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**Veto Message: Governor Davis  
1971 (H.288)**

**An act to authorize the extensions of employment security benefits."**

STATE OF VERMONT  
Executive Department.  
Montpelier, Vt., April 26, 1971

The Speaker laid before the House a communication from the Governor as follows:

To the Speaker of the House of Representatives

Sir:

Under the provisions of Section 11, Chapter II of the Vermont Constitution, I am returning herewith House Bill 288, "An act to authorize the extensions of employment security benefits." For the reasons set forth below I must refuse to sign this Bill.

Unemployment benefits are a form of insurance, paid for solely by employers in the form of a wage tax. The taxes paid by employers constitute a benefit pool from which payments are made to qualified employees.

More than half of the states provide benefits to qualified employees for only twenty-six weeks. Vermont already provides benefits for thirty-nine weeks and if H. 288 were to become law, would be the only state in the nation to provide fifty-two weeks of unemployment benefits.

Such a level of benefits, supported by Vermont employers, clearly works to the disadvantage of Vermont. Those firms already doing business here would be put to a disadvantage with competitors in other states where the benefit period is considerably less. Similarly, firms looking for new locations would be less likely to

select a state in which unemployment taxes were required to support benefits at the fifty-two week level.

More importantly, the entire nation is in an economic slump. A high rate of unemployment is being reported throughout the nation, and it does not seem fair to penalize Vermont employers by further taxing them to support a benefit level which does not exist elsewhere in the United States. The effect of House Bill 288 is to substitute unemployment benefits for welfare payments.

I recognize that the Unemployment Compensation Trust Fund, in the approximate amount of \$20 million, may appear sufficiently large to provide the additional benefits. It should be noted, however, that the fund has declined rapidly from a level of \$25.5 million in only 3 ½ months, and a continuation of our present level of unemployment will cause the fund to decline further.

Commissioner Hackel has given me her views on House Bill 288. Her long experience in the field of unemployment compensation lends considerable weight to those views. Mrs. Hackel has concluded that the present Vermont unemployment compensation structure, including other bills already passed this year (H. 86, H.255 and H. 256), provides a responsible and comprehensive program for employees. She and the other two members of the Employment Security Board (Messrs. Huber and Hill) are opposed to a fifty-two week benefit program.

Any governor is reluctant to return to the legislative body a piece of legislation which it has enacted, but the constitutional process requires that both the legislative and the executive branches be satisfied with the wisdom and soundness of any new law. In this instance I consider that House Bill 288 is not in the best interests of the people of Vermont, and I must return it to the House. Some of those persons who remain unemployed after thirty-nine weeks may well require assistance. In such cases it should be supplied through the Department of Social Welfare and thus take advantage of partial federal funding.

Finally, I am well aware that extensions of benefits under H. 288 would occur only if the Employment Security Board so determined.

The importance of this issue is such, however, that I do not wish to avoid making a judgment on the merits of the Bill. For all of the above reasons, I have not signed the Bill and am returning it herewith.

Sincerely,  
Deane C. Davis  
Governor

**Governor's Veto Sustained**  
**H. 288, 1972**

The Governor's veto was sustained in the House:  
**Yeas 3 Nays 134**

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Sources: *Journal of the House*, 1972 (pages 5-6, and 40-41)