

MAINE STATE LEGISLATURE

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AUGUSTA, MAINE

REPORT ON THE TRUST FUNDS OF

THE STATE OF MAINE

PREPARED BY FRANK I. COWAN

AT THE REQUEST OF THE

GOVERNOR AND THE

ATTORNEY-GENERAL

September 11, 1931

SUPPLEMENTAL REPORT THEREON

August 4, 1932

Correspondence and Data

Relating Thereto

C. also:

Report on Additional Funds

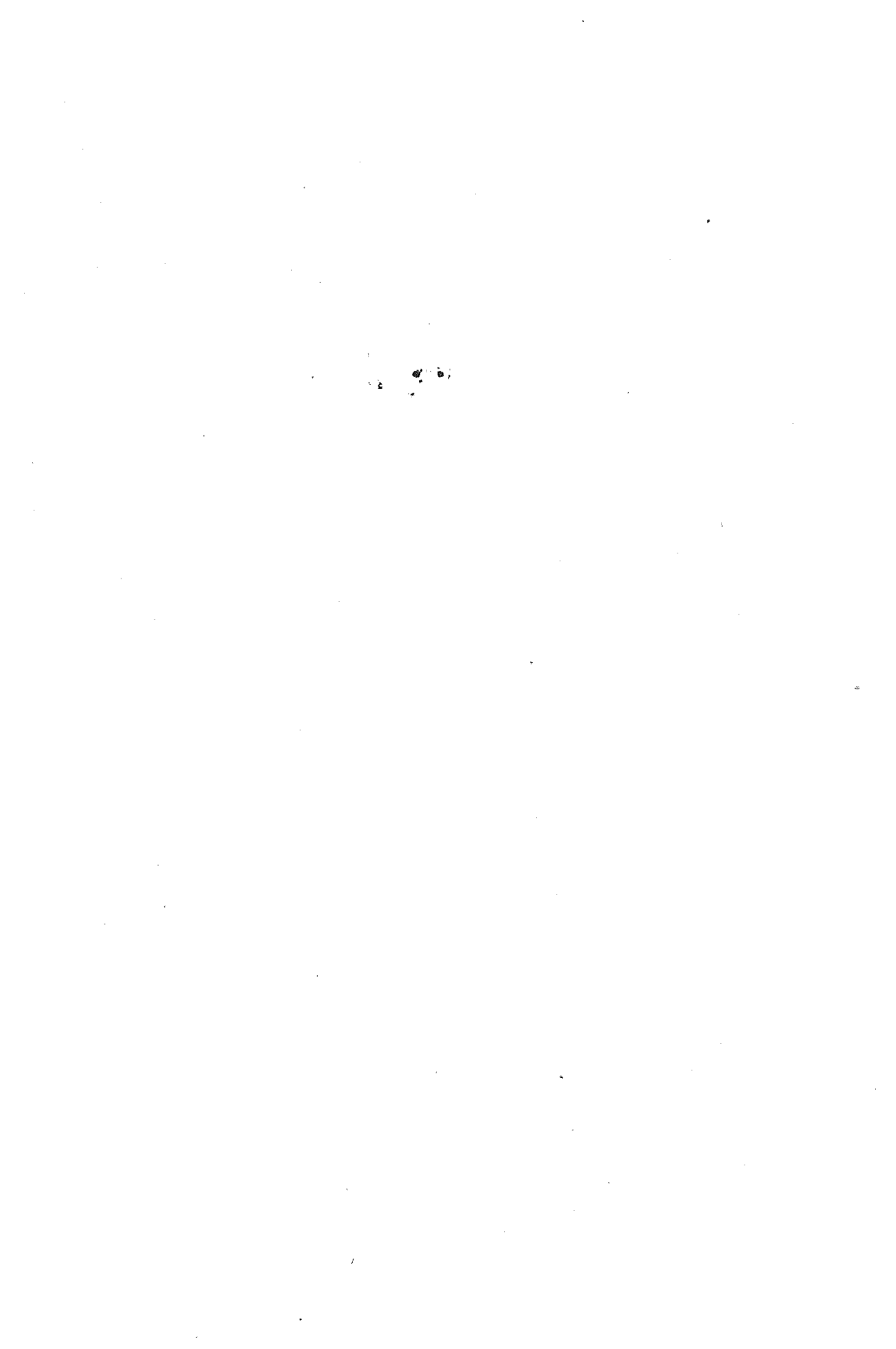
by

June 1944

and

Summary list

*prepared by State Department of Audit
as of June 30, 1943*



STATE TRUST FUNDS

Foreword

William D. Hayes, State Auditor

Appreciation of the lack of any really thorough and accurate information regarding the trust funds held by the State of Maine, led Governor Gardiner in 1930 to engage Frank I. Cowan, Esq. of Portland, Maine to make a complete review of the history, trust provisions, handling and balance of all trust funds then held by the State of Maine. Mr. Cowan's report, dated September 11, 1931, summarized all data available on this subject after exhaustive research; indicated the total of all trust funds as of June 30th, 1931 to be \$1,998,568.58; to apply on which the State held segregated investments and deposits totalling only \$1,146,864.07; of which latter some items were considered by Mr. Cowan as hardly in accord with either statutory provisions or sound financing.

As a result of this investigation, early steps were taken to bring the segregated investments up to the then total trust liability by appropriation of moneys received from collateral inheritance and estate taxes.

The Audit report of Ernst and Ernst as of June 30, 1939 stated that time available did not allow of thorough investigation and determination of errors accumulated since 1931; this examination was accomplished by the Department of Audit as of June 30, 1940, as covered in their report dated July 15, 1941. In accordance with this last mentioned audit, the books of the State were adjusted to properly reflect all matters connected with trust funds, including the recording of all securities at par plus unamortized premium and less discount.

Since 1940, all premiums paid on investments purchased have been amortized on a consistent plan, and annual examinations and reports by the Department of Audit have assured that they were being handled on an accurate and sound basis. Their last report, as of June 30, 1943, indicated a total principal liability of the State for trust funds in the sum of \$3,615,904.54, including funds of the Teachers' Retirement Association and Employees' Retirement System. Typewritten copies of these various reports are in the State Library available to the public.

Because of the irreplaceable value of the data developed in his 1931 survey, Mr. Cowan, now Attorney General of the State, has arranged for publication of his report, after slight revision to include various data since uncovered. At the request of Mr. Cowan, the Department of Audit has prepared a very much condensed summary of the various trust funds of the State as of June 30, 1943, which will be found on page 100.

As a result of their continuous post-audit since 1940 of all State trust funds, and their detail verification at each fiscal year-end, the State Department of Audit believes that these funds are currently invested and administered in accordance with both the provisions of the statute and of the various trusts and with sound principles; with the exceptions, first: of the inclusion therein at full value of balances on deposit in impounded bank accounts which will result in a final loss of around \$80,000; and second, the provisions

that the State pay from 4 to 6% on total fund liability to the beneficiaries of ten trusts, despite the fact that in the fiscal year ended June 30, 1943, the earnings on all trust investments, except those held in Teachers' and Employees' Retirement Funds, averaged only 2.395%; both of which await Legislative adjustment. Attention is also called to the possible greater fairness and safety to the individual trusts if provision could be made to pool investments, and prorate the combined income each year on the basis of principal liability.

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September 11, 1931

Hon. Clement F. Robinson
Attorney General
Augusta, Maine

Dear Sir:

In accordance with your instructions I have made a careful examination of the State Trust Funds for the purpose of ascertaining the original amount of each fund, the conditions under which it was given to the state or to the public institution to which it is attached, and the present amount of each of said funds. I have, moreover, examined the statutes, and have, when I found that the funds have been actually segregated, examined the bank books, and the bonds and stocks in which investments have been made.

This report does not contain complete information in regard to all of the funds, but it does contain all that I have been able to secure. Complete information in regard to the Colonel Black Fund, and the Orne Amusement Fund seems to be unavailable at present. The two Robie funds for the Augusta and Bangor State Hospitals are also without documentary evidence of the conditions attached to the gifts. The same seems to be true of the Brown Company Fund to the Western Maine Sanatorium. I have had difficulty in finding authoritative information in regard to the origin of several of these. Such difficulties have been overcome in so far as I have been able.

I have carefully avoided unwarranted conclusions. The statements that you will find hereafter set down are made conservatively, and are based solely on the information at hand.

This report is in three parts. Part One tells the story of each fund in brief form, so that a cursory examination will show you much of what you want to know. Part Two of the report contains copies of everything I have been able to find in documentary form with reference to the funds, which is necessary that one may understand their present condition. For instance, the first one mentioned is the Abner Coburn Fund, which was given for the benefit of the Augusta State Hospital. In the second part of this report there appears a copy of so much of the will of Mr. Coburn as has to do with this bequest, a copy of the Resolves of 1887, Chapter 70, and a copy of the Public Laws of 1917, Chapter 89—these being the two statutes applicable to this particular fund. Revised Statutes, Chapter 2, Section 86, which applies to all state funds except the Land Reserved Fund, is also given in Part Two. In the same way there appear in Part Two copies of the wills or deeds of gift, and also the legislation having to do with each of the funds.

Part Three of the report shows in tabulated form all material facts in regard to the funds.

In addition to the above funds described, there are the Receivers Funds and the Public Administrators Funds. These are funds properly classed as trust funds, but they are definitely and adequately covered by the State Treasurer's annual report. They have, therefore, been omitted from this report.

No report on State Trust Funds would be complete that did not call attention to the numerous trust deeds which the state has received. Some of these deeds have been met with in this survey, and have been noted. There are doubtless many other deeds of trust running to the State of Maine, or to some Public Institution which have been taken over by the state. At the present time there are some deeds deposited in the office of the Secretary of State; some are in the State Treasurer's office; some are in the Land Office; and

others may be scattered around in the various County Registries of the state. If these deeds are to be preserved, they should be brought together and indexed.

In the course of this survey two very important conditional deeds were discovered that had never been recorded. One was dated 1867, and the other 1930. Both deeds were immediately forwarded to the proper Registry for record, so I am informed.

There are several deeds of gift to the State where a change in the use of the land will jeopardize the title.

The University of Maine has four funds that seem to be substantially the same in character. These are:

1. The Abner Coburn Fund
2. The Levi Stewart Fund
3. The Frederick Hill Fund
4. The Thomas D. Coe Fund

The Abner Coburn Fund is in the care and custody of the Treasurer of State (see VI-2 herein). The other three are held by the Treasurer of the University of Maine. In an appendix to Part Two of this report appear copies of the documents in connection with the establishment of these last three funds. It seems to me that the nature of these four funds should be considered, and that they should all be either with the Treasurer of State or with the Treasurer of the University.

This report should not close without some mention of the E. D. Chamberlin \$200,000 Endowment Fund of the Western Maine Sanatorium, which was lost in 1915 on account of the form of procedure of the State of Maine in taking over title to this property. A little more care would have saved that fund for the Hebron Sanatorium. The same is true of the Benjamin Fund which was lost at the same time.

There are some funds which cannot be identified. The Abner Coburn Fund for the State School for Girls is a fund of \$5000, created by the will of Abner Coburn in 1887. No record of the use of this money can now be found.

In addition to the above, mention should be made of the special fund for the vocational rehabilitation of disabled persons, provided for in R. S. Chapter 19, Section 177. The State Auditor reports that there is no money in this fund.

There are questions that present themselves in regard to some of these funds that I have not gone into in this report. These questions, I feel, are outside of the scope of my authority. They have to do with the conduct of the state in the past years in its relations with the two Indian Tribes. Any further investigations of these matters will take a great deal of time and patience, and are concerned as much with state policies as with the actual handling of the funds themselves.

As clearly appears in Part Three of the report, a large part of the investments of the funds is not in accordance with the provisions of R. S. Chapter 2, Section 86. This is explained by the fact that said statute applies to investments of new funds, or re-investment of old funds, and in many cases occasion for re-investment has not yet occurred. The two Robie funds, which appear as I-2 and II-1, do not conform to this statute, and the same is true of the Brown Company Fund, IV-1, but these were gifts of certain specific securities, and the State Treasurer has felt that he has no authority to change the investments unless a positive necessity arises through a possibility of failure of the security donated to yield the dividends contemplated by the donor.

The Coburn Fund to the Augusta State Hospital, the Coburn Fund of the University of Maine, and the Land Grant Fund of the University of Maine are all represented by unnegotiable registered bonds of the State of Maine. These bonds are all set up on the State Auditor's books as a part of the bonded indebtedness of the State. In this connection attention is called to Section 14 of Article 9 of the State Constitution, which seems to indicate that it is not necessary to charge the Land Grant Fund of \$118,300 against the state indebtedness.

As of June 30, 1931 the total amount of all funds enumerated in this report and commonly known as the State Trust Funds (excluding Receivers and Public Administrators funds) was \$1,998,568.58. The total amount segregated and allocated as of June 30, 1931, was \$1,146,864.07.

The amount of the collateral inheritance taxes, and the estate taxes reported for the fiscal year ending June 30, 1931, was \$2,652,712.41. Of this amount \$1,652,712.41, or so much thereof as is necessary, is available for use in restoring trust funds. Since July 1, 1931, the State Treasurer has purchased bonds for the restoration of these trust funds having a face value of \$240,000, and has paid therefor, including premiums and accrued interest, the sum of \$247,154.95. Of this amount he has to date allocated but \$1000, that being to take care of the Augustus Hopkins Legacy for the State School for Girls (V-1). The figures given above in this paragraph are as of September 10, 1931. There remains due then to the above funds, as of September 10, 1931, the sum of \$851,704.51, if we exclude from consideration the three State of Maine unnegotiable bonds referred to above.

There are certain of these funds that are purely statutory. These are the six school funds, which appear as VIII, and the Lands Reserved Fund, which appears as XV. I have included these as trust funds in the figures given in the paragraph above.

I am making the following suggestions, some of which are in the form of recommendations:

1. Copies of all deeds to the State of Maine should be obtained from the several Registries of the State, and scrutinized to determine which are conditional in form. When there is a reference to conditions in a prior deed, a copy of such prior deed should be obtained and studied.
2. All original deeds to the State of Maine, now scattered about among the offices of the Secretary of State, the Treasurer of State, the Forest Commissioner, and doubtless the offices of some state institutions, should be gathered together, catalogued, and deposited in some one office.
3. As soon as feasible the stocks and bonds now held which do not conform to R. S. Chapter 2, Section 86, should be exchanged for bonds that do conform, or for bank deposits.
4. A further search should be carried on, and wherever possible, original documents or certified copies of said documents, having to do with all trust funds of charitable or public health institutions in the state should be deposited in the office of the State Treasurer so that he will have immediately available any necessary information in regard to them. Such information, if available in 1915, could have saved for the Western Maine Sanatorium the \$200,000 Chamberlin Fund.

5. I suggest that the authorities of the University of Maine have their trust funds scrutinized carefully to determine whether or not the conditions are being fulfilled. I have no question but they are, but mention the matter because the trust funds of the University, save for the Land Grant Fund, the Abner Coburn Fund, and the Carleton Fund are in the custody of the authorities of the University, and have not been examined, and because if these funds should be lost the burden would fall on the people of the State.
6. An examination of the facts in connection with the conduct of the state toward the Passamaquoddy tribe of Indians might be made to determine whether or not the state has lived up to the terms of its treaty.
7. It goes without saying that in all cases where funds are not segregated, such action should be taken immediately, even though it be in no other form than a recognition by the state of an existing debt.
8. A cursory examination of the subject of Farm Lands Loan Commission mortgages indicates that the state of Maine has, to date, been somewhat more successful in its record of loans than have the Land Banks. This, of course, may well be accounted for by the fact that the state has so few loans, and that their average amount is somewhat less than Land Bank loans in this state. The necessary foreclosures indicate that there will probably be some losses. The Commission is entitled to praise for the way in which it has handled this money, but sight should not be lost of the fact that it is not only a fund from which credit is being extended to farmers, but also a trust fund that is being invested.
9. At the present time some of the securities covering trust funds are in a bank safe deposit vault under control of the State Treasurer, and certain other securities are in another bank under control of the State Auditor. Much time is lost because these officials are obliged to visit these banks in order to clip coupons, and to attend to other necessary details concerning these bonds. The securities should all be brought into one place in the office of the Treasurer of State, and kept in a vault where they will be immediately available.
10. "The state trust fund," created in 1929, should be enlarged so that all trust funds of the state can be lumped together in one fund. The particular details of each trust can be taken care of as a bookkeeping matter. At the present time the custodians of the funds are put to great loss of time and inconvenience, which is expensive to the state, by having to keep these funds physically separate. Perhaps new legislation will be necessary to bring this about.

Respectfully submitted,

FRANK I. COWAN

STATE TRUST FUNDS

PART ONE

I. Augusta State Hospital

1. The Abner Coburn Fund

This is a fund of \$50,000 created in 1887 by the will of Abner Coburn of Skowhegan. It was given generally "to the Maine Insane Hospital at Augusta." There are no conditions attached to this fund save in the following words, "the same to be funded, and the income only to be expended annually." By Resolves of 1887, Chapter 70, a 4% unnegotiable bond of the State of Maine was issued in the sum of \$50,000, and the interest on the said bond, amounting to \$2000 per year, is being paid to said hospital. This bond became due in 1917, and by Public Laws of 1917, Chapter 89, it was renewed for a period of thirty years.

2. The Robie Library Fund

This was a gift of ex-governor Robie of Gorham. It was given to the Insane Hospital of Augusta as a permanent library fund with no conditions attached. It was in the form of twenty shares of stock of the First National Bank of Portland, and was accepted for the State of Maine by the legislature as appears in Chapter 159 of the Resolves of 1911. These twenty shares of stock are still held by the State at their book value of \$2000, and I am informed have been paying 8% dividends.

3. The Colonel Black Fund

This fund was created by the will of Colonel John Black of Ellsworth. It was given "for the sole and express purpose of forming a library for the benefit of the inmates" of the Maine Insane Hospital. The will further provided for the permanent investment of "at least one-half part of said sum," the yearly income from which was to be used for the purchase of books and periodicals, and the balance of said sum was to be used for the immediate purchase of books. The fund was recognized by the Legislature of the state in the Resolves of 1857, Chapter 47. According to information obtained in 1920, when a special audit of the state hospital funds was made, \$500 was yearly invested in books. At the present time the fund is represented by twenty shares of stock of the First National Bank of Portland, held by the State Treasurer, and by a \$1273 deposit in the Augusta Savings Bank, (the amount that has accumulated from an early deposit), which is under the control of the hospital trustees. (See McLellan & Black Fund.)

4. The Joseph H. Williams Legacy

This is a fund of \$1000, created in 1897 by the will of Joseph H. Williams of Augusta. It was given "in trust" upon condition that the legislature appropriate not less than \$40 to be paid annually to the trustees of the Maine Insane Hospital, said amount "to be expended from time to time in the purchase of articles of art, or used for the diversion of patients in said hospital." *This fund is not segregated, although an amount equal to 4% has been appropriated for annual payments, carrying out the conditions of the bequest.

* Accepted by Resolves of 1897, c. 220.

5. The Helen A. Gilman Legacy

This is a fund of \$1000, created in 1905 by the will of Helen A. Gilman of Portland. It was given "to be held in trust by the State Treasurer for the promotion of the pleasure and comfort of the patients in the State Hospital for the Insane at Augusta." The bequest was given upon condition that "a sum not less than \$50 a year shall be appropriated by the Legislature to be expended annually as the income thereof . . . in the purchasing of such articles, or providing such entertainment as will most conduce to the pleasure and benefit of the patients." **Of this fund \$181.47 has been deposited in the Skowhegan Savings Bank. Otherwise the fund is not segregated. An amount equal to 5% has been appropriated by the legislature for annual payments to carry out the conditions of the gift.

6. The Orne Amusement Fund

Again we have to depend upon the special audit of 1920 for what little information we have. This is a fund of \$1000, said to have been created by the will of Mrs. S. A. Orne. This fund was created prior to December 1, 1882. At the present time the principal is invested in an American Telephone and Telegraph Company four per cent gold coupon bond, due in 1936.

II. Bangor State Hospital

1. The Robie Amusement Fund

This is a fund carried at a book value of \$2000, given by ex-governor Frederick Robie of Gorham in 1911. It is in the form of twenty shares of stock of the First National Bank of Portland, and is being used for a permanent amusement fund. Although there is no documentary evidence of the conditions under which this fund was given, the legislative resolve accepting the gift of this fund and the Robie Library Fund, (I-2 above), advises that investments of the principal of these funds "shall always be kept separate and distinct from other funds."

III. Central Maine Sanatorium

1. The John Prescott Fund

This is a fund of \$1000, created by the will of John Prescott, late of Calais, Maine, in 1919. There are no conditions attached to this fund. It is now segregated in the form of two five hundred dollar Fourth Liberty Loan 4½% Bonds, due in 1938.

2. The Valora Chase Fund

This was created in 1917 under the terms of the will of Valora A. Chase of Waterville. The amount of the bequest was \$500, and its purpose was "to build a children's play house." The fund has never been used for the purpose specified. It is deposited in the First National Bank of Augusta, and now amounts to \$844.82.

IV. Western Maine Sanatorium

1. The John Prescott Fund

This is a bequest of \$1000, given under the terms of the will of John Prescott, late of Calais, Maine, in 1923. There are no conditions attached. The fund is segregated, being invested in a New York Power and Light Company 4% bond, due November 1, 1967.

** Accepted by Resolves of 1905, c. 131.

2. The Brown Company Fund

This is a gift of W. W. Brown of Portland. It is in the form of twelve shares of 6% preferred stock of the Brown Company, bearing date of November 1, 1928. This Brown Company stock was received in exchange for Berlin Mills stock, in which form the gift was originally made. The fund is carried at a book value of \$1200.

3. The Levi M. Stewart Fund

This was a gift of \$75,000, made to the Western Maine Sanatorium by David D. Stewart of Saint Albans from the general fund for public benefactions created under the will of Levi M. Stewart of Minneapolis. Under the terms of the gift the principal must be safely invested, and the yearly interest used for the benefit of the sanatorium. This fund is variously invested in bonds paying from 4% to 5%.

4. The Western Maine Sanatorium Unused Balance

This is an amount of money which was turned over to the state by the sanatorium association in 1915 at the time the State took over the tuberculosis hospitals. At that time it amounted to \$2874.72, and it is now deposited in a savings account with the Kineo Trust Company at Milo, Maine. The present amount is \$3468.94. (See Chas. A. Frost Fund, Hodsdon Legacy and Hale Legacy.)

V. State School for Girls

1. The Augustus Hopkins Legacy

This is a fund of \$1000, created in 1906 by the will of Augustus Hopkins of Gardiner. The will provided that the amount should be safely invested, "and the income to be used only . . . for the girls in said institution." This fund is not segregated, but an amount equal to 5% annual interest has been appropriated regularly by the legislature.

In connection with this legacy, and numbers 2, 3, 4 below something is due the funds from the state. This amount can be easily determined when the funds are set aside. The additional amount is due to the fact that in times past when the whole appropriation has not been used, the balance has gone into the State Contingent Fund, instead of being added to the principal of the fund.

2. The Peter Lane Legacy

This is a fund of \$1156.65, created by the will of Peter Lane of Leeds, which will was probated in 1903. There are no conditions attached. The money is given "to the Industrial School at Hallowell, Maine." This money has never been segregated, but an amount equal to 5% on the principal has been paid annually to the institution.

3. The Eliza Mustard Legacy

This was a fund of \$4000 bequeathed to the Industrial School for Girls by Eliza Mustard of Farmingdale in 1894. It was given in trust, the income to be used in helping to meet the current expenses of said school. The State of Maine deducted \$87.50 as a Collateral Inheritance Tax, and has carried as a book entry, for the benefit of said institution, the sum of \$3912.50. This has never been segre-

gated, but the state has paid to the institution each year an amount equal to 5% of the principal.

4. The Nellie F. Shaw Fund

This is a fund of \$4750, the balance of a \$5000 fund bequeathed to the Maine Industrial School for Girls by Nellie F. Shaw of Boston. Five per cent of the bequest was charged against the fund by the State of Massachusetts. This fund has never been segregated, but the State has annually paid to the school a sum equal to 5% of the principal.

5. The Jessie F. Godfrey Fund

This is a bequest made by Jessie F. Godfrey of Old Town in 1924. The bequest was \$1000, but the estate proved insufficient for paying all legacies in full. The school, therefore, received the sum of \$893, which is deposited in a savings account at the Augusta Trust Company. This is expressly "an endowment fund." Under the terms of the will the income is to be used for the promotion of education and of music among the girls seeking higher education.

VI. University of Maine

1. The Land Grant Fund

This is a fund of \$118,300, created under the Act of Congress of July 2, 1862, whereby certain public lands belonging to the United States were given to the individual states for the purpose of founding and maintaining colleges of agriculture and mechanical arts. The sale of its share of these public lands netted the State of Maine \$118,300, which under the terms of the Federal Statute "shall be invested in stocks of the United States or of the state, or some other safe stocks; or the same may be invested by the states having no state stocks in any other manner after the Legislatures of such states shall have assented thereto, and engaged that such funds shall yield not less than five per centum upon the amount so invested and that the principal thereof shall forever remain unimpaired." This fund is segregated, an unnegotiable registered 5% bond of the State of Maine, dated June 1, 1919, and maturing in 1949, representing the amount.

2. The Abner Coburn Fund

This is a fund of \$100,000, created by the will of Abner Coburn of Skowhegan. The conditions are, "the same to be funded, and the income only to be expended annually." This fund is represented by an unnegotiable bond of the State of Maine, dated July 1, 1917, due in 1947, bearing 4% interest.

3. The Carleton Fund

This is a fund of \$1000, given by James J. A. Gregory of Marblehead, Massachusetts, in 1909. The purpose of this gift was "to perpetuate the memory of his college friend, Marcus Manard Carleton, the interest whereof to be used for the promotion of scientific orcharding in Maine." Under the terms of the gift a minimum of 4% interest is required to meet the conditions. This fund is segregated, being invested in a Salt Lake and Ogden Railway Company, first mortgage, five per cent bond.

VII. Indian Funds

1. The Passamaquoddy Indian Fund

This is a fund now amounting to the sum of \$157,053.09, carried largely as a book account. This is money received by the state from the sales by the Land Agents of lands, timber, grass, and flowage rights belonging to the Passamaquoddy Indians in Washington County. The rights of the Indians were defined under the Treaty of September 29, 1794, made with the Commonwealth of Massachusetts and recognized by the State of Maine, but never formally affirmed by the new state acting in concert with the Indians. The amount of \$20,307.17 is deposited in a savings account in the Kineo Trust Company of Milo.

2. The Penobscot Indian Fund

This is a fund derived from the sale by the State in 1833 of four townships belonging to the Penobscot Tribe of Indians under the terms of various treaties, and leases by Land Agents of the shores of the islands belonging to said tribe. Under the terms of the act authorizing sale of the above mentioned land the principal plus unexpended balances of interest "shall forever remain in the Treasury, an accumulating fund for the benefit of said tribe." This fund is now carried on the books of the State as \$88,092.44. No part of it is segregated.

VIII. Miscellaneous School Funds

1. The Foxcroft Academy Fund

This is a fund of \$1000, created by the Legislature under Resolves of 1868, Chapter 277. There is no documentary evidence of the reason for creating this fund. The Legislature provided that the sum should be deposited in the Treasury of the State, and the interest paid annually to the trustees of said academy for the use and benefit of said academy. Heretofore, a sum equal to 6% has been paid to said academy. The sum is now segregated under P. L. 1929, Chapter 189, and deposited in a savings account in the Skowhegan Savings Bank.

2. The Hebron Academy Fund

This is a fund of \$1000, created by the Legislature under Resolves of 1868, Chapter 278. As in the case of the Foxcroft Academy fund, there is apparently no documentary evidence showing the reason for this fund. The purposes are the same, but the Hebron fund is given on condition that the academy be open for instruction not less than two ten week terms in the year preceding any claim made against this fund; and provided further, that if the trustees of said academy shall fail to maintain instruction therein for the period of two consecutive years this grant is forfeited.

3. The Houlton Academy Fund

Under Resolves of 1864, Chapter 339, the Legislature authorized the Land Agent to sell the lumber and timber upon any township of land belonging to the State, not already selected for the permanent school fund, and not otherwise appropriated, the proceeds of said sale of lumber and timber to be paid into the state treasury for educational purposes. Resolves of 1864, Chapter 370, provided that the State Treasurer pay to the trustees of Houlton Academy the sum

of \$2000 from the fund received from said sale, and provided further that said sum of \$2000 should be deposited in the State Treasury, and the interest only paid annually to the trustees of the academy. Under the terms of this resolve an amount equal to 6% on \$2000 has been paid annually to Houlton Academy. Under the provisions of P. L. of 1929, Chapter 189, this fund has been segregated, and \$2000 deposited in a savings account in Skowhegan Savings Bank.

4. The Madawaska Territory School Fund

In 1837 the United States government found itself embarrassed by the fact that there was no national debt, and a large surplus of money on hand in the Federal Treasury. This was distributed among the several states, and the State of Maine in turn distributed its share among the towns and plantations. In 1838 the towns were relieved of any requirements of repaying said public money, and were ordered to distribute the amount among the inhabitants per capita or otherwise (P. L. 1838, Chapter 311). At that time complete distribution was not made by the state, and by P. and S. Laws of 1861, Chapter 100, the sum of \$5000, being the amount which was the share of what was then known as Madawaska Territory, was placed in the State Treasury as a permanent fund for the support of schools in said territory. Under the provisions of said law the sum of \$300 shall be paid annually in full satisfaction for any and all claims which the inhabitants of said territory have upon the state by reason of the aforesaid surplus revenue.

This "territory" includes the following towns and plantations: Connor, Eagle Lake, Fort Kent, Frenchville, Grand Isle, Madawaska, St. Agatha, Van Buren, Cyr Plantation, Hamlin Plantation, New Canada Plantation, St. Francis Plantation, St. John Plantation, Wallagrass Plantation, Winterville Plantation.

This fund is now segregated, the amount of \$5000 having been deposited in a savings account in Phillips Savings Bank on October 8, 1930.

5. School District Number Two, Madison, Fund

In 1863 one Mahlon D. Spaulding of Boston gave a \$1000 State of Maine Bond to the state of Maine on condition that the Treasurer of the state pay the amount of the coupons on said bond as they became due to the school agent of school district number two of Madison, Maine. After maturity of said bond the state must pay to said school agent 5% interest on the amount of said bond for all time to come. Under the provisions of the Public Laws of 1929, Chapter 189, there has been deposited the sum of \$1000 in the Skowhegan Savings Bank.

6. The Permanent School Fund

This is a fund created by P. L. of 1828, Chapter 403, providing for the sale of twenty townships of land. The proceeds therefrom were to constitute a permanent fund to be reserved for the benefit of primary schools, said fund to be put out at interest, and the interest annually distributed among the several towns and plantations. Amounts received from claims against Massachusetts or the United States for militia service were also to go into the fund, and from time to time additional legislation has been passed providing for further accretions. The present amount has a book value of \$565,204.48. Of this amount \$46,299.88 is segregated, being deposited in savings

accounts in the Guilford Trust Company and in the Farmers' National Bank of Houlton. Heretofore an amount equal to 6% of the principal of said fund has been paid annually for carrying out the purposes of the fund.

IX. Maine Teachers' Retirement Association

1. The Maine Teachers' Retirement Investment Fund

This is a fund created under P. L. of 1923, Chapter 209, Sections 8 and 9, and amended by subsequent legislation. Under the terms of these acts each teacher in the public schools must pay 5% of his annual salary, (not less than \$5.00 nor more than \$100.00) to the State Treasurer, who puts in an equal amount, and deposits the whole in a fund which draws 4% interest compounded. A separate book account is carried for each teacher, and on retirement the teacher draws on this retirement fund instead of being pensioned. Said fund is fully segregated. At the present time it amounts to \$8813.63, and is deposited in a savings account in the State Trust Company at Augusta.

2. The Maine Teachers' Retirement Association Reserve Fund Investment Fund

Under P. L. of 1923, Chapter 209, Section 17, a special reserve fund was created to consist of gifts and receipts from other sources than those provided for in IX-1 above. This special fund must be maintained and used for contingencies. This fund is entirely segregated, and at the present time amounts to \$590.55, deposited in a savings account in the State Trust Company at Augusta.

(See Employees' Retirement System.)

X. Pownal State School

1. The Joseph C. Greene Fund

This is a fund of \$6000, created by the will of Joseph C. Greene of Auburn in 1929. Under the terms of the will the principal is to become a part of the permanent fund of the institution, and the income is to be used for the purposes for which said institution was organized, and is now carried on and operated. This fund is segregated, being deposited in a savings account in the Augusta Trust Company.

XI. State School for Boys

1. The Isaac Sanford Legacy

This is a fund of \$700, created in 1853 by the will of Isaac Sanford of Manchester, Maine. No conditions were attached. This fund has never been segregated, but there has been annually paid to the institution a sum equal to 6% of the principal.

This fund and that of XII-1 below are carried as one item on the books of the Treasurer of State.

XII. Deaf, Dumb and Blind

1. The Isaac Sanford Legacy

This is a fund of \$600, created in 1853 by the will of Isaac Sanford of Manchester, Maine. The wording of the will is ambiguous. Until 1911 there was no record of the State having recognized this fund as a sum to be set aside, and kept permanently for the benefit of the mentioned class of beneficiaries. By the Resolves of 1911, Chapter 43, the Treasurer of the State of Maine was created trustee under

said will to keep said legacy of \$600. Said resolve further provided for a sum equal to 6% interest on said legacy to aid toward the education of deaf, dumb and blind natives of Maine. This fund is not segregated, and, as mentioned above, is carried with XI-1 as a single item on the books of the Treasurer of State.

XIII. State Military and Naval Children's Home

1. This is a fund having a book value at the present time of \$12,261.62. This came to the State in 1929, (see P. L. of 1929, Chapter 254), when the State took over the Bath Military and Naval Orphan Asylum. The asylum had funds which can not now be traced having a book value of \$16,000. The Treasurer of State and the State Auditor had an appraisal made of the securities, and re-invested the bonds which had matured. This fund has no known conditions attached save that it is for the benefit of the Military and Naval Children's Home. It is fully segregated.

XIV. Jordan Forestry Prize Fund

1. This was a gift of Benjamin C. Jordan of Alfred, Maine, in 1909, of the sum of \$1000, which should be used under the direction of the State Forestry Commissioner to encourage the cultivation of forest trees. Once in eighteen years the state was to offer prizes totaling \$1000. This fund is segregated.

XV. Lands Reserved for Public Uses

1. In 1821 the First Maine Legislature, following a custom that was then very ancient, recognized that certain parcels of land had been set aside, and dedicated for public uses. In P. L. of 1824, Chapter 280, Section 8, the Legislature provided that in every township suitable for settlement 1000 acres should be set aside for public uses. These lands reserved for public uses were placed in charge of the Land Agent who sold timber and grass, putting the proceeds into a fund for the future benefit of towns when organized. This fund now amounts to \$681,254.99. It is entirely segregated. There is deposited in savings accounts in ten banks of the State the sum of \$169,003.20: \$21,000 is invested in the War Loan Bonds of the State of Maine; \$232,000 is invested in the State of Maine Highway Bonds; \$259,251.79 is invested in Farm Loan First Mortgages, as provided in the Public Laws of 1917, Chapter 303 and amendments.

R. S. Chapter 11, Section 23, provides for the division of this fund into two separate funds. One is to be known as the Unorganized Township Fund, upon which the State shall allow interest annually at 4%, which shall be added to the School Equalization Fund; the second is to be known as the Organized Township Fund, upon which the State shall allow interest annually at 6%, which income shall be added to the principal of the fund until the inhabitants of such township are incorporated as a town or an organized plantation. If the organization is into a town the fund shall be paid to the town, to be held and managed as other school funds of that town are required to be held and managed. If such organization is into a plantation, the interest of said fund at 6% shall be paid to the Treasurer of such plantation for school purposes. There is no definite division of this Land Reserved Fund.

PART TWO

Herein are copies of all available documents, and so much of statutes as seems necessary, having to do with the Trust Funds of the State. The numbers given below correspond with the numbers in Part One of this report.

I. Augusta State Hospital

1. The Abner Coburn Fund

(a) Following is so much of the will of Abner Coburn of Skowhegan, dated December 12, 1882, as applies to a bequest to the Maine Insane Hospital at Augusta:

"First. I give and bequest to the Maine Insane Hospital at Augusta, one hundred thousand dollars; the same to be funded, and the income only to be expended annually."

Codicil, dated August 7, 1884.

"Second. And Whereas by my said will, I did give and bequeath to the Maine Insane Hospital the sum of one hundred thousand dollars, now I do hereby revoke said legacy and do give and bequeath to the said Insane Hospital the sum of fifty thousand dollars, the income only to be expended annually."

(b) Special laws applying to the Abner Coburn Bequest:

Resolves 1887, Chapter 70

Resolved, That the treasurer of the state be authorized and directed to receive from the Maine Insane Hospital the sum of fifty thousand dollars, bequeathed to said hospital by Honorable Abner Coburn; and said treasurer shall apply the same in payment of the debt of the State of Maine, and said treasurer shall issue to said hospital an unnegotiable registered bond for the sum of fifty thousand dollars, bearing interest at the rate of four per cent per annum, payable semi-annually on the first days of January and July in each year, at the treasurer's office; said bond shall be payable in thirty years from the first day of July in the year of our Lord one thousand eight hundred and eighty-seven; shall be signed by the treasurer, countersigned by the governor, and attested by the secretary of state; and the state treasurer and his successors in office shall pay to the treasurer of said hospital the interest on said bond until its maturity.

P. L. 1917, Chapter 89

Be it enacted by the People of the State of Maine, as follows:

State treasurer to refund bond formerly issued to Trustees of Maine Insane Hospital. For the purpose of refunding and paying an unnegotiable registered bond of the State of Maine for the sum of fifty thousand dollars, bearing interest at the rate of four per cent per annum issued to the Trustees of the Maine Insane Hospital, as provided in chapter seventy of the resolves of 1887, the treasurer of the state be, and hereby is authorized and directed to issue to the hospital trustees for the benefit of the Augusta State Hospital, formerly the Maine Insane Hospital, an unnegotiable registered bond, for the sum of fifty thousand dollars, bearing interest at the

rate of 4% per annum payable semi-annually on the first days of January and July of each year, at the treasurer's office; said bond shall be payable in thirty years from the first day of July in the year of our Lord 1917, and shall be signed by the treasurer, countersigned by the governor, and attested by the State Auditor; and the state treasurer and his successors in office shall pay to the treasurer of said hospital the interest on said bond until its maturity.

2. The Robie Library Fund

There appears to be no documentary evidence in regard to the Robie Library Fund. Mr. William Robie carried certificates of stock to the hospital at his father's request when the latter was ill. Search of the files in the State Treasurer's office and the Auditor's office, in the hospital, and of Mr. Robie's private files has failed to reveal anything more than is contained in the Resolve of the Legislature in 1911.

Resolves 1911, Chapter 159

Section 1. Whereas, ex-Governor Frederick Robie of Gorham is desirous of giving to the state forty shares of stock of the First National Bank of Portland, of which twenty shares are to be held as an amusement fund for the Eastern Maine Insane Hospital, and twenty shares are to be held as a library fund for the Maine Insane Hospital, and

Whereas, the comfort of the inmates of said institutions demands that said gifts be immediately accepted, and

Whereas, the above state of facts constitutes an emergency within the meaning of the constitution.

Resolved, that the state treasurer is hereby authorized to receive and hold twenty shares of stock of the First National Bank of Portland, as a gift to the Eastern Maine Insane Hospital at Bangor, for a permanent amusement fund, to be known as the Robie Amusement Fund, and twenty shares of said stock to the Maine Insane Hospital at Augusta, as a permanent library fund to be known as the Robie Library Fund, and to pay the yearly income thereof to the treasurers of said respective hospitals semi-annually to be used for the benefit thereof in accordance with the several terms of said gifts, or as the trustees of said institutions from time to time determine. Said investments may from time to time be changed at the discretion of the state treasurer, with the approval of the governor and council but shall always be kept separate and distinct from other funds.

Section 2. Chapter forty-two of the resolves of nineteen hundred and eleven is hereby repealed.

Section 3. This resolve shall take effect when approved.

3. The Colonel Black Fund

(a) Following is so much of the will of Colonel John Black of Ellsworth, dated May 28, 1856, as applies to a bequest to the Maine Insane Hospital at Augusta:

"I, John Black of Ellsworth, having further considered my last will and testament, bearing date of December the nineteenth in the year of our Lord one thousand eight hundred and fifty-five do think

proper to make and publish the following as an additional codicil thereto.

"I do hereby revoke and cancel that provision in the codicil to my said will bearing date March eighteenth in the year of our Lord one thousand eight hundred and fifty-six giving the sum of three thousand dollars to the American Bible Society in Boston, and in lieu thereof I make the following disposition of said sum of three thousand dollars.

"I give and bequeath to the Maine Insane Hospital at Augusta in said State of Maine, the sum of three thousand dollars.

"It is my will that said sum of three thousand dollars shall be received by the trustees of said Maine Hospital for the sole and express purpose of forming a library for the benefit of the inmates of said institution. It is my wish that at least one-half part of said sum of three thousand dollars shall be permanently invested by said trustees & the yearly income thereof invested in the purchase of books and periodicals for the use of said institution and the balance of said three thousand dollars, to be used for the immediate purchase of such books as said trustees may think it most advisable to purchase.

"In witness whereof I have hereto set my hand and seal this twenty-eight day of May in the year of our Lord one thousand eight hundred and fifty-six."

(b) Special legislation applying to the Colonel Black bequest:

Resolves of 1857, Chapter 47

Resolved, that whenever the trustees of the Insane Hospital shall pay into the treasury of State \$1500, part of the bequest to them by the late John Black, Esq., for the use of the library of the hospital, the treasurer of State be and is hereby authorized to receive said sum and to give his note in behalf of the State thereof, to said trustees, payable at the pleasure of the State with interest semi-annually.

4. The Joseph H. Williams Legacy

(a) The following is so much of the will of Joseph H. Williams of Augusta as is applicable to a bequest to the Augusta State Hospital:

"Sixth: I give and bequeath to the State of Maine, \$1000, in trust, and upon the condition following: That a sum of money, not less than \$40, shall be appropriated from time to time, by the State legislature and paid annually to the trustees of the Maine Insane Hospital located in Augusta aforesaid; to be expended from time to time in the purchase of articles of art or use for the diversion of patients in said hospital."

This was "accepted upon the conditions specified in said will" in Resolves 1897, Chapter 220.

Resolved, That the legacy and bequest to the state of Maine as made by the sixth item of the will of the late Joseph H. Williams of Augusta, for the benefit of the Maine Insane Hospital, in the terms following, 'Sixth; I give and bequeath to the state of Maine, one thousand dollars in trust, and upon the condition following: That a sum of money, not less than forty dollars, shall be appropriated from time to time, by the state legislature and paid annually to the

trustees of the Maine Insane Hospital located in Augusta aforesaid; to be expended from time to time in the purchase of articles of art or use for the diversion of patients in said hospital,' be and the same is hereby gratefully accepted upon the conditions specified in said will; and that the secretary of state file with Hophni Judd and Lendall Titcomb, executors of said will, notice of this acceptance by the legislature.

5. The Helen A. Gilman Legacy

(a) The will of Helen A. Gilman was destroyed when the Probate records in Portland were burned in 1908. The Resolves of 1905, Chapter 131, given below, contain such a portion of her will as applies to a bequest to the Augusta State Hospital.

(b) Special legislation applying to the Helen A. Gilman Legacy:

Resolves 1905, Chapter 131

Resolved that in consideration of a bequest made in the will of the late Helen A. Gilman, deceased, of the city of Portland which reads as follows: "to the State of Maine \$1000, to be held in trust by the State Treasurer for the promotion of the pleasure and comfort of the patients in the State hospital for the Insane at Augusta upon condition that a sum not less than \$50 a year shall be appropriated by the Legislature to be expended annually as the income thereof under the direction of the trustees of the hospital in the purchasing of such articles or providing such entertainment as will most conduce to the pleasure and benefit of the patients. The foregoing bequest is to be paid in six months after my decease."

It is hereby directed and ordered . . . that after the sum of \$1000 is deposited with the State Treasurer the sum of \$50 shall be appropriated annually and paid the trustees of the Maine Insane Hospital at Augusta for the purposes set forth in said will and to be used in the manner therein designated.

6. The Orne Amusement Fund

(a) The report of the State Treasurer for the year 1928 is based upon the above mentioned audit of the Augusta State Hospital Trust Funds made in 1920. In said audit Mrs. Orne is described as being of Orneville, but there is no record of the probate of her will in Piscataquis County. Said auditor's report states that the amount of \$1000 was bequeathed to the Maine Insane Hospital to be expended by the trustees for the benefit of the patients. Quoting said report, "Since 1882 the amount of this trust has been represented by a demand note for \$1000, dated December 1, 1882, with annual interest at the rate of 5%, and signed 'R. W. Soule, Treas., Maine Insane Hospital.' This note was replaced by the trustees of the Augusta State Hospital in 1917 by an American Telephone and Telegram Company coupon bond of \$1000. This fund appears to be unrestricted, but has been invested as shown, while the income is to be used for amusement."

(b) The Legislature has never recognized this fund.

Special legislation applying to the McLellan Fund:

Resolves of 1842, c. 51, reads as follows:

"Whereas the late Bryce McLellan, by his last will and testament did bequeath to the institution of the insane hospital at Augusta, five

hundred dollars; the interest or income of which sum was required to be applied annually to the benefit of said institution:

"Resolved, That the treasurer of the state is hereby authorized to demand and receive of Brooks Dascomb, executor of the last will and testament of Bryce McLellan late of Bloomfield, deceased, the bequest of five hundred dollars therein made to the institution of the insane hospital at Augusta; and that said sum be loaned permanently to the state, and the interest thereof applied annually to the institution, according to the provisions of the bequest in said will."

Approved March 16, 1842

Extract from the will of Bryce McLellan:

"I give to the Institution of the Insane Hospital at Augusta Five Hundred dollars to be paid in two years after my decease, the interest or income of which to be applied annually for the benefit of said Institution."

II. Bangor State Hospital

1. The Robie Amusement Fund

(a) For information in regard to this fund see I-2 above.

III. Central Maine Sanatorium

1. The John Prescott Fund

(a) Following is so much of the will of John Prescott, late of Calais, Maine, as applies to the bequest of John Prescott to the Central Maine Sanatorium:

"I give and bequeath to the Central Maine Anti-Tuberculosis Sanatorium at Fairfield, Maine, the sum of One Thousand Dollars."

(b) Special legislation applying to the John Prescott bequest:

Resolves 1919, Chapter 92

Central Maine Sanatorium, authorizing exchange of Prescott legacy for Liberty bond. Resolved: That the treasurer of state be, and hereby is authorized to receive from the executors of the will of the late John Prescott, one one thousand dollar United States second Liberty Loan, four per cent bond, in full release and discharge of a legacy of one thousand dollars bequeathed to the Central Maine Sanatorium by the will of the late John Prescott, to be held by said treasurer of state for the use and benefit of said Central Maine Sanatorium as specified in said bequest. The said treasurer of state is hereby authorized and empowered upon receipt of said bond to deliver to said executors proper receipts and acquittances therefor.

(c) Correspondence in the office of the State Treasurer shows that there was an error in the above Resolve. It was intended to apply to the Western Maine Sanatorium; it is practically corrected by Resolves of 1923, Chapter 52, which appears below under IV-1.

2. The Valora Chase Fund

(a) Following is so much of the will of Valora A. Chase of Waterville, dated February 26, 1917, as applies to a bequest to the Fairfield Sanatorium:

"Ninth:—I give and bequeath unto the Fairfield Sanatorium five hundred (\$500.) dollars to build a children's play-house."

(b) Special legislation applying to the bequest of Valora A. Chase to the Fairfield Sanatorium:

Resolves 1919, Chapter 93

Central Maine Sanatorium, authorizing acceptance of Valora Chase bequest. Resolved: That the treasurer of state be, and hereby is, authorized to receive from the executors of the will of the late Valora Chase, the sum of five hundred dollars bequeathed to the Central Maine Sanatorium by said will, to be held by said treasurer of state for the use and benefit of said Central Maine Sanatorium as specified in said bequest, and the said treasurer of state upon receipt of said sum is hereby authorized and empowered to execute and deliver proper receipts and acquittances therefor.

IV. Western Maine Sanatorium

1. The John Prescott Fund

(a) Following is so much of the will of John Prescott, late of Calais, Maine, as applies to his bequest to the Western Maine Sanatorium:

"I give and bequeath to the Maine State Sanatorium at Hebron, Maine, the sum of one thousand dollars."

(b) Special legislation applying to this bequest by John Prescott:

Resolves 1923, Chapter 52

Resolved: That the treasurer of state be, and hereby is, authorized to receive from the executors of the late John Prescott two five hundred dollar United States Liberty bonds in lieu of the sum of one thousand dollars bequeathed to the Western Maine Sanatorium at Hebron by said Prescott, to be held by said treasurer of state for the use and benefit of said Western Maine Sanatorium as specified in said bequest, and the action of said treasurer of state in receiving said bonds and issuing receipts therefor is hereby approved and made valid.

(c) The above Resolve is an error as it should apply to the Central Maine Sanatorium. It will be noted that the above resolve, and Resolves 1919, Chapter 92 (see III-1 above) counter-balance one another, and effect substantial justice.

2. The Brown Company Fund

(a) We have no data on this fund beyond the fact that the fund exists for the benefit of the Western Maine Sanatorium; that it was given by W. W. Brown, President of the Berlin Mills Company (now the Brown Company); and that it is represented by twelve shares of the 6% preferred stock of the Brown Company. This fund has not been segregated by the legislature.

3. The Levi M. Stewart Fund

(a) The following extremely clear statement of the history of this fund is quoted, with approval, from the report of the Treasurer of State for June 30, 1928:

"This fund was a gift of the Maine State Sanatorium Association at Hebron, in trust, for the benefit of that institution. The gift was accepted by the Trustees of the Sanatorium January 18, 1913, in the language of the following receipt:

“Received of David B. Stewart, executor and residuary legatee of Levi M. Stewart, late of Minneapolis, deceased, Seventy-five Thousand Dollars in trust, for the benefit of the Maine State Sanatorium Association at Hebron, to be called the Levi M. Stewart Fund, the principal to be safely invested, and the yearly interest to be used for the benefit of the Sanatorium in such manner as the trustees shall determine.’

“This fund was deposited in the State Treasury by His Excellency, Oakley C. Curtis, Governor, and was receipted for by the Treasurer of State, October 19, 1915. Governor Curtis received the fund at the hands of the trustees of the Maine State Sanatorium Association at the time of the transfer of the Sanatorium property at Hebron to the State, by deed dated October 5, 1915, and recorded in the Oxford Registry of Deeds, Book 331, Page 219.”

(b) Under the provisions of Section 2, Chapter 222, P. L. 1923, this \$75,000 Fund has been invested in bonds as appears in the schedule in Part Three of this report.

Permanent funds of state, how invested; exception. The state treasurer shall hereafter invest all permanent funds held in trust by the state in the legal obligations of the United States of America; the states of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, and Pennsylvania, and the bonds of the several counties, cities and towns in the several states above named, which are the direct legal obligation of said counties, cities and towns, or may deposit the same on time deposit in banks or trust companies organized under the laws of this state, and not otherwise; provided, however, that this requirement shall not extend to the fund arising from the lands reserved for public uses, which shall continue to be used for the purposes set forth in chapter three hundred and three of the public laws of nineteen hundred and seventeen as amended.

(This section is now R. S. 1930, Chapter 2, Section 86.)

(c) Special legislation applying to the Levi M. Stewart Fund:

P. & S. Laws 1901, Chapter 412

The Maine State Sanatorium Association . . . is authorized and empowered for the purposes of its organization to receive, take and hold by deed, devise, bequest or otherwise, property, personal and real, in any amount without limit.

Public Laws 1915, Chapter 351

Section 1. The state shall establish and maintain by building, lease or purchase one or more sanatoriums in such districts of the state as shall seem best to serve the needs of the people for the care and treatment of persons affected with tuberculosis . . .

Section 6. The board of Trustees shall have authority to accept and hold in trust for the State, any grant or devise of land, or any gift or bequest of money or other personal property, or any donation to be applied, principal or income or both, for the benefit of either or all said sanatoriums, and to apply the same in accordance with the terms of the gift.

Section 8. For carrying out of the provisions of this act, the sum of seventy-five thousand dollars shall be, and hereby is, appropriated for use within the years 1915 and 1916.

4. The Western Maine Sanatorium Unused Balance

(a) The cash balance in the treasury of the Western Maine Sanatorium in 1915 has been recorded as a trust fund, held by the state for the benefit of the institution. There are no requirements that it be so treated, unless an audit discloses that this is unused income from trust funds. It is governed by the same special statutes as VI-3.

V. State School for Girls

1. The Augustus Hopkins Legacy

(a) Following is so much of the will of Augustus Hopkins of Gardiner, allowed by the Probate Court of Kennebec County, February 12, 1906, as applies to a bequest to the State School for Girls:

"Fifth: I give and bequeath to the Trustees of the State Industrial School for Girls, located in Hallowell, Maine, the sum of \$1000, and I wish the above amount to be safely invested, and the income used only, in such a way as may seem best, for the girls in said institution."

Special legislation applying to the Augustus Hopkins Legacy:

Public Laws 1909, Chapter 174

The trustees of the Maine Industrial School for Girls shall pay into the state treasury the principal sums of the trust funds now held, or which may be held by them, for the benefit of said school. Said funds shall be known by the names now attached thereto, or which may be attached by terms of gifts or bequests. The state treasurer shall semi-annually pay to the treasurer of said school a sum equal to two and one-half per cent of said amount, to be used for the benefit of said school in accordance with the several terms of gifts or bequests, or as the trustees shall from time to time determine.

See also P. L. 1923, Chapter 22 (see IV-3-b above) now R. S. 1930, Chapter 2, Section 86, which also applies.

2. The Peter Lane Legacy

(a) The following is so much of the will of Peter Lane of Leeds, allowed by the Probate Court of Androscoggin County, February 1903, as applies to a bequest to the State School for Girls:

"To the Industrial School at Hallowell, Maine \$1000.00 . . ."

"Fifth. I give, devise and bequeath all the rest, residue and remainder of my property, and estate share and share alike to all persons, societies, corporations and institutions herein named as legatees, excepting therefrom my said half sister and half brother."

(b) Special legislation applying to this legacy:

Public Laws 1909, Chapter 174 (See V-1 above)

Public Laws 1923, Chapter 222 (IV-3 above),

now R. S. 1930 Ch. 2, Sec. 86

3. The Eliza Mustard Legacy

(a) The following is so much of the will of Eliza Mustard of Farmingdale, as allowed by the Probate Court of Kennebec County in August 1894, as applies to this bequest to the Industrial School for Girls:

"I give and bequeath to the Industrial School for Girls at Hallowell, Maine, the sum of four thousand dollars, in trust, to be known as the

Mustard Fund, the income of which is to be used in helping to meet the current expenses of said school."

(b) Special legislation applying to this legacy:

Public Laws 1909, Chapter 174 (See V-1 above)

Public Laws 1923, Chapter 222 (See IV-3 above),
now R. S. 1930, Ch. 2, Sec. 86

4. The Nellie F. Shaw Fund

(a) Following is so much of the will of Nellie F. Shaw of Boston, allowed by the Probate Court for Suffolk County of Massachusetts, as applies to a bequest to the State School for Girls:

"Eighth: I give and bequeath unto the Maine Industrial School for Girls at Hallowell, Maine, the sum of Five Thousand Dollars (\$5000), which shall be known as the Nellie F. Shaw Fund."

(b) Special legislation applying to this legacy:

Public Laws 1909, Chapter 174 (V-1 above)

Public Laws 1923, Chapter 222 (See IV-3 above),
now R. S. 1930, Ch. 2, Sec. 86

5. The Jessie F. Godfrey Fund

(a) Following is so much of the will of Jessie F. Godfrey of Old Town, as allowed by the Probate Court of Penobscot County in October 1924, as applies to her bequest to the State School for Girls:

"Fourth. I give and bequeath to the State School for Girls at Hallowell, Maine, the sum of \$1000 as an endowment fund. The income thereof to be used for the promotion of education and of music among the girls seeking higher education."

(b) Special legislation applying to this fund:

P. L. 1923, Chapter 222 (See IV-3 above) applies to this fund.

It will be noted from Part Three of the report that the Jessie F. Godfrey Fund is the only one of the five funds of the State School for Girls which is invested in accordance with the statute.

VI. University of Maine

1. The Land Grant Fund

(a) Special legislation applying to this fund:

Resolves 1863, Chapter 274

Resolved, That a board of regents consisting of thirteen persons chosen by this legislature in joint convention, whose duties and powers and the duration thereof, shall hereafter be prescribed by legislative enactment, said board to be a board of regents of such institution or college as shall hereafter be established by the state under the provisions of the act of Congress approved July 2, 1862, entitled "an act donating public lands to the several states and territories which may provide colleges for the benefit of agriculture and the mechanic arts," and said agents are hereby authorized to take and receive from the governor an assignment of the land scrip that may be issued to the state under said act, and to act as assignees thereof, as contemplated by said act of Congress; said assignees may locate the same in their own names, but for the use and benefit of the state, and for the objects proposed in said act of Congress, and for said purpose the governor is hereby authorized duly to assign

said scrip to said regents; provided however, the governor shall not so assign said scrip to said regents before the session of another legislature, unless by a major vote of said regents to be certified by them to the governor and council to the effect that an earlier location would be for the best interests of the state, and that a longer delay in locating the same would be prejudicial; and the governor shall thereupon so assign such scrip, if a majority of the council shall so advise by vote, and said regents may sell said scrip, or such portion of the same, as the governor and council shall advise, receiving therefor only the lawful money of the United States.

Resolved, That the persons constituting said board be also a committee, whose duties shall be to solicit and receive subscriptions and donations, and also proposals for location for a college to be established under said act of congress, to entertain all propositions, which may be made for that purpose, to deliberate upon and consider the respective advantages of the various locations, examine such establishments of a similar character as may be accessible to them, confer with other states engaged in the same enterprise, and prepare and provide plans, estimates and a working educational system in accordance with the spirit and intent of said act of congress, and gather all such other information as they may deem useful in considering of the establishment of such an institution, and report to the next legislature; but no expenses shall be incurred under this second resolve to be made a charge against the state.

Resolves 1863, Chapter 275

Resolved, That full assent is hereby given to the provisions and conditions of the act passed at the second session of the 37th congress, and approved July 2, 1862, entitled "an act donating public lands to the several states and territories which may provide colleges for the benefit of agriculture and the mechanic arts," and the same is hereby accepted, and the governor is hereby authorized and directed to notify the president of the United States of said acceptance by the State of Maine, and to receive from the Secretary of the interior the scrip for Maine's proportion of two hundred and ten thousand acres of land donated by said act and to hold the same, subject to the order of the legislature.

Resolves 1864, Chapter 342

Whereas, information has been received from Governor Cony of the reception of the land scrip issued for the benefit of the agricultural college, under the law of congress approved July second eighteen hundred sixty-two; and

Whereas, a suggestion of concert of action between the states, with regard to the sale of the same, has been made by Governor Andrew of Massachusetts, which commends itself as a wise and prudent measure; therefore

Resolved, That the governor of this state be and is hereby authorized and empowered to act in concert with the governors of the other states in selling the land scrip issued to this state for the benefit of an agricultural college. He may unite with them in the employment of such selling agents in the cities of New York, Philadelphia or Boston as he may deem expedient, and may fix the price per acre, at which said scrip shall be sold, at such sum as may be

mutually agreed upon, and such agents so employed shall receive a compensation not exceeding one-half of one per cent on sales. All moneys received for the sale of said scrip shall be paid to the state treasurer, and be by him invested in the six per cent stocks of this state. And such stock, with the interest accruing thereon, shall be inviolably held for the sole benefit of said agricultural college.

Resolves 1881, Chapter 13

Whereas, The State of Maine holds in trust for the benefit of the State College of Agriculture and the Mechanic Arts, a registered bond of the State of Maine, numbered two hundred and fifty-one, for the sum of thirty thousand dollars, which became due August 15, in the year of our Lord eighteen hundred and eighty, and the State of Maine, by a resolve approved March 24, in the year of our Lord 1864, directed the treasurer of the state to invest all money received from the sale of land scrip donated to said college by the United States, in the six per centum stock of this state, to be inviolably held for the benefit of said college, and this sum of thirty thousand dollars being a portion of said investment, therefore be it

Resolved, That the treasurer of state be authorized and directed to issue a new registered bond, in favor of said college, for the sum of thirty thousand dollars, bearing interest at the rate of six per centum per annum, payable semi-annually, to bear date of August 15, in the year of our Lord 1880, and payable in nine years from date; the same being in lieu of bond number 251, for a like sum due August 15, in the year of our Lord 1880; said bond to be signed by the treasurer, countersigned by the governor, and attested by the secretary of state.

Resolves 1883, Chapter 130

Whereas, the state of Maine holds in trust, for the benefit of the State College of Agriculture and the Mechanic Arts, a registered bond of the State of Maine, numbered two hundred and forty-nine, for the sum of two thousand dollars which became due March one, in the Year of our Lord, 1883; and the state of Maine, by a resolve approved March 24, in the year of our Lord, 1864, directed the treasurer of state to invest all money received from the sale of land scrip given to said college by the United States in the six per cent stock of this state, to be inviolably held for the benefit of said college, and this sum of two thousand dollars being a portion of said investment therefore, be it

Resolved, That the treasurer of state be authorized and directed to issue a new registered bond, in favor of said college, for the sum of two thousand dollars, bearing interest at the rate of six per cent per annum, payable semi-annually, to bear date of March one, in the year of our Lord 1883, and payable in six years from date, the same being in lieu of bond number 249, for a like sum due March one, in the year of our Lord 1883; said bond to be signed by the treasurer, countersigned by the governor, and attested by the secretary of state.

Resolves 1889, Chapter 226

Whereas, the State College of Agriculture and the Mechanic Arts has on deposit under section four, chapter one hundred and thirty, of the statutes of the United States, approved July 2, eighteen hundred and sixty-two, and resolves of the legislature of the State of

Maine, approved March 25, 1863, March 24, 1864, February 24, 1881, and March 10, 1883, one hundred and eighteen thousand three hundred dollars in bonds of the state, all of which become due in eighteen hundred and eighty-nine, June first:

Resolved, That the treasurer of state be authorized and directed to issue a new registered bond in favor of said college for the sum of one hundred and eighteen thousand three hundred dollars bearing interest at the rate of five percent, payable semi-annually, to bear date of June first, in the year of our Lord 1889; and payable in thirty years from said date, the said one hundred and eighteen thousand dollars in bonds of said state, as above set forth, to be cancelled when said new bond for one hundred and eighteen thousand three hundred dollars, is issued as hereinbefore described; that the treasurer of state is authorized and directed, and said treasurer shall issue to said college a bond for the same, which shall be unnegotiable, and as before herein provided, said bond shall be signed by the treasurer and countersigned by the governor and attested by the secretary of state, and the treasurer and his successors in office, shall pay to the treasurer of the said college, the interest on said bond from time to time in equal semi-annual payments, from the date of said bond until the maturity of the same.

Resolves 1919, Chapter 142

University of Maine, refunding unnegotiable bond.

Resolved: That for the purpose of refunding and paying an unnegotiable registered bond of the State of Maine for the sum of one hundred and eighteen thousand three hundred dollars, bearing interest at the rate of five per cent per annum, issued to the Maine State College of Agriculture and the Mechanic Arts, as provided in chapter two hundred and twenty-two of the resolves of the State of Maine of eighteen hundred and eighty-nine, the treasurer of state be, and hereby is authorized and directed to issue to the University of Maine an unnegotiable registered bond for the sum of one hundred and eighteen thousand three hundred dollars, bearing interest at the rate of five per cent per annum, payable semi-annually on the first days of June and December of each year at the treasurer's office; said bond shall be payable in thirty years from the first day of June in the year of our Lord one thousand nine hundred and nineteen, and shall be signed by the treasurer, countersigned by the governor, and attested by the state auditor, and the state treasurer and his successors in office shall pay to the treasurer of said college the interest on said bond until its maturity.

U. S. Code, Title 7, Chapter 13, Sections 301-306 and 308

Act of 37th Congress, Approved July 2, 1862

301. Land grant in aid of colleges generally. There is granted, July 2, 1862, to the several states, for the purposes hereinafter mentioned in sections 302-308, inclusive, of this chapter, an amount of public land, to be apportioned to each state, a quantity equal to thirty thousand acres for each Senator and Representative in Congress to which the States are respectively entitled by the apportionment under the census of 1860; Provided, That no mineral lands shall be selected or purchased under the provisions of sections 301 to 308, inclusive of this chapter (July 2, 1862, c. 130, sec. 1, 12 Stat. 503).

302. Method of apportionment and selection; issuance of land scrip. The land aforesaid, after being surveyed, shall be apportioned to the several states in sections or subdivisions of sections, not less than one-quarter of a section; and whenever there are public lands in a State subject to sale at private entry at \$1.25 per acre, the quantity to which said State shall be entitled shall be selected from such lands within the limits of such State, and the Secretary of the Interior is directed to issue to each of the States in which there is not the quantity of public lands subject to sale at private entry at \$1.25 per acre, to which said State may be entitled under the provisions of sections 301 to 308, inclusive, this chapter, land scrip to the amount in acres for the deficiency of its distributive share; said scrip to be sold by said States and the proceeds thereof applied to the uses and purposes prescribed in sections 301 to 308 inclusive, of this chapter, and for no other use or purpose whatsoever; Provided, That in no case shall any State to which land scrip may thus be issued be allowed to locate the same within the limits of any other state, or of any Territory of the United States, but their assignees may thus locate said land scrip upon any of the unappropriated lands of the United States subject to sale at private entry at \$1.25 or less, per acre: And provided further, That not more than one million acres shall be located by such assignees in any one of the States: And provided further, That no such location shall be made before July 2, 1865 (July 2, c. 130, Sect. 2, 12 Stat. 503, 504).

303. Expenses of management etc. to be paid by State. All expenses of management, superintendence and taxes from date of selection of said land, previous to their sales, and all expenses incurred in the management and disbursement of the moneys which may be received therefrom shall be paid by the States to which they may belong, out of the treasury of said States, so that the entire proceeds of the sale of said lands shall be applied without any diminution whatever to the purposes hereinafter in sections 304 to 308, inclusive, of this chapter mentioned. (July 2, 1862, c. 130, Sec. 3, 12 Stat. 504).

304. Investment of proceeds of sale of land or scrip. All moneys derived from the sale of lands aforesaid by the States to which the lands are apportioned, and from the sales of land scrip hereinbefore provided for, shall be invested in stocks of the United States or of the State, or some other safe stocks; or the same may be invested by the States having no State stocks, in any other manner after the legislatures of such States shall have assented thereto, and engaged that such funds shall yield not less than five per centum upon the amount so invested and that the principal thereof shall forever remain unimpaired; Provided, That the moneys so invested or loaned shall constitute a perpetual fund, the capital of which shall remain forever undiminished, (except so far as may be provided in section 305 of this chapter), and the interest of which shall be inviolably appropriated, by each State, which may take and claim the benefit of sections 301 to 308, inclusive, of this chapter, to the endowment, support, and maintenance of at least one college where the leading object shall be without excluding other scientific and classical studies, and including military tactics, to teach such branches of learning as are related to agriculture and the mechanic arts, in such manner as the

legislatures of the States may respectively prescribe, in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions in life (Mar. 3, 1883, c. 102, 22 Stat. 484).

305. Conditions of Grant. The grant of land and land scrip authorized in the foregoing sections of this chapter shall be made on the following conditions, to which, as well as to the provisions hereinbefore in this chapter contained, the previous assent of the several States shall be signified by legislative acts:

First. If any portion of the fund invested, as provided by the foregoing section, or any portion of the interest thereon, shall, by any action or contingency, be diminished, or lost, it shall be replaced by the State to which it belongs, so that the capital of the fund shall remain forever undiminished; and the annual interest shall be regularly applied without diminution to the purposes mentioned in section 304 of this chapter, except that a sum not exceeding ten per centum upon the amount received by any State under the foregoing provisions of this chapter, may be expended for the purchase of lands for sites or experimental farms, whenever authorized by the respective legislatures of said States.

Second. No portion of said fund, nor the interest thereon, shall be applied, directly or indirectly, under any pretenses whatever, to the purchase, erection, preservation, or repair of any building or buildings.

Third. Any State which may take and claim the benefit of the foregoing provisions of this chapter shall provide, within five years from the time of its acceptance as provided in subdivision seven of this section, at least not less than one college, as described in section 304 of this chapter, or the grant to such State shall cease; and said State shall be bound to pay the United States the amount received of any lands previously sold, and the title to purchasers under the State shall be valid.

Seventh. No State shall be entitled to the benefits of the foregoing provisions of this chapter unless it shall express its acceptance thereof by its legislature within three years from July 2, 1862; Provided, That when any Territory shall become a State and be admitted into the Union, such new State shall be entitled to the benefits of the foregoing provisions of this chapter, by expressing the acceptance therein required within three years from the date of its admission into the Union, and providing the college or colleges within five years after such acceptance, as heretofore prescribed in this chapter: Provided further, That any State which has prior to July 23, 1866, expressed its acceptance of the foregoing provisions of this chapter shall have the period of five years within which to provide at least one college, as described in section 304 of this chapter, after July 2, 1867. (July 2, 1862, c. 130, Sec. 6, 12 Stat. 504; July 23, 1866, c. 209, 14 Stat. 208.)

308. Reports by State governors of sale of scrip. The governors of the several States to which scrip shall be issued under the foregoing provisions of this chapter shall be required to report annually to Congress all sales made of such scrip until the whole shall be

disposed of, the amount received for the same, and what appropriation has been made of the proceeds. (July 2, 1862, c. 130, Sect. 8, 12 Stat. 505.)

2. The Abner Coburn Fund

(a) Following is so much of the will of Abner Coburn as allowed in 1887 by the Probate Court of Somerset County, as applies to his bequest to the Maine State College of Agriculture and Mechanic Arts:

"Third. I give and bequeath to the Maine State College of Agriculture and Mechanic Arts, \$100,000, the same to be funded, and the income only to be expended annually."

(b) Special legislation applying to the above fund:

Resolves 1887, Chapter 105

Resolved, That the treasurer of state be authorized and directed to receive from the Maine State College of Agriculture, and the Mechanic Arts, situated in Orono, in the County of Penobscot, in trust, the sum of one hundred thousand dollars, bequeathed to said college by Honorable Abner Coburn; and said treasurer shall apply the same in payment of the debt of the State of Maine, and shall issue to said college an unnegotiable registered bond for the sum of one hundred thousand dollars, bearing interest at the rate of four percent per annum, payable semi-annually on the first days of January and July in each year, at the treasurer's office. Said bond shall be payable in thirty years from the first day of July, in the year of our Lord one thousand eight hundred and eighty-seven, and shall be signed by the treasurer, countersigned by the governor, and attested by the secretary of state; and the state treasurer and his successors in office, shall pay to the treasurer of said college the interest on said bond from the time he receives said sum until maturity of the bond.

Resolves 1917, Chapter 47

University of Maine refunding bond: Resolved: that for the purpose of refunding and paying an unnegotiable registered bond of the State of Maine for the sum of one hundred thousand dollars bearing interest at the rate of four percent per annum issued to the Maine State College of Agriculture and the Mechanic Arts as provided in Chapter 105 of the resolves of the State of Maine of eighteen hundred and eighty-seven, the treasurer of the state be and hereby is authorized and directed to issue to the University of Maine an unnegotiable registered bond for the sum of one hundred thousand dollars bearing interest at the rate of four per cent per annum payable semi-annually on the first days of January and July of each year at the treasurer's office; said bonds shall be payable in thirty years from the first day of July in the year of our Lord one thousand nine hundred and seventeen and shall be signed by the treasurer, countersigned by the governor and attested by the state auditor; and the state treasurer and his successors in office shall pay to the treasurer of said college the interest on said bond until its maturity.

3. The Carleton Fund

(a) Special legislation applying to this fund:

Resolves 1911, Chapter 60

Whereas, on November one, nineteen hundred and nine, James J. A. Gregory, late of Marblehead, Mass. gave to the State of Maine, an interest bearing first mortgage bond for one thousand dollars, to perpetuate the memory of his college friend, Marcus Manard Carleton, the interest whereof to be used for the promotion of scientific orcharding in Maine, according to the conditions accompanying the gift;

Resolved, that the treasurer of the state of Maine and his successors in office be and he hereby is constituted sole trustee to receive and hold said gift, reinvesting same at maturity forever and collecting and depositing in some approved savings bank in Maine, the interest on said gift, until the year 1914, in which year, and on every fifth year thereafterward, said treasurer shall pay as directed by the governor and council from the interest at that time accrued the sum of two hundred dollars as a premium to the farmer, in Maine, who shall be named by the committee hereinafter provided, as a premium for the most thrifty and well kept orchard of one acre or more of apple trees five years from planting on his own land, and shall so pay to said committee from the balance of such interest their necessary disbursements for travel in inspecting such orchards and awarding said prize.

And be it further resolved; that a committee consisting of three men, versed in the science and art of orcharding, shall in July 1914 be appointed, as follows, two members to be appointed by the governor, and one, who shall be the chairman, to be appointed by the commissioner of agriculture, who shall serve without pay, in inspecting the competing orchards and awarding the premium. At the expiration of five years from 1914, and at five year intervals thereafter, a like committee shall be appointed to serve as above. Said committee shall visit the orchards entered in the contest for the Carleton prize and report in the month of October to the governor the name of the winner of said prize and other prizes that may be awarded in this contest, and shall be allowed by the governor and council their necessary disbursements as above, provided that, in no year of award shall a greater sum be allowed for disbursements, from this source, than the interest accrued on said gift over and above the sum of two hundred dollars.

Resolves 1925, Chapter 10

Preamble, whereas, the state of Maine holds in trust one interest bearing first mortgage bond for one thousand dollars given by James J. A. Gregory the interest whereof to be used for the promotion of scientific orcharding in Maine, and whereas, it is now deemed by the department of agriculture inexpedient to continue offering premiums as provided in Chapter 60 of the resolves of 1911.

Transferring income of bond to University of Maine.

Resolved, that the income from the aforesaid bond together with such interest as may have already accrued and is unexpended at the time this resolve becomes effective shall henceforth be paid to the college of agriculture at the university of Maine for the assistance

of deserving and needy students who shall be residents of the State of Maine, majoring in horticulture at the said college of agriculture.

Public Laws 1923, Chapter 222

(See IV-3 above) also applies to this fund.
University of Maine Foundation.

Special Legislation applying to this Foundation:

Private and Special Laws of 1935, chapter 10:

Sec. 1. Ratification of organization. The organization of University of Maine Foundation is hereby ratified and confirmed. The corporate organization thereof is hereby declared to be legal and valid as a benevolent and charitable institution incorporated by the state of Maine within the meaning of paragraph III, of section 6 of chapter 13 of the revised statutes of Maine and acts amendatory thereto, and as an educational and charitable institution within the meaning of section 2 of chapter 148 of the public laws of 1933.

Sec. 2. General powers. This corporation shall have the power to take and hold by bequest, devise, gift, grant, donation or otherwise either absolutely or in trust, for any or all of its purposes, any property, real or personal, without limitation as to value or amount except as the legislature may hereafter specifically impose; and to hold, administer, control and manage same upon the trusts or according to the terms or conditions provided by the donors, testators or others, and otherwise upon terms prescribed by the corporation in the exercise of its discretion.

Sec. 3. Power to execute trusts. This corporation is hereby empowered to execute such trusts as may be pertinent to its corporate purposes, with the same powers and duties as are imposed by law upon natural persons acting in the same capacity, subject to the same control of the court having jurisdiction of the same in all proceedings relative to the exercise of these powers. All papers may be signed and sworn to by any officer designated by the corporation for that purpose, and the officers shall be subject to citation and examination in the same manner and to the same extent as natural persons acting in the same capacity. No sureties shall be required upon the bond of the corporation when acting in said capacity unless the court or officer approving said bond shall require it.

Sec. 4. Trustee of trust funds. This corporation may be appointed trustee of trust funds held for the benefit of the University of Maine, its faculty or students, or any members of either body or for any or all of the corporate purposes of this corporation.

Approved February 28, 1935

Public Laws of 1941, chapter 21:

Investment of trust funds of the University of Maine. Endowment, trust and other non-expendable funds for investment held by the trustees of the University of Maine, which have been and may be hereafter created and established by private donors for the benefit of said university or for any purpose related directly to the activities of said university, shall be preserved in their several separate identities in the books of account of the university and administered according to the terms of the gift; and the trustees of the University of Maine, for the purpose of investment only, and in order to afford

to each fund the advantage of a diversification of risk wider than can be obtained by preserving the investment unity of each fund, and in the absence of any conditions or restrictions to the contrary made by the donor, may combine, pool and merge any such funds with other similar funds, and account for profits, losses and income to each individual fund in the proportion which its value bears to the total value of the merged fund as of the date of merger; and whenever a new fund is so merged in an existing combination of funds, for the purpose of determining the proportionate shares, the assets of such existing combination of funds shall be calculated at the then market value, and the future shares of each individual fund shall be determined in the proportion of its value to the whole of the new combination.

Approved February 28, 1941

VII. Indian Funds

1. The Passamaquoddy Indian Fund

(a) Special legislation applying to this fund:

Treaty between the Passamaquoddy Tribe of Indians and the Commonwealth of Massachusetts, signed September 29, 1794.

"In consideration of the said Indians relinquishing all their right, title, interest, claim and demand of any land or lands lying or being within the said Commonwealth of Massachusetts, and also engaging to be peaceable and quiet inhabitants of said commonwealth without molesting any other of the settlers of the Commonwealth aforesaid in any way or means whatever in consequence of which the . . . Commonwealth aforesaid . . . assign and set off to the aforesaid Indians . . .

"All those Islands lying and being in Schoodick river between the falls at the head of the tide, and the falls below the forks of the said river where the North branch and West branch parts, being fifteen in number, containing 100 acres more or less, also Township #2 in the first range surveyed by Mr. Samuel Titcomb in the year of our Lord 1794, containing about 23,000 acres more or less, being bounded as follows: Easterly by Tomeas River and Township #1, first range; northerly by Township #2, second range; westerly by Township #3, first range; southerly by the west branch of Schoodick River and Lake—, also Lires Island lying in front of said Township containing ten acres more or less, together with 100 acres of land lying on Nemcap Point adjoining the west side of said township, also Pine Island lying to the westward of said Nemcap Point containing 150 acres more or less . . . also assign to the said Indians the privilege of fishing on both branches of said River Schoodick, without hindrance or molestation and the privilege of passing the said rivers over the different carrying places thereon . . . with the reservation of all pine trees fit for masts on said tract of land—to government—they making said Indians a reasonable compensation therefor, also assign and set off to said Indians ten acres of land more or less at pleasant point purchased by said committee in behalf of said Commonwealth of John Frost . . ."

Resolves 1836, Chapter 54

Resolved, That the Land Agent be and hereby is authorized to sell and convey, at public auction and at a price not less than two dollars

per acre—under the directions of the governor and council, Township numbered Two in the first range in the County of Washington, belonging to the Passamaquoddy tribe of Indians, and to pay the funds arising therefrom into the State Treasury subject to the future disposition of the Legislature, for the use and benefit of said Indians.

Public Laws 1839, Chapter 388

By this act the Indian Agent was authorized to sell timber and grass on Township number 2, St. Croix River, "to the amount of \$1000 annually." He was further to furnish them annually with \$200 worth of potatoes, seeds and machinery; \$300 annually, at \$25 per month, for care of old and sick members of the tribe; \$500 worth of corn, lard, flour and pork.

R. S. 1857, Chapter 9, Section 22

The agents of the Passamaquoddy tribe of Indians are authorized to sell to the best advantage, at public or private sale, to a citizen of the state, the timber and grass from township numbered two on the St. Croix River, usually called the Indian township, to the amount of one thousand dollars annually; expressly retaining in the written contract of sale a lien on the timber and grass cut, until the amount due for stumpage thereon is paid. Every surveyor appointed by such agents to scale or survey the lumber so sold, before entering on his duties, shall be sworn to the faithful performance of his trust, and file a certificate of his oath with the agents.

2. The Penobscot Indian Fund

(a) Special legislation applying to this fund:

Letter from Massachusetts Land Office
May 3, 1830, Original found in Office
of Secretary of State, Augusta, Maine

Recites a Treaty with Penobscot Tribe of Indians, dated August 8, 1796, by which said tribe relinquished to said Commonwealth all the lands on both sides of the river Penobscot lying near Colonel Jonathan Eddy's dwelling house at Nichol's Rock so called, and extending up the said river thirty miles on a direct line according to the general course of said river on each side thereof excepting however and reserving to the said tribe all the islands in said river above Old Town including said Old Town Island within the limits of the said thirty miles, for which an annual consideration was to be paid to said tribe.

Recites further that on March 2, 1799 a resolve was passed authorizing sale of said lands; on June 17, 1805 Land Agent sold to Joseph Treat nine small islands including number 4, number 5 (called Shad Island), and number 6; repurchase of these three islands by the Commonwealth because the Indians complained of interference with fishing rights: That by terms of articles of separation said islands became the undivided property of both states. As Land Agent for Massachusetts he forbids interference with Indians' fishing rights in connection with said islands "they having been purchased by this Commonwealth for the express purpose."

Above deeds to and from Joseph Treat conveyed islands and the waters to the East Channel of the River.

Treaty of Penobscot Indians with
Massachusetts, dated June 29, 1818

Indians granted to Massachusetts all lands above thirty mile tract conveyed by treaty of 1796, on both sides of Penobscot River and its branches excepting from this sale "for the perpetual use of said tribe of Indians, four townships of land of six miles square each, in the following places, viz; The first beginning on the East bank of the Penobscot river, opposite the five Islands, so called, and running up said river according to its course and crossing the mouth of the Mattawamkeag river an extent of six miles from the place of beginning, and extending back from said river six miles . . ." "One other of said townships lies on the opposite or western shore of said river, and is to begin as nearly opposite to the place of beginning of the first described townships as can be . . . running up said river according to its course six miles and extending back from said river six miles." "Two other of said townships are to begin at the foot of an Island in West branch of Penobscot river in Nolacemean Lake, and extending on both sides of said lake, bounding on the ninth range of townships, surveyed by Samuel Weston, Esq., which two townships shall contain six miles square each." Tribe releases Commonwealth from all demands and claims under treaty of 1796.

Commonwealth covenants "with the said Penobscot Tribe of Indians, that they shall have, enjoy and improve all the four excepted townships described as aforesaid, and all the Islands in the Penobscot River above Old Town and including said Old Town Island, and the commission will purchase for their use, as aforesaid, two acres of land in the town of Brewer, adjoining Penobscot river, convenient for their occupation and provide them with a discreet man of good moral character and industrious habits to instruct them in the arts of husbandry and assist them in fencing and tilling their grounds . . ." build store at Old Town, make repairs on their church, and deliver to said Indians "1 six pd. cannon, one swivel, 50 knives, six brass kettles, 200 yards of calico, 2 drums, 4 fifes, one box of pipes, 300 yards of ribbon . . ."

Release by Penobscot Indians of
Commonwealth of Massachusetts,
dated August 17, 1820. (Original of
this document found in the office of the
Secretary of State, Augusta, Maine)

Release by Penobscot Indians of Commonwealth of Massachusetts from "all claims and stipulations of what name or nature soever which we or all or any of us, or our said tribe have on or against said Commonwealth arising under any writing of indenture, treaty or otherwise, existing between said Commonwealth of Massachusetts and said Penobscot Tribe of Indians."

Treaty of Penobscot Indians with the
State of Maine, dated August 17, 1820

This writing, indented and made this seventeenth day of August in the year of our Lord one thousand eight hundred and twenty, by and between Lothrop Lewis of Gorham in the County of Cumberland and State of Maine, Esquire, Commissioner, appointed by William King Esquire, Governor of said State, by and with the advice

and consent of the Council, in conformity to a Resolve of the Legislature of said State passed the twentieth day of June, in the year of our Lord one thousand eight hundred and twenty, to treat with the Penobscot tribe of Indians in said State, upon the subject expressed in said Resolve, on the one part; and the said Penobscot tribe of Indians, by the undersigned, Chiefs, Captains and men of said tribe, representing the whole thereof, on the other part; Witnesseth; That the said Penobscot tribe of Indians, in consideration of the covenants and agreements, hereinafter mentioned, on the part of said Commissioner, in behalf of said State, to be performed, kept and fulfilled, do hereby grant, sell, convey, release and quit-claim, to said State, all their, the said tribe's right, title, interest and estate, in and to, all the lands and possessions, granted, sold and conveyed by us, to the Commonwealth of Massachusetts, by our writing of indenture, made with said Commonwealth by their Commissioners, the Honorable Edward H. Robbins, Daniel Davis and Mark L. Hill, Esquires, June the twenty-ninth, in the year of our Lord one thousand eight hundred and eighteen, saving and excepting, the reservations, in said indenture made and expressed. Meaning and intending hereby, to substitute and place, the said State of Maine, in the stead and place, of the said Commonwealth of Massachusetts, to all intents and purposes whatsoever, as it regards said indenture last mentioned, with the said tribe of Indians, so that all and singular, the lands, rights, immunities or privileges, whatsoever, which said Commonwealth did, might, or could hold, possess, exercise and enjoy, under or by virtue of said indenture, or treaty, or by any other indenture, treaty or agreement whatsoever, shall be held, possessed, exercised and enjoyed in as full and ample a manner by said State of Maine.

And the undersigned Commissioner, on his part, in behalf of said State of Maine, in consideration of the premises, and of the foregoing covenants and engagements of said tribe, does hereby covenant with said tribe, that they shall have and enjoy, all the reservations made to them, by virtue of said treaty of the twenty ninth of June, eighteen hundred and eighteen. And the undersigned Commissioner, in behalf of said State of Maine, does hereby further covenant and agree with said tribe, that as soon as the Commonwealth of Massachusetts, shall have made and fulfilled the stipulations on her part to be done and performed, under and by virtue of the fifth article of an act, "relating to the separation of the District of Maine from Massachusetts Proper, and forming the same into a separate and independent State," passed June the nineteenth, eighteen hundred and nineteen then the said State of Maine, shall and will, annually, and every year, in the month of October, so long as they shall remain a Nation, and reside within the said State of Maine, deliver for the use of the said Penobscot tribe of Indians, at Old Town, the following articles; to wit: five hundred bushels of corn, fifteen barrels of wheat flour, seven barrels of clear pork, one hogshead of molasses, and one hundred yards of double breadth broadcloth, to be of red color, one year, and blue the next year, and so on alternately, fifty good blankets, one hundred pounds of gunpowder, four hundred pounds of shot, six boxes of chocolate, one hundred and fifty pounds of tobacco, and fifty dollars of silver.

It being meant and intended, to assume and perform, all the duties and obligations of the Commonwealth of Massachusetts, toward the

said Indians, whether the same arise from treaties or otherwise, and to substitute and place, the said State of Maine in this respect, to all intents and purposes whatever, in the stead and place of the Commonwealth of Massachusetts, so that said tribe may have continued to them, all the payments, and enjoy all the immunities and privileges, in as full and ample a manner, under this indenture or treaty, as they could have received or enjoyed, under the said treaty, of the twenty ninth of June, eighteen hundred and eighteen, if this present treaty had not been made. Saving and excepting the two acres of land, which were by the treaty of June twenty ninth eighteen hundred and eighteen, to be purchased for the use of said tribe, in the town of Brewer, the performance of which, has been relinquished by the said tribe to the Commonwealth of Massachusetts.

Reserving however to the Government of this State, the power and right to ratify and confirm, at pleasure, the doings of said Commissioner in the premises.

In witness whereof, the parties aforesaid, have hereunto set our hands and seals, the day and year first within written.

Signed for the Indians by sixteen officers

Signed for the State by six commissioners

Resolve of February 9, 1821 Ratifying and
Confirming Treaty with Penobscot Indians,
dated August 17, 1820

Resolved, That the Treaty concluded with the Penobscot Tribe of Indians, on the seventeenth day of August, in the year of our Lord, one thousand eight hundred and twenty, by Lothrop Lewis, Esq., Agent in behalf of the State of Maine, commissioned by the Governor for that purpose, pursuant to a Resolve of the Legislature of this State, passed on the twentieth day of June, in the year of our Lord, one thousand eight hundred and twenty, be, and the same is, by this State, ratified and confirmed, according to the true intent and meaning thereof.

Resolved: That a duplicate of the original release of the Penobscot Tribe of Indians to the Commonwealth of Massachusetts, together with a true and attested copy of said Treaty, be transmitted by the Governor of this State, to the Commissioners appointed agreeably to the Act of Separation, for the purpose of carrying into effect the provisions of said Act.

Public Laws 1826, Chapter 323

Resolved, That the agent or agents of the Penobscot Tribe of Indians be authorized for the use of said tribe to lease any of the Islands belonging to the said tribe, for any term of years not exceeding twelve, and to sell and dispose of the burnt and decaying timber upon the two Indian townships, on the west branch of Penobscot River, for the benefit of said tribe, as said agent or agents may think for their interest.

(Leases and sales and conditions of same must be assented to by Officers of tribe and state.)

Avails of leases and sales to be placed in treasury of the state, subject to order of Governor and Council when, in their opinion the situation of the tribe requires its appropriation for their benefit.

Public Laws 1828, Chapter 392

Storehouse and church to be built in accordance with treaty of 1818, and cost charged against receipts from leases and sales.

Deed of Tribes of Four Townships to
State of Maine, June 10, 1833, for \$50,000

Bond of Indians recited as follows, according to attested copy (except for signatures) in Secretary of State's office: Said sum of fifty thousand dollars shall be deposited in the State Treasury and the interest, reckoning from the date hereof, shall annually be paid under the direction of the Governor and Council of said State through the Indian Agent for the benefit of said tribe; provided it should in their opinion be required for the comfortable support of said Tribe and if at any time, at the annual settlement, any part of said interest should remain in the Treasury unexpended it shall be added to the principal of fifty thousand dollars and become a part thereof, and said sum of fifty thousand dollars together with such increase as it may from year to year receive, and shall forever remain in the treasury an accumulating fund, for the benefit of said tribe.

R. S. 1857, Chapter 9

Section 10. The islands belonging to the Penobscot tribe, may be leased by their agents, for the benefit of such tribe, for a term not exceeding twelve years; and the burnt and decaying timber on the two townships on the west branch of Penobscot river, may be sold by such agents, when they judge it for the interest of such tribe, if such lease and sales, and the terms and conditions thereof are assented to by the governor and lieutenant governor of the tribe, and approved by the governor of the state; and if they are made on credit, they shall be at the risk of the agents, and accounted for as money; and the avails thereof shall be placed by them in the state treasury, subject to the order of the governor and council according to law.

Section 11. The land agent shall cause the islands in Penobscot river, from Oldtown Falls to Mattawamkeag Point, to be accurately surveyed and numbered, if it has not been done, and their present value estimated, and duplicate plans thereof made and returned to the land office, and to the Indian agent.

Section 18. He may lease any reserved privileges for mills, booms, and fisheries, for a term sufficiently long to induce persons to take leases of them, with the approval of the governor and council; and all the rents shall be paid into the treasury, to be expended for the benefit of the tribe, under the direction of the governor and council.

Section 21. The governor and council may draw warrants on the treasury for any sum not exceeding the interest of the four townships purchased by the state of the Penobscot tribe, in June eighteen hundred and thirty-three, and of any other money paid into the treasury; and for the full amount of rents paid in as aforesaid; and when the whole amount of such sums, in the opinion of the governor and Council, is more than is necessary for said tribe, the excess may be invested for their benefit.

VIII. Miscellaneous School Funds

1. The Foxcroft Academy Fund

(a) Special legislation applying to above fund:

Resolves 1868, Chapter 277

Resolved, That the state treasurer be and that he is hereby directed to pay to the trustees of Foxcroft Academy the sum of one thousand dollars, for the use and benefit of said academy; said sum to be deposited in the treasury of the state, the annual interest to be paid annually to the trustees of said academy.

2. The Hebron Academy Fund

(a) Special legislation applying to above fund:

Resolves 1868, Chapter 278

Resolved, That the state treasurer be and that he is hereby directed to pay to the trustees of Hebron Academy, the sum of one thousand dollars, for the use and benefit of said academy; said sum to be deposited in the treasury of the state, the annual interest to be paid annually to the trustees of said academy; Provided, however, that no money shall be drawn from the treasury of the state under the provisions of this resolve until the state treasurer shall have been furnished with a certificate of the trustees of said academy verified by oath, that said academy has been open for instruction under the direction of said trustees for at least two terms of ten weeks each in the year preceding any claim made under this resolve; and provided further, that if the trustees of said academy shall fail to maintain instruction therein for the period of two consecutive years, the grant herein made to said academy shall thereby become forfeited.

3. The Houlton Academy Fund

(a) Special legislation applying to this fund:

Resolves 1864, Chapter 370

Resolved, That the state treasurer be and he hereby is directed to pay to the trustees of Houlton Academy, the sum of two thousand dollars, for the use and benefit of said academy, from the funds arising from the sale of timber and lumber, under a resolve of the present legislature appropriating the timber and lumber on a township of land for educational purposes; said sum of two thousand dollars to be deposited in the treasury of the state, the interest only to be paid annually to the trustees of said academy.

Public Laws 1864, Chapter 339

Resolved. That the land agent, under the direction of the governor and council, be and he is hereby directed to sell the lumber and timber upon any township of land belonging to the state not already selected for the permanent school fund and not otherwise appropriated, after advertising the same for six months in the state paper, the Bangor Whig and Courier, and the paper nearest where the land is situated, to receive sealed proposals for timber and lumber on said township of land in one-eighth sections, the purchaser to have ten years and no longer to take off said timber and lumber. A record of the proposals shall be made and kept in the

land office, which shall be open to the inspection of any one after the day of sale. The proceeds of said sale of lumber and timber shall be paid into the state treasury for education purposes.

4. The Madawaska Territory School Fund
 - (a) Special legislation applying to this fund:

Public Laws 1837, Chapter 265

"Whereas, under the combined operation of the existing tariff laws, and the laws regulating the sale of public lands, an unavoidable surplus of public money, not necessary nor susceptible of an economical expenditure, in the ordinary requirements of the National Government, has accumulated in the Treasury of the United States."

Maine's share shall be deposited with the cities, towns and plantations, and shall be forever subject to call on sixty days' notice.

Public Laws 1838, Chapter 311

Towns relieved of requirement to repay public money, and ordered to distribute amount among inhabitants per capita, "or otherwise dispose of the same as they may any money accruing in the treasury from taxation."

Private and Special Laws 1861

Chapter 100

Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows:

Section 1. The five thousand dollars retained in the state treasury for the benefit of the inhabitants of the Madawaska territory as their share of the surplus revenue, distributed to the inhabitants of this state in the year eighteen hundred and thirty-seven shall remain in the treasury as a permanent fund for the support of schools in said territory.

Section 2. The governor and council are hereby constituted trustees of said fund, and they are hereby authorized and instructed to pay out and expend in said territory the sum of three hundred dollars annually for the purpose named in the first section of the act, in such sums and at such times as in their discretion they may deem fit and proper.

Section 3. The above sum of three hundred dollars annually shall be in full satisfaction for any and all claims which the inhabitants of said territory have upon the state by reason of the aforesaid surplus revenue.

Section 4. This act shall take effect when approved by the governor.

Note: The legislature must make up an additional amount each year to equal the 6% above provided for.

5. School District Number 2, Madison Fund
 - (a) Special legislation applying to above fund:

Resolves 1863, Chapter 273

Resolved, That the treasurer of state be authorized and directed to receive of Mahlon D. Spaulding of the city of Boston, a bond of

one thousand dollars against the State of Maine, and he and his successors in office to safely keep and pay to the legal agent of School district number two in the town of Madison in this state, the coupon in trust on said bond as it becomes due till the maturity of said bond, and after that time to pay to said school agent five per cent on the amount of said bond for all time to come.

6. The Permanent School Fund

(a) Special legislation applying to above fund:

Public Laws 1828, Chapter 403

Section 1. Be it enacted by the Senate and House of Representatives, in Legislature assembled, That the Land Agent under the advice and direction of the Governor and Council, be, and he hereby is authorized to sell at Public Auction or Private Sale, whenever in their opinion the same can be done at fair price, any number of the townships of the public lands already surveyed, and not otherwise appropriated not exceeding in the whole twenty townships of land averaging six miles square, upon such terms of credit as in their judgment will best promote the objects of this Act. And whenever any credit shall be given to the purchaser, he shall secure the State by the joint note of himself with two or more sufficient sureties to the acceptance of said Agent. And the said Agent is required to pay into the Treasury of the State, the sums he may receive from the sale or sales of said land, and to deliver over to the Treasurer of State all the notes he may obtain upon the sale or sales of said land, immediately after he shall have received them.

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

Section 3. Be it further enacted, That whenever this State shall receive any sum or sums of money on account of the claim of Massachusetts on the United States, for service rendered by the Militia of that Commonwealth during the late war, the excess over and above what the State may then owe shall constitute a fund to be appropriated and distributed in the manner provided by the second section of the Act.

Public Laws 1847, Chapter 7

Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows:

Section 1. Whenever reasonable assurance shall be given to the board of education, that a suitable number of the teachers of public school in any county, shall desire to assemble for the purpose of forming a teachers' institute, and to remain in session for a period not less than ten working days, said board by a committee of their body, or by their secretary, or by such person or persons as they

may designate, shall appoint a time and a place for said meeting, make suitable arrangements therefor, and give notice thereof.

Section 2. For the purpose of defraying the expenses of rooms, lights, or other necessary charges, and for procuring teachers and lecturers for said institutes, the board of education, by their committee or secretary, may draw upon the treasurer of the state for a sum not exceeding two hundred dollars for any one institute.

Section 3. To meet the expenditure aforesaid, the governor is hereby authorized to draw his warrant upon the treasurer for a sum not exceeding twenty-six hundred dollars, annually, said sum to remain in the treasury subject to the drafts provided for in the second section of this set; the amount paid out upon said drafts to be deducted annually, from the income of the permanent school fund.

Resolves 1850, Chapter 339

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

Resolves 1857, Chapter 73

State School Funds. Section 73. The treasurer of state shall keep a separate account of all monies received from the sales of lands appropriated for the support of schools in this state, from the notes taken therefor, and of any other monies appropriated for same purpose; and such sum shall constitute a permanent school fund, which may be put at interest as the legislature directs. A sum equal to six per cent of the amount of such fund, and also all money received by the state from the tax on banks, shall be annually appropriated to the support of common schools, and distributed among the several towns, according to the number of children therein between four and twenty-one years of age.

R. S. 1857, Chapter 11

Section 73. Resolved, That twenty per cent of all monies hereafter accruing from the sale of the public lands, shall be paid over to the treasurer of state, and that said proceeds be and are hereby appropriated as a permanent school fund for the benefit of common schools, the interest of which shall be paid over annually for their use, in the same manner as the interest on the school fund is now paid.

R. S. 1903, Chapter 15

Section 127. All of the school mill fund not distributed or expended during the financial year, shall at its close be added to the permanent school fund.

IX. Maine Teachers' Retirement Association

1. The Maine Teachers' Retirement Investment Fund

(a) Special Legislation applying to the above fund:

Public Laws 1923, Chapter 209

Sec. 8. Annuities, how paid; fund, how created. The annuities hereinafter provided shall be paid out of a fund to be known as the annuity fund, which shall be constituted as follows:

(1) Each member of the retirement association shall pay into the annuity fund under regulations to be prescribed by the retirement board five per cent of such member's salary; provided, however, that no member shall in any one year pay into said fund less than twenty dollars nor more than one hundred dollars.

(2) Any member of the retirement association, who for thirty years shall have paid into said fund his regular assessments, as above provided shall be exempt from further assessments, but such member may thereafter, if he so elects, continue to pay his assessments into said fund.

(3) During the months of July or August of each year the retirement board shall notify the state superintendent of public schools of the exact amount paid in between July first and June thirtieth preceding by the members of the teachers' retirement association and before the state superintendent of public schools shall distribute the state school fund in December, he shall deduct the amount necessary to equal the contributions of members as certified by the retirement board. Such amount together with the amounts paid in by members shall be invested as provided in this act. The amount deducted from the state school fund shall not exceed the sum of thirty-five thousand dollars for any one year.

Sec. 9. Individual accounts with members to be kept. The contributions made by the members of the retirement association to the annuity fund hereinbefore created, shall be credited as made to such members severally in individual accounts up to the time of retirement, and at the same time each member so contributing shall be credited individually with a like amount as the contribution of the state. Contributing members shall also be credited with the interest earned by their several contributions and by the equal contributions made by the state as aforesaid.

Public Laws 1929, Chapter 136

P. L., 1923, c. 209, Sec. 3; relating to teachers' retirement system amended. Section three of chapter two hundred and nine of the public laws of nineteen hundred and twenty-three is hereby amended by adding at the close of said section the following:

'Provided, further, that each and every teacher who began teaching after the first day of July, nineteen hundred and twenty-four

and therefore is ineligible to the provisions of sections one hundred and sixty-nine to one hundred and seventy-seven of chapter sixteen, and who shall have taught under contract within the state for a period of six years shall be required to contribute to his or her retirement foundation under the provisions of this act. It shall be the duty of each employer to deduct from each and every payroll period such amounts as are required to meet the provisions herein provided. The amount of said deductions shall be certified by the superintendent of schools and approved by the governing board to the treasurer of the town and also to the state commissioner of education. The treasurer of the town shall forward to the treasurer of the state on or before July fifteenth following the amounts so deducted. The provisions of this act shall become effective July first, nineteen hundred and thirty.' So that the section as amended shall read as follows:

'Sec. 3. Contributions toward retirement. An association to be known as the Maine teachers' retirement association, hereinafter called the retirement association, may be organized by and among the teachers in the public schools of the state. Membership in said association may be acquired under the following conditions:

All teachers who shall serve in the public schools and any academy which has contract relations with a town under section eighty-four of chapter sixteen of the revised statutes, and which receives at least three-fifths of its support from the state or who teaches in a normal school which is under the control of the state or members of the state department of education on or after July first, nineteen hundred and twenty-four, may become members of the association, upon application to and approval by a majority of the retirement board and under such rules and regulations as it may prescribe. Provided, further, that each and every teacher who began teaching after the first day of July, nineteen hundred and twenty-four and therefore is ineligible to the provisions of sections one hundred and sixty-nine to one hundred and seventy-seven of chapter sixteen, and who shall have taught under contract within the state for a period of six years shall be required to contribute to his or her retirement foundation under the provisions of this act. It shall be the duty of each employer to deduct from each and every payroll period such amounts as are required to meet the provisions herein provided. The amount of said deductions shall be certified by the superintendent of schools and approved by the governing board to the treasurer of the town and also to the state commissioner of education. The treasurer of the town shall forward to the treasurer of the state on or before July fifteenth following, the amounts so deducted. The provisions of this section shall become effective July first, nineteen hundred and thirty'.

Public Laws 1931, Chapter 14

An Act Relating to Deductions
from State School Fund.

Be it enacted by the People of the State of Maine, as follows:

R. S., C. 19, sec. 205; relating to deductions from state school fund. Section two hundred five of chapter nineteen of the revised statutes is hereby amended by inserting after the word "inclusive"

in the twelfth line of said section the following words: 'such amounts as may be required to cover the obligations of the state for teachers' pensions under sections two hundred nineteen to two hundred twenty-six, inclusive; such amounts as may be required to cover the obligations of the state under the teachers' retirement act under paragraph three of section two hundred thirty-four,' so that said section when amended shall read as follows:

'Sec. 205. Amounts from teachers' pensions and amounts to cover obligations under teachers' retirement act to be deducted from state school fund. In addition to the other funds and appropriations provided for by law to be deducted from the state school fund, there shall annually be deducted the sum of one hundred twenty-five thousand dollars, the same to be denominated the school equalization fund and to be apportioned and distributed in the manner and for the purposes provided for by section two hundred ten. From the state school fund there shall also be apportioned such sums as may be required for payment to towns for reimbursement of tuition in secondary schools as provided for by section two hundred six, such amount as may be required for physical education as provided in sections one hundred eighty-one to one hundred eighty-three; such amounts as may be required to cover the obligations of the state for industrial education under sections one hundred sixty-three to one hundred sixty-eight, inclusive; such amounts as may be required to cover the obligations of the state for teachers' pensions under sections two hundred nineteen to two hundred twenty-six, inclusive, such amounts as may be required to cover the obligations of the state under the teachers' retirement act under paragraph three of section two hundred thirty-four; and such sums as may be required for payment to towns on account of teaching positions maintained as provided for by section two hundred seven, and such sums as may be required for apportionment to towns on the basis of the school census as provided for by section two hundred eight, and the balance of said state school fund shall be apportioned and distributed to towns on the basis of aggregate attendance as provided for by section two hundred nine.'

2. The Maine Teachers' Retirement Association Reserve Fund Investment Fund

Public Laws 1923, Chapter 209

Section 17. Special reserve fund created; how expended. A reserve fund is hereby created, to consist of gifts and receipts from sources other than those herein specified, returns to the state of its contributions to the annuity funds as hereinbefore provided, and balances that may accrue on account of interest, savings or otherwise, which fund shall be maintained and used, in the discretion of the retirement board, for unforeseen contingencies, expenses of administration, or any other purpose within the scope of the retirement system.

Public Laws 1931, Chapter 14
also applies (see IX-1 above)

X. Pownal State School

1. The Joseph C. Greene Fund

(a) Following is so much of the will of Joseph C. Greene of Auburn, Maine, allowed by the Probate Court for Androscoggin

County in 1929, as pertains to a bequest to the Home for Feeble Minded:

"Third. All the rest, residue and remainder of my property wherever found and however situated, and which I may have at my decease, I give in equal shares, one third thereof to each, to the Old Ladies' Home located in Lewiston, Maine, to the Home for Feeble Minded located in Pownal and New Gloucester, Maine, in one or both places, and to the Good Will Home Association located in East Fairfield, Maine, the principal to become a part of the permanent funds of said institutions and the income to be used for the purposes for which said institutions were organized and are now carried on and operated."

XI. State School for Boys

1. The Isaac Sanford Legacy

(a) Following is so much of the will of Isaac Sanford, late of Manchester, Maine, as applies to a bequest for the State School for Boys, allowed by the Probate Court for Kennebec County, September 1853:

"I give, bequeath and devise unto the State Reform School, recently established by the Legislature and located in the County of Cumberland, designed for the reformation of juvenile offenders, the sum of seven hundred dollars; which sum I order and direct my Executor to pay to whomever is authorized to receive the same sum, in six months after he shall assume his trust."

(b) Special legislation applying to the above legacy:

Public Laws 1856, Chapter 197

(An act additional to an act to establish the State Reform School.)

Section 3. There is hereby appropriated for the support of the library of said school, a sum of money, annually, which shall be equal to six per centum upon seven hundred dollars, the amount of the Sanford legacy, in favor of said school, received by the State Treasurer in the year 1854.

Section 4. The treasurer of state shall, annually, in the month of February, pay over to the treasurer of said school, the sum appropriated by the third section of this act, to be applied by the trustees as aforesaid.

XII. Deaf, Dumb and Blind

1. The Isaac Sanford Legacy

(a) Following is so much of the will of Isaac Sanford, late of Manchester, Maine, as pertains to the bequest for the benefit of deaf, dumb and blind, allowed by the Probate Court for Kennebec County, September 1853:

"Item. I give, bequeath and devise unto the State of Maine the sum of six hundred dollars to be expended under the direction of the Governor and Council of the State, for the benefit and to the use of such indigent blind and deaf and dumb mutes, as may apply for aid to be educated and improved institutions established for that object, it being understood that said blind, deaf and dumb person shall be native of the State of Maine and that the Governor and Council shall have the power and right to assign such a portion of said sum to the blind and to the deaf and dumb respectively

and in such amount and at such times, as they may judge best, the principal to be kept on interest as much and as far as may be, in case the Governor and Council should not deem it best or there should not be occasion to expend it, so that interest cannot be obtained, the fund thus derived to be wholly under the control of the Governor and Council; and I do order and direct my Executor to pay said sum of six hundred dollars unto the Treasurer of the State of Maine in one year after he shall have procured the probate of this my will."

2. Special legislation applying to this legacy

Resolves 1911, Chapter 43

Resolved that the treasurer of the State of Maine and his successor in office be and he hereby is the trustee under the will of Isaac Sanford to keep the legacy of six hundred dollars as provided in said will.

And be it further resolved; that the state shall set apart annually a sum equal to six per centum interest on said legacy and shall pay such interest under the direction of the governor and council, as aid toward the education of the deaf, dumb and blind natives of Maine, in institutions established for the education of such persons, provided that if in future it is deemed inadvisable to continue the payment of such interest, the principal sum and any accrued interest shall be expended as the governor and council shall order.

(c) Note that apparently for a period of fifty-eight years the state had this money, and used neither the principal nor income for the purpose provided in the will. This fund should now apparently be about \$4000.

XIII. State Military and Naval Children's Home

(a) Special legislation applying to trust fund for above institution

Public Laws 1929, Chapter 264

Section 1. Bath Military and Naval Orphan Asylum made a state institution. The State Military and Naval Children's Home established as the Bath Military and Naval Orphan Asylum at Bath by chapter 163 of the private and special laws of 1866, is hereby declared to be a state institution, the purpose of which is the rearing and educating, gratuitously in the common branches of learning and ordinary industrial pursuits of the poor and neglected children of this state, preference being given to the children of soldiers and sailors of Maine who have served in the various wars in which the United States has engaged.

Section 3. Trust funds to be turned over to treasurer of state. The trustees shall pay over to the treasurer of state all trust funds of said institution and the treasurer shall invest same as provided by Chapter 222, of the Public Laws of 1923. The income earned by said fund shall be available for the expenses of said institution and the same is hereby appropriated for said purpose.

XIV. Jordan Forestry Prize Fund

(a) Special legislation applying to above named fund:

Resolves 1909, Chapter 67

Resolved, that the offer of Benjamin C. Jordan, of Alfred, Maine, giving to the state of Maine, one thousand dollars, to be known as

the Jordan fund, conditions of which are herewith annexed, be hereby accepted, and the conditions of which shall be carried out by the state forest commissioner.

Resolves of 1929, Chapter 157

Resolve, to Modify the Conditions of the Gift from B. C. Jordan to the State for the Purpose of Encouraging Cultivation of Forests.

Preamble. Whereas, it has been found that the conditions of the gift from Benjamin C. Jordan of Alfred, Maine, to the state of Maine for the purpose of encouraging cultivation of forest trees, which was accepted by chapter sixty-seven of the resolves of the seventy-fourth legislature, and approved February twenty-four, nineteen hundred and nine, are impracticable of operation and have failed to effect the intended purpose, now therefore, be it

B. C. Jordan gift, conditions modified. Resolved: That the conditions of said gift which were annexed thereto, be modified in accordance with the annexed recommendation which has been approved by all the heirs of the said donor.

CONDITIONS OF SAID GIFT

The time of the contest shall be made to read, once in five years and the prizes shall be one hundred and twenty-five dollars, first prize; seventy-five dollars, second prize; fifty dollars, third prize.

Rule 1. Each lot shall consist of one parcel of not less than ten acres in somewhat regular shape and shall be accurately surveyed and plotted.

Rule 2. The majority of said trees shall not be less than five feet nor more than thirty feet high and not less than five nor more than thirty years old when the prize is awarded.

Rule 3. Said forest may consist of any of the following kinds of trees, but other circumstances and conditions being equal, preference shall be given in the following order: White Pine, White Oak, Hickory, Chestnut, Hackmatack, White Ash, Yellow Oak, Red Oak, Bass, Hemlock, Spruce, Norway Pine, Pitch Pine, Cedar, Fir, Poplar, Birch, Maple, Beech and Elm.

Rule 4. All competitors for the prizes shall file in the office of the state forest commissioner, their intention to compete, together with a correct and definite survey and plan of the lot and when such notice has been filed, said lot shall be eligible although the ownership may have been changed. During the period from January first, nineteen hundred and twenty-seven to December thirty-first, nineteen hundred and thirty-one, all entries shall be made on or before June thirtieth, nineteen hundred and twenty-nine. Entries in contest periods on and after January first, nineteen hundred and thirty-two shall be made during the first year of the period.

Rule 5. Myself and heirs shall have the same right as others to compete for the prizes. The same lot cannot be entered in more than one contest.

Rule 6. In awarding prizes, other circumstances being equal, the following conditions shall be considered in the order named:

(a) Right number of trees per acre. (b) Even distribution over whole lot. (c) Health and thriftiness of trees. (d) Adaptation of the varieties of trees to the soil in which they stand. (e) Uniformity of size of trees. (f) Size of trees. (g) Size of lot.

Approved April 13, 1929.

XV. Lands Reserved for Public Uses

(a) Special legislation applying to fund:

Public Laws 1824, Chapter 280

Section 8. Be it further enacted, That there shall be reserved in every township, suitable for settlement, one thousand acres of land, to average in quality and situation with the other land in such township, to be appropriated to such public uses, for the exclusive benefit of such town, as the Legislature may hereafter direct.

Section 10. Be it further enacted, That the Governor with the advice of Council be and he hereby is authorized to appoint and commission some discreet and suitable person, as agent to superintend and manage the sale and settlement of the public land; and it shall be the duty of said agent to survey or cause to be surveyed the townships aforesaid, or such of them as in his judgment circumstances may from time to time require. And such agent is hereby empowered to make contracts and execute deeds in behalf of the State, according to the provisions of this act; to receive all money and securities accruing to the State from the sale of land, timber or grass belonging thereto; and he shall pay unto the Treasurer of the State, for the time being all money by him received within six months from the time he shall receive the same; and said agent is hereby empowered, and it shall be his duty, to sell at public auction or private sale, all grass growing on the public land from year to year; to take all suitable measures for the reservation of the timber and grass standing, or growing thereon, and to prosecute in behalf of the State, for all trespasses which have been or may be made on the same; and to seize, and sell at public auction, all kinds of lumber or grass cut by trespassers, first giving timely public notice of such sale.

R. S. of Maine 1930, Chapter 11

Section 22. *Treasurer also to keep account R. S., c. 8, Sec. 19.* The treasurer shall keep a separate account with the reserved land in each such township, in which account he shall enter all sums by him received and paid on account thereof; and the balance shall remain in the treasury until such township or tract is by law authorized to receive it; and thereupon it shall be paid to the proper officers thereof.

Section 23. *Money to be held in two funds for school purposes. Disposition of unorganized townships fund.* R. S. C. 8, Sec. 20, 1917, C. 261, Sec. 1 1919 C. 15 Sec. 1. The money arising from the sale of timber and grass or from trespasses on reserved lands, paid into the treasury of the county in which the township is situated or into the state treasury, shall be held by the state treasurer in two separate funds, the income of which only shall be expended and ap-

plied as is by law provided for school purposes. Upon the first fund to be known as the unorganized townships fund, the state shall allow interest annually at four per cent, the income from said fund shall be added to the school equalization fund; upon the second fund to be known as the organized townships fund, the state shall allow interest annually at six percent, the income from said fund to be dealt with as provided in the following section.

Section 24. *Disposition of organized townships fund.* R. S. c. 8 Sec. 21 1917, c. 261, Sec. 2. The income of the organized townships fund as provided in the preceding section shall be added to the principal of the funds respectively, until the inhabitants of such township or tract are incorporated into a town or organized as a plantation, and establish in such plantation one or more schools, and until the first day of January next preceding the date upon which the treasurer of said plantation shall call for such interest, unless previously expended according to law. When any such township is incorporated as a town, said funds belonging to it shall be paid by the treasurer of state to the treasurer of the trustees of the ministerial and school funds therein, to be added to the funds of that corporation, and held and managed as other school funds of that town are required to be held and managed. If such township or tract is organized as a plantation, the interest of said fund at ~~six percent~~ shall be paid annually by the treasurer of state to the treasurer of such plantation to be applied toward the support of schools according to the number of scholars in each school. Said interest shall be cast up to the first day of each January, by the treasurer of State. The state commissioner of education shall file a list of such plantations with the amount due for interest for the preceding year according to a record of such amounts to be furnished to him by the treasurer of state, in the office of the state auditor, who shall thereupon insert the name and amount due such plantations in the first warrant drawn in that year. The state commissioner of education shall be satisfied that all such plantations are organized, and that schools have been established therein according to law, that assessors are sworn and qualified, and that the treasurers of such plantations have given bonds as required by law.

SPECIAL LEGISLATION IN REGARD TO ALL STATE TRUST FUNDS

Revised Statutes of Maine 1930

Chapter 2, Section 86

Permanent funds held in trust by state, how invested; exception of farm loan funds. 1923, cc. 170, 222, Sec. 2, 1929, c. 273, Sec. 2. The treasurer of state shall hereafter invest all permanent funds held in trust by the state in the legal obligations of the United States of America; the states of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, and Pennsylvania; and the bonds of the several counties, cities, and towns in the several states above named which are the direct legal obligation of said counties, cities and towns; or may deposit the same on time deposit in banks or trust companies organized under the laws of this state, or of the United States, and not otherwise; provided, however, that this requirement shall not extend to the fund arising from the

lands reserved for public uses, which shall continue to be used for the purposes set forth in chapter fifty-eight.

Revised Statutes of Maine 1930

Chapter 58, Section 3

How commissioners may invest funds. 1917, C. 303, Sec. 3. The said commissioners shall in their discretion invest the principal of the funds which have arisen or may hereafter arise from the sale and lease of the lands reserved for public uses, keeping the principal funds separate from the interest, in the following named bonds and loans, but in no other manner, to wit: 1. in bonds of this state; 2. In approved mortgages on agricultural lands, as hereafter provided in this act; 3. In the bonds of any city, town, or county of Maine; 4. In the bonds of the United States.

APPENDIX TO PART TWO

The Levi M. Stewart Fund

"Received of David D. Stewart, executor and residuary legatee of Levi M. Stewart late of Minneapolis, deceased *TWENTY THOUSAND DOLLARS, in trust*, for the benefit of the *Maine College of Law, at Bangor*, to be called "*The Levi M. Stewart Fund*," and to be kept as a permanent fund, the principal to be safely invested, and the yearly interest to be used for the benefit of the students of the College in such manner as the Trustees, or College Government, shall determine.

Bangor, January 18, 1913.

Orono, July 6, 1914.

My dear Mr. Stewart:

The original donation of \$20,000 for the benefit of the College of Law is credited to the estate of your deceased brother. The terms of that donation you kindly modified to the end the fund could be applied in partial payment of the purchase price of the Law School building, the University to annually appropriate for the use of the college a sum of money equal in amount to the increment of such a fund conservatively invested; this arrangement to continue for some four years (the papers of the case are not at my immediate command) when the corpus of the fund is to be restored. The donation of \$13,705.00 received on Saturday last, to be applied in satisfaction and discharge of the outstanding indebtedness against the building, is, I take it, from you personally. Am I correct in my understanding of the matter?

Yours very truly,

Treasurer

Hon. D. D. Stewart

To the Trustees of the Maine College of Law

I hereby consent that the \$20,000 by me donated to said College for a permanent fund, known as "*The Levi M. Stewart Fund*," may be used by said Trustees, if they deem it necessary, in payment of the mortgage now existing on the College Building in Bangor, upon the condition, and agreement of said Trustees, that said sum shall be repaid and returned to said Fund within four years from this date.

St. Albans, August 28, 1917

DAVID D. STEWART

Frederick W. and Marianne Hill Fund

Transcript from the will of Frederick W. Hill:

"All the rest, residue and remainder of my property, real, personal and mixed, wherever owned and however situated, said rest, residue and remainder comprising about equally property from my estate and the estate of Mrs. Hill, so to speak, I give, bequeath and devise as follows, viz:

c. Ten-fortieths of said rest, residue and remainder I give, bequeath and devise to the University of Maine, situated at Orono, Maine, in trust, to be known as the "*Frederick W. Hill and Marianne Hill Fund*."

The principal of said trust fund shall always be kept intact, and shall be safely invested, and the income only thereof shall be applied for the purposes of said University, except that none of it shall ever be used to pay for the erection or repair of any building, or ever be used to purchase real estate. It is my will that said trustee shall not be required to give any bond . . .

In Witness Whereof, I hereunto set my hand and seal this seventeenth day of January in the year of our Lord one thousand nine hundred and eighteen.

FREDERICK W. HILL, (L. S.)

Thomas U. Coe Fund

Extract from last will and testament of Thomas Upham Coe.

Page No. 6, Article No. 7

Seventh: I also direct my Trustees to pay, within two years after the decease of my said wife, out of the principal of the Trust, ——— to the University of Maine at Orono, Maine, one hundred thousand dollars; ———

It is my wish that the sums bequeathed in this Seventh Article of my Will shall become a part of the permanent funds of the Institutions to which the bequests are made and that only the income thereof shall be perpetually used for the legitimate purposes of said institutions.

Page No. 7, Article No. 9

Ninth: Upon the termination of the Trust created by this Will, I direct my Trustees to pay to the University of Maine at Orono, Maine, Fifty thousand dollars.

Page No. 8, Article No. 10

Tenth: (Second paragraph) If there shall be no lawful issue of Said Henry Willard Coe or said Charles Willard Coe living at the time when the Trust created by this Will shall terminate in accordance with the provisions of this Tenth Article, then all said rest and residue of the Trust Estate shall go to the University of Maine at Orono, already named as a beneficiary of this Will, and shall be legally and properly conveyed and transferred to said University by my Trustees and shall become the property of said University for its use and benefit forever."

PART III
TABULATION OF FUNDS

Beneficiary	Name of Fund	Date Founded and Origin	Original Amount	Purpose of fund and Conditions attached	Rate of Int. Re-quired under terms of gift	Rate of Int. being paid	Book Value June 30 1931	Amount Segre-gated June 30 1931	How Invested June 30, 1931	Amount In-vested in Securities Approved R. S. Ch. 2 Sec. 86	Special Statutes
I. Augusta State Hospital	1. Abner Coburn Fund	1887 Will of Ab- ner Coburn of Skowhe- gan	\$50,000	To the Maine Insane Hospital at Augusta "The same to be funded"	—	4 %	\$50,000	\$50,000	Four per cent unnegotiable bond of the State of Maine, due 1947	\$50,000	Resolves 1887, Ch. 70 P. L. 1917, Ch. 89
	2. Robie Library Fund	1911 Gift of ex- Gov. Robie of Gorham	20 shares of the capital stock First National Bank, Port- land	For support of library, Au- gusta State Hospital	—	8 %	\$2,000	\$2,000	Twenty shares of the capital stock, First National Bank, Portland	None	Resolves 1911 Ch. 159
	3. Col. Black Fund	1856 Will of Col. John Black	\$3,000	For sole pur- pose of forming a library for the benefit of inmates of Maine Insane Hospital	—	8% on Part Sav- ings Bk. rate on Balance	\$3,273	\$3,273	Twenty shares capital stock First National Bank, Portland \$1,273 in Savings Account Augusta Savings Bank	\$1,273	Resolves 1857, Ch. 47
	4. Joseph H. Williams Legacy	1897 Will of Joseph H. Williams of Augusta	\$1,000	In trust. Legis- lature must ap- propriate not less than \$40, to be used an- nually to pur- chase articles of art or use for diversion of the patients in Augusta State Hospital	4 %	4 %	\$1,000	None	—	None	Resolves 1897, Ch. 220

Beneficiary Augusta State Hospital (cont.)	Name of Fund	Date Founded and Origin	Original Amount	Purpose of fund and Conditions attached	Rate of Int. Re- quired under terms of gift	Rate of Int. being paid	Book Value June 30 1931	Amount Segre- gated June 30 1931	How Invested June 30, 1931	Amount In- vested in Securities Approved R. S. Ch. 2 Sec. 86	Special Statutes
	5. Helen A. Gilman Legacy	1905 Will of Helen A. Gilman of Portland	\$1,000	In trust on con- dition that leg- islature appro- priate not less than \$50 annu- ally for promo- tion of pleasure and comfort of patients	5%	5%	\$1,000	\$181.47	Deposit in Savings Account at Skowhegan Savings Bank	\$181.47	Resolves 1905, Ch. 131
	6. Orne Amusement Fund	Will of Mrs. S. A. Orne	\$1,000	Benefit of pa- tients of the Maine Insane Hospital. No conditions known	—	4%	\$1,000	\$1,000	New England Tel. & Tel. Gold Coupon Bond due 1936	None	R. S. Ch. 2, Sec. 86
II Bangor State Hospital	1. Robie Amusement Fund	1911 Gift of ex- Gov. Robie of Gorham	20 shares of the capital stock of First Nat- ional Bank, Portland Book Value \$2,000	Amusement of inmates of Ban- gor State Hos- pital. Fund must be kept distinct.	—	8%	\$2,000	\$2,000	Twenty shares of the Capital Stock, First National Bank Portland	None	Resolves 1911, Ch. 159 R. S. Ch. 2, Sec. 86
III Central Maine Sanato- rium	1. John Prescott Fund	1919 Will of John Pres- cott of Calais	\$1,000	None Expressed	—	4½%	\$1,000	\$1,000	Two five hundred dollar 4th Liberty Loan 4½% Bonds, Maturing 1938	\$1,000	Resolves 1919, Ch. 92 (This was an er- ror. Intended to ac- cept bequest to Western Maine San- atorium, See IV-1 below) R. S. Ch. 2, Sec. 86

Beneficiary	Name of Fund	Date Founded and Origin	Original Amount	Purpose of fund and Conditions attached	Rate of Int. Re-quired under terms of gift	Rate of Int. being paid	Book Value June 30 1931	Amount Segre-gated June 30 1931	How Invested June 30, 1931	Amount In-vested in Securities Approved R. S. Ch. 2 Sec. 86	Special Statutes
III Central Maine Sanato- rium (Cont.)	2. Valora Chase Fund	Feb. 26 1917 Will of Valora A. Chase of Waterville	\$500	"To build a children's play house."	—	Savings Bank Rate	\$844.82	\$844.82	Deposited in savings account, First National Granite Bank of Augusta	\$844.82	Resolves 1919, Ch. 93 R. S. Ch. 2 Sec. 86
IV Western Maine Sanato- rium	1. John Prescott Fund	1923 Will of John Pres- cott of Calais	\$1,000	None expressed	—	4½%	\$1,000	\$1,000	One New York Power and Light Co. 4½% Bond, due November 1, 1967 Reinvested in City of Biddeford, Maine 4% Bond	\$1,000	Resolves 1923, Ch- 52 (This was an er- ror. Intended to ac- cept bequest to Cen- tral Maine Sanato- rium. See III-1 a- bove) R. S. Ch. 2, Sec. 86
	2. Brown Company Fund	? Gift of W. W. Brown of Portland	\$1,200	None Known	—	—	\$1,200	\$1,200	Twelve shares of Brown Com- pany 6% preferred stock	None	R. S. Ch. 2, Sec. 86
	3. Levi M. Stewart Fund	Jan. 18 1913 Gift of D. D. Stewart of St. Albans	\$75,000	Benefit of Maine State Sanatorium at Hebron. Prin- cipal to be safe- ly invested, and the yearly in- terest to be used for the benefit of the sanatorium	—	\$5,000 @ 5½% \$10,000 @ 5% \$5,000 @ 4¾% \$43,000 @ 4½% \$12,000 @ 4%	\$75,000	\$75,000	Bonds \$5000 Republic Cuba 5½ 1945 5000 Cumb. T. & T. 5 1937 2000 Port.Term.Co. 4 1961 5000 Indianapolis Water Co. 4½ 1940 8000 St. No. Caro- lina 4½ 1936 5000 St. of Maine 4 1942 5000 St. of Calif. 4 1985 5000 South Pacific 4½ 1977 5000 N. E. T. & T. 5 1932 5000 State Loan Co. Portland 4½ 1945 5000 Penn. R. Co. 4½ 1970 5000 Pittsburg & W. Va. Ry Co. 4½ 1960 5000 New York Tel. 4½ 1939 5000 Hancock Coun- ty Bridge 4½ 1939 5000 Canada Nat. Railroad 4¾ 1955	\$10,000	P. L. 1915 Ch. 351 Sec. 608 P. & S. Laws 1901 Chapter 412 P. L. 1923, Ch. 222 R. S. Ch. 2, Sec. 86

Beneficiary	Name of Fund	Date Founded and Origin	Original Amount	Purpose of fund and Conditions attached	Rate of Int. Re-quired under terms of gift	Rate of Int. being paid	Book Value June 30 1931	Amount Segre-gated June 30 1931	How Invested June 30, 1931	Amount In-vested in Securities Approved R. S. Ch. 2 Sec. 86	Special Statutes
IV Western Maine Sana- torium (Cont.)	4. Western Maine Sanatorium Unused Balance	October 5 1915 Balance on hand when sanatorium property ceded to state	\$2874.72	—	—	Savings Bank Rate	\$3,468.94	\$3,468.94	Deposited in savings account, Kineo Trust Co., Milo, Maine	\$3,468.94	P. & S. Laws 1901, Ch. 412 P. L. 1915, Ch. 351 P. L. 1923, Ch. 222 R. S. Ch. 2, Sec. 86
V State School for Girls	1. Augustus Hopkins Legacy	February 12 1906 Will of Au- gustus Hop- kins of Gar- diner	\$1,000	"To be safely invested, and the income used only in such a way as may seem best, for the girls in said institution."	—	5 %	\$1,000	—	September 10, 1931 \$1000, City of Portland, Maine, 3½ % Bond, due 1945	\$1,000	P. L. 1909, Ch. 174 now R. S. Ch. 154 Section 33, R. S. Ch. 2, Sec. 86
	2. Peter Lane Legacy	February 1903 Will of Peter Lane of Leeds	\$1,156.65	For the benefit of the State School for Girls No conditions	—	5 %	\$1,156.65	—	—	None	P. L. 1909, Ch. 174 now R. S. Ch. 154 Section 33 R. S. Ch. 2, Sec. 86
	3. Eliza Mustard Fund	August 13 1894 Will of Eliza Mustard of Farming- dale	\$4,000	In trust, the in- come only to be used to help pay current ex- penses of State School for Girls	—	5 %	\$3,912.50 (State de- ducted a collateral inheritance tax of \$87.50)	—	—	None	P. L. 1909, Ch. 174 P. L. 1923, Ch. 222 R. S. Ch. 2, Sec. 86
	4. Nellie F. Shaw Fund	April 5, 1909 Will of Nel- lie F. Shaw of Boston	\$5,000	Benefit of Maine Indus- trial School for Girls. No con- ditions	—	5 %	\$4,750 (Mass. de- ducted a tax of 5 %)	—	—	None	P. L. 1909, Ch. 174 P. L. 1923, Ch. 222 R. S. Ch. 2, Sec. 86

Beneficiary	Name of Fund	Date Founded and Origin	Orig Amount	Purpose of fund and Conditions attached	Rate of Int. Required under terms of gift	Rate of Int. being paid	Book Value June 30 1931	Amount Segregated June 30 1931	How Invested June 30, 1931	Amount Invested in Securities Approved R. S. Ch. 2 Sec. 86	Special Statutes
V State School for Girls (Cont.)	5. Jessie F. Godfrey Fund	October 15 1924	\$893	Endowment fund for the promotion of education and music among girls seeking higher education	—	4%	\$893	\$893	Deposited in savings account, Augusta Trust Company	\$893	P. L. 1923, Ch. 222 R. S. Ch. 2, Sec. 86
VI University of Maine	1. Land Grant Fund	Act of 37th Congress July 2 1862	\$118,300	Endowment, support and maintenance of a College where leading object shall be teaching of agriculture and mechanic arts. Conditioned on fund being kept intact and purposes observed	5%	5%	\$118,300	\$118,300	Unnegotiable registered bond of Maine, Dated June 1, 1919, Due 1949	\$118,300	Act 37 Congress July 2, 1862 Resolves 1863, Ch. 274-5. Res. 1864, Ch. 342. Res. 1881, Ch. 13. Res. 1883, Ch. 130. Res. 1889, Ch. 226. Res. 1919, Ch. 142. R. S. Ch. 2, Sec. 86
	2. Abner Coburn Fund	1887 Will of Abner Coburn of Skowhegan	\$100,000	Benefit of Maine State College of Agriculture and Mechanic Arts. "Same to be funded and the income only to be expended annually."	—	4%	\$100,000	\$100,000	Unnegotiable registered bond of State of Maine, dated July 1, 1917, due 1947	\$100,000	Resolves 1887, Ch. 105 Resolves 1917, Ch. 47 R. S. Ch. 2, Sec. 86
	3. Carleton Fund	November 1 1909 Gift of James J. A. Gregory of Marblehead, Mass.	\$1,000	To perpetuate the memory of Marcus Manard Carleton. Interest to be used for promotion of scientific orcharding in Maine	Minimum of 4% needed to meet conditions	5%	\$1,000	\$1,000	Salt Lake & Ogden Ry. Co. First Mortgage Bond	None	Resolves 1911, Ch. 60 Resolves 1923, Ch. 10 P. L. 1923, Ch. 222 R. S. Ch. 2, Sec. 86

Beneficiary	Name of Fund	Date Founded and Origin	Original Amount	Purpose of fund and Conditions attached	Rate of Int. Re-quired under terms of gift	Rate of Int. being paid	Book Value June 30 1931	Amount Segre-gated June 30 1931	How Invested June 30, 1931	Amount In-vested in Securities Approved R. S. Ch. 2 Sec. 86	Special Statutes
VII Indian Funds	1. Passama-quoddy Indian Fund	1794 Sales by land agents of lands, timber, grass, flowage rights on other lands of the tribe in Washington County	—	Permanent fund to be held for all time to provide for the needs of this tribe	—	6 %	\$138,658.55	\$20,307.17	The amount of \$20,307.17 deposited in savings account, Kineo Trust Co., Milo, Maine	\$20,307.17	Treaty of 1794 between Tribe and Massachusetts. Resolves of Maine 1836, Ch. 54 R. S. 1857, Ch. 9, Sec. 22 R. S. Ch. 2, Sec. 86
	2. Penobscot Indian Fund	1833 Sale of four townships purchased by State of Maine from said tribe, and from leases of shores of islands by land agents	\$50,000	Purposes are the same as for the Passama-quoddy Fund. Principal, plus unexpended balances of interest, "shall remain in the Treasury an accumulating fund, for the benefit of said tribe."	—	6 %	\$38,092.44	—	—	None	Treaty Aug. 8 1796 Treaty June 29, 1818 Treaty Aug. 17, 1820 Mass. Resolves Mar. 2, 1799. Maine Resolves Feb. 9, 1821 Resolves 1839 P. 168 R. S. 1857, Ch. 9, Secs. 6-10-11-18-21 R. S. Ch. 2, Sec. 86
VIII Miscellaneous School Funds	1. Foxcroft Academy Fund	Resolves 1868, Ch. 277	\$1,000	For the use and benefit of said academy. Annual interest to be paid annually to the trustees of said academy	—	6 % has been paid heretofore, now drawing 5 %	\$1,012.50	\$1,012.50	Deposit in savings account, Skowhegan Savings Bank	\$1,012.50	Resolves 1868, Ch. 277 P. L. 1929, Ch. 189 R. S. Ch. 2, Sec. 86
	2. Hebron Academy Fund	Resolves 1868, Ch. 278	\$1,000	Same as Foxcroft Fund	—	6 % paid heretofore, now drawing 5 %	\$1,012.50	\$1,012.50	Deposit in savings account, Skowhegan Savings Bank	\$1,012.50	Resolves 1868, Ch. 278 P. L. 1929, Ch. 189 R. S. Ch. 2, Sec. 86

Beneficiary	Name of Fund	Date Founded and Origin	Original Amount	Purpose of fund and Conditions attached	Rate of Int. Re-quired under terms of gift	Rate of Int. being paid	Book Value June 30 1931	Amount Segre-gated June 30 1931	How Invested June 30, 1931	Amount In-vested in Securities Approved R. S. Ch. 2 Sec. 86	Special Statutes
VII Miscel- laneous School Funds (Cont.)	3. Houlton Academy Fund	Resolves 1864, Ch. 370	\$2,000	Same as Fox- croft Fund	—	6% paid hereto- fore, now drawing 5%	\$2,025	\$2,025	Deposit in savings account, Skowhegan Savings Bank	\$2,025	Resolves 1864, Ch. 339 Resolves 1864, Ch. 370 P. L. 1929, Ch. 189 R. S. Ch. 2, Sec. 86
	4. Madawaska Territory School Fund	1861 Distributed in 1837 from Nat- ional Sur- plus	\$5,000	To be held as a trust. \$300 to be paid annu- ally for support of schools in said territory.	6%	6% paid hereto- fore, now drawing 5%	\$5,112.50	\$5,112.50	Deposit in savings account, Phillips Savings Bank, Oc- tober 8, 1930	\$5,112.50	P. L. 1837, Ch. 252 P. L. 1838, Ch. 311 P. & S. Laws 1861 Ch. 100 P. L. 1929, Ch. 189 R. S. Ch. 2, Sec. 86
	5. School District Number 2 Madison Fund	March 25 1863 Gift of Mahlon D. Spaulding of Boston	\$1,000	For the benefit of said school district; "5% to be paid on the amount for all time to come."	5%	5%	\$1,012.50	\$1,012.50	Deposit in savings account, Skowhegan Savings Bank Oc- tober 8, 1930	\$1,012.50	Resolves 1863, Ch. 273 P. L. 1929, Ch. 189 R. S., Ch. 2, Sec. 86
	6. Permanent School Fund	1828 Sale of 20 townships of public lands	Apr. 30, 1848. \$106,- 845.12 Dec. 31, 1868 \$261,112.00 Dec. 31, 18- 81 \$442,757- .91 Public lands all sold; no in- come since from that source.	Support of com- mon schools.	—	6%	\$568,691.90	\$46,299.88	The amount segregated is deposited in savings accounts in Guilford Trust Company, and Farmers' National Bank Houlton	\$46,299.88	P. L. 1828, Ch. 403 R. S. 1841, Ch. 11 Sec. 50, 51 P. L. 1847, Ch. 7 R. S. 1857, Ch. 11 Sec. 73 Resolves 1857, Ch. 73 R. S. 1903, Ch. 15 Sec. 127 P. L. 1923, Ch. 222 R. S., Ch. 2, Sec. 86

Beneficiary	Name of Fund	Date Founded and Origin	Original Amount	Purpose of fund and Conditions attached	Rate of Int. Required under terms of gift	Rate of Int. being paid	Book Value June 30 1931	Amount Segregated June 30 1931	How Invested June 30, 1931	Amount Invested in Securities Approved R. S. Ch. 2 Sec. 86	Special Statutes
IX Maine Teachers' Retirement Association	1. Maine Teachers' Retirement Fund	1923 Need of a contributing fund for an adequate amount to take care of super-annuated teachers	—	For purpose see origin. Each teacher after six years service must pay 5% of annual salary (but not less than \$5 nor more than \$100) to the state which contributes an equal amount.	4% compounded	4% compounded	\$8,813.63	\$8,813.63	Deposit in savings account, State Trust Company, Augusta	\$8,813.63	P. L. 1923, Ch. 209, Sec. 8-9 P. L. 1929, Ch. 136 R. S. 1930, Ch. 19 Sec. 234, 235, 240, 244 P. L. 1931, Ch. 14 R. S., Ch. 2, Sec. 86
	2. Maine Teachers' Retirement Association Reserve Fund Investment Fund	1923 Gifts to M. T. R. Association and unexpended balance of income	—	—	—	4%	\$590.55	\$590.55	Deposit in savings account, State Trust Co., Augusta	\$590.55	P. L. 1923, Ch. 209, Sec. 17 R. S. 1930, Ch. 19 Secs. 240, 243 P. L. 1931, Ch. 14 R. S., Ch. 2, Sec. 86
X Pownal State School	Joseph C. Greene Fund	January 6 1929 Will of Joseph C. Greene of Auburn	\$6,000	Principal to become part of permanent funds of state. Income to be used to further the purposes for which school was organized.	—	4%	\$6,000	\$6,000	Deposit in savings account, Augusta Trust Company	\$6,000	R. S., Ch. 2, Sec. 86
XI State School for Boys	Isaac Sanford Legacy	1853 Will of Isaac Sanford of Manchester	\$700	For benefit of State School for Boys. No conditions.	—	6%	\$700		THESE TWO FUNDS ARE NOT SEPARATED ON THE TREASURER'S BOOK BUT ARE CARRIED AS ONE UNDER THE NAME OF "ISAAC SANFORD FUND"	None	P. L. 1856, Ch. 197 Sections 3, 4 R. S., Ch. 2, Sec. 86
XII Deaf, Dumb and Blind	The Isaac Sanford Legacy	1853 Will of Isaac Sanford of Manchester	\$600	Benefit of indigent deaf, dumb, and blind natives of Maine. "Principal to be kept on interest as far as may be," but principal can be used if deemed advisable	—	Nothing until 1911 Since then 6%	\$600			None	Resolves 1911, Ch. 43 R. S. Ch. 2, Sec. 86

Beneficiary	Name of Fund	Date Founded and Origin	Original Amount	Purpose of fund and Conditions attached	Rate of Int. Re-quired under terms of gift	Rate of Int. being paid	Book Value June 30 1931	Amount Segre-gated June 30 1931	How Invested June 30, 1931	Amount In-vested in Securities Approved R. S. Ch. 2 Sec. 86	Special Statutes
XIII State Military & Naval Children's Home	State Military & Naval Children's Home Fund	Gifts to Bath Military and Naval Orphan Asylum	\$16,000	—	—	—	\$12,261.62	\$12,261.62	Deposit in savings account, Augusta Trust Co. \$2,261.62 Bonds Galesburg Ry. & Lt. 4,000.00 Portland RR. Co. 2,000.00 Topeka Ry. & Lt. 500.00 Leadville Water Co. 1,000.00 United Public Utilities Co. 500.00 U. S. A. 1st Liberty Loan 2,000.00	\$4,261.62	P. & S. Laws 1866, Ch. 163 P. & S. Laws, 1885, Ch. 514 P. & S. Laws, 1893, Ch. 405 P. & S. Laws, 1897, Ch. 461 P. & S. Laws, 1903, Ch. 306 P. L. 1929, Ch. 254 P. L. 1923, Ch. 222 R. S., Ch. 2, Sec. 86

65

XIV State of Maine	1909 Jordan Forestry Prize Fund	Gift of Benjamin C. Jordan of Alfred	\$1,000	To encourage cultivation of forest trees. State once in 18 years to offer five prizes totalling \$1,000	—	—	\$1,000	—	—	None	Resolves 1909 Ch. 67 Resolves 1929, Ch. 157 R. S., Ch. 2, Sec. 86
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XV Townships To Be Organized	Lands Reserved for Public Uses (a) Un-organized Townships Fund (b) Or-ganized Township Fund	Early colo-nial custom of setting a-side land for minister and school. — First Maine Legislature 1821 — Money from sale of grass and timber or from tres-passes on re-served lands	1000 A. of land set a-side in each town-ship, under Law of 1824. (960 A. in some cases arising before sepa-ration from Mass-achusetts.)	To provide means of sup-port for a resi-dent minister, for schools, and such other pub-lic needs as may arise after towns are or-ganized. A sepa-rate fund is kept for each township, to be paid over at time of organ-ization. The fund is created "for the exclu-sive benefit of such town."	(a) 4% (b) 6%	(a) 4% (b) 6%	\$789,185.98	\$681,254.99	1. Deposited in savings ac-counts in ten banks of the state of Maine \$169,003.20 2. State of Maine War Loan Bonds \$21,000.00 3. State of Maine Highway Bonds \$232,000.00 4. Farm Loan First Mort-gages (farms in Maine) \$259,251.79 Total \$681,254.99	\$681,254.99	P. L. 1821, Ch. 41 P. L. 1821, Ch. 118 Section 23 P. L. 1824, Ch. 280 Sections 8, 10 R. S. 1930, Chap. 11 Sections 22, 23, 24 R. S. 1930, Ch. 58 Section 3
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FINAL SUMMARY

Total of Funds June 30, 1931 (Exclusive of Public Administrators' and Receivers' Funds)	\$1,998,568.58
Total Amount Segregated	1,146,864.07
Balance not Segregated June 30, 1931	851,704.51
Allocated since July 1, 1931	1,000.00
Balance not Allocated, Sept. 11, 1931	850,704.51
Bonds Purchased since July 1, 1931, to be Used in Restoring Funds	240,000.00 (Cost \$247,154.95)
Balance to be Made Up (as of Sept. 11, 1931)	\$ 610,704.51
Amount of Collateral Inheritance and Estate Taxes for Fiscal Year Ending June 30, 1931	\$2,652,712.41
Amount Available for Restoring Funds	1,652,712.41
Amount Necessary to Restore Funds June 30, 1931	851,704.51
Excess Over Amount Necessary to Restore Funds	801,007.90
Amount of Funds Invested in State of Maine Bonds	
1. Coburn Fund, Augusta State Hospital	50,000.00
2. Stewart Fund, Western Maine Sanatorium	5,000.00
3. Land Grant Fund, University of Maine	118,300.00
4. Coburn Fund, University of Maine	100,000.00
5. Lands Reserved Fund (N. B. This investment is approved by R. S. Chap. 58, Section 3)	253,000.00
	\$ 526,300.00
Amount of Investments that do not as yet Conform to Statutory Provisions (Omitting State of Maine Bonds)	\$ 82,200.00

SUPPLEMENTAL REPORT
ON
STATE TRUST FUNDS
BY
FRANK I. COWAN

August 4
1932

August 4, 1932

Hon. Clement F. Robinson
Attorney General
Augusta, Maine

Dear Sir:

His Excellency, Governor Gardiner, requested me to continue my examination of the condition of the State Trust Funds to complete the report I filed September 10, 1931. I have carefully rechecked each of the items. As my former report shows, there was a balance due these funds, as of June 30, 1931, in the sum of \$851,704.51. To this amount might be added the sum of \$273,300, invested in unnegotiable registered bonds of the State of Maine. These figures represent the total that I discovered at that time of trust funds created for the benefit of various institutions of the State, and for state wards, where I could find absolute proof that the principal had been thrown into the State Treasury. In some cases insufficient provision had been made by the state for paying the income from the fund for the benefit of the designated institution, or its inmates. One fund, a gift of \$5000 to the State School for Girls, provided for by the will of Abner Coburn in 1889, proved to be untraceable. I have not been able to produce any evidence to show what became of that money.

Without in any way suggesting criticism of the former administrative officers of the State, or those of any institution, it seems not unwise to call attention to the laxity in bookkeeping methods that have prevailed in some quarters, in order that the future may profit from the experience of the past. Some funds have become so confused that it is now impossible to say who the donors were, and what the present amount should be. In some institutions, funds that were given to be held in trust, the interest each year to be used for the benefit of the inmates, have been so handled that the desires of the benefactors have not been accomplished. In some cases the interest on these funds, instead of being spent each year for the pleasure and benefit of the inmates as the donor intended, has been allowed to accumulate.

This condition has now been corrected by an order of the Governor and Council, passed March 2, 1932. It gives me pleasure to report that all the State Trust Funds that have been surveyed as a result of the investigation authorized by Governor Gardiner have been restored, and that the income is being used in accordance with the expressed wishes of the donors so far as those can be ascertained. In some cases, as, for example, the gifts of Governor Robie to the state hospitals, no documents were ever filed. The shares of stock described in my report were delivered to the treasurer of the institutions with verbal instructions as to their use. Other trusts may have been created in the same informal fashion.

In order that you may have immediately available the names and amounts of the funds that have been restored since June 30, 1931, I give them below. The first column gives the principal of the fund. The second column gives the amount segregated as of June 30, 1931, for each fund; and the third column gives the amounts set aside in 1931 and 1932 to restore the principal of these funds.

Number	Name	Principal of Fund	Amount of Fund Segregated June 30, 1931	Amount Set Aside in 1931-1932 to Restore Principal
I-1	Abner Coburn Fund for the Augusta State Hospital (formerly invested in an unnegotiable registered bond of the State of Maine).....	50,000.00	None	50,000.00
I-4	Joseph H. Williams Legacy to the Augusta State Hospital.....	1,000.00	None	1,000.00
I-5	Balance of Helen A. Gilman Legacy to the Augusta State Hospital.....	1,000.00	180.47	819.53
V-2	Peter Lane Legacy to the State School for Girls.....	1,156.65	None	1,156.65
V-3	Eliza Mustard Fund for the State School for Girls.....	3,912.50	None	3,912.50
V-4	Nellie F. Shaw Fund for the State School for Girls.....	4,750.00	None	4,750.00
VI-1	Land Grant Fund for the University of Maine (formerly invested in an unne- gotiable registered bond of the State of Maine).....	118,300.00	None	118,300.00
VI-2	Abner Coburn Fund to the University of Maine (formerly invested in an un- negotiable registered bond of the State of Maine).....	100,000.00	None	100,000.00
VII-1	Passamaquoddy Indian Fund, balance.....	138,260.83	20,307.17	117,953.66
VII-2	Penobscot Indian Fund.....	88,092.44	None	88,092.44
VIII-6	Permanent School Fund.....	566,894.62	46,299.88	520,594.74
XI	Isaac Sanford Legacies for the State School for Boys, and for the Deaf, Dumb			
XII	and Blind.....	1,300.00	None	1,300.00
XIV	Jordan Forestry Prize Fund.....	1,000.00	None	1,000.00
XV	Balance of Lands Reserved for Public Uses Fund.....	789,185.98	681,254.99	107,930.99
		<hr/>	<hr/>	<hr/>
		\$1,864,853.02	\$748,042.51	\$1,116,810.51
				748,042.51
		<hr/>	<hr/>	<hr/>
		\$1,864,853.02		\$1,864,853.02

The amount of \$1,116,810.51, which has been determined upon as the necessary sum to be set aside to restore the depleted trust funds, has all been invested in legal bonds, savings bank deposits, or certificates of deposit in banks, and in each case the amount so invested has been carried to the name of the particular fund so restored. All savings bank books and certificates of deposit are in the name of the Treasurer of the State of Maine, and carry besides the name of the fund which they represent. The bonds are actually in the State Treasury in the savings deposit box of the State Treasurer, and each bundle of bonds is definitely marked with the name of the fund which it represents.

The apparent excess of the amount restored over the amount owed the funds according to my report of September 10, 1931, is due to the fact that the State Treasurer found it more practicable to take a different basic date in several cases. This does not alter the actual totals, but cuts off accumulated interest at a higher or lower level than the one I used. I have in the figures given above adopted the level used by the State Treasurer in order to prevent an erroneous appearance of discrepancy.

Since the report of September 10, 1931, several other small funds for the benefit of the inmates of public institutions of the State have come to light, and have been turned over to the State Treasurer. These are as follows:

1. Shaw Bequest to the Augusta State Hospital. The origin of this fund is unknown. Hon. Samuel N. Tobey, Treasurer of the Augusta State Hospital, has recently turned over to the State Treasurer a deposit book on the Augusta Savings Bank, representing a present bank balance of \$657.58. The principal of this fund is understood to be \$500.00.
2. Franklin M. Drew Fund for the benefit of inmates of the Augusta State Hospital. \$500.00
3. Sweat Fund, amounting to \$2753.67, represented by a savings deposit in the First National Bank of Portland.
4. Martha Barton Fund, amounting to \$684.05, represented by a savings deposit in the First National Bank of Portland.
5. Swan Fund, amounting to \$924.66, represented by a savings deposit in the Canal National Bank of Portland.
6. Davies Fund, amounting to \$209.37, represented by a savings deposit in the Portland National Bank.
7. Whidden Fund, amounting to \$250.37, represented by a savings deposit in the Portland National Bank.
8. Sweat Fund, amounting to \$1561.32, represented by a savings deposit in the Portland National Bank.

The last above mentioned six funds were turned over to the State Treasurer by Louise T. Young, Superintendent for the State School for the Deaf, on February 19, 1932.

9. There is a fund of the State Military and Naval Children's Home at Bath, known as the "Special Children's Account." This amounts to approximately \$9259.83, and was turned over to the State Treasurer about January 1, 1932, by Miss Louise Staples, the Superintendent of the Home. Of this amount \$9063.18 is in bonds or savings bank deposits controlled by the State Treasurer. The balance is in a checking account held by Miss Staples for use for the benefit of the children in the home. The whole fund is expressly for the children, and is not in any way to be connected with expense of administration.

The total of the above nine trust funds* not listed in my report of September 10, 1931, is \$16,800.85.

As is shown in my first report, several small funds are in the form of gifts of bonds or shares of stock that do not conform to the requirements of the Statute in regard to the investment of State Trust Funds. However, as these were gifts of specific securities, it has been felt that a change in the form of investment, unless economic circumstances rendered such a change imperative, would not be in accordance with the expressed desires of the donor.

Respectfully submitted,

FRANK I. COWAN

*This is the language of the original report in which the two Sweat Funds were set up separately and in which of course the Clark Fund does not appear.

APPENDIX

Correspondence and Memos in regard to the Report.

To the Governor

January 23, 1930

In Re: Trust Funds

Confirming conversation, I agree with your memo of January 20, that under P. L. 1929, Chapter 189, the duty of transferring to the State Trust Fund all excess, on July 1 of inheritance taxes above one million dollars, is fully performed when the existing deficit in those Trust Funds has been filled up.

Thereafter all inheritance taxes go into the general funds in the Treasury and by their amount may help to roll up a surplus fund available for the building program after the end of the fiscal year (or I suppose before that date by anticipatory computation).

I shall be delighted to cooperate with the Auditor and the Treasurer in getting the Trust Funds into shape, supplementing Senate Document No. 149, 1929.

C. F. R.

State of Maine

OFFICE OF THE GOVERNOR

Augusta

January 20, 1930

Memo to Attorney General:

In view of the anticipated inheritance tax, will you some time examine Chapter 189, P. L. 1929. It is my hope that this law means that from the excess inheritance tax the trust funds of the State are first to be filled up and when filled up any remaining amount of excess may be handled as if this law, having accomplished its purpose, did not exist.

In this connection there is another law passed in 1923 or 1925 providing that all future accessions to the trust funds shall be represented by segregated funds. The amount of trust funds not supported by investments is nine and one-half millions.

In anticipation of the happy event I have requested the Auditor and the Treasurer to make a study of the trust funds and prepare plans for their establishment. In this connection there may be some legal problems for you. For instance, we pay theoretical interest on the different funds in some cases at 4% and other cases at 6%. If this whole business can be set up right and in permanent form it will be a great accomplishment.

I mention this early so that we may be prepared for action and also we may find that some legislation regarding funds is necessary.

W. T. G.

April 30, 1931

Honorable Wm. Tudor Gardiner
Governor of Maine
Augusta, Maine

Re: Inheritance Taxes

Dear Governor Gardiner:

You probably have these figures already, but here they are:

Total Inheritance and Estate taxes collected from the Cathedralwood Estate,	\$1,342,532.95
Total of all inheritance and Estate taxes collected so far this fiscal year,	2,519,427.13

The balance at the beginning of the fiscal year of trust funds plainly up to us to make up under the existing legislation is \$739,061.51.

In addition, there is \$218,300.00 U. of M. Land Grant Fund, and \$50,000.00 Augusta State Hospital Fund. The state auditor has some doubt whether these two funds need to be made up. Personally, as I understand it, I should suppose the \$50,000.00 should be made up but I have not all the facts. Whether the U. of M. fund needs to be made up depends partly on the history of the transaction. It may be that this is not a trust fund of which we are supposed to have a certain definite principal; an obligation definitely under any circumstances payable. The law on this point could be looked up if necessary.

There is also a \$500.00 item, to wit: a bond which has never been presented for payment and probably has been lost or destroyed. It does not strike me that this is a trust fund. It is a debt of the State like any other debt.

There is also the item of \$146,399.51 being the balance of the fund from school lots in unincorporated townships. As I understand it this fund does not have to be made up in the form of securities. The legislature has authorized this amount to be funded in loans to farmers. There would be no point in setting aside that amount of money and buying bonds for it and then selling the bonds, when a farmer needed to borrow the money.

The question will arise sometime as to making up the principal on this fund when a farmer defaults on his loan and we make a loss on the foreclosure, that is, make a bad investment like a bond going bad. But that question does not come up either as yet.

In short, as I understand it, we have to make up immediately the sum first mentioned; probably the Augusta State Hospital fund; possibly the U. of M. fund; probably not the other two funds.

The Bangor News suggests that it took the State 75 years to steal this money, why pay it back all at once? However that may be, your administration has produced the funds and paid it back and we will hope that no other administration steals it again.

Very truly yours,

Attorney General

To: Mr. Hayford

At Portland.

5/9/31

In talking with the Governor Wednesday evening he suggested my consulting with you as to the practicability of having someone from my department cooperate with you in making an analysis of the various trust funds,—their origin, history, amount, parties, object, and so on. There may be trust funds which require court action for putting them into workable shape to carry out the original purpose of the fund, or modified in accordance with present conditions.

I should be glad to talk this over with you when at Augusta. Don't you agree with me that it would be a good plan? I suppose likely you have a good deal of the data already, perhaps most or all of it, but having had a similar experience with the trust funds of a church of which I became a trustee, I can well understand that such an examination and compilation might be practicable and useful.

CLEMENT F. ROBINSON

Attorney General

State of Maine

DEPARTMENT OF STATE AUDITOR

Augusta

May 13, 1931.

Memo for Mr. Robinson, Attorney General.

I have your memo of May 9th.

I believe it would be well to carefully review the law in each case where a trust fund has been established, if such fund was established in pursuance of an act of the legislature.

If not established by an act of the legislature, it would be helpful, indeed necessary to carefully examine the terms of the gift or bequest.

The writer and Mr. Winship, the deputy treasurer, have this information ready; whenever you wish to go over it with us just give us one day's notice.

ELBERT D. HAYFORD,

State Auditor

To: The Governor

At Portland

6/30/31

I am going to have Frank Cowan of Portland check up the legal situation in re trust funds as you suggested some time ago. He is just the man

for the job. He is an expert on investigation of titles and such things, and I have found him very effective on anything of the sort which he has been asked to do.

I told him that it may be a job of only a few hours or may take several days. I judge that the state auditor and the state treasurer have a good deal of the data collected and in pretty good shape, but of course it ought to be collated, checked, examined and a definite report made. I am pretty sure that there will be a balance available out of this year's appropriation for my department, which I suppose can be used on the theory that the job was started today during the current fiscal year.

C. F. R.

State Auditor

June 30, 1931

Carrying out the Governor's suggestion which we discussed sometime ago, I have asked Frank Cowan of Portland, to get up a memorandum of the various Trust Funds, their origin and the various legal details connected with them.

Mr. Cowan will be in Augusta this Wednesday afternoon and I will bring him down and talk it over with you if you are going to be there. I should appreciate it if you would have the data available.

C. F. R.

State of Maine

OFFICE OF THE GOVERNOR

Augusta

May 1, 1931

Clement F. Robinson, Esq.
85 Exchange Street
Portland, Maine

Dear Clem:

I am much obliged for your memo regarding inheritance taxes. I told Stubbs today that I thought we ought to illuminate the dome.

As long as we have the money and before we lost the inclination I should suggest that all doubts be resolved in favor of restoration of trust funds. I am afraid that in the future we may not be in such a favorable position.

Some time some legal work ought to be done on these various trusts and possibly some matters should be taken to the courts. If you were to have any balance to lapse I think it might be well worthwhile considering employing some attorney to do this work.

Chapter 189 of the Laws of 1929 providing for the restoration speaks of revenue in excess of \$1,000,000 "from inheritance taxes". Stubbs and I both thought that we had a ruling from you as to this but we find nothing in the files. I remember very distinctly some of the circumstances of the

passage of this bill. I got Hayford to draft it and when it was well along in progress, I think perhaps when it came to me for signature, I raised the question as to whether anybody would be able to contend that the word "inheritance" was used as distinguished from "estate" taxes. The ultimate decision was that such could not be done, that the intent of the act was plain that money involved was to be taken in by Stubbs' division and for no practical purposes would there be a distinction in revenue from the different kinds of taxes. It was at a late time to amend the bill and it was therefore allowed to pass as written. I am under the impression that you were in on the conference. I hope anyway that the above interpretation of the law appeals to you. I don't know who would raise an objection but it may be just as well to be prepared to meet one.

I want to confer with you next week on the subject of Revisor of the Statutes.

Yours sincerely,

W. T. G.

Frank I. Cowan
Attorney and Counselor At Law
85 Exchange Street
Portland, Maine

July 23, 1931.

Hon. Clement F. Robinson,
Attorney General,
State House, Augusta, Maine.

Dear Sir:

Pursuant to your instructions, I took up the matter of examination of present conditions of State Trust funds. I was aided in getting started on this work by the considerable investigation of the subject hitherto made by Mr. Hayford, the State auditor. Mr. Hayford, Mr. Owen, State Treasurer, Mr. Winship, the Deputy Treasurer, Judge Fogg, Secretary of State, and Mr. Dunnack, the State Librarian, have all been of assistance to me and I wish at this time to express my gratitude to them.

There are at least forty of these funds outside of Receivers and Public Administrator's Funds and examination of the sessions laws and the papers in the Secretary of State's office indicates the possibility of others of which there is no present record. These others, if they exist, apparently are academy funds that have grown out of land grants for individual academies. I have not yet had the opportunity to go over the matter with Mr. Violette. I hope to see him either Friday of this week or the early part of next week.

There are also several abstracts of wills which I have asked for from Registers of Probate for various counties which have not as yet come in. Until I get these, and learn the exact wording of the bequests, I cannot report on the legal status of the funds created by them as copies of the documents outlining the terms of the gifts are nowhere segregated. There are moreover funds which have come to the state by way of the institutions to which the money was originally given and, until I have had the opportunity of examining the old records of those institutions, I can't tell you what the conditions of these funds were. There are several, however,

concerning which there is no question and concerning which we have all the information and these are as follows:

1. The Robie Library fund by Ex-Governor Robie of Gorham was given in the form of twenty shares of stock of the First National Bank of Portland. The purpose was to create "a permanent library fund" for the Augusta State Hospital. A condition of the gift was that the fund should be "always kept separate and distinct from other funds."

2. The Robie Amusement Fund was given "for a permanent amusement fund" for the benefit of the Bangor State Hospital in the form of twenty shares of stock of the First National Bank of Portland. Governor Robie provided that the investment of both gifts might be changed in the discretion of the State Treasurer with the approval of the Governor and council. These funds must be and are definitely segregated.

3. The Valora A. Chase fund, was gift in her will "unto the Fairfield Sanatorium \$500 to build a children's playhouse". Her will was probated February 26, 1917, and on February 5, 1918, the money was deposited in the First National Granite Bank of Augusta. With accumulated interest, this fund now amounts to \$844.82. Apparently no move has been made to use the fund for the purpose specified.

4. The Augustus Hopkins legacy by the will of said Hopkins probated February 12, 1906, gave "to the trustees of the State Industrial School for Girls located in Hallowell, Maine, the sum of \$1000 and I wish the above amount to be safely invested, and the income used only in such a way as may seem best for the girls in said institution." This \$1000 was paid over to the State by the State Industrial School when its property was transferred to the State of Maine under the terms of the Public Laws of 1909, Chap. 174. This \$1000 has never been segregated nor invested, apparently. The State has been paying an amount equal to $2\frac{1}{2}\%$ on this money semi-annually for the benefit of the school but I have not checked to see whether the money so paid has been used directly for the benefit of the inmates.

5. Under the will of Jessie F. Godfrey of Oldtown, the sum of \$1000 was given to the State School for Girls at Hallowell the income therefor to be used for the promotion of education and of music among the girls seeking higher education. This will was probated October 15, 1924. The estate proved too small and the State of Maine received the sum of \$893, which was deposited in the Augusta Trust Company. I have not seen the bank-book in this case but the State Treasurer reports that it is #21348 and is left in the bank and interest paid to the treasurer of State in May and November of each year. In this case I have not as yet checked to find out if this money is actually used for the promotion of education and of music among the girls.

There are at least three other trust funds of the State School for Girls on which I cannot give a complete report as yet due to the fact that I haven't the copy of the original wills which I have written for. These are the Peter Lane legacy, the Eliza Mustard legacy and the Nellie F. Shaw Fund. According to the treasurer's books, these amount to a total of \$9819.15 but the funds have not been segregated. A portion of the land on which the Industrial School stands is also a trust as it was conveyed on the condition that if the lot should hereinafter cease to be used for such a school or be sold or conveyed for any other purpose, the sum of \$2000 must be paid to the original grantor or her heirs in default of which the land will revert.

I am still working on the University of Maine funds and am prevented from making a complete report because I haven't as yet received copies of all the original papers.

The same is true of the Joseph C. Greene fund in behalf of the Pownal State School.

Due to the oft expressed opinion that we have been at fault in our conduct toward the aborigines, I have been giving very careful scrutiny to the matter of the Passamaquoddy and Penobscot Indian funds. Concerning these, I cannot make a full report until I have checked with Mr. Violette and even then the report cannot be complete, due to the limits practically set to the scope of my inquiry.

6. The Foxcroft Academy fund was provided for in the Resolves of 1868, Chapter 277. This directed that \$1000 be deposited in the Treasury of State, the annual interest to be paid annually to the trustees of said Academy "for the use and benefit of said academy." I am informed that an amount equal to annual interest at 6% has been paid to the trustees of the institution. Under the terms of Public Laws of 1929, Chapter 189, the sum of \$1000 was deposited in the Skowhegan Savings Bank on October 8, 1930, and the amount of said fund in January 1931, the last date at which interest was entered on the passbook, is \$1012.50.

7. The Hebron Academy fund is exactly like the Foxcroft Academy fund. It has been handled in the same way and the amount is the same.

8. The Houlton Academy fund amounting to \$2000 is somewhat ambiguous. Under the Resolves of 1847, Chapter 39, the land agent of the state was directed to convey to the trustees of Patten Academy and also to the Trustees of Houlton Academy "to each one half township of land situated in the County of Aroostook . . . equal in value . . . to the east half of township 4 in the fourth range . . ." The Resolves of 1864, Chapter 370 provides for the deposit of \$2000 in the Treasury of the State, the interest only to be paid annually to the trustees of Houlton Academy and it is indicated that this \$2000 is a part of the funds arising from the sale of timber and lumber on a township. I am informed by Mr. Winship that an amount equal to interest at 6% has been paid annually to the Trustees of Houlton Academy. On October 8, 1930, \$2000 was deposited in the Skowhegan Savings Bank and at the time of the last entry of interest the fund was \$2025.

9. I haven't yet completed my check on the matter of a possible Patten Academy Fund so I cannot say at this moment whether or not there is such a fund.

10. There are two funds created by orders in Council that I can mention. These are:

(a) The sinking fund to retire Kennebec Bridge bonds which was created by an order January 2, 1929, the present amount of which June 30, 1930 is \$192,672.54.

(b) The Carlton Bridge fund for repairs. This amounts to \$20,-688.22. Both of these funds are actually segregated, the first being deposited in 21 savings banks and the second in two savings banks.

11. The Madison School District #2 fund was created March 25, 1863, and was given to the State of Maine in the form of a \$1000 coupon bond of the State of Maine. Provision was made that the coupons were to be paid to the legal agent of the said district as they become due and at ma-

turity of said bond 5% of the amount is to be paid annually "for all time to come". Under the terms of Public Laws of 1929, Chapter 189, the sum of \$1000 was deposited, in the Skowhegan Savings Bank and, in January 1931, this amounted to \$1112.50. Apparently this fund is not producing the rate of interest required by the donor.

12. The Madawaska Territory School fund grew out of the fact that the State had paid off the public debt and had some surplus money in 1837, which money was divided up among the various municipalities for school purposes. In 1861, \$5000 was set aside for the benefit of the Madawaska Territory as their share (as a book entry) and I am informed by Mr. Winship that an amount equal to 8% on said sum has been paid annually for the support of school in said territory. The sum of \$5000 was deposited in Phillips Savings Bank on October 8, 1930 and on May 1, 1931, this amount was \$5112.50.

13. The permanent school fund is a matter concerning which I must consult with the State Superintendent of Schools before I make a final report.

The same is true of the Maine Teachers' Retirement Association Investment Fund and the Maine Teachers' Retirement Association Reserve Fund.

14. By the will of Isaac Sanford of Manchester, probated in September 1853, \$700 was given the State Reform School. This money has never been segregated but, under Public Laws of 1856, Chapter 197, a sum of money equal to 6% of this \$700 has been paid annually for the support of the library.

15. At the same time, Mr. Sanford left \$600 for the benefit of such Indigent Blind and deaf and dumb mutes "as may apply for aid to be educated and improved in institutions established for that object", natives of the State of Maine. The principal was to be kept at interest. This item of Mr. Sanford's will is rather ambiguous. As far as I have found, from 1854 down to 1911, no attention has been paid to this provision of the will and the money had simply been in the hands of the state. It has not been segregated.

16. When the State took over the Military & Naval Children's Home in Bath, it received bonds with said institution having a par value of \$16,000. On appraisal, these were found to be worth \$11,248.22. These bonds are being held in their original fund until maturity and the dividends deposited in the Augusta Trust Company. The amount of the total fund is now \$12,371.62, if the bonds are worth par. In this connection, attention might be called to R. S. Chapter 2, sec. 86, providing for legal investment of State funds.

17. The Jordan Forestry prize fund, I am withholding report on until I get the copy of the will of Benjamin C. Jordan of Alfred.

18. The fund from land reserved for public uses is the largest and most important of the funds at the present time. Although under Chapter 11, Sec. 23, R. S. this is supposed to be divided into two funds

- a. The unorganized township fund at 4%
- b. The organized township fund at 6%

it is not definitely so divided.

This fund has come through the hands of the various land agents and I can't give a definite report until I have checked with Mr. Violette. A

large portion of it is in the form of farm mortgages under the State of Maine Farm Loan Act and just at the present day of course there is a possibility in regard to the lack of value of some of the mortgages.

I have omitted mention of several funds concerning which I have not yet sufficient information. When I have the material all in, I will draw a definite complete report embodying all the sessions laws and all the information that I am able to find that will show definitely the origin, purpose, original amount, present condition and the present amount of these funds. The report will also contain a table showing the condition, etc. of Receivers' Funds and Public Administrators' Funds as such a table can be quickly and inexpensively prepared. The job is running beyond my expectations. As you know, I am not one to make a big task out of a little one. To get the complete information so that I can definitely answer the questions you have asked me and so that I can know that all funds have been checked and traced will take considerably more time. I think another three or four days' time will be sufficient to produce the information I need to give you a definite report derived from the original wills or deeds of gift, the Acts of the Legislature and second hand information obtained from the books of record in the State House, although it may take longer than that. I am thinking that that is as far probably as you will want to go in this investigation. There of course remains the question of failure of the state to keep faith on its trusteeship of Indian lands and the fact that the Lands Reserved for Public Uses Fund seems remarkably small in view of the length of time it has been accumulating. These, however, are matters of policy with the State and are not, as I understand it, within the scope of my investigation.

I have been unable to check all deeds of gift to the state. This is a matter of great importance. I found among the old papers in the Secretary of State's office, two conditional deeds both of which are unrecorded. I mentioned this to Judge Fogg and he said that he would have them recorded at once. They are of course papers that had never come under his eye. At the present time there are deeds scattered through several departments which should be examined and their conditions noted. In so far as I am able, I will mention in my final report such of these as I come across together with the conditions. If I may venture to make a suggestion, it seems to me it would be well if all such documents could be drawn together in one place and catalogued.

Respectfully submitted,

(Signed) FRANK I. COWAN

July 24, 1931

Hon. W. T. Gardiner,
Governor of Maine,
Augusta, Maine.

My dear Governor:

In re State Trust Funds

Mr. Cowan has at my request prepared a preliminary report, which you will be interested in looking over herewith. You will see that he has collected the complete data regarding some of those trusts, and expects to

have the data for a final complete report on all the trusts, except the public lands fund, in the immediate future.

When his data is complete, with the exception just stated, he will prepare a final report. In this he will have detailed data regarding each fund, prefixed with a report, and accompanied with a tabulation of the various funds in shape available for comparison. I hope that it may prove practicable to have this printed for future reference.

I have asked him to file his bill for this preliminary work and report, which I will manifest through for payment out of the available balance of my departmental appropriation for the recent fiscal year,—the work having been done under an employment entered into and to an extent carried on at that time. He has put in in all the equivalent of a fortnight's time, and estimates that to complete the job will take the equivalent of less than a week's time, payment for which can be manifested out of the current year's appropriation.

You will note by his report that to make a complete analysis of the fund for lands reserved for public uses would be a more complicate job than presumably is needed at the present time, though it can be put through if it is thought best. The same is true of Indian funds.

You will also note that Mr. Cowan has run across some important unrecorded deeds, which are now being recorded. He also makes a valuable suggestion regarding collecting and cataloguing such documents for the future.

Very truly yours,

C. F. ROBINSON
Attorney General

September 30, 1931

His Excellency
Governor Wm. Tudor Gardiner
Augusta, Maine

My dear Governor Gardiner:

Herewith I transmit the very comprehensive report of Frank I. Cowan, Esq., on the State Trust Funds. You will notice that his report is in three parts with a transmittal letter. The first part tells the story of each fund in brief form, the second part contains copies of all documents with reference to the Trusts and the third part tabulates all material found in relation to the Funds.

In his transmittal letter he makes certain comments and suggestions. He summarizes the total amount of all funds enumerated in the report and commonly known as the State Trust Funds (excluding receivers' and public administrators' funds) as of June 30, 1931, at \$1,998,568.58. He also finds as follows:

The total amount segregated and allocated as of June 30, 1931 was \$1,146,864.07. The amount of the collateral inheritance taxes, and the estate taxes reported for the fiscal year ending June 30, 1931 was \$2,652,712.41. Of this amount \$1,652,712.41, or so much thereof as is necessary, is available for use in restoring trust funds. Since July 1, 1931, the State Treasurer has purchased bonds for the restoration of these trust funds having a face value of \$240,000, and has paid therefor, including premiums and accrued interest, the sum of \$247,154.95. On this amount he has to

date allocated but \$1000, that being to take care of the Augustus Hopkins Legacy for the State School for Girls (V-1). The figures given above in this paragraph are as of September 10, 1931. There remains due then to the above funds, as of September 10, 1931, the sum of \$851,704.51; if we exclude from consideration three State of Maine unnegotiable bonds described in the report which apparently are legally issued in that form and do not require transmutation into other investments.

The ten suggestions with which he closes his report deserve careful consideration. Several of these recommendations are administrative and could be effectuated immediately; others may require legislation. His last two recommendations, viz., that the securities be kept in one readily accessible place and that a single State Trust Fund be created to save the bookkeeping under the present system and conform to the modern institutional practice, are of particular significance.

It seems plain from a reading of this report that causes for criticism of the present situation with reference to our trust funds are substantially non-existent and that the administrative officials in charge of these funds are entitled to commendation, and that the State may well pride itself on the present situation both administratively and as a matter of public policy. The legislative fiat of a few years ago requiring the complete restoration of the Trust Funds which has now been satisfactorily performed, sets a high standard to which the State may well point with pride.

Mr. Cowan has done a valuable work for the State in preparing this careful report.

Very truly yours,

C. F. ROBINSON
Attorney General

OFFICE OF THE GOVERNOR

Memorandum

To: Attorney General

Date: October 29, 1931

I attach letter from Mr. Coffin regarding Sanatorium Trust Funds. Will you kindly check this over in connection with the report and forward the letter when you are done with it to Mr. Hayford.

W. T. G.

November 2, 1931

Hon. Clement F. Robinson
Attorney-General
85 Exchange Street
Portland, Maine

Dear Sir:

I have examined the contents of the letter of Mr. Geo. P. Coffin to the Governor under date of October 26, and have checked it with the report.

It seems to me that Mr. Coffin has been misinformed. Reference to the Chamberlin Fund is contained in the second paragraph of page 3 of my letter to you in the front of the report. The wording is as follows:

"This report should not close without some mention of the E. D. Chamberlin \$200,000 Endowment Fund of the Western Maine Sanatorium, which was lost in 1915 on account of the form of procedure of the State of Maine in taking over title to this property. A little more care would have saved that fund for the Hebron Sanatorium. The same is true of the Benjamin Fund which was lost at the same time."

There is nothing in the above paragraph that can be construed as criticism of the conduct of the officials of the sanatorium. It is true that during the Democratic administration in 1915 the Legislature acted with a considerable degree of laxity in taking over this sanatorium. I didn't intend to inject any suggestion of partisanship into my report, or correspondence in connection with the report; but if any Democratic campaign orator tries to make ammunition out of my report, let him use it at his peril.

I have seen by the papers that there has been reference by orators to huge losses in State Trust Funds. I have seen that these losses have been stated as from "a million dollars" to "millions of dollars." Such contentions will be proved absurd by the report.

Sincerely yours,

FRANK I. COWAN

November 2, 1931

Hon. Elbert D. Hayford
State Auditor
Augusta, Maine

Dear Mr. Hayford:

Your communication of September 29 in regard to the re-investment of the Stewart Fund received.

I have been looking at the wording at the bottom of the page of my final summary (the last page in my report), and am puzzled to find language that will flatly cover the situation better than that which I have used. The idea I had in mind was to show that there were \$82,200 of the state trust funds which have not yet matured, or otherwise come to the point where they would be converted into bonds described in Chapter 2, Section 86, R. S.

Throughout my report I have attempted to avoid statements that would suggest controversy to campaign orators who had lacked time or inclination to acquaint themselves fully with the facts. We cannot side step existing conditions, but we can avoid sensationalism.

If the word "hereafter" as used in the statute is to be held as referring to re-investments, had I not better leave my language the way it is? If, on the other hand, it is held to refer only to new funds, of course my language is wrong, due to my misinterpretation of the meaning of that word.

As it is my desire to have this report as nearly correct as possible in every detail, I shall be very grateful to you for any suggestion you see fit to make in regard to either retaining or changing the wording of my language either on the final summary, or on page 77, next to the last column.

Sincerely yours,

FRANK I. COWAN

Elbert D. Hayford
State Auditor

State of Maine
DEPARTMENT OF STATE AUDITOR
Augusta

November 6, 1931.

Memo for Governor Gardiner:

Mr. Coffin, of the Western Maine Sanatorium, told me he believed the \$200,000.00 Chamberlin Fund was used to erect Administration Building at Hebron.

I wrote Dr. Estes Nichols, at Portland, and find that Mr. Coffin was in error. The \$200,000.00 was a fund, interest only of which was to be applied towards maintenance.

I enclose a copy of Dr. Nichols' reply.

ELBERT D. HAYFORD,
State Auditor

Oct. 28, 1931.

Mr. Elbert D. Hayford,
Department State Auditor,
Augusta, Maine.

My dear Mr. Hayford:

In reply to your letter of the 27th inst., relative to the Chamberlin Fund, given by Mr. Chamberlin, to the Maine Sanatorium Association, I will say that the \$200,000 you speak of had nothing to do with the building. He gave the money to build the Administration Building and to equip it, and then he further gave \$200,000 as an endowment fund to maintain it. The heirs, however, protested the gift when it was turned over to the State, stating that Mr. Chamberlin did not give the fund to the State, but to the Maine Sanatorium Association, which was managed by an able Board of Trustees, many of them not now living. Mr. Ricker, Mr. Payson, Mr. Pettingill, Mr. Frank Whitehouse and General Conner have since passed on. There are only a few of the Trustees left, of which I am one.

When the Administration Building was turned over to the State it was only with the provisions that the Sanatorium would be run in the same general manner as it was previously conducted; otherwise, the building would revert to the Maine Sanatorium Association again, and we have been carefully watching the situation there.

Boards of Trustees have recently been appointed, without any idea of their apparent fitness or understanding of the work in hand, and there have been no physicians on the Board for some time.

This question of the \$200,000, which you speak of, was left to the law court to decide whether it should go back to the heirs or be turned over to the State. They turned it back to the heirs by unanimous decision.

The Benjamin Fund was only a small fund, of a few thousand dollars, and was given to the Sanatorium to buy more land for the Sanatorium and

this was accomplished. Mr. Chamberlin gave about \$325,000 in all, \$200-000 endowment and the balance to build and equip the Administration Building.

I hope this may help you in the way you desire.

Very truly yours,

(Signed) ESTES NICHOLS

At Portland,
July 8, 1932.

Honorable William Tudor Gardiner,
Augusta, Maine.

My dear Governor:

Herewith Frank Cowan's final report on the trust funds which puts this matter finally in shape for printing, which I trust can be arranged for after my return.

Very truly yours,

CLEMENT F. ROBINSON,
Attorney General.

July 8, 1932

Hon. Clement F. Robinson
Attorney General
Augusta, Maine

Dear Sir:

I have made a reexamination of the condition of the State Trust Funds in accordance with your request to ascertain whether or not moneys or securities have been segregated to make up the deficiencies in said funds. I find that as of June 30, 1932, all funds have been restored except the two Indian funds and the Permanent School Fund, and that as to those, sufficient money and securities have been placed in the "State Trust Fund" to take care of all amounts due.

Referring to my report of September 11, 1931, the following items have been definitely restored:

- I-4, Joseph H. Williams Legacy. \$1000.00 deposited in the Piscataquis Savings Bank at Dover-Foxcroft on April 14, 1932.
- I-5, Helen A. Gilman Legacy. \$820.76 deposited in the Skowhegan Savings Bank on April 14, 1932.
- V-1, Augustus Hopkins Legacy. Investment as set forth in my report changed to cash deposit of \$1000.00 in the Piscataquis Savings Bank on April 14, 1932.
- V-2, Peter Lane Legacy. \$1156.65 deposited in Piscataquis Savings Bank on April 14, 1932.
- V-3, Eliza Mustard Fund. \$3912.50 deposited in Piscataquis Savings Bank on April 14, 1932.
- V-4, Nellie F. Shaw Fund. \$4750.00 deposited in Piscataquis Savings Bank on April 14, 1932.
- XI Isaac Sanford Legacy for the State School for Boys, amounting to \$700.00, and

- XII Isaac Sanford Legacy for the Deaf, Dumb and Blind in the sum of \$600.00, which funds are not separated on the Treasurer's books. \$1300.00 deposited in Piscataquis Savings Bank on April 14, 1932.
- XIV Jordan Forestry Prize. \$1000.00 deposited in Piscataquis Savings Bank on April 14, 1932.

There are considerable increases in IX-1, 2, Teachers' Retirement Association Funds, but these are subject to almost daily changes, and the additions and accretions are taken care of as the funds accumulate.

Seven old funds not heretofore reported, and whose origin is unknown, have turned up, and have been taken care of.

The first of these is the Shaw Bequest to the Augusta State Hospital. The origin is unknown, apparently. Samuel N. Tobey, the Treasurer of the Augusta State Hospital, has recently turned over to the State Treasurer a deposit book on the Augusta Savings Bank representing a present bank balance of \$657.58.

On February 19, 1932, Louise T. Young, Superintendent of the State School for the Deaf, turned over to the State Treasurer six funds as follows:

1. Sweat Fund, amounting at present to \$2778.76, represented by a deposit in the First National Bank of Portland, savings account book #13402.
2. Martha Barton Fund, amounting at present to \$690.03, represented by First National Bank of Portland savings account book #10348.
3. Swan Fund, amounting at present to \$932.76, represented by Canal National Bank of Portland savings account book #203.
4. Whidden Fund, amounting to \$250.37 as of February 19, 1932, represented by Portland National Bank savings account book #24183.
5. Davies Fund, amounting to \$209.37 as of February 19, 1932, represented by Portland National Bank savings account book #24182.
6. Sweat Fund, amounting to \$1561.32 as of February 19, 1932, represented by Portland National Bank savings account book #24181.

Note: The last three above mentioned funds are not yet available to the State, due to the fact that the former trustees of the State School for the Deaf have not as yet signed off with the bank so that the accounts can be made payable to the State Treasurer.

There is a fund of the State Military and Naval Children's Home at Bath, known as the "Special Children's Account." This amounts to approximately \$9259.83, and was turned over to the State Treasurer about January 1, 1932, by Miss Louise Staples, the Superintendent of the Home. Of this amount \$9063.18 is in bonds or savings bank deposits controlled by the State Treasurer. The balance is in a checking account held by Miss Staples for use for the benefit of the children in the home. The whole fund is expressly for the children, and is not in any way to be connected with expense of administration.

Again I wish to express my appreciation to the various state officials for their great assistance in the compiling of these reports.

Respectfully submitted,

(Signed) FRANK I. COWAN

July 12, 1932

Frank I. Cowan, Esq.
85 Exchange Street
Portland, Maine

Dear Mr. Cowan:

In the absence of Attorney General Robinson Judge Fogg has been discussing the payment of your bill for supplementary report on Trust Funds. As there is enough balance left from the original appropriation to take care of this it seems in order to voucher the bill through at once and we will do so.

I have in mind that the report is not yet in final form and I am assuming that before we consider printing your first report you will be kind enough to rewrite your final report without further expense after all the matters have been concluded. The purpose of adding them would be so that the whole history of the matter would be finished. I did not realize that the School for the Deaf funds, for instance, were still outstanding.

I think you will agree with me that it would be highly desirable to have the final report in really final form.

I would also make the suggestion that the final report contain more specific information as to the restoration of the larger funds.

I do not feel that I am presuming on your good nature in assuming that you will do this at the proper time as I know you are equally as interested in finishing this job properly. I am in hopes that we will find the means of printing the reports.

Yours sincerely,

(Signed) WM. TUDOR GARDINER

REPORT ON ADDITIONAL FUNDS

By

**THE HONORABLE NEAL A. DONAHUE,
ASSISTANT ATTORNEY GENERAL,**

June, 1944

NEW FUNDS

A report concerning certain State Trust Funds is here supplied at the request of Hon. Frank I. Cowan, Attorney General.

Unless otherwise noted, the figures given as on hand as principal in each fund are as of June 30, 1943.

The Cowan Reports of 1931 and 1932 first set forth the State Trust Funds in order and made clear the facts concerning them, so far as obtainable. This report adds new funds which have accrued since and also includes those of the State Normal Schools, which have not previously been listed with the State Trust Funds.

It is to be noted with satisfaction that the recommendation in the Cowan report was adopted and the funds "borrowed" from these trusts have been restored, so that integrity prevails and the trusts noted then as not segregated are again in true existence.

Only one recommendation for reimbursement is here made, that being a use of a fund of the State Military and Naval Children's Home for addition to building, which should patently be supplied by the State.

Attention is called to a forfeiture provision in the Hebron Academy Fund. It cannot be presumed that the temporary closing of this school, by reason of its student body being nearly 100% in the armed service of our country, can be meant by the Legislature as cause for revoking this fund. Corrective legislation may be desirable.

New funds appear and changes occur so that any report soon becomes to some extent out of date and as new reports are made from time to time more source material may be found to help in executing the trusts as they were intended.

NEAL A. DONAHUE,
Assistant Attorney General

I. Augusta State Hospital

7. The Drew Bequest

This is a fund of \$500, given by Franklin M. Drew for the benefit of the inmates of the Augusta State Hospital.

8. McLellan and Black Fund

The State books at July 31, 1932 show the Colonel Black Fund as being \$2000 and the McLellan and Black Fund as \$1273.44. The McLellan and Black Fund is represented by a savings account, #65864, in the Augusta Savings Bank, the original deposit being dated July 14, 1932.

Neither of these is, strictly speaking, a new fund, as the Drew bequest appears in the supplemental report of 1932 and the McLellan Fund is the oldest of all, dating from 1842. See pages 22 and 23. They are included here because of confusion between the Drew Bequest and a supposed Shaw bequest, evidently a misprint of unknown origin, and between the McLellan Fund and the Black Fund, apparently, as noted elsewhere in this volume.

IV. Western Maine Sanatorium

5. Ernest D. Hodsdon Legacy

By a bequest under the will of Ernest D. Hodsdon of Swampscott, Massachusetts, the amount of \$11,490.23 was received by the West-

ern Maine Sanatorium, "to be used in the fight against the disease of tuberculosis."

6. Adelia V. F. Hale Legacy

A legacy was provided in the will of Adelia V. F. Hale, late of Vienna, who died March 31, 1934, in the sum of \$500 for the Western Maine Sanatorium. This legacy has not yet been received, and the present expectation is that it will be somewhat smaller than the amount named, due to difficulties in the sale of the real estate.

7. Charles Austin Frost Bequest

Abstract from the will of Charles Austin Frost:

"Fourteenth: One-half of the residue remaining, after the payment of the above named bequests, I give, devise and bequeath to the Central Maine General Hospital at Lewiston, Maine.

"The residue then remaining, I give, devise, and bequeath to the Hospital or Sanatorium known as Hebron Sanatorium, located at Hebron, Maine."

The account shows the following:

Hebron Sanatorium	\$9,466.14
Present value	\$9,474.74

Charles Austin Frost died in the town of Norway on October 19, 1930, at the age of eighty-two. This bequest was accepted by Council Order bearing date June 24, 1944, as apparently no act or resolve of the legislature had been passed accepting this fund.

VI. University of Maine

New funds are held and administered by the University of Maine Foundation, a corporation organized June 9, 1934, under the general law, Chapter 70, R. S. 1930, "to acquire real or personal property by devise, bequest, gift, donation or otherwise, to hold, administer, control and manage the same for the benefit of the University of Maine, its faculty or students, or any member of either body upon such terms and to such ends as donors, testators or others shall prescribe, or otherwise, on terms prescribed by this corporation in the exercise of its discretion."

This corporation is recorded in the Penobscot County Registry of Deeds, Vol. 5, p. 480.

The statutes relating to it appear on pages 35-6.

X. Pownal State School

2. Adelia V. F. Hale Legacy

A legacy was provided in the will of Adelia V. F. Hale, late of Vienna, who died March 31, 1934, in the sum of \$500, for the Pownal State School. This legacy has not yet been received, and the present expectation is that it will be somewhat smaller than the amount named, due to difficulties in the sale of the real estate.

Note. A fund, not a State trust fund, whereby the Pownal State School derives some benefit, is provided for in the will of the late Kate J. Anthony, Estate No. 17,119, Androscoggin County. In the 9th provision of her will, she provided the sum of \$40,000 for the trustees under her will, to be used in trust, the income, or principal and income, to be applied "directly, or through parents or guardians in such cases as he or they may select or

through suitable charitable institutions for the more efficient education, care and maintenance of the feeble minded poor, preferably girls and women in the State of Rhode Island or the State of Maine, with power to the said trustees at any time to pay over and transfer the whole of the unapplied principal and income aforesaid either (1) to a suitable charitable corporation engaged in such work for its corporate uses and purposes to be selected by said trustee or trustees or (2) to a suitable bank or trust company, acting as trustee under the resolution and declaration of trust generally known as The Uniform Trust for Public Uses."

Under the provisions of this will the trustees have selected this institution for some of the benefit therein provided.

The following funds donated to the
Maine School for the Deaf at Portland, Maine*

1. The Sweat Fund, created in 1908, which as of August 4, 1932, was represented by two savings deposits, one of \$2753.67 in the First National Bank of Portland and one of \$1561.32 in the Portland National Bank. It is possible that these were originally two separate funds; but, if there was at any time a distinction, that has been lost. The information at hand, given by Louise T. Young, Superintendent of the School, under date of June 10, 1944, is that the Sweat Fund was donated by Mrs. Margaret Muzzy Sweat, a neighbor of the school, who was greatly interested in its development. The conditions of the gift, as stated by Miss Young, are that the interest is to be used for books and extra expenses of pupils attending Gallaudet College (for the deaf) at Washington, D. C.

2. The Martha Barton Fund, which as of August 4, 1932, amounted to \$684.05 and was represented by a savings deposit in the First National Bank of Portland. The original deposit in this case was made in 1924 by Martha Barton, who was inspired to make the gift because she had a brother who was deaf.

• 3. The Swan Fund, amounting on August 4, 1932 to \$924.66 and represented at that time by a savings deposit in the Canal National Bank of Portland, was a gift to the Maine School for the Deaf by Martha Swan in 1915, according to a report by Louise T. Young. At that time the trustees voted that the interest from said fund should be used for the promotion of happiness and the increased comfort of the pupils of the school, in addition to means and methods provided by the State.

4. The Davies Fund, which as of August 4, 1932, amounted to \$209.37 and was represented by a savings deposit in the Portland National Bank. This money, according to Miss Young, Superintendent of the School, was presented by friends of Annie Emery Davies as a memorial. The fund was received in 1900. According to a report by Miss Young under date of June 10, 1944, "Her mother asked to have a picture of the Sistine Madonna (\$27) purchased and this now hangs in the parlor of Taylor Hall as a memorial. Part of the fund was used to purchase Gymnasium furnishings (\$342.56), and Art School tuition of \$5.12 was paid from it."

5. The Whidden Fund, which as of August 4, 1932, amounted to \$250.37 and was represented by a savings deposit in the Portland National Bank,

*In editing the supplemental report of 1932 in June, 1944, information has been added in regard to the funds for the deaf. It has not seemed wise to make any radical changes in this portion of the report.

was the result of a bequest of a Mr. Whidden of Westbrook, Maine. Miss Young speaks of this as follows: "His will gave the school \$500, but in distributing his estate there evidently was not as much as expected and we received \$176.66. No instructions were given as to special use of the funds or interest."

6. The Clark Fund does not appear in the original report on the trust funds, as it was created in 1941. By a check bearing date November 24, 1941, the sum of \$1000 was received from the Canal National Bank of Portland, executor of the will of Samuel Clark, Jr., in full and complete payment of the legacy of \$1000 under section 27 of said will. In February, 1942, a thousand dollar U. S. Treasury bond was purchased.

The section referred to reads as follows:

"TWENTY-SEVENTH: I give and bequeath the sum of One Thousand Dollars (\$1000) to each of the following charities located in the City of Portland,—

The Maine School for the Deaf of Portland.

***** "

The Jointly Contributory Retirement System for State Employees except Teachers.

The legislature, by an emergency act which was approved January 24, 1942 and appears as Chapter 328 of the Public Laws of 1941, set up a new retirement system for State employees and authorized such a system for county and municipal employees. Under the provisions of this statute all employees of the State except teachers (with a few exceptions) contribute a stated amount periodically to a fund. The State in turn contributes to the fund for each employee, and the total is invested by the State (which retains absolute control of the fund) for the purpose of accumulation. As of June 30, 1943, the principal of this fund amounted to \$359,110.88. The rate of increase will be very rapid for several years, until the fund is stabilized because of withdrawals approximately matching income.

EASTERN STATE NORMAL SCHOOL

Will of Amy W. Pinkham, Legacy of \$1000.

The will of Amy W. Pinkham, late of Portland, provided a legacy as follows:

"I give and bequeath to the Eastern State Normal School of Maine One Thousand Dollars (\$1,000)."

The activities of this institution are temporarily suspended, but upon the assumption of its normal life this fund will be for such proper use as the trustees may see fit to designate.

FARMINGTON STATE NORMAL SCHOOL

1. Ruth W. Peabody Fund. Ruth W. Peabody was a graduate of F. S. N. S. and died at Kennebunkport, August 25, 1909, leaving no will. It is reported that she directed her sister to forward this fund of \$5000 to the Farmington State Normal School, the income only to be expended under the direction of the principal and the faculty of the Farmington State Normal School, for whatever they choose.

2. Rolliston Woodbury Scholarship Fund. Rolliston Woodbury was assistant principal at the Farmington State Normal School from 1867 to 1879, and principal of the Eastern State Normal School from 1879 to 1888. He died in Castine, November 1, 1888. The fund provides for principal and interest to be loaned to needy students. The amount as of June 30, 1943, is \$956.79 and includes loans of \$634.69.

3. Purington Scholarship Fund. The origin of this fund is not known, but it is deemed to have been a fund provided in honor of George C. Purington, principal of Farmington State Normal School from 1883 to 1909, who died May 6, 1909 at Monson. The present amount of the fund is \$740.32. This includes loans of \$499.35.

4. Jennie Young Rhodes Fund. Jennie Young Rhodes, a graduate of F. S. N. S. in 1891, who died September 20, 1930, at Brookline, Massachusetts, provided in Article 46 of her will as follows: "To the Farmington State Normal School, Farmington, Maine, in memory of my sister, Harriet Young Keith, I give Three Thousand Dollars (\$3,000), the income to be used for a scholarship." This fund has been allocated temporarily to the Home Economics Department as a student loan fund. The interest only has been used for loans. Amount of principal, June 30, 1943, \$3,000.67, including loans of \$498.10. In this estate, the executor's first and final account, which was allowed on June 12, 1933, shows that the Farmington State Normal School received only \$1500. The account shows that all the legatees received less than the amount designated in the will, which indicates that the estate was not large enough to pay the bequests in full. It does not appear how the principal has grown to be in excess of \$3,000 at this time. The reading of the will rather indicates that the testator intended the annual income of the fund to be provided as a gift scholarship, but it is now being used for loans.

5. Edith E. Clifford Funds.

(a) The Edith E. Clifford Memorial Library Fund. Principal \$50,000, all interest to be applied to the purchase of necessary books for the F. S. N. S. library. Fund to be administered by the Normal School Trustees.

(b) \$600 bequeathed for a painting of Miss Clifford, to be hung in the library.

(c) Residue to be applied for the benefit of the science and social studies courses. This use is apparently to be at the discretion of the Normal School Trustees. The residue has been variously estimated.

6. Susie Farrington Fund. Susie Farrington dwelt in Wilton, Maine, and died December 23, 1935. Her estate was probated in Franklin County Probate office, No. 9573. The tenth provision of her will provided as follows:

"Tenth: I give and bequeath to the Maine Historical Society any old deeds of historic interest which they may desire.

"All the rest, residue and remainder of my estate, real, personal and mixed, wherever situated and whenever and however acquired, I dispose of as follows:

"I give, bequeath and devise one-third to W. G. Mallett, principal of the State Normal School of Farmington, Maine, and his successors, in trust however, for the following purposes, the same to be deposited in some bank and loaned to worthy students of the State Normal School for such time and under such conditions as the said Mallett, or his successors, may prescribe, note to be taken for the loan and to be repaid with interest and when so repaid to be again deposited in said bank, and to be known as the Susie Farrington Fund."

Third and final account. "W. G. Mallett, Principal of the State Normal School of Farmington, Maine, Trustee, bequest in Will of 1/3 of residue of the Estate of Susie Farrington—Bequest—\$3,150." Original deposit in Franklin County Savings Bank, \$3,150 on October 4, 1937.

7. W. G. Mallett Fund. This fund consists of donations by student organizations in memory of Mr. Mallett, former principal of the Farmington State Normal School. Original deposits in general student loan checking account placed in Franklin County Savings Bank, \$163 on February 16, 1944. Principal and interest may be used for student loans.

8. A. M. Thomas Fund. This fund consists of proceeds of personal loan note donated by Mr. A. A. Thomas, a former instructor. Proceeds amounting to \$222.92 deposited in Franklin County Savings Bank, February 16, 1944. Principal and interest may be used for student loans.

9. Southwestern Maine Alumni Fund. This consists of donations by the Southwestern Maine Alumni Association. Total donations of \$135 deposited in the Franklin County Savings Bank, February 16, 1944. Principal and interest may be used for student loans.

10. Helen E. Lockwood Memorial Fund. The will of Mary Palmer, who died June 16, 1933, was probated in Franklin County, No. 9457, and provided as follows:

"Third. I give and bequeath to the State Normal School at Farmington, Maine, in trust nevertheless, the sum of Two Thousand Dollars (2000.00) the income from said fund to be used for the following purposes and in the following manner:

"From the interest derived from said fund fifty dollars shall be awarded annually as a scholarship to one student in the Home Economics Department on the basis of her outstanding personal qualifications. The remainder of the income of said fund shall be used annually as loans to Home Economic students in Farmington State Normal School. The money returned from said students in payment of such loans shall be made available immediately for further loans.

"It is further my wish that the basis and the purpose of such scholarship loans shall be discussed with the students at the opening of each school year that it may serve as an added incentive for personal development. This scholarship should not be awarded twice to one student.

"The selection of the recipients of the scholarship shall be made by a committee composed of the Principal of the Normal School, the Dean, or Director, of Home Economics Department, and one other Home Economics teacher to be chosen by the Dean. The award should be made during the second semester and not later than the middle of the month of May.

"The loans above provided may be made, and the beneficiaries of said loans may be selected by the Principal of the Farmington State Normal School and the Dean of the Home Economics Department.

"This fund providing for a scholarship and for loans shall be known as

The Helen E. Lockwood Memorial Fund

in recognition of the keen interest in, and understanding of, young people and their problems and the farseeing vision with respect to Home Economics Education of Helen E. Lockwood, the first Dean of the Four-Year College course in Home Economics as offered at the Farmington State Normal School.

"I further direct that this fund shall be invested by the Principal of Farmington State Normal School with the advice of the Treasurer of Franklin County Saving Bank."

Mary Palmer last dwelt in Farmington and died on December 23, 1934. Account shows \$2,000 paid to State Normal School on 9/26/1935.

Mary Palmer was formerly Dean of Home Economics at Farmington State Normal School.

The fund is currently invested in utility bonds, in the amount of \$2,000.

11. Gordon Woods Jenkins Fund. The will of Sadie Woods Jenkins provided a legacy of \$500 to be used by the trustees of Farmington State Normal School. Original deposit in the Franklin County Savings Bank, \$500, July 3, 1934, interest only to be used, and that is to be given outright to worthy students in the form of a scholarship or other special grant.

12. Massachusetts Alumni Fund. This is a fund of one \$50 U. S. "F" bond in 1943, principal and interest to be used upon maturity for student loans.

13. Men's Athletic Association Account. This is an agency account only, invested in U. S. "G" bonds, \$200 principal and interest to be used upon maturity for the benefit of the Men's Athletic Association, a student activity. Eventually, the principal is to return to the Association's activity treasury.

14. Christian Association Fund. This is wholly a revolving fund with all money out on loans or held in a checking account as open cash. The total resources, June 30, 1943, were \$300. The origin of this fund is uncertain, but apparently the fund was originally earned or collected by the Christian Association of the school. All its resources are available for loans.

GORHAM NORMAL SCHOOL

Dr. Eleanor Duley Scholarship Fund, \$200, established March 31, 1943, \$50 to be paid each year for four years to an outstanding student for his or her tuition.

STATE TRUST FUNDS

State Department of Audit
Prepared Feb. 29, 1944
William D. Hayes

Condensed Summary

As of June 30, 1943

Beneficiaries	Number Separate Trusts	Principal June 30, 1943	Income Year Ended June 30, 1943 (d)	
			Amount	Per Cent of Principal
Augusta State Hospital	8	\$ 58,773.44	\$ 1,554.76	2.645 (b)
Bangor State Hospital	1	2,000.00	0	0
University of Maine	3	218,575.00	5,276.33	2.413 (b)
Central Maine Sanatorium	3	2,012.02	53.77	2.672
Western Maine Sanatorium	5	89,054.54	2,204.11	2.475
Military and Naval Chil- dren's Home	2	17,577.94	336.76	1.915
School for Girls	5	11,712.15	225.92	1.928
School for Boys	1	700.00	14.00	2.000
Indigent Deaf, Dumb and Blind	1	600.00	12.00	2.000
Pownal State School	1	6,000.00	64.22	1.070
Jordan Forestry Fund	1	1,000.00	21.97	2.197 (b)
Miscellaneous Schools and Academies	5	10,000.00	196.66	1.967 (b)
School for the Deaf	7	7,516.51	139.60	1.857
Penobscot Tribe of Indians	1	88,092.44	1,408.04	1.598
Passamaquoddy Tribe of Indians	1	157,053.09	4,270.32	2.718
Mackworth Island Fund	1	10,000.00	0	0
Ministerial—School Fund, Town of Mapleton	1	826.50	0	0
Subtotals		681,493.63	15,778.46	2.315
Permanent School Fund		565,204.48	18,657.16	3.300
Lands Reserved for Public Use		994,566.29	19,245.34 (a)	1.935 (a) (b)
Totals Non-expendable Funds		2,241,264.40	53,680.96	2.395
Teachers' Retirement Fund		1,015,529.26	37,889.62	3.73
Contributory Retirement Fund		359,110.88	3,124.15	(c)
Grand Totals		\$3,615,904.54	\$94,704.73	

- Net, after deducting operating expenses and losses from sale of farms from the gross revenue of \$36,068.40, which is at rate of 3.626% on fund liability.
- Rate for credit to beneficiaries of certain or all separate funds fixed by statute at 4, 5, or 6%.
- Fund started July 1, 1942, from which date its principal has accumulated steadily; for which reason any figure on rate of income would be valueless.
- All income figures include profit on sale of investments, but are after deducting similar losses, and current premium amortization, etc.

As of June 30, 1943, the above trust funds were invested as follows:

	Non-Expendable Funds	Retirement Funds
Securities:		
Par or face value	*\$1,746,372.74	\$1,280,861.88
Unamortized Premium	28,258.24	13,655.05
	<u>1,774,630.98</u>	<u>1,294,516.93</u>
Bond Discounts	14,682.40	\$1,759,948.58
	<u>14,682.40</u>	<u>17,321.25</u>
		\$1,277,195.68
Cash in General Funds, awaiting investment, etc.	34,507.65	47,437.50
Open Savings Accounts, etc.	357,590.28	41,424.60
Impounded Bank Balances	89,217.89	0
Accounts Receivable — Pay- able—Net		8,582.36
Totals	<u>\$2,241,264.40</u>	<u>\$1,374,640.14</u>
Combined		\$3,615,904.54

*Includes a few items of capital stock at cost; and, in case of Lands Reserved Fund only, farm mortgages and foreclosed property.