

MAINE STATE LEGISLATURE

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Legislative Record

OF THE

Eighty-Third Legislature

OF THE

STATE OF MAINE

1927

KENNEBEC JOURNAL COMPANY
AUGUSTA, MAINE

HOUSE

Thursday, January 6, 1927.

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

Prayer was offered by the Rev. Mr. Wood of Augusta.

Journal of previous session read and approved.

From the Senate: The following communication

"STATE OF MAINE
Executive Chamber

Augusta, Maine, Jan. 5, 1927
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 remission of penalty, commutation or pardon granted during the years 1925 and 1926, stating the name of the convict, the crime of which he was convicted, the sentence and its date, the date of remission, commutation of sentence, and the conditions, if any, upon which the same was granted.

RALPH O. BREWSTER,
Governor."

In the Senate, read and placed on file.

In the House, read and placed on file in concurrence.

Communications from the Heads of Departments

STATE OF MAINE
Department of State

Augusta, January 5, 1927.

To the President of the Senate and to the Speaker of the House of Representatives of the Eighty-third Legislature of the State of Maine.

I have the honor to herewith transmit the return of votes cast on the referendum question "Shall an Act entitled 'An Act Relating to Standard Time', become a law?" in the several cities, towns and plantations in the State of Maine, at the Special election held on December 7, 1925.

Respectfully,

(Signed) FRANK W. BALL,
Secretary of State.

STATE OF MAINE
Department of State

Augusta, January 5, 1927.

To the President of the Senate and to the Speaker of the House of Representatives of the Eighty-third Legislature of the State of Maine.

I have the honor to herewith transmit the return of votes cast on the

referendum question "Shall an Act entitled 'An Act to Define Certain Grades of Milk Offered for Sale within the State', become a law?" in the several cities, towns and plantations in the State of Maine, at the Special election held December 7, 1925.

Respectfully,

(Signed) FRANK W. BALL,
Secretary of State.

STATE OF MAINE
Department of State

Augusta, January 5, 1927.

To the President of the Senate and to the Speaker of the House of Representatives of the Eighty-third Legislature of the State of Maine.

I have the honor to herewith transmit the return of votes cast on the referendum question "Shall an Act entitled 'An Act to Incorporate Dexter P. Cooper, Incorporated, for the Purpose of Developing and Utilizing the Power of the Tides in the Bay of Fundy and Waters Adjacent Thereto', become a law?" in the several cities, towns and plantations in the State of Maine, at the Special election held on September 14, 1925.

Respectfully,

(Signed) FRANK W. BALL,
Secretary of State.

In the Senate read and ordered placed on file.

In the House, read and ordered placed on file in concurrence.

From the Senate: The following communication:

STATE OF MAINE
Department of State

Augusta, January 5, 1927

To the President of the Senate and to the Speaker of the House of Representatives of the Eighty-third Legislature of the State of Maine.

I have the honor to herewith transmit the returns of the votes cast for Governor in the several cities, towns and plantations in the State of Maine at the general election held on September 13, A. D. 1926.

Respectfully,

(Signed) FRANK W. BALL,
Secretary of State.

In the Senate referred to the Committee on Gubernatorial Vote.

In the House, referred to the Committee on Gubernatorial vote in concurrence.

Orders

On motion by Mr. Kinsman of Augusta, it was

Ordered, that the Superintendent of Public Printing deliver to the State Librarian as soon after printing as possible twenty-five copies of

the bills, legislative proceedings, and all other publications printed by order of this House, for exchange with other libraries and institutions.

On motion by Mr. Smith of Bangor, it was

Ordered, that each adjournment of the House be until ten o'clock of the following morning unless otherwise ordered.

On motion by Mr. Piper of Jackman, it was

Ordered, that the Superintendent of Buildings have door No. 64 leading to House locker room removed during the session of the Eighty Third Legislature.

On motion by Mr. Cyr of Waterville, it was

Ordered, that the use of the hall of the House be until ten o'clock of the granted the Maine Sportsmen's Association for the afternoon of January 13 for the purpose of holding a meeting.

Orders of the Day

Mr. ROUNDS of Portland: Mr. Speaker, I would like to move reconsideration of the order passed yesterday in regard to the printing of all bills. I have another order that I would like to put in.

The SPEAKER: The Clerk will read the order. (Order read.)

Mr. ROUNDS: Mr. Speaker, I would like the indefinite postponement of this order—that we non-concur with the Senate,—and I will give my reasons for it if permissible at this time.

The SPEAKER: The gentleman may do so.

Mr. ROUNDS: There are somewhere between two and three thousand bills to be put in here at this session. Some six or seven hundred are printed and the cost of printing these six or seven hundred bills is somewhat in the neighborhood—and I have it from the Auditor's office—of \$46,829. If we print the rest of these bills, we would have to have another document room and two or three more document clerks, and clerks to read them for you when they are put on your desk every morning. There are a lot of these bills that have no bearing whatever as State-wide measures and they should not be printed. Of course those that are of State-wide interest should be printed. Half the bills that are put in are not

read, and we haven't the time to read them. They interest only certain localities in the State. If anyone has a bill that is of State-wide interest all he has got to do is to ask to have it printed. Bills before they pass the House can always be laid on the table for printing. Am I right? You can then read the bill and state what you want to do and if it is thought of sufficient importance it can be printed before going to the committee; but to have all these little bills that are introduced into this Legislature printed at an expense of eight, ten or twelve thousand dollars seems to me ridiculous. Therefore, I move that we non-concur with the Senate in the order passed yesterday.

The SPEAKER: The gentleman from Portland, Mr. Rounds, moves that the House indefinitely postpone this order in non-concurrence with the Senate.

The motion prevailed.

The following paper from the Senate was taken up out of order under suspension of the rules:

Committee Report

The joint select committee to which was referred the returns on votes cast for Governor in the several cities, towns and plantations in this State for the political years 1927 and 1928, reports that it has attended to its duty, and that the whole number of votes returned for Governor was 181,524.

Ralph O. Brewster had 100,776 votes.

Ernest L. McLean had 80,748 votes.

(Signed) CLYDE H. SMITH,
Chairman on the Part of the Senate.

FRANK H. VAIL,
Chairman on the Part of the House.

In the Senate, read and accepted.

In the House, read and accepted in concurrence.

From the Senate: Ordered, that a committee of three on the part of the Senate, with such as the House may join be appointed to wait on the Honorable Ralph O. Brewster and inform him that he has been duly elected Governor of the State of Maine for the current political years of 1927 and 1928.

Comes from the Senate with the following members appointed on its part. Senators Nickerson of Waldo, Bond of Lincoln and Bragdon of Aroostook.

In the House, read and passed in concurrence, and the Speaker joined

on the part of the House the following members: Representatives Wing of Auburn, Hale of Portland, Vail of Hodgdon, Wing of Kingfield, Forhan of Canton, Ingraham of Bangor and Piper of Jackman.

A communication was received from the Senate, through its Secretary, proposing a joint convention of both branches of the Legislature forthwith in the hall of the House for the purpose of administering the oaths to the honorable councilors-elect to qualify them to enter upon the discharge of their official duties and for the further purpose of administering to the Honorable Ralph O. Brewster, Governor-elect, the oaths required by the Constitution to qualify him to enter upon the discharge of his official duties.

Senate order, out of order:

From the Senate: Ordered, the House concurring, that the Superintendent of Public Printing be directed to handle all matters pertaining to advertising, printing and binding, as required by the Legislature.

In the Senate, read and passed.

In the House, read and passed in concurrence.

From the Senate: Report of the joint special committee on telephone service for the Eighty-third Legislature which was instructed by an order of the Legislature to make a contract with the New England Telephone and Telegraph Company for telephone service for members of the Eighty-third Legislature on matters connected with their official duties, reporting the accompanying order and that it ought to pass, the order being as follows:

Ordered, the House concurring, that free telephone service be provided for each member of the Senate and House to the number of fifty calls, of reasonable duration, from Augusta to points within the limits of the State of Maine, and that each member of the Senate and House be provided with a card to be certified to by the Secretary of State or his deputy, the cost of this service to be paid to the New England Telephone and Telegraph Company at regular tariff rates.

In the Senate, read and passed.

In the House, read and passed in concurrence.

Mr. ROUNDS of Portland: Mr. Speaker, I would say, for the bene-

fit of the members of this House, that the cards are already printed ready for distribution in the Secretary of State's office.

The SPEAKER: The House thanks the gentleman.

On motion by Mr. Bishop of Boothbay Harbor, the Clerk was instructed to inform the Senate the concurrence of the House in the proposition for a joint convention.

Subsequently, Mr. Wing of Auburn reported that the committee had performed the duty with which it was charged, and that the Governor-elect will immediately attend upon the convention.

Subsequently the Clerk reported that he had performed the duty assigned him.

The report was accepted.

At this point the Senate came in and a joint convention was formed.

In Convention

The President of the Senate in the Chair.

On motion by Mr. Foster of Kennebec, it was ordered that the rules be suspended by unanimous consent and that a message be sent to the Councilors-elect informing them that the two branches of the Legislature were in convention assembled ready to administer to them the oaths required by the Constitution to qualify them to enter upon the discharge of their official duties.

The Chairman appointed as such committee Senator Foster of Kennebec.

Subsequently that gentleman reported that he had performed the duty assigned him and that the Councilors-elect would attend forthwith.

The report was accepted.

Thereupon the Councilors-elect, Honorables Homer T. Waterhouse, William Shephard Linnell, H. A. Furbish, Blaine S. Viles, Guy E. Torrey, Lewis O. Barrows and Allen C. T. Wilson came in, and in the presence of both branches of the Legislature, in convention assembled, before the President of the Senate, took and subscribed the oaths required by the Constitution to qualify them to enter upon the discharge of their official duties.

On motion by Senator Maher of Kennebec, it was ordered that a

committee of ten be appointed to wait upon the Honorable Chief Justice and Associate Justices of the Supreme Judicial Court of this State, inviting them to attend this convention for the purpose of administering to the Hon. Ralph O. Brewster, Governor-elect, the oaths required by the Constitution to qualify him to enter upon the discharge of his official duties.

The order received a passage, and the Chairman appointed as members of that committee on the part of the Senate: Senator Maher of Kennebec, Morrison of Franklin, Holmes of Androscoggin; and on the part of the House, Representatives Wing of Auburn, Hale of Portland, Patterson of Castine, Miss Laughlin of Portland, Aldrich of Topsham, Dudley of Calais and Fuller of Southwest Harbor.

Mr. Maher for the committee subsequently reported that the committee had attended to the duty assigned it and that the Honorable Chief Justice and Associate Justices were pleased to say they would forthwith attend.

Thereupon Senator Maher of the committee escorted Chief Justice Wilson, Associate Justices Philbrook, Dunn, Sturgis, Barnes, Bassett and Active Retired Justice Albert M. Spear into the Convention Hall.

On motion of Mrs. Pinkham of Aroostook, ordered that a committee be appointed to wait upon Hon. Ralph O. Brewster, Governor-elect, and inform him that the two branches of the Legislature are in convention ready to administer to him the oaths required by the constitution to qualify him to enter upon the discharge of his official duties and receive from him such communication as he may be pleased to make.

The Chairman thereupon appointed as members of that committee upon the part of the Senate: Mrs. Pinkham of Aroostook, Senators Lord of York and Harriman of Kennebec; on the part of the House: Representatives Kitchen of Presque Isle, Lowell of Lincoln, Wheeler of South Paris, Ayer of Cornish, Robie of Gorham, Decker of Portland and Kinsman of Augusta.

Subsequently Mrs. Pinkham from the committee reported that the committee had discharged the duties assigned it, and the Governor-elect was pleased to say that he was ready

to take and subscribe the necessary oaths of office and would forthwith attend the convention.

The report was accepted.

Thereupon the Hon. Ralph O. Brewster, Governor-elect, attended by the executive council and heads of departments, and before the presiding officer of the Senate, the Hon. Frank H. Holley, in the presence of both Houses of the Legislature and the Justices of the Supreme Judicial Court, took and subscribed the oaths required by the Constitution to qualify him to enter upon the discharge of his official duties.

The Secretary of State, the Hon. Edgar C. Smith, then made proclamation as follows:

PROCLAMATION

The votes given in on the thirteenth day of September last, in the cities, towns and plantations of the State for Governor, the returns of which have been made to the office of the Secretary of State, having been examined and counted by the Legislature which has declared that a plurality thereof was given to Ralph O. Brewster, and that he is duly elected, and he having in the presence of the two branches of the Legislature in Convention assembled, taken and subscribed the oaths required by the Constitution to qualify him to discharge the duties of that office, I therefore, declare and make known to all persons in this State who are in the exercise of any public trust, as well as all good citizens thereof, that Ralph O. Brewster is Governor and Commander-in-Chief of the State of Maine, and that due obedience should be rendered to all his acts and commands as such.

GOD SAVE THE STATE OF MAINE

Thereupon the Governor addressed the Convention as follows:

Mr. President, Senators and Representatives:

The constitution requires the chief executive upon occasion to give you the results of his observations of state affairs. It is superfluous to say that this contains no implication of dictation to you concerning your course. American history reveals that the part of the dictator is not a comfortable one. Confidence is also lacking in the superiority of an individual to the collective wisdom that you represent with the knowledge and experience you bring from the varied activities of life in

every section of our state. If desire and confidence were not lacking a sufficient reason for refraining from encroachment on the legislative responsibility would be found in the lessons of my own legislative career which teach that an earnest conviction as to the course that is wise is more likely to be translated into action by persuasion than by force.

The average American citizen will listen a long time to reason with an open mind but an attempt at dictation is immediately conclusive the other way. This sturdy independence is one of the most characteristic things in our American life and has been measureably responsible for the preservation of individual freedom for a century and a half. The experience of all preceeding legislatures teaches that you will orient your course by those considerations which you believe to be of paramount importance at this time and that you will keenly resent as a reflection upon your intelligence and responsibility any attempt improperly to influence your action either by the chief executive or by others outside these legislative halls.

Taxation

The Republican platform in the last state campaign unreservedly indorsed the administration of Calvin Coolidge and declared "the cornerstone of the Coolidge administration is public economy, a policy of which our Nation and the world stand in great need." The platform goes on to commend the rigid economy that has been practiced in state affairs and the resultant savings.

The Democratic platform in this state likewise declares its "stand for strict business economy" and for practicing economy in all the affairs of the state.

President Coolidge in his recent annual message to Congress has declared that this policy of economy is not brilliant but that its consequences are profound. It is calculated not merely to save money but far more fundamentally to save for us one of the most precious of American privileges—the liberty to spend or even to waste the money that we earn. Tax burdens, direct and indirect, have become an increasingly serious problem to men and women in every walk of life. The time has come for the constantly expanding activities of gov-

ernment to be subjected to a definite check and let only those pass that can justify their existence upon most adequate grounds.

The startling expansion of state expenditures in recent years may be shown by two or three illustrations. In 1900 one institution was receiving \$20,000 a year. Last year its appropriation amounted to practically \$500,000 and for this next year there is requested the sum of over \$750,000.

One department was inaugurated in 1913 with an appropriation of \$8,000. Its expenditure was increased in 1917 to \$18,000. For this past year there was an appropriation of \$300,000 and it was found necessary to provide \$100,000 additional from the State Contingent Fund. For the coming year there is a request for \$450,000 with the assurance that the expenditures must soon exceed a half million.

In 1913 one department expended \$850,000. During 1926 this department expended more than \$11,000,000.

Reduction in state taxation following the national precedent, if it can be achieved, is likely to be of importance as a very persuasive example to the municipalities of the state.

Tax reduction was much discussed during the last campaign and considerable doubt was expressed as to the feasibility of bringing this to pass consistently with the activities that the state is now carrying on.

The Budget prepared under the direction of the legislature will show at least as ample provision for carrying on the various activities of the state as has been provided at any time in the past. Consistently with this provision, however, and with the continuance of the grants which have been heretofore made to private institutions, it is possible to show a reduction in the tax rate that will mean much to the citizens of Maine at this time.

Contingent Fund

In the Inaugural Message two years ago, attention was called to the complications created in state finance through the inauguration of the Contingent Fund by the last Democratic administration of this state in 1915. This fund served a very useful purpose during the unsettled conditions incident to the World War and to the liquidation

of the responsibilities that it entailed, but it presented very dangerous possibilities as a normal practice, since it made possible very considerable executive expenditures without legislative action.

In the eight preceding years the expenditures from this fund had averaged approximately \$800,000 a year.

The last Legislature very prudently limited the fund to \$300,000. This has proved ample for all the emergency needs of the state. The total expenditures from this fund in the last fiscal year were \$186,324.92. Of this amount \$50,000 was for Workmen's Compensation for state employees which is chargeable to this fund without any discretionary power in the executive. The sum of \$80,000 was appropriated for the care of neglected children placed in the charge of the state by the courts. Aside from these two items, the expenditures from the Contingent Fund this past year have been in very limited amounts.

The wisdom of this course seems now to have been abundantly demonstrated and the results must be most gratifying to anyone familiar with state finance.

A surplus of over one million dollars in cash has been accumulated in the Treasury as a result of guarding scrupulously against any expenditures not especially provided for by legislative enactment and carefully preserving all of the balances which came to hand. It is the considered judgment of the Budget Committee that this surplus may, most properly and most wisely be devoted to tax reduction as the best method of bringing relief to all citizens of Maine. In addition to the creation of this surplus in the last two years there has been withdrawn from cash and invested in obligations of the state approximately \$400,000.

State Debt

Aside from highway and bridge bond issues our funded debt is being rapidly retired. During the past two years \$700,000 has been paid upon the bonds issued for war purposes and provision is made in the budget for retiring \$700,000 additional during the next two years. Under the existing policy all of these bonds will be retired in 1932 except an issue in the amount of \$500,000 maturing in 1937. A sinking fund of \$98,000 has already been provided for this maturity and un-

der existing legislation a sinking fund sufficient to retire this loan at maturity would be created in the next two years from funds raised by taxation. There seems no legitimate reason why such provision should be made during the next two years when the tax payers are at present retiring \$350,000 each year.

The only other indebtedness of the state outside the highway bond issues, which are cared for from special funds, will be a bond issue in the amount of \$1,150,000 maturing in the amount of \$115,000 each year beginning in 1932. This issue can be easily taken care of as it accrues, and ample provision made for completely retiring the 1937 issue before its maturity without throwing the entire burden upon the citizens of Maine during the next two years. Appropriate legislation may well be passed for the equitable distribution over the next ten years of the retirement provisions for the last of the war bonds.

If this course shall commend itself to the legislature as wise, it is possible to provide all the new construction which seems urgently to be required and, at the same time, to levy a tax for the next two years that shall represent a reduction of more than 20 per cent. In place of the seven-mill tax rates of the past two years, this would mean a tax rate of five mills for 1928 and six mills for 1929. This will be a very definite guaranty to all our citizens and to our business interests that the State is concerned with a reduction of the burden they now bear. This will be one of the best possible advertisements to the nation of the stability and conservatism of the State of Maine.

Estate Taxes

Under the Federal Estate Tax very considerable sums of money are now being paid from the State of Maine into the Federal Treasury. Eighty per cent of these payments may be received by the State of Maine by the enactment of a very simple statute which has been prepared by the Attorney General. Opinions may differ as to the propriety of certain provisions of the Federal Estate Tax law but so long as they are in effect the State of Maine should make sure that these revenues are directed into its Treasury. This will not increase in any way the tax upon the estate. It is simply a question of whether it is received by the nation or by the state.

In one estate alone it is estimated by the office of the Attorney General that enactment of this provision may bring to us over \$1,000,000 during the coming year. This prospect is not sufficiently dependable so that there would be warrant for including it in the estimated revenues in the budget and reducing our direct taxation by that amount. If it should accrue it would automatically become a part of the surplus, not subject to executive disbursement, and more than replace the surplus which may be used this year in the reduction of the state tax.

Railroad Taxation

Two years ago in the inaugural message and in a subsequent special message, the subject of taxation upon our railroads was exhaustively discussed. The situation remains as it was then outlined, except that a transformation has taken place in the financial condition of the principal road involved which was then in some distress. Last year this road accumulated a surplus above charges of more than \$1,000,000 and this year will show a considerable improvement over the very satisfactory results of a year ago.

This recovery is associated with the cultivation of a more friendly spirit with all the interests of the state. Any change in the method of taxation must take careful account of the necessity of the state to know with a considerable degree of certainty as to its revenue for two years in advance.

If it proves possible this year to make reduction in the burdens of taxation now imposed by the state the legislature may well consider the equity of affording some proportionate measure of relief to the railroads as a recognition by the state of the service which they have rendered and are in a position to render in the development of our resources. Their active cooperation can help very materially in bringing this to pass. Any reduction in the burden of taxation that has been proposed by the railroads, or that could be considered by the state, would not be likely to be reflected in rate reductions but might well find expression in a better and more cooperative service in various lines.

Departmental Cooperation

The key-stone in the creation of our surplus has been the splendid cooperation of the various departments and institutions in living strictly within their appropriations and in most cases saving some portion of their funds. The departments and institutions vol-

untarily adopted a division of their funds into four equal parts for expenditure during the quarterly periods of the year with a reserve of 10 per cent for emergencies in order to avoid, so far as possible, any draft upon the State Contingent Fund.

With forty-six independent departments and institutions it is evident that the degree of cooperation will vary with the individuals involved. It is a tribute to the personnel of the state departments and institutions that such gratifying results have been secured. Justice, however, to the great majority of cooperating officials would make desirable some placing of responsibility which would secure more uniform cooperation along these lines.

Each department and institution has a proper concern and appreciation for the importance of the task that it performs. Any official of the state would be of small use if he were not profoundly convinced of the value and necessity of the service he was rendering to the citizens of Maine. Each department and institution is also in intimate contact with the needs which it is designed to serve and is constantly confronted with the desire for expansion of this service by many citizens of our state.

It is the rather well-recognized departmental practice throughout the country under the bureaucratic system we have built up for each department to see to it that practically all of its appropriation is spent, as it is well understood that if this is not done the appropriation may possibly be reduced another year when there may be a very real need which the department will wish to meet.

As a result of these perfectly natural tendencies of human nature there is practically never a reduction in the appropriation for any institution or department but the amounts tend constantly to increase. A little here and a little there each year mean a constantly growing expenditure until the totals reach sums that appall.

A system of administration designed for much more simple conditions has been expended by degrees to meet the utterly different situation of today. This problem is not peculiar to the State of Maine as practically every other state in the Union has faced a similar condition

in recent years. During the period that Calvin Coolidge was active in the affairs of Massachusetts a comprehensive revision of their administration system was brought to pass by which the number of departments and commissions was reduced to twenty and responsibility was very definitely fixed.

The State of New York within the past two years under the leadership of its former Governor, the Honorable Charles E. Hughes, and its present chief executive, the Honorable Alfred E. Smith, have instituted a similar radical reorganization involving the amendment of their constitution on sweeping lines.

It is the opinion of most students of our governmental departments that the decentralization of powers and division of responsibility have gone entirely too far and that in the administration of the complicated mechanism of government today there must be more centralization of authority and responsibility if the citizens of the state are to be well served in accordance with the practice prevailing in the most successful business institutions of our land.

In approaching the problems of the state during this session the Legislature may well give serious consideration to simplification and centralization of the mechanism of the State Government along these lines. The situation does not seem to be so critical as to require or to warrant such comprehensive readjustments as have been carried out in Massachusetts and New York in recent years but we may well be guided by their experience in the tendencies that we shall emphasize during these coming weeks.

With so many and so varied activities involved in the expenditure of fifteen to twenty million dollars it is inevitable there should be overlapping and duplication of effort to some extent and that a variety of economies could be instituted in both supplies and personnel if some measure of centralized control could be secured analogous to that prevailing in all large business corporations at this time.

The Executive Council, as the representatives selected by the legislature to serve as an advisory board for the Executive during the twenty-one months' period between legislative sessions, could well be intrusted as a Board of Directors

with these powers. It is believed that results could be secured which would be gratifying to the departments and institutions involved which naturally take a pride in the orderly administration of state affairs and would also be of very real value to the citizens of Maine.

Budget System

The budget system instituted some years ago seems to have abundantly demonstrated its wisdom. Some further progress along these lines in the light of our experience may now be wise.

Mr. Walter B. Brockway, Comptroller of the Brown Company, was very generously permitted by his organization, at the request of the Governor and Council, to make a study of the financial and accounting system of the state. He approached this analysis from the standpoint of an interested citizen familiar with the practice of large business corporations.

Mr. Brockway has done a remarkable piece of work in his very readable report on our state finances in recent years. It was certainly of a nonpartisan character since it furnished some of the chief ammunition for the opposition party during the last campaign. His report has been printed and will well repay reading and consideration of the recommendations that he makes.

The marked improvement in the conduct of the financial affairs of the federal government in recent years has come to a large extent as a result of the reorganization of its budget system. The same civic organization that contributed to bringing this to pass has been working on the problem of uniform state-accounting systems for a considerable time. President Coolidge has repeatedly indicated that the time has come for the searchlight of popular opinion to be turned from the finances of the federal government to that of the states and lesser governmental units.

In order intelligently to compare our governmental costs it is first necessary for the states to approximate to a uniform system of accounting and report. The auditors of the several states in cooperation with the group which were largely responsible for the formulation of the federal budget system have prepared a tentative system of uniform accounting for the states which will be considered by the Legislatures of

most of the states during this present year.

The Conference of Governors of the United States has frequently been faced with the difficulty of fair comparisons of state finances because of the variety of accounting systems which were in vogue. With reasonable adaptations to meet local conditions the State of Maine may well be a pioneer in inaugurating this system in order that our own citizens may have an intelligent comprehension from year to year of the tendencies in our state finance and at the same time be enabled to make comparisons with the governmental costs in other states.

Development

In recent years government has become more and more intimately connected with the economic interests of the state. In a business sense a state administration is exactly in the position of any other executive coming to a great business concern. It is always the desire to reduce unnecessary overhead in order to lower the cost of production and meanwhile to expand the sales. This has been the common note of the development policy of the past two years. There has been an earnest effort to lighten the burden of taxation as one of the most important services which could be rendered to our existing business activities of every sort both in our industries and upon our farms, and also to bring in increasing measure to the attention of the country the advantages and attractions of the State of Maine in order to secure a reduction of our tax rate by bringing more people and more property here to share with us the profits and the obligations of supporting the governments of the municipalities and the state.

In administering the fund of \$25,000 initiated by the last Legislature for the "compilation and publication of data regarding the agricultural, industrial and recreational resources of the State of Maine," it has seemed advisable to work in very close cooperation with the private and semi-public agencies devoted to the same end in order to avoid over-lapping of activities and to coordinate all our efforts for the common good.

The Governor and Council have accordingly associated themselves with representatives of the Maine

Development Association, the State Chamber of Commerce and Agricultural League and the State of Maine Publicity Bureau, in an unincorporated association termed the State of Maine Associates. This informal committee of a purely advisory character considered coordination of plans and publications and practically every step received the unanimous indorsement of this group.

The Maine Development Association is composed of the representatives of the various cities and towns who have appropriated monies under legislative authorization for advertising the resources of the state and its funds are devoted exclusively to those purposes with practically all of the necessary overhead carried by the voluntary efforts of interested citizens or through the State of Maine Publicity Bureau.

The State Chamber of Commerce and Agricultural League has for a considerable time been carrying out the purposes indicated by its name and is supported entirely by private subscription. The State of Maine Publicity Bureau has been the service organization in replying to more than thirty-four thousand inquiries received by mail regarding the state as a result of the publicity campaign and in answering the inquiries in person of more than fifty-seven thousand visitors during the past two years who have called at their various offices maintained throughout the State. The State of Maine Publicity Bureau is supported entirely by private subscription and has devoted over eighty-two thousand dollars in the past two years to the development activities which are now being carried on.

New England Council

In 1925 the Governors of the New England states met at Poland Spring and agreed to appoint a committee of three from each state to consider the development of a New England consciousness. Out of this grew the New England Council which assembled more than twelve hundred leaders in the life of our section at Hartford this last fall. A council of twelve members from each state meets quarterly throughout the year and is coordinating and stimulating the activities of New England along most promising lines.

Maine contains a considerable portion of the undeveloped resources of

New England and has, therefore, a peculiar interest in this work. The citizens of Maine are under very great obligations to the men who have done so much to make this movement a success and continued cordial cooperation is in the interest of all concerned.

Publicity Fund

The legislative appropriation has been used exclusively for the expenses of compiling and publishing data regarding our resources. The greater part of this compilation has been done by state officials or by the voluntary effort of private citizens or of the private agencies devoted to these ends. A small portion of the money has been used to pay for activities in compiling data regarding the resources of the state in the course of a comprehensive survey that it is believed desirable to carry out as rapidly as possible.

Recreational development was stressed in the first year as it furnished the opportunity for the quickest sales and for emulating California and Florida in converting visitors into investors in our industries and our farms. Various comparisons indicated an increase of ten to twenty per cent each year in the income of approximately \$100,000,000 that our citizens enjoy from this source. Agricultural and industrial activities are now beginning to unfold. Progress is necessarily less spectacular but it is believed careful study and consideration will show the shortest and the surest road.

A careful, comprehensive survey of various resources of our state in comparison with those in other parts of the country will indicate the lines which may most wisely be stressed. Such a survey is now being started with the assistance of the United States Department of Commerce and United States Chamber of Commerce. This work should be of considerable value in the comparative statistics it will produce.

The New England Council are bringing these facilities to our service and the members of the Maine section of this Council are doing a most valuable work in this and various other ways for the economic development of our state.

The experience of the past two years seems to have abundantly demonstrated the wisdom of the course that has been followed and of the legislative action of two years ago. Only such expenditures

have been made as seemed to be of proven worth and a considerable balance is carried in the appropriation at this time for use during the next six months as appropriate opportunities may offer. In the course of the past two years more than four hundred thousand pamphlets of various kinds have been published and in none of them has the name of any state official appeared. This limitation was very strictly observed in order that there should be no warrant for a suggestion that personal considerations of any kind were entering into the administration of this fund.

The Budget Committee has recommended a renewal and an increase of this appropriation for the coming two years believing that the gratifying developments of the past two years may be continued and expanded with the experience that is now at hand. It has been most encouraging to citizens of Maine to see the construction of a new paper mill at Madawaska, the beginning of construction of a large cement plant at Rockland, the completion of the Gulf Island power development near Lewiston, the building of a million dollar power plant and transmission line in Washington County, the steady and encouraging progress upon the Passamaquoddy project, the start upon a railroad running one hundred miles through the woods of Northern Maine, and the consideration or commencement of various other projects in different parts of the state that indicate the vitality and the promise of our economic life.

The construction work upon the bridge over the Kennebec River at Bath is considerably ahead of schedule and promises remarkable developments in various lines in the contiguous counties during the next few years. The stimulus of this project is already being felt in the life in this section of the state and there seems every reason to anticipate the early payment for the cost of the state's share of the construction as a result of the rapid increase in the volume of traffic.

The unification of all our community activities along the conservative and constructive lines which have been followed the past two years seems to offer sure promise of a steady and healthy development of our state.

Forestry

Three-fourths of our area is forest

land and the timber resources of these fifteen million acres constitute one of the most important assets of our state. In forest products and the industries dependent upon them Maine is today one of the leaders among the states. With proper protection of our forests and consideration of the economic interests that are involved, Maine should continue a leader.

Maine is believed to have one of the best organized systems of forest fire prevention in the country. The protective work in the forests has developed an increasing degree of co-operation from recreational visitors both from within and without the state. A healthy public sentiment is recognizing the importance to the entire state of the conservation of our trees as the basis upon which some of our greatest industries are built.

It is hoped to inaugurate an aerial patrol of our forests this coming season as the effectiveness of this service has been demonstrated in other areas.

Very definite progress has been made in the last two years in bringing to the attention of the country the possibilities of a broader utilization of our hardwoods. A meeting of the timber land owners and industrial users of wood was called in Augusta by the Governor a year ago last summer at which a very representative group was present. The Governor was requested to appoint a committee to consider activities looking to development along these lines and as a result of the deliberations of this committee the Maine Hardwood Association was formed with several hundred members among the land owners and manufacturers of our state.

This association has taken the lead in cooperation with state officials and other private agencies in compiling accurate, detailed information regarding the quantity, quality and accessibility of our hardwoods. Detailed type maps in color have been prepared here at Augusta covering over two hundred of the wild land townships of the state.

Meanwhile careful comparative data has been secured regarding the availability of hardwoods in other sections of the country and the depletion of their supply and lists have been prepared of industrial users of hardwoods in the eastern half of the United States. Plans are practically perfected for bringing to the atten-

tion of various industries the resources of our state along these lines both by direct communication and by advertisement in trade journals. Already some industries have been secured and others are in prospect.

This is naturally a matter of slow development but the advices that have been secured from the United States Department of Commerce and other disinterested experts indicate substantial possibilities along these lines.

This association serves as an excellent demonstration of the methods that may be wisely followed in other fields where our resources or our location indicate that we may grow.

Agriculture

Agriculture in Maine seems to be in one of the most promising conditions in its history. This results primarily from the energy and confidence of the sixty thousand sturdy citizens of Maine who are carrying the burden of our agricultural production. The swan song of Maine agriculture has been prematurely sung. While agricultural values during the past five years were declining twenty-five per cent in the Middle West and thirty-five per cent in the Sunny South they have shown a moderate but healthful increase here in the State of Maine and the number of our cultivated farms has shown an increase of five per cent. More children upon our farms is one of the most encouraging indications that younger blood is coming into the agricultural life of our state.

The Maine State Grange is the corner stone upon which our agricultural development is being built. It serves as a medium of interchange of information and development of plans looking to the improvement of both the social and the economic life upon our farms. The work of the Grange which is ever broadening coupled with the remarkable prosperity that has come to Aroostook County during the past two years is preparing the soil for a harvest as we bring to the attention of the country the attractiveness of the agricultural life of Maine.

The improvement of our rural roads and rural schools and the prospect of rural electrification is checking the flow to the cities. The stabilization of our development in equal measure along agricultural, industrial and recreational lines of-

fers one of the surest guarantees of the healthful character of our growth.

The State Department of Agriculture is seeking constantly to serve the agricultural interests of the state along both production and distribution lines. Their work in certain phases of grading and marketing and improvement of conditions upon the farms has served as a model for the country. The steady increase in the number of our sheep is a practical demonstration of the results of placing a proper emphasis upon activities for which we are favorably situated.

Measurable progress has been made and careful plans are being formulated for bringing to the attention of those interested in agriculture in other sections of the country the advantages and attractions of rural life in the State of Maine. This development is more moderate and less spectacular than the remarkable recreational developments of recent years but it contains abiding promise for the permanent growth of the State of Maine.

Water Powers

While the late Senator Bert M. Fernald was Governor of Maine there was adopted the statute prohibiting the export of hydro-electric power.

It is very generally recognized that "it is the established policy of this state to retain Maine's hydro-electric energy within our own borders for the use of our people and our industries, and that our present and future prosperity and development largely depend upon the adoption and maintenance of a wise and far-seeing hydro-electric policy.

"Unprejudiced and unselfish discussion of this paramount issue is welcomed. On the one hand are those who believe that Maine's present hydro-electric policy is retarding the state's proper development; on the other are those, equally sincere, who hold that it is to the state's advantage and for the protection of future generations to adhere to our present policy, even though complete development of all our water resources be somewhat delayed.

"Between these conflicting views there is a wide divergence of opinion. Our citizens, however, are united in wishing to encourage reasonable further development of

hydro-electricity while at the same time conserving and protecting the rights of present and future generations of Maine people.

"The present state-wide discussion of this problem is wholesome and from it a proper solution, no doubt, ultimately will emerge. Some common ground yet may be found on which all can stand. This issue should be treated calmly and without prejudice and should be kept free from partisan, political or personal bias.

"It is believed, however, THAT ALL AGREE THAT UNDER NO CIRCUMSTANCES WHATSOEVER SHOULD THE STATE OF MAINE RELINQUISH ANY PORTION OF IT CONTROL, JURISDICTION AND REGULATION OVER THE HYDRO-ELECTRIC RESOURCES WITHIN OUR BORDERS."

This policy was enunciated in the last Republican platform and seems to me most wise. Its application to concrete issues offers an opportunity for unselfish cooperation of all concerned with an eye single to the interests of the state.

The instant that power begins to flow across our state border it will be contended that it becomes interstate commerce and federal control will loom. Private agreements of any character cannot affect the jurisdiction of the federal government nor is it at all likely that the federal government of its own motion will divest itself of any of its regulatory powers in favor of the several states.

The State of Maine may well consider further strengthening of the Fernald law by appropriate provision. Mere repeal of the Fernald law would be suicidal from the standpoint of the state and would constitute a deliberate defiance of the platform pledge of the majority party in the state.

Two years ago a strictly limited power of export was granted under the so-called Passamaquoddy bill. A charter along these lines for a specific development at the proper time might constitute a contract that would permit of some measure of exportation and yet not relinquish any portion of the state's control. This demands, however, the most careful consideration as to both its legal and economic phases.

The only alternative seems to be under the compact clause of the federal constitution by which the several New England states would enter into reciprocal arrangements with

Congressional sanction under which the Federal power of control might thus be secured. Such a course, however, means the blazing of new legal and governmental trails and should be developed most circumspectly in order that hasty legislation shall not injure the cause with which all our citizens are so much and so properly concerned.

It is first, however, to be demonstrated that some limited power of export may be economically wise from the standpoint of the state.

Hydro-electric power seems likely to be of increasing consequence in our economic life. Cheap power for our industries and our homes and rural electrification are the prime objects the state must have in view.

It is a most gratifying testimonial to the position of Maine in the electrical world that the largest power group in the country have come east with full knowledge of our restrictive policy to make very considerable investments within our state. It will be the desire of all thoughtful citizens to do everything consistent with the paramount interests of the state to make these and all other investors feel that they are welcome and that the state wishes to have their capital profitably employed.

Highways

The highway system of the state today stands as a monument to the careful planning of successive administrations for the past 14 years. As we view with gratification its present extent and the service that it renders, we are apt to associate its development with the program and activities of the last year. It is too easy to forget that it had its inception in very modest beginnings and that most of the construction has been carried out on much more modest lines than are now proposed.

It may well be that changed conditions require more activity and expense than heretofore but it would ordinarily be fair to assume that as the improvement of our highways went on expenses should tend to decrease rather than increase—apart from the problems that increased traffic necessarily presents.

Since 1913 there has been expended in connection with our highways under state grant or supervision, exclusive of interest or principle on our bond issues, the sum of \$49,000,000. This constitutes an average for the 12-year period of approximately \$4,000,000 a year.

In 1920 our annual expenditures reached \$5,000,000 and since that time they have approximated \$6,000,000 a year, exclusive of interest and maturities upon our bond issues, with the maximum amount reached in 1925 of \$6,500,000.

We are now reaching the point where we are reminded that it is necessary to "pay the fiddler." Bonds are beginning to mature in increasingly large amounts. Our annual interest payments are over a half million dollars a year and our maturities approximate another half million or a total of a million a year for bond issues alone. Bonds are outstanding on roads that cannot possibly endure for the life of the bond. We actually have forty-year bonds issued to pay for ten-year roads.

This reminds us that our successors may very likely face problems in road construction of which we can now but dimly guess.

If we go on borrowing money for road construction, we are in substance borrowing from Peter to pay Paul since we are paying out \$1,000,000 for interest and maturities each year and borrowing another million dollars to replace this amount.

As an alternative to this program the Legislature may wish to consider a policy of "pay as you go" which is making a strong appeal to thoughtful citizens in many sections of the United States who view the constantly growing obligations of our states and municipalities with increasing concern.

Without providing any additional revenues to those now existing, or imposing any additional taxes of any kind, the state may carry on a road program that will exceed by approximately 10 per cent the program of any year prior to 1926, after deducting all obligations for payment of interest and maturities upon its bonds.

By simply continuing existing tax and appropriation provisions, after providing for interest and maturities in the sum of over \$1,000,000, there will be available for the road program of the state \$7,200,000 in contrast, with \$6,500,000 which was the maximum amount from all sources including bond issues up to 1926.

This might seem to recognize adequately the increasing volume of traffic and by proper distribution of these expenditures provide in generous measure for all necessities that may arise. At the same time it will guarantee that we are not burdening future generations with problems they

may find it extremely hard to solve when added to the certain difficulties they will face in the changing transportation era that is ahead.

It would seem entirely appropriate that we should adopt the program of 1925 on the basis of which our highway system has practically been built but we should be exceeding this by a liberal allowance so that we could scarcely be said to be parsimonious in the provision that is proposed.

On the basis of the Highway Commission's estimates and recommendations this "pay as you go" program has been prepared for your consideration as an alternative if a substantial number shall feel that further bond issues are not wise. Such a policy can be changed at any time but bond issues commit our current income in ways that are extremely difficult to change. The recent inauguration of the gasoline tax makes this a most favorable time to act.

Every one believes in good roads. No one desires bond issues if they can be reasonably avoided. Are further bond issues essential to the respectable development of our roads?

The last \$3,000,000 bond issue has been used to very good account in completing certain most essential links in the highway system of our state. The equitable apportionment of the proceeds of the bond issues pro-

vided for in the original act has been now reasonably achieved with the grosser discrepancies fairly well ironed out. It was consideration of these inequities that led many citizens to feel that one more bond issue was warranted and wise.

The State Highway Commission has submitted a program asking for bond issues for highway construction in the amount of approximately \$4,000,000 each year. This is apparently the basis of the rather widely sponsored recommendation of a further bond issue of \$20,000,000 at this time. Payments of bond issues in this amount would present a very real problem. Interest and maturities upon this amount would require about \$2,000,000 each year in addition to \$1,000,000 annually to which the state is already committed. Increase in traffic might increase our income but it would also increase our needs. All the highway bond issues of the past two years have been limited to a 15-year period and have been issued in serial lots with approximately one-fifteenth of their total maturing each year. It is believed this is good finance but it will bring home very keenly to successive administrations the responsibility for the payment for these roads. The state now has outstanding highway bond issues of approximately \$14,000,000.

Possible "Pay as You Go" Program

(Shown in first column)

	1925 Program Plus Ten%	Source of Funds	Highway Commission Program	Expenditures of 1925
Construction and Recon- struction Fund	\$1,700,000.00	\$1,000,000.00 Gas Tax 700,000.00 Federal Funds	\$5,000,000.00	\$985,121.45 Construction 445,141.90 Reconstruction
		\$1,700,000.00 Total		\$1,430,263.35 Total
Bridge Loan Fund.....	\$950,000.00	\$450,000.00 Bonds 500,000.00 Counties-Towns	\$950,000.00	\$633,116.35
		\$950,000.00 Total		
Improvement on State Roads (J. F.).....	\$1,600,000.00	\$300,000.00 Gas Tax 300,000.00 Appropriation 200,000.00 Mill Tax 800,000.00 Cities and Towns	\$1,200,000.00	\$1,347,334.69
		\$1,600,000.00 Total		
Third Class Roads.....	\$775,000.00	\$350,000.00 One-sixth Gas Tax 425,000.00 Mill Tax	\$775,000.00	\$678,834.58
		\$775,000.00 Total		
Special Resolves	\$100,000.00	\$100,000.00 Mill Tax	\$100,000.00	\$125,471.37
Maintenance	\$1,675,000.00	\$985,000.00 Automobile Fees *240,000.00 Cities and Towns 350,000.00 One-sixth Gas Tax 100,000.00 Gas Tax	\$2,500,000.00	\$1,717,590.35
		†\$1,675,000.00 Total		
Administration	\$100,000.00	\$100,000.00 Automobile Fees	\$110,000.00	\$72,766.40
Automobile Registrations by Car	\$100,000.00	\$100,000.00 Automobile Fees	\$125,000.00	\$100,995.52
Highway Police	\$125,000.00	\$125,000.00 Automobile Fees	\$125,000.00	\$125,000.00
Interest on Bonds.....	\$579,550.00	\$579,550.00 Automobile Fees	\$579,550.00	\$433,780.00
Maturity on Bonds.....	\$459,866.87	\$459,866.87 Automobile Fees	\$459,866.87	\$119,000.00

* This contribution should equitably be increased. It was fixed in 1913 to cover roughly one-half the cost of maintenance and has never been increased although it now covers less than one-seventh of the maintenance costs.

† Any increase in automobile fees could be applied to maintenance or one cent increase in the tax on gasoline could well be divided between maintenance and construction.

If a more comprehensive program is desired, serious consideration might be given to an increase of one cent in the tax upon gasoline and this additional fund of \$700,000 divided between maintenance and construction. The contribution of the cities and towns to maintenance was based upon conditions in 1913 and intended to be one-half the cost. It is now one-seventh. This might equitably be increased. An increase of fees rests upon our citizens alone while an increase in the tax on gasoline rests in equitable measure on all who use the roads.

The character and volume of the traffic upon our highways has made their construction and maintenance a matter requiring the most expert knowledge. Many towns are seeking the aid of the experience represented in the State Highway Department in the expenditure of a certain portion of their funds. Many millions of money of the municipalities and the state is, however, expended annually under untrained men. This results inevitably in very considerable waste. A closer coordination of the activities of the communities and the state in highway construction and maintenance would be simply a reflection of the state-wide and nation-wide character of the traffic that now flows along our roads.

Education

America is distinguished among the nations of the world by its devotion to education. Before that shrine successive generations of Americans have bowed down. Careful attention to policies and practices in education by our citizens generally is essential in order to keep the system in close contact with the life of our nation as a whole.

Remarkable progress has been made by Maine in recent years in this field. The increase in grants for rural education and the emphasis upon trained leadership in rural

schools has borne most gratifying fruits in the increase in the number of children that are now found upon our farms. This means that rural life is appealing to the younger people of our state.

All grants for school purposes should be placed upon an educational basis and equitably distributed in proportion to the service performed.

A very substantial program of improvement and expansion in our school system has been carried out since the World War. Salaries have been made more nearly commensurate with the compensation that can be secured in other lines of activity by citizens of the character and experience that we desire to have in charge of our youth.

A very definite and practicable goal for the next decade has been set up within the existing provisions of our law. Attention to rural education is contributing probably more than any other single factor to making more attractive the life upon our farms.

University of Maine

The University of Maine faces one of the most promising prospects in its half-century of service to our state under the leadership for the first time of a native of Maine and a graduate of the institution. He brings to his task long experience in our problems, matured judgment, and a complete devotion to the building of a better university and a better state. Maine is fortunate in his availability.

The University is in the most healthy condition of its career as a result of the increasing interest of its alumni in the welfare of the school and the very substantial contributions which are now coming to the University from private sources. Proper cooperation between the state and public-spirited citizens in the development of the University affords a very real opportunity for intelligent service to our youth. Meanwhile the state should make sure that primary emphasis is placed upon the training of boys and girls who can take a vital part in the agricultural, industrial, and civic life of Maine.

In the last decade the number completing the course of education in our elementary schools has increased from 7,000 to 10,000 annually and the number enrolled in our secondary schools

has increased from 15,000 to more than 30,000. This is bringing increasing demands upon our colleges and university on the part of our boys and girls. Maine in common with all other states must soon give serious consideration as to the character and quantity of the facilities it shall provide for a college education.

In the last 50 years the state has supplemented the common school education by making available at public expense a high school education to practically every ambitious child. This costs about \$3,000,000 a year. The state must now consider whether it will provide every properly equipped child a college education upon similar terms. The three Maine colleges have reached the limit of their resources in providing education to the boys and girls of Maine.

The question must be studied from the standpoint both of its effect upon the child and its effect upon the state. How far the standardized college education of today will make the individual of more value to himself or to the community is a matter deserving of careful thought.

Such an undertaking would mean an increased expense of more than \$3,000,000 a year for this purpose alone. Junior colleges are developing in various sections of the state, and these may furnish somewhat of a safety-valve for the problem we now face.

National Guard

The National Guard as its name implies is primarily an organization for national defense. The New England states have a historic pride in their citizen soldiers and seek to be worthy of the traditions of the little group of colonies that furnished one-half of the soldiers in the continental armies during the Revolutionary War.

Under instructions from the War Department the strength of the National Guard of the State of Maine for which Federal funds are available is fixed at 2102. At the time of the last report by the Adjutant General there was a total strength of 2071. This is a most gratifying fulfillment of the share in the National Defense allotted to our state.

During the past year one new unit was authorized in order to bring the National Guard to this strength.

The practice march from Augusta to Lewiston by the 103rd Infantry was a feature of the training camp a year ago and demonstrated the readiness of the Maine Guard at any time to take the field. Such practical exhi-

bitions are of very considerable value in educating both the personnel of the Guard and also the citizens of the state.

The State of Maine is under obligation to each of the 2000 individuals among our 700,000 citizens who have contributed of their time and energy during this past year at considerable personal sacrifice to maintain in a condition of preparedness the units allotted to us for the National Defense. Under the National Defense Act the National Guard is of more importance than ever before in its history as one of the chief corner stones upon which our citizen army must be based.

Social Welfare Work

During the first quarter of this century there has been an enormous increase in the expenditures of the state on social welfare work. This reflects to some extent the changed thought of our people regarding charitable relief as a result of the increase in the material prosperity of our state and to some extent a centralization of this work in Augusta in contrast to the localized administration of relief that formerly prevailed.

In this transition there has developed the impression among many of our people that in some mysterious way state provision for charitable relief does not increase the burdens upon the citizens of the state.

The fallacy of this impression is indicated by the tremendous increase in the expenditures of the state for these purposes in proportion to the very moderate increases prevailing in the longer established departments of the state's activities and also in the increase of the state tax rate levy during the period.

In 1900 there was appropriated for all classes of social welfare work by the state the sum of \$307,940.00. In 1915 there was appropriated for these general purposes the sum of \$800,670.00. In 1926 there was appropriated for these same general purposes the sum of \$2,211,533.00.

Meanwhile the state tax rate has increased from two and three-quarters mills in 1900 to four mills in 1915 and to seven mills in 1926 and the direct and indirect levies of the state during the same period have shown increases from \$1,590,744.18 in 1900 to \$4,788,563.30 in 1915 and to the sum of \$8,631,332.76 in 1926.

There are advantages in centralized control of social welfare work both in certain economies that are thus made possible and also in the assur-

ance that some degree of uniformity in administration will prevail throughout the state.

State administration, however, means the standardizing of the service and many of the defects that seem to be inherent in the institutionalizing of social welfare work. It means that the intimate personal touch is lost and the fountains of local sympathy and care are gradually dried up.

The development of the system has encouraged local officials in the impression that very definite financial advantage would be secured for their community by transferring many of their charges to the state. This has become increasingly evident in the administrative work of the State Board of Charities and Corrections concerned with the dependent children of the state and also in connection with the State Hospitals for the Insane where a considerable number of cases are being cared for by the state that are not really in need of the care this institution provides.

Each locality in the state is paying its share of the enormous increase in the state's expenditures for these purposes. In 1917 \$18,000 was appropriated for the work of the State Board of Charities and Corrections. In 1925 \$297,000 was appropriated for these purposes and it was found necessary to provide \$100,000 additional from the state contingent fund. This year the budget committee finds that \$350,000 is needed unless some change is made and it seems evident that within a short period over \$500,000 will be necessary to provide for the activities along these lines.

The advantages of centralized administration and the resulting economies may well warrant a continuation of the service now being rendered by the state, but there can be no question that the primary responsibility for electing this service should rest with the local community which in turn as a corollary should pay for benefits received subject to such provisions as the state may fairly make to equalize the burden between communities which may be faced with exceptional problems.

Such a limitation would be consistent with the fixing of the primary responsibility upon the locality itself and would insure the state protection against a more or less friendly agreement of those interested in any given community in shifting, as they believe, the burden to the state although they really

place it upon their own backs if they could but connect the state tax burden with the practices which now prevail.

Action by the Legislature in the readjustment of this system in connection with the State Board of Charities and Corrections and the State Hospitals for the Insane would be calculated to keep our social welfare work from getting out of bounds. Local cooperation in charitable relief by interested individuals is the reservoir that will save us from the socialization of the state.

Party Government

Party government has been developed as the most practicable means by which the stability of governmental policies may be insured. For ten centuries from Runnymede the institutions and the principles of Anglo-Saxon government have been painfully evolved. They have again and again demonstrated the wisdom of compromise in order to progress and in order also to avoid that personal government which has been characteristic of those systems where transitory or isolated issues or popular leaders have been substituted for the tested principles of party government and governmental anarchy ensued.

Neither the bloc system nor personal government is indicated as necessary in order to keep America free from those selfish and corrupting influences which have laid their blighting hand upon the governments of nations from the dawn of history.

The virility and the vitality of our parties is still equal to the task of purging themselves from improper or unwholesome influences of every kind and demonstrating their loyalty to the principles which gave them birth.

Partisan considerations terminate when an issue crosses the threshold of the law. Repeatedly have we been reminded from every quarter in recent years that American constitutional liberties have been erected upon individual respect for law. From the bench, from every executive in state and nation since the World War, in legislative halls, from the press and through every medium of expression in both public and private life, has resounded the declaration that disrespect for law was undermining the very foundations upon which our government has been built.

The last platform of the Republican party adopted in its convention in Portland, April 6, 1926, contained a declaration pledging this party "to strict impartial and aggressive enforcement of the prohibitory law as well as of all other laws both state and national."

If we cannot unite under the protection of our constitution and our statutes and recognize and render voluntary obedience to their provisions there is no other shelter under which we may meet.

In the last century legislation was of comparatively minor importance in the life of the average man. All this is changed. Americans are discovering a great many provisions of our statutes of which they individually do not approve. Disregarding the lessons of our history their first impulse is to ignore that which they do not like. Very considerable numbers of our more intelligent citizens are developing decided opinions regarding the wisdom of various statutes but are not ready to recognize the appropriate means by which to give their protest relief.

They have not been accustomed to participate in government or to encourage among their associates participation in order to express their views. They are suddenly becoming acutely conscious that academic discussion of governmental problems leads either to anarchy or to action along constitutional lines.

Meanwhile our citizens must be prepared to abide by the provisions duly established to regulate our conduct in nation and in state if they do not expect to enthrone an executive autocrat who shall determine for himself the laws which will be obeyed.

Respect for constituted authority is the cement of our civilization and is fostered by a law enforcement policy that does not halt for friends.

A universal popular clamor that a law shall be ignored rather than repealed contains the seeds of autocracy since it subordinates laws to men and provides no orderly method by which the executive power may be checked.

Such suggestions are complimentary to the temporary administration of the executive power but are subversive of that ordered liberty which has been the meaning of America to a disordered and down-trodden world.

There is no distinguishable difference between a governor and a Mus-

solini if the governor may elect the laws he will enforce.

Measureable progress has been made in knowledge of our criminal statutes by many of our citizens during the past two years. Any incidental individual sacrifices are well worth the price.

Law Enforcement

The primary purpose of government was the protection of individual rights. In the simple pastoral conditions of our early days this was a comparatively easy task. Today a man from California or Australia may be a transitory visitor in a small town in the State of Maine. Individual and community life has become tremendously complex. It is difficult to compare the moral stamina of today with that of a century ago but myriad new opportunities for wrong doing have developed and the chance of detection has grown infinitely less.

Every variety of crime has tremendously increased. The crime wave culminates in the 12,000 homicides which are the annual disgrace of the United States. This is a record without a parallel among the civilized nations of the earth. The insidious tendency to petty infractions of unpopular laws has permeated larger and larger groups and has reaped its inevitable harvest in a holocaust of more serious crimes.

The situation seems at times to have assumed almost the proportions of a war upon society by organized and unorganized vice. From 1915 to 1925 there was reported each year to the office of the Attorney-General of Maine by the several County attorneys a constantly increasing number of crimes.

Definite notice was served two years ago that violation of any of our laws would be viewed with serious concern. Only in the most exceptional cases would there be any interference with the sentence of the courts. Imprisonment at hard labor was to mean more nearly exactly what it said. This declaration of policy seemed to meet with general commendation throughout the state.

During the past two years there has been splendid cooperation by practically all of the officials responsible for the enforcement of law in the State of Maine. Each official has assumed full responsibility for the jurisdiction that was in his charge and has welcomed most cordially the aid of his neighbors whenever their paths happened to cross.

The broadening of the powers of the State Police has greatly increased their usefulness as an auxiliary force available in emergencies in any county in the state. The personnel has constantly been strengthened and trained and they have received widespread commendation for their efficient service. County and city officials have repeatedly found them an invaluable aid. The action of the last Legislature has been shown to be most wise.

A firm attitude in dealing with crime seems to be not only best for the state but also the kindest policy for the criminal since it keeps him out of jail. This is far better than letting him out.

In 1925 for the first time since the World War there was a decline from the preceding year in the number of criminal offenses reported to the Attorney General of the state. The statistics for 1926 are not yet at hand but there has been a steady decline in the number of inmates at our State Prison. This decline from the maximum population now amounts to over 20 per cent and is going steadily on. The chairman of the Prison Commission estimates that within six months the population of the State Prison will be back to pre-war years. In some of our jails there has been a reduction of 50 per cent from the records of recent years.

In the number of homicides, Maine has this last year established a record that it is believed is without a parallel in the United States. Considering the annual record of the United States in proportion to our population, Maine would have reason to expect one hundred homicides each year. During the past year there have been reported only three and the prosecuting department of the state under the direction of the Attorney-General has continued the record of the previous year of one hundred per cent apprehension of those responsible for these crimes.

Maine is now being cited throughout the country for its record upon this score.

A former Governor conspicuous for his devotion to law enforcement and very intimately in contact with conditions throughout our state has given public expression within recent weeks to the opinion that conditions in Maine with respect to law enforcement were the best in the entire history of our state. This is a tribute both to the devotion of our enforcement officials and to the atti-

tude of our citizens generally in regard to violation of law.

Inmates of the State Prison under the provisions of our statutes have been placed at work upon the highways of the state with most gratifying results both for the prisoners and for the roads. The wisdom of this policy has been abundantly demonstrated by the experiences of the past few months. With the proper diversification of industries at the prison during the winter months and the employment of a considerable number of men upon our highways the problem of occupation for the prisoners both in our State Prison and in our jails seems in a fair way to be solved.

Appropriate provision for some measure of compensation after proper allowance for certain of the costs seems calculated to encourage the prisoners in their rehabilitation and to be also the wisest economic policy for the state.

During the past year executive clemency has been exercised in thirteen cases. In nearly every case the action of the Governor and Executive Council has had at least the tacit approval, as a result of circumstances which have later come to light, of the prosecuting officer and the judge who heard the case.

A continuance of these policies seems calculated to keep Maine in a position where it may claim to be the most law-abiding state. This is an excellent reputation for any state in these unsettled times.

The last Legislature constituted a commission under the chairmanship of the Chief Justice of our Supreme Judicial Court to survey our court organization and to make recommendations in reference to organization and procedure. The delays of the law as they are experienced in other states are practically unknown in the State of Maine but any possible expediting of procedure will be welcome to our business interests and will do a further measure of justice to those unfortunates who are entangled with the criminal law. The report of this commission will merit the most careful consideration at your hands as the matured conclusions of men of the broadest experience in the administration of justice in our courts.

Thoughtful citizens will ponder to what extent certain of the personally unpleasant experiences of the past two years have had ever broad-

ening ramifications in developing among our citizens a wholesome respect for law. Nothing is more nicely calculated to incite defiance of law than a popular impression that there is a favored class. Particularly is this the case if any in authority are considered to be immune from the provisions of our statutes which the ordinary citizen must observe. Such practices are characteristic not of America but of Russia at its worst.

The more insistently and universally that respectable citizens condone infraction of our laws the more evident it appears that the time has come for serious thought. If one citizen or group of citizens may elect the laws which they will violate, then every other citizen has the same privilege and anarchy must inevitably ensue. We shall have started back on the long road to the savagery from which civilization has painfully emerged.

The patron of the bootlegger should be legally recognized as an accessory to the crime. (Applause)

Direct Primary

Recent elections have revealed certain changes that are desirable in relation to the registration and enrollment of voters and enforcement of the law but these are of distinctly minor character and can be brought to pass without any fundamental changes in the existing law.

The direct primary has never been acceptable to certain individuals who have long been influential in our public life but have found their power weakened in recent years. They are now renewing their attack upon it with redoubled vigor and are securing the co-operation of some entirely disinterested citizens who are concerned with certain of the occurrences of recent years.

The direct primary is calculated to make the improper influencing of government more expensive and more hazardous than any other system thus far devised. There is much to indicate that an honest poor man has an easier path in the primary than under the convention system and that the path of the dishonest rich man is more difficult. Honest men of much or little means are placed substantially on a parallel under the limitations now imposed. It is entirely practicable to carry out in Maine a primary campaign which shall reach practically all the elements of the electorate that are open to the appeal of reason within the limitations that the present primary law affords.

Increase in the limits simply means a reduction of the number of men who will be able to consider entering public service. It will automatically reduce the number of honest poor men who can consider public life.

The present law and limitations should at least be given a trial before being discarded for a system which was considered long since outgrown. The gross frauds perpetrated in connection with the petitions for a referendum on this law two years ago must incline one to look with suspicion upon some of the influences which are behind the agitation in favor of a repeal of this law. Wholesale forgeries and even falsifying of judicial oaths were resorted to in connection with the petitions which were then presented as shown by the sworn and duly recorded evidence on file in the case. Fixing the criminal responsibility was a more difficult task. More than one-third of the petitions were necessarily thrown out.

The provisions of our constitution relating to the initiative and referendum are plain and have been repeatedly construed by the Justices of the Supreme Judicial Court. If the requirements of the Constitution are met, no good citizen can question the propriety of a referendum dealing with the provisions of this act.

Objection to the direct primary upon the ground of the indifference of the electorate seems rather ridiculous when a return is proposed to the convention system, since it is conservatively estimated that under the convention and caucus plan approximately eight per cent of the electorate participated in the choice of candidates, while under the primary system 25 to 75 per cent is the unvarying rule according to the degree of popular interest that is aroused.

In the last two primary elections held within this state the vote in the primary in the party in which there was a contest amounted to 75 per cent of the vote received by that party in the election. This would indicate a representative expression of opinion by the members of this party.

The direct primary cannot be considered a contradiction of the representative principle since it is as logical to apply direct voting to the selection of the candidates of a party as it is to the election of the successful candidates in the election that ensues. It is to be remembered that the convention system was not a product of the men who

conceived and founded our form of government and was not developed for more than a generation after they had passed off the stage.

The criticism that fifteen hundred dollars is inadequate to carry on a state-wide campaign does not take into account the fact that the limit is fifteen hundred dollars plus the personal expenses of the candidate, including postage, stationery, telephone and telegrams and other expenses of that sort. Fifteen hundred dollars is adequate to furnish all of the buttons and descriptive material that a candidate can possibly need or wisely use. It is the judgment of most people experienced in the modern methods of campaigning that the expenditure of money for posters and advertising is very largely a waste of money as far as direct results are concerned, if all the candidates are treated alike. The only other possible use of larger sums is for the hiring of workers which is the method of political activity most easily susceptible to corruption and abuse.

A reading of the records of twenty years ago, when the convention system almost universally prevailed, will show very clearly that corruption was not invented under the primary but has been made very much more difficult to conceal. The direct primary has not brought the millennium but it has done much to liberate American government from the certain influences which were threatening to dominate the activities of public men.

It is difficult to know what is the idea of some citizens of Maine regarding the observance of our Direct Primary Law. The same voices on varying occasions declare that no one has ever observed this law and again that no one has ever violated it. Both statements are unequally untrue.

Two years ago Hon. Frank G. Farrington observed the provisions of this law and with negligible exceptions persuaded his friends to observe it. Otherwise he might now be Governor of Maine.

In the primary election last June, to the best of my knowledge and belief, Major Arthur L. Thayer observed the provisions of this law.

In a more recent primary election no question has been raised that certain candidates and their friends observed the provisions of this law, nor that the friends of another candidate did not observe it.

The spirit of law enforcement and law observance does not discriminate between persons or parties or laws. Nothing can be more nicely calculated to disrupt the administration of justice than to develop among our citizenry the notion that in moments of popular passion disrespect for law may with impunity become rife.

Conclusion

Maine is proud of its early records in the settlements of our great land. Its rich resources and attractions are only now coming to be properly appreciated by ourselves or by our fellow citizens throughout the United States. This is today in very truth the Land of the Rising Sun. Our people are gradually uniting to claim for themselves that position of leadership for which we are uniquely equipped at every season of the year. The allurements of our climate and the fertility of our soil are joining with the resources of our forests and our streams and the yet unguessed possibilities of our ocean and our coast to open before men a vision of an ever greater state. Acres of diamonds are scattered all about our feet while our eyes have rested on the horizon searching in vain for phantom ships.

A universal spirit of enterprise and confidence is being born among the people of Maine. Thousands of our kinsmen in every quarter of this broad land are thrilled with a new pride. In the last half century we thought these emigrants lost and now we learn that they are but bread cast upon the waters to return a thousand fold. Our native sons and daughters are the ambassadors of Maine in introducing our possibilities to the people of the United States. From Maine to California their voices are being heard and they return in ever-increasing numbers for a day, a month, or a year.

Maine's future was never more promising as the national decentralization of our industry and our agriculture seems so evidently at hand and Maine's recreational attractions can now be afforded by a constantly growing host. There comes a period in the life of a state which taken at the flood leads on to new heights. Maine seems at the dawn of such a period and the calm, clear, sound citizenry of Maine will unite in the interest of

the development of our state as a whole.

Maine rejoices in these prospects but does not propose to sell its soul. All the riches of the ages would be but a mess of pottage if the spiritual aspirations of our ancestors should be sacrificed to sudden gold.

Pioneers from Maine have blazed the trails in building states all over this continent now subdued. Maine cherishes their records and the stories of their deeds, but Maine is conspicuous in the nation because of its leadership in other lines. "Man does not live by bread alone." Second in command of the Continental Armies during the Revolutionary War—standing at the right-hand of George Washington—was a man from Maine whose portrait now hangs upon the walls in the office of the Chief Executive. One-tenth of the men with Washington at Valley Forge came from the scattered settlements in the far-off District of Maine.

One of the first martyrs in the momentous struggles leading up to the Civil War was a man from Maine who died a sacrifice to the cause of the freedom of the press.

Another great step is now in progress in curbing the passions and appetites of men. That cause had its birth in the State of Maine beneath this very dome where we now assemble to serve our state. The pioneer in that reformation that has now swept the country and is arresting the attention of the civilized world was a man from Maine whose portrait hangs in the Governor's office at the other end of the hall.

It is those men and the other leaders from Maine in the cause of civic righteousness whom we most proudly boast.

The nation is turning from the flesh pots of Egypt. The prodigal is weary of his materialistic husks and is seeking for the haven of spiritual perception which served as a refuge for his forefathers in the wilderness and the storm. Maine may yet be privileged to be the star in the eastern sky to guide the weary wanderers from their materialistic morass.

We welcome development of all the rich resources of our great state. They are entrusted to us as a heritage born of the sacrifices and battles of men of other days. But we

shall not be worthy of their vision if we lower the flag of our moral and civic leadership under any illusion that we shall secure compensation for this sacrifice in material progress however great.

Our Constitution and our statutes are the first concern of loyal citizens of Maine. We vie with one another in a glad rivalry of service to the interests of our state and recognize our obligation in the nobility of American citizenship of which we are privileged to be a part.

We revel in material marvels such as the world has never known. We enjoy them here today in this great state because the men of other days have toiled and ploughed and chopped. Our record will be unworthy of three centuries of pioneers if we simply preserve the physical resources entrusted to our care and permit the finer elements of our civic life to dissipate in dry rot. No business and no nation and no state can remain stationary in this changing panorama that to us is known as life. Maine will go forward or go backward as a result of the contribution we are privileged to make. In very especial measure for a little period we here assembled in this historic House are entrusted with the responsibility of opening the paths that shall continue Maine on those heights of civic leadership that are characteristic of its past.

One glimpsing the destiny of America cannot think that Maine will fail. The path of the pioneer is not easy but the granitic hills and coast of Maine have bred individuals who rejoice in following ways that seem hard. Maine was wrested from the forest by men who glimpsed a vision of things outside this earth. Upon the farms and in the little villages of Maine are still being bred men and women who are animated by faith in a power above the flesh. Each morning of this session you will reverently pause and ask the guidance of that power in the performance of your task. America is growing acutely conscious that the annals of civilization are strewn with the wrecks of great nations which have perished when they gave up their belief in God. It is our privilege for a season to see that Maine shall continue to stand in the Nation as one who has chosen the better part.

The Governor and suite then retired, followed by the Chief Justice and Associate Justices of the Supreme Judicial Court.

The purpose for which the Convention was assembled having been accomplished the Convention was dissolved and the Senate retired to the Senate Chamber, amid the applause of the House.

In The House

The Speaker in the Chair.

Senate order, out of order.

From the Senate: Ordered, the House concurring, that a joint select committee of three on the part of the Senate, with such as the House may join, be appointed to consider the Governor's message and report a reference of its several subjects to the appropriate committees.

In the Senate, read and passed, with the following members appointed on its part. Senators Roberts of York, Douglass of Hancock and Crafts of Piscataquis.

In the House, read and passed in concurrence and the Chair appointed

on that committees Representatives Marden of Waldo, Norwood of Warren, Crockett of Hollis, Metcalf of Farmington, Bishop of Boothbay Harbor, Flint of Monson and Gillespie of Meddybemps.

From the Senate: Ordered, the House concurring, that when the Senate and House adjourn, they adjourn to meet Tuesday, January 11, at 4.30 o'clock, in the afternoon.

In the Senate, read and passed.

In the House, read and passed in concurrence.

From the Senate: Ordered, the House concurring, that 5,000 copies of the Governor's message be printed for the use of the Legislature.

In the Senate, read and passed.

In the House, read and passed in concurrence.

On motion by Mr. Wyman of Sidney

Adjourned until Tuesday afternoon, January 11, at 4.30 P. M.