

# MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

AS PASSED BY THE

Eighty-fourth Legislature

OF THE

STATE OF MAINE

1929

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## MISCELLANEOUS COMMUNICATIONS

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# MISCELLANEOUS COMMUNICATIONS

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## TRANSMITTING REPORT OF STATE AUDITOR ON STATE TRUST FUNDS

### SPECIAL MESSAGE TO THE LEGISLATURE

February 7, 1929.

To the President of the Senate and the Speaker of the House of the  
84th Legislature:

At my request the Auditor has prepared a comprehensive history of the various trust funds of the State together with a financial statement of those funds as of December 31, 1928. Attached is his report which contains much valuable information as well as a statement that should be borne in mind in connection with other matters of State finance. I commend for your consideration the question of such a policy as will permit the gradual restoration of these trust funds.

(Signed) WM. TUDOR GARDINER.

February 4, 1929.

Hon. Wm. Tudor Gardiner,  
Governor of Maine,  
State House, Augusta, Maine.

Dear Sir:

At the first session of the legislature after I became state auditor (1923), I called the attention of the governor, Honorable Percival P. Baxter, to the condition of the trust funds of the state and recommended that legislation be enacted in order that these trust funds be placed at their true standing and that they be invested in state securities or placed in time deposits at interest in the banks of the state.

At the suggestion of Governor Baxter I drafted an act which if passed would require all such trust funds, whether held by the state or any municipality thereof, to be so invested or deposited. The state and many of its cities and towns had fallen into the unbusiness-like method of expending their trust funds and then raising by general taxation the annual interest on same to meet the conditions of the trust.

The proposed act requiring trust funds to be restored was opposed at the committee hearing. The mayor of Portland at that time stated to the

committee that his city would be required to immediately raise through taxation more than \$250,000.00 to restore trust funds of that city. Other opponents also appeared. The bill was therefore unfavorably reported out of committee and failed of a passage. Governor Baxter suggested that I rewrite the act, making it applicable to all future trust funds coming into the hands of the state or of municipalities, and this was done. This second bill was favorably reported and passed and became chapter 222, public laws of 1923.

In accordance with the provisions of the act just referred to this office has caused all credits accruing to the Permanent School Fund, the Passamaquoddy Indian Fund, the Teachers' Retirement Fund, and the Western Maine Sanatorium Fund to be deposited at interest in various depositories in the state. The Penobscot Indian Fund has not been added to for many years, so that fund is not affected. The Lands Reserved Fund was specially excepted from the provisions of the law, and the balance is represented by cash in the treasury to be invested by the Farm Lands loan commissioners, as provided by chapter 303, public laws of 1917, as amended. As the Public Administrators' Fund and the Receivers' Fund are small and are in any event only conditional trust funds as they may be called for at any time, or may eventually escheat to the state, I have not construed the law as applying to them.

In the case of all of these funds the credits accruing to them have not been kept separately, but have become mingled with the general fund, with the result that these funds, until 1923, were all book liabilities only. The state, however, has faithfully observed its obligations by paying interest on each one at the rate fixed by law or established by custom. In fact, on the two Indian funds the state since the office of state auditor was created in 1907, has averaged to pay on the Penobscot Indian Fund through specific enactments by the legislature 27.4 per cent on its fund and on the Passamaquoddy Indian Fund 26.8 per cent.

The combined total of these funds on December 31, 1928, was \$1,529,824.88, of which \$592,159.79 is invested in securities or deposited in banks in separate accounts. There has therefore been invested and deposited in separate accounts an amount equal to approximately 38 per cent of these funds under the act of restoration of 1923 and chapter 303, public laws of 1917.

There follows a brief history of these various trust funds relating the manner in which they came into being and the manner in which additions have been made to and withdrawals deducted from them.

#### LANDS RESERVED FOR PUBLIC USES

Under the law of colonial Massachusetts each town was required to support a "Gospel Minister" and the colony made provision for his support,

as follows: In each township, when surveyed, there was set aside in accordance with law four reserved lots of 320 acres each, the first to be known as the lot for the first settled minister; the second to be known as the lot for the use of the ministry; the third for the support of common schools, while a fourth lot was held back for the future disposition of the general court. The latter lot in most cases was soon disposed of but the three lots for the promotion of religion and education could not be alienated for other purposes. This is the reason why the public lots in Washington and Hancock counties in the townships never settled are now 960 acres, as these surveys were made prior to the adoption of the Federal Constitution in 1787. After the separation of church and state the legislature of Maine provided, about 1824, that townships thereafter surveyed should contain 1,000 acres as a public lot to be reserved for educational purposes in that township. The law further provided that such public or reserved lands could not be sold but might be leased, giving the preference for leasing same to the purchaser or purchasers of the land in that township. It was further provided that the lessee had a right to cut the timber and grass on such reserved and public lands only until such time as the township should be organized as a plantation, at which time the control of the one thousand acres automatically reverted to the control of the state land agent, who was thereafter charged with the duty of permitting the cutting of timber on such land, the proceeds to be paid over to the treasurer of state as a fund, the interest on which annually should be paid to the officers of such plantation for the support of schools therein.

The consideration for the original lease was also required to be paid into the treasury of the State of Maine, and it is the proceeds from such transactions that today compose the fund in the treasury known as the unorganized townships fund.

As plantations were organized in the early history of the state the interest on the fund to the credit of such plantations, and now known as the organized townships fund, was paid over, and has been ever since so paid over to the plantation officers for the support of schools in such plantation, the rate of interest being six per cent.

The question has many times been discussed by officials of the state government as to the liability of the state to the unorganized townships as to whether the state should compute interest on the amount of money paid into the treasury for leases, at the rate of six per cent, or whether the interest should be compounded. This matter has never been determined. In 1913 the state auditor called attention to the lands reserved fund and suggested the importance of having the records traced through in order that the true standing of this fund might be ascertained. As a result the legislature passed chapter 297 of the resolves of 1913, which reads as follows:

"Resolved, that the state treasurer and state auditor are hereby

authorized to ascertain the true standing of any and all of the accounts in the treasury and that they be and hereby are authorized to adjust said accounts upon the books of the treasury and auditing departments according to the true standing thereof.

They are hereby required to make such report to the next legislature as will show in detail all changes made in such accounts to properly adjust them."

Acting under this resolve representatives of the department of the state auditor and treasurer made an exhaustive study of the various laws and the old records in the office of the treasurer of state relative to this fund.

The principal of the fund was established at \$380,194.94, which was \$16,545.69 less than the amount carried at that time on the treasurer's books. This new principal was reported to the seventy-seventh legislature and chapter 255 of the resolves of 1915 authorized the state treasurer and the state auditor to make the necessary entries to place at their true standing the sums then to the credit and also the sums then charged against certain plantations and townships of the state.

The legislature took no action whatever in relation to the matter of the state's liability in the matter of the interest on the unorganized townships fund. In 1916 Governor Curtis, having refused to allow a number of the appropriations made by the legislature the previous year to be used to build up various state institutions and having been criticized for such refusal by his political opponents, replied to these criticisms by stating that the fund known as the Lands Reserved for Public Uses was not in the treasury, but by the terms of chapter 8, section 19, of the revised statutes was required to remain in the treasury until called for by towns as they were incorporated by the legislature, ordered this fund set up in cash in the treasury.

In the administration of Governor Milliken it was proposed that this money so restored should be invested in farm loans and this suggestion met with a ready response from Mr. Wardwell, the state auditor, and from Governor Milliken, with the result that chapter 303 of the public laws of 1917 was passed authorizing this fund to be so loaned or to be invested in United States bonds or the bonds of the State of Maine.

There are now \$154, 979.49 invested in farm loans and \$360,800.00 invested in state highway bonds and in deposits. There is also an investment of \$20,000 in State of Maine war loan bonds, issue of 1917. There remained December 31, 1928, \$188,223.97 represented by free cash in the treasury, not segregated from other funds and available for investment by the farm lands loan commissioners.

#### PERMANENT SCHOOL FUND

In 1828 the legislature passed an act, chapter 403, public laws 1828, by

which the land agent, with the advice of the governor and council, was authorized to sell at public auction or private sale any number of the townships of land, not exceeding twenty, averaging six miles square

"upon such terms of credit as in their judgment will best promote the objects of this act, and whenever any credit shall be given to the purchaser, he shall secure the state by the joint note of himself with two or more sufficient sureties to the acceptance of said agent. And the said agent is required to pay into the treasury of the state the sums he may receive from the sale or sales of said land, and to deliver over to the treasurer of state all the notes he may obtain upon the sale or sales of said land, immediately after he shall have received them."

"Sect. 2. That the treasurer of state be directed to keep a separate account of all monies he may receive from the sales of said land and from the notes in payment therefor, and the same shall constitute a permanent fund to be reserved for the benefit of primary schools. And said fund shall be put out on interest, in such manner as a future legislature shall determine, and the interest annually distributed among the several towns and plantations in the state, according to the number of scholars therein, commencing at such time as by law shall be hereafter provided.

"Sect. 3. That whenever this state shall receive any sum or sums of money on account of the claim of Massachusetts or the United States, for services rendered by the militia of that commonwealth during the late war, the excess over and above what the state may then owe shall constitute a fund to be appropriated and distributed in the manner provided by the second section of this act."

(Approved Feb. 23, 1828)

On January 1, 1841, the Permanent School fund stood at \$2,974.66. In that year the foregoing provisions, somewhat amended, were embodied in the revision of the statutes of 1841 (chapter 11):

"Sect. 50. The treasurer of state shall keep a separate account of all moneys he may have received, or may hereafter receive, from the sales of lands by the land agent, or from the notes taken therefor, pursuant to the provisions of the first section of an act passed February 23rd in the year 1828, entitled 'An Act providing for the promotion of education;' and the same shall constitute a permanent fund, to be reserved for the benefit of town or district schools. The fund shall be put out on interest in such manner as the legislature shall, from time to time, determine; and the income thereof, annually distributed amongst the towns in the state, according to the number of children therein, of the ages specified in section seven of this chapter commencing at a time to be specified by this chapter.

"Sect. 51. All the sums which may hereafter be received by the state, for the tax on the several banks, under the provisions of the sixteenth sec-



tion of chapter twenty-seven, shall continue to be appropriated to the support of town or district schools."

Sales of the public lands greatly increased between 1841 and 1848, being in several of those years in excess of \$20,000.00, so that the Permanent School fund on April 30, 1848, stood at \$106,854.12. In 1847 the legislature passed chapter 7, of the public laws of that year, providing for the payment of teachers' institutes, such expense to be deducted from the Permanent School fund, and for the same purpose there was deducted in 1849, \$2,205.22.

In 1850 there was another deduction from the fund of \$5,031.83, but it has been impossible to determine from either the books of the state treasurer or the land agent to what purpose this amount was diverted.

The public lands were being sold so rapidly by 1850 that it was evidently concluded that the proceeds should be used to extinguish the public debt, so that a resolve of that year (chapter 339) provided:

"That all the lands owned by the State of Maine, either in severalty or in common with the Commonwealth of Massachusetts (other than those located or which may hereafter be located for settlement) not heretofore otherwise appropriated, are hereby set apart for the creation of a fund to pay the public debt of this state; and the proceeds of the sale thereof, except so much as may be required for the expense of surveying and controlling them, and the location, construction and maintenance of roads on said lands, shall be hereafter paid into the treasury and applied to that same purpose alone, until said debt shall be extinguished; and whenever there shall be funds in the treasury arising from this source not wanted for the payment of the public debt maturing within the year, the treasurer is hereby authorized to anticipate the payment of any of the public debt maturing during the next succeeding year; provided, that nothing in this resolve shall be so construed as to authorize the sale of more land than is now allowed by law."

By 1857, however, the legislature passed a resolve (chapter 72) providing: "That twenty per cent of all money hereafter accruing from the sale of the public lands shall be paid over to the treasurer of state, and that said proceeds be and are hereby appropriated as a permanent school fund for the benefit of common schools, the interest of which shall be paid over annually for their use, in the same manner as the interest on the school fund is now paid."

In the revision of the statutes of 1857 the provisions of law relative to the Permanent School fund were as follows, (chapter 11):

"Sect. 73. The treasurer of state shall keep a separate account of all moneys received from the sales of lands appropriated for the support of schools in this state or from the notes taken therefor, and of any other moneys appropriated for the same purpose; and such sum shall constitute

a permanent school fund, which may be put at interest as the legislature directs. A sum equal to six per cent of the amount of such fund, and also all money received by the state from the tax on banks, shall be annually appropriated to the support of common schools, and distributed among the several towns, according to the number of children therein between four and twenty-one years of age."

From this time forward various credits were made to the fund, being noticeably large between 1861 and 1868, in which latter year some two million acres of land in northern Maine were sold to the European & North American railroad. In this period the fund was increased by \$106,351.64, so that the fund on December 31, 1868, stood at \$261,112.00.

On December 31, 1881, the fund stood at \$442,757.91, and at this time credits to the fund from the sale of public lands ceased, as the last of the public lands were sold about that date. For the period January 1, 1882, to December 31, 1904, there appears to have been no credits to the fund. In 1903 lapses from the school mill fund which had accrued between 1872 and 1903, inclusive, were credited to the fund under the provisions of section 127, chapter 15, of the revised statutes of 1903, and since that date the balances remaining in the school fund after apportionment to cities and towns and other deductions made by law have been credited to the Permanent School fund.

The revision of the statute of 1871 makes no change in the above wording.

The revision of 1883 is in the same language except the words "in this state" are omitted as being unnecessary.

In 1872 the one mill tax upon all the property of the state was added. In that year was also added the provision now embodied in the statute (chapter 43, P. L. 1872):

"All of the school mill fund not distributed or expended during the financial year shall at its close be added to the permanent school fund."

Chapter 228, P. L. 1903, made one-half of the bank tax available for the fund, instead of the entire amount, as before.

Chapter 124, P. L. 1907, made the mill tax for the common school fund one and a half mills.

Chapter 177, P. L. 1909, made the tax for the support of the common schools one and a half mills, and was additional to the act of 1907, or three mills in all.

Chapter 173, P. L. 1921, provided that the tax be three and a third mills on the valuation.

The present amount of the Permanent School fund, as shown on the books of the treasurer and auditor December 31, 1928, was \$563,399.09.

Under the provisions of chapter 222, P. L. 1923, the state treasurer has set aside all amounts lapsed from the state school fund on each December 31st, since July 1, 1923 and has deposited same in two of the banks of the

state and holds savings deposit books for same. This part of the fund so set aside amounts to \$41,057.58.

#### INDIAN FUNDS

The Penobscot Indians, by treaty, ceded in 1830 to the State of Maine two townships of land where Millinocket now stands and also conveyed to the state certain islands in the Penobscot river. The state did not profit by the transaction, as these lands were immediately sold at a nominal price. The money derived from this sale was paid into the treasury, with the provision that interest on the fund so established should be paid over annually for the benefit of the tribe. The obligation has been faithfully observed; in fact, the state, realizing the needs of these its wards, has for many years paid back to the Indians in money and in goods an amount far in excess of the amount stipulated in the treaty.

The Penobscot Indian fund on December 31, 1928, stood at \$88,092.44, the annual interest at 6 per cent therefore being \$5,285.54. This latter amount is appropriated each legislative session in the appropriation act in pursuance to a resolve passed at such session.

The fund has not benefitted by the passage of chapter 222, public laws of 1923, as no credits have accrued to the fund for many years. The true standing of the fund was ascertained in 1908 by Charles P. Hatch, the first state auditor, and as a result of his investigation \$15,763.96 was added to the fund on account of an error in making certain credits to the fund in the year 1849.

This fund was not segregated in separate depositories, with the result that it is today non-existent, except as a bookkeeping transaction. From the standpoint of good business methods and as an example to many cities and towns of the state, which find themselves in much the same situation, it is very important that this fund be placed in a separate depository in cash, or else be invested in sound securities, in keeping with the spirit of the act of 1923, referred to.

#### PASSAMAQUODDY INDIAN FUND

A treaty with this tribe of Indians differed from the one drawn with the other to the extent that their lands could not be sold, but were required to be used and occupied by the tribe. The forest commissioner permits the right to cut timber and wood on the Indian township adjoining Princeton and the proceeds are paid into the treasury and interest on the fund so created is annually paid over to the tribe, in accordance with an item in the annual appropriation bill, placed there by authority of a resolve passed at each session.

In January, 1927, the church on the Indian reservation at Pleasant Point burned. The legislature, then in session, authorized the withdrawal of \$6,000.00 from that part of the fund to the credit of this tribe that had accrued under the act of restoration of 1923. This has been done with the result that on December 31, 1928, the Passamaquoddy Indian fund stood at \$129,085.74. There had accumulated in cash deposits since 1923 to the credit of this fund \$20,039.35. The deduction of the \$6,000.00 by legislative authority therefore reduced this amount to \$14,039.35, and now increased to \$15,322.72. The amount so withdrawn was used in the construction of a new church. This fund, with the exception of the \$15,322.72, is non-existent, except as a bookkeeping entry on the liability side of the state's books.

#### MADAWASKA TERRITORY SCHOOL FUND

When President Jackson refused to re-charter the Bank of the United States about 1833, the funds of the bank due to the Federal government were distributed to the various states. In Maine the legislature, in turn, distributed them to the various towns. As the northern boundary of Maine had not then been established the towns on the St. John river did not share in this distribution and for many years made claim for their share. In order to settle the matter the legislature in 1861 provided that a fund be established to be known as the Madawaska Territory School fund, amounting to \$5,000.00. The state pays interest on this fund to the various towns and plantations in that region at the rate of 6 per cent. The fund is represented on the books of the state as a liability only and should be restored. I cannot find that any money was ever paid over to establish such a fund and I believe that the credit of the state only was involved in this matter.

#### ACADEMY AND OTHER MINOR FUNDS

There are a number of additional small funds totalling \$20,244.15 on which the state pays interest and which are not represented by securities or deposits.

Notwithstanding the fact that the legislature of 1877 took so lenient a view of expended trust funds that it submitted a resolution to the people of Maine proposing that such expended trust funds should not be considered in determining the five per cent debt limit of any city or town, and notwithstanding the fact that the people adopted this as an amendment to the Constitution of Maine amendment XXII, I am convinced that the depletion of its trust funds by the state or any municipality thereof is not good business. I therefore recommend that the various funds of the state to which I have called attention be invested at a more rapid rate.

We now pay six per cent interest to the organized plantations on their reserved lands funds but our investments in farm loans and state bonds

made out of this fund earn only five per cent and four per cent, respectively. The part of the lands reserved fund known as the unorganized townships fund by the provisions of the law earn only four per cent, which interest is annually credited to the equalization fund. These varying rates of interest should not exist, in my opinion. The difference between what the investments in these funds earn and the amount the state pays is included in the tax levy. Manifestly the state should not be obligated to pay over more interest than these funds earn.

There appears below a tabulation showing the book amounts of these various funds as of December 31, 1928, the amount invested and the liability of the state above the amount so invested:

	Total Amount of Fund	Amount Invested	Bal. of State Liability
Lands Reserved for Public Uses..	\$724,003.46		\$188,223.97
INVESTMENTS			
Highway Loan Bonds.....		\$276,000.00	
War Loan Bonds.....		20,000.00	
First Mortgage Farm Loans...		154,979.49	
Bank deposit of interest and matured bonds .....		84,800.00	
		<hr/>	
		\$535,779.49	
Permanent School Fund.....	\$563,399.09	\$41,057.58	\$522,341.51
		Banks	
Passamaquoddy Tribe of Indians Fund .....	\$129,085.74	\$15,322.72	\$113,763.02
		Bank	
Penobscot Tribe of Indians Fund	\$88,092.44		\$88,092.44
Foxcroft Academy Fund 6%....	\$1,000.00		\$1,000.00
Hebron Academy Fund 6%.....	1,000.00		1,000.00
Houlton Academy Fund 6%.....	2,000.00		2,000.00
Jordan Forestry Fund.....	1,125.00		1,125.00
Madawaska Territory School Fund 6% .....	5,000.00		5,000.00
School District No. 2, Madison 5% .....	1,000.00		1,000.00
Augusta State Hospital—Gilman Legacy 5% .....	1,000.00		1,000.00
Augusta State Hospital—Williams Legacy 4% .....	1,000.00		1,000.00
State School for Boys, Sanford Legacy 6% .....	700.00		700.00

Deaf, Dumb and Blind, Sanford			
Legacy 6% .....	600.00		600.00
State School for Girls Funds 5%	10,819.15		10,819.15
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Total .....	\$1,529,824.88	\$592,159.79	\$937,665.09

Very truly yours,

ELBERT D. HAYFORD,

*State Auditor.*

## STATE FINANCES

### SPECIAL MESSAGE

February 27, 1929.

Members of the 84th Legislature:

My inaugural address indicated further discussion of state finances. I want to present such information as may be of value to you in considering appropriations.

The report of the Committee on Budget gives the foundation for an estimate as to revenues, expenditures and possible tax rates for the next two fiscal periods. At the time the budget report was made it was estimated that there would be in the Sinking Fund Reserve and the State Contingent Fund the amount of \$1,288,257.04 on July 1, 1929, the beginning of the next fiscal year. A revision reduced this estimate nearly \$300,000 and the Auditor has furnished you with a report, printed as H. D. 42, estimating the sum of these funds at \$992,646.50 on July 1, 1929.

The Budget Committee listed certain obligations on the part of the State which were not provided for by the previous Legislature. The total of the estimated deficiencies exceeded the amount left in the Contingent Fund the first of this year. In accordance with the recommendation of the Budget Committee an emergency deficiency appropriation bill has been introduced which is printed as S. D. 214. The total amount \$169,177.35 is somewhat smaller than recommended but seems sufficient to cover the needs. The passage of this resolve of course will operate to reduce the balance that we may expect to find in the Sinking Fund Reserve and the State Contingent Fund next July to the amount of \$823,469.15, of which \$300,000 would be reserved for the contingencies of the ensuing fiscal year.

There has been some suggestion that certain large appropriations might be made out of the Sinking Fund Reserve.

It would seem unwise at this time to deplete further the Sinking Fund Reserve which represents the ultimate cash resources of the State, but

which includes certain deferred assets. For instance, this estimate for next July first shows \$523,000 apparently available to meet Legislative appropriations, but probably \$200,000 of this amount would be in the nature of assets of such a deferred character that we could not count on the possibility of their expenditure. Not only must a working balance be maintained but it is only common prudence to have some funds in reserve; \$300,000 in quick assets in reserve would seem to be about the minimum. Again, if the trust funds with which the State is charged as Trustee were to be set up in cash it will be seen that there would be a deficiency. The Auditor has prepared a history of these trust funds together with a statement of their amounts as of January 1, 1929. This is published as S. D. 149. The amount with which the State is charged as Trustee and against which there is no specific fund or investment was on that date \$937,665.09. Views may differ as to how these trust funds should be regarded but it would seem prudent, either to plan to keep, except for short periods of time when withdrawals are heavy and revenue is expected but not due, a sufficient amount of cash to cover this sum or to provide some means whereby these funds may gradually be restored in investments.

The Sinking Fund Reserve is not to be regarded as a source from which money may be regularly drawn. During the summers of 1927 and 1928 extraordinary amounts were withdrawn and assisted in maintaining the execution of a highway program. This was possible partly because rigid economy had been practiced for the two preceding years, no very large amounts having been withdrawn from this fund, and partly also because extraordinary receipts were received, particularly in the way of collateral inheritance taxes. If prudence be exercised in our expenditures and if fortune favors us in unexpected indirect revenue, this fund may again be built up and be subject to use. From its inception in July, 1925 to December 31, 1928 this fund was credited with \$3,574,810.36 and \$2,902,593.90 was spent therefrom.

The tax rates for the last ten years have been:  $7\frac{1}{2}$ ,  $7\frac{1}{4}$ ,  $5\frac{1}{2}$ , 6,  $7\frac{1}{4}$ ,  $6\frac{3}{4}$ , 7, 7,  $6\frac{1}{2}$ ,  $6\frac{1}{2}$  mills, an average of about  $6\frac{3}{4}$ . The Budget recommendations are summarized on the last page of the Committee's report for the purpose of showing a proposed tax rate for the next two fiscal periods. It is noted that these recommendations include no allowance for new construction and several of the larger items are based not upon recommendations for the future but upon past expenditures. With these reservations, an estimated tax rate is shown of  $6\frac{1}{2}$  mills for the first period and  $6\frac{3}{4}$  mills for the second period. This estimate for the second period leaves an overlay of only \$81,000 which is obviously sailing too close to the wind. It should be borne in mind that in the estimate of indirect revenue \$1,000,000 for each fiscal period is counted on as receipts from collateral inheritance

taxes. I do not think that this amount of revenue from this source may be safely counted upon.

There is a note on Page 35 of the Budget Report which deserves explanation. It appears there as though there would be under the heading for "War Bond Sinking Fund" approximately \$250,000 for each period applicable to general expenses of the State. This would be so if the full mill tax for war purposes were assessed, but in recapitulating the figures for the purpose of estimating future tax rates the amount represented by a full mill tax has not been carried forward. If the statement on Page 35 of the report, that there will be applicable to general expenses of the State the amounts there given, is to be taken literally the tax rates as stated on Page 48 should each be increased approximately 1-3 of a mill.

If we continue the policy adopted in 1921 and take no action in altering Chap. 162, P. L. 1927, there will be continued a policy of assessing a tax of one mill to raise money for the War Bond Sinking Fund. As indicated in the Budget Report the revenue from this mill tax will be greater than is required to meet the current demands on this fund. If no change is made in the 1927 law the practical effect will be this: There will be an over-assessment for each year of about \$250,000. Eighteen months after the beginning of the fiscal year when this appropriation is set up this excess must lapse, and it may be caused to lapse six months earlier, into the Sinking Fund Reserve. That means that under the guise of a special tax for War purposes we are increasing the Sinking Fund Reserve. This practice would be desirable in making revenue available for such construction as the Legislature might plan conditioned upon the appearance of funds, but it appears to be a very indirect way of doing business. One alternative would be to modify the 1927 law so that the revenue in excess of the amounts required for the purposes named in the law would be available as general revenue. This result was accomplished by special provisions in the tax acts of 1927.

The last clause of the 1927 law defers until 1933 the reservation of funds to meet the last of the War Loan bonds issued in 1917. \$500,000 of this 1917 issue of \$1,000,000 are being retired at the rate of \$50,000 a year. In this way, half of the issue will be retired in 1932. \$500,000 of the issue are redeemable at par on any interest date after May 1, 1927. \$86,000 of the issue were called December 1, 1928. If our financial situation permits, it would seem a desirable and sound financial policy to continue the mill tax for War purposes but to use the excess revenue thus obtained in calling and paying off these War Loan Bonds of 1917. It seems to me that the situation presented by the 1927 law should be corrected by following one or the other of the courses indicated.

It will be observed that the Budget Committee, with the limitations noted and the estimates as commented upon, provides for no increase in the tax



rate for the first fiscal period and for an increase of one-fourth of a mill in the second fiscal period. It must be obvious that any increase whatsoever in the appropriations proposed in the Budget, unless a corresponding decrease be made elsewhere, makes imperative an increased tax rate for the first fiscal period. In a practical way it seems fair to state that any request for increase over past appropriations must mean a request for an increase in the tax rate. I am willing to concede that we must face an increased tax rate. This is partly due to what appears to be a legitimate demand for increased appropriations. It is also partly due to the fact that provisions for departments and institutions during the last four years were cut to the minimum. In the management of a state as of a business, a period of rigid economy may be exercised for a time but may not be too long sustained. Also, in the last two years new construction at various State institutions afforded the opportunity for housing increased numbers of inmates. The addition of about three hundred inmates will materially increase the provisions that must be made for maintenance.

Provided that an increase in the tax rate is necessary, it must be our effort to see that that increase is as small as may be consistent with the proper conduct of public affairs. It is natural that various departments and institutions should biennially present requests for increased appropriations; with the natural growth of the business of the State some of these requests must be granted. But unless we are to face the situation of an ever increasing rate of taxation, and unless new forms of revenue are found, the normal increase in appropriations must not exceed the normal increase in revenue.

A normal increase in the State revenue may be expected from two sources—increased indirect revenue and increased State valuation on which the State tax is levied. The State valuation has increased in healthy amounts, partly due to new taxable property and partly due to the marking up of valuations. But the rate of increase has declined sharply over the last ten years. The increases in the State valuation over the five biennial periods since 1918 have been in round figures of millions, 60, 35, 28, 24, and for the last period slightly under 19 million dollars. This decline is not encouraging, but let us be optimistic in the hope that development may give an upward turn to our valuations. If the tax rate were stabilized at seven mills and the State valuation should continue to increase at a rate of twenty million each biennial period, we could be prepared to meet increasing demands to the extent of \$140,000 every two years, or an average of seventy thousand dollars a year from this source. The fact that 5 1-3 out of the 7 mills of the tax rate is already pledged to definite uses reduces the increased revenue from this source which is available for general appropriation purposes to less than \$17,000 a year. Further demands could be met only by an increase in indirect revenue, at best an uncertain source.

Omit the extremely variable item of inheritance tax and omit the railroad tax, and it would not be safe to estimate the normal increase in indirect revenue applicable to the general appropriation act at much more than \$250,000 a year, an estimate that would hold good as an average only over a long period of years.

Thus we might normally expect to be obliged to confine increases in appropriation to a total of around \$270,000 a year. I think it well to bear such a figure in mind in consideration of requested increases, though particular and closer estimates must be made for each year. Certain increases must be granted; we must provide for those in our institutions or turn them out. For such work as is carried on by the Banking department we must either provide funds so that the law providing for bank examinations can be carried out or repeal the law.

To illustrate the point that receipts from indirect revenue fluctuate considerably, it is found that in the period of the last ten years the annual change in the amount of indirect revenue, omitting the tax on railroad companies and the tax on collateral inheritance taxes, has varied from an increase in 1919 of \$1,141,815.48 (an increase for that year of nearly 25 per cent) to a decrease in 1922 of over \$700,000.

I have indicated that the Budget estimate of inheritance tax which we may receive for the next two fiscal periods seems too large.

It is estimated that the revenue for the next fiscal period from the tax on railroad companies will decrease \$280,000. This presents a situation to which we must readjust ourselves and which affords ample justification for an increase in tax rate. This item alone off-sets the estimated normal increase in revenues.

It must be evident that the variations from year to year in the tax rate are due in part to different policies of different administrations. If we were running the State upon purely business lines, it would be desirable to stabilize this tax rate instead of allowing it to fluctuate. Such a policy would require the carrying over of funds from a prosperous period to help make provision for a lean year, calling for considerable self-restraint on the part of those holding political office. But beyond a certain point it is not prudent management for any given administration to endeavor to make a record for itself regardless of the situation of those who follow. It is more or less by accident of fate that we are at this time in charge of State affairs, and it seems to me we should order the government, not with ourselves too much in mind, but with the realization that we are continuing on a system of management that must be fair to all for years to come. Under present conditions, and realizing some of the new problems before you, it would seem a real accomplishment if the tax rate could be stabilized at seven mills. This might be a fairly low rate for some years, but with continuity in effort for economy it might be possible. Had it been unneces-

sary last season to call upon the Sinking Fund Reserve for over a million dollars for highway purposes, the State now would be in a very strong financial position and we would have been able to face easily the difficulties before us, but we must accept things as they are. My point is this—that we can be of added service to the State if we make such financial plans as will not only “get by” for a short time, but as will establish the likelihood of a sound and fair financial policy.

If we are to follow the policy of the last Legislature of providing for new construction, conditionally upon the appearance of funds, we will reduce the possibility of being faced with a deficiency of appropriations and we will set up the possibility of affording new construction in whatever order the Legislature may designate, if revenue appears in amounts larger than would be safe to count upon at the present time.

My specific recommendations for consideration in adopting a financial policy for the next two fiscal periods are as follows:

First: We must give consideration to those appropriations which cover the regular operation of our institutions and agencies of government. The greatest care should be used in keeping these appropriations down to what is strictly necessary, but if we are to undertake work of any sort we must have enough money to do it well. Our regular expenses must be carefully budgeted and we must be certain of revenue to meet them. The Contingent Fund is limited to \$300,000 and if the Legislature were not now in session to pass the deficiency bill which has been introduced, an embarrassing situation would be presented.

Second: There is little room for appropriations either in the way of new undertakings or for such matters as appropriation from general funds either for special or general road or bridge work. I have already urged the abolishment of special road and bridge resolves under the special fund for that purpose. I urge you to form the policy and stick to the policy of no special appropriations from general funds for special roads or bridges. Any other course jeopardizes the financial program and disturbs the orderly execution of a considered highway and bridge program.

Third: New construction may be provided for in any order designated in the event that revenue exceeds our estimates. My criticism of this policy is that it leaves too much duty of a legislative nature in the hands of the Governor and Council. But it is a practical policy and if you give us the responsibility we will assume it to the best of our ability. (Applause, the audience rising.)

LETTER FROM SECRETARY OF DEPARTMENT OF  
AGRICULTURE OF THE UNITED STATES

## SPECIAL MESSAGE TO THE LEGISLATURE

March 6, 1929.

Members of the 84th Legislature:

I have received the following letter from the Honorable Secretary of the Department of Agriculture of the United States:

DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C.

March 2, 1929.

Hon. William Tudor Gardiner  
Governor of Maine,  
Augusta, Maine

Dear Governor:

Since the passage of the original Federal aid road act of July 11, 1916 (39 Stat. 355), this Department and the State highway department of Maine have constructed cooperatively a great many miles of highway within the State of Maine. The relations of this Department with the State highway department have been most cordial, a fine spirit of cooperation prevailing at all times, and not until recently did anything transpire to suggest a doubt as to the official integrity of any member of the State highway department personnel. It is a matter of deep regret, therefore, that I find it my duty, in connection with the administration of the Federal aid road legislation, to bring to your attention certain matters growing out of the handling of work by the State highway department on certain Maine Federal aid road projects, particularly projects Nos. 102-A, 102-B, and 103-B.

Under the provisions of the Federal highway act of November 9, 1921 (42 Stat. 212), which amended the act mentioned above, each State is required to have a highway department, which the statute (Sec. 2, 4th par.) defines to include "any State department, commission, board, or official having adequate powers and suitably equipped and organized to discharge to the satisfaction of the Secretary of Agriculture the duties herein required." The duties required include the initiation and submission of project statements; the making of surveys and the preparation of plans, specifications, and estimates; the advertisement for bids and award and execution of contracts for the construction of projects; and the immediate supervision and direction of all construction work undertaken on a cooperative basis between the State and the Federal Government. In this connec-

tion, I think it well to bring to your attention the provisions of Section 12 of the Federal highway act which reads, as follows:

"That the construction and reconstruction of the highways or parts of highways under the provisions of this act, and all contracts, plans, specifications, and estimates relating thereto, shall be undertaken by the State highway departments subject to the approval of the Secretary of Agriculture. The construction and reconstruction work and labor in each State shall be done in accordance with its laws and under the direct supervision of the State highway department, subject to the inspection and approval of the Secretary of Agriculture and in accordance with the rules and regulations pursuant to this act."

From the foregoing, it will be observed that the initiation of projects, their engineering development, and the supervision of their construction under the Federal statutes is by the highway departments of the several States, through State employees, with the right of inspection and approval reserved to the Secretary of Agriculture. Since the highway departments have direct control and supervision of the work, this Department maintains only a limited inspection force in each State and pays their salaries and expenses out of the  $2\frac{1}{2}$  per centum which the Federal highway act (Sec. 21, 1st par.) authorizes to be deducted for administrative purposes. The limited number of engineers employed by this Department makes it possible to inspect projects only about once each thirty days, but necessary State highway employees, the salaries and expenses of whom are permitted under the Federal statutes to be included in vouchers and the Federal pro rata share thereof paid, subject to the restriction that items included for engineering, inspection, and unforeseen contingencies shall not exceed 10 per centum of the total estimated cost of a project, are on each project and in charge of the construction thereof during the whole period from the beginning to the completion of the work. It, therefore, follows and is the underlying theory of the cooperative plan of the Federal aid road legislation, that the Federal Government, in a large measure, looks to the State highway departments for the proper and economic expenditure of the funds appropriated to aid the States in road construction work. The integrity of the State highway department personnel which discharges any duties in connection with the construction of Federal aid projects thus becomes a matter of serious concern to the Federal Government. If such personnel should be corrupt, dishonest, or inefficient the interests of the Federal Government are certain to suffer.

In connection with the projects mentioned above, evidence before this Department would seem to establish beyond doubt that several thousand barrels of cement which under the specifications should have gone into their construction were omitted therefrom with apparent intent to defraud

the State and Federal Governments. Federal payments on these projects have been made on the basis of vouchers which included claims for cement in excess of that which actually went into the projects. The construction of the projects with the omission of a portion of the cement called for by the specifications occurred during the years 1926 and 1927.

The Department is not unmindful of the fact that some of the circumstances surrounding the construction of these projects, along with other matters, was made the subject of an investigation in 1927 by a committee of the Maine Legislature and that apparently no action was deemed necessary, or at least none was taken, as a result of the disclosures made at that investigation. Subsequent investigations conducted and now in progress by this Department and other agencies of the Federal Government, however, have brought to the Department information of such nature that I deem it my duty, as Secretary of Agriculture, to refuse to approve any further Federal aid road projects in the State of Maine until the personnel of the State highway department, by reorganization or such other method as the State may adopt, shall be so changed that this Department can have such confidence in the organization as a whole as, in its judgment, will justify the resumption of the expenditure of Federal aid road funds within the State.

I feel that I should state, however, that the information against the State highway department personnel does not involve the whole membership of the State Highway Commission nor of the engineering personnel.

Sincerely,

(Signed) W. M. JARDINE,

*Secretary.*

It will be noted that definite and final action has been taken by the Federal Department of Agriculture under the provision of the Federal Highway Act which entrusts said Department with broad powers of supervision and discretion in the grant of Federal money to the several states. From this action there is no appeal. To obtain a reversal of this decision there is no course but to fulfill the directions indicated in this letter.

The Federal Highway Act affords the use of approximately \$700,000 a year of Federal aid in the construction of Maine roads. That Act left the several states free to accept or reject its terms. Since Maine accepted the benefits of the Act the State has drawn from the Federal Government and expended on Maine roads over \$6,000,000.

There are now Federal funds to the amount of \$1,400,000 awaiting expenditure on the part of the State. It would seem disastrous to the continuance of any substantial road program to refuse to accept these funds or to continue a situation under which the Federal Government withholds these funds.

This Federal action implies a criticism on the conduct of part of our State affairs but resentment or protest is of no avail. A situation is squarely presented which we must squarely face. We can either deny ourselves the financial and administrative cooperation of the United States Government, or we can conform to its suggestion and continue our policy of cooperating in road construction.

Article 5 of the Constitution of Maine vests in a Governor the supreme executive power of this State and further provides that he shall take care that the laws be faithfully executed. It seems to me that the present situation is one in which I must assume the responsibility for immediate action. I have therefore by letter this morning requested the resignation of the three members of the State Highway Commission.

Commissioner Clifford has sent word that he is submitting his resignation.

I am submitting this information to you that you may be advised at once of what has transpired.

Respectfully submitted,

WM. TUDOR GARDINER.

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LETTER FROM SECRETARY OF DEPARTMENT OF  
AGRICULTURE OF THE UNITED STATES  
SPECIAL MESSAGE TO THE LEGISLATURE

March 18, 1929.

To the Honorable Senate and House of Representatives:

I transmit letter received from the Honorable Secretary of the Department of Agriculture of the United States.

It will be noted that an apparent typographical error in the previous letter from this Department has been corrected, and the third project referred to is No. 103-A, and not 103-B.

I have consulted the Attorney General regarding this matter and he is today in Washington in the interest of the State.

Respectfully submitted,

(Signed) WM. TUDOR GARDINER.

## DEPARTMENT OF AGRICULTURE

WASHINGTON, D. C.

March 14, 1929.

Hon. William Tudor Gardiner,  
Governor of Maine,  
Augusta, Maine.  
Dear Governor:

Supplementing the letter of March 2 from former Secretary Jardine to you concerning the omission of several thousand barrels of cement which under the specifications should have gone into the concrete pavements on Maine Federal aid projects Nos. 102-A, 102-B, and 103-A, I now request reimbursement by the State of the Federal funds paid on account of the pavement portion of these projects.

The Department records concerning these projects have been checked to ascertain the cost of the pavement portion of the improvements and the proportionate amount of the Federal funds paid on account thereof. Our records show that on project 102-A the cost of the pavement was \$151,139.44 and the Federal funds paid on account thereof \$50,227.56; that on project No. 102-B the cost of the pavement was \$139,827.80 and the Federal funds paid on account thereof \$42,517.36; and that on project No. 103-A the cost of the pavement was \$41,424.42 and the Federal funds paid on account thereof \$11,252.61. The total Federal funds paid on account of the pavement portion of the improvement of these projects, therefore, amounted to \$103,997.53, and a check from the State in reimbursement of this amount is requested.

I am submitting this request for reimbursement to you for the reason that there may be some question as to whether or not the State highway department has funds available which it would be authorized to utilize in making this reimbursement and it may be necessary for you to call upon the Legislature to make an appropriation for that purpose.

Sincerely,

(Signed) ARTHUR M. HYDE.

*Secretary.*



RESIGNATION OF MEMBERS OF STATE HIGHWAY  
COMMISSION

SPECIAL MESSAGE TO THE LEGISLATURE

April 9, 1929.

To the Honorable President of the Senate and Speaker of the House:

I transmit herewith for your information letters of resignation from the Highway Commission of Edwin T. Clifford and Clyde H. Smith.

Respectfully submitted,

(Signed) WM. TUDOR GARDINER.

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STATE HIGHWAY COMMISSION  
STATE OF MAINE  
AUGUSTA

April 9, 1929.

Hon. William Tudor Gardiner,  
Governor of Maine,  
Executive Offices,  
State House, Augusta, Me.

Dear Sir:

In view of the report of the special committee appointed by the Legislature to investigate the charges made by the Department of Agriculture against the conduct of the affairs of the Maine Highway Department, I herewith tender to you my resignation as a member of the State Highway Commission, the same to become effective at your pleasure.

My only desire in this matter, now that my conduct in office has been vindicated, is to forward the best interest of the State of Maine. If in your opinion the acceptance of my resignation will aid in a solution of the present unfortunate situation I am only too glad to have the same accepted.

Respectfully yours,

(Signed) CLYDE H. SMITH.

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STATE HIGHWAY COMMISSION  
STATE OF MAINE  
AUGUSTA

April 9, 1929.

Honorable Wm. Tudor Gardiner,  
Governor of Maine,  
Augusta, Maine.

My dear Governor:

In view of the complete vindication of my honor and integrity by the

Legislative Committee appointed to investigate the activities of the State Highway Commission, I hereby tender my resignation. My only desire has been to be exonerated from any and all charges made or implied in Ex-Secretary Jardine's letter to you, and having been so exonerated and desiring only the best interests of the State of Maine, I am taking this action, to be effective at your discretion.

Respectfully yours,  
(Signed) EDWIN T. CLIFFORD,  
*Member, State Highway Commission.*

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**LIST OF PARDONS, ETC., 1927-28**  
**STATE OF MAINE**

Executive Chamber

AUGUSTA, MAINE, January 2, 1929.

To the Honorable Senate and House of Representatives:

In compliance with the Constitution of the State I herewith communicate to the Legislature each case of reprieve, remission of penalty, commutation or pardon granted during the years 1927 and 1928, stating the name of the convict, the crime of which he was convicted, the sentence and its date, the date of the reprieve, remission, commutation of sentence, and the conditions, if any, upon which the same was granted.

WM. TUDOR GARDINER,  
*Governor.*

**STATE PRISON**

Sumner P. Alward of Greenville. Convicted of the crime of manslaughter, at the January term, 1926, of the Superior Court at Bangor, and sentenced to imprisonment in the State Prison at Thomaston, at hard labor, for the term of not less than four years and not more than eight years. Full and free pardon granted March 24, 1927.

Thomas J. Hill of Boston, Massachusetts. Convicted of the crime of breaking and entering and larceny, at the May term, 1925, of the Superior Court at Portland, and sentenced to imprisonment in the State Prison at Thomaston, at hard labor, for the term of not less than four years and not more than eight years. Pardon granted August 24, 1927, upon the conditions that he shall not be guilty of violating any of the criminal statutes of the State, and that he shall immediately leave the limits of the State and not return. Conditions of pardon violated and said Hill remanded to State Prison. Another pardon granted December 29, 1927, upon the conditions that he shall not be guilty of violating any of the

criminal statutes of the State, and that he shall immediately leave the limits of the state and not return.

Henry N. Marquis of Old Town. Convicted of the crime of larceny, at the January term, 1927, of the Superior Court at Bangor, and sentenced to imprisonment, at hard labor, in the State Prison at Thomaston for the term of not less than fourteen months and not more than twenty-eight months. Full and free pardon granted December 7, 1927.

Harry Russell of Island Falls. Convicted of the crime of assault with intent to commit rape, at the April term, 1924, of the Supreme Judicial Court at Houlton, and sentenced to imprisonment in the State Prison at Thomaston, at hard labor, for the term of not less than six years and not more than ten years. Full and free pardon granted February 8, 1928.

LeRoy A. Morgan of Allston, Massachusetts. Convicted of the crime of assault with attempt to kill, at the January term, 1925, of the Superior Court at Portland, and sentenced to imprisonment in the State Prison at Thomaston, at hard labor, for the term of not less than four years and not more than eight years. Sentence commuted April 6, 1928, so that same shall be not less than three years nor more than six years.

John Monaldo of Biddeford. Convicted of the crime of assault with intent to kill, at the May term, 1927, of the Supreme Judicial Court at Alfred, and sentenced to imprisonment in the State Prison at Thomaston, at hard labor, for the term of not less than eighteen months and not more than thirty-six months. Reprieve from said sentence granted April 20, 1928, for such period as the attending surgeon may certify to be necessary, from said date, for the sole purpose of receiving the necessary surgical treatment outside the confines of the State Prison, at the Webber Hospital at Biddeford, Maine, and upon the condition that he shall not be guilty of violating any of the criminal statutes of the State and that on the expiration of such period as may be necessary as aforesaid, he shall forthwith surrender himself to the warden of the State Prison and shall again enter upon the execution of said sentence and shall be remanded to, and confined in, said State Prison for the unexpired term of his sentence.

Arthur H. Hevey of Biddeford. Convicted of the crime of forgery, at the September term, 1926, of the Supreme Judicial Court at Alfred, and sentenced to imprisonment, at hard labor in the State Prison at Thomaston for the term of not less than two nor more than four years. Reprieve from said sentence granted August 30, 1928, for such period as the attending physician may certify to be necessary, from said date, for the sole purpose of receiving the necessary X-ray treatment and diagnosis outside the confines of the State Prison, at the Maine General Hospital at Portland, Maine, and upon the condition that he shall not be guilty of violating any of the criminal statutes of the state and that on the expira-

tion of such period as may be necessary as aforesaid, he shall forthwith surrender himself to the warden of the State Prison and shall again enter upon the execution of said sentence and shall be remanded to, and confined in, said State Prison for the unexpired term of his sentence.

George Levine, alias George Leblanc, of Fort Fairfield. Convicted of the crime of breaking, entering and larceny, at the April term, 1927, of the Supreme Judicial Court, and sentenced to imprisonment in the State Prison at Thomaston, at hard labor, for the term of not less than three nor more than six years. Sentence commuted September 27, 1928, so that same shall expire on September 28, 1928.

Harry Hatch of Dexter. Convicted of the crime of incest, at the September term, 1926, of the Superior Court, at Bangor, and at the January term, 1927, of said Court was sentenced to Imprisonment in the State Prison at Thomaston, at hard labor, for the term of not less than five years and not more than ten years. Pardon granted November 17, 1928, upon the conditions that he shall not be guilty of violating any of the criminal statutes of the State, and that he immediately depart from the limits of the State.

Adelbert W. Wilson of Kenduskeag. Convicted of the crime of manslaughter, at the January term, 1923, of the Superior Court at Bangor, and sentenced to imprisonment in the State Prison at Thomaston, at hard labor, for the term of not more than twenty years and not less than ten years. Sentence commuted January 2, 1929, so that same shall be not less than six years and not more than twelve years.

## COUNTY JAILS

Henry Dearborn of Chesterville. Convicted of the crime of breaking and entering and larceny, at the September term, 1926, of the Supreme Judicial Court at Farmington, and sentenced to confinement to hard labor in the county jail at Farmington for the term of eight months. Full and free pardon granted February 24, 1927.

Gertrude O'Connor of Auburn. Convicted of the crimes of transportation of intoxicating liquors and unlawful possession of intoxicating liquors, at the April term, 1927, of the Superior Court at Auburn, and sentenced to pay a fine of three hundred dollars and costs and be imprisoned three months in the county jail at Auburn, and in default of payment of fine and costs be imprisoned six months additional in each case. Pardon granted September 6, 1927, upon the condition that she shall not be guilty of violating any of the criminal statutes of the State.

Charles W. Johnson of Newcastle. Convicted of the crimes of single sale and search and seizure of intoxicating liquors, in the Lincoln Municipal Court at Damariscotta, November 25, 1927, and sentenced to pay a fine

of \$100.00 and costs taxed at \$6.70 and imprisonment in the Knox County Jail at Rockland for the term of six months, and in default of payment of fine and costs be imprisoned six months additional in said jail; also sentenced to pay a fine of \$100.00 and costs taxed at \$12.50 and imprisonment in the Knox County Jail at Rockland for the term of six months, and in default of payment of fine and costs to be imprisoned six months additional in said jail. Sentences commuted so that they shall terminate on March 9, 1928.

Joseph N. Orr of Haynesville. Convicted of the crimes of unlawful sale and illegal possession of intoxicating liquors, at the November term, 1927, of the Supreme Judicial Court at Houlton, and sentenced to confinement to hard labor in the county jail at Houlton for the terms of three and five months, and in addition thereto to pay fines of \$200 and \$100 respectively, and in default of payment of fines to be imprisoned eight months additional in said jail. Full and free pardon granted August 18, 1928.

#### STATE SCHOOL FOR BOYS

John E. Chase of Milo. Convicted of the crime of larceny, in the Piscataquis Municipal Court at Milo, April 5, 1927, and sentenced to the State School for Boys at South Portland for the term of his minority. Full and free pardon granted August 16, 1927.

#### FINAL MESSAGE

April 13, 1929.

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

I herewith transmit a list of the acts and resolves passed by the present session of the Legislature. I have approved 495 acts and 179 resolves. One act was passed without my approval. This makes a total of 496 acts and 179 resolves.

I have no further communication to make.

Respectfully submitted,  
(Signed) WM. TUDOR GARDINER.