

MAINE STATE LEGISLATURE

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Public Documents of Maine:

BEING THE

ANNUAL REPORTS

OF THE VARIOUS

PUBLIC OFFICERS AND INSTITUTIONS

FOR THE YEAR

1875.

VOLUME I.

AUGUSTA:

SPRAGUE, OWEN & NASH, PRINTERS TO THE STATE.

1875.

ADDRESS

OF

GOVERNOR DINGLEY

TO THE

Legislature of the State of Maine.

JANUARY 7, 1875.

AUGUSTA:

SPRAGUE, OWEN & NASH, PRINTERS TO THE STATE.

1875.

ADDRESS.

Gentlemen of the Senate and House of Representatives :

Standing at the threshold of a new year, and confronted with grave public responsibilities, it is fitting that we should seek Divine guidance in the discharge of the duties respectively imposed upon us. For the abundance of the necessaries and comforts of life, the general health, the uninterrupted peace and good order, and the intellectual and moral influences with which we, as a people, have been favored during the past year, there is occasion for devout gratitude and thankfulness.

In laying before you the information required by the Constitution, it affords me gratification to be able to present so favorable a report of the financial, educational and other important interests of the State. So far as I am aware, every department has been conducted with fidelity, integrity and prudence, and with the single purpose of promoting the public welfare. I need not remind you, upon whom devolves the responsibility of authorizing and directing public expenditures, that, in the present depression of business, there is special and urgent necessity that every appropriation should receive the most rigid scrutiny. So far as my limited authority may reach, I shall most earnestly endeavor to apply the same economy, fidelity and scrutiny to public expenditures that a prudent business man would apply to his own affairs.

THE STATE FINANCES.

Considering the gigantic burdens imposed upon the people of Maine, as well as of every other loyal State, by the war for the preservation of national existence, the financial condition of this State is more favorable than could have been reasonably expected. It appears by the report of the State Treasurer that the aggregate receipts of the treasury during the past year, including cash on hand at the beginning of the year, were \$1,853,904.38, and the disbursements during the same period \$1,537,718.54, leaving a balance of \$322,185.84 in the treasury January 1st, 1875.

Of the receipts, \$1,169,862 was from the State tax of five mills on the dollar, \$67,996 from public lands, \$142,258 from the tax on savings banks, (about \$72,000 of this tax being still unpaid), \$13,828 from the tax on railroads, \$3,889 from interest on deposits, \$2,240 from duties on commissions, \$1,749 from licenses to peddlers, and \$1,422 from insurance department.

Of the disbursements, \$5,176 were on account of rents of shores belonging to the Penobscot Indians, and \$8,065 on account of taxes assessed on wild lands for the benefit of counties,—sums which simply passed through the treasury—leaving the actual disbursements \$1,524,497. Of this amount, \$81,900 were paid on account of special and exceptional appropriations for rebuilding the carriage shop in the State Prison, re-arranging and repairing the Reform School building, finishing the chapel building connected with the Insane Hospital, ventilating the State House, building roads, and bridges mainly in Aroostook county, and in aid of the College of Agriculture and Mechanic Arts, Maine General Hospital, and Industrial School for Girls.

Thus, after deducting these special appropriations, the expenditures of the past year appear to have been \$1,442,597. Of this amount, \$714,426 was on account of war debt, pensions to soldiers and aid to soldiers' orphans, and \$407,477 on account of public and free high and normal schools, with a considerable sum still due on account of educational purposes. The ordinary expenditures, therefore, during the past year, have been \$320,694, or a little less than one and a half mills on the dollar of the State valuation. While this statement indicates that the expenditures of the State are controlled by considerations of economy to an extent rarely observed in public affairs, yet in my judgment there are some directions in which the expenditures authorized by law may be somewhat reduced without injury to the public interests. On this subject I shall communicate with the legislature at an early day.

THE STATE DEBT.

On the first of January, 1875, the State debt, after deducting the sinking funds, was \$5,561,076—a reduction of \$321,575 during the past year. The nominal public debt, however, as represented by uncanceled State bonds, was \$7,088,400—a reduction of \$50,000 during the same period, by the payment and cancellation of the loan to this amount which matured March 1st, 1874. The balance of the amount set apart for the reduction of the public debt (\$271,575), has been paid to the sinking funds, which now amount to \$1,527,324. The aggregate payments from the treasury, on account of the State debt, during the past year, were \$679,558, of which \$352,959 was for interest, \$321,575 for maturing debt and sinking funds, and \$5,024 for premium on bonds purchased and expenses; although, under the sinking fund system a larger proportion than this is assigned to the interest

account. As existing laws require a similar payment every year, on account of the public debt, an annual assessment of three mills on every dollar of the State valuation is rendered necessary for this purpose. At the close of the present year, when the tax assessed for 1874 shall have been applied to the objects for which it was contemplated, the State debt will be reduced to about \$5,220,000.

Thus, in ten years nearly seven millions dollars have been paid by the people of Maine on account of the State debt—nearly three millions being for reduction of principal and four millions on account of interest. Should the present rate of taxation be continued, the balance of this immense war debt would be extinguished in fourteen years from this date. Thus the same generation that met the personal responsibilities of the terrible contest to preserve the national existence, would also be called upon to bear all the financial burdens which it imposed upon the State, amounting in the aggregate to more than twenty millions of dollars, exclusive of burdens borne in contributions to the national treasury. Surely others, who are to share the fruits of a struggle which has scarcely a parallel in history, though they cannot participate in the terrible sacrifice of blood, will esteem it a privilege, as well as a duty, to aid in discharging the pecuniary liabilities which it entailed on the country.

So long as business was conducted on the speculative basis which it assumed during and immediately after the war, and profits were supposed to be unusually large, it was wise to take advantage of the opportunity to rapidly reduce the public debt. But in the present financial condition of the country, and indeed in the near future when business shall have resumed its normal state, so

large an annual assessment as is required by existing laws, can but be severely felt. Should the legislature consider it advisable to reduce the assessment on account of the public debt to two mills, the proceeds would meet the interest on the outstanding debt, and extinguish the municipal war loan of 1868, which matures October 1, 1889, and which cannot be renewed without an amendment of the constitutional provision by which it was authorized.

The remainder of the outstanding loans, constituting about one-half of the public debt, mature mainly in 1880, 1883, and June, 1889, and as they are subject to no constitutional limits as to time of payment, they may be renewed by the legislature. Should it be deemed expedient to authorize such a renewal, I suggest that the new bonds be made payable in sums of \$200,000 annually, commencing with 1890, in order that the necessity of a sinking fund may be avoided; and that they be issued only as, by exchange or sale and purchase, they can be substituted for bonds of at least an equal amount of the loans which they renew. As a long bond is a more desirable investment than one maturing earlier, the treasurer would undoubtedly have no difficulty in substituting the new for the old loans, long before the latter should mature.

THE SINKING FUNDS.

To provide for the payment of the war loans of nearly four millions, negotiated in 1863 and 1864, at their maturity in 1880, 1883, and June, 1889, the Legislature in 1865 directed an annual assessment of three-fourths of a mill on every dollar of State valuation, and set apart the sum so paid and the income thereof, as a sinking fund, to be invested in bonds of this State or of the United States. This is known as the sinking fund of 1865, which

now, including premium on United States bonds and cash amounts to \$1,047,087. Again, to provide for the payment of the municipal war debt loan of \$3,083,900, negotiated in 1868, at its maturity October 1, 1889, the Legislature in 1868 directed another annual assessment to be made sufficient for that purpose, and set apart the sum so raised in a similar manner. This is known as the sinking fund of 1868, which now amounts to \$480,237. Both funds aggregate \$1,527,324, of which \$1,443,300 is invested in State bonds, and \$83,300, including premium, in bonds of the United States.

Obviously nothing is gained by a sinking fund, except so far as it may be rendered necessary where a public debt has been contracted so as to mature in larger sums than can be provided for by taxation in any one year. There is nothing in the machinery of a sinking fund which can add a single dollar to the amount paid by the people through taxation, on account of the public debt. On the contrary, it is a complicated and by no means economical financial device, having in it the elements of insecurity; and should be avoided whenever feasible. By authority of an act of the last Legislature, this insecurity has been guarded against in the case of the sinking funds of this State, so far as possible; but experience shows that so long as such funds exist there is some danger of their misappropriation.

Under the acts creating the sinking funds of this State, by which investments can be made only in bonds of Maine and of the United States, another difficulty has manifested itself during the past year, and is likely to increase from year to year. Under the influence of frequent purchase of bonds of this State for the sinking funds, their market price has advanced so that it is now impossible to obtain our securities without paying from one to two per cent.

premium. This may be a good thing for the holders of Maine bonds, but hardly just to the tax payers who faithfully discharge every obligation when they provide means for payment of State bonds at their par value. If either or both of the sinking funds are to be continued—and the sinking fund of 1868 cannot be entirely dispensed with without an amendment of the constitution that will admit of a renewal of the municipal war debt loan which it was created to meet,—I recommend that the last difficulty to which I have referred be obviated so far as possible by authorizing the treasurer to make investments also in the securities of other New England States.

Should the Legislature concur with me in the advisability of renewing that part of the public debt maturing on or before June, 1889, the sinking fund of 1865 may be abolished, the State bonds in the same cancelled, and the small amount of U. S. bonds in the fund transferred to the sinking fund of 1868. All the State bonds in the latter sinking fund may also be cancelled, together with all the bonds of this State maturing in October, 1889, which may hereafter be purchased. Thus there will remain in the sinking fund of 1868 only \$83,300 in United States securities, to be increased hereafter by such purchases of similar securities or of bonds of other New England States as may be rendered necessary by the inability to obtain bonds of this State at par. The probability indeed is that by such an arrangement not only the sinking fund of 1865 can be abolished, but also, by an exchange of securities which would be feasible when bonds of our State are no higher than of the other New England States, the maintenance of the sinking fund of 1868, in even a modified form, be rendered unnecessary.

THE RAILROAD TAX.

By requirement of an act of the last legislature, the governor and council have assessed a tax on the franchise of the following railroad corporations, incorporated under the laws of this State or doing business therein:

Atlantic and St. Lawrence,	\$30,078 84
Boston and Maine,	26,342 25
Maine Central,	23,416 47
Portland, Saco and Portsmouth,	22,428 00
Dexter and Newport,	1,189 50
Portsmouth, Great Falls and Conway,	510 00
St. Croix and Penobscot,	210 27
Portland Horse Railroad,	894 00

This tax aggregates \$105,069.33, and according to the terms of the act, has been assessed on railroad companies whose stock has a market value. That portion of the tax which represents stock held in this State—about two-fifths—goes to municipalities, and the remainder, representing non-resident stock, goes to the State.

By the terms of the act one-half of the tax was payable July 1st, 1874, and the balance January 1st, 1875. The St. Croix & Penobscot company paid the whole of the tax assessed on this corporation before it became due. The Portland Horse Railroad company also paid the assessment on this corporation in a satisfactory manner. The Boston & Maine company also promptly paid that part of the tax on this corporation which fell due July 1st; and, in a note to the State Treasurer, the President of the company has indicated a readiness to also pay that part of the tax which fell due January 1st, as soon as the directors shall be assured that the tax on the other corporations assessed is to be enforced. The Dexter & Newport company appeared by their attorney before the governor and council to urge a claim for exemption from taxation in consequence of a provision in their charter

which will hereafter be referred to, and also by virtue of a special act of the legislature in 1867, exempting the shares of stock in the corporation from assessment.

Neither of the other companies has paid any part of the tax assessed upon them, or given any explanation for non-payment. From unofficial sources it has been ascertained that the Atlantic & St. Lawrence and Maine Central companies claim that a clause in their charters exempts them from all taxation, until the directors of the corporation shall report to the legislature that the net income of the company is "ten per cent. on the cost of the road and its appendages, and incidental expenses," (which report has not been and is not likely to be made) and even then that the only assessment on the corporation shall be a limited tax on the net income of the road above said ten per cent. So far as the Portland, Saco & Portsmouth, and the Portsmouth, Great Falls & Conway companies are concerned, no reason has been even unofficially intimated for their refusal to pay the tax assessed.

The act relating to taxation of railroad companies provides that "if any corporation fails to pay the tax assessed, the State Treasurer may forthwith commence an action of contract in the name of the State for the recovery of the same, with interest." By advice of the attorney general, concurred in by the executive council and myself, the treasurer has deferred commencing actions against the delinquent companies for the taxes due the State, until the legislature can have an opportunity to provide a method of enforcement of a tax assessed by State authority as prompt and effective as is given to municipalities for the collection of local assessments, and as other States have authorized for the collection of a similar tax on railroads. The remedy provided by the

act would necessarily postpone the payment of a single dollar of the tax assessed on the railroad companies, until the legal points raised by those corporations should be finally settled by the court of last resort, which might cause a delay of several years. As it is competent for the Legislature to enlarge the remedy without impairing the validity of the tax already assessed, I recommend the immediate passage of an act amendatory of section third of chapter 258 of the public laws of eighteen hundred and seventy-four, which shall authorize the Supreme Judicial Court, on information by the Treasurer of State, to issue an injunction restraining the further prosecution of the business of any delinquent railroad corporation, after reasonable notice, until all taxes due under the act shall be paid, with interest and costs.

It is certainly surprising that any railroad company should refuse to pay so light a tax, when it is unquestionably in the power of the legislature to authorize municipalities to make the same assessment upon the real estate of the corporation that is made on other property, which in the case of all the companies assessed under the act of 1874, would be at least twice, and in the cases of several companies, from four to eight times as large as the tax whose payment is refused. And even such an assessment would be just and equal, for taxation proceeds upon the principle of the well-settled maxim that he who receives the protection and advantages of a State, ought to sustain the burdens in proportion to his ability. Certainly railroad corporations created, protected and given extraordinary powers and privileges by the State, ought to willingly contribute to the public expenses in proportion to their property. To whatever extent they escape just and equal taxation, to that extent every other tax-payer must bear more than his share of the public burdens.

It is claimed, however, that several railroad corporations assessed under the act of the last legislature, are legally exempted from the just obligation to bear their proportion of public expenditures, by a provision of their charters, that is alleged to be in the nature of a contract. The character of this provision, and the circumstances under which it was introduced, conclusively show, as it seems to me, that there was no intention on the part of the legislature which granted the charter, to more than temporarily exempt the corporations from taxation. If it had been supposed that the provision was so contrived as to exempt such corporations from all taxation for at least a quarter of a century, and practically for an indefinite period if not forever, no one believes that it would have received the least favor. There certainly can be no further equitable claim under so remarkable a charter exemption. Neither do I believe that there can be any substantial claim for exemption in law; for any provision in a charter which pretends to exempt a corporation from taxation, must be held to be void—first because it is not in the power of one legislature to bind successive legislatures not to exercise in behalf of the people so essential a sovereign power as the right to impose a tax, and secondly because such a provision is in contravention of the constitution of Maine, which declares that “all taxes upon real estate, assessed by authority of this State, shall be apportioned and assessed equally, according to the just value thereof.”

TAX ON INSURANCE COMPANIES.

An act of the last legislature requires the State Treasurer, between the first day of April and the first day of May annually, to assess a tax of two per cent. on the premiums received by insurance companies on contracts made in this State for the insurance of life or property

during the year ending the 31st of December next previous, after deducting the losses paid and certain other items ; and in the case of life companies, after deducting also the legal reserve on policies issued in this State during the year. A careful examination of this act, the first assessment under which will be made in April next, will probably suggest the importance of amendments in order to remove all doubts as to the construction of certain provisions, and to more effectually accomplish the object which the legislature had in view. As the returns of insurance companies for the year ending December 31, 1874, have not yet been received by the Insurance Commissioner, and especially as some deductions of a very uncertain, and it seems to me unwise character, are allowed under the act, it is impossible at present to even approximately estimate the revenue which will accrue to the State from this source.

For the year ending December 31st, 1873, the excess of premiums received over losses paid in this State, was a little more than one million dollars, about three-fifths of which was on account of life companies ; but the returns for that year afford little light as to the probable amount of deductions to be made under the act.

Of the twenty-seven States which tax the business of life insurance, and of the thirty-two which tax the business of fire and marine insurance companies—on the just principle that whoever is protected by the State should contribute towards the public expenditures,—scarcely one of them imposes so light an assessment as that provided by this act. Undoubtedly so moderate an exercise of the just and necessary power of taxation, will lead to a corresponding moderation in claims for deductions, and to a prompt response to the requirements of the act. The license fees imposed by the statute on insurance brokers and on foreign insurance companies—and nearly nine-

tenths of the insurance business of Maine is done by out-of-State companies,—are so meager as to fail to meet the expenditures of the insurance department and leave a fair balance to go into the State Treasury, as was intended ; inasmuch as the balance now paid into the treasury fails to meet the payments by the State for the printing of the department. I recommend, therefore, that these fees be moderately increased.

EQUALIZING BURDENS OF TAXATION.

While it is incumbent on legislators to restrict the State expenditures within the narrowest limits consistent with a due regard to the public welfare, it is at the same time their duty to seek to so distribute and equalize the heavy taxation growing out of the war for national existence, as to avoid making the burden fall in undue degree on those employments and productive industries on which the prosperity of the State so largely depends. Without such a radical reformation as will lead all men to be honest and truthful in rendering statements of their property, it is of course impossible to devise any system of taxation which will be absolutely equal ; as capital which is represented by stocks, bonds, loans and currency, cannot be reached by the assessor as readily as that invested in farms, houses, stores, mills, work-shops, ships, and other visible property. At the same time, this liability to inequality should be corrected so far as it is possible. So far as capital is invested directly or indirectly in banking, railroad, telegraph, express and insurance business, it may be and should be reached. The last Legislature inaugurated steps in the right direction with reference to a part of these interests. I earnestly hope that you will continue to press forward measures looking to such a system of taxation as will tend to equalize the public burdens. In

my judgment, it is possible—certainly so with an amendment of the State constitution—to ultimately provide for all expenditures for State purposes by a just tax on national and savings banks, railroad, insurance, telegraph, and express companies, wild lands, and a few other interests, without assessing a single dollar on the several towns and cities.

REVENUE FOR THE PRESENT YEAR.

Under the practice which has always prevailed in the Treasury Department, of distributing the State funds in moderate sums in banks located at convenient points in the State, without charging or receiving anything for the use of the same, the State has received only the small revenue derived from deposits in Boston, where most of the interest on the State debt has been paid. I see no reason why the cash balances in the hands of the Treasurer, averaging \$250,000, should not all be deposited in such banks as are willing to pay a moderate interest for the use of the same; and I recommend legislation to this end.

Under existing laws the tax on shares in National Banks owned out of the State, goes to the municipalities where the banks are located. There seems to be eminent propriety in having the tax on such non-resident shares go into the State treasury for the benefit of all the people of the State, as is the case in Massachusetts and Rhode Island; and I recommend legislation to this end. Should the Legislature think it expedient to impose a tax on the receipts of express companies and on the property of telegraph companies, additional State revenue could be derived from these sources. It may be reasonably expected that the revenue derived from these sources, and from Saving Banks and public lands, during the current year, will be equivalent to the amount that will be required to meet the ordinary current State expenditures.

There will then remain to be provided for by taxation a sum equivalent to the appropriations on account of the public debt, and for public and Free High School purposes—about two mills on the dollar of the State valuation for schools, and a similar assessment on account of the public debt in case it shall be decided to renew a portion of the loans, and otherwise three mills. Could reliance be placed on the prompt payment of the tax on railroads and insurance companies during the year, a State tax of three and a half mills on the dollar, instead of four, would be sufficient to meet all State expenditures,—a reduction of one and a half mills from that of last year, which would extend gratifying relief to the people of the State.

THE EDUCATIONAL INTERESTS OF THE STATE.

The statistics presented in the report of the Superintendent of Common Schools, unmistakably indicate a gradual improvement in the educational interests of the State. Notwithstanding there has been no material change in the census number of scholars, yet the number of pupils registered during the past year, the average attendance, the average length of the schools, the number of school-houses in good condition, and the amount of school money voted by municipalities, as well as that distributed by the State, for school purposes, have all materially increased. During the past decade the amount of money appropriated per scholar for school purposes has been doubled, the compensation of male teachers increased fifty per cent., and of female teachers nearly one hundred per cent., and the length of schools ten per cent., while the quality of the instruction has greatly improved. Ten years since there was no normal school in the State; now there are two in successful operation. A decade since the permanent school

fund, now increased to \$361,893, was less than half that sum. Within that period the amount of money distributed to municipalities by the State for common school purposes has been increased from less than fifty thousand dollars to more than three hundred and seventy-five thousand dollars, and including the amount contributed by the State for free high schools and normal schools, to more than four hundred and twenty-five thousand dollars; and will reach the present year more than four hundred and fifty thousand dollars. Of the aggregate expenditures for public school purposes, about three-fifths are paid by municipalities and two-fifths by the State,—whereas ten or fifteen years since nearly all was paid by municipalities.

The free high school system adopted two years since, has been more successful than its most ardent friends dared to hope, and promises to exert a still greater influence for good in the future. During the past year 161 towns have maintained 340 terms of free high schools, giving instruction to about 14,000 pupils, at a cost of not far from \$100,000, of which a little less than \$40,000 will be contributed by the State.

Probably the Legislature will not consider it prudent, under existing circumstances, to take any steps at the present session looking to the establishment of a system of school supervision intermediate between the State Superintendent and the several School Committees. The best interests of the State, however, unquestionably demand the early inauguration of such a system of school supervision and inspection as will give increased efficiency to our public schools. It is not so much more school money that is needed, as it is a more systematic and profitable use of the means now devoted to this vital interest. Our Normal Schools are doing most valuable service for the State in

furnishing the common schools with trained teachers; and these institutions should receive generous consideration at the hands of the Legislature: A proposition from the Trustees of Bridgton Academy, offering to transfer to the State the property of that institution, on condition that it be used for Normal School purposes, I am informed, will be presented for your consideration.

In the judgment of many of our best educators, the time has arrived for this State to enact a law making attendance upon some school a certain portion of the year obligatory upon children between the ages of eight and fourteen years. In my annual address one year since, in view of the dangerous increase of illiteracy among certain classes of the population, I urged the justice and importance of an enactment of this character whenever public sentiment should be advanced sufficiently to secure its enforcement to any considerable extent. The discussions which have taken place on this question within a year or two, have certainly aroused public attention to the danger which threatens free institutions from the increasing ranks of ignorance; and the indications are so hopeful that such an enactment would not be suffered to remain a dead letter, but would on the contrary prove in many cases an instrument for good, that I commend the important subject to your favorable consideration.

COLLEGE OF AGRICULTURE AND MECHANIC ARTS.

The report of the Trustees of the State College of Agriculture and Mechanic Arts represents that institution as rapidly increasing its number of students and its usefulness; and my own observation confirms these conclusions. The trustees ask for an appropriation of twenty-seven thousand dollars to meet current expenses and outstanding liabilities, purchase apparatus, erect a farm-house, and

make preparation for the construction of another college building. There is no doubt that this sum is much needed the present year to put the institution in a condition of the highest usefulness, and that large sums beyond the interest of the fund derived from the national grant, will always be required from year to year, from some sources, in order to effectually carry out the object for which this college was established. When the legislature accepted the national grant, and thus became the sponsor of the new institution, it deviated from the wise and well-established policy of leaving the interests of the higher education to private liberality and care, supplemented by such occasional incidental State aid as might be needed to encourage individual effort. The reasons for this departure from a traditional policy, had their basis in a desire to take advantage of the liberal national grant, and more particularly in the belief of many eminent men that a new class of higher institutions of learning was needed, which should so direct their educational work as to turn out young men to be better farmers, carpenters, blacksmiths and artisans generally, instead of so generally graduating them for professional life.

While these considerations undoubtedly controlled the legislature, yet none of the most ardent advocates of the new departure imagined that they were establishing an institution which was to depend entirely on public appropriations for its support. It was supposed that while the new college would be an especial object of public regard, its principal support would come from private citizens. I regret, therefore, to observe a growing tendency to regard this institution as a child of the State, which needs no private aid or care. I regret this not simply from the fact that it will necessarily entail a large annual expendi-

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ture on the State Treasury, but also because I believe that it would be better for the college to bring itself into such close sympathy with the people as can only be secured by relying largely on private contributions to further its work.

STATE INSTITUTIONS.

The reports of the Trustees of the Insane Hospital and Reform School, and of the Inspectors of the State Prison, show that these State institutions are in an unusually favorable condition.

THE INSANE HOSPITAL.

The Hospital continues to be in a very crowded condition, over 400 names appearing on the roll, notwithstanding the discharge of 47 incurable and imbecile patients, as directed by law. In accordance with a resolve of the last Legislature, the Governor and Council have finished the uncompleted and unused chapel building erected several years since, so as to furnish excellent accommodations for about forty patients, at an expense of \$4,200. The balance of the appropriation of \$5,000 has been turned over to the Trustees, for the purpose of aiding in furnishing the rooms. The Trustees ask for an appropriation of \$1,700 to complete the furnishing; and also one of \$2,000 for an additional boiler for heating purposes, and \$25,000 for a needed chapel, hall and culinary department, in the rear of the present hospital buildings.

The additional accommodations provided for patients will only temporarily meet the demand, and measures should be at once inaugurated looking to the early erection of another and separate hospital, either on the present grounds or at some other point in the State. Long before new buildings could be completed, additional accommodations will be imperative. It has been suggested that

the United States Marine Hospital at Cape Elizabeth might be purchased by the State on very advantageous terms, and easily converted into a hospital for the treatment of the insane. It should be borne in mind that within twenty years the number of insane patients in our hospital has doubled—not because of an increase of insanity, but because of the constantly increasing disposition to place persons suffering from a diseased mind in some public hospital for treatment. The current expenditures of the hospital for the past year have been about \$100,000, about two-fifths of which are paid by the State and the balance by individuals and towns. Formerly towns and individuals paid nearly all the expense of patients, but within ten or fifteen years the laws have been gradually modified so as to throw a large proportion on the State.

THE REFORM SCHOOL.

In accordance with authority given by the last Legislature, the Trustees have thoroughly re-arranged and repaired the south wing of the Reform School building, at a cost of about \$6,000, so as to admit of grading the boys into three sections. By this arrangement the better class of boys are not in danger of being corrupted by others of vicious tendencies, and an opportunity is given to encourage good conduct by promotions to a higher class and by allowing no discharges to be made except from the highest grade. Already has the healthy influence of this system been felt in the school, and inspired a well-founded hope that, by carrying out and extending the policy inaugurated, all the good results hoped for in such an institution will be attained. The Trustees ask for an appropriation of \$4,000 to re-arrange and repair the north wing, and thus complete the system inaugurated. The current annual expenditures of the Reform School are about \$14,000 in excess of receipts from the labor of the boys.

THE STATE PRISON.

The Inspectors report that the current expenses of the State Prison for 1874 have been \$30,904, and the net income from the manufacturing operations carried on by convict labor, \$28,019, leaving a balance of \$2,885 against the prison. This showing is hardly so favorable as for several previous years, but the Inspectors think that it is as well as could have been reasonably expected considering the business depression and the fact that the fire in the prison one year since, and the building operations during a large part of the past year, have seriously interfered with the industrial operations of the prison. A new brick carriage shop, 180 feet long and 38 wide, with two stories wholly above ground, and three basement stories—to replace the old building destroyed by fire—has been completed the past season at a cost of \$22,000. The Inspectors ask for an appropriation of \$10,000 to meet the balance due on the cost of this building and the expenditures for the erection of a carpenter shop, and for repairs during the year. The prison is now in excellent condition, and for the first time fully prepared to advantageously carry on the industrial operations in which the convict labor is employed.

HOME FOR SOLDIERS' ORPHANS.

The Bath Home for orphan children of soldiers and sailors, to which an annual appropriation of \$10,000 has been made for several years, has fifty-five children under its care, and is deserving the continued assistance of the State.

INDUSTRIAL SCHOOL FOR GIRLS.

The Industrial School for Girls, to which an appropriation of \$12,000 was made by the last legislature, is about to open with flattering prospects. The importance of such

an institution, whose object it is to provide a home and healthy training for girls in danger of falling into evil ways, can hardly be overestimated; and it will doubtless receive from time to time such encouragement and substantial assistance as it may deserve.

MAINE GENERAL HOSPITAL.

The Maine General Hospital at Portland, which the State has aided by large appropriations, has been opened for the reception of patients, and can but prove of great public service.

STATE CHARITIES.

The expenditures of the State for charitable and reformatory purposes have largely increased during the past twenty years, and afford evidence of the humane character of our people. About \$38,000 have been expended in supporting the insane poor, about \$6,000 for support of paupers in unincorporated places, \$15,314 for education of deaf, dumb and blind children, \$12,553 for aid to the Penobscot and Passamaquoddy Indians, (a part of which, however, is the interest of a trust fund guaranteed by the State), \$14,000 for Reform School, \$12,500 for Industrial School for Girls, \$5,000 for increased accommodations for insane, \$6,000 for improvements in Reform School building, and \$25,000 for Maine General Hospital—an aggregate of \$114,367. In addition to this, \$12,000 has been expended to provide a home for children of deceased soldiers.

THE FISH COMMISSIONERS.

The report of the Fish Commissioners gives a valuable and interesting account of the efforts to re-stock our rivers and ponds with valuable fish. The expenditures of the Commissioners have been \$4,458.

STATE INSPECTORS OF STEAMBOATS.

Under the provisions of an act of the last legislature, the gentlemen who were acting as U. S. inspectors of steam vessels in Maine waters outside of the jurisdiction of this State, have been also appointed State inspectors ; and have discharged their duties with fidelity and success. By an oversight of the last legislature, no appropriation was made for the compensation of these officers, and consequently they have not been paid.

THE STATE CENTENNIAL BOARD.

By authority of a resolve of the last legislature, a board of directors has been appointed to look after the interests of the State with reference to the proposed Centennial Exhibition at Philadelphia in 1876, and to aid in promoting the success of the celebration of the hundredth anniversary of the nation's existence.

THE MILITARY DEPARTMENT.

The report of the Adjutant General shows that the Volunteer Militia of the State, comprising ten assigned and two unassigned companies of infantry and one battery of artillery, all having 918 enlisted men and 55 officers,— is generally in a good condition. The aggregate cost of supporting the military arm of the State, has been nearly \$12,000, of which about one-half was for the State encampment at Bangor in September last.

The Adjutant General has also administered the pension department with rare fidelity and prudence. The payments from the State treasury to 632 pensioners, aggregate \$22,294.

THE LAND DEPARTMENT.

The report of the Land Agent gives a detailed account of the progress made in closing up the affairs of the land office. By authority of a resolve of the last legislature, such timber lands and rights to cut timber and grass as were not involved in the claims set up by the European and North American Railroad Company, were sold at public auction for the sum of \$145,553, a little more than one-third of which was paid in cash, and for the balance notes were given payable in one and two years. It was not thought expedient to sell any portion of the lands set apart for settlement until all questions affecting the title of the State to them should be finally settled. Most of these questions have been settled in favor of the State by a decision of the court rendered during the past year; and agreement has been entered into by the State authorities and the European and North American Railroad Company, by which the remaining controverted questions are to be immediately submitted to the court for settlement.

This will open the way for such a disposition of the 146,000 acres of vacant public lands set apart for settlement as may seem wise. It is estimated that not over 40,000 acres of the lands thus set apart are suitable for settlement, and that the remaining 100,000 acres are mainly valuable for timber. I recommend that these lands be examined early next season, and that such portions as are unfit for settlement, together with such other considerable tracts of timber lands as may prove to be owned by the State, be sold. Whatever disposition may be made of the vacant State lands suitable for settlement, it seems to me highly important that nothing should be done to retard their conversion into cultivated farms. Indeed, it is desirable that you should inquire whether any measures

can be devised to further encourage the settlement of wild lands held by proprietors, of which about 9,000,000 acres are owned by individuals, and 734,000 acres by the European and North American Railroad Company. It may be well to bear in mind that most of these lands are located in unincorporated townships, and are subject to only about one-fourth of the assessment imposed on capital invested in improved lands and other property in incorporated places, in consequence of being taxed only for State and county purposes, and on a valuation, too, of only about five millions of dollars. This alone, it will be seen, is practically an indirect encouragement for capitalists to hold these lands as a permanent investment and discourage the opening of them to settlers.

A resolve of the last legislature provided for the abolition of the office of Land Agent and also for a discontinuance of the land office at Bangor and a removal of the books and papers to Augusta at the close of the year just passed. The Bangor office has been discontinued and the books and papers removed, as contemplated by the resolve. But as the office of Land Agent is created by the constitution, its abolition can be effected only by an amendment of that instrument.

SWEDISH AND FRENCH SETTLERS.

The Land Agent makes a favorable report of the conditions and prospects of the Swedish colony. About \$1,000 have been expended by the State in supporting a school in the colony, and in aiding several needy families of Swedes under the law relating to the support of paupers in unincorporated places. It is believed that their condition has improved so much the past year that they will hereafter require little assistance. There are several families of Swedes which by some oversight were located

by the State authorities in Woodland and Perham, where they have of course been assessed the same as other persons for the past two years, notwithstanding the pledge that they should be exempt from taxation till January, 1876. The amount of this tax is small; but as the faith of the State is pledged, I recommend an appropriation sufficient to cover the assessment.

The attention of the legislature is also directed to the unfortunate condition of a large number of citizens of French descent in the Madawaska territory, who occupy humble homes which they have made for themselves on lands that prove to be owned by proprietors instead of the State. Whatever relief can be afforded by the judicious intervention of the legislature, ought not to be withheld.

THE LAW DEPARTMENT.

The report of the Attorney General presents a valuable and interesting record of the success which has attended the administration of the criminal laws of the State during the past year. The suggestions which he makes relative to certain amendments of these laws, will doubtless receive that consideration which their importance demands.

ENFORCEMENT OF PROHIBITORY LAWS.

The Attorney General embodies in his report communications from the several county attorneys, furnishing important official statements and statistics relating to the enforcement of the laws prohibiting drinking-houses and tippling-shops. The statistics show that during the past year, in the Supreme Court alone, there have been 276 convictions, 41 commitments to jail and \$30,898 collected in fines under these laws—more of each than in any other year, and four times as many convictions and ten times as much in fines as in 1866, when the general enforce-

ment of these laws was resumed after the close of the war, which had engrossed the public attention and energies. It is significant also that during these nine or ten years of gradually increasing efficiency in the enforcement of the laws against dram-shops, the number of convicts in the State Prison has fallen off more than one-fourth.

The report of the Attorney General and the statistics accompanying, conclusively show that the laws prohibiting drinking-houses and tippling-shops have for the most part been enforced during the past year more generally and effectively than ever before, and with corresponding satisfactory results in the diminution of dram-shops and intemperance. These results are due, to a considerable extent, to the increased efficiency given to these laws by the sheriff enforcement act, but more especially to the improved temperance sentiment which has been created by the active moral efforts put forth in this State within a few years. Experience has shown that however faithful officers may strive to be, their permanent success in the enforcement of any laws, and particularly laws opposed by unprincipled avarice and debased appetite, will largely depend on the strength and activity of the public sentiment which supports the object they have in view, in the several counties and municipalities. It is gratifying to know that this sentiment has become so predominant as to secure the very general suppression of known dram-shops, and the consequent marked mitigation of the evils of intemperance in four-fifths of the State. In the remainder of the State, comprising some of the larger cities and villages, the results are not so satisfactory, although even there, as compared with the condition thirty years since, there has been an improvement.

I am happy to bear witness to the fidelity and efficiency with which most of the sheriffs and county attorneys—for

the latter officers are as important in this work as the former—have labored to enforce the laws against dram-shops, as well as other laws of the State, as required by the act of 1872, and as directed by special orders of the Executive. No case has been presented to me involving such a “wilful refusal or neglect” on the part of any officer, as would probably afford ground for the legislature to cite him before that body for trial with a view to removal by address; although it has seemed to me that on the part of a few officers there has been a failure to do all in their power to secure the enforcement of the law in their respective counties. As sheriffs and county attorneys are not appointed or removable by the Executive—as they formerly were, and as it seems to me they should now be, in order to secure the highest efficiency in the execution of the laws,—but are elected by the people of the several counties, it is of the utmost importance that those voters who believe that the public interests will be promoted by a suppression of dram-shops, should endeavor to secure the election of officers who will efficiently discharge all the duties imposed upon them by law. At the same time it should be borne in mind that the primary duty of enforcing the laws against dram-shops, gambling-saloons and houses of ill-fame, rests on the officers of municipalities. It is of the highest importance that the large police force which is constantly maintained in cities, and which can enforce the laws much more efficiently than the smaller number of local deputy sheriffs, should be held by the people of those cities to the faithful discharge of the duty which the law and their oath of office impose upon them.

We should not, however, fall into the error of expecting too much of enactments against drinking-houses and tippling-shops. Laws prohibiting adultery, fornication,

slander, fraud, gambling and Sabbath breaking, have always been on our statute book ; but no one has ever on the one hand denounced these statutes as a failure, or on the other hand concluded that their frequent non-enforcement proved official incapacity and dishonesty, because adultery, fornication, slander, fraud, gambling and Sabbath breaking still exist. And yet take the State as a whole, especially if two or three of our larger cities are omitted, and it is very questionable whether the laws against these crimes are much more effectively enforced than the laws against tippling-houses. Again, it should be remembered that laws against dram-shops are only subsidiary to moral efforts in the promotion of temperance, in the same manner as laws prohibiting gambling-places and houses of ill-fame are supplementary to moral inculcations in the promotion of virtue. Law will accomplish but little alone ; but sustained and applied by a public sentiment which brings vividly home to a large majority of citizens the magnitude of the evils of intemperance, it has proved in this State to be an important and indispensable adjunct in the promotion of temperance.

THE LAWS FOR THE PUNISHMENT OF MURDER.

I renew the recommendation made in my annual address one year since, that the statute relating to the crime of wilful murder, be so modified as to establish such a penalty as legislators are ready to be held responsible for, and expect to have uniformly enforced. For the law-makers to avoid their proper responsibility in so important a matter, by imposing upon the Executive Department the duty of reviewing every case, and thereby creating in the minds of a large number of citizens the impression that the latter, rather than the former department, is responsible for the penalty enforced,—is a violation of that fundamental

principle of our political system which assigns to the several departments distinct functions, subversive of the well settled doctrine that ours is a government of laws and not of men, contrary to the rule uniformly recognized in all other criminal laws of the State, and productive of mischievous consequences.

It is almost inevitable that, under a statute which seems to shift the responsibility of determining the penalty for the crime of wilful murder, from the law-making power where it belongs, to a majority of the Executive Council where it does not belong, there should be such a want of uniformity in the decisions of different councils, made without the guidance of any rule of law, as to lead to irritating public discussions, tending to divert public attention from the consequences of crime, and even to create sympathy for the criminal. Such a state of things can but seriously weaken the wholesome influence of whatever penalty may be finally imposed, and thus to a certain extent defeat the object for which punishment is inflicted, viz: the protection of society.

Every consideration demands that the legislature should no longer treat this important question in an evasive and uncertain manner. If it is your conviction that the death penalty should be imposed and enforced in all or in any class of cases of wilful murder, let the law be so framed as to clearly require this, without any provision for its evasion. The constitution provides for rare exceptional cases where the intervention of the pardoning power may be wise and just. If legislators are not ready, so far as the statute goes, to unequivocally and finally provide that the penalty for murder of any degree shall be death, then there can remain but one consistent course, and that is to establish imprisonment for life as the penalty, and provide for

its prompt, sure and uniform enforcement. No principle of criminal law is better settled than that the certainty of punishment is more important than its severity.

• OUR DIVORCE LAWS.

Under the existing laws of this State, a divorce from the bonds of matrimony may be decreed whenever any justice of the Supreme Court deems it reasonable and proper, conducive to domestic harmony and consistent with the peace and morality of society; and the court is required to grant a divorce when it appears that there has been three years' wilful desertion or abandonment without reasonable cause, and may do so for a less period. As hearings on libels may be and usually are held under circumstances which render it almost impossible for the court to reach all the facts—the libellant being usually the only person represented and publicity being avoided so far as possible,—and as decrees for divorce take effect at once and release the guilty as well as the innocent, it is by no means surprising that under so liberal, not to say loose a statute, divorces are rapidly multiplying, until it has been ascertained from official sources, that 487 have been decreed in this State during the past year, nearly half of them for desertion.

Thus the alarming fact confronts us that under the operation of our divorce laws very nearly one marriage out of every thirteen consummated in this State, is subsequently judicially dissolved. The knowledge of so grave a fact will undoubtedly give you, as it has myself, serious concern, and lead to an inquiry as to whether our divorce laws do not require amendment. Surely, every good citizen can but recognize the vital importance of cherishing the deepest convictions of the inestimable value and

sacredness of the marriage bond. This is demanded not simply for the reason that in the family relation there are found the healthiest influences and purest happiness which this life affords, but also and especially from the fact that here is the home of the children and the hope of the State. When the sacredness of the family is lost sight of, the life of society is in danger of being corrupted in its source. It has been truly said that government so depends on the life of home, that for a homeless community anarchy or despotism would be the only alternative.

If our divorce laws are to leave so absolute a discretion to a single judge,—which seems to me very questionable—provision should be made to secure a more satisfactory presentation of the facts and arguments bearing against the application for a dissolution of the marriage contract. The present statute leaves out of sight the fact that in addition to the libellant and libellee, there is a third party, viz., the public, deeply interested in every divorce case. I suggest whether it would not be wise to require the County Attorney to represent the State at the hearing of a libel for divorce, and to resist the granting of a decree. I also suggest that instead of having decrees for divorce take effect when made, all such judgments be simply interlocutory, to take effect one year after being made, unless dissolved in the meantime by the court.

This mode of proceeding would serve to guard against fraudulent representations, and give opportunity for affection and reason to resume their rightful sway. It can be hardly otherwise than that supposed grievances which, under less accommodating laws of divorce, would be patiently and even cheerfully borne, and differences which time would reconcile to mutual advantage, are under our existing statutes often made the occasion for the hasty and unwise sundering of what should be the most sacred and

enduring tie on earth. Nothing is better settled than the fact that laws which make divorces easy to be obtained, encourage hasty and ill-considered marriages. And nothing conduces more to that mutual deference and forbearance on which "domestic harmony" so much depends, as the conviction of the parties to the marital contract that they have taken each other for better or for worse until death doth them part.

IMPRISONMENT FOR DEBT.

Although our laws authorizing imprisonment for debt were long since modified so as to largely mitigate the evils of so extreme a remedy for the enforcement of the rights of creditors, yet they seem to me unjust and unwise. Practically they rarely aid in the collection of claims against a dishonest debtor; it is only the honest but unfortunate debtor that is reached by them. Our criminal laws are already sufficient, or may be made so, to reach dishonest debtors guilty of fraudulent acts. But statutes which authorize the imprisonment of a penniless debtor who cannot secure the means to pay the costs of a disclosure, where no fraudulent practice or intent is alleged, operate injuriously to the interests of industry and trade, foster an unwise use of the credit system to the ultimate disadvantage of the creditor and the not unfrequent oppression of the debtor and his unoffending family, and are contrary to a sound public policy and the spirit of the age.

RIGHT OF WOMEN TO HOLD OFFICE.

In response to questions propounded by the Governor and Council, a majority of the Justices of the Supreme Court have given an opinion that, under the constitution of Maine, women cannot act as Justices of the Peace, nor hold any other office mentioned in that instrument; but

that it is competent for the legislature to authorize persons of either sex to hold any ministerial office created by statute. As there can be no valid objection to, but on the contrary great convenience in having women who may be acting as clerks in public or private offices, authorized to administer oaths and take acknowledgment of deeds, I recommend the passage of an act providing for the appointment of persons of either sex to perform such official duties. Indeed, if further legislation be necessary to establish that principle, I suggest the justice and expediency of an enabling act recognizing the eligibility of women to office, in the same manner as men ; for I know of no sufficient reason why a woman, otherwise qualified, should be excluded from any position adapted to her tastes and acquirements, which the people may desire she should fill.

REVISION OF THE CONSTITUTION.

As it will be necessary for the legislature to provide for the submission to the people at the annual State election in September next, of an amendment of the constitution abolishing the office of Land Agent, I suggest whether it would not be wise to unite with this proposition such other amendments of the fundamental law of the State as may be found necessary. Indeed, it seems to me that no more favorable opportunity could be had to secure such a careful revision of many features of the constitution of the State, as has for some time appeared to many thoughtful citizens to be desirable.

Fifty-five years have passed since the constitution was framed ; almost two generations have come and gone ; and the conditions of life and demands on social and political organization have so changed as to require important modifications in the fundamental law of this, as well as other States. At different times within the past thirty-five

years, we have endeavored to meet these demands by disconnected amendments, until our State constitution has become a piece of legal patch-work, in which the patches and out-of-date shreds cover half of the thirty-two pages which the Revised Statutes devote to the instrument, and the casual reader often finds it difficult to understand what is the fundamental law of the State. But aside from these difficulties, not to mention the ambiguity of some provisions, many vital questions are untouched which ought to be put at rest.

The constitution provides only one way to secure a modification of any of its provisions. Two-thirds of both houses of the legislature must first agree on amendments to be proposed, and then such amendments must be ratified by the people at the next annual election in September. It is obvious, however, that amid the pressure of the ordinary legislative business during the brief period allotted to the session, no committee of the legislature can give that prolonged and exclusive attention requisite to the careful consideration of the various important constitutional questions which are claiming public attention. At first thought, there might seem to be a propriety in summoning a constitutional convention; but the doubt which exists in some minds as to the propriety of doing this without first submitting the question to the people; the delay which would necessarily ensue; the great expense of such a convention; the unsatisfactory manner in which so large bodies, composed in great part of men having no special qualifications for such labor, have done their work; and the fact that the present constitution needs only partial rather than general revision, suggests the propriety and wisdom of imitating the plan recently so successfully adopted in New York, where a commission consisting of a small number of eminent men of both political parties,

was authorized to consider and frame such amendments as seemed desirable, for the action and approval of the legislature, and then for submission to the people.

If such a course should be thought advisable in this State, it would be entirely feasible for the legislature, in the early part of the present session, to authorize such a commission, to consist of perhaps ten members, who, with the aid of the suggestions of the committee on the Judiciary and of the members of the legislature, and especially with the light afforded by the recent constitutions of other States, could wisely and satisfactorily agree upon needed amendments, in season for the action of the two houses before the adjournment, and thus secure the decision of the people upon them at an opportune time, next September. The whole subject is commended to your considerate attention.

OUR RAILROAD INTERESTS.

The report of the Railroad Commissioners furnishes interesting and important statistics relative to the condition of the several railroad corporations in the State, and makes recommendations which should receive your careful consideration. The anomalous condition of the Portland and Oxford Central Railroad can but engage your attention. Two new railroads have been opened during the year—the Bucksport and Bangor and the Lewiston and Auburn; and two old railroads have extended their lines—the Bangor and Piscataquis, from Guilford to Abbot, and the Somerset, from Norridgewock to Madison. Other railroads are in contemplation which will supply much needed facilities for freight and passenger traffic. The entire State can but take a deep interest in any movements looking to the opening of direct railroad communication with that extensive and fertile and in large part as yet unset-

tled portion of our State, included mainly within the county of Aroostook.

Without repeating the considerations and arguments urged in my address to the legislature one year since, I renew the recommendations then made for legislation that will impose upon railroad corporations such just responsibilities and restraints as will properly secure those public interests which they were created to promote. Railroads should be compelled to connect at such points as in the judgment of the Railroad Commissioners the public interests require; and, if the roads cannot agree on the conditions, then on such terms as the Commissioners may adjudge equitable. Authority should be given the Commissioners to require a railroad to furnish any town on its line such station and transportation facilities as they may judge necessary for the public convenience. Railroad corporations should be forbidden to issue stock or bonds except for a consideration of money, labor or property; or to expend money or purchase or hold real and personal property for other purposes than those necessary to carry on the business for which they are incorporated. A prompt, easy and practicable remedy should also be provided by law for the enforcement of the right of every citizen to be served by a railroad corporation on terms which shall be just and reasonable, without distinction and unjust discrimination.

OUR SAVINGS BANKS.

The annual report of the Bank Examiner shows that on the second day of November, the fifty-eight institutions for savings in this State, had deposits aggregating the large sum of \$31,051,963—an increase of \$1,495,439 over the deposits at the same date the previous year. This gratifying increase of deposits, notwithstanding the

financial depression which has prevailed during the year ; the marked improvement in the character of the securities held ; and the satisfactory condition in which all our Savings Banks have been found by the Examiner, are calculated to increase the public confidence in institutions whose deposits are two and a half times as large as the deposits and circulation of all the national banks in the State. It is to be regretted, however, that the trustees of our savings institutions have thought it necessary or advisable to invest out of the State eleven and a half million dollars, or more than one-third of the deposits of the people of Maine—capital which is needed at home for the development of the abundant resources of the State. It is claimed, however, that so long as the law forbids Savings Banks to loan on names alone, it is impossible for them to find opportunities at home for the investment of all their deposits. The Examiner presents some important facts bearing on this point, which will claim your considerate attention. The act of the last legislature, relating to Savings Banks, has been found defective in some particulars, and will require amendment. It is believed, however, that the State tax of one per cent. intended to be imposed on the deposits of savings institutions by the existing law, will be considered a finality, as it undoubtedly is the maximum assessment which could be made without causing deposits to be withdrawn and the revenue to the State to fall off, and at the same time is the minimum tax to which popular opinion would be likely to permanently assent.

BUSINESS AND INDUSTRIAL INTERESTS.

Notwithstanding the shadow of the great financial disaster which more than a twelvemonth since palsied the industries and business of the country, has rested on this State during the entire year just closed, yet there is reason

to believe that our material interests have suffered less than those of a majority of sister States. So far as the increase of deposits in our Savings Banks is an index, it would seem as if the savings of labor and the profits of industry have not been so injuriously affected as might have been expected. The harvest of 1874 has been for the most part abundant in this State, and even above the average of the past five years, although hardly up to that of 1873. Our agricultural interests, whose overshadowing importance demands a just and favorable consideration in the distribution of the burdens and benefits of government, have mainly been affected by the depreciation in the prices of farm products, for which, however, there has been a compensation in the general reduction of prices of merchandise.

While ship building in Maine has largely increased in tonnage the past year, yet our lumbering, commercial, manufacturing and other industrial interests have been more or less depressed, in common with similar industries in all parts of the country, and indeed in much of the civilized world. It is believed, however, that the worst is past; and that early in the year business will begin to revive on a healthier basis. The country is simply paying the penalty for indulging in a decade of unparalleled extravagance and speculation, growing out of the gigantic expenditures imposed and the feverish business habits engendered by the war to preserve the national existence, and aggravated by an excessive and depreciated currency to which the necessities of the crisis obliged us to resort. The financial panic fifteen months since, exposed the delusive character of a prosperity measured by a false money standard and resting largely on credit, and convinced a whole people that they were living too fast.

The past year, therefore, has been a period of contraction in expenditures and payment of debts, resulting naturally in a decreased demand for merchandise of all kinds and a consequent depression of business. The operation has been a painful but inevitable one, and it can but result in ultimate good. To be sure the primary causes of the financial difficulties which we are encountering, are deeper than any questions of legislation. They cannot be remedied simply by acts of Congress, but rather by the slow and painful operation of business and social laws. And yet so far as a depreciated currency has aggravated, and in the absence of any steps looking to a change of policy must continue to aggravate these causes, the obvious remedy lies in an ultimate restoration of the currency to the basis recognized by the civilized world.

CONCLUSION.

Gentlemen of the Legislature! to you, who have been selected by your several constituencies, and who immediately represent the people of Maine, is committed the care of the varied interests of this State, so far as they may be affected by legislation. I doubt not that these interests will receive at your hands that considerate attention which their importance demands. And in whatever measures you may devise that may seem calculated to promote the welfare of our beloved State, it will afford me pleasure to earnestly co-operate.

NELSON DINGLEY, JR.

JANUARY 7, 1875.