

MAINE STATE LEGISLATURE

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The Water Power Resolve

By EDWARD P. RICKER

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THE STAGE OF DECISION.

To the Members of the Eightieth Legislature of Maine:

So deeply concerned am I that you as a body act with the greatest care and deliberation on the question of Maine water power, and so anxious that I as an interested citizen leave nothing undone in support of the Governor's resolve, I venture again to submit to your consideration certain facts which seem to me to have important bearing.

For more than twenty years I have carried on this contention in my own time, at my own expense. It cannot be said, and never has been said, that I had any interest except that of promotion of the State as a whole. The only motive has been conservation of Maine's greatest natural resource for the benefit of all the people, who by common law had fundamental rights that should be protected. And conservation in a manner that seemed to me effective and constitutional. I will be pardoned, I feel, if I offer further views now that the case has reached the stage of another critical decision by you, the people's representatives.

I have included herein a brief history of the fate of Maine's other great resource, a statement of the situation in other states and countries as it directly applies to our own, and a short account of past manipulation written by a well-known Maine engineer who was part of the experience. Also a news paragraph reminding us all that a new body of Maine voters has been created to which we may look forward with hope for wise counsel and other assistance in the settlement of State problems.

The action of the Maine Federation of Women's Clubs in endorsing the proposed amendment to the Constitution on water power is not only significant of the future but it gives great courage to those of us who are engaged in the

present contest. So far as I know it is the only general body of the State to take such action. While the heads of other bodies have seen fit to attack Maine industry and the Governor's resolve, the women have looked into the future with broad vision and the natural instinct for protection. They have not been misled or influenced by the flood of public advertisement of private interest, and they see in the proposed resolve the only hope for future Maine generations.

Only by the establishment of public interest and the people's rights in the people's resources can Maine boys be kept at home to develop Maine wealth.

It is now your duty to decide whether or not fellow-citizens who elected you, men and women alike, shall have the opportunity to determine their own policy. This and nothing more. If *they* cannot be trusted whom can we trust?

Very respectfully yours,

EDWARD P. RICKER.

South Poland, April 4, 1921.

MAINE'S GREAT RESOURCES.

[March 22, 1921.]

To the Editor of the Lewiston Journal:

Maine was separated from Massachusetts in 1820. On March 3rd of that year President Monroe signed the bill admitting her to statehood in the Union. On March 15th, the act went into effect. On May 21st, the first legislature met in Portland. In 1832 the State government was established at Augusta and on January 4th of that year the legislature met for the first time in the present State House. On Tuesday of last week, therefore, we celebrated the 101st anniversary of our birth. The present legislature is the 80th. Had this body continued in annual session it would have been the 101st. Thus we are now starting on Maine's second century.

This State has a territory 400 square miles greater in extent than that of the five other New England States combined. When it was separated from Massachusetts it owned in its own right more than 9,000,000 acres of public lands, and should have held them and administered them as trustee for all the people. It still owns the waters and their flow of 1600 lakes and ponds and of thousands of rivers and streams.

What has happened? What have we done with the people's inheritance? The lands are gone, but the waters remain.

In 1820 the population of Maine was 298,335; in 1870 it was 626,915; in 1920, 768,014. Massachusetts, the other state, with only 8,266 square miles of territory, had a population of 523,287 in 1820; 1,457,351 1870; and in 1920, 3,852,356. Maine increased in population for the first 50 years 328,580, in the last 50 years with all the wild lands virtually gone it has increased only 142,099.

Henry Albert Pressey, of the United States Geological Survey, made a hydrographic investigation of this State in 1901. The very first words of his elaborate report to the federal government were these:

“Two great resources of the State of Maine stand pre-eminent: (1) The water powers, which are unrivalled in the United States, and (2) its forests which cover vast areas. It seems remarkable that so little has been done to study or protect either of these.”

George T. Swain, an engineer of national reputation who recently spoke to the Maine Legislature on the subject of water power, made an investigation in this State in 1880 and his report was included in the tenth census. Among other things he said in his official summary:

“No other district of equal size in the Union, it may be safely asserted, contains so many lakes at such high elevations, the fall to the ocean taking place within its limits—also the (Maine) coast is more favorable than any other part of the Atlantic coast for tidal water power.”

Not only have we done “so little” as Mr. Pressey points out, but in the case of our forest lands we have done much worse. We have allowed more than 9,000,000 acres to pass out of control of the people of the State who rightfully owned them.

The grand pillage began directly we became a State on our own account in 1820. The ink on the papers of separation from Massachusetts was hardly sanded before the wild-lander was cruising the forest and picking his timber. It is a long, sad, and vulgar story, and not unfamiliar. I only recall it because of its application to the possible fate of that other “pre-eminent” resource of Maine which a federal government expert has pronounced “unrivalled in the United States.”

The people as a whole had direct property rights in these timberlands because the State itself owned them. The officers of the State were trustees. These rights were betrayed.

The people as a whole have certain direct and well-defined rights in the waters of the State because the use of

them belongs to the community. The act of falling water, which constitutes power that can be turned into public and private utility, is also an act of nature whose benefits like the sunlight and rain from heaven, belong to the many. The labor and machinery which make up development may be provided by private capital, but the State itself is trustee of the natural asset which is the foundation of the institution. This is common law and common sense.

The analogy is all the more powerful in favor of public waters. The commonwealth as a corporation owned by deed the physical property of the timberlands. This could be, and was, transferred to other owners, who thus became rightful owners, whatever the price. The rights of all the people of a state to the waters of a state and their flow are inherent, perpetual, and cannot be transferred by deed or any other human document.

The tragedy of the Maine forests is a long tragedy and, it must be said, has not always been enacted in secret. Now and then some public official with a conscience and not in the prearranged political succession, like Governor Dingley for instance, has pointed out the criminal waste of the people's inheritance, but such men were powerless in the matter of effective action. The remedy lay in the State land office and Legislature, and these almost always seemed to be under the spell of the lumber barons. The last act is still in progress, for the question of equality in taxation, so long and persistently contested by the wild land owners, is still to be settled.

The transfer of the public lands to private ownership went on under different administrations from the time of State incorporation until the early eighties when it was found that all large tracts of any value to lumber operators had passed out of the control of the people as a whole.

One of the remarkable features of these transactions was that, as years went by and the wild lands grew in value as the timber grew both in amount and market price, the price received by the State from the exploiters remained about the same. The range was from twenty-five cents to one

dollar an acre. The first deeds in the twenties and early thirties show prices of fifty cents an acre. As late as 1875 under the land administration of men who dealt in lands publicly and privately, who should have known their true value and probably did, conveyances were made at the ridiculous prices of thirty-three and a third and fifty cents an acre. In his "History of the Lumber Industry of America" Defebaugh speaks of Maine timberlands conveyed by the State to private owners for the "price of twelve and a half cents an acre." It is no wonder that these transactions became known and talked about by the general public as "the great land steals."

On at least three different occasions the wastefulness and injustice of this policy was pointed out in official documents. As early as 1831 John P. Deane, a member of the Legislature of that year, made a report as chairman of a "committee to consider and report upon so much of the Governor's message as related to the wild lands and the land agent's report." He condemned the existing method of practically giving away the State lands and suggested that they be sold to actual settlers only.

But nothing was done.

Eight years later the Legislature of 1839 adopted this resolution:

"Resolved that the policy of confining the sales of the public lands to actual settlers would be eminently republican in its tendencies, by checking the dangerous speculation of grasping monopolists, by preventing the formation of a landed aristocracy, by increasing the number of our independent yeomanry, who are at once the pride and the support of our country, and by securing to honest and provident labor for ages to come the opportunity of acquiring, upon easy terms, the enjoyments and blessings of a freehold possession of the soil."

Still nothing was done.

In 1874 Governor Nelson Dingley took the same position in his message to the Legislature.

And still nothing was done. The pillage went on.

Subsequent legislatures took up tax reform as applied to these lands and it was pointed out and publicly alleged by one persistent agitator for equal taxation that the cities and towns, the urban population and the farm population alike, paid taxes at an average rate of thousands per cent. more than the wild land owners. Slight reforms were gained but it was over the dogged protest and never-sleeping contentions of the exploiters. Some concessions were made from time to time in order that true values might not be disclosed.

It seems impossible to escape the unpleasant conclusion that one effect of this wild land policy is the slow growth of the State. Not only did we play directly into the hands of a small group of speculators who had no public spirit and apparently no thought beyond their own private pocket-books, but we neglected an easy opportunity to encourage settlers and a larger citizenship. This was wasteful, criminal neglect. Now it is too late, we can plainly see it. Take for instance the period of 60 years from 1850 to 1910, to revert to census figures. While Maine grew in population only 27 per cent. the other New England States, with one exception, made tremendous strides. Rhode Island grew 268 per cent., Massachusetts 239 per cent., Connecticut 201 per cent., New Hampshire 36 per cent.

Taking into the account State areas as above the story of the census figures is still more important. The State of Maine has 33,845 square miles of territory and during this period of sixty years, grew in population only 159,202. The other five states of the New England group have a total area of only 33,429 square miles and at the same time grew in population 3,672,273.

These are cold, hard, forbidding figures, but they speak volumes. There is something radically wrong in an economic policy that results in such a condition. There is something radically wrong in the financial and political policy of a state that permits such a condition to continue. It is time for Maine to wake up. Let us now profit by this wild land lesson.

It is too late to wake up and lock the door in the matter of the timberlands. The horse has been stolen. But it is not too late to wake up in the matter of Maine's other pre-eminent resource, water power. Its development should be encouraged, assisted in every way possible, state regulated, if necessary, kept within state bounds, and operated for the benefit of all the peoples of the state whose rights in this great public property cannot be denied. Other states are alive to this reform. Why should not we, almost the most important water-power State of all, at least follow if we cannot lead?

Is the Legislature now in session, the first of Maine's second century, prepared to protect these rights? There is no more vital issue before that body than that of the public utilities. We have come to the forks of the road. Two ways only are open. One leads to action, progress and increased prosperity, the other to inaction and stagnation. The sign-posts are up and the letters are large. Shall we follow the wasteful course of the fathers of the first century, neglect opportunity and allow public property to pass out of the people's control? Or shall we act on the recommendations of the new Governor who, foreseeing the future with keen business vision, has made this an issue of his past public life and is now making it a test of his present administration?

The choice must be made. It means much to the people of the State of Maine.

Respectfully,

EDWARD P. RICKER.

South Poland, Maine, March 21, 1921.

THE CASE OF ONTARIO

[March 30, 1921.]

To the Editor of the Lewiston Journal:

I had not intended to mention the power situation in Ontario where the "public-be-damned" policy of private monopoly finally forced government ownership and operation, an extreme which we are trying to avoid here in the States and especially in Maine.

But the ill-considered remarks of the Master of the State Grange at the water-power hearing brings the case of Ontario to mind and makes its discussion pertinent.

And in this connection I am prompted to inquire: What kind of public pride prompts the chief officers of our State industrial boards to take this stand against the people? What are the influences at work? A few weeks ago the president of the State Chamber of Commerce made a public attack on one great Maine industry and now the Master of the State Grange takes a public stand against the people's rights in another. Whence came this authority?

It is useless to say that they spoke in individual capacity, footless for them to attempt to stand out of their offices. They could not if they would. For here, I note, one of the editorial chorus praising the master's speech and saying it carries weight because he is the "head of a body of 60,000 Maine farmers."

The Master seemed concerned lest the present agitation for a definition of public rights in public waters affect the sale of water-power company securities. Investment might be retarded, and so on.

I would ask him to investigate in Ontario and see what became of the power securities there under unrestrained private monopoly, and then report to his "60,000 Maine farmers." I would also ask him to investigate and report on

the various methods of private operation that brought about the present situation in Ontario. Furthermore, let him compare the handling of securities there with handling here where he says investments may be retarded by this agitation.

In this connection I find an important article in the current issue of the *Scientific American*, which says:

"Canada, in its entirety, has a total endowment of approximately 20,000,000 horsepower in her falling waters, and fortunately three-fifths of this aggregate of inexhaustible impulse flows through the Provinces of Ontario and Quebec—for the most part within easy reach of the present settled area. For a while, and that only a few years back, water-power developments were sporadic and wholly in the hands of private enterprise; and those that partook of a public-service character were, more often than otherwise, inclined to exploit the people—charging for current out of all proportion to the cost of generation and distribution."

Out of the agitation that followed this exploitation, brought to a head by the great anthracite coal strike, the Ontario Hydro-electric Power Commission was created in 1906, and modified for the better by the act of the succeeding year and by various subsequent amendments, the last of which was passed by the Canadian Parliament in 1920. The Commission is a body corporate, consisting of three commissioners, two of whom may be members and one of whom shall be a member of the Provincial Cabinet. Broadly, the organization is a governmental one, authorized to coöperate with municipalities and districts desiring electrical energy, and is empowered to build and operate distributing systems, power plants, and even railways.

The method of operation is thus described in a letter which I received last month from the Ontario Commission:

"Power is supplied to a large number of municipalities throughout the Province, which municipalities have signed contracts with the Hydro-Electric Power Commission of Ontario, and thereby form a partnership of municipalities for the purpose of obtaining power, which is generated and

transmitted from various points in the Province to municipalities having contracts on a cost basis. The Hydro-Electric Power Commission, being appointed by the Provincial Government acts as Trustees for the municipalities having signed contracts with the Commission.

"All power developments throughout the Province, with the exception of those owned by private companies, are under the control of the Provincial Government.

"The total amount of horse-power, which it is possible to develop throughout the province, is something over 6,000,000, including, of course, Niagara Falls."

The *Scientific American* calls this municipal ownership under state control with certain variations which give the central commission powers of initiative and the right of eminent domain.

Steam-raised horse-power in Canada costs from \$40 to \$60 a year. In the territory where the Ontario commission operates, hydro-electric horse-power is produced at \$18 a year. This, the experts say, is less than half the charges in any section of the United States east of the Pacific slope. The same rates apply to small and large consumers. The longest transmission distance now spanned by the Ontario hydro-electric system is 250 miles, from Niagara to Windsor, just across the boundary river from Detroit. The people of Windsor pay 40 per cent. less for their current than the citizens of the larger Michigan city.

I only mention these prices incidentally. The question of costs is not now involved in the controversy at Augusta.

No man in the State of Maine can possibly be more opposed to government ownership than I. For many years I have been intimately connected with public service corporations and learned to dread this policy of State paternalism. No one can drive us to it in Maine except the corporations themselves.

I am surprised at the short-sightedness of the opposition to the Governor's water-power resolve, and more than surprised at its methods and extent. His suggestion is

nothing less, nothing more, than a declaration of public rights which paves the way to State aid to development.

The lesson of Ontario is close by and timely. The power companies of Maine should coöperate with the State, not oppose. They should at least appreciate that neutrality is good taste and expedient. In this way, and this way only, to my mind, can the extreme of direct State operation be avoided.

A BIT OF MAINE HISTORY

I include an interesting bit of Maine water-power history by Mr. E. C. Jordan, member of the storage commission in 1910. It applies so aptly to the present situation that I hope the legislators will give it due consideration.

[March 29, 1921]

To the Editor of the Lewiston Evening Journal:

I hope by this communication to contribute something towards a proper consideration of the so-called Baxter resolve on water power matters now up for consideration in our Legislature, and in a measure comment on the probable motives that inspire the opposition to it.

I think I can speak by the book. I collaborated with Mr. E. P. Ricker in developing the means by which, largely his vision of what the water resources of this State of Maine could be made ultimately to serve in the State's prosperity if proper legislation was procured.

Under opposition from certain interests, the Maine Water Storage Commission was launched in 1909. **Governor Fernald** was its chairman and incidentally I was its engineering member. The name and many of the provisions in the bill were determined by me after much research as to what other states and the United States were doing and proposing to do. The commission was under obligation to examine into the subject and make recommendations, and they did.

Their proposed constructive legislation in the interest of the whole people was defeated by a combination of certain interests which prevailed in having the activities of the board relegated into the quietude of the purlieus of the Public Utilities Commission, whose hostility to the purposes of the Storage Commission was provided for in its formation, and recently so demonstrated by its chairman.

It took four years of time and strenuous work before a Legislature could break the grip of the Public Utilities Commission, but it was done, and now when some further progress is sought towards much desired ends, the chairman of the Public Utilities Commission stands forth in his true original colors, and becomes the spokesman of the same interests that originally procured his appointment to further their affairs.

Shall they be allowed to succeed and final results be the same for our God-given water resources of such immense value to the State, as overtook our timber resources as so definitely set forth recently by Mr. E. P. Ricker as a corollary of what may be expected as to our water resources if protecting laws are not passed.

A few fundamentals may not be amiss here as a guide to not a few conclusions:

Prosperity incidental to the use of water power on our rivers is only possible through storage reservoirs that hold back the excessive rainfall of rainy months to be drawn upon to make a uniform flow in dry months and thus determine a uniform output at mills with the incidental accompanying profits.

Some few of our rivers have been highly organized by private capital to that end: notably the Androscoggin and especially the Presumpscot. The Kennebec and Penobscot and certain others are far from being fully organized and further development of them by private capital unlikely, but by a State policy it may be furthered.

Go to the various dams at manufacturing plants on those rivers and on nearly all the rivers in our State at spring and fall freshet time and you will observe an immense waste of water going over the dams that could be turned into power if proper reservoirs were constructed. We have a little Highway System of Construction and the State takes a toll on them in various ways.

You may say there is no demand at present for additional water powers, which may be true, but the fact still remains that there is no future prosperity incidental to

water powers except through additional reservoirs, and then have a vision as to what will surely come about when capitalists fully reckon up the economics incidental to water powers with the present definite indication of the increasing cost of power from coal, formerly about \$4, and now about \$15 per ton.

There are no strikes in nature. The laws of gravity, the weight of water remain constant, and with reservoirs to make a uniform flow in the river, prosperity through continuity of service is assured.

The constructive policy of the old water storage commission to attract private capital for the development of powers was to grant franchises of fifty years' duration, within which time a handsome rake-off would be assured to capital. It was also our view that during that fifty-year period there would be a great development of the science in hydraulics and especially in greater efficiency in hydro-electric matters. Such features do not originate with the water power owners, but are determined elsewhere in experimental laboratories, and entirely new and greater values for hydro-electric opportunities will exist at the end of fifty years; therefore at the end of that period there should be a new deal and some new scheme of taxation should be layed in the interests of the whole people.

It further seems to me that the practical end sought by the present resolve before the Legislature is to grant the people a chance to acquire rights to consider and pass upon certain policies of taxation incidental to our water power resources to accomplish those very ends. I think it is a fair proposition and that honest capital will not be timid under it. On the contrary it will seek the opportunity that our water resources afford, especially when it is known that the State policy is toward greater storage reservoirs and the creation of more horse-power on our rivers so that a large output of manufactured goods for transportation is assured.

Only in this outlook lies the prosperity of our railroad systems. The great item of revenue to the Maine Central Railroad has been its timber freight which has been dimin-

ishing year by year at an alarming rate to them. They must have other products to haul or go bankrupt. We shall have no difficulty in keeping our hydro-electric forces for our own use if the people have any voice in the matter, because to send it out of the State will carry our population to the place and factory where the labor is employed in producing goods. If we would survive and prosper the manufacturing must be done with the force within our own borders.

The demand for our hydro-electric energy is not, on the face of things, active just now but it has been and is surely impending and no one is better aware of that fact than the organization of the thinly veiled Associated Industries of Maine that early procured our chairman of the Public Utilities Commission to act in their behalf as he has at a recent hearing and evidently will at future hearings before a successor is appointed to his position if he permits one that is satisfactory to him. His avowed views are so preposterous that they need no further comment.

As I have said before, honest capital will not be timid under the conditions we hope to have obtain, and as against others it is proper that precautions be taken, and I believe it is important for the resolve to pass to that end.

E. C. JORDAN,

Ex-member of the Maine Water Storage Commission.

MAINE AND NEW YORK

[Hartford, Conn., Times.]

Not only has Governor Miller sent a special message to the Legislature of New York recommending legislation whereby the state will control the development, under a licensing system, of water power resources, but a similar message has been sent to the Maine Legislature by Governor Baxter of that State, while legislation of the same type is pending in Massachusetts.

Governor Baxter of Maine wants a constitutional amendment which would give the State authority to license developments under a system of water power and horse power taxes. He is especially fearful that under the new federal water power system non-residents will secure charters to develop Maine waters and transmit the power outside the State.

Federal water power legislation seems to have aroused neighboring states to the necessity of protecting their resources. Connecticut's largest hydro-electric project is in the hands of non-residents, which bought an important interest in Roraback's companies. There is nothing in Connecticut law, at the present time, to prevent the chartering of other hydro-electric companies, the franchises to be sold to outside interests for non-resident exploitation. Connecticut has not the power resources of Massachusetts, Maine or New York, but what it has are worth safeguarding.

It would be well worth while to establish here the system of licensing power site developments instead of giving away the sites and to make development of publicly owned resources, by private corporations, pay some revenue, even if small, to the State.

MAINE WOMEN ENDORSE THE RESOLVE

AUGUSTA, ME., Feb. 17, 1921.—The Maine Federation of Women's Clubs at their mid-winter session here today adopted a resolution that a constitutional amendment should be submitted to the voters so that they may determine whether the State shall have the right to build a storage reservoir to take care of the water now running to waste and to develop water power so that the water resources of the State may be made available for the benefit of the people and the interests of the State.

VALUE OF STATE AID

[New York Commercial and Financial Chronicle.]

OTTAWA, CANADA, Mar. 18, 1921.—The Provinces of Ontario and Quebec, representing the industrial hub of the Dominion, have been blessed with enormous water power resources and not only by private enterprise *but by the direct participation of the Provincial Governments in power development and transmission* have these resources been utilized to the fullest possible extent.

The Legislature of Maine is about to act on a matter to my mind the most important that ever came before that body. I commend the above statements to the careful consideration of its members.

Very respectfully yours,

EDWARD P. RICKER.

South Poland, April 4, 1920.