

MAINE STATE LEGISLATURE

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July 24, 1940

Hon. Belmont Smith
Treasurer of State
Augusta, Maine

Dear Sir:

Re: \$1,000,000
STATE OF MAINE
War Bond
Issue of August 1, 1940

Pursuant to the power and authority granted by Section 14 of Article IX of the Constitution of the State of Maine, the Eighty-ninth Legislature of the State, at a special session thereof, passed a Private and Special Act entitled: "AN ACT Authorizing a Bond Issue for Military Expenses" to the amount of \$2,000,000 which Act appears as Chapter 120, Private and Special Laws of Maine of 1939, and was by the Governor approved on June 27, 1940.

Chapter 120

AN ACT Authorizing a Bond Issue for Military Purposes.

Emergency Preamble. Whereas, recent events have shown that all nations desirous of safety and independence must be adequately and immediately prepared for war in order to protect their sovereignty; and

Whereas, the state of Maine has not provided for the minimum of essential peace time national guard provisions; and

Whereas, recent events have shown that speed is the essence of modern war; and

Whereas, Maine must provide immediately funds to properly house military property, train troops, provide airports, and aviation facilities to be in position to cooperate effectively with federal plans; and

Whereas, without adequate military preparations the danger of war is imminent, and the legislature

considers that these facts warrant the incurring of indebtedness by the state under the provisions of section 14 of Article IX, of the constitution as amended for purposes of war; and

Whereas, in the judgment of the legislature these facts create an emergency within the meaning of section 16 of Article XXXI of the constitution and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. Expenditures for military purposes, authorized. The governor, with the advice and consent of his council, may draw his warrant upon any money in the treasury available and not otherwise appropriated, for the purpose of suppressing insurrection, repelling invasion, or for purposes of war, especially for the building and improvement of armories, for the building and/or improvement of airports, including municipally owned airports, for military purposes, for expenses incurred on behalf of the state or in cooperation with the federal government in improving military efficiency, and procuring military equipment, and obtaining and/or improving lands and buildings for military purposes, up to an amount not exceeding \$2,000,000, to be charged to the proceeds from the sale of the bonds authorized in section 2 hereof.

Sec. 2. Issue of bonds to provide funds for the aforesaid purposes. The treasurer of state is hereby authorized, under the direction of the governor and council, to issue from time to time serial coupon bonds in the name and behalf of the state to an amount not exceeding \$2,000,000, payable serially at the state treasury within 20 years from date of issue, at a rate of interest not exceeding 2 1/2% per year, interest payable semi-annually, and signed by the treasurer of state, countersigned by the governor and attested by the state auditor, with the seal of the state affixed. After 5 years after issue, these bonds shall be redeemable by the state on any interest date in such amounts as may be determined by the governor and council at 102 and accrued interest. The coupons attached to said bonds shall bear the facsimile of the signature of the treasurer of state; and such bonds and coupons shall be of

such denominations and form and upon such terms and conditions not inconsistent herewith as the governor and council shall direct. Said bonds, together with the proceeds thereof, shall be designated as State of Maine war bonds for the purposes set forth in this act, and shall be deemed a pledge of the faith and credit of the state, and when paid at maturity or otherwise retired shall not be reissued.

Sec. 6. Interest, how met. Interest due accruing upon any bonds issued under the provisions of this act shall be paid by the treasurer of state from any money in the state treasury not otherwise appropriated; upon warrants drawn by the governor and council therefor.

Sec. 7. Disbursement of bond proceeds. The state military defense commission created by the 89th legislature is hereby charged with the duty of directing the expenditures authorized in section 1 hereof, and it is hereby authorized to cooperate with the federal government for the achievement of the said purposes. *****

Sec. 8. Bid requirements modified. Owing to the emergency requiring this legislation, it shall not be necessary to advertise for bids, for construction purposes or for purchase of supplies required or authorized under this act, for a longer period than 10 days, notwithstanding any provision of law to the contrary.

Emergency clause. In view of the emergency set forth in the preamble, this act shall take effect when approved.

This Act was designated and passed by the legislature as an emergency act and was in my opinion a proper emergency measure within the provisions of Section 16 of Article XXXI of our State Constitution.

In accordance with the aforesaid Act, the following Council Orders were passed by the Council and approved by the Governor.

*669

State of Maine

In Council, July 17, 1940

ORDERED,

That The Treasurer of State be and hereby is authorized and empowered to issue in the name of the State of Maine and sell to the highest bidder, (bidder to name a single coupon rate for the entire issue in multiples of $1/8\%$ or $1/4\%$), Serial Coupon State of Maine War bond in the aggregate principal amount of One Million (1,000,000) Dollars bearing date of August 1, 1940 and payable at the office of the State Treasury at Augusta, Maine, as follows:

\$50,000. August 1, in each of the years 1941 to 1960 inclusive.

The above authorization is provided by Chapter 120 of the Private and Special Laws of the Eighty-ninth Legislature, approved June 27, 1940.

ORDERED FURTHER:

That the Treasurer of State advertise for sealed bids for the above issue, to be received up to 11 o'clock A. M. Daylight Savings Time, Tuesday July 23, 1940. No bids accepted less than par.

That the Treasurer of State prepare and submit the form of bond and coupon to the Governor and Council for approval.

In Council, July 17, 1940

Read and passed by the Council, and by the Governor approved.

Frederick Robie Secretary of State

A true copy

ATTEST:

S/

Frederick Robie
Secretary of State "

"696

State of Maine.

In Council, Jul 23 1940

ORDERED,

That WHEREAS, the Treasurer of State has made a sale of \$1,000,000. "State of Maine War" Coupon Bond Issue bearing date of August 1, 1940 at a bid price in denominations of \$1,000, each of 100.9030 and accrued interest for 1-1/2% coupon to

Halsey Stuart & Co. Inc
Blair & Co. Inc
Marine Trust Company of Buffalo

NOW THEREFORE IT IS ORDERED:

That the said sale shall stand approved.

In Council, Jul 29 1940

Read and passed by the Council, and by the Governor approved.

Frederick Robie Secretary of State

A true copy,
ATTEST:

S/ Frederick Robie
Secretary of State"

This issue of Maine Military Expense Loan bonds to the amount of One Million (\$1,000,000) Dollars sold to

Halsey Stuart & Co. Inc
Blair & Co. Inc
Marine Trust Company of Buffalo

being authorized by Article IX of the Constitution of Maine, as amended, and by Chapter 120 of the Private and Special Laws of 1939, enacted in anticipation of and pursuant to such constitutional provisions, and the Orders of the Council of July 17, 1940 and July 23, 1940, being conformable to such constitutional provisions and Acts and in due form and properly passed and recorded, and all other proceedings in connection with same being regular, these bonds in my opinion were legally issued and sold, are a pledge of the faith and credit and a lawful debt of the State of Maine, payable from unlimited ad valorem taxes to be levied on all the taxable property therein.

Respectfully submitted,

Sanford L. Fogg
Deputy Attorney General

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