

# MAINE STATE LEGISLATURE

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Legislative Record

OF THE

Seventy-Sixth Legislature

OF THE

STATE OF MAINE

1913

**HOUSE.**

Thursday, February 20, 1913.

The House met according to adjournment and was called to order by the Speaker.

Prayer by the Rev. Mr. Lusk of Gardiner.

Journal of previous session read and approved.

Papers from the Senate disposed of in concurrence.

From the Senate: Report of the committee on salaries and fees, submitting the following order:

"Ordered, that a special joint committee of three on the part of the Senate and four on the part of the House be appointed to inquire into the amount of compensation and services rendered by all State and county officials whose salaries are determinable by the Legislature. Said committee is hereby authorized to sit during any recess and after the adjournment of the present session, with full power to employ a stenographer, summon, administer oaths to and examine witnesses, call for books and papers, and in general to obtain all necessary information upon which may be based legislative action looking towards equalization of salaries, and report in writing their findings and recommendations, which report shall be filed with the clerk of the House not later than December 1, 1914, and be referred to the next Legislature without further action thereon."

On motion by Mr. Dunbar of Jonesport, the report of the committee, with accompanying order attached, was laid on the table and specially assigned for consideration on Wednesday of next week.

From the Senate: Majority and minority reports of the committee on judiciary on bill, An Act in relation to the Ellsworth Municipal Court, majority reporting "ought to pass," minority reporting "ought not to pass."

On motion by Mr. Sanborn of South Portland both reports were laid upon the table, pending concurrent action with the Senate, and special assigned

for consideration on Wednesday morning of next week.

The following bills, petitions, etc., were presented and referred:

**Judiciary.**

By Mr. Packard of Newburg: Remonstrance of Asa Reed Smith and 36 others against any change in the present law governing physicians and surgeons; of B. A. Spencer and 27 others against same; of John W. Richardson and 81 others against same; of James H. Hunkins and 27 others against same; of Harriet N. Crafts and 28 others against same; of Georgia Duncan and 36 others against same; of Flora L. Butterfield and 56 others against same; of Howard Wentworth and 56 others against same; of E. W. Thomas and 55 others against same; of Herbert H. Overlook and 13 others against same; of C. E. McGregor and 71 others against same; of N. C. Stowe and 13 others against same.

By Mr. Marston of Skowhegan: Petition of Nathan Weston and 16 others of Augusta asking for the passage of an act relating to the practice of osteopathy; of A. B. Crockett and 18 others of Rockland for same; of A. W. Gregory and 17 others of Rockland for same; of W. O. Fuller and 15 others of Rockland for same; of A. D. Allen and 13 others of Rockland for same; of C. M. Walker and 17 others of Rockland for same; of Wilbur F. Berry and 18 others of Waterville for same.

By Mr. Peterson of New Sweden: Petition of A. W. Johnson in favor of bill changing time of term of court at Caribou, Aroostook county; petition of W. A. Margeson and 13 others for same; petition of S. W. Collins and 14 others for same.

By Mr. Irving of Caribou: Petition of Willis B. Hall and 26 others of Caribou in support of the Children's Bill, providing a juvenile court.

**Legal Affairs.**

By Mr. Libby of Scarborough: An Act to prevent usuary by foreign corporations.

By same gentleman: An Act to limit the rate of interest on loans made by foreign corporations, agents or attorneys.

By Mr. Robinson of Bangor: An Act to repeal section 10 of chapter 124 of the Revised Statutes, in relation to railroad employes.

#### Education.

By Mr. Swett of Bath: Petition of J. E. Mayo and 16 others of West Bath for teachers' pension bill; also petition of Florence A. Neily and 10 others of West Bath for same.

#### Agriculture.

By Mr. Newbert of Augusta: An Act relative to weights of certain commodities.

By Mr. Peterson of New Sweden: Petition of A. W. Johnson and 46 others, members of Stockholm Grange, in favor of an experimental farm in Arcostook county.

By Mr. Irving of Caribou: Petition of Caribou Grange in favor of same.

#### Ways and Bridges.

By Mr. Bowler of Bethel: An Act to amend the motor vehicle laws of 1911. (Tabled for printing pending reference to the committee on motion by Mr. Bowler.)

By Mr. Farrar of Ripley: Petition of H. C. Bucknam and 21 others of Dexter in favor of permanent improvement of highways in Ripley; also petition of W. E. Brewster and 39 others of Dexter for same; also petition of O. E. Blackden and 21 others of Dexter for same; also petition of C. M. Sawyer and 11 others of Dexter, Ripley and Cambridge for same.

#### Inland Fisheries and Game.

By Mr. Jenkins of Wales: Remonstrance against a local hunter's license.

By Mr. Sanderson of Greene: Petition of F. B. Lothrop and 58 others of Leeds in favor of an act to close Androscoggin Lake to all ice fishing.

By Mr. Austin of Phillips: Remonstrance of D. E. Hurley and 112 others against the passage of a law closing Upper Patten's Pond to fishing.

#### Sea and Shore Fisheries.

By Mr. Dunbar of Jonesport: Petition of John R. Chesterton and 50 others of Jonesport for close time on lobsters in waters of Jonesport and Addison; also petition of Harry S. Wass and 23 others of Addison for same.

#### Temperance.

By Mr. Bragdon of Sullivan: An Act in amendment to section one of chapter 136 of the Revised Statutes, relating to sentence in criminal cases. (Tabled for printing pending reference on motion by Mr. Bragdon.)

#### Taxation.

By Mr. Hodsdon of North Yarmouth: An Act to provide for the taxation of National Bank deposits. (Tabled for printing pending reference on motion by Mr. Hodsdon.)

By Mr. Merrill of Buxton: Remonstrance of H. H. Locke and 37 others of Buxton against exempting from taxation the Cyrus Woodman Reservation in the town of Buxton, and the Pleasant Mountain Reservation in the town of Denmark.

#### Penobscot Delegation.

By Mr. Smith of Patten: An Act to abolish all municipal courts in Penobscot county, except the Bangor municipal court. (On motion by Mr. Kehoe of Portland this bill was referred to the next legislature under the order in regard to private legislation heretofore passed by this House.)

#### Reports of Committees.

Mr. Smith of Presque Isle from the committee on judiciary, reported "ought not to pass" on bill, An Act allowing a change in the location of a right of way.

Mr. Smith of Auburn from the same committee, reported "ought not to pass" on bill, An Act to amend section 13 of chapter 29 of the Revised Statutes of Maine, relating to gifts and bequests to towns for perpetual care of burial lots.

Mr. Smith of Patten from the same committee, reported "ought not to pass" on bill, An Act to prevent the evasion of payment of telephone charges.

Mr. Durgin from same committee, reported "ought not to pass" on bill, An Act to incorporate the South Windham Village Corporation.

Mr. Newbert from the committee on banks and banking, reported "ought not to pass" on bill, An Act to regulate the election of directors and officers of savings banks and trust companies.

Same gentleman from same committee, on bill, An Act to punish derogatory statements affecting banks, reported legislation thereon inexpedient.

Mr. Skillin from the committee on state school for boys and industrial school for girls, reported "ought not to pass" on resolve in favor of the Maine Industrial School for Girls at Hallowell for purchase of real estate.

Mr. Gordon from the committee on claims, on resolve in favor of the town of Ashland, reported that same "ought not to pass," because of repeal of alien law in 1911.

Same gentleman from same committee, on resolve in favor of the town of Milbridge, reported that same "ought not to pass" because of repeal of the alien law in 1911.

Same gentleman from same committee, reported "ought not to pass" on resolve in favor of Otto Nelson of Bangor.

Mr. Elliott from the committee on library, reported "ought not to pass" on order entitled "Order for the purchase of the Maine Official and Classified Business Directory."

The reports were accepted.

Mr. Sanborn from the committee on judiciary, reported "ought to pass" on bill, 'An Act relating to the Diamond Island Association.

Mr. Rousseau from the committee on legal affairs, reported "ought to pass" on bill, An Act to amend chapter 166 of the Private and Special Laws of 1887, relating to Fort Fairfield Village Corporation.

Mr. Mitchell from the committee on railroads and expresses, reported "ought to pass" on bill, An Act to extend the charter of the Lincoln County Street Railway.

Same gentleman from same committee, reported "ought to pass" on bill, An Act to extend the charter of the Fairfield and Skowhegan Railway Company.

Mr. Swift from the same committee, reported "ought to pass" on bill, "An Act to extend the charter of the Waldo Street Railway Company.

Mr. Trimble from the same committee, reported "ought to pass" on bill, An Act to repeal section two of chapter 13 of the Private and Special

Laws of 1887, relating to the York Harbor and Beach Railroad.

Mr. Stuart from the committee on mercantile affairs and insurance, reported "ought to pass" on bill, An Act to extend the time in which the Maine Title Insurance Company may commence business.

Mr. Newbert from the committee on banks and banking, reported "ought to pass" on bill, An Act to amend section 22 of chapter 48 of the Revised Statutes of Maine, relating to lost bank deposit books.

Mr. Washburn from the committee on Indian affairs, reported in a new draft and "ought to pass" resolve making appropriations for the Passamaquoddy Tribe of Indians.

Mr. Gordon from the committee on claims, reported "ought to pass" on resolve in favor of the town of Limestone.

Same gentleman from same committee, reported "ought to pass" on resolve in favor of E. McFarland of Forrest Station, Washington county.

Mr. Skillin from the committee on State school for boys and industrial school for girls, reported "ought to pass" on resolve in favor of the Maine Industrial School for girls at Hallowell for renewals and repairs of all buildings.

Same gentleman from same committee, reported in a new draft and "ought to pass," bill, An Act to provide for free treatment of juvenile dependents by institutions receiving State aid.

Same gentleman from same committee; reported in a new draft and "ought to pass" resolve in favor of the Maine Industrial School for girls at Hallowell for general maintenance.

Mr. Dunbar from the committee on taxation, reported in a new draft and "ought to pass" bill, An Act to amend specification one of section 13 of chapter nine of the Revised Statutes, as amended by chapter four of the Public Laws of 1909 and chapter 140 of the Public Laws of 1911, relating to taxation of personal property.

The reports were accepted and the several bills and resolves tabled for printing under the joint rules.

Majority and minority reports of the committee on towns, on bill, An

Act to divide the town of Bristol and incorporate the town of South Bristol, majority report "ought not to pass" signed by Messrs. Patten, Bailey, Bragdon of York, Gardner, Viollette, Bragdon of Sullivan and Twombly; minority report "ought to pass" signed by Messrs. Jillson, Rolfe and Packard.

On motion by Mr. Rolfe of Portland, both reports were tabled pending the acceptance of either, and Tuesday of next week assigned for their consideration.

Mr. Smith of Auburn from the committee on judiciary, reported "ought to pass" on bill, An Act to amend section 69 of chapter 66 of the Revised Statutes, relating to authority of foreign executors, administrators, guardians and trustees.

This bill having been already printed received its first and second readings and was assigned for tomorrow morning for its third reading.

Mr. Smith of Auburn, from the same committee, reported "ought to pass" on bill, An Act to amend sections 13 and 14 of chapter 73 of the Revised Statutes, relating to sales of estates of non-resident owners.

This bill having been already printed received its first and second readings and was assigned for tomorrow morning for its third reading.

Mr. Dunton from the same committee, reported "ought to pass" on bill, An Act to create the Oakfield Water Company.

This bill having been already printed received its first and second readings and was assigned for tomorrow morning for its third reading.

Mr. Waterhouse from the same committee, reported "ought to pass" on bill, An Act to create the Smyrna Water Company.

This bill having been already printed received its first and second readings and was assigned for tomorrow morning for its third reading.

Mr. Gordon from the committee on claims, reported "ought to pass" on resolve in favor of the town of Carthage.

This resolve having been already printed received its first reading and was assigned for tomorrow morning for its second reading.

Mr. Gordon from the same committee, reported "ought to pass" on resolve in favor of the owners of Township No. 8, Range 4, Washington county.

This resolve having been already printed received its first reading and was assigned for tomorrow morning for its second reading.

#### First Reading of Printed Bills and Resolves.

An Act to amend chapter 455 of the Private and Special Laws of 1897, relating to increase of capital of Good Will Home Association, a charitable corporation.

An Act to amend chapter 40 of the Revised Statutes, as amended by chapter 46 of the Public Laws of 1907 and chapters 70 and 257 of the Public Laws of 1909, relative to the employment of women and children.

An Act to divide the town of Sanford and incorporate the town of Springvale.

Mr. Folsom of Sanford offered House amendment A, to amend said bill by striking out all of section seven and renumbering section eight so that section eight will become section seven.

The amendment was adopted, and the bill as amended received its first and second readings and was assigned for tomorrow morning for its third reading.

Resolve in favor of the Farmington State Normal School.

Resolve in favor of the Washington State Normal School, to provide for partial construction of a new dormitory.

Resolve in favor of the Western State Normal School at Gorham, to provide for partial construction of a dormitory.

#### Passed to Be Engrossed.

An Act to amend Section five of Chapter eighty-eight of the Revised Statutes, relating to the jurisdiction of trustee actions.

An Act to appropriate moneys for the payment of salaries fixed by law for the year one thousand nine hundred and thirteen.

An Act to amend Section fourteen of Chapter eighty-four of the Revised Statutes as amended by Section one of

Chapter one hundred and eighty-six of the Public Laws of nineteen hundred and seven, relating to the limitation of actions against Executors and Administrators.

An Act to confirm the charter of York Harbor Reading Room and to authorize it to provide for certificates of membership.

An Act authorizing the city of Westbrook to assume control of Saccarappa cemetery.

An Act for the better protection of alewives in Patten's bay in the town of Surry, Hancock county, Maine.

An Act to extend the time in which the Maine Title Guarantee Company is authorized to commence business.

(Tabled pending its third reading on motion by Mr. Plummer of Lisbon.)

An Act to amend Section five of Chapter twenty-two of the Revised Statutes of Maine, relating to liens upon sewers.

(Tabled pending its third reading on motion by Mr. Plummer of Lisbon.)

An Act to incorporate the Monhegan Water Company.

An Act to amend Section forty-four of Chapter forty-one of the Revised Statutes, relating to the taking of smelts.

Resolve in favor of the Maine Insane Hospital for maintenance and support for the year 1913.

Resolve in favor of the Maine Insane Hospital for maintenance and support for the year 1914.

Resolve in favor of Peter W. Ranco, representative of Penobscot Tribe of Indians.

Resolve in favor of Peter J. Newell, representative of the Passamaquoddy Tribe of Indians.

#### Passed to be Enacted.

An Act relating to the protection of smelts in Sasanoa river.

An Act to authorize Frederick S. Vaill and Julia C. Vaill, their heirs and assigns, to locate, erect and maintain a bridge or roadway across the tidewaters of Casco bay between Long Island and Marsh Island in the city of Portland.

#### Finally Passed.

Resolve in favor of the Maine Seed Improvement Association.

Resolve in favor of the town of Newport.

Resolve in favor of the town of Newport.

Resolve in favor of the town of Norway.

#### Orders of the Day.

On motion by Mr. Scates of Westbrook, the vote was reconsidered whereby the House yesterday voted to accept the report of the committee on legal affairs, reporting "ought not to pass" on bill, An Act pertaining to the municipal court of Westbrook, and on further motion by Mr. Scates the report was recommitted to the committee on legal affairs.

Mr. MORRISON of Corinth: Mr. Speaker, I ask unanimous consent of the House to introduce a bill out of order.

The SPEAKER: The gentleman will state his proposition.

Mr. MORRISON: The bill, Mr. Speaker, is entitled "An Act to incorporate the trustees of the John B. Curtis Free Public Library in Bradford." By the last will and testament of the late John B. Curtis of Portland, the inhabitants of the town of Bradford are to become the recipients of a legacy of \$20,000, for the establishment of a free public library in their town. Now these people wish to incorporate at an early date, and there are some reasons which make it desirable for them to incorporate by charter granted by special act of the Legislature, rather than to incorporate under the general law. The time required to make the necessary legal proceedings and choose a board of trustees, etc., made it impossible for the proponents of this bill to forward it to me within the time specified for the reception of such bills; and for this reason and on account of the fact that the bill is of a public benevolent and charitable nature, and on account of the further fact that it does not involve an appropriation of money, I can see no objection to its reception at this time, and I hope it may be received and given a passage by this House.

No objection being made, the gentleman from Corinth, Mr. Morrison, presented bill, An Act to incorporate

the trustees of the John B. Curtis Free Public Library in Bradford, and on further motion by Mr. Morrison the bill was referred to the committee on legal affairs.

On motion by Mr. Plummer of Lisbon, bill, An Act relating to the taxation of telegraph companies, was taken from the table, and on further motion by Mr. Plummer the bill received its third reading and was passed to be engrossed.

Mr. PLUMMER of Lisbon: Mr. Speaker, in order that the calendar of the House may be cleared up, I move to take from the table report of committee on banks and banking, to which was referred Bill, An Act to amend Chapter 96 of the Public Laws of 1907 relating to the organization and management of Trust Companies, reporting "ought not to pass."

The motion was agreed to.

Mr. Plummer then moved that the bill, House Document No. 14, be substituted for the report of the committee.

Mr. IRVING of Caribou: Mr. Speaker, in order that those who are not familiar and have had no occasion to familiarize themselves with the laws relating to the organization of banks, or branches thereto, I wish to make as clear as possible to you why the committee reported "ought not to pass" on this bill.

I will say for the information of the House that prior to the 73rd Legislature, in order to become incorporated as a banking company the promoters were obliged to come to the Legislature and secure a charter. During the 72nd Legislature, at the recommendation of the bank examiner, Mr. Timberlake, an amendment to the law was made empowering the commissioner, after proper investigation and upon certain restrictions, to incorporate or authorize the incorporation of trust companies and branches of trust companies.

The law embodied in the chapter cited in this bill provides that the petitioners or the promoters petition to the banking department, and within 30 days after the first publication of

said notice the subscribers shall apply to said examiner for the certificate that "public convenience and advantage will be promoted by the establishment" of such trust company. And if the bank examiner refuses or if the department refuses to issue such certificate, no further proceedings shall be had, but the application may be renewed at the expiration of one year.

The first amendment proposed to this bill is to strike out that entire restriction and provision. It provides in the next section that the promoters of a new bank, or parties desiring to establish a branch may proceed to advertise for three successive weeks in one or more newspapers, even though the bank commissioners have decided that it is not for the convenience and advantage of the public that a bank shall be established there—and may proceed without the consent of the banking department to do a banking business.

And in order to make it possible to be rid of practically all disadvantages for the establishment of banks the amendment of Section 21 strikes out the word "only" and also the following language, "that public convenience and advantage will be promoted by the establishment of such branch or agency and," leaving the law to read without that restriction. In other words, this bill eliminates the public convenience and advantage entirely, and caters and contributes to the wishes and desires of promoters in establishing a bank.

The present law, as unamended, reads as follows, referring to the bank commissioner, "Who shall issue such warrant only when satisfied that public convenience and advantage will be promoted by the establishment of such branch or agency." I think all that is necessary to say to the members of this House, that that provision and that restriction placed upon the bank commissioner by this amendment is entirely swept away; and that if this amendment passes, as far as I can understand the law, and as far as your committee were able to understand the law, we are returning back into the old form of State banking.



Mr. PLUMMER of Lisbon: Mr. Speaker, the gentleman from Caribou, Mr. Irving, has correctly stated the situation as I understand it at the present time. The fact of the matter is, if I may be allowed to repeat it in order that we may understand it, that any five or more men in this House may seek to form a trust or banking company. For that purpose they must subscribe a certain amount of capital stock, the minimum amount being for any town \$25,000, for towns from 5000 to 10,000 inhabitants, \$50,000, and so on up until the final amount required for cities of over 30,000 inhabitants is \$150,000, that much must be subscribed and paid in, as the law now reads and as it will read after this amendment is passed, if it be so passed. In addition to that, those men then go to the bank examiner and obtain a certificate from him that "public convenience and necessity require the establishment of such a bank."

Now, gentlemen, who is this bank examiner that is established with so much authority over us, and who knows so much better than the five or 10 or 15 or 25 or more people in the city of Portland, or in the city of Lewiston, or in the city of Bangor, or in any town in this State, whether another bank is needed there? Who is he that he shall be given that power to determine, subject to the fact that—although I trust that neither in the past nor at any time in the future, should this condition remain in the statute—I say, subject to the fact that I hope no man will ever be found who is dishonest enough to yield to any temptation. Do you suppose, gentlemen, in view of the fact and in the light of the way in which the prohibitory law has been enforced, or non-enforced, in this State, and of the fact that it is commonly reported—and I may say commonly believed, that perhaps a large number—I won't undertake to state any proportion, but a large number of the officers who have been enforcing that law have been corrupted. How long are you going to keep your restrictions, and how long are you going to subject your

officials to temptation, and expect men to continue honest? How long are you going to continue to pray "Lead us not into temptation," and then pass laws which lead other men into temptation?

I submit, Mr. Speaker and gentlemen, that any number of men are just as competent to decide whether a bank is needed in their town or not as is the bank examiner. It is unlikely that any number of men are going to put up \$25,000 with the liabilities following, which I will later explain to you, with the liability or the possibility of likelihood that they will lose not only the \$25,000 that they put in but they will lose a certain amount of any gain which they might make thereon for a certain number of years: in addition to that they are liable for an additional amount equal to the amount of capital stock.

Those provisions, gentlemen, are not repealed by this bill. I have no doubt that the gentleman from Caribou, Mr. Irving, did not intend to convey any false impression, and if you noticed strictly his words, they did not convey a false impression. He says this bill does away with any supervision over the organization of trust companies. That is true. But it does not do away with supervision over the management of trust companies after they are organized.

I wish to show you briefly what authority the bank examiner has as to trust companies, and in doing so I will read from Section 79 of Chapter 48 of the Revised Statutes, relating to the banking laws of this State. It says: "The bank examiner shall at all times have the same authority over all trust and banking companies incorporated under the laws of this State that he now has over savings banks or savings institutions, and shall perform, in reference to such companies, the same duties as are required of him in reference to savings banks."

Now, in addition to that, there is a certain amount of capital required to be subscribed to start with, in order, as I suppose, that the running expenses may be paid until such time as such bank may get upon its feet.

In addition to this we have once a year an examination by the stockholders of the bank, by the directors. The law says, "Two of the directors, at least, shall once in each year thoroughly examine the affairs of the company, and report under oath to the bank examiner the standing of the company, the situation of its funds, and all other matters which the examiner requires." After that there is an examination required at least once a year by the bank examiner. The law says, "He shall visit each savings bank and institution for savings once in each year and as much oftener as he deems expedient." He may summons officers of said corporation and put them under oath; and after examination by two of the directors and an examination by the bank examiner at least once a year, in accordance with Chapter 158 of the Public Laws of 1911, in addition to the annual visitation and examination by the bank examiner in savings banks, trust companies, etc., the law provides that "there shall be made annually a thorough audit of the assets and liabilities of said institutions. These audits shall be made by an expert accountant designated by the bank commissioner, in no way connected with the bank or trust company."

Now, in addition to all these examinations, as I have said, the stockholders' liability is equal to the capital stock, that is, it is double the amount of the capital stock including the stock itself. In addition to that, there is a guarantee fund provided that there shall be set apart, I think, from the net profits of 10 per cent. each year, until such amount shall equal 25 per cent of the capital stock. There is that provision. In addition to that, the bank must keep on hand in United States notes or bank notes, or must keep on hand in some bank due it or invested in certain securities which are specified in the banking laws of the State of Maine an amount equal to 25 per cent of its deposit. In addition to that, it must have invested in certain securities that are named by the banking law of the State of Maine an amount

equivalent to the sum that is deposited in the savings department.

Now, if any gentleman in this House can propose any way that the banking business can be made more safe than that by restrictions or regulations, I have no objection to raise against that measure. I believe, after having complied once with the laws of the State to the formation of trust companies and as to running them, that the banking business should be just as open to every citizen of this State as is the grocery business, or the practice of medicine, or anything else.

I think that is sufficient upon that point. There are one or two more things I wish to mention in regard to the hearing before the committee.

Three bankers appeared before the committee. One of them, as he stated, represented the executive committee of the Maine Banking Association. There were no depositors represented there, excepting myself, who was a very small one, at least there were none present who had anything to say, and neither was the bank commissioner present nor his deputy to make any argument against this bill. But it was a curious fact that three bankers should be so much interested in State. I have noticed that every time there is anything comes up here that is called the welfare of the people that there are certain individuals appear here if it has anything to do with banks, the protection of the people in that line, and if there is any proposed reduction of hours of labor the mill people will all be here, and if there is a public utilities bill under consideration then all the attorneys of all the public corporations in the State are here, looking after the interests of the people; and those things follow right straight through.

Now, I want to say one thing further. Although two of those companies that were represented there are not existing in violation of law because they held charters previous to the time this law was enacted, two of those companies that were represented there are doing business on a smaller capital stock than any five or 10 men in

this House can go into business with in this same town now; but it makes a good deal of difference, gentlemen, whether you are on the inside looking out, or on the outside looking in. One gentleman came there from a certain town, and he said there were banks enough in his town and he didn't think it was necessary to take off any of the restrictions on that account. But what do you suppose any grocer would have said if he came to that town? Don't you suppose he would have said there were enough grocers there? But by the mere fact that a banker says there are enough banks in his town, are we going to put it in the hands of some individual in this State House to say whether they shall have any more or not?

One gentleman appearing before the committee had the temerity to advance the proposition that a bank had been established in a certain town at the solicitation of the inhabitants thereof, and he said they had worked up a little business and were on their feet; and he said to the committee, presumably—although I took occasion to inquire about it afterwards—he said, "Now, supposing that some individuals in that town should take it into their heads to get miffed at us, do you think it would be fair for them to come in there and start another bank and kill us out?" Now, what do you think of that? Now, I ask any man on the floor of this House, any grocer, or any physician, or any lawyer, or any man in any other line of business which he may have established in your town, making a living there, if some people should take it into their heads to get miffed at you and if they do not want to do business with you any longer, do you think it would be fair for them to get somebody else to come in there and kill you out? I asked this gentleman that question, and he couldn't see but what it was all fair enough for me; he thought it was all right for me to be killed out, but he didn't think it would be fair for him to be killed out. I may be pretty thick-headed, but I couldn't quite see through that exactly.

There is only one more point upon which I wish to speak in connection

with this matter. One gentleman stated that this was practically a scheme—he didn't use the term "scheme," although I think that would be the proper term—that this was the general plan under which the national government was operating, and was conducting national banking affairs. I regret to say that it is, and I will show you in a moment what I regard as some of the fruits of it. He said a great many people were trying to get into the national banking business, and that he comptroller of the currency had to turn them down. He said that national bank stock was very desirable. I will tell you, gentlemen, that when you put a monopoly around anything you will find that any kind of stock is very desirable. You will find, if you could not have any more doctors in this State and if the population should double, that an opportunity to practice medicine would be a very desirable thing.

I wish to call attention to a clipping which I made from the Kennebec Journal under date of January 10th, 1913. It relates to testimony, or what purports to be testimony that was given before the Money Trust investigating committee of Congress, so-called, by Mr. Barker, the president of the First National Bank of New York City. It reads as follows:

"Enormous profits by the First National Bank of New York City were recounted, today, by George F. Baker, chairman of the board of directors of the banks, as a witness before the House Money Trust committee. Mr. Baker furnished the committee with records showing that since its organization in 1863 with a capitalization of \$500,000, the bank has made profits amounting to more than \$80,000,000.

In the four years since 1908, Mr. Baker told the committee, the bank had paid dividends of 226 per cent., or more than twice the total capitalization, which is not \$10,000,000. When the capital was increased to that amount in 1901, a special dividend of \$9,500,000 was declared, Mr. Baker said, to enable the stockholders to take up the additional investment. In 1908, in order to provide \$10,000,000 of cash for the organization of the First Securities Co., to take over the business

"Which the bank could not do under the law," Mr. Baker said, a special dividend of \$10,000,000 was declared. This was in addition to the regular yearly dividends."

It does not seem to me that it takes any long-headed financier to do that; I think I could have done it myself. It seems from his statement that this bank had paid 18,550 per cent. since he took the presidency of it. It seems to me that if a man had \$100,000 of that stock that he would be able to get along with a very miserable existence on the income of it.

Gentlemen, all these things are the fruits of monopoly; they are the fruits of special privilege, and although we find declarations in the platforms of all parties against special privileges, as an abstract proposition everybody is against it, and when you get down to the concrete fact there are very few of us agreed on exactly what is a special privilege, and we are apt to be like that banker whom I mentioned—if it comes our way it is not a special privilege, but if we are on the short end, it is.

I don't know how the members of this House stand upon this question, but in my judgment the bulk of the people are on the short end of any such special privilege as this; and as soon as we can get rid of these special privileges it will be unnecessary for the farmers of this State to come here and ask for money to help educate their children in agriculture or anything else; it will be unnecessary for the women and children of this State to come here asking for laws to be enacted regulating the hours of labor, because they will regulate them themselves. (Applause.)

Mr. NEWBERT of Augusta: Mr. Speaker, were this not a serious question before the House I should not take any time at this late hour. I am sure we all appreciate the remarks on this floor from our friend, the gentleman from Lisbon (Mr. Plummer), but I wonder sometimes if he ever really intends to carry a measure. Seeing his defeat, the good Doctor likes to soften his fall a bit. I am reminded of a telegram that came from

a Western state to a town in Maine at one time, reading as follows: "Your boy John has his neck broken and both legs crushed." Of course the family were plunged in sorrow. An hour later another telegram came headed: "Later and more hopeful; John has his neck broken, but only one leg crushed." (Laughter.)

I don't know how many of the members of this House are depositors in banks; most of us are poor men, and if we do go to banks we go to borrow; and yet after this Legislature adjourns I apprehend that every man on this floor, having saved enough from his salary, will become a depositor in some bank in his town, and he will then be interested in the question of sound banking.

The gentleman from Caribou (Mr. Irving) correctly stated the law, and it is plain enough and good enough to continue. Previous to 1907, as I understand it, promoters of a trust company came to the Legislature for a charter. The act of 1907 does not take away that right; it continues now, but it makes it easy between the legislative sessions for promoters of a trust company to organize and begin business; and it simply provides that these promoters must get a certificate from the bank examiner of this State. Now I have great faith, and so have you, in the quality of the men appointed in this State to the office of bank examiner. They have been able and good men. The man now is of the same quality, and I apprehend that in the future the Governors of Maine will see to it that the bank examiner of this State is a man of sound common sense, a man of some learning, a man of character, a man who means while in his office to protect the people of the State of Maine who have their money in the banking institutions of this State.

This bill of the gentleman from Lisbon (Mr. Plummer) sweeps away the safeguard provided in the law of 1907, for it strikes out that safeguard regulating the organization of a trust company. This law wisely put into the hands of the bank examiner, who stands for all the people of this State,

the power to safeguard them and their interests in this banking proposition.

The organization of a trust company, gentleman, is no joke. It assumes grave and serious responsibilities to the public. Just briefly I wish to state some of the things that a trust company may do. First, to receive on deposit money; second, to borrow money, to loan money on credits or real estate or personal property, and to negotiate loans and sales for others; third, to own and maintain safe deposit vaults, etc., to be rented for the safe keeping of moneys; fourth, to hold and enjoy all such estate, real, personal and mixed as obtained by the investment of its capital stock or any other moneys and funds that may come into its possession in the course of its business and dealings; fifth, to act as agent for issuing, registering and countersigning certificates, bonds, stocks, and all evidences of debt or ownership in property; sixth, to hold by grant, assignment, transfer, devise or bequest, any real or personal property or trusts duly created, and to execute trusts of every description; seventh, to act as assignee, receiver, executor and no surety shall be necessary upon the bond of the corporation, unless the court or officer approving such bond shall require it; eighth, to do in general all the business that may lawfully be done by trust and banking companies.

I submit, gentlemen, that the organization of a trust company means grave responsibilities to the people. It is unlike the opening of a grocery store; it is unlike the hanging out of a shingle by a doctor. These trust companies receive money from the people, from the unsuspecting public, and in the State of Maine I believe our people are proud of our banking institutions and that they have faith in the boards of directors of the banks in this State. Those men are conservative men, and they are usually honest men and men of high purpose.

This bill proposed by the gentleman from Lisbon (Mr. Plummer) not only sweeps away the safeguard, but I believe it would open up a string of wild-cat trust companies in this State. If

any five or more men coming before the bank examiner of Maine cannot establish the fact that they are men of character and that they are men of standing, and that the town in which they wish to establish a bank needs another bank, if they cannot establish those facts then I say they should wait; and if they are not satisfied with his decision, they have an appeal to the Legislature of this State, and if their cause is just and right the Legislature of Maine no doubt would grant the charter that they ask.

In the interests of several banking and in the interests of the public this bill should not have a passage, and that the report of the committee on banks and banking should be sustained by this House.

Mr. PLUMMER: Mr. Speaker, I would like to ask the gentleman from Augusta (Mr. Newbert) and I would like consideration on the question by other members of the House—do you suppose that there ever might be a bank examiner in the State of Maine who, supposing application were made to him for a bank in any town where one or more already existed, and where it was in the interest of those who were already in the business to keep another one out—do you suppose, I say, that if an envelope were placed somewhere where this man might get hold of it, and attention called to the fact that in that envelope were contained certain tangible facts which might be worth while for his consideration in judging this case, and supposing that on opening that envelope there were found to be two, three, four, five, or may be ten—I don't know how many, fifty-dollar bills, do you suppose that there ever might be a man that might take those bills into consideration in weighing the evidence?

I am reminded of a story that I once heard—I don't know whether it is true or not, but it doesn't make any difference. Somewhere there was a man in a position of authority, a man having power over certain things, and he, judging by the telegrams or letters that passed, had been approached by somebody in relation to his discretion in certain matters; and he tele-

graphed to his superior, who I think was in Washington, his resignation. He, having been an efficient officer, his superior telegraphed back to inquire the reason why. In his answer he said, "Every man has his price, and they pretty nearly got up to mine." Now, Mr. Speaker, I don't want to be bank examiner if this thing is going to continue, that is, not as far as money goes.

The SPEAKER: Is the House ready for the question.

Mr. PLUMMER: Mr. Speaker, I call for the yeas and nays.

The SPEAKER: This matter came before the House on the report of the committee on banks and banking, reporting "ought not to pass" on this bill. The report was not accepted, no action being taken. The motion now is made by the gentleman from Lisbon, Mr. Plummer, that the bill be substituted for the report, and upon that question the gentleman demands the yeas and nays. Those in favor of demanding the yeas and nays will rise in their places.

A sufficient number not having arisen,

The yeas and nays were not ordered.

The question being on the motion of Mr. Plummer, that the bill be substituted for the report,

A viva voce vote was taken, and the motion was lost.

Mr. Irving of Caribou moved that the report of the committee be accepted.

The motion was agreed to.

#### Special Assignment.

The SPEAKER: The Chair will lay before the House, coming up by special assignment, majority and minority reports of the committee on labor to which was referred, bill, An Act to repeal Section 51 of Chapter 40 of the Revised Statutes relating to the employment of adults and minors, majority reporting "ought not to pass," minority reporting "ought to pass."

Mr. Mitchell of Newport moved that the majority report of the committee be adopted.

Mr. DESCOTEAUX of Biddeford: Mr. Speaker, my object in signing a minority report was that I wanted to go on

record as voting in favor of the bill.

Mr. MITCHELL: Mr. Speaker, I will say that the act referred to is just and proper; it gives the employee the same rights as the employer. Either party must give the other one week's notice where this contract is entered into. It is not compulsory by any means, but where the contract system is in use either party must give the other a week's notice or forfeit a week's wages; and in the opinion of nine members of the committee no change should be made at this time.

Mr. DESCOTEAUX: Mr. Speaker, I do intend to speak upon this matter, but the gentleman from Newport (Mr. Mitchell) says that it is nothing more than fair if there is a contract. There are only three mills in the State of Maine that use this contract, and there isn't one of the mills but what if a person goes there for a job they have to sign that contract, and if they don't sign that contract they don't get any work; and I claim that that law is to the advantage of the employer and to the disadvantage of the employee, for the very reason that the employer at any time can discharge the employee.

Mr. O'CONNELL of Milford: Mr. Speaker, as a member of the committee who signed the majority report I wish to say that in the hearing the fact was brought out that three mills in the State of Maine had availed themselves of this privilege, as I understood it, and it means that the employer and the employee may enter into an agreement whereby the employee, if he leaves, he forfeits a week's wages; if he is discharged he is paid a week's wages. The members of the committee failed to see where it would work any hardship upon labor, where it would work any hardship upon anybody. It is a contract that they may agree upon, and it is a protection to the mills from this point. That is to say, should this law be repealed, a man employing a crew of men, today he has got them and tomorrow somebody wants them and they go, and he hasn't any crew; they have a perfect right to go out, and there is no string on them; on the other hand, if he should hire those men for six months and after one month let them go, they have no string on him.

That law is a just law, and I should say from the workingman's standpoint

that you would be doing a damage to the labor interests of this State to repeal that law; and I hope the majority report of the committee will be sustained.

Mr. DESCOTEAUX: Mr. Speaker, the gentleman from Milford, Mr. O'Connell, says that by having that law in there the employee will have a string on the employer. That is right. He ought to have said the employee gives a week's notice when he leaves, and the employer does the same. I do not believe that the gentleman from Milford (Mr. O'Connell) or any other member of this House can show me where a manufacturer ever gives an employee one single dollar more than

he earns. As I said before, I don't intend to put up any fight on the floor of this House on this matter, because there were too many of the committee against me; but still I think this law ought to be abolished.

The SPEAKER: The question is on the motion of the gentleman from Newport, Mr. Mitchell, that the majority report of the committee, reporting "ought not to pass," be accepted.

A viva voce vote being taken,

The motion was agreed to.

On motion by Mr. Eaton of Oxford,

Adjourned.