

**ADDRESS**  
**of**  
**LINWOOD HOLTON**  
**GOVERNOR**  
**TO THE**  
**GENERAL ASSEMBLY**  
**WEDNESDAY, JANUARY 9, 1974**



**SENATE DOCUMENT NO. 1**

COMMONWEALTH OF VIRGINIA  
*Department of Purchases and Supply*

Richmond

1974



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**of**  
**LINWOOD HOLTON**



*Mr. Speaker, Mr. President, Members of the General Assembly and My Fellow Virginians:*

At the outset of this address I would like to extend my best wishes to my successor and predecessor, the Honorable Mills E. Godwin, Jr.; to the incoming Lieutenant Governor, the Honorable John N. Dalton; and to the Attorney General, the Honorable Andrew P. Miller.

I now stand before you for the last time. I do so with a mixture of emotions—of sadness that these four years should have passed so quickly; of happiness that working with you for the benefit of the Commonwealth has been so pleasant; and of gratitude to you and all the citizens of Virginia for making my term so rewarding.

Virginia's growth in these four short years has been great: our per capita income rose from 90 per cent to 96 per cent of the national average, moving up a fantastic 3 percentage points in 1972 alone; our unemployment rate was consistently the lowest of any state in the nation; and our efforts in the international field provided an increasing contribution to the State's economy, as evidenced by the approximately  $\frac{1}{4}$  billion dollars which were announced for investment to create manufacturing jobs in Virginia by foreign corporations.

Let us also not forget what you and I working together have been able to accomplish during the past four sessions of the General Assembly.

In 1970, you appropriated the initial funds to launch our program of water pollution control through the building of sewage treatment plants. You took the first step toward the unification of the ports of Hampton Roads—a unification which has now been completed and which is generating continued industrial growth throughout the Commonwealth. You gave final approval to a revised Constitution which was overwhelmingly ratified by the people in November 1970. You began an important effort in the area of consumer affairs with the creation of the Office of Consumer Affairs. And you passed a strengthened conflict of interests act.

In 1971, in the extra session, you adopted 104 measures designed to implement the revised Constitution. Moreover, for the first time under the State's expanded borrowing powers, you approved a \$23.6 million revenue bond issue, using the credit of the Commonwealth to provide new dormi-

tories and other facilities at five state institutions of higher learning at minimum interest costs.

In the regular session of 1972, there were two notable fields in which you broke new ground. First, you established a cabinet form of government, thereby improving communications between the Governor and department heads and attaining better coordination among the components of the executive branch. Second, you became the first state legislature among the states of the Old Confederacy to enact an open housing law, a law which clearly manifested our determination to make Virginia a model for the nation in race relations.

In addition to these two acts, you appropriated much-needed funds for capital costs of the mass transit program in Northern Virginia and for mental health programs. You also passed several significant pieces of legislation: to expand the housing market for low and moderate income citizens; to establish standards of quality for our public schools as required by the revised Constitution; to provide protection for our vital wetland areas; to require stringent plans to prevent environmental damage caused by strip mining; to make permanent the Drug Abuse Control and Environmental Councils which I had created by Executive Order in 1970; to implement the recommendations of the Virginia Courts Study Commission by reorganizing and combining lower courts; and to combat drunken driving by lowering the permissible blood-alcohol level and permitting the results of breath tests to be used as courtroom evidence.

In 1973, in the first regular session to be held in an odd-numbered year, you matched our commitment to standards of quality for public education with cold cash—\$24.7 million to be exact—a sum which has already enabled us to improve the education received by children in every part of the Commonwealth, regardless of the wealth of the county or city in which they live. In fact, between 1972 and 1973 the number of children enrolled in public kindergartens more than doubled. You responded to a critical need by appropriating funds to procure more adequate and just compensation for state employees. You approved three truly worthy revenue bond projects—the widening of the Richmond-Petersburg Turnpike, the launching of a development program for the Medical College of Virginia Hospital, and the completion of capital outlay projects at 17 of our institutions of higher learning. You set up a tuition loan program for students at our public and private institutions of higher learning. You continued the decentralization of our mental health programs by providing additional funds to give more services to our mentally ill and retarded at the community level. And you financed Virginia's commitment to a more meaningful penal reform program.

We have indeed accomplished a great deal together. I would not, however, like to make this final message to you merely a reflection of our past

accomplishments, proud of them as we may be. As a great Virginia Governor, Colgate Darden, recently said to me, the office is not one where you finish endeavors but rather where you begin them. We have begun much these past four years, but much more remains to be done. It is to those matters—matters of priority and importance—that I would now like to address myself.

There is no matter of greater priority and importance than the energy crisis. To help solve the crisis, I took action last year to stockpile oil reserves and last November to lower speed limits on our highways and thermostats in our state buildings, thereby making Virginia one of the first states in the nation to take these significant steps. Yet just as we have lowered our speed limits and thermostats, so we must raise our sights to deal more effectively with the energy problem.

## ENVIRONMENT

If the energy crisis has taught us one lesson, it is that we must conserve our resources. We cannot afford to squander recklessly our sources of energy, but neither can we afford to neglect the protection and preservation of our environment. It is all too easy to take the short-sighted approach and say that we must use our resources whatever the cost to our environment.

Moreover, the citizens of the Commonwealth want us to continue the progress we have made in keeping our skies clean and our waters pure. A coordinated effort is required, an effort which can only be accomplished through the establishment of a Department of Environmental Protection.

Such a department would be comprised of the present Water Control Board, Air Pollution Control Board, Marine Resources Commission, Soil and Water Conservation Commission, and a new Solid Waste Board. It would be headed by a commissioner, appointed by the Governor and confirmed by the General Assembly, who would serve as the State's principal official for carrying out environmental policies.

I urge you to establish this Department of Environmental Protection because we must take a broader approach to the complex environmental problems we face today and the even more complex ones we will confront tomorrow. In short, we must establish the institutional framework to engage in strategic environmental planning for the Commonwealth as a whole—and we must do so now. If we postpone or procrastinate, we do so at our peril.

It has been suggested that such environmental planning might just as readily be done by an administrator rather than through a new department. I do not believe, however, that anything short of the proposed department would permit the essential planning we desire. Furthermore, I do not believe that anything less than such a department would permit the consolidation

necessary to bring about the financial savings and administrative efficiencies that all of us want.

Even the creation of a Department of Environmental Protection will not resolve all of our environmental concerns. For instance, I feel, as I have stated twice before, that it is imperative for Virginia to have a meaningful Electric Facilities Siting Act, which would provide for a fair balance between economic and environmental interests. Under the Act, the State Corporation Commission would first determine the need for the additional power facilities, and the Department of Environmental Protection would then decide, based on sites submitted by the utilities, where the facility should be located.

The difficult question of land use regulations is equally important. It also requires balancing the twin goals of economic development and environmental protection. Last year I urged you to consider the recommendations of the Division of State Planning and Community Affairs, and, after some discussion, you referred those recommendations to a VALC Study. Today I again urge action; for, if we do not act now, the federal government will soon be telling us how we must protect ourselves from ourselves.

### TRANSPORTATION

In 1973 I also called for the creation of a Department of Transportation. The energy crisis should certainly make us realize just how badly such a department is needed. Indeed, such questions as mass transit, highway construction, use of railroad facilities, air transport, and port activities cannot be treated as separate problems. They are all intermingled and intermeshed. I therefore hope that you will act to give our citizens a transportation network which is both economically and environmentally sound. A Department of Transportation will enable us to do just that.

Nowhere is the need for utilization of all our transportation facilities more critical than in the urban corridor between Richmond and Washington. We simply cannot put any more lanes of concrete into this corridor other than those presently contemplated. We cannot, in short, go further with pavement.

Our future legislative policy must be to maximize fuel economy so as to provide more efficient passenger and freight transportation in the urban corridor. We have already had the benefit of a study showing how rail transportation can be utilized to carry passengers between Richmond and Washington. I suggest that you further conduct a study of how freight might be transported by rail in the urban corridor while at the same time preserving profits for our motor carriers.

An obvious facility to which you should look is the Richmond, Fredericksburg and Potomac Railroad. I am told, for example, that the railroad estimates that it can carry 150 trailers piggyback aboard a trainload of 75

cars from the North Carolina area to the major metropolitan areas of New York and New Jersey in about 10 hours. Intelligent use of unit train carriers for moving trailers could well preserve, or even increase, motor carrier profits, significantly increase utilization of rail capacity, effect substantial savings of fuel oil—moving a ton of freight by rail takes only 25 per cent of the fuel required to move it by truck—and noticeably enhance our environment.

Recognizing the savings that must be found in the transportation area, we must place increased emphasis on mass transportation. In its ten-year plan, the State Highway Commission has provided nearly \$100 million for highway aid to mass transit in the urban areas of Virginia. The beneficial results of this program have already been reflected in the Shirley Highway express lane experiment for buses and car pools and in the Parham Road bus operation in the Richmond area. I am sure that the Highway Commission will not only wish to continue but to increase highway assistance to mass transportation.

In particular highway funds might be used to acquire and rehabilitate local bus systems as the need to bring these private facilities into public ownership arises. Moreover, such funds should be employed to underwrite the construction costs for needed rapid rail transit systems, costs now receiving only modest state assistance—and that from the General Fund.

Recently enacted federal legislation provides some help, in urban areas, for the expenditure of federal highway funds for mass transportation. I am hopeful that the Commonwealth's laws can be amended to supplement these federal funds with state funds.

As another means of conserving energy, I urge you to explore the possibility of using solid wastes for fuel. Recently, I observed that Denmark is successfully burning trash and garbage to heat homes and factories. Private enterprise here in Richmond is already examining ways to use this source of energy. I urge you to cooperate with Virginia corporations and municipalities to repeat the success of the Danes in solving the solid waste disposal problem, while at the same time providing office buildings with heat in winter and chilled water for cooling in summer. I have assured the private developers that I feel this is the type of project in which I believe the Commonwealth would want to participate, and I am confident that you too will endorse this idea.

## REORGANIZATION

The necessity for Departments of Environmental Protection and Transportation underscores a further need: the need for the Governor to have the constitutional authority to reorganize the executive branch for more efficient government. Although I know that you are now studying the question of governmental reorganization—and I wish you well in your

endeavors—I believe that the political pressures on you will be too severe for you yourselves to carry out any meaningful reorganization. Our joint efforts to effect consolidations in the past three years in the areas of environment and transportation are telling examples of the futility of legislative efforts to consolidate departments in the executive branch.

For this reason, I propose that you initiate a constitutional amendment, in accordance with suggestions made by the Commission on Constitutional Revision in 1969, authorizing the Governor to initiate the reorganization of the executive branch. Any such reorganization would, if not disapproved by the General Assembly, become effective and have the force of law.

### WELFARE

Reorganization is also required in the welfare and institutions area. Several studies have been conducted over the past decade on the reorganization and restructuring of the Department of Welfare and Institutions. The time has now come to realign the administration of that agency.

While I am opposed to the proliferation of state agencies, I feel that, in this instance, the creation of a new department is justified. The existing Department of Welfare and Institutions is a large agency with important but very diversified programs. With the cabinet form of government, it is appropriate for the agency to be divided into two departments, one dealing with corrections and one with welfare, to attain better and more effective administration in both areas.

Perhaps no government operation is as complicated, as condemned, or as vitally necessary as that of providing financial and social services to people in need. Serious attempts have been made to improve the administration of Virginia's welfare program. For the first time in several years there has actually been a reduction in the number of people receiving welfare payments in the Aid to Dependent Children category.

While there should, of course, continue to be community participation and community response in meeting the needs of Virginia citizens, economy and effectiveness in administration demand that modern computerization and accounting systems be employed on a statewide basis. Indeed, the mere fact that there are more than 120 separate jurisdictions dealing with welfare and related programs demonstrates the need for such a system. In developing this system, we will help reduce the error rate in welfare payments to a level where the citizens of the Commonwealth will, once again, have confidence in the administration of social service programs.

Reform in the welfare area will not, of course, end with this much-needed system. For that reason, you should continue the study which was initiated in 1972 and which will hopefully recommend additional changes for making Virginia a pilot state for welfare reform.



If reorganization is required in certain branches of state government, regional cooperation is equally imperative for our local governments. Last year I recommended specific legislation to you for improving regional cooperation. While I do not have any definite legislative proposals to make at this time, I do feel that localities should be encouraged to work together in such fields as landfills, jails, transportation, police training, and water and sewage facilities.

Once again, I urge you to adopt the Uniform Motor Vehicle Accident Reparations Act, for it is the only true no-fault insurance act. I also recommend that you approve a driver incentive program to improve traffic safety. Based on a point system which monitors performance, the program would require driving improvement lessons if the driver's record indicates an accumulation of traffic violations and accidents.

## BUDGET

I will submit to you on Friday a budget for the next biennium totaling approximately \$3 billion from the General Fund. Its three major segments are of great concern to us all: the administration of justice, education, and mental health.

Every effort has been made to improve the standards in these areas and to give significant recognition to improving efficiency in the legislative process. In other areas the effort has been to maintain, at the very least, the high levels previously attained.

It has indeed been difficult to meet these limited objectives. Some assistance has been provided by assigning a part of the cost of patrolling highways to the highway fund, thereby making available approximately \$14 million in the General Fund for the above objectives.

Even with this assistance, there remain many deserving programs and projects which have not been funded. If these programs and projects are to be funded, additional revenue must be found. Although some funds may be made available through increased efficiencies (such as those resulting from the 1970 Management Study), it is apparent that these efficiencies and the normal growth resulting from an expanding economy will not provide entirely for existing programs, and certainly not for future programs and projects. If they are to be provided—and I mean existing programs, such as the court reforms, corrections, quality education, much-needed upgrading of the General Assembly, as well as new programs for which you may see a need—a tax increase, equal at least to what I recommended to you in 1972, will be imperative at some time during the next four years.

Before turning to specific items in the budget, I want to call your attention to one aspect of funding for the current biennium. The revenues already received and projected through June 30, 1974 will fall below the esti-

mates made in 1971. Although the net difference is small—some \$32 million—it requires executive action. Accordingly, I have requested state agency heads to limit expenditures during the remainder of the biennium, and I have provided that June payrolls which are paid in July 1974 be charged as July expenditures. Even though this is a bookkeeping change which does not affect any employee, I feel that it is incumbent upon me to call it to your attention.

More specifically, the budget calls for increased funding to meet the constitutional requirement for standards of quality throughout our system of public education. It also contains funds in the field of corrections which will both enable us to hire—at adequate salaries—the security personnel the system so desperately requires and permit us to continue our sorely needed program of corrections and rehabilitation. And it provides significant sums to continue the development of a new and modern mental health and mental retardation program. Virginia has the opportunity to become a national leader in these three fields, but only if you give special attention to their needs.

One capital outlay request in the budget deserves special comment, namely the proposed new building for expansion of the law school of the College of William and Mary. It would be located adjacent to the projected National Center for State Courts, for which I expect private philanthropists to contribute \$1 million at my behest toward the construction cost of the Center Building.

Although there have been suggestions that a new law school be built in another area of the State, I feel that the Commonwealth simply cannot afford or support three state law schools. I therefore recommend that a new building be constructed at this, the oldest law school, after all, in the United States. I urge you to appropriate both planning and construction money at this session to enable us to dedicate this expansion of the Marshall-Wythe School of Law on July 4, 1976, the 200th anniversary of the signing of the Declaration of Independence. I can think of nothing more appropriate for us to do to commemorate this event.

In addition to being part of a complex which will be a source of justifiable pride and great service to the Commonwealth, the new building will provide facilities for an additional 150 law students and enable the conversion of existing buildings on the old campus for the housing of 200 additional undergraduate students. It is projected that all of this can be accomplished at a cost of only \$4,800,000. I say *only* because the projected cost of a third law school would be approximately \$12,000,000. The funding of the new law school building is therefore an excellent investment opportunity which we can ill afford to overlook.

Another capital outlay request which is *not* included in the budget also deserves special mention. A General Assembly study commission recommended that Virginia's first school of veterinary medicine be established at

Virginia Polytechnic Institute and State University. Neither I nor the State Council of Higher Education agree with this recommendation.

Virginia presently has contracts with the Southern Regional Education Board for Veterinary training at the University of Georgia and at Tuskegee Institute and, outside of the SREB area, with Ohio State University. In addition, there will be new spaces at the University of Florida and Louisiana State University by the fall of 1976.

Current contracts between Virginia and the states where these schools are located provide spaces for twenty-one entering students at a cost ranging from \$3,600 to \$5,000 per student. Annual operating costs for a new school of veterinary medicine would range from \$2.5 to \$3.5 million; construction and fixed equipment costs for such a school would be \$18 to \$24 million. Since contractual arrangements bypass construction costs and since roughly one-half of the estimated annual operating cost could secure places for approximately 60 entering Virginians even if the contract fee were raised to \$7,000 per student, it simply is imprudent to build a new school in Virginia at this time.

Indeed, before any action is taken, I believe that Virginia should work closely with the Southern Regional Education Board and those states considering new veterinary schools to reach a regional recommendation. Until that time, no appropriation of funds—including planning funds—should be made or other steps taken toward the establishment of a veterinary school.

Given the cost of land today, I urge you to adopt the proposal put forth by the Commission of Outdoor Recreation calling for an \$84 million bond issue to acquire land for the development of local, state, and regional parks. We are fast running out of recreational areas, and if we do not act now, the cost for such areas will soar beyond our reach.

Land costs are now estimated to be increasing at a rate of 10 to 15 per cent per year. The annual interest on the bond issue will likely be less than 5 per cent. Our course is therefore obvious.

## CAPITOL SQUARE

I recognize that you have worked long and hard to determine how you can best expand your chambers and facilities, and I applaud your efforts. As yet, however, no plan has been devised which has received general acceptance—and I do not believe there is any suitable alternative to that already envisioned by the 1970 Master Site Plan for Capitol Square. This plan calls for locating the proposed legislative building in the area at the southeast corner of 12th and Broad Streets, from which the obsolete Memorial Hospital is soon to be removed.

The site is presently owned by the Commonwealth; it could be connected to the Capitol by an additional underground tunnel with moving sidewalks;

it has the advantage that it can be expanded vertically; and it is the same approximate distance from the Capitol as the Ninth Street Office Building. It would, accordingly, provide an auspicious location for a new legislative structure, with new legislative chambers and offices or, if you continue to use the present chambers, offices alone.

In addition to being readily accessible and available, the proposed site would prevent any objectionable impact on either the Capitol or its grounds. Moreover, by closing Governor Street, the area adjacent to the new building can be harmoniously landscaped, providing room for more—not less—trees and grass in an expanded Capitol Square.

Since the site would easily accommodate all the facilities which you desire, including underground parking and adequate space for press, and would cost far less than the proposed underground facilities, you should carefully consider this location in your deliberations. This approach seems to meet your needs, allow for future expansion, and leave inviolate Mr. Jefferson's Capitol and its historic and beautiful grounds—one of Virginia's great heritages. For your convenience and to enable you to get a better understanding of the proposed site, a copy of the Master Site Plan has been placed in the Rotunda. Note especially that the three unique buildings on Morson's Row can, and should, be preserved simply by moving them to an adjacent site south of their present location.

### PROPERTY TAX

Last year you authorized an in-depth study of our real estate property tax system. That study has now been completed. The reason for the study was a widespread feeling that the current local real estate tax base, which produces over \$500 million annually, contains significant inequities among people paying local property taxes.

The study clearly indicates that this concern was well-grounded and that property tax inequities are much broader than we had originally feared. If you consider only uniformity of assessments within the agricultural class of property owners, 90 counties have agricultural assessment bases that can only be termed significantly inequitable. Moreover, there are only nine counties that have equitable residential assessments. This situation is a deplorable one for the local property taxpayer.

A recent Virginia Supreme Court decision sets forth unmistakably the constitutional mandate of uniformity of assessments. Unless you act to enforce assessment uniformity, local governments in the next two years may face the most serious fiscal crisis in their history. Action by you is now mandatory!

The question of property tax relief is a special concern of our senior citizens. Since they generally have low and fixed incomes, I believe—as I said

in 1973—that the burden of the property tax should be partially lifted from their shoulders.

### SALARIES

Last year, too, you increased salaries of state personnel. Still, if we are to maintain our position in state-administered programs, further consideration must be given to the income levels of state employees. Provision has therefore been made in the budget for an average pay increase of 4.8 per cent for all state employees to be effective the first year of the biennium. If inflation continues, you will have to make a cost-of-living adjustment in 1975.

Despite these increases, the salaries of our agency heads are still not equal to those in private industry. If we are to continue to have the excellent executive leadership that we have enjoyed in years past, we must make these salaries competitive with those paid in private industry.

I have accordingly recommended a salary range for agency heads rather than a fixed salary rate and have included monies in the budget for this purpose. Although it may not be possible to provide such increases at this time because of the Cost of Living Council's guidelines, I hope that you will include funding for this purpose so as to make the increases automatic as soon as federal regulations permit.

One recommendation, perhaps a rather personal one, concerns the naming of state buildings. When we began several years ago to construct state office buildings around the periphery of Capitol Square, it was planned that these buildings would be named for former presidents of the United States who were residents of Virginia. One of these buildings is now the Madison Building. The other was planned to be the Jefferson Building. Its statuary, bas reliefs, and engraved quotations are of Jefferson. I believe you should find a suitable memorial for Senator Blanton, but I also feel that you should return to the original plan and rename this building in honor of the author of the Declaration of Independence.

One more exhortation—this too concerning one of our early state and national heroes—and I will conclude. Mr. Paul Mellon, who has been extremely generous to the Commonwealth, has asked that Virginia lend to the National Gallery of Art in Washington, for a brief period in the Bicentennial year of 1976, the Houdon Statue of Washington to be the central figure in an exhibition of important statuary of the Revolutionary era. I am advised by competent professionals, including our own at the Virginia Museum of Fine Arts, that it can be moved safely. I should think that Virginians would be proud to share this treasure with the larger, national audience that would view it in our nation's capital, and I urge you to give your permission for this to be done.

Shortly before Mr. Jefferson left the Presidency, he wrote these words to a friend:

“Within a few days I retire to my family, my books and farms; and having gained the harbor myself, I shall look on friends still buffeting the storm with anxiety indeed, but not with envy.”

Governor Darden has several times updated Mr. Jefferson’s sentiments, in his inimitable Tidewater accent, with these words to me:

“I’m glad you’re they-ah, and I’m he-ah!”

But I have had, in sum, the singular honor to serve this Commonwealth as Governor. There is no office in which the accomplishments of predecessors are more inspiring. There is no office in which there exists greater opportunity for service to present and future generations of Virginians. I leave it with sadness (for we have had a happy time here) and, while not with total satisfaction, yet with some sense of accomplishment. And I leave it with hope and great expectation, because of friends who will continue leadership here as I move to new opportunities.



