

MAINE STATE LEGISLATURE

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ACTS AND RESOLVES
OF THE
SEVENTY-FIFTH LEGISLATURE

OF THE
STATE OF MAINE.

1911

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Second Address of Governor Plaisted.

Members of the 75th Legislature of Maine:

I have requested your presence here, at this time, in order that I might have an opportunity to say something to you concerning the financial policy which has been forced upon my administration by existing circumstances and which I must ask you to continue to carry out during the few remaining days of this session of the Legislature.

You will have presented for your consideration bills calling for the levying of a direct state tax of five mills for both of the years 1911 and 1912. It is necessary that these bills should be passed. I had hoped that a lower tax rate than five mills might have been possible for 1912 and expressed that hope in my inaugural address. My disappointment in that respect arises from no fault of yours.

When I last addressed you, I stated, from the best information then at hand, that it was your duty to provide means with which to pay some \$400,000 of unpaid bills which had come to us as a legacy from the last administration and to provide, in addition, for the payment of the temporary loan of \$300,000 negotiated in January, 1910, renewed in July of the same year and which we were again obliged to renew in the early part of this year.

Hardly had I taken the oath of office when unpaid bills, of which I had no knowledge at the time of my inauguration, began to pour in upon the State, accompanied by justly insistent demands for payment. These bills amount to over \$350,000. Adding this amount to \$384,000 of unpaid warrants drawn by Governor Fernald and \$300,000 temporary loan, left the State in a position where it became necessary to raise over a million dollars of revenue in excess of our current expenditures for the years 1911 and 1912, in order that it might pay its honest debts.

The tax rate for 1912 might have been three mills instead of five mills, had it not been for these debts. In other words, had the State's finances been in a reasonably healthy condition

when this administration came into power, no direct State tax for 1912 need have been levied excepting the tax for the support of common schools.

But the debts existed and there was no shirking their payment. The State of Maine always has and always will pay its honest bills. There was but one way to meet the situation. The only way to pay a bill is to pay it. The only way in which a state can pay its bills is to tax the property of its inhabitants sufficiently to produce the money with which to pay them. The situation demanded a tax rate higher than is desirable and, at the same time, the practice of the strictest economy.

With a tax rate of five mills for the years 1911 and 1912, the entire revenues of the State for the two years will be approximately \$8,500,000. Of this amount more than \$1,000,000 must go to pay debts contracted by the previous administration. Over \$3,000,000 of the balance is taken up by the common school fund, leaving less than \$4,500,000 to be otherwise expended during the coming two years, or approximately \$2,250,000 for each year.

When it is remembered that the appropriations made by the Legislature of 1909, exclusive of the amount appropriated for common schools, aggregated \$6,700,000, or an average of \$3,350,000 for each of the two years of 1909 and 1910, some idea is obtained of the contrast between the lavish extravagance of your predecessors as compared with the strict economy which that extravagance forced upon us.

I desire to congratulate you and to thank you for your faithful and consistent work in assisting me in carrying out the policy of economy which we found necessary. It has required great self-control and involved much self-denial on your part to adhere as strictly as you have to that policy. The good result is now apparent. Without raising the tax rate we shall meet all of the bills contracted by this Legislature, pay off the \$1,000,000 of debts bequeathed to us and leave in the treasury, at the close of the two years, a reasonable working balance.

The revenues of our State will gradually and steadily increase as business develops and property values become higher. With the burden of debt, which has embarrassed us, lifted, it will be possible to exercise more liberality in the future, toward those things which naturally move us to liberality, than has been possible this winter. That form of generosity, however, which consists in spending not only all that is at hand but in mortgaging the future can bring only one result whether it be indulged in by an individual or by the State.

If we have been obliged to deny those who have asked us what we would have lived to give, it has been because what should have been ours had been spent by others. If in the future we can give more freely it will be because we have refrained from giving beyond our present means.

Your task, gentlemen of the Legislature, has not been an easy and agreeable one. You have performed it well. My work, yet only in small part accomplished, will be performed the more easily because of what you have done. You will shortly go to your homes to give to your people an account of your stewardship. You have reason to be proud of your record. Carry to your people the simple truth concerning the situation which you faced. Explain to them the conditions which confronted you, the circumstances which surrounded you. The people can be trusted to justify and sustain right doing when they know the truth. In justice to yourselves, see that they do know it. You undertook the government of the State under most trying circumstances. You found an empty treasury and the credit of the State worse than exhausted. In spite of adverse conditions you have worked out the great problem of government to the satisfaction of all fair minded citizens. You have enacted wise laws and repealed unwise laws; you have not done foolish things; you have done what you could to promote the prosperity of the State and the happiness of all its good people.

March 24, 1911.