will understand they must undertake some sacrifices if they are to make Vermont a better state for themselves, their children and their children's children.

INDUSTRIAL DEVELOPMENT

The very serious unemployment situation in several of the cities and towns of Vermont and the need for improvement of state revenues make it crystal clear that the first aim of this administration and the Legislature must be to develop ways and means of providing more jobs for Vermonters.

Now, the state cannot open its own factories to provide these jobs, and any public works projects instituted must, of their nature, be temporary. Therefore the state must throw its energy into cooperation with the town, city and regional development agencies in a great drive to secure for Vermont industries which, I am sure, are

looking toward the Northeast as a profitable place for establishment of manufacturing plants. Every man who secures a steady job becomes a part of our tax base and an increase in employment will be reflected in rising revenues, which will bring relief to the taxpayers of the state.

The Vermont Development Commission can be the dynamic organization in this drive for new jobs, serving as the liaison agency between the private community, regional and state organizations and the prospective new businesses.

To afford the communities a more efficient and aggressive program of assistance in the industrial development field, the Commission will require a larger appropriation for research and planning, and for experienced personnel who are specialists in this most competitive field.

The Commission feels that a sound and productive industrial program requires a most complete inventory of facts and figures relating to the industrial phase of our economy in order to bring about the proper planning which is a requirement of any sound development program. Because of lack of funds the Commission has not had a research and planning department for the past four years, and has had to carry out the necessary functions of an industrial development program with a limited staff. A program which will afford the communities of Vermont these services to assist their industrial procurement efforts at local level will require some additions to the staff, such as an industrial agent who will constantly be in the field contacting industries which may be seeking new locations. A marketing specialist is needed to assist established industry with product and marketing problems

In the past year there has been a decided increase in industrial development at community level, the state now having 28 local groups organized for the purpose of expanding their industrial economy. The research and marketing phase of such an operation must be considered very seriously because it will involve studies on raw materials, new products, new markets and any other phases of such analysis that will lead to greater dollar income and more diversified payrolls than now exist within the state.

The Commission must also lend a hand to our present industries in helping them expand or to solve the problems which now beset them.

I am recommending additional funds to the Development Commission for this highly important job.

VERMONT INDUSTRIAL DEVELOPMENT CREDIT CORPORATION

In this matter of industrial development I am firmly behind the work the Vermont Industrial Development Credit Corporation. I urge the people of Vermont, especially our banks, to help this new agency to develop new industries for the state.

ELECTRIC POWER

The 1953 General Assembly delegated to the Public Service Commission full power to act for and represent the State in negotiations or arrangements with the New York State Power Authority for use in Vermont of electric power developed on the St. Lawrence.

I have felt that since this Commission has long been familiar with the power needs of the State, and has not been lacking in its efforts to gain for Vermont the full benefits of the St. Lawrence development, we should continue such an arrangement. The purchase of energy from the St. Lawrence development will be an inter-state transaction and therefore normally subject to the jurisdiction of the Federal Power Commission. This General Assembly may wish to consider the feasibility of giving broader authority to the Public Service Commission to make contracts for transmission of St Lawrence power. An appropriation may be necessary for the Commission to secure such additional legal and engineering assistance as it may need in procuring our share of the St. Lawrence power, and arranging its transmission to Vermont.

If we are to bring in more industries, expand those which are here, meet the needs of the farmer for more electric power, and supply the increasing domestic demand - all at reasonable rates - the State must at all times be ready to take advantage of those present sources of power which will provide us with electricity at the lowest

possible rates and to stimulate at the proper time, the production of electric energy through the use of atomic power.

CHAMPLAIN CUT-OFF

President Eisenhower has recently issued a directive for a resurvey of the Champlain Cut-off. We will at all times exert the energy of this administration to win support of Congress for the Champlain Cut-off which when the St. Lawrence Seaway is complete, would provide Vermont with a seaport to all the world.

LABOR AND EMPLOYMENT

Vermont is most fortunate in having a reliable, conscientious and skilled labor force. From my own experience and on the frequent testimony of other employers in the state, I know that our skilled type of labor is one of Vermont's chief industrial assets.

I have proposed certain liberalizations in the Vermont Unemployment Compensation and Workman's Compensation programs. I am mindful that costs of both these programs are paid for directly by employers.

The maximum number of weeks for which a claimant can receive unemployment benefits in Vermont is now 20. All other New England states, with the exception of Maine, now provide benefits for 26 weeks.

This extended duration of benefits conforms to recommendations made by President Eisenhower and is consistent with his administration's policy of leaving to the states the determination of legislation consistent with conditions and circumstances within the state.

The Workmen's Compensation laws should be liberalized. I favor removal of the time limit for payment of hospital and medical benefits and repeal of the so-called "aggravation clause" of the occupational disease act.

To aid accident prevention in industry I propose that the state establish an annual State-wide industrial Safety Conference. Our working people are, as I have said, our greatest asset. Our record is good, but we must work to further protect them from accidents at their jobs.

AGRICULTURE

Vermont farmers are now confronted with the alternative of reducing production either by government controls or the low price method – or by selling our increased production in highly competitive markets.

There can be but one choice for Vermont and that is to put into effect a program which will sell all the products Vermont agriculture can produce efficiently. Most of this required program must be initiated and carried out by farmers and farm organizations, but the State government can be of help. Vermont dairymen, on a 12-month basis, are contributing over a quarter of a million dollars to promote the sale of dairy products.

Selling the greatly increased production of our Vermont farms depends on three major factors. These are **first** and most important, **QUALITY**. Under present market conditions, it is hopeless to try to sell profitably anything that is not top quality. **Second**, the price must be adjusted to meet competition and to move Vermont farm products in large volume. To accomplish this, every possible means of reducing the cost of production and distribution and increasing farms' bargaining power must be employed. **Third**, we must advertise and promote the sale of Vermont farm products in every possible way.

I believe that today the supply and demand factors are in better balance in the dairy products market. The Boston blend price of milk is higher than last year and the milk-grain price ratio is favorable.

Our job is to encourage and promote the sale of our agricultural products through encouragement of farmer-owned and controlled marketing, purchasing and service organizations. Their activities should be expanded.

I believe a few additions and a number of amendments to our agricultural laws are required.

To protect our markets for milk and dairy cattle the dairy industry requires a speed up in the program to control and eliminate Brucellosis. Substantial amounts of federal funds are available for the period ending July 1, 1956. The rapid, low-cost method of locating infected herds by the ring test should have legislative

authorization. All reacting cattle should be branded and the State, through the use of funds matching Federal money, should encourage the removal of reacting cattle from our herds.

The poultry industry, Vermont's second largest agricultural enterprise, should be protected and promoted by clarifying the administration of licensing of poultry and egg buyers and by greatly increasing the legal bonding limits. The industry should have study by the Department of Agriculture and the College of Agriculture.

Amendments and additions to our agricultural laws to effectuate this program have been recommended by farm organizations. Some are now in the hands of the legislative draftsmen.

Vermont agriculture is changing fast to meet new conditions. Our laws must be kept up to date with our needs.

CONSERVATION

Protection of our natural resources must always be our aim.

I particularly want to stress that this Legislature and succeeding Legislatures should at all times work for the purifying of our lakes and streams. Some good anti-pollution work has already been done in Vermont but there is much yet to be done.

I have received word that the report of the New England-New York Inter-Agency Committee is now nearly complete. Since October 1950 an intensive survey and study of the whole range of natural resources and their future possible development in New York and the New England States has been carried on by representatives of the states concerned and the Federal government. Hearings on the report will open soon for final recommendations.

I hope the Vermont Agencies concerned will do all they can to see that our interests are represented.

FORESTRY

The forests of Vermont clothe nearly two-thirds of the land area of the state. These valuable resources have a great multiple use -- as a source of raw material, an unexcelled recreation area in summer and winter, an equalizer of stream flow, a home for our wild life and as a tax base.

We must protect our forests from fires, insects and diseases and from bad cutting practices. With more extensive mechanization of our farms, more and more land now pastured will need to be reforested. Studies have been made by the State and by a private Foundation within the state on ways and means to carry out successful reforestation. I believe the Legislature should give this matter study.

In the last few years many towns, villages and cities have established municipal forests. I hope others will take similar action, Along this line may I recommend that in those towns where it has become necessary to remove roadside trees to make way for highway improvements local action be taken to plant new trees.

I believe an oppressive and unjust tax on forest land can mean premature and destructive forest cutting.

For this reason I request your careful consideration of the report of the interim Commission on Forest Conservation and Taxation.

GEOLOGY

If we are to develop industry we must know what we have for natural resources and where these resources are located.

During the past years we have had a small annual appropriation for the state geologist. Because of the limited funds progress in this department has been slow.

It is time that we stepped up our activity on research of Vermont's resources and I therefore recommend that the basic geology mapping program be accelerated in both mineral and water resources. This will require an appropriation considerably above that usually allocated to this most important department.

FISH AND GAME

Fish and game are an important part of our state's resources.

We must protect these resources and improve them so that the thousands of persons who are interested in fishing and hunting will feel they would like to visit our state and the thousands of Vermonters who yearly take out licenses are given their money's worth.

The last session of the Legislature gave certain regulatory powers to the Fish and Game Commission. I recommend that these powers be broadened to permit the prompt handling of local emergency situations.

TOURIST AAND RECREATIONAL DEVELOPMENTS

Vermont today attracts visitors in all seasons of the year.

For this reason I believe the State should extend a welcome hand to all corners of our nation so that people will be encouraged to come here. These folks spend money and this money makes jobs. This will call for expansion of our display advertising budget in Development Commission.

I particularly want to stress that the backing of this Administration will be given to all efforts to furnish access roads to developments in which people, both from within Vermont and from outside the state, have invested their money. These people need our co-operation. They have asked nothing else for their great investment in Vermont.

ROADSIDE BETTERMENT

We have been able to protect the beauty of our landscape by limiting the billboards on our highways. We also have legislation against the littering of our roadsides with rubbish and other objectionable matter. This problem cannot be solved merely by legislation, but it needs education of the general public. A National organization "Keep America Beautiful" has been set up and there is a movement to organize a "Keep Vermont Beautiful" committee, which through publicity and education, will endeavor to clean up our roadsides. I believe it would be well for the Legislature to authorize me by resolution to call a conference of interested groups to give state backing to a "Keep Vermont Beautiful" movement. There must be no trash or litter on our Vermont roadsides.

VERMONT LIFE

One of the greatest pieces of Vermont advertising, either public or private, that we have today is our state magazine Vermont Life. Its standards should be maintained and I hope that full co-operation will be given the editors by our people.

PRIMARY AND SECONDARY EDUCATION

The last General Assembly's major accomplishment, in my opinion, was in the field of Education. While I do not recommend to this Assembly any legislation of corresponding magnitude, scope and cost in this field, I believe there are several matters requiring legislative action to continue the progress already made.

The way is now open for legislation which will enable town school districts to join with neighboring districts in the operation of elementary schools. Such legislation should be permissive, not compulsory. It can be enacted through appropriate amendments to the present union high school district law.

Under the School Building Construction Act of 1953, more than two and one-quarter million dollars worth of state funds have already been granted to local school districts for school construction. While criticism has been heard of the policies of the State Board of Education in administering this act, these criticisms usually appear to be founded on misconceptions or are brought on by local conditions. Surely, if money drawn from people all over the state through taxes is to be turned over to any given locality for schoolhouse construction, the state as a whole has a strong interest in seeing that the money is used to the best advantage.

The state funds to aid in schoolhouse construction have been called for on a matching basis by the towns and cities faster than had been expected two years ago. While the funds probably will not be sufficient for a 10-year period, as was estimated by the last Legislature, there is still ample money on hand to carry the program

through the next three years and the problem of additional funds may well be left to the 1957 Legislature. This is a very important program and should be extended as needed.

The money we put into school buildings, whether from a state or local source, is wasted unless we have a sound and efficient education program going on in the schools themselves. Whether the buildings are old or new, crowded or roomy, the thing that properly causes most concern among Vermonters is what is being taught in them and how well it is being taught. Teachers and superintendents, the teachers colleges and the state of the Vermont Department of Education have been working to improve our teaching. With more and more to be taught and learned, with many groups urging more teaching responsibilities on the schools, it is not easy for busy teachers and overloaded superintendents to sift the more essential from the less essential.

I believe the state should have in its education department someone who will give his full attention to supplying guidance to local school systems in keeping their courses of study up to date.

Good teachers make good citizens out of our boys and girls. I believe the state should do everything it can to see that the standard of living of teachers is comparable to their importance to the community and to the state.

VOCATIONAL EDUCATION

As industrial expansion goes forward in Vermont -- and that is the aim of this Administration -- our supply of skilled labor must be enlarged. Within the limits of the resources of our education system I believe more adequate training programs should be provided to equip our young people for job opportunities in industry and agriculture.

A growing pool of young Vermonters, skilled and trained in industrial techniques help us sell Vermont sites to those industries which consider locating here.

A joint school-industry program at the local level, such has been quite successfully employed for many years at Springfield, is one of the means of meeting this problem. I believe our state apprenticeship programs should be encouraged and expanded. These programs enable a student to prepare for a specific job and they can be geared directly to the needs of individual industries.

For many years Federal appropriations have been available to communities on a matching basis. I believe that the Legislature should appropriate some additional funds to promote and enlarge our vocational education facilities.

TEACHERS RETIREMENT FUND

The State Teachers Retirement law carries a maximum limit or ceiling for the salary average used in computing prior Service Benefits at retirement. The state employees retirement plan carries no ceiling. This ceiling of the teachers retirement plan applies to only a few, who have been connected with Vermont schools for many years. I recommend that this ceiling be removed from the teachers retirement plan, so that these members who taught in Vermont before 1947, and whose salary average is in excess of the present ceiling, may receive the planned for retirement benefit of one-half their salary average.

HIGHER EDUCATION

Senator Justin Morrill of Vermont in 1862 convinced the Congress of the United States to adopt his idea that a good college education should be available to boys and girls in every state at a price which anybody could afford. So far, in Vermont, we have not completely followed his philosophy.

So far our high school graduates have not found it possible to move into institutions of higher learning in as great numbers as have boys and girls in other states. Figures show that only 22.7 per cent of our high school graduates today go on to higher education, as compared with 33 per cent nationally. This is something for Vermonters to think about.

Vermont has been known as an agricultural state, but under present conditions it hardly seems fair to hundreds of our young residents for the State to offer them a college education at a tuition cost of only \$225 a year if they choose agriculture, but ask \$705 if they seek training in other fields.

During the past decade the University of Vermont and the State Agricultural College have become more and more an integral part of our educational system. I believe the time has come to recognize the whole university as "our" University, Vermont's university--worthy of all support which the General Assembly may, from time to time, feel able to contribute.

The trustees of the University of Vermont have carefully studied the problems involved in clarifying the status of the University as a fully-recognized instrumentality of the State. They have recommended certain charter amendments which they consider will most practically, safely and simply achieve the necessary result. I recommend that the Assembly give study and action to these plans, which will help build a program of broad educational opportunity for our boys and girls. As set up by recommendation of the trustees, the State will at all times have a majority on the University's governing board.

All major courses of study should be equally available at the University to all qualified Vermont boys and girls, at a price which will encourage the continuation of their education beyond high school. I propose that the General Assembly make it possible by appropriation of the necessary funds for Vermont boys and girls to attend the University at a tuition fee of not more than \$425, except in the College of Medicine.

The 1953 General Assembly increased the number of Senatorial scholarships to be granted to students attending the University of Vermont, Middlebury College, and St. Michael's College. Each State Senator had sixteen of these scholarships at his disposal. This method of distributing scholarships is not sound and should be changed.

I propose that state scholarships, financed by funds appropriated by the General Assembly, be placed in the hands of a Scholarship Board, appointed in part by the Vermont Higher Education Council and in part by the Commissioner of Education and the Governor. I believe that the present grants of funds to Norwich University and Middlebury College and the scholarship funds to students attending St. Michael's College, Norwich University and Middlebury College should be continued.

I believe the scholarship granted to any Vermont boy or girl for higher education should be used in whatever Vermont College the recipient chooses.

We are now making reciprocal arrangements with our sister New England states for the education of our boys and girls in the specialized courses of their State Universities, and admitting students from those states to our University for the study of subjects, such as medicine. This is an arrangement which will benefit all concerned.

Vermont, New Hampshire and Maine, for example, each have too small a population to justify trying to support courses in all the fields of modern education and technology, which their young people may justifiably desire. It is out of the question to compete financially and for qualified personnel with each other and with the larger universities of the area and the nation. Several concrete steps have been taken during the past two years by the six New England Land-Grant Universities to implement the program. New Hampshire has already appropriated funds for a large portion of the cost beyond the tuition, of students from that state attending the Vermont College of Medicine. We can expect further programs to be developed in the future. However, the process can be materially strengthened and speeded by the adoption by all other New England states of the legislation passed by the Commonwealth of Massachusetts last year. The legislation was written during several workshops attended by state officials of all the New England States. It proposes the establishment of a New England Board of Higher Education whose purpose "shall be to provide greater educational opportunities and services for the persons residing in... New England...". The Board will undoubtedly encourage the development of professional colleges, such as Dentistry or Veterinary Medicine by one or the other of the New England States. The development of such colleges will increase the opportunity for Vermont youth to obtain professional education.

The potentialities of such a board are great for the youth of Vermont and I urge your favorable consideration of legislation ratifying the proposed compact.

SOCIAL WELFARE

I am convinced that the time has come for the State to accept a measure of responsibility in the matter of providing hospital care for the medically indigent. I believe that it is generally accepted that every citizen, rich or poor, should have access to the latest and best developments in surgical care and medical treatment if needed. It seems imperative that our smaller communities be relieved of a share of the heavy burden of the cost of hospitalization of those unable to pay for it.

Many towns have not been able to pay their hospital bills and the hospitals have been forced to absorb the cost of caring for the indigent by imposing higher charges to paying patients and by operating at financial deficits. Vermont's hospitals are not heavily endowed and most of them are seriously affected by unpaid bills. Our hospitals cannot curtail their facilities, therefore we must go to their aid.

The time has come to adopt a state-town plan of financing a program of hospitalization for the indigent. Such a program would receive approximately one-fourth of its cost from the Federal Government's matching funds. Each town could plan and budget for its share of the program. Each town would, in effect, be insured against excessive hospital bills. Such a program on a state level would depend to a great extent on the advice and recommendations of the Overseers of the Poor. The program should be designed and administered to pay the cost of hospitalizing those citizens who are sick or injured, and who can be helped by treatment in a hospital or nursing home, who cannot meet the full cost from their own resources or the resources of those upon whom they are legally dependent.

I am confident that a plan can be devised which will take care of these hospitalization costs more equitably from the pooled payments of all towns and cities and from the Federal aid available. It should not be a heavy drain on the State treasury.

Vermonters have accepted the obligation of caring for our senior citizens who lack financial resources in their old age; have financed methods of strengthening the family, and building future good citizens through services and support for dependent and neglected children; and have given aid to the blind and to the permanently and totally disabled.

The current extension of Social Security to additional groups and increases in benefits will help to relieve the disparity now existing between Vermont and the more highly industrialized states.

The objectives of the Congress are ultimately to shift the support of the aged from Old Age Assistance on the basis of need, to Social Security as a vested right.

Although total caseloads have not increased for more than four years, total expenditures to meet the needs have increased \$800,000 annually. Our Department of Social Welfare has administered its affairs at an expense below those of neighboring states.

I believe the problems of juvenile dependency and delinquency can best be aided at this time by more extensive case work service, family counseling, work on adoptions and closer and more frequent contacts with the Aid to Dependent Children Service. I recommend provision for additional social workers in the Department of Social Welfare.

CHRONICALLY ILL AND AGED

The Interim Commission on the Chronically Ill and Aged has submitted an outstanding report to the members of this General Assembly and I trust you will give it careful consideration.

AID TO HANDICAPPED

War injuries, industrial and public accidents make it impossible each year for many of our citizens to continue at their jobs or to enter their chosen profession. These disabled persons ask only that they be given opportunity to work, following suitable preparation. This is a program on which the President has taken suitable action. At a recent meeting with the President's Committee on Employment of the Physically Handicapped Mr. Eisenhower said: "There must be an increase in the dedicated volunteer work of many citizens now serving our State and local committees on employment of the handicapped." I hope to expand the present Governor's

Committee on Employment of the Physically Handicapped so that government and private agencies now engaged in this work may be capable of carrying out their fine work of finding jobs for disabled veterans and handicapped people.

Several state agencies are helping handicapped people to become self-supporting and more self-respecting through making useful and attractive articles by hand. There appears to be a need for a marketing outlet for these products. I believe we can establish a Vermont State Shop for Handmade Articles, operated under the joint auspices of the state agencies most concerned, Provision must be made for suitable quarters and a necessary staff. In the long run I believe it will pay for itself.

VERMONT ASSOCIATION FOR THE BLIND

There are many private voluntary associations which are unselfishly and devotedly doing fine work for groups of our people. Among these are the Vermont Association for the Blind, which should have some additional funds made available by the State.

PUBLIC HEALTH

The Vermont State Department of Health has steadily expanded in recent years. It is supplying outstanding service to the people of Vermont. There are many worthwhile ways in which the program might be extended and certain inadequacies corrected. I believe the state must improve its psychiatric services but I cannot recommend any great expansion of our Health Department at this time.

DEFENSE

In a world which could be at war tomorrow, we must be strong enough to repel attacks by our enemies and to protect our citizens.

It is gratifying to know that we have a strong Vermont National Guard, supported by an efficient Air Army. These units have over 2500 members and are constantly growing.

I commend the officers and men of our National Guard for their conduct and attainments.

There is a need for more armories to house our military units. The Federal government is co-operating in the building of armories on a 75 per cent Federal and 25 per cent State basis. Under this formula one armory has been built in Ludlow. Another at Winooski is nearing completion. Many of our units are crowded in rented facilities which are inadequate. I recommend the building of two armories in this biennial period; I believe we should, thereafter, build one armory a year until our military units are properly housed.

The State of Vermont owes a vote of thanks to Brigadier-General Murdock A. Campbell, who retires this year as Adjutant-General after a long period of faithful service.

PUBLIC SAFETY

The maintenance of a strong and alert State Police Force is essential to the well being of our state.

The State Police have helped Vermont maintain an enviable national low crime and accident rate status.

The continuance of the present State Police Force, and its eventual strengthening when funds permit, will insure that Vermont is able to take care of its own people on the highways and in their homes, and also protect those hundreds of thousands of persons from outside the state who each year partake of our hospitality.

FIRE PREVENTION

I am in favor of an appropriation of reasonable amount for fire prevention law enforcement. Such an appropriation should allow for the employment of sufficient additional fire investigators and building inspectors to enforce state laws pertaining to fire prevention.

CIVIL DEFENSE

New weapons of war today bring Vermont to the edge of the battlefield. We must be ever ready for the test.

For that reason I believe that we should continue a strong Civil Defense Organization, financed by the state and participated in by the municipalities. The Civil Defense law should be revised to include a clause which will make it possible for this organization to be ready and able to act in case of natural disasters.

To those good citizens of Vermont, who faithfully stand by their posts to help protect us against an enemy attack, I say: "Well done."

VERMONT STATE PRISON

The majority of the Legislative Commission, appointed to study the Vermont State Prison situation, has recommended a new prison to be built at the prison farm three miles from Windsor village. Since extensive repairs are necessary at the prison and we must act to solve the serious problem of associating young offenders against society with hardened criminals as is now being done, I believe it would be wise for this Legislature to make provision for the construction of a modern prison, financed by a bond issue.

I believe that rehabilitation of a prisoner is the important factor the State must seek in its carrying out of justice. Without separating minor offenders from more hardened criminals this cannot be done. Our state prison today does not permit this separation.

HIGHWAYS

To survive economically Vermont must have better roads.

With the decline of railroad service we in Vermont have become more and more dependent on the use of trucks, busses and private cars to carry on our every day way of life.

The result has been the use of our highways far beyond the expectations of our early planners.

This situation is not peculiar to Vermont. The National Congress has recognized the serious situation and has increased the appropriation for federal aid for highway construction.

Highway transportation occupies a place of ever-increasing importance in the economy of Vermont. The development within the past few years of the four-lane freeway type of highway has opened up a new conception of what long distance motor travel may become. The President has asked the governors of the states to present plans whereby an extra 50 billion dollars may be spent in the next ten years by the Federal Government to make the nation's highways adequate for today's needs. It is expected that the Congress will early in this session authorize a national road building program, which will include a series of throughways for Vermont. It has been announced that this program concerns the Interstate highway system and fits in with National defense plans.

Whatever action the Congress does take, Vermont should be prepared to take fullest advantage of this and any other Federal aid for highways. To this end legislation should be enacted to enable the state to acquire the full control of access on rights-of-way for such highways and wherever else in the state it is needed.

The importance of the arterial highway should not warp our judgment as to the needs of our highway system as a whole. We have main highways other than Interstate to widen and straighten, gravel gaps to fill, State aid highways to construct, and two highways to improve.

I propose a \$22,000,000 program of highway construction in Vermont, to be carried on in the next three years. \$3,000,000 of these funds would be used for more rapidly closing gravel gaps on the secondary system. This is a modest beginning of what I hope will be a continuing program of improving Vermont's roads.

I recommend that the Legislature approve a \$12,000,000 bonding program to finance this construction, which will take advantage of all matching Federal funds.

Current highway revenue is not sufficient to maintain the present program and also finance this proposed bond issue. There will be some increase in highway funds due to the presence on our roads of more vehicles using more gasoline. But this normal growth of tax income will not suffice. At least a half million dollars of additional revenue annually will be required to meet the problem on a businesslike basis.

AVIATION

The Vermont Aeronautics Commission has done well in keeping the state abreast of aviation developments.

We now have air passenger and freight service in Burlington, Rutland and at the Montpelier-Barre field, and soon Northeast Airlines will add Newport to the list of its summer stops.

Airports in Springfield, Bennington and other towns have been improved for private flying, including use by many business planes.

With other transportation methods decreasing their service to Vermont, we must continue to develop the use of aircraft to assist our people in solving their transportation problems.

RAILROADS

Railroads are still an essential means of transportation, both for freight and passengers. Their interests should be considered in any legislation affecting transportation.

PERSONNEL

At the present time the expenses of the Personnel Department are pro-rated among other departments of the state. I recommend that this procedure be changed to simplify the accounting and that we follow the same procedure as for other departments. I also recommend that the Personnel Director's term of appointment be for six years rather than for two years as at present.

On July 27, 1953 the Personnel Board and the Governor made effective the recommendations of the Griffenhagen Associates relative to salary adjustments for employees whose positions are classified under the Personnel Act, or substantially so. These recommendations were made in a report to the Governor prior to the 1953 Session of the Legislature. During that session some adjustments were made in salaries of Departmental Heads but such salaries were not adjusted to the extent recommended by the Griffenhagen Associates. Consequently certain state salaries continue to be on the low side.

In view of these circumstances the Legislature may wish to give consideration to the Griffenhagen recommendations heretofore made, regarding salaries for Department Heads. This would be no more than fair in view of the favorable action previously taken by the Governor and the Board in adjusting salaries of classified employees.

RECREATION

Vermont has been most fortunate in being able on a state level to assist in the development of a number of successful local community recreation programs. I believe that this work should be continued.

Recreation in a community helps our young people to attain self-expression in normal and healthy ways. These same youths, deprived of such a program, grow restless and sometimes turn to bad habits or crime.

Boredom also weighs heavily on our senior citizens. It is encouraging to note that many Vermont communities are providing recreation for them in their leisure hours.

The state provision for services to the communities through our Recreation Board is broad in functional coverage. It pays off in dividends from citizen participation in recreation activities--health, education, physical and mental fitness, good citizenship and character building.

I regard it as an important part of our Vermont way of life.

HISTORIC SITES

I believe we should continue the good work of the Historic Sites Commission.

Our biggest responsibility is the Bennington Battle Monument, now badly in need of repair. This monument, once privately supported and maintained, must not be neglected.

VERMONT SYMPHONY ORCHESTRA

The State of Vermont can well continue to encourage those things which help to raise the cultural standards of our way of life. The state has received wide recognition for the accomplishments of the Vermont Symphony Orchestra. I hope that the financial support to this worthy endeavor may be increased to meet rising expenses.

STATE BUILDING COUNCIL PROGRAM

The State Building Council has included in its report for the two years ending December 31, 1954 a recommendation to the Legislature that funds be provided for 17 projects with a total estimated cost of \$1,819,000. There are 20 additional projects listed for consideration by the Legislature, which are not so urgent, whose combined estimated cost is \$1,783,000.

Since 1947, over \$9,000,000 has been appropriated for new construction or additions to existing structures. I believe that it is important that the State of Vermont continue a sound forward-looking building program financed by a bond issue. I would especially recommend for your consideration at this time the long needed addition to the State Library and the Auditorium and Cattle Showroom for the State School of Agriculture at Randolph.

This Building Council Report will be discussed further in the Budget Message.

BUDGET

For nearly two months as the Governor-elect I have had the responsibility of working out a financial budget for the next biennium. In recent years the business of the State of Vermont has multiplied to such an extent, and the expenditures of the State have mounted to a point where it is unwise to leave the preparation of the biennial budget to a few weeks' effort on the part of the Governor-elect. This has become a stupendous task. This year with the fine co-operation of the State Departments, and the help of our experienced state officials, the State Treasurer, State Auditor and Tax Commissioner, we present a budget which we hope will meet with your approval, and which we trust will be for the best interests of the people of Vermont. However, a better job could be done if a practical way could be found to have the necessary detailed information, needed in budget planning, ready for the Governor-elect immediately after the election. I plan to present a recommendation relating to this matter for the consideration of this Legislature.

LEGISLATIVE PROCEDURE

The Legislature has before it a report recommending changes in legislative procedure designed to expedite the work of this and future sessions. I commend the Commission to Study Legislative Procedure for its accomplishments.

In this connection I appreciate the efforts of Legislators and Department Heads to get bills in early so work can be started at once. To further this cause I plan to deliver the Budget Message to the General Assembly a week from today, which will be earlier than usual.

THE FUTURE

The State of Vermont has made sound progress through the years but it is not yet as prosperous as we can make it.

Far too many of our young people still leave Vermont to give their quick minds and vigorous energy to the rest of the Union.

So far we have not been able to influence establishment within our boundaries of a considerable number of industries, able to give our people employment and keep our youth at home.

Too many farms have gone back to the woods. Too many of our streams and lakes are polluted. Too many of our trees are being carelessly forested. Too few of our resources are being properly developed.

I urge you, as representatives of the people of Vermont, to help me shape a program which will improve this situation. We are a small state and our income is not what other states have, but we must move forward in this

age of progress. If we expand or increase the state's services, we must get the money to pay for them. Let us do it wisely and well.

There are some among us who at the first sign of economic slowdown seem to lose courage and show no faith in the future. The pioneers who settled among these hills met hardships and adversity and yet did not falter or become downcast. They continued in spite of all obstacles to look upward and forward, and they kept clear vision of a better and more abundant future. We should do no less. The present may seem uncertain and at times even grim. But Vermont, established on a solid foundation, is not a poor state and we need not be discouraged. I believe that we are on the threshold of vast material developments. We must plan with prudence, act with courage and with boldness build for the future. We need the faith of our fathers and the willingness to sacrifice for that faith.

To those whose memory of government affairs goes back a generation, or even less, the growth of governmental expenditures on the national and state levels cannot help but be astounding. I am opposed to any unnecessary centralization of government, believing that controls should be kept as close to the people as possible. But this modern industrial age has brought vast changes, with new problems in government. Many services which the people need and demand, are now beyond the capacity of the individual and the local community to provide. The state with its broader authority and taxing power is called upon to regulate or take over more activities. This appears inevitable but even big government has the obligation to operate for the best interests of the individual citizens, with prudence and economy.

It is impossible in these few minutes to cover all the details and ramifications of our state government. But in these closing sentences I have tried to express something of my basic philosophy.

Even under a system of liberty and free enterprise such as we still enjoy, there will always be failures, misfortunes and sorrow.

But whether we have generations of American citizenship back of us, or have but recently come to this land of promise and of plenty, the beacon of hope for people the world over, we must remember that we cannot live merely for the present. We all owe a great debt for the heritage which we enjoy, and we can do no less than do our best to try to pass on to those who follow us, opportunities for better health, broader education and a fuller life, spiritual as well as material.

Let us, working in harmony as true Vermonters, develop a program here that will accomplish for the State the Prosperity and Happiness of Our People.

We can approach nearer these goals, but it will take the combined and earnest planning and labor of all of us.

The citizens of the State, you the duly chosen representatives of the people, and I elected as Chief Executive of this proud State of Vermont, working earnestly together for the common good, ever remembering the importance and power of spiritual values, with a real trust and faith in God, can overcome the obstacles and accomplish much for the present, but more important we can build well for the future.