

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

STATE LAW LIBRARY

FIRST SPECIAL SESSION

---

---

NINETY - EIGHTH LEGISLATURE

---

---

**Legislative Document**

**No. 1618**

H. P. 1112

House of Representatives, October 28, 1957

The Committee on Appropriations and Financial Affairs suggested.

HARVEY R. PEASE, Clerk

Presented by Mr. Wheaton of Princeton.

---

---

**STATE OF MAINE**

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
FIFTY-SEVEN

---

**RESOLVE, Relating to Passamaquoddy Trust Funds for Housing.**

---

**Emergency preamble.** Whereas, acts and resolves do not become effective until 90 days after the Legislature adjourns; and

Whereas, housing facilities for the Passamaquoddy tribe of Indians are needed to prevent undue hardship; and

Whereas, the following legislation is vitally necessary in order to construct such housing before winter; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

**Resolves, 1957, c. 75, amended. Resolved:** That chapter 75 of the resolves of 1957 be, and hereby is, amended by adding at the end thereof the following:

‘ ; and be it further

**Resolved:** That the Treasurer of the State be, and hereby is, authorized to purchase for the General Fund of the State, at par, \$100,000 of the bonds of the United States of America now owned by the Trust Fund of the Passamaquoddy Indians.’

**Emergency clause.** In view of the emergency cited in the preamble this resolve shall take effect when approved.

## STATEMENT OF FACTS

By chapter 75, resolves of 1957, the Legislature authorized the Department of Health and Welfare to use \$100,000 of the Passamaquoddy Indian Tribe Trust Funds to provide new housing for the reservation at Pleasant Point and Peter Dana Point.

By chapter 162, public laws of 1957, the Legislature provided for the return of the \$100,000 to the Trust Fund from the receipts for the sale of stumpage, etc. from the Indian Township.

In accordance with section 18, chapter 18, Revised Statutes of 1954 the money belonging to the Passamaquoddy Indians Trust Fund is invested in bonds of the United States of America. The bonds now owned by this Trust Fund were purchased at various times when interest rates were somewhat lower than the present rates. The average price paid for these bonds is approximately par or \$1,000 per bond.

In the case of U. S. Treasury savings bonds of Series G and Series K the bonds could be redeemed before maturity at slightly discounted prices in accordance with established schedules. The Trust Fund owns \$4,500 bonds of Series G maturing April 1, 1958 and \$17,000 bonds of Series K maturing in 9 to 10 years.

The major part of the Trust Fund is invested in U. S. Treasury bonds of various marketable issues. If these were to be sold to dealers in securities they would bring only the current market prices where are comparatively low and the sale would result in a considerable loss.

The best selection of bonds that could be sold or redeemed at the present time would result in a total loss to the Trust Fund of approximately \$10,108.

It would require the sale of \$110,500 par value of the bonds to obtain \$100,000 in cash.

In order to avoid such a loss it is proposed by this amendment to chapter 75 of the resolves of 1957 that the General Fund shall buy \$100,000 of bonds from the Trust Fund at par which would result in no loss for the Trust Fund.

Repayment to the Trust Fund from the proceeds of the sale of timber from the Indian Township as provided by chapter 162, public laws of 1957 is estimated to be between \$5,000 and \$10,000 per year. As such money is received in the Trust Fund it is proposed that it be used to purchase these bonds from the General Fund.

Under the present procedure the General Fund receives the income from the investments of the Trust Fund for the Passamaquoddy Indians as partial repayment of the appropriation for the welfare of the Passamaquoddy Indians. Sale of these bonds to the General Fund would avoid the loss to the General Fund of the interest on the bonds as well as the loss in the principal of the Trust Fund.