

MAINE STATE LEGISLATURE

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ACTS AND RESOLVES
OF THE
SIXTIETH LEGISLATURE

OF THE
STATE OF MAINE.

1881.

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GOVERNOR PLAISTED'S MESSAGES.

EXECUTIVE DEPARTMENT, }
Augusta, January 25, 1881. }

*To the President of the Senate and
Speaker of the House of Representatives:*

GENTLEMEN: I have the honor to transmit, herewith, a communication received from Major General Joshua L. Chamberlain, accompanied by a Resolve adopted at a meeting of the Association of Maine Soldiers and Sailors, requesting the use of the Regimental Colors now deposited in the State House, at a proposed reunion of Maine Veterans to be held during the current year.

These colors are in the custody of the law. I shall not feel authorized to permit their removal from the Capitol without the sanction of the Legislature.

HARRIS M. PLAISTED.

EXECUTIVE DEPARTMENT, }
Augusta, March 7, 1881. }

To the Senate and House of Representatives:

I hereby notify you that a vacancy has occurred in the representation of this State in the Senate of the United States, caused by the resignation of the Honorable James G. Blaine, as signified to me in his communication herewith transmitted. Your attention is respectfully called to the duty of filling the vacancy thus created.

HARRIS M. PLAISTED.

EXECUTIVE DEPARTMENT, }
 Augusta, March 14, 1881. }

*To the Honorable, the Speaker
 of the House of Representatives:*

I return herewith bill entitled "An act relating to the municipal court of the town of Brunswick," being unable to give the same my official approval.

The second section of the bill provides that the judge of said court "shall appoint a recorder * * and in case of absence from the court room of the judge, and *when the office of judge shall be vacant*, the recorder shall have and exercise all the powers of the judge and perform all the duties required of said judge by law, except the trial of civil causes."

Section third provides that "for the performance of official duties while the office of judge shall be vacant, the recorder shall have the same fees which the law allows to the judge for like services."

The first section of the bill provides that the jurisdiction of said judge shall be the same as that of trial justices in this State.

My objections to the bill are, that it delegates to the judge of said court the power to appoint *his successor*, clothed with the powers of a trial justice, except as to the trial of civil causes; in other words, to appoint a judicial officer and *make such officer his successor in office*, when the Constitution, section 8, article 5, part first, declares that the Governor "shall nominate, and, with the advice and consent of the Council, shall appoint all judicial officers."

I return, therefore, the bill to the House in which it originated, with these my objections thereto.

HARRIS M. PLAISTED.

EXECUTIVE DEPARTMENT, }
 Augusta, March 16, 1881. }

*To the Honorable, the Speaker
 of the House of Representatives:*

I return, herewith, bill entitled "An act to incorporate the Casco Bank," being unable to give the same my official approval.

My objection is to the provision of the bill which authorizes the proposed corporation "to issue bank bills," thereby creating it a bank of issue, not merely a bank of discount, deposit and exchange, legitimate banking in which there might well be free trade. Banking is a trade and only a trade, but it is no part of legitimate banking to issue bank notes to circulate as money. The right so to do is a legislative privilege to capital, not in accord with those principles of equality which require government to confine legislation to equal protection and equal benefits; and, as Heaven does its rains, shower its favors alike upon all, the high and the low, the rich and the poor. Capital is entitled to an equal chance—no more.

"No one, (says Mr. Jefferson in 1813), has any natural right to the trade of a money lender but he who has money to lend. Let those, then, among us, who have moneyed capital, and who prefer employing it in loans rather than otherwise, set up banks and give cash or national bills for the notes they discount. My original disapprobation of banks circulating paper is not unknown; nor have I since observed any effects either on the morals or fortunes of our citizens which are any counter balance for the public evils produced."

It would seem by the number of charters of this character proposed to be granted, that it was the policy of the legislature to return to the old system of State banks. That system is obsolete. Whether professedly based upon coin, State bonds, or other securities, we would not have such banks if we could, and we could not if we would. After experiencing, for nearly twenty years, paper money based on the authority and credit of the whole nation and of uniform value throughout the country, the people of the United States, while they have their liberties, will never favor or tolerate a return to the old State bank system. That system they have tried and found wanting.

Mr. Knox, the Comptroller of the Currency, says:

"In nearly all of the States, banks especially chartered were favorite organizations. The amount of currency issued was frequently *twice* and in many instances *three* times the amount of the *nominal* capital of such banks. These charters were thus very valuable, and the State legislatures were besieged by applicants for such privileges."

Ex-Secretary McCulloch, in an address delivered before the Bankers' Association in Philadelphia in 1876, in reference to the State banks, says :

"In some States the circulation of the banks was secured, partially at least, by mortgages and bonds ; in others there was no security except the capital, which was frequently a *myth*. In some States, banking was a monopoly ; in others it enjoyed the largest liberty. The consequence was that we had a bank note circulation frequently worthless, and, when solvent lacking that uniform value which was needed in business transactions between the citizens of different States. It is enough to say that the circulation of the State banks was entirely unfitted for a country like ours ; that by it the people were subjected to enormous losses, not only in the way of exchange but in the inability of a great many of the banks to redeem their notes."

Secretary Blaine said in his Cooper Institute speech :

"When the war broke out we had thirty-three kinds of paper currency in this country. We thought we had a good system in New England, called the Suffolk Bank System. We thought we enjoyed it down in Maine, and yet regularly, with great periodicity, which beat the equinoctial storm, these banks would turn up defunct. I remember perfectly well, as if it were yesterday, on a pleasant summer morning in 1858, that a large bank in Maine, known as the Ship Builders' Bank, was announced as having failed, with \$357,000 of circulation out ; and it is out yet. That was a good thing about the old State bank, that when it failed it made a clean thing of it."

Comptroller Knox says again : "The losses under the old bank system were estimated to equal in twenty years, the entire amount of the circulation."

I am not aware that the people of this State have petitioned the Legislature for a return to the old system of State banks. I cannot believe they are in favor of a banking system that has proved a vortex in which the fortunes of the people have been so mercilessly swallowed up ; not so much indeed, by reason of the insecurity or worthlessness of the bank circulation, as on account of the power which the banks possessed, in common with all banks of issue, of expending and contracting their circulation at pleasure ; thus enabling them to

fix the price upon every man's property, and to change that price at will. The purchasing power of money depends upon its volume; hence the power that controls the volume of the people's money is certain to control the people's destinies.

In 1861, was suggested by the then Secretary of the Treasury, a new system—a better way than the old system of banks of issue. Secretary Chase, in his report to Congress of December 9, 1861, speaking of the 202 millions of State bank currency then in circulation, says:

“The whole of this circulation constitutes a loan without interest from the people to the banks, costing them nothing except the expense of issue and redemption, and the interest on the specie kept on hand for the latter purpose; and it deserves consideration whether sound policy does not require that the advantages of this loan be transferred, in part at least, from the banks, representing only the interests of the stockholders, to the government, representing the aggregate interests of the whole people. * * It is too clear to be reasonably disputed, that Congress, under the constitutional power to lay taxes, to regulate commerce, and to regulate the value of coin, possesses ample authority to control the credit circulation which enters so largely into the transactions of commerce and affects in so many ways the value of coin. In the judgment of the Secretary, the time has arrived when Congress should exercise this authority.”

I object to the bills on the ground of public policy. It has become the policy of the general government—its settled policy, I believe—to control the entire credit circulation of the country. Whether that circulation shall be issued and its volume controlled directly by the government for the benefit of the whole people, or issued and controlled by the National Banks in the interests of their stockholders, is a question for the future determination of the American people, to be determined by them in their wisdom and in their own good time.

HARRIS M. PLAISTED.

EXECUTIVE DEPARTMENT, }
 Augusta, March 17, 1881. }

To the Honorable the President of the Senate:

I return, herewith, bill entitled "An act to incorporate the Merchants' Bank of Waterville," being unable to give the same my official approval for the reasons and objections stated in my message of the 16th inst. to the House, returning the bill entitled "An act to incorporate the Casco Bank."

HARRIS M. PLAISTED.

The following named bills were returned, the same day, to the Senate, accompanied by similar messages signed by the Governor, viz :

"An act to incorporate the Sagadahoc Bank."

"An act to incorporate the Richmond Bank."

"An act to incorporate the Lejok Bank."

The following named bills were returned, the same day, to the House of Representatives, accompanied by similar messages signed by the Governor, viz :

"An act to incorporate the Brunswick Bank."

"An act to incorporate the Auburn Bank."

"An act to incorporate the Veazie Bank."

"An act to incorporate Oakland Bank, Gardiner."

"An act to incorporate the Cobbossee Bank, of Gardiner."

"An act to incorporate Rockland Granite Bank, Rockland."

"An act to incorporate American Bank."

"An act to incorporate the City Bank of Biddeford."

"An act to incorporate the Belfast Bank."

"An act to incorporate the International Bank of Portland."

"An act to incorporate the Bangor Bank."

"An act to incorporate the Canal Bank of Portland."

"An act to incorporate the Merchants Bank of Portland."

"An act to incorporate the Kenduskeag Bank."

"An act to incorporate the Rockland Bank of Rockland."

"An act to incorporate the Gardiner Bank."

"An act to incorporate the Bank of Cumberland."

"An act to incorporate the Searsport Bank."

"An act to incorporate the Lime Rock Bank of Rockland."

"An act to incorporate the North Bank."

"An act to incorporate the Calais Bank."

"An act to incorporate the Marine Bank."

"An act to incorporate the Bath Bank."

"An act to incorporate the Ocean Bank of Kennebunk."

EXECUTIVE DEPARTMENT, }
 Augusta, March 17, 1881. }

To the Honorable the President of the Senate:

I return, herewith, bill entitled "An act to incorporate the People's Bank" of Waterville, being unable to give the same my official approval for the reasons and objections stated in my message of the 16th inst. to the House returning bill entitled "An act to incorporate the Casco Bank." My particular objection to this bill is that while it does not expressly authorize, it does not expressly prohibit the proposed corporation from issuing bills to be used as currency as is provided in chapter 183 Special Laws of 1879.

HARRIS M. PLAISTED.

The bill entitled "An act to incorporate the Norway Bank" was, the same day, returned to the Senate accompanied by a similar message signed by the Governor.

EXECUTIVE DEPARTMENT, }
 Augusta, March 18, 1881. }

To the Honorable the President of the Senate:

I return herewith resolve to apportion the State for Senators to the Legislature; also resolve entitled, "Resolve to apportion 151 Representatives among the several counties, cities, towns, plantations and classes in the State of Maine," being unable to give the same my official approval.

Section 2, article 4, part first of the constitution, provides that "the Legislature shall within every period of at most ten years, and at least five, cause the number of inhabitants of the State to be ascertained, *exclusive of foreigners not naturalized, and Indians not taxed.* The number of representatives shall at the several periods of making such enumeration, be fixed and apportioned among the several counties as near as may be, according to the number of inhabitants, having regard to the relative increase of population."

The only basis of representation contemplated by the constitution, is this "enumeration" of the "inhabitants of the State, *exclusive of foreigners not naturalized and Indians not taxed.*"

The apportionment, provided for in the resolve, of the number of representatives to the several counties, is not based upon the inhabitants thereof "*exclusive* of foreigners not naturalized and Indians not taxed," but inclusive of both classes. In this respect, therefore, the resolve, as it seems to me, after such reflection as I have been able to give to it, is not in accordance with the fundamental law.

In the division of the State into Senatorial districts the constitution provides that, "the districts shall conform as near as may be to county lines *and be apportioned according to the number of inhabitants.*"

It is within the discretion of the legislature, therefore, to disregard county lines and it is its duty so to do when an adherence to county lines would defeat this primary object of the constitution, viz: that "the districts shall * * * be apportioned according to the number of inhabitants;" conformation of the districts "as near as may be to county lines" is a secondary object.

In the resolve before me the Senatorial districts are not fairly "apportioned according to the number of inhabitants," but arbitrarily, according to county lines. For instance, Piscataquis county with 14,873 inhabitants, is entitled to elect one Senator, while Waldo with over 32,000, is entitled to elect but one; and so of Somerset with over 32,000 inhabitants; while Oxford county with only 100 more inhabitants than Waldo, is entitled by the resolve to elect two Senators. Again, Somerset and Waldo, with an aggregate population of 64,807, are given but two Senators, while Kennebec with only 53,061 is given three Senators.

In the apportionment of representatives to cities the cities are given a larger representation than, as it seems to me, they are entitled to, under the plain provisions of the constitution, at the expense of the towns. In some instances the apportionment seems entirely arbitrary. Saco, with a population of 6,396, for instance, is given two representatives, while Biddeford with 12,652 is accorded the same number only.

The classification of towns is equally arbitrary, unfair, unjust and, as it seems to me, unduly partizan.

I recommend that the existing apportionment and classification be by resolve extended until January 1, 1883, and

that provision be made for ascertaining in the mean time the number approximately of "foreigners not naturalized and Indians not taxed."

Therefore, withholding my approval of the resolves, I return the same to the House in which they originated with my objections.

HARRIS M. PLAISTED.

EXECUTIVE DEPARTMENT, }
Augusta, March 18, 1881. }

To the Senate and House of Representatives:

I transmit herewith, a list of the titles of Acts and Resolves passed during the present session of the Legislature and approved by me, also the title of An Act that became a law by remaining five days in my hands, numbering in all 261 Acts and 66 Resolves.

I have no further communication to make.

HARRIS M. PLAISTED.