

# MAINE STATE LEGISLATURE

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Chapter 216 Public Laws of 1931

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An Act Relating to the  
Administration of the State  
(Code Bill)



State of Maine



Wm. Tudor Gardiner, Governor



MAR 18 1985



## How the Act was Prepared

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In the Inaugural address in 1929 it was said, "All the State's activities should be under constant survey for any possible consolidation that might make for efficiency and economy." After serving as Governor for a time I became increasingly aware of the difficulty of coordinating the activities of over forty governmental agencies. It has for some time been plainly evident that the increase in the State's expenditures is proportionately outrunning the increase in taxable property. This fact alone seemed sufficient reason for coming to the conclusion that the time had arrived when we could no longer afford to delay putting our house in order. It seemed to me that every effort should be made to secure more efficiency or more value for the tax dollar, and that coordination in our central government and the means for cooperation from our local governmental units were necessary if our health and welfare and institutional work especially were to develop in any more constructive way than by merely increasing. The lack of a real financial system with the provision for fiscal control affords the opportunity for much waste. It seemed to me very desirable to bring up-to-date and carry forward the impartial study of the administration of the State's business made in 1921 to 1922 by our legislative group known as the Cole Committee. I had neither the time nor the technical ability to make a complete survey, but learned of the work of the National Institute of Public Administration which is qualified for such a task to a degree which is generally conceded to be unequalled. Their services cost money, the Legislature was not in session and the sum seemed too large to draw from the contingent fund. I therefore solicited and received an unrestricted gift of \$20,000 from the Spelman Fund, the trustees of which are interested in the technical aspects of government.

The staff of the Institute rendered a most comprehensive report on all the activities of the State, which was printed in a pamphlet of 214 pages and distributed as widely as possible. This survey made criticisms and offered certain remedies. In addition to the value of the suggestions, it constitutes a comprehensive handbook available to aid our citizens in the understanding of our governmental agencies. As to many of these matters, previously it had been very difficult for the average citizen to obtain information.

Last fall the ready response to the invitation to serve the State on a Citizens' Committee for the consideration of the Survey, evinced a fine proof of the public spirit of Maine citizens. Public meetings were held at

Presque Isle	Nov. 17, 1930
Bangor	Nov. 18, 1930
Portland	Nov. 19, 1930
Lewiston	Nov. 24, 1930
Augusta	Nov. 25, 1930
Augusta, general meeting	Dec. 4, 1930

At each of these meetings there was a large attendance of the members of the committee, the general public and of the members of the Legislature.

After such general consideration it seemed apparent that it would be necessary to appoint a small executive committee for the purpose of more laboriously studying the details of the report and making final decisions as to accepting or rejecting the recommendations contained therein.

I can hardly express the gratitude which I personally feel for the unstinted service of this committee, but after all, their service was not in any sense given because of my request but rather because of the desire to help Maine take her rightful place in the forefront of states having a modern and simplified state government. I need not point out the high character and ability of the personnel of the executive committee. I can say that it includes men and women of notable success in law, medicine, finance, social welfare, agriculture, business, and education, and I believe it is representative of the best in the life of our State. The unanimous report of this committee of seventeen was as follows:

January 20, 1931

To His Excellency, Hon. Wm. Tudor Gardiner  
Governor of Maine  
Augusta, Maine

*In accordance with your request the executive committee appointed to consider the report of the Survey of the State Government, conducted for you by the National Institute of Public Administration, herewith submits its report.*

*As members of your citizens committee we have been making a study of the Survey since early in November and have been endeavoring to bring it to the attention of the public. We have individually attended one or more of the five hearings which have been held in different parts*

of the State for the discussion of the Survey, and have noted the opinions and interest of a large number of our citizens. On December 4th a public meeting of the entire citizens committee was held in Augusta, and following that you appointed the undersigned as members of an executive committee.

We have held several lengthy executive meetings and special features of the Survey have been studied by sub-committees. Through private conferences and club meetings and by correspondence we have endeavored to obtain public reaction to the recommendations of the Survey. We believe that our conclusions represent not only our own opinions, but to an important extent reflect the state of public opinion generally. We have conceived it to be a part of our duty to adapt the plan in the Survey to Maine traditions. Our committee represents all sections of the State and both political parties. While the members of the committee have had differences of opinion we have been able to subordinate them and reach a final agreement. Matters that might be thought controversial become relatively unimportant in comparison with the fundamental purpose of improving our state government, and we trust that the Legislature will consider our plan reasonable, practical, and conservative.

At the first meeting of our committee we discussed the scope of legislation which might be introduced pursuant to the recommendations of the Survey. After reaching our own conclusions we entrusted the task of drafting an administrative code along the lines agreed upon to Mr. A. E. Buck of the Institute staff, whose qualifications and experience in this type of work are outstanding. Later, the committee, with Mr. Buck, went over the Code, discussing its terms section by section. The revised bill, entitled the "State Administrative Reorganization Code" which we append to this report, embodies all our suggestions. We refrain from any detailed discussion of our recommendations since the Code speaks for itself. The bill meets with our cordial approval and we trust that it will be submitted to the Legislature for consideration.

The Survey is a most comprehensive one. We have considered the recommendations contained therein, and have added others of our own. Our endeavor has been to study thoroughly what we considered the most vital suggestions as to reorganization calling for legislation, and to recommend the adoption of those deemed advisable at the present time. We may say, in general, that we have followed the principle of advocating only those changes which we believe to be necessary for reasons of economy or efficiency or both. Many additional matters have been touched upon in our committee meetings and separate bills may be introduced which are not properly a part of an administrative code.

We have recommended a thorough-going financial reorganization which we believe will merit the approval of public finance experts.

*Through the Department of Finance, if established substantially as recommended, we believe real economies can be effected. Another important change which we propose in departmental organization is the association of health work, social welfare work, and institutional administration in three coordinated bureaus in a Department of Health and Welfare. This presents an opportunity not only for preventing further increase in our expenditures for those purposes, but also for going to the very root of the purpose behind all those activities, which is the conservation of our human resources through reduction in human misery, poverty, and disease. We believe that it would be some time before the full effect of these changes could be obtained, but that substantial improvement would be noted at once, particularly through the consequent centralization of fiscal and administrative control. Other proposed consolidations, while desirable in many ways, may well await later consideration or may be separately introduced at this session of the Legislature, if any member so desires.*

*We recommend that the auditor be elected by the Legislature since under the proposed financial system he will have entirely new duties and will be necessarily a trained technician. His function will be to act as a check on the Executive and department heads and to see that income and expenditures conform to the regulations laid down by the Legislature.*

*In addition to the administrative code and the separate bills mentioned above, it is our understanding that a constitutional amendment considered helpful to a modern financial system will be submitted to the Legislature. This has to do with the office of State Treasurer and provides for an executive budget. We shall not recommend the submission of other changes in the constitution. There appears to be ample reason for retaining the Secretary of State as a constitutional officer, but conditions have changed so greatly in the last one hundred and ten years that we believe the constitutional office of Treasurer should be replaced by a modern financial system better adapted to the present volume of state business.*

*Great expansion in the functions of government in the last twenty years has necessitated the reorganization of many state governments. While no one plan of organization can be considered applicable to all the states, we are decidedly of the opinion that modern government requires modern methods and that our statutes should aid rather than hamper public officials in the performance of their duties. Maine need not lag behind other states, and the present Legislature has a unique opportunity to make a genuine contribution to progress in government. We do not consider the proposed Code as drastic or radical. On the contrary it is the natural outgrowth of our thinking on governmental lines, as indicated by the report in 1923 of the so-called Cole Committee*

*appointed pursuant to legislative order during the administration of Governor Baxter, and the financial survey made in 1925 at the request of Governor Brewster. We think it time that all this intelligent and disinterested effort for better government in Maine should bear fruit.*

*Respectfully submitted,*

Walter B. Brockway, *Portland*  
Bertram L. Bryant, *Bangor*  
Edward E. Chase, *Cape Elizabeth*  
Stephen E. Cordwell, *Westbrook*  
Zelma M. Dwinal, *Camden*  
Blanche E. Folsom, *Norridgewock*  
Walter L. Gray, *South Paris*  
Robert Hale, *Portland*  
Frank H. Holley, *North Anson*  
Orren C. Hormell, *Brunswick*  
Roselle W. Huddilston, *Orono*  
Bertrand G. McIntire, *Norway*  
Edward C. Moran, Jr., *Rockland*  
Leonard A. Pierce, *Portland*  
Eugene T. Savage, *Bangor*  
Stella K. White, *Houlton*  
Anna C. Witherle, *Castine*

Dora B. Pinkham, *Fort Kent*  
*Secretary*



## PRESENTED TO LEGISLATURE

On January 8th I referred briefly to all these matters in the Inaugural Message and on January 21st I transmitted the report of this committee to the Legislature, addressing them at length. In that address I said:

### CONSTITUTIONAL REQUIREMENTS

“The Constitution of the State of Maine provides in Section 9 of Article 5 that a governor ‘shall from time to time give the Legislature information of the condition of the State, and recommend to their consideration such measures as he may judge expedient.’ It is in accordance with that solemn mandate that I address you this morning on the most important matter that will come before you. I propose to discuss legislation affecting our present arrangement of administrative organization of state affairs, to transmit to you certain proposals to change those arrangements, and to state my reasons for such recommendations. The changes are suggested not alone as a matter of economy but as a matter calculated to enable our governmental efforts to be more fruitful without additional expense. At the same time I believe the adoption of these changes would enable the accomplishment of economies that would be most welcome in the eyes of the people whom you represent. It seems highly desirable for the present, and necessary so far as the future goes, that we should seriously consider these matters, and certainly the plan submitted by the executive committee forms a convenient basis for our deliberations. It seems to me that the committee has admirably shaped the plan in the Survey to our needs, and it is for you to determine whether you can improve it still further. I wish, therefore, to address you at some length on the subject of the reorganization Code, continuing the discussion on that subject which I began in my inaugural two weeks ago.

“Part of the duty of the Executive is to carry on a critical study of the organization of the state government and during the last year the task has been facilitated by the Survey of our government made by a capable and impartial organization. The printed report is most informative and it is easier now than it has ever been to appraise our governmental agencies and study their relations in detail. Whether or not there shall be changes in the legal disposition of our administrative units rests with your decision. In so far as possible I have endeavored to prepare matters to be a convenient help to you. Our legislative sessions are short, but with the availability of the information and a comprehensive law already prepared I am sure that your deliberations will be facilitated.

“I will leave a draft of the Administrative Code with the President of the Senate for prompt introduction for your consideration. I propose at this time to outline briefly the matters included in the Code, but first it might be worth while to recapitulate some of the facts of what we might term our departmental history. The functions of government have increased so gradually that it is difficult for us to realize how recent is the origin of many of them, or the tremendous extent that is covered by state activities at the present time. Each time we have undertaken a new work we have had the tendency to create a separate agency for its administration, or to tuck it in wherever there happened to be a capable or willing official, regardless of whether the nature of the work had any relation to the other duties of that official. We are fortunate in having a Constitution which covers only ten pages of our revised statutes. Amendments have added forty-two pages. We are also fortunate in having a short ballot, and for these two reasons have fewer handicaps than most states which have attempted to reorganize their governments, and have found it first necessary to rewrite practically the whole of their state constitutions. We can give our almost undivided attention to improving our departmental arrangements.”

#### LEGISLATIVE ACTION

On the same day, January 21st, the bill as prepared by the Citizens' Committee was introduced by Senator Weatherbee and became Legislative Document Number 20. The short title of this bill was “State Administrative Reorganization Code” and the full title was “An Act to reorganize the administration of the state in order to secure better service, and through coordination and consolidation to promote economy and efficiency in the work of the state government; creating and establishing certain departments and offices, and prescribing their powers and duties; abolishing certain offices, boards, commissions, and other agencies, and repealing conflicting acts and parts of acts.” The Legislature, through the presiding officers of the two bodies, later appointed a committee to consider this bill and other related matters, having six members on the part of the Senate and ten on the part of the House. Before the committee began to function some members of the House, in view of the importance of the matter, insisted that the personnel of the committee should be increased so that there were sixteen members on the part of the House, each county being represented.

This committee then proceeded with its public hearings on the bill. Wednesday evening, Feb. 25th, one of the most largely attended hearings of the winter was held in the House of Representatives.

Other hearings followed, March 9th, 10th, and 13th. After deliberative sessions, this committee of twenty-two deemed it advisable to eliminate some of the provisions of the act and through a subcommittee a new draft was prepared. The committee of twenty-two on March 24th sent in a unanimous report favoring the passage of the bill in a new draft. The Senate debated the matter March 27th and the House after debate on March 31st voted to accept the favorable report of the committee 116 to 24. On April 2nd the Senate passed the bill by a divisional vote of 24 to 3 and the matter was finally enacted the same day.

Two accompanying bills, which would have necessitated a constitutional change with reference to the office of Treasurer of State, were reported unfavorably and the new draft of the code bill, which bore the title "An Act Relating to the Administration of the State," provided that the work of the new financial department should embrace the work of the treasurer's office as at present constituted. *The administrative act therefore involves no change in the Constitution.*

## REASONS FOR THE ACT

The act as passed presents two great improvements in the administration of State affairs. First, it provides for a modern, present-day economical system of financial administration; second, it coordinates the numerous and various agencies administering health, welfare, and institutional activities. This latter object was specifically referred to as desirable in the Republican party platforms of 1928 and 1930, and the general plan of reorganization was strongly endorsed in the last Democratic party platform.

The Maine legislative committee of 1921 had called attention in the Cole Report to the loss of efficiency and consequent waste of money on account of many departments attempting to expand beyond the intention of the law, with consequent overlapping of duties and duplication of effort. The report pointed out an increase of 75% in clerical force in five years and they felt keenly that the State, like the individual, should measure its expenditures by its ability to meet them and expressed strongly the opinion that the policy of the State should be retrenchment rather than expansion. They enumerated the establishment of the following offices and boards in the fifteen years preceding the investigation; the State Auditor, the Industrial Accident Commission, the Highway Commission, the Department of Charities and Corrections, the School for the Feeble Minded, the State Reformatories for Men and Women, the three Tuberculosis Sanatoria, the Portland Pier, Pensions for the

Blind, et cetera. This increase in functions of government was not the only cause for alarm, for the long-established departments had broadened and increased in their scope. That statement is even more true today. Among the recommendations of the Cole Committee were a reduction in institutional boards to three; a central clerical and stenographic bureau; direct appointment of heads of departments without intervening boards; that all fees be turned directly into the Treasury; that too rigid divisional lines in the Department of Agriculture were costly; that the state library should be made a part of the Department of Education; that there should be an additional state official to have charge of all new construction; that state employees should be classified with a view to fixing proper compensation; and finally that there should be consolidation of some of the departments. A few of their suggestions which I have not recounted have been enacted into law. In the eight years since the Cole report the expenditures of the State have continued to mount, and we still adhere to the time-honored custom of creating a new instrumentality for each new function of government. In 1929 there was created over my veto a new agency in the World War Relief Commission. In 1931 the Legislature by a separate act abolished this, so that independently of the Code the duties of this commission are placed with other welfare work.

Of course the National Institute of Public Administration had the opportunity of making a more thorough investigation and their report is therefore more exhaustive. In addition they were fully possessed of the facts in regard to the working out of reorganizations in many other states. In the fifteen states where fairly thorough reorganization has been accomplished the advantages have been demonstrated. Satisfaction with reorganized governments seems to be general and there is no desire to go back to the old condition of numerous scattered state agencies. Naturally in states which are growing rapidly there is not a very large opportunity for cutting down appropriations. In Maine, with our population increasing very slowly, there is less reason for continued increase in expenditures, and more reason for all possible economy in order that a high tax rate may not discourage the coming of new industries and new residents. It may be stated axiomatically that a high tax rate is a serious obstacle to the development of any state. To my mind one of the most significant sentences in the Survey is, "*We believe that the future growth of the business, industry and commerce of the state would be greatly aided by such a reorganization.*"

It may be argued, as it has been in many states, that the governor's power is to be unduly enhanced, but we should remember that we have a safeguard which most states lack in the requirement that appointments are subject to the confirmation of the Council, a body elected by the senators and representatives, and that the Council has great power over many other acts of the Governor. Under the proposed plan the Governor's appointive power is lessened by about fifty appointments. If a governor wished to build up a political machine the present system would serve his purpose better. *There is a natural temptation to appoint to boards or commissions to pay political debts or to do honor to some prominent citizen. Often a citizen performs very able and disinterested service for the state, but his work on an administrative board is more likely to be incidental to affairs which are more important to him personally, and I believe that the amount of money which the state pays out in expenses of trustees and other board members could more profitably be used for the salary of two or three full-time officials who would be experts in their respective fields. When boards do good work it is generally due to the initiative of one person, and he is fortunate if the other members do not hamper him. The expenses of the Boards of Trustees of the state institutions alone amount to about \$13,000 a year.*

## ADMINISTRATIVE CENTRALIZATION

Observers of government throughout the United States, and indeed all over the world, are becoming convinced that the ideal government is one of expert technical workers, supervised by an administrator acting through a few subordinate officers and controlled in the last analysis by alert and intelligent public opinion. The fear of political centralization is yielding to the great need of administrative centralization, and so the single headed department is gaining in the public mind as a means of carrying out the purely executive function of government. States have tried many elaborate schemes for improving their governments, but within the last decade have decided to try simple, direct, responsible government, and the verdict is that the more simple and direct, the more successful it has been. There is the added advantage to the public in a simpler form of government that those requiring service receive it promptly, as the tedious details of administration by boards and commissions are largely eliminated. Also the people are better able to follow the activities of such a government and can keep it closer to them, hence more responsive to their will. A good system will

not work at its best under a poor governor, but conditions will be worse under such a governor if you have a disorganized system, and his weakness will be promptly discovered if there is centralized responsibility. You cannot tie men's hands for evil and leave them free for good.

I do not know whether financial retrenchment is altogether desirable under our present system, but this consideration seems immaterial as such retrenchment is virtually impossible. The affairs of state will never grow less nor would many of our citizens care to have us relinquish activities which we have undertaken in these days of awakened social consciousness of our responsibilities to the underprivileged classes of our citizens. I think it is quite certain that under the present system further increase in expenditures would not bring benefits in proper proportion to the financial outlay. At present departments and institutions secure legislative appropriations of varying amounts, and proceed to spend them regardless of whether the State's income is as large as anticipated or not. Through the necessity for a council order or warrant the Governor and Council are able to exert some control but we do not maintain that such a system is ideal either from our point of view or from that of the various departments and institutions. We have some instances of fine cooperation by department heads and institutional boards, but this is not always assured. Such extreme decentralization cannot fail to operate to the disadvantage of the separate agencies and institutions. Under our present plan we are obliged to reward extravagance with extra appropriations from the contingent fund, since we are not possessed of the fiscal control which would enable us to prevent expenditures from exceeding income. Conversely, if a department is economical we cut down its appropriation at the next session and thus fail to provide for possible wise expansion.

## PROVISIONS OF THE ACT

### ARTICLE I

Article I of the administrative act provides that the act shall not apply to the judiciary, the University of Maine, the State Normal Schools, the Port of Portland Authority, the Executive Council, nor the Legislature, except when expressly specified. Provision is made for the appointment by the Governor, with the advice and consent of the Council, of commissioners for the new departments of finance and health and welfare, and a single commissioner for the sea and shore fisheries department and a commissioner of education, with the provision that the present incum-

bent continue during his present term. The terms for these commissioners follow that which has been in effect for the commissioner of education for some years, which is for three years or during the pleasure of the Governor and Council. Salaries are to be fixed by the governor and council in the manner that they now fix the salaries of almost all State employees. Bonds are to be filed as required by the governor and council and the state auditor.

## ARTICLE II

### DEPARTMENT OF FINANCE

In the Department of Finance there is provision for improvement of the present budgeting system; the governor and council designate a Budget Officer who may be the Commissioner of Finance. The department through this officer assists in the preparation of the budget as well as the work programs of the different divisions of the government and has the general obligation of studying the work of the State agencies with a view to effecting economy and efficiency.

Sometimes it has been stated that Maine has gotten along well for 110 years under the present system of government and there is no necessity for a change. It must be recalled, however, that in 1821 the receipts and expenditures of the State totalled about \$70,000 and in 1931 they will total about \$30,000,000. As far as the financial system is concerned the Constitution originally contemplated that the executive council should act as a board of audit. As the business of the State grew this became impossible and the office of State Auditor was created in 1907. In 1908 the receipts and expenditures of the State were under three million dollars. In twenty odd years this amount has grown to thirty million, an increase of tenfold. The bare figures are sufficient illustration of the necessity for serious consideration of the adoption of more advanced methods of financial control. Only through the devoted and continuous service of personnel in the auditor's office has it been possible to keep up under old methods with the increase in the State's business. In addition, the auditor's office has been required to assume the administration of such foreign matters as the gasoline tax.

It is provided that the budget shall be comprehensive and contain a real financial plan for the State for the period covered, and also be accompanied by drafts of the necessary bills to carry out its purpose. The agencies of the State are required as at present to submit their estimates during the Fall before the legislature convenes and the governor, or the governor-elect, with a committee of three members of the incoming legislature prepares the budget.

Not later than June first, of each year, each agency of the State having an appropriation is required to submit, through the Department of Finance for the approval of the governor and council, a proposed work program with an estimate of the allotments of its appropriation quarterly for the coming fiscal year. These work programs may be altered if necessary subject to the same approval.

Section 10 of this article describes the work to be done by the Bureau of Accounts and Control, which has the maintenance of the general system of accounts together with pre-auditing all items for payment. It is expressly provided that a petty cash fund may be allowed each department or institution, which shall be audited by the controller. The governor and council may give authority to discontinue special expendable State funds as separate accounts if there is no necessity for keeping such monies apart from the general office funds. A uniform fiscal year beginning on July first is provided and all receipts are to be paid into the treasury or placed in an authorized bank with notice to the treasurer. Under the Constitution no payment can be made from the treasury without approval of the governor and council. Section 16 of this article contemplates a simplification of the paper work involved in issuing checks and keeping records thereof.

#### CENTRALIZED PURCHASING

Sections 18 to 27 of this article describe the Bureau of Purchases in the financial department and provide for a real system of centralized purchasing. Thirty-six of the states have such a system at the present time and Maine has made one step in this direction in the informal Purchasing Association which has effected substantial economies for the State, although there is no legal authority for enforcing the decisions of the association. Supervision is given over all public utility and other contracts for the purchase of such services. A Standardization Committee is provided to establish the qualities of goods desired and the cooperation of the departments and institutions in formulating specifications is required. The Purchasing Officer may authorize purchases to be made direct in the open market whenever desirable, and the Highway Department may be authorized to conduct its own purchasing division.

The third division of the Financial Department is the Bureau of Taxation, which takes over the work of the Board of State Assessors, and the collection of the gasoline tax, at present handled by the Auditor's office. The Board of Equalization in the Taxation division is composed as at present except that the two part-time associate members are paid on a per diem basis rather than a fixed salary.



This arrangement of the Financial Department contemplates the installation of machine methods of bookkeeping, which would greatly simplify the work as well as making possible the furnishing of prompt and accurate information as to the financial standing of the State or any of its agencies. The system also would relieve many of the departments and institutions of bookkeeping details which are often a duplication of work, and would permit employees at present engaged with bookkeeping matters to give their attention to the principal work of their own department. It is reasonably certain that such a system of central purchasing would save at least \$100,000 each year, and the requirement that plans for expenditures must be carefully formulated in advance and the provision of the means for real supervision over fiscal matters, would undoubtedly eliminate a good deal of waste.

### ARTICLE III

#### DEPARTMENT OF HEALTH AND WELFARE

The proposed Department of Health and Welfare provides for an organization of three separate and distinctive bureaus with separate technical directors dealing with health, social welfare and institutional service.

In the past as the health and welfare work of the State increased it became evident that there should be more correlation of the different activities. An Act of 1913 creating the State Board of Charities and Corrections attempted to provide for this, and a provision of law enacted at that time is still in effect as Section 3 of Chapter 157 concerning the present Department of Public Welfare:

“The commission shall investigate and inspect the whole system of public charities and correctional institutions in the state and the work of any department of the same, examine into the condition and management of all prisons, jails, reform schools, industrial schools of a charitable or correctional nature, children’s homes, hospitals, sanatoriums, almshouses, orphanages, hospitals for the insane, schools or homes for feeble-minded and any and all other institutions of such nature which derive their support wholly or in part from state, county, or municipal appropriations, but not including any institution of a purely educational or industrial nature.” . . . .

Here is a plain mandate in the laws of the State that there shall be supervision by one central agency of the welfare work carried on in the State of all kinds from hospitals and orphanages to jails and prisons. The machinery has never been available for giving much

effect to this part of our law but it would still seem highly desirable that there be a real opportunity for study and supervision of these problems.

*In 1920 expenditures for health and welfare work by the State totalled a little over two million dollars. By 1930 the expenditures had increased a third and reached a total of over three million dollars. I find no criticism in the amounts of the expenditures but I think that the taxpayers who pay the bills have the right to expect that every precaution be taken to see that these large sums of money bring definite accomplishments. If the ultimate benefits are not commensurate with the increased payments the taxpayers' money is being wasted. An opportunity for the conducting of these activities in a coordinated manner seems most desirable.*

The consideration of our health and welfare problems, more than any other phase of the State's activities, led me to have the Survey made; for they are concerned with the conservation of our human resources. Eighteen different agencies now spend twenty-seven per cent of our legislative appropriations for these purposes. A critical examination of the organizations dealing with our dependents and our mentally and physically ill, shows that a point has been reached where we must have more efficiency or must make up our minds to spend more money without adequate returns. In theory the governor with his council is supposed to coordinate and closely supervise all these activities and separately managed institutions, but the task is an impossible one. The greater the number of independent administrative authorities with whom the head of the government is obliged to deal, the more difficult it is for him to develop good cooperation among them. In this plan for a Department of Health and Welfare there could undoubtedly be a great accomplishment in the coordination of such services as that of a dietician, of a farm supervisor, of transfer of inmates, of interchange of products manufactured or grown at state institutions. There is no intention of making health subordinate to welfare or vice versa. Each bureau would be in charge of a technical expert. The Commissioner, who should be a man of high executive ability, would be of the greatest possible aid to the governor and council and certainly he would be of much assistance to the bureaus and institutions, and there could be a much wiser program in the preparation of the budget. A carefully prepared allotment based upon the needs of each special service would take the place of free-for-all competition for funds. The close interdependence among health and welfare activities and the institutions should make possible the harmonious

development of the department. This plan is proposed after a careful study of the conditions peculiar to Maine and is deemed to be particularly suited to us because we have no adequate local administration of health and welfare matters. The relative importance of poverty and disease as a cause of human misery cannot be argued, but that they operate to cause each other is obvious. It seems equally obvious that if the field workers of the bureaus could operate fully, the benefit to the sick and the dependent would be incalculable, quite aside from any possible economy. Moreover the defective easily becomes the delinquent, and the delinquent often aids in the spread of disease. Surely an enlightened public policy which recognizes the viciousness of the circle of disease, dependence, and delinquency, will operate to decrease the number of unfortunates who fall into those classes.

Article III of the administrative act provides for the transfer to this Department of Health and Welfare of all the scattered activities of this nature. The duties are then reassigned to the appropriate bureau of the department, but the centralized and direct supervision permits cooperative planning and action. A Parole Board is created consisting of the commissioner and two members of the executive council. An Advisory Council of six citizens is created to be of assistance to this department, and boards of local visitors are provided for each institution. The appointment of local health officers must be approved by the department as is required at the present time. Under existing law the Department of Health has some authority over local health officers and in the new law the authority is given to remove in the event of refusal to carry out the public health laws of the State.

#### REMAINING ARTICLES

Article IV provides for a single headed Department of Sea and Shore Fisheries instead of a commission of three; also provides for cooperation and joint deputizing of wardens with the Inland Fisheries and Game Department.

Article V concerns the Department of Education. There is a slight change in the Vocational Education Board, and the Department of Education is given supervision over the State Library and Museum.

Article VI. The Department of Audit is created as a separate agency and the auditor relieved of administrative duties. The auditor is to be chosen for four years by the legislature, with the provision that the present incumbent shall continue during his term. The auditor becomes a post-audit officer. This department pro-

vides for an officer who is independent of the other departments, including the executive department. He is selected by the legislature and his chief duty is to see that public money is spent in strict accordance with the appropriations made by the legislature. He is available to furnish information to the Legislature or the Governor and to install accounting systems or perform audits for municipalities as provided by law.

Article VII of the act contains general provisions for the transfer of duties and authority and abolishes those agencies which are either obsolete or are otherwise provided for under the new system.

### CONCLUSION

It will be plainly seen that this act accomplishes what has been thought desirable for many years by those concerned with the administration of public affairs. It would be rare indeed if such an important development did not meet with some objection. It is most significant, however, that during the time the matter was under discussion before the Legislature, there was but little objection. Many objections that had been raised to the Survey of 1930 were dropped from consideration by the Citizens' Committee, and the Legislative Committee eliminated from the bill practically every remaining source of objection. The majority given this bill on its way to passage, of 24 to 3 in the Senate and 116 to 24 in the House, indicates clearly the appeal that this step made to the representatives sent to the Legislature by the citizens of the State to serve the best interests of Maine. These men and women had an opportunity to secure the fullest information regarding the act and to benefit by the public and private discussion of its terms.

In closing my address to the Legislature last January I said:

“Political timidity or inertia are not excuses for failure to take every possible opportunity to improve the public business which is our government. Only a governor who is unwilling to assume greater responsibility would deny that our present system is unwieldy. The ambition of office-holders to be of service is sometimes outweighed by the fear that changes which they feel like advocating may prove a failure, thereby entailing a loss of political prestige. But we are not concerned with the problem as it affects anyone who may now hold or who may aspire to hold office. A higher duty is that of service to the State, regardless of personal or political preference. The interest shown in the Survey, as judged by the attendance at public meetings, through a great amount of correspondence, by the demand for thousands of copies of the report, and in many other ways, is convincing proof that the men and women of Maine

take a vital interest in their government and that they are greatly concerned that that government shall be readily responsive to their will and shall be conducted with the greatest possible efficiency and economy. In your endeavors to be of service to your constituents I will be glad to cooperate and will welcome the opportunity of discussing with any of you questions regarding the administrative Code.

“My inaugural address made a plea that our deliberative action this winter should be free from personal or political consideration. It has been a source of great pleasure to attend public meetings and to sit in harmonious conference when those of opposite political allegiance have discussed freely and frankly the possibility of improving our machinery for public service. I trust that this spirit may continue. Our political affiliations are maintained because that is the orderly manner provided for participation in public affairs. Our government rests on the theory of two opposing political parties. There must be loyalty to those parties if there is to be loyalty to the State. There must be faith in the belief of those parties if there is to be faith in the State.

“The parties have spoken on this question by formal resolution in their platforms adopted in conventions of their delegates representing the entire State. What attitude have they taken?

“On March 27, 1930, the Republicans wrote and accepted the following:

#### SIMPLIFICATION OF STATE GOVERNMENT

“‘We renew the suggestion contained in the platform of 1928 that the satisfactory progress of our welfare and health work be still further improved by coordinating the various departments administering health, welfare, charitable and corrective institutions and activities.

“‘That there may be continued progress in efficiency and economy we believe this principle should be extended to other agencies of State Government. We, therefore, endorse the action of the present administration in arranging for a Spelman Foundation survey of the State Government without obligation upon or cost to the State or its citizens.’

“On March 19, 1930, the Democrats wrote and accepted the following:

#### REORGANIZATION OF STATE GOVERNMENT

“‘Efficient state government at minimum cost is the ideal being striven for in many states. Maine presents the picture of inefficient government at high cost. It is obvious that only with both able officials and an efficient form of government may the ideal be realized.

“No officials, no matter how able, can produce efficient state government at minimum cost if there are an excessive number of state departments. Other states have recognized this fact. Yet no change is made. The present government has spoken in favor of this change; finally, near the end of two years in office, a survey has just been started. The Republican Legislature decisively defeated one effort at consolidation; there is no valid reason to expect approval of consolidation by another Republican Legislature. The actual record of the present Republican administration shows no accomplishment in this direction.

“It is hopeless to expect such reduction by any future Republican administration.

“We pledge the best efforts of our candidates for Governor and Legislature, if elected, to produce actual results in a program of consolidation of state departments leading to efficient government at minimum cost. On this great issue, touching as it does the pocket book of every citizen of the State, we ask for the support of the citizens of Maine.’

“There is the serene expression of the majority party; there is the militant challenge of the minority party. Do those paragraphs mean what they say or are they idle words, illusory statements to curry favor with the voters—what Shakespeare might have called ‘springs to catch woodcock’? Are those planks in the platforms of responsible political parties or are they scraps of paper?

“May we not pause and ponder on the fact that we have come here under either one or the other of those political banners. Can we maintain any integrity before our constituents if we cut the halyards and say we were sailing under false colors?

“Yet, justification of personal action or opinion is not important for we are here not for ourselves but to serve the public interest. Unmistakably was the public interest expressed in the questions we are discussing; the public interest lies between those two party expressions. The function of party government fails if between those party platforms, as if they were an upper and a nether millstone, the public interest is to be ground to dust. I am unwilling to believe that this will happen for with the information and material at hand it will be readily possible for you to carry into accomplishment the desires of the people expressed through their parties.

“I believe in progress. In the work of the State for the sick or for the well, for the delinquent or for the normal, for the dependent or for the taxpayer, I believe there should be employed every possible help that modern science or research can give us. We do not tolerate archaic or cumbersome methods in our hospitals, schools, banks, farms, businesses or homes. Why should we tolerate them

in our system of government, on which all our other interests depend so largely? Our love for the State of Maine must not be merely passive affection or aloof veneration. Let us be willing to adapt our government to present needs. Let us couple service with our love, and seek to bring to our State such improvement as may be in our power."

The Legislature regarded this matter in a non-partisan way and by a decisive vote performed a great service for the State. Some criticism has been made that the act as passed did not go far enough, but the most essential parts of any reorganization plan that could be devised are contained in this act. It may be well if further changes await the establishment of matters contained in this act.

I have been asked many times what savings will result from the adoption of this act. That is a very difficult question to answer and the only estimate I have made is that the establishment of central purchasing would save at least \$100,000 a year. The first year of operation would not reveal the full economies but I am confident that the better fiscal control and the requirements for planning ahead for expenditures would result in much additional savings. Besides actual savings it seems plain that this plan will maintain the quality of service rendered without the constant increase in expenditures that seems to be necessary under our present system.

Those who view public office only as a means of playing politics may be apprehensive of the possibility of such abuse, but it does not appear that this act provides any more opportunity than is presented at the present time. Successful government is not likely to be achieved by hiding responsibility in scores of little separate agencies. When responsibility is centered in an individual he cannot shirk it; when it is made definite a public official can be held to strict accountability. It may be said that the executive council working with the governor have more power under the proposed act than at present. I think the fact of the matter is that they have no more power but have more definite responsibility and have the machinery to properly delegate some of their power and responsibility to full-time officials. After all, the councilors are chosen by the direct representatives of the citizens of the State and the governor is chosen directly by the citizens. Ours is a democratic government and we desire a form of government which shall be first of all responsive to the popular will and also be designed to give efficient and economic public service. I believe that the machinery offered in the act relating to the administration of the State is in keeping with these desires and marks a long step forward in the progress of State affairs.