

# MAINE STATE LEGISLATURE

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# State Administrative Consolidation In Maine

Report on a Survey of the State Government  
Conducted for  
Governor William Tudor Gardiner



By the  
National Institute of Public Administration  
261 Broadway, New York City  
1930



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**NATIONAL INSTITUTE OF PUBLIC ADMINISTRATION**

261 Broadway, New York City

October 21, 1930

Hon. William Tudor Gardiner  
Governor  
State House  
Augusta, Maine

Dear Sir:

We transmit herewith our report on State Administrative Consolidation in Maine which represents the findings and conclusions of a survey of the state government conducted in accordance with your request.

It is a pleasure to record that during our four months' work in the various departments of state government the officers and employees with whom the members of our staff came in contact gave us their unstinted cooperation, often at considerable expenditure of time and effort. All available information on the state's activities was promptly placed at our disposal, and in many instances special data were gathered for us by departmental officers. Without such splendid cooperation from you and your associates, our task would have been much greater and the results less satisfactory.

For the sake of brevity, and in accordance with your wish that the report be framed so as to emphasize particularly Maine's outstanding problems in public administration, much detail on administrative procedure has been omitted. We have tried to present the material in such a way that it will lend itself readily to public review and criticism.

Respectfully submitted,

(Signed) LUTHER GULICK

*Director*

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## CHAPTER I

### THE MAINE STATE GOVERNMENT

Maine is spending annually for the support of its state government approximately \$25,000,000. On a per capita basis this amount is equivalent to about \$30, which is higher than that of any other New England state. While the population of Maine has been increasing very slowly for several years, the expenditures of the state government have been mounting at a rapid rate. This has been mainly due to an expansion of state functions during recent years which would do credit to a wealthier and more prosperous state. The state authorities seem to have lost sight of the fact that Maine's wealth is rather limited as compared with that of many other states. They have gone ahead on the assumption that Maine could indulge in many of the frills of government which other states seem to afford. They have recently embarked on certain policies which in the long run may prove to be very expensive. And withal, they have given little thought to administrative organization and methods, which are best suited to carrying on the state functions in the most effective manner, and to getting the work of the state government done in the most economical way.

It is not the primary purpose of this report to criticize state policies, but rather to discuss and make recommendations on state organization and administrative methods. Although permanent retrenchment may not be possible in the state government, it is our opinion that much better service may be rendered for the moneys expended. We believe that this can be accomplished only through a thoroughly modern system of government. Before outlining this system, let us sketch briefly the structure of the existing government.

#### Structure of the Present State Government

The structure of the present state government of Maine dates back to the constitution of 1819. This document sets up the offices of governor, secretary of state, treasurer, and attorney general. It also establishes the council, a body of seven members which acts with the governor on many of the important matters of administration. In the early nineties an amendment to the constitution created the office of adjutant general. The secretary of state, the treasurer, the attorney general, and the seven councilors are chosen by the legislature; the adjutant general is appointed by the governor. The governor, as in all other states, is elected by the voters, his term being two years. This is, in brief, the constitutional set-up of the state administration.

Owing to the rapid growth of state activities, especially during

the past two or three decades, the legislature has found it necessary to create a number of statutory offices and boards. At the present time there are some sixty-five of these offices and boards, about twenty of which are single officers, and forty-five, boards and commissions.

From a structural standpoint, the state administration of Maine consists of certain constitutional offices, which have existed for a century or more, a number of statutory additions to these offices, and more than three score offices, boards and commissions created by the legislature during recent years. Viewed as a single structure, the administrative organization is a ramshackle one, consisting of many statutory leantos without the proper constitutional foundation, not at all integrated in administration and largely lacking in co-ordination of functions. Besides, many antiquated methods are still followed, especially in the state's financial procedure. The state administration as a whole lacks unified direction and control; it has too many officials for a comparatively small state government, and official responsibility is too easily shifted if not practically dissipated.

It would seem that the time is ripe for a thoroughgoing administrative reorganization in Maine. We believe that the future growth of the business, industry and commerce of the state would be greatly aided by such reorganization. Furthermore, we think that an orderly rearrangement of the state administrative machinery would not only save the taxpayers' money but produce better service in practically every one of the state's activities.

### PROPOSED REORGANIZATION PLAN

We believe that nothing short of complete administrative reorganization should be undertaken. No halfway measures, no piecemeal "readjustment" will meet the present situation. Nothing less than a comprehensive, well balanced and properly integrated reorganization plan will suffice. Such a plan will require constitutional as well as statutory changes for its adoption.

Briefly, the plan which we propose would center all executive responsibility in the governor through the establishment of a small number of administrative departments under his control and direction. It would make the council merely advisory to the governor in most administrative matters. It would leave the state auditor elected by the voters to act as an independent check on the fiscal performances of the governor and his departmental heads. This, we believe, is a real safeguard against overcentralization, since the state auditor would be in the position of a permanent critic of the administration. He would be able to discover any irregularities through an examination of the accounts kept by the administration and report the facts to the legislature and the people of the state. The governor would then have to answer for the acts of his administration.

It is proposed to establish nine major departments, as follows:

(1) executive, (2) finance, (3) health and welfare, (4) agriculture, (5) highways, (6) corporations, (7) conservation, (8) labor, and (9) education. Within these departments all activities of the state are to be consolidated, except the attorney general's office, the public utilities commission, the Port of Portland Authority, the University of Maine, and the Maine development commission. No immediate change in the status of these latter agencies is suggested. A general idea of the organization of the proposed departments, the existing agencies abolished, and the functions transferred to the new departments may be gained by an examination of the accompanying table.



# DISTRIBUTION OF FUNCTIONS OF EXISTING GOVERNMENTAL AGENCIES ACCORDING TO THE PROPOSED PLAN OF ADMINISTRATIVE REORGANIZATION FOR MAINE

10

Departments, Bureaus and Divisions under Proposed  
Plan of Organization  
(\*Constitutional Agencies and Functions)

Existing Offices, Boards and Agencies Whose Functions  
are Transferred to the Proposed Organization

REPORT OF SURVEY STATE OF MAINE

## I. *Executive Department*

\*Governor

Executive Secretary

Bureaus:

1. Administration
2. Military and Police Affairs
3. Buildings and Grounds

## *Functions transferred to Executive Department:*

- \*Duties of Secretary to Council (Secretary of State)
- \*Record Keeping of Secretary of State
- \*Adjutant General's duties with reference to Militia
- Armory Commission
- State Highway Police
- Motor Vehicle Inspectors from Secretary of State
- Superintendent of Public Buildings
- State Park Commission

## II. *Department of Finance*

Commissioner of Finance

Bureaus:

1. Accounts and Control
2. Purchases
3. Taxation
4. Treasury
5. Motor Vehicles

## *Agencies Abolished:*

- Budget Committee
- Board of State Assessors
- \*Treasurer of State
- \*Secretary of State
- Superintendent of Public Printing
- Farm Lands Loan Commissioners

## *Functions transferred to Department of Finance:*

- Preauditing and Accounting from State Auditor
- Gasoline tax from State Auditor
- Inheritance tax from Attorney General
- Motor vehicle licenses from Secretary of State

## III. *Department of Health and Welfare*

Commissioner of Health and Welfare

Advisory Health and Welfare Council

Bureaus:

1. Health

## *Agencies Abolished:*

- Department of Health
- Public Health Council
- Department of Public Welfare
- Public Welfare Commissioners

DISTRIBUTION OF FUNCTIONS OF EXISTING GOVERNMENTAL AGENCIES ACCORDING TO THE PROPOSED  
PLAN OF ADMINISTRATIVE REORGANIZATION FOR MAINE—*Continued*

Departments, Bureaus and Divisions under Proposed Plan of Organization (*Constitutional Agencies and Functions)	Existing Offices, Boards and Agencies Whose Functions are Transferred to the Proposed Organization
2. Welfare 3. State Institutional Service	Board of Hospital Trustees Board of Trustees of Tuberculosis Sanatoriums Board of Prison Commissioners Board of Trustees of Women's Reformatory Board of Trustees of Men's Reformatory Board of Trustees of Juvenile Institutions Board of Trustees of the Maine School for the Deaf Board of Trustees of the State Military and Naval Children's Home Visiting Committee to State Hospitals (Council) Visiting Committee to Boys' School (Council) World War Relief Commission Inspectors of Fish <i>Functions transferred to Department of Health and Welfare:</i> Relief activities of Messenger to Governor and Council Inspection and supervision of Milk and other Foods and Drugs from Department of Agriculture Sanitary supervision of public water supply, drainage and sewerage systems from Public Utilities Commission Vocational rehabilitation from Department of Education Promotion of the welfare of Indian tribes from Forestry Department
IV. <i>Department of Agriculture</i> Commissioner of Agriculture Bureaus: 1. Animal Industry 2. Plant Industry 3. Inspections	

DISTRIBUTION OF FUNCTIONS OF EXISTING GOVERNMENTAL AGENCIES ACCORDING TO THE PROPOSED  
PLAN OF ADMINISTRATIVE REORGANIZATION FOR MAINE—*Continued*

Departments, Bureaus and Divisions under Proposed Plan of Organization (*Constitutional Agencies and Functions)	Existing Offices, Boards and Agencies Whose Functions are Transferred to the Proposed Organization
V. <i>Department of Highways</i> Commissioner of Highways Advisory Highway Board	<i>Agency Abolished:</i> State Highway Commission
VI. <i>Department of Corporations</i> Commissioner of Corporations Bureaus: 1. Banking 2. Insurance 3. Securities 4. Charters	<i>Agencies Abolished:</i> Bank Commissioner Insurance Commissioner <i>Functions transferred to Department of Corporations:</i> Incorporation from the Secretary of State
VII. <i>Department of Conservation</i> Commissioner of Conservation Bureaus: 1. Fish and Game 2. Forestry 3. Geology	<i>Agencies Abolished:</i> Sea and Shore Fisheries Commission <i>Functions transferred to Department of Conservation:</i> State Geologist Forest Commissioner Hydrographic and topographic surveys from Public Utilities Commission Commissioner of Inland Fisheries and Game
VIII. <i>Department of Labor</i> Commissioner of Labor	<i>Agencies Abolished:</i> Commissioner of Labor and Industry and State Factory Inspector <i>Functions transferred to Department of Labor:</i> Industrial Accident Commission State Board of Arbitration and Conciliation

DISTRIBUTION OF FUNCTIONS OF EXISTING GOVERNMENTAL AGENCIES ACCORDING TO THE PROPOSED  
PLAN OF ADMINISTRATIVE REORGANIZATION FOR MAINE—*Continued*

Departments, Bureaus and Divisions under Proposed Plan of Organization (*Constitutional Agencies and Functions)	Existing Offices, Boards and Agencies Whose Functions are Transferred to the Proposed Organization
IX. <i>Department of Education</i> Commissioner of Education State Normal Schools Board	<i>Functions transferred to Department of Education:</i> State Commissioner of Education State Board of Vocational Education State Librarian State Historian Board of Trustees of State Normal Schools Board of Commissioners of Pharmacy Board of Examiners for the Examination of Applicants for Admission to the Bar Board of Registration of Medicine Board of Osteopathic Examination and Registration Board of Chiropractic Examination and Registration Board of Veterinary Examiners Board of Examiners to Regulate the Practice of Embalming Board of Dental Examiners Board of Registration and Examination in Optometry Board of Registration of Nurses Board of Accountancy
<i>Attorney General's Office</i> *Attorney General	
<i>Public Utilities Commission</i>	<i>Agencies Abolished:</i> Commissioners of the Penobscot Boom Inspectors of Dams and Reservoirs Commissioners of Wrecks and Shipwrecked Goods
<i>Port of Portland Authority</i>	Board of Harbor Commissioners for the Harbor of Portland

DISTRIBUTION OF FUNCTIONS OF EXISTING GOVERNMENTAL AGENCIES ACCORDING TO THE PROPOSED  
PLAN OF ADMINISTRATIVE REORGANIZATION FOR MAINE—*Concluded*

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Departments, Bureaus and Divisions under Proposed Plan of Organization (*Constitutional Agencies and Functions)	Existing Offices, Boards and Agencies Whose Functions are Transferred to the Proposed Organization
<p><i>University of Maine</i> Board of Trustees (as at present)</p> <p><i>Maine Development Commission</i></p> <p><i>State Auditor</i></p> <ol style="list-style-type: none"> <li>1. State Auditing</li> <li>2. Local Governments—Auditing and Accounting Installations</li> </ol> <p><i>*Legislature</i> Bill Drafting Service</p>	<p>State Assayer</p>

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The proposed departments are to have single heads called commissioners, who are to be appointed by the governor with the advice of the council and serve at the pleasure of the governor. These commissioners should be paid salaries sufficient to attract capable and experienced persons. Other states with resources comparable to those of Maine are paying from \$4,000 to \$6,500 for their departmental heads. Certain boards are attached to the departments where there are quasi legislative, quasi judicial or advisory functions to be performed.

While this plan of administrative reorganization may be undertaken by statutory enactment at the 1931 session of the legislature, it cannot be completed without constitutional revision. The governor's term of office should be extended to four years. The secretary of state's office should be eliminated from the constitution and abolished. The treasurer's office should also be eliminated from the constitution and transferred to the bureau of the treasury under the department of finance. The attorney general should be removed from the constitution and made appointive by the governor to serve at his pleasure. The adjutant general should also be removed from the constitution and placed under the executive department. General provisions covering the departmental arrangement and a budget system should be written into the constitution. These changes in the constitution are necessary in order to perfect the reorganization.

It is recommended that the departmental heads constitute the governor's cabinet or advisory staff on all administrative matters. The governor should hold regular cabinet meetings once a month, or at least once each quarter. He may, if he wishes, have the members of the council present at these meetings. The governor should take up with his cabinet the major administrative problems and policies, the coordination of work and elimination of duplication, and the review of the budgetary requirements for each month or quarter. Other states, notably California and New York, use the cabinet meetings with considerable success.

### **Possible Economies through Reorganization**

The real return to the people of Maine from the plan of administrative reorganization which we recommend in this report is going to come from a better quality of service, more effectively rendered than has hitherto been possible, and not from any very great saving in dollars and cents. Considerable money can be saved in the operation of the charitable, penal and correctional institutions through central supervision and direction by the proposed department of health and welfare. Substantial economies can undoubtedly be brought about by the department of education, particularly in the administration of the normal schools. Marked savings can also be made in the centralized buying of the supplies, materials and equipment used by the state agencies and by budgeting and personal management. The highway department can effect reductions in its oper-

ating costs. Small savings can be made in practically all the departments under the reorganization plan. In the aggregate we estimate that an annual saving of some \$300,000 can be made in operating costs, depending on how thoroughly and completely the proposed plan is carried out.

### LEGISLATIVE MATTERS

The Maine legislature has two rather large houses, if we compare them with those of other states outside of New England. The senate has 31 and the house 151 members. This large membership increases considerably the cost of each legislative session, not only in the compensation and mileage of members, but also in the salary and expenses of employees and in the purchase of supplies and equipment. The 182 members receive \$600 each for a biennial session, with \$100 additional for the president of the senate and the speaker of the house, making a total of \$109,400. In addition to this the mileage of the members for the 1929 session was \$3,625. At this session the senate had 18 officers and employees, receiving compensations ranging from \$200 to \$2,000 each, or a total of \$11,310; the house had 20 officers and employees, with the same range of compensations, making a total of \$11,947. At the same time the committees of the senate and house had a number of employees which received a total of \$12,272.50 for the session. The total expenditure of the 1929 session for compensation and mileage of members, officers and employees was therefore \$148,554.50.

The total expenses of the 1929 session other than compensation and mileage amount to \$98,431.45. Of this amount more than half—\$58,454.18, according to the state auditor's figures—was spent for printing and binding; advertising for both general and committee hearings cost \$17,297.70; stationery and supplies, \$3,801.58; postage, \$3,560; telephone and telegraph, \$5,264.12; and books and newspapers, \$2,510.81. These enumerated items seem excessive in every instance. Printing and binding can undoubtedly be reduced, as we shall point out later. Advertising cost should be closely scrutinized with the intention of reducing it. Expenditures for postage, telephone and telegraph should be cut in half or even more. The practice of allowing each legislative employee as much as \$10 in postage should be discontinued. The item for books and newspapers should be practically eliminated.

The total expenditures of the 1929 session of the legislature may be summarized as follows:

Compensation and mileage of members, officers and employees .....	\$148,554.50
Printing, binding, advertising, stationery, postage, telephone and other expenses.....	98,431.45
Special committee investigations, budget committee expenses, contested elections, and indexing of laws.....	6,056.76
Revision of the statutes.....	34,913.57
Total.....	\$287,956.28 <sup>1</sup>

<sup>1</sup> Includes expenditures made on account of the 1929 session up to July 1, 1930. The state auditor reports that some additional expenditures will be made before the close of 1930, especially on account of the revision of the statutes. The expenditures of the special session held in August, 1930, to adopt the revision of the statutes are not included.

One example may be cited in connection with the legislative printing where a considerable saving can be made. This is in the engrossing of the acts and resolves. At the present time each act and resolve is set up in 12-point type for the purpose of running off 15 copies, one of which is duly engrossed, bound and filed in the secretary of state's office. The type is then destroyed. The cost of this printing operation for the 1929 session was \$9,767.46, of which \$9,007 was for composition work. After the laws are engrossed, section headings are added to the copy by the secretary of state and the complete text is re-set in 10-point type for publication. By adding the section heads before engrossing the acts and resolves and by setting them for the engrossed copy in the same size and style of type from which the laws are later published, a large part of the cost of printing the engrossed copy may be saved. Besides, the clerical expense in the secretary of state's office for proofreading one complete printing of the laws will not be necessary. As much as \$10,000 ought to be saved in this operation if the foregoing recommendation is adopted.

### **Committee Reorganization Needed**

Although the Maine legislature follows very largely the commendable practice of having joint standing committees through which its business is cleared, there is nevertheless much room for improvement. It has 38 joint standing committees, usually composed of three members from the senate and seven from the house. This number, in our opinion, is entirely too many. Some of these committees have very little, if anything, to do, as for example, those on temperance, federal relations, Indian affairs, mines and mining, public buildings and grounds, state lands and forest preservation, and aeronautics and radio control. Committees of this character should be dropped from the list; they merely provide places to dispose of the minority members of the legislature. Other com-



mittees may be combined, notably, the three committees on commerce, manufactures, and mercantile affairs and insurance; the committee on inland fisheries and game and the committee on sea and shore fisheries; the committee on legal affairs and the judiciary committee; the library committee and the committee on education. The six committees on public health, Pownal State School, insane hospitals, state prisons, state sanatoriums, State School for Boys, State School for Girls, and state reformatories may all be combined into a committee on health and welfare. In fact, the committees dealing with the administrative affairs of the state should be realigned to correspond rather closely with the departmental organization, if the consolidation plan proposed in this report is adopted. If the changes which we have suggested above are made, some 17 joint standing committees would be eliminated.

Each house has a separate committee on bills in the third reading and also one on engrossed bills. We believe these committees should be eliminated and their work handled by the clerks of the two houses and the secretary of state's office. The house has a standing committee on ways and means, which was more or less active at one time as a sort of steering committee. Recently it has almost ceased to function, and might well be dropped.

A reduction in the number of legislative committees and a realignment of the remaining ones would not only serve to expedite the work of the legislature, but it would reduce the present expenditures for committee employees.

### **Speeding Up the Legislative Work**

The Maine legislature meets in its regular biennial sessions on the first Wednesday in January of the odd numbered years. The session is not limited as to length. It generally lasts until about the middle of April. The first laws are usually enacted about the second week in February. The session runs along leisurely until about ten days before its end, and then a veritable rush ensues. Usually about one-half of the acts and resolves are passed during this final period, many of them during the last day or two. This procedure is not conducive to the careful legislative action, which spells constructive action. In Massachusetts, for example, the joint legislative committees are required to report all bills early in the session (Joint Legislative Rule No. 10), and those bills which are not reported by the committees are referred to the next session of the legislature. The application of this rule enables the legislative leaders to know the amount of work remaining to be done some time before the end of the session. In this way congestion is avoided at the close of the session, and ample time may be had for the study and discussion of all bills. Each legislative committee should be required to report every week on the status of all bills before it.

The presiding officers would thereby know when to speed up the action of committees.

### **Aids to Legislative Efficiency**

The establishment of a bill drafting service would be a great aid to the Maine legislature. A step has already been taken in this direction. At the special session of the legislature held in August, 1930, an act was passed creating for a period of a year a revisor of statutes to assist in the preparation and revision of the laws. This action was taken mainly with the idea of keeping up to date the revision and compilation of the statutes which had been prepared under the direction of a special committee and which the special session had been called to enact. The revisor of statutes is charged with the duty of distinguishing between public and private acts and of inserting the public acts in their proper places in the revised statutes. Part of this work is now done by the secretary of state's office.

We believe that the duties of the revisor of statutes, if this office is to be continued, should be extended to bill drafting and revision of bills. This would not only be of great assistance to the members of the legislature but it would put the bills in shape so they could be more easily fitted into the revised statutes. In fact, the bills may be written so they amend, repeal, or supplement sections of the revised statutes, and thus automatically become a part of these statutes without subsequent editing as is now contemplated under the act creating the revisor of statutes. This method of writing bills is the practice in several states at the present time.

Eventually we believe the Maine legislature should establish a real bill-drafting service, merging in it the work of the revisor of statutes. This service should be placed under the direction of a competent person who is appointed by and responsible to the legislative body. In the interim between the biennial sessions of the legislature, this service should outline and classify reports, documents and other materials which can be used for legislative reference purposes. These materials may very well be set up as a section of the state library. The cost of such a service ought to be quite moderate. Indeed, the savings which can be made by a realignment of legislative organization and procedure ought to be more than sufficient to carry on this service.

Finally, a word should be said about the commissioners for the promotion of uniformity of legislation in the United States. This body was created in 1895. It has an annual appropriation of \$500 which is largely expended in sending a representative to the yearly meeting of the American Bar Association. The work for which it was originally established, namely, to put on the statute books a uniform negotiable instruments act, has been largely accomplished.

It is questionable whether this body should be continued any longer to work on other uniform legislation.

### STATE ADMINISTRATIVE OFFICES

Careful survey of the allotments of office space to the various branches of government reveals several serious deficiencies, not only in the gross amount of usable space available but also in the association of space units for administrative convenience. To add to these difficulties many of the offices, because of the construction of buildings, are so badly illuminated by natural and artificial light as to lower materially the efficiency of office workers.

On the basis of actual measurement of space and estimate of space requirements, the total office space under present conditions is at least 25 per cent below the normal necessary for efficient work. Some of this deficiency is due to the fact that there is a great deal of space devoted to legislative rooms which, except during sessions, is practically wasted; but this is perhaps unavoidable in part. Considering present working arrangements, placement of furniture and equipment, number of employees, etc., we estimate that about 10 per cent of present office space is so seriously overcrowded as to call for immediate readjustment and about 32 per cent is crowded to the maximum for efficient use. Of the remaining 58 per cent of space, about 49 per cent may be regarded as ample and about 9 per cent, which includes chiefly the offices other than legislative halls which are utilized by the legislature during sessions, may be regarded as practically waste space.

Study of natural and artificial illumination of offices during working hours, without, however, calculation of the precise effect of intensity, diffusion, and distribution of artificial light, shows that in about 68 per cent of offices artificial lighting may be called "good." In about 36 per cent of space it is only "fair" and in about 2 per cent, "poor." The efficiency of natural lighting similarly estimated is rated as "good" in 39 per cent of office space, "fair" in 25 per cent, "poor" in 19 per cent, and "none" in 17 per cent. It is apparent that a material handicap to office work is inevitable in any case, because of the necessity of using artificial light during working hours. Even where artificial light is as efficient as it can be made, it imposes a certain burden of fatigue upon office workers, and where both artificial and natural lighting are inefficient, as is the case in many offices, the fatigue of office workers contributes greatly to lost time and wasted effort.

### Reorganization Needs

To make the program of administrative reorganization most effective, readjustment and rearrangement of office space is necessary. The various administrative units making up the major departments

which are now widely scattered throughout the capitol and subsidiary structures, including the quarters rented by the highway department at 283 Water Street, should be brought into close physical association. It is possible, no doubt, that minor structural alterations and reallocation of space will improve the present situation, but we see no opportunity for real physical consolidation of departmental offices without the addition of more office space. It would be of no advantage and possibly of disadvantage to certain branches of government to upset generally present working arrangements without space additions.

Two proposals are worth considering in this connection. The first to which some thought has already been given by state authorities, is the construction of a new wing to the capitol building, and the 1929 legislature approved the ultimate expenditure of \$500,000 for this purpose. The second, which has not hitherto been discussed but which seems to us should be, is the construction of a state office building on capitol grounds but not necessarily a part of the capitol building. We believe that the construction of a modern, well-equipped office building connected with the capitol only underground and with an entrance on the street at the rear of the capitol would cost less and be of greater service than the addition of a new wing to the capitol. A new capitol wing should, of course, be so constructed as to be integral with the capitol. It should be architecturally harmonious with the present capitol structure, and this would mean greater cost than a mere addition of office space would justify; not only that, its use for offices would be subject to much the same difficulties of arrangement and lighting as are now evident in the capitol building.

If a new office building should be built, it should be designed to accommodate all offices except those of the executive department, the finance department, the department of education including the library and museum, the legislative halls and adjunct offices which should remain in the capitol building, and the offices of the highway department which might well be given the entire annex building which it now uses in part.

If, however, a new capitol wing should be built instead of a separate office building, it might well house the department of education including the library extension and museum, the department of conservation, and the department of agriculture, and it should be so designed with respect to its interior construction. It would be a mistake, we think, to design such a wing without definite understanding as to the departments which it would house. It would be a mistake, also, to permit its space to be largely used for judicial chambers as some have proposed, when the need of administrative offices is so great.

The states of Virginia and New Jersey, which have had to face a similar problem in increasing office space, have built office build-

ings. The Virginia office building is a model of its kind, housing practically all administrative offices, and contributing in no small part to the effectiveness of the administrative reorganization which has taken place there. We believe that a new office building at the capitol would add greatly to the efficient and economic administration of the reorganized departments.

### **INSURANCE OF STATE PROPERTY**

According to information furnished by the messenger to the governor and council, there are about 1,100 insurance policies covering state property now in force. These policies are distributed by the governor and council to agents in all parts of the state, and nearly 300 agents are interested.

The total amount of insurance carried according to figures compiled by a special investigator in 1930 was \$5,823,450 on buildings and \$1,279,000 on contents, \$7,102,450 in all. This figure remains substantially the same, although changes in the items are frequently made. The entire premium cost of this insurance is in the neighborhood of \$35,000 annually.

Some of the larger plants are insured under a blanket form, but separate policies for each building are the rule. In some cases there are several policies on one building and contents. The practice is now being followed of discontinuing insurance on many of the smaller pieces of property as the policies expire and of increasing others to about 80 per cent of valuation. Reduction of rates has been made this year on many of the policies so that the annual insurance charges will probably be somewhat less in the future. The insurance investigator, mentioned above, considered that for adequate insurance of all state property under the present plan about \$13,000,000 would have to be carried and that under one blanket policy this would cost about \$47,000 a year.

From July 1, 1924, to date, the fire losses sustained by the state were eight in number, two in 1924, two in 1925, three in 1927, and one in 1929. These losses, conservatively estimated, totaled about \$51,000. Insurance was collected in full of the covering policies in the amount of \$21,181.17. Although we have no satisfactory data on the amount of insurance and the premium charges therefor prior to 1930, it is perhaps safe to say that in the six-year period from 1924 to date, the state paid in premiums not less than \$150,000, probably more, or about \$100,000 in excess of losses.

#### **A State Insurance Program**

Whatever insurance plan is adopted, whether "self-insurance" by the state or continuation of the present purchase of insurance through commercial companies, the plan must (1) tend to prevent and suppress fires promptly in order to reduce losses, and (2) provide for meeting unavoidable losses within reasonable limits. At

the present time, the state program does neither. The state does not provide for proper fire prevention in its institutions nor is it now sufficiently insured to meet probable losses.

The experience of Maine and other states shows definitely that the most serious fire risks are in its welfare and educational institutions, because of their nonfire-resisting construction and the nature of their occupancy and use. Of the eight fire losses of the past six years, six were of state welfare institutions, one of a church on the Passamaquoddy Indian reservation, and one of the alumni hall at the university. Adequate fire preventive and fire fighting organization, equipment, and supervision would undoubtedly have prevented some of these fires and suppressed others with considerable reduction of loss.

To meet this situation, we have recommended the appointment in the department of health and welfare of a competent supervising engineer to be responsible for inspection and supervision of state institutional plants and their utilities. This engineer should also be experienced in fire preventive work and should see that the institution maintains proper fire preventive and fire fighting organization and equipment. This is the first step in a state insurance program for the reduction of fire losses.

After this officer has surveyed all state institutions and made his report, the governor and council should gradually reduce the amount of insurance carried in private companies beginning with the smaller policies and those covering the least risks, and discontinuing the policies as they mature. Eventually the total amount of insurance carried in private companies should be reduced to a blanket policy for \$2,500,000 or \$3,000,000 covering the most important pieces of public property. These policies should be continued until an insurance reserve fund of adequate size has been built up.

While this reduction of coverage by commercial companies is going on, the state should be establishing an insurance reserve fund under the control of the finance department, by annual contributions of \$20,000, budgeted as other expenditures are from tax revenues. Assuming no more serious losses than have occurred in the past, the net increment to this insurance reserve, at interest of  $3\frac{1}{2}$  per cent, would amount to approximately \$500,000 in about 30 years. When the fund has reached this amount, all commercial insurance policies should be lapsed and thereafter losses paid from this fund. Ordinary small losses could be met by the interest on the fund. Any extraordinary loss should be met by the issuance of serial bonds, and any excess accumulation of earnings over loss could be used to retire these bonds.

Control of the insurance reserve fund should be provided in the finance department and its use limited absolutely to meeting fire losses and bond retirements, if any. It would be extremely unfortunate if such a fund were permitted to go the way of some of the state trust funds in the past.

## CHAPTER II

### THE EXECUTIVE AND THE COUNCIL

According to Article V, section 1, of the Maine constitution, the supreme executive power of the state is vested in the governor. But subsequent sections of this document set serious limitations upon the exercise of this power. A council is established, consisting of seven persons chosen by the legislature from as many districts. The governor must consult with this council in directing the affairs of the state; he must have its advice and consent in making practically all appointments to office; he cannot authorize the expenditure moneys which have been duly appropriated by the legislature without its approval. Certain administrative officers, namely, the secretary of state, the treasurer, and the attorney general, are also created by the constitution. Although these officers perform important executive powers, they are selected by the legislature and are not responsible to the governor.

The curtailment of the governor's power as the chief executive of the state does not end with the limitation set by the constitution. The development of the whole scheme of state administration during recent years has tended to emphasize further limitations of the executive. The legislature has set up numerous departments, boards, and agencies, with many of which the governor has no direct connection or control over in the exercise of their administrative powers and duties. But even if the governor were given executive supervision over these agencies, there are so many of them and the activities which they carry on are so poorly coordinated that he cannot conduct the administration in the most economical and effective manner.

In view of this situation in the state administration of Maine and the obvious need for consolidation, we are recommending the reorganization of the existing machinery so as to set up a few administrative departments under the direction and supervision of the governor. Only in this way, we believe, can he be made responsible for the exercise of the executive powers which are presumably vested in him by the state constitution. This reorganization means the elimination of the secretary of state, the treasurer, and the attorney general from the constitution and the integration of their functions with the departments of the new structure. It also means the immediate curtailment of the powers of the council and perhaps the future elimination of this body unless it can be made purely advisory to the governor. Finally, it would seem advisable to extend the governor's term of office to four years. This would permit the governor to give more time to the administration of state affairs, inasmuch as he would not be standing for reelection every two years as is now the case.

## THE COUNCIL AND ITS RELATION TO THE GOVERNOR

The Maine council, as we have already indicated, consists of seven members chosen by the legislature for two year terms. The state is divided into seven districts along county lines and a councilor is selected from each one of these districts. The districts contain one or more counties, depending upon the density of population. Where more than one county is included in a district, the appointments are rotated over a period of ten years so that each county will have a representative on the council. Strong political elements are nearly always involved in the selection of the councilors. While the office of councilor is not particularly attractive from the standpoint of compensation, it seems to carry with it considerable prestige in the state.

Each councilor receives the same compensation as a member of the legislature during the legislative session, when the council is supposed to meet daily. This amounts to \$600 plus mileage. Meetings of the council are held every two to four weeks when the legislature is not in session. For each one of these meetings, the councilors receive \$20 per day and expenses. If a councilor serves on a committee when the council is not in session, he receives for this service \$5 per day and expenses. The total cost of the council for a biennium is about \$21,000.

The council selects one of its members as chairman. It is organized into sixteen committees, namely, accounts and finance; educational institutions; election returns; Indian affairs; state hospitals and Pownal State School; juvenile institutions; military affairs; agriculture, forestry, fish and game; public lands and buildings; state charities and pensions; state highways; state library, printing and binding; state prison, reformatories and pardons; state sanatoriums; public health; and publicity. All committees, except the last two mentioned, consist of three members. The public health and the publicity committees consist of the whole council membership. There are two visiting committees, one for the state hospitals and one for the State School for Boys. These consist of two or three councilors and a woman not a member of the council. The secretary of state acts as secretary to the council, and prepares and keeps the official minutes of its meetings. There is also a so-called messenger to the governor and council, who waits upon the meetings of the council but who is in reality the directing head of certain administrative work—pensions, poor relief, and property insurance—which is carried on under the joint supervision of the governor and council.

The duties of the council, acting with the governor, are various and sundry. This body approves the selection of all state employees, fixes salary rates and increases, passes on trips to out-of-state conventions by state officials, confirms all appointments of notaries public, justices of the peace, and other officials appointed



by the governor. It passes on specifications and bids for road and other construction, approves contracts for state printing and binding, sits on the issuance of state bonds, and distributes the fire insurance on state property. It approves the refunds of foreign inheritance tax receipts and the refunds of receipts erroneously paid on fish and game licenses. It sits on accident claims in the state highway and other departments; it approves pensions to state employees and others, as well as doles to state paupers. It holds hearings and passes on all pardons. It approves all warrants for payment by the state treasurer, all transfers between appropriations, all expenditures to be made out of the contingent fund of \$300,000. It canvasses the election returns and reviews the state primary contests. Finally, it constitutes the board of trustees of the Maine State Library.

Many duties of the council now tend to impede rather than aid the expeditious conduct of the state's business. For example, the approval of all claims before payment by the state treasurer is a requirement which has long since been outgrown. As a matter of fact, the state treasurer now pays extralegally most of the claims against the state as soon as they are audited and takes a chance on getting the subsequent approval of the council. This approval is a mere formality, since the "warrants" submitted to the council by the state auditor are rarely questioned and never carefully scrutinized. The auditor calls special attention to a claim, if he wishes it to be considered by the council. Under a modern financial system, the attention which the council now gives to claims, refunds, transfers, contracts, specifications, and so on, is worth practically nothing and merely serves to impede the procedure. The councilors do not give the time to these matters which is necessary really to decide them; they merely listen to a statement by the governor or some administrative officer, such as the state auditor, a departmental head, or a board member, and decide as advised. Furthermore, the consideration that the council gives to employees in the state service and to compensations is not in line with modern personnel management which requires some classification of positions and standardization of pay. Finally, the handling of about \$7,000,000 of fire insurance on state property is largely a responsibility which the council assumes; we have made recommendations relative to this insurance in another part of this report.

Under a modern system of state administration, such as we are recommending, the functions of the council will need to be changed so as to relieve it of many duties which overburden it at the present time, and to permit of the expeditious handling of the state's business. With this in view, we believe that the chief function of the council should be to give advice to the governor on matters of state administration. In addition to this function, it should continue its present duties relating to pardons and elec-

tion contests. It should approve only the appointments of departmental heads by the governor and not those of the subordinate officers and employees. The latter should be subject to a system of personnel control, such as we have recommended elsewhere. All financial matters should be handled through the proposed department of finance according to the stipulations of the legislature.

These recommendations for realigning the present powers and duties of the council are in line with the steps that have been taken with regard to the Massachusetts council since the constitutional reorganization of 1918. An executive budget system has been established in that state by constitutional amendment and a central fiscal and accounting system has been set up in the department of administration and finance under the control of the governor. Indeed the Massachusetts constitutional convention of 1917-1918 seriously considered abolishing the council, but finally decided to continue it with a marked readjustment of its powers.

The administrative work with respect to pensions, paupers, insurance, printing and binding now under the council and governor jointly should be distributed to the proposed department of health and welfare, department of finance, and executive department. This distribution is covered by later recommendations.

### THE SECRETARY OF STATE

The secretary of state is one of the oldest administrative offices in the Maine state government. The establishment and general duties of this office are provided for in the constitution of 1819. The secretary of state is chosen by the legislature and, under a later amendment, serves for a term of two years. There is no restriction on the number of terms he may serve. His duties, as outlined in the constitution, are to "attend the Governor and Council, Senate and House of Representatives, in person or by his deputies, as they shall respectively require" and to "keep and preserve the records of all the official acts and proceedings of the Governor and Council, Senate and House of Representatives." Other duties have been added to the secretary of state by statute, the principal ones relating to the registration of motor vehicles and the control of operators, the preparation and distribution of ballots for elections, the incorporation of concerns doing business within the state, and the issuance of commissions and certain licenses.

While the secretary of state's office was rather important at one time in the general scheme of state administration, this is no longer true. It now performs a group of miscellaneous and unrelated functions. If a departmentalized administrative structure is set up, such as we are recommending in this report, we believe the time has come when the functions now performed by the secretary of state should be distributed to the proper departments and co-

ordinated with the work to which they relate. With this in mind, we are recommending the immediate transfer of the following functions: (1) the corporation work to the proposed department of corporations, (2) the editing and proof reading of the statutes to the proposed legislative bill drafting service, and (3) the work of the special police force in connection with the regulation of motor vehicles and operators to the state highway police. These transfers can be brought about by statutory changes. The reasons for them are more fully discussed in other parts of this report.

When the transfers just noted have been made, there will remain with the secretary of state the registration of motor vehicles, the preparation and distribution of ballots, the issuance of commissions and certain licenses, the supervision of aircraft, and the duties of a recording officer to the governor and council and the legislature. As soon as the constitution can be amended, it is recommended that the sections of that document relating to the secretary of state and his duties be eliminated and that the office be abolished. The registration of motor vehicles should then be transferred to and become a bureau in the proposed department of finance with a single directing head. The other functions relating to ballots, commissions, aircraft, and records should be assigned to the proposed executive department. This arrangement, we believe, will permit these functions to be more effectively and more economically handled than if they are allowed to remain with the secretary of state.

Our proposal for abolishing the secretary of state's office is not without precedent. In the recent reorganization of the Virginia state government, this office was abolished by constitutional amendment and its functions were distributed to the administrative departments under the governor's control.

### **Motor Vehicle Registration**

Formerly the registration of motor vehicles and operators was under the supervision of the highway commission, but was transferred to the secretary of state upon recommendation of the so-called Cole Committee, a special legislative investigating body which reported in 1923. As at present organized, this work consists of an automobile registration division, a court records division, and a financial responsibility division.

The registration division receives all applications for licenses together with fees, issues the certificates and plates, maintains files classified by licensees and license numbers, records the receipts and turns them over to the state treasurer. The present procedure may be improved in certain respects. The most unsatisfactory part of it is the handling and the auditing of receipts. A bank account is now maintained in the name of the secretary of state, consisting of moneys withheld periodically from the receipts before they are

turned over to the state treasurer, for the purpose of making refunds and rebates. It is understood that a balance, averaging around \$2,000, is kept in this account and that the bank pays some interest on it. Either this account should be placed under strict control by the central financial department of the state, or the refunds and rebates should all be made by clearing them through the state treasurer. The auditing of the motor vehicle receipts is now performed from cash book statements which are sent to the state auditor's office. Arrangements should be made by which the auditing of these receipts will be from the original documents. All receipts are run through a cash register at the present time, but the tape of the register is not used in the audit. The readjustment of this auditing procedure should probably await the installation of a general accounting system.

Three branch offices of the registration division—one each at Portland, Bangor and Auburn—have been established, employing ten persons in all. Two more branch offices are contemplated on the assumption that they will mean a saving in the administration of the motor vehicle work. It is claimed that the reduction in postage at the central office will be enough to maintain these branches. Before more branch offices are opened, there should be a careful study of their cost, convenience to the public, and saving in operation over conducting the business through the central office. The need for additional branch offices, or even for some of the existing ones, may be questioned at this time.

The court records division maintains a file of all individuals committing violations under the automobile law as reported by the local courts. In cases of intoxication, drivers' licenses are usually revoked without hearings by the secretary of state. In other cases, he may grant hearings. He holds such hearings periodically at Augusta, Portland and Bangor. A "black list" is prepared of those persons whose licenses have been revoked or who are otherwise disqualified. Some 2,600 persons are now on this list. Copies of the list are supplied to the registration division and to the branch offices, so they may be consulted when applications are presented for licenses.

Under a law passed in 1927, all persons who have had accidents are thereafter required to carry insurance. A record of this insurance and the payment of annual premiums thereon is kept by the financial responsibility division. If insurance is not carried or is allowed to lapse, the license on the car is immediately revoked. This work is growing rapidly.

It will probably become necessary in the near future to identify cars registered in the state which have been stolen or had their plates removed. This would be very difficult now, since the present filing system in the registration division permits only of identifying a car by owner or by license number. Such identification could be accomplished, however, by a filing system which

gave prominence to the motor or serial numbers of each make of cars. This would require some additional filing space, but practically no more expense on account of clerical help. A carbon copy of the certificate may be used for the purpose.

During the slack seasons, some valuable statistics may be compiled by the registration division on the numbers, kinds, makes, and ages of cars, trucks, etc., registered in the state. These figures would be an aid to the highway department in its planning, and to the finance department in estimating receipts for the budget. No attempt is made at the present time to compile such figures.

As we have stated above, it is proposed to eliminate the motor vehicle inspection force under the secretary of state. This force now consists of a chief inspector and ten men. The force is expensive and not properly supervised at the present time. In some respects, it duplicates the work of the state highway police. We recommend that the inspectional and investigational work for the secretary of state on motor vehicle violations be done by the regular state highway police. It is entirely unnecessary for the state to maintain what is, in effect, another police force under the secretary of state.

The cost of motor vehicle registration and supervision under the secretary of state for the calendar year 1929 was \$134,961.89. No real budgetary control is exercised over the expenditure of this amount; the secretary of state is practically free to establish branch offices and to increase the number of employees as he thinks the work demands. The expenditure requirements of the work are met out of the motor vehicle fees and are not budgeted in advance. Undoubtedly such work should be carefully budgeted, although paid from the fees collected. This is apparent if we examine some of the items of the 1929 total given above. Over \$61,000 of this amount was for salaries, a jump of more than \$10,000 over the previous year. Traveling expenses amounted to \$15,700, almost twice that of the preceding year. Plates cost \$20,115, against \$15,643 the year before. Postage amounted to \$17,874, an increase of nearly \$2,800 over the previous year. Stationery and supplies ran up from \$10,995 in 1928 to \$14,468 in 1929. These figures are indicative of the way the expenditures for motor vehicle registration and supervision may be expected to increase if they are not rigidly controlled through the budget.

### **Elections and General Office Work**

The elections work of the secretary of state's office consists mainly of preparing, printing and sending out ballots and other election materials. The regular work is taken care of by one or two persons, but eight or ten additional clerks are required when the ballots are being prepared for shipment to the election dis-

tricts. There appears to be considerable waste of time and money in the legal requirement that a duplicate set of ballots be made up and shipped to each election district. This is done presumably on the assumption that if the first set is lost the election officials will have a second one for use. But since the ballots are shipped by express, loss of the sets rarely, if ever, occurs.

Commissions are issued by the secretary of state to officials appointed by the governor and council. Fees are charged for some of these ranging from \$5 to \$10. Trademarks are recorded for which a fee of \$3 is charged. Itinerant peddlars are licensed and required to deposit from \$100 to \$500, which is returnable. Licenses are issued to ministers without charge to perform marriages.

Aside from keeping the minutes of the meetings of the governor and council, various records are required to be filed with secretary of state. These take up a great deal of space and are the source of much congestion in the office of the secretary of state at the present time. An attempt should be made to relieve this situation as far as it can be done under the existing housing facilities. Removal and storage of some of the records which are rarely, if ever, consulted would help.

A law passed in 1929 made the secretary of state responsible for the licensing of airmen and aircraft operating within the state which do not have a federal license. The enforcement of this law is likely to become rather expensive in the course of a few years. The experience of some other states with similar laws indicates as much. We believe it would be better for Maine to follow the course now taken by about twenty states which requires all planes and pilots engaged in any kind of flying to take out federal licenses.

## THE PROPOSED EXECUTIVE DEPARTMENT

It is proposed to establish an executive department of which the governor is to be the nominal head. The secretary to the governor or some officer of the department, designated by the governor, is to be directly in charge of the departmental work. This department is to include the functions of the present office of the governor, the care of the capitol buildings and grounds, the adjutant general and the state highway police, the secretarial work of the council so long as it is continued, the editing of all state reports for publication, the supervision of the preparation and execution of the budget for the next biennium, and the development of a system of personnel control. The budgeting and personnel work should be transferred to the department of finance as soon as it has been established and is functioning properly.

The executive department may be organized into a bureau of administration, with a budget officer, a personnel officer and a small

clerical staff, a bureau of military and police affairs, and a bureau of buildings and grounds. The bureau of administration would include the work of the present office of the governor, now performed by three employees. It would do the editing of all state reports prior to publication. It would include, for the time being, the budgeting and the personnel work. Two persons with suitable training and experience should be recruited to do this work. Eventually, when the secretary of state's office is abolished, as we have previously recommended, the functions relating to elections, issuance of commissions, and custody of legislative and other records should be transferred to this bureau.

The preparation of a comprehensive budget and the inauguration of real budgetary control are two things which are badly needed in Maine. At the present time, there is a budget committee, consisting of the governor, state auditor, treasurer, and two members of the joint committee on appropriations and financial affairs of the legislature. This committee is required under the law to prepare a budget and transmit it to the legislature, but the document which it has produced so far cannot be regarded as a budget. This document sets forth only about half of the state's total expenditures, as we shall explain in the next chapter. A clerk has been selected to work with this committee in the preparation of the budget which is to be submitted to the 1931 session of the legislature. If the services of this clerk prove satisfactory, it is suggested that he be continued in the executive department to follow the execution of the budget during the next biennium or until such time as he may be transferred to the department of finance, where it is proposed eventually to place the budgeting work of the state. The budget committee should be abolished and the responsibility for the budget plan placed squarely upon the governor. The governor may name two or three members of the legislature, preferably from the committee on appropriations and financial matters, to sit with him in the review of the estimates. This arrangement will serve to acquaint them with the budgetary proposals in advance of the legislative session and will permit the governor to seek their advice on any points he may desire. No statutory requirement, however, is needed for this. To insure permanency for the budgetary procedure, skeleton provisions for a budget system should be written into the state constitution similar to those of Massachusetts.

### PERSONNEL MANAGEMENT

There are approximately 2,500 persons regularly employed by the state, and yet at the beginning of this survey there was not to be found in any one place at the State House a complete record of who they are, what they do, their education, experience or other qualification for their work, their compensation, length of time in the service of the state, whether bonded or not, and other facts essential

to an estimate either of the individual employee's value to the state or the character of the many problems with which the state is concerned as an employer.

A questionnaire was sent out to secure from each employee such simple facts about him and his employment as are necessary to the most elementary system of personnel management. The complete returns which afford for the first time a basis for scientific classification and compensation of personnel, have been reviewed and the following conditions noted:

1. There are no standards of compensation which are generally applied throughout the state service to positions of comparable value or requiring comparable educational or experience qualifications. Inequalities of compensation for like positions are therefore frequent and difficult to adjust satisfactorily.

2. The titles of many positions have no relation whatever to the work actually done or the qualifications of the employee. A "nurse" may have none of the qualifications of a nurse, or a "dietitian" none of a dietitian. This of course is still further conducive to inequalities of compensation. Meaningless and misleading titles abound.

3. Length or efficiency of service apparently bears no direct relation to increases of compensation or promotion. Increases of compensation and promotions are made here and there as occasion arises without apparently any policy except that of expediency.

4. Lacking a selection of employees on the basis of actual qualification, promotion to higher positions in the state service is purely fortuitous. Superior positions which should be filled by the appointment of qualified state employees from lower ranks are too often filled by new appointments of persons who, in many instances, are less qualified.

5. Many employees, if their stated experience and training is accepted at face value, are utterly unqualified for the positions they hold; many have reached a point of age and physical condition which renders them unfit for duties for which they might otherwise be qualified.

6. No attempt has apparently been made to equalize the compensation of employees not receiving maintenance and those receiving maintenance in the institutions. Maintenance has no fixed value anywhere, and maintenance allowances may include anything from complete, even luxurious, living to the bare necessities of existence.

These are but a few of the many indications in the personnel records of divided responsibility, lack of policy, and defective procedure in state personnel management, if the present lack of system can be dignified by such title. When it is considered that personal service is the largest single item of the cost of government, the necessity of some more businesslike approach to personnel problems is apparent.



### **Personnel Organization and Procedure**

As already outlined at the beginning of this section, we propose that a personnel officer and small clerical staff of two or three persons be appointed in the bureau of administration of the executive department. If a person can be found who is qualified to act both as budget and personnel officer, so much the better. This would perhaps work satisfactorily at the start, although ultimately it would probably be necessary to have both a budget officer and personnel officer.

In view of the desirability of beginning work on salary standardization immediately, we have suggested that the personnel work be set up for the present under the direct supervision of the governor. Its proper place is, however, as a bureau in the finance department, but as complete organization of this department is likely to be delayed for some time, personnel work could probably be carried on much more smoothly now under the governor's direction.

The first duty of the personnel officer should be to prepare a complete card file or roster of employees containing their names, age, sex, branch of government in which they work, compensation, date of appointment, length of service, disabilities if any, maintenance allowances, educational and experience qualifications, and such other facts as may be desired. The basis for such a roster has already been laid in the personnel information gathered in the survey. Such a file should be kept currently to date so that at any time the precise status of an employee can be determined.

The second step in the development of efficient personnel control is the classification of all state employees according to the well recognized practice of the most efficient civil service agencies. This consists, first, in separating the employees into several "services" based on the work performed and their special qualifications for such work as: (1) the professional, scientific, and technical service which includes all positions requiring special professional or technical training of recognized standard; (2) the subprofessional service embracing all positions not entitled to professional rank but of direct assistance to professional, scientific or technical works; (3) the clerical, administrative and fiscal service including positions in office and business administration for which there are no professional or technical qualifications; (4) the skilled trades service comprising positions in the recognized trades or crafts; (5) the custodial service, including all positions identified with the care and custody of buildings, grounds and property, and the nonprofessional or technical care of state charges in institutions. Other services may be defined if necessary.

After such a general division of personnel into services has been made, each "service" is further divided into "groups" and each group into "grades" representing the degree of skill, experience, education or other special qualifications of the employees. To

illustrate: one of the groups of the professional, scientific and technical service would be the medical group. Within this group there would be several grades of medical officers, as medical superintendent, senior physician, assistant physician, junior physician, medical intern, etc. Similarly for nurses, dentists, lawyers, architects, engineers, teachers, etc.

Following this classification into service groups and grades, appropriate titles should be given to all employees in accordance with their respective grades, groups, and services, and the fixing of appropriate minimum and maximum compensation for each grade. The titles and compensation rates so fixed should be recognized as the only titles and the only compensation rates allowable. Maintenance, where a part of compensation, should likewise be standardized for institutional employees in accordance with their status and should be considered in all cases in equalizing compensation.

In addition to the standardization of salaries and grades, the personnel officer should be responsible for recruiting new employees where needed, determining their qualifications, and certifying eligibles to the proper appointing officers. Where eligibles are found already in the public service, preference should be given them in all new appointments to positions, except where such appointments are the prerogative of the governor. With proper indexing of the employees' register earlier described in accordance with the various services, groups and grades, it will be easy at any time to review the qualifications of present employees and determine their fitness for promotion, transfer or appointment in some other field of duty.

To safeguard removals of employees for reasons not compatible with the good of the service, we recommend that the appointing officer have full authority for the removal of any employee under his jurisdiction, and must immediately notify the personnel officer of his action. If, however, the employee so removed should request the personnel officer in writing, the officer making the removal should file with the personnel officer a statement setting forth in full his reasons for such removal, which statement should be open to public inspection. In all such cases, the action of the officer making the removal, so long as he acts within his authority, should be final, subject to review by the governor.

The personnel officer should be responsible also for checking all payrolls, or supply to the comptroller or officer functioning in such capacity, the data for checking payrolls. Before payment is made to state employees, the comptroller or officer having comparable authority should ascertain that the persons whose names appear on the payrolls have been legally employed for the work indicated and for the given payroll period, or that they are on authorized leave.

### **Pensioning of State Employees**

The pensioning of state employees as provided by law is now under the control of the governor and council. Ultimately, we think, the state should provide for a contributory pension system, but for the present we recommend the following procedure. The applicant for pension should make proper application to the personnel officer on an approved form. The latter should review the employee's record as to length of service, compensation, conduct, etc., and make such other inquiry regarding the employee's eligibility for pension as he may deem proper, or the governor may direct. The personnel officer should then certify to the governor the eligibility of the applicant for pension with all necessary supporting data, together with his recommendation as to the amount of pension to be granted in accordance with present statutory limitations. The governor, with the advice of the council, should then determine whether or not pension is to be granted. Pensions, if granted, should be paid out of an appropriation made by the legislature for the pensioning of state employees, which will put this expenditure under budgetary control.

### **THE ADJUTANT GENERAL**

Since the passage of the National Defense Act in 1917, the national guard organizations of the several states have ceased to be mere organized militia. On the contrary, they have become, to a large extent, a part of the federal military arm, and have accordingly moved up from a secondary, or reserve position, into the actual first line of national defense. It follows that the state has surrendered a considerable part of its control over the national guard, while retaining responsibility for its administration and housing. The federal government, on the other hand, provides compensation for members of the national guard when engaged in military duty or field maneuvers, as well as a large part of the military equipment.

This duality of relationship, and the division between administration and control which it almost necessarily involves, produces a situation which possesses unique features. Except in the event of civil disturbances (from which the state of Maine has been singularly free), the national guard is to all intents and purposes a federal body, and as such, is naturally excluded from the scope of this survey.

There remains, however, the question of administration, which includes responsibility for the custody and maintenance of federal military property, the collection and preservation of enlistment papers and other military records, and the management of the rather extensive property known as Camp Keyes.

By the terms of the constitution, the adjutant general is ap-

pointed by the governor. His term is fixed at two years, subject to the pleasure of the governor, and his control of the department exclusive, except as to the latter. The organization of the adjutant general's office consists of four major divisions: (1) the assistant adjutant general, aided by three clerks, bookkeeper, and a stenographer; (2) a state ordnance officer who is assisted by an ordnance mechanic; (3) a quartermaster (and military storekeeper) who is aided by an assistant storekeeper, signal electrician, stenographer, blacksmith, two foremen, two mechanics, and a varying number of day laborers; (4) a United States property and disbursing officer who is designated by the governor subject to the approval of the Secretary of War. This officer is under bond to the federal government, in an amount determined by the Secretary of War, as security for federal property and funds entrusted. He represents the direct liaison between the War Department and the Maine National Guard, in all fiscal and supply matters. He is assisted by one stenographer.

In addition to these four major divisions, the adjutant general is aided by a personal secretary, and is ex officio chief of the state highway police.

Despite the fact that the Maine National Guard now comprises some 2,500 officers and men, and is soon to be enlisted to its quota of 4,000, its real administrative problem consists in the custody and maintenance of some millions of dollars in property entrusted to its care by the federal government, and for which it is responsible. Some of this military property is distributed among the various units throughout the state and constitutes a large problem in property control which is discussed elsewhere in this report.

The adjutant general's office is well organized. Its administrative personnel has been progressively reduced during recent years and now stands at a reasonable level. The greatest present need of the office is immediate provision of proper storage space for ammunition of large calibre. Explosives now at Camp Keyes near Augusta are about to be moved to Camp Devens in Massachusetts as a safety measure. This action, while necessary as a temporary expedient, does not relieve the state of the obligation of providing facilities for storage which will remove the present serious hazard to the safety of the city of Augusta and the surrounding country.

### THE STATE HIGHWAY POLICE

Within the ten short years of its existence, the state highway police force has undergone many changes in powers, organization and control. Making its original appearance in 1921 as a loose collection of motor vehicle inspectors attached to the state highway commission, the force has been developed, step by step into a body which possesses certain features of a true state police organ-

ization. The need for general police powers becoming apparent, extensive changes were effected in 1925. The force was removed from the control of the highway commission and placed directly under the supervision of the governor and council. Equally significant was the fact that the reconstituted force was accorded the powers of sheriffs in the general enforcement of the penal law. The changes which followed were often rapid and sometimes disconcerting. For example, the legislative act transferring the state highway police to the control of the governor and council did not become effective until after the repeal of the old law, with the result that the force virtually went out of existence for a brief period. In 1927, the adjutant general was designated as chief, and the force was again transferred to new control. Two years later, a ruling by the attorney general virtually stripped the highway police of their general police powers, and an emergency act was rushed through the legislature in order to restore this essential feature.

Viewing the highway police in the light of these developments, it is clear that the force has been subject to many conflicting influences, and has already acquired a lengthy legislative and administrative history. Although there has been no clear cut objective, the general effect of the various changes has been rather beneficent than otherwise. This is particularly true of the administrative developments during the past two years, as will later appear.

### Organization and Distribution of Force

As constituted in June, 1930, the state highway police included the following personnel:

Deputy chief	1
Captain	1
Lieutenants	3
Sergeants	7
Patrolmen:	
Regular	29
Summer	6
Desk clerks	3
Mechanic	1
Chief clerk	1
Stenographer	1
Total	53

The force is distributed over four geographical districts which, theoretically at least, embrace the entire state. Actually, the great bulk of the force is concentrated in the southwestern portion, where trunk highways are most numerous and traffic the heaviest.

It follows that the force is chiefly concerned with the enforcement of laws dealing with motor vehicles and the use of the highways.

Each district is under the command of an officer of commissioned rank (captain or lieutenant), who is assisted in the supervision of patrols by one or two sergeants. The administrative duties of these district commanders are not heavy, being largely assumed by the desk officers detailed for the purpose. Actual administrative supervision is centered at headquarters in Augusta, with the result that the district commanders are left free for criminal investigations. Although this result has probably come about through the superior experience of the captains and lieutenants in the handling of criminal work, it is a source of real structural weakness. The state is too large, and portions of it too inaccessible, to permit effective supervision from headquarters. The existing administrative powers of the district commanders must be exercised more extensively, and the supervision accorded by headquarters confined to the control of these officers directly in charge. If this is done, the important duties connected with criminal investigations will suffer, unless the recommendations of this report concerning the extended instruction of the rank and file are carried out. One cardinal fact must be clearly faced; that the individual members of the entire force should be qualified for the varied work of the modern policeman. With the daily operations of the force under constant and competent supervision in each district, the experience and qualities of the district commander may be magnified and multiplied many times over. Specialization may be encouraged and developed without interfering with this fundamental concept of police administration.

### **Selection and Discipline of Personnel**

The statutes provide that upon the recommendation of the chief of state highway police, the governor, with the advice and consent of the council, may appoint "suitable persons" as members of the state highway police, who shall hold office "during the pleasure of said chief." The formal selection process thus prescribed is too involved to permit the fixing of definite responsibility for results, and can hardly succeed except under the most favorable circumstances. And although the statutes accord to the chief complete disciplinary powers, the regulations of the force provide that disciplinary trials shall be conducted by the governor and council. Thus the natural and necessary powers which should accompany vigorous police administration are whittled away.

So far as selection is concerned, these formal legislative restrictions have not prevented material gains in the quality of personnel engaged, particularly during the past two years. A formal application with complete personal history is now required, and a character investigation conducted by the district commander.

Some improvement would be effected in the procedure, if the latter were required to state not merely his *conclusions* as to the desirability of the applicant, but also the *extent* of the character investigation which he has made, the persons he has interviewed, and the *facts* upon which his recommendation is based. All applicants should be fingerprinted and their prints submitted to the division of identification in Washington for search.

It is both interesting and instructive to note the effect of the improvements thus far made in the selection of the rank and file. These may readily be measured by a comparison of the present personnel which was recruited during the years 1921-1923, and during the years 1928-1930. The result is striking enough. In the earlier period, the average age of recruits was thirty-seven years. One-sixth of this group exceeded fifty-four years at the time of appointment, the highest age represented being fifty-nine. During the later and current period, the average age of recruits dropped to twenty-seven years (a marked decline of ten years), and the age of the oldest member of the group was thirty-four. The formal education of men recruited has also reached high levels, the general average for the entire force now standing at between two and three years of high school instruction. This record will compare favorably with that of any police force of which we have knowledge, either in the United States or abroad.

We come now to the most defective feature of highway police recruiting policy. Owing to the restricted annual budget of the force—it is only \$140,000 at the present time—the practice has long prevailed of appointing a certain number of patrolmen for the summer months only. A few of these reappear in uniform each summer, and are employed during the seasonal peak of highway traffic. It has been the practice to allow these part time patrolmen the same advances in compensation for continued service as are allotted to the regular force. The entire scheme has only economy to recommend it. Over against this is the fact that ill-trained and nonprofessional personnel is clothed with the uniform of the state and an extensive police authority. The dangers inherent in such a course must be obvious. They are in fact not denied by the state highway police, and there are indications of an effort to reduce the number of such summer recruits.

A current example will perhaps sufficiently illustrate the illusory character of this policy of economy. On July 15, 1930, a group of seven recruits will be sworn in. They will be given one week of intensive instruction and training. They will then go on patrol and become the regulators of a large traveling public. It will cost about \$600 to clothe and equip each one of them and, within ten weeks, according to present plans they will be summarily dropped in order to relieve the payroll. This represents a complete cycle of futility.

With such an urgent demand for police protection in the rural

districts, it is clear that additional funds for the highway police must eventually be provided. Until this becomes possible, however, both the police force and the state at large should resolutely face the fact that only limited service can be rendered. The program need not be restricted to present limits. There are still large possibilities for extended service and increased usefulness with the man power now available, as will later be shown. If efforts are concentrated upon making the present small force the best of its kind, and the maximum value of its individual members carefully developed, improved police service can be secured without additional expense, and a sound foundation laid for further expansion. To continue along the present course will confirm ineffective methods, dilute the real strength and power of the rank and file, and vastly limit the future possibilities of the force, no matter how much it may ultimately increase its numbers.

Despite the recent improvements in recruiting policy, it is recommended that the chief of highway police be accorded by statute the sole power to select the rank and file, under regulations to be approved by the governor and council. The latter lacks any professional police basis on which to judge the merits of the applicants, and while the system appears to be working well enough at the present time, this formal statutory power of appointment by the governor and council will remain a constant threat against the orderly development of the force until it is removed by legislative act.

The personnel record on the disciplinary side is unsatisfactory. Necessity for formal trial before the governor and council has probably served to dull the edge of official discipline. Since December, 1927, when the force passed under the control of the adjutant general, not a single disciplinary trial has been held. It is stated that four members of the department have had formal charges warranting dismissal brought against them during this period, and in each case resignations were accepted. This is an old and familiar device for avoiding burdensome restrictions. Its defect lies in the fact that the service record of the applicant remains substantially clear, and there is no formal bar to reappointment under a succeeding administration.

On the basis of both municipal and state police experience in many jurisdictions, it is recommended that the governor and council surrender their disciplinary powers to the chief, and hold him to a strict accounting for their exercise, as provided by law.

### **Police Training**

Analysis of the prior experience of the forty-seven members of the police force shows the following results:



Rank	Total Number	Number Having Experience Related to Police Work
Deputy chief	1	1
Captain	1	1
Lieutenants	3	0
Sergeants	7	2
Patrolmen	35	7
	—	—
Total	47	11

It is apparent that the recruits of the state highway police do not differ materially from those of other police forces, in the matter of prior police experience, and that their knowledge of the policeman's art must be derived or imparted after they are sworn in. Such knowledge may be secured, in time, from actual experience, but this method, if it may be called a method, wastes a large part of the early years of the patrolman's service, and scarcely ever produces more than fragmentary and ill-organized information. It therefore devolves upon the force itself to provide recruits with an extensive knowledge of the complicated factors surrounding the performance of police service.

In the one week training course now being operated by the highway police, strenuous effort is made to cover a large part of the usual field of police instruction. The school day begins at 6 A. M. and closes at 9 P. M. Every moment is consumed in barracks duty, mess, study, or formal instruction.

The training course covers almost the entire range and scope of police schools which operate for two or three months. The highway police course, on the other hand, consumes only five days, each day including *seven hours of actual instruction*.

The whole scheme is too intensive. It has been undertaken in its present form both because it is cheap, and also because the summer officers recruited must necessarily receive only brief instruction. But the trained police recruit cannot be turned out by any such high pressure methods. Here again the solution lies in turning the energy and marked enthusiasm of the directing heads towards securing *quality* rather than *quantity*, and as a means to that end, in conducting the police school over a period which is sufficiently long to produce significant results. The courses in legal subjects should preferably be conducted by experienced police personnel in order that these may be articulated with the actual needs of police service. Finally, the number of hours devoted daily to classroom work should be materially reduced, and the balance of each day consumed in the shop, on the pistol range, in equitation, and on the drill field. A large group of carefully selected recruits can thus be weeded out during an extended period of instruction until the survivors, with few exceptions, are worthy in all respects

to represent the state and to wear its livery. If this program is followed, the state will get what it pays for, and will thereby be practicing true economy.

### **Compensation and Welfare**

Under the statutes, the governor and council are empowered to determine the salary scales for all ranks and grades. As now set up, the scales for patrolmen in their first, second, and third years are \$1,300, \$1,456, and \$1,664, respectively. Sergeants receive \$1,800 annually, lieutenants \$2,000, and captains (including the deputy chief) \$2,200. Uniforms and equipment are provided by the state, and all necessary traveling expenses are reimbursed. It is difficult to compare these items directly with the practice of other state police forces, nor would such comparison, if attempted, be highly significant. The important fact is that under these terms of employment the state is recruiting men with educational advantages which are relatively high in police work. Due recognition of the responsibilities of the higher ranks requires, however, a wider spread between the pay scales of sergeants and lieutenants, and of lieutenants and captains, respectively. Because of the small number of men holding the rank of captain or lieutenant (a total of only five at the present time), substantial increases could be accorded them without great expense.

As the result of early laxity in recruiting, the highway police force is now overburdened with members of advancing years. That a small force which has been in existence slightly less than ten years should be carrying on its rolls several men well over sixty years of age and a number of others who are over fifty, is almost inconceivable. Under the state retirement system, pensions may be provided for state employees who have served for more than twenty-five years. Clearly, this offers no way out of the difficulty. It is therefore suggested that small stipends be provided for these unusual cases and that they be honorably retired. Under the present limited highway police budget, this course may involve a very slight reduction of man power for a time, but such a result is believed far preferable to the maintenance of members who are not fit in every way for all forms of police duty.

As indicated above, the present policy of the highway police involves the recruitment of men under thirty. This practice is to be commended. In the light of police experience, it will prove advisable to lower the maximum age for recruits to thirty-three years, and to accept recruits over 30 years of age only in unusual cases. Past negligence in recruiting, as in the case of one member, recently resigned, whose service record shows that he was under twenty-one years of age when sworn in as a state police officer, carries its own condemnation.

Until a more satisfactory death and retirement system can be provided by the state, it is recommended that the group insurance plan employed by the New Jersey state police be seriously considered.

### **Uniformed Patrol and Criminal Investigations**

The patrol force is exclusively employed in covering only the more important of the state highways. This policy, which is traditional with the highway police, is fortified by the fact that the restricted numbers of the force will not permit general rural patrol.

Patrolmen cover regularly defined beats in the vicinity of their homes. They therefore perform their work without daily supervision from superiors, except as they may be visited from time to time by a sergeant, or called in to the district station for conference. It is possible that the popular opinion that patrolmen do not render the full service for which they are paid is well founded, at least in some instances. While no systematic check upon daily patrols was undertaken in connection with the survey, it is clear that present means for assuring the presence of the patrolman on post are inadequate. Registers have recently been installed at various filling stations along the several patrol routes, in which the patrolman is required to enter the date and time of his visit. This procedure represents satisfactory state police practice, although it is an expedient of only minor importance, and has practically no disciplinary value unless the entries in the registers are frequently checked against the daily patrol reports. Next to the mere physical presence of the patrolman on his post the most important consideration is keeping him readily available for emergency police service of all kinds. The present arrangements for communication with patrols are unduly expensive to citizens requiring police assistance, and the delay involved tends to discourage rather than to encourage recourse to the highway police by the general public. Specifically, there is too great a tendency for emergency calls to be routed by way of the district station, thus involving delay and expense. The very nature of rural patrols requires a high degree of decentralization, and this is especially true of emergency calls. The patrolman, rather than the district headquarters, must be made the unit with which emergency communications are effected in the first instance.

Finally, the point should be stressed that the best guarantee of superior patrol service is constant supervision by district officers. Our observations indicate that this is often impracticable at the present time, because district commanders and sergeants are subject to other demands for criminal investigations. If the foregoing recommendations are adopted, however, these superiors will be available for daily inspections, constant supervision, and upon occasion, for assistance also.

The district stations could be materially enlarged, particularly as

to dormitory space, with improved results. District station telephones are not now ordinarily covered throughout the twenty-four hours of the day, nor are night reserves for exceptional emergencies maintained. Both services can be secured without additional man power if free quarters for certain members of the force are provided at the district stations.

Patrolmen rarely obtain signal results among their own neighbors. A policy of regular transfers upon which vigorous and disinterested police service so frequently depends, is largely barred to the highway police, because it does not regularly provide separate subsistence and quarters for the rank and file. It is recommended that steps to this end be taken, and that the salary scales of sergeants and patrolmen be revised downward accordingly, in order to balance the increased cost of individual maintenance by the state. This will prove to be a large undertaking, but its results in improved discipline and increased police activity by the rank and file, will more than compensate for the administrative difficulties in carrying it into effect.

### **Highway Police Inspectors**

When, in 1925, the state highway police were removed from the control of the highway commission and subordinated directly to the governor and council, as described above, the legislature by the same act (P. L. 1925, c. 144, section 4) provided that members of the force might be assigned to the office of the secretary of state, as motor vehicle inspectors, their duties to include the licensing of motor vehicles and operators and the collection of fees and penalties. Under the authority thus granted, the secretary of state now has ten motor vehicle inspectors, under the general supervision of a chief inspector. The chief inspector's rank and pay are equivalent to that of a lieutenant in the highway police, while the inspectors are ranked and compensated as sergeants.

It will be observed that these inspectors retain their general police powers and police uniforms, although entirely separated both from the work and the discipline of the highway police. The scheme represents nothing more than a kind of legislative stop-gap and is thoroughly unsound. It is recommended that the motor vehicle inspectors be deprived of their irregular status as highway policemen, and that they be placed solely and exclusively under the jurisdiction of the secretary of state.

### **Criminal Identification**

By the terms of a recent statute, "copies of all fingerprints taken or caused to be taken by sheriffs . . . shall be forwarded to the chief of the state highway police."

In accordance with this enactment, a beginning has been made by the appointment of an identification expert (who also acts as store-

keeper) at highway police headquarters. Although crude and elementary in its conception, the plan has useful possibilities. In June, 1930, President Hoover signed the bill formally establishing a division of identification and information in the department of justice at Washington. A permanent clearing house for criminal identification records and a nationwide service for the benefit of state and local police is thereby assured. Only the states, however, can *compel* the submission of identification records. It will, therefore, be observed that the program recently inaugurated in Maine is merely a part of a great nationwide movement for better and more comprehensive criminal identification.

Nothing is to be gained, however, by sending the identification expert hither and yon about the state taking fingerprint impressions and photographing offenders in custody. If his efforts are confined to the *instruction* of sheriffs in the simple art of taking fingerprints, to their classification when received, and to encouraging municipal police forces to submit copies of all identification data collected, the full possibilities of present legislation will have been secured. A statewide system of compulsory reporting by all police agencies should be provided by law.

### Summary of Chief Recommendations

The foregoing proposals for the improvement of the state highway police contemplate the following major changes:

1. A centralization of the power of selection and discipline in the hands of the chief police administrator;
2. Extensive police training for the rank and file;
3. Decentralized control over daily police operations.

These propositions are fundamental to successful police work everywhere, and may be applied with profit by the state highway police. Though financial considerations may delay the natural and inevitable expansion of the force for several years, it should never be forgotten that the state as a whole is receiving little or no positive protection. Highway patrols are now largely and necessarily confined to the routes where the greatest traffic congestion exists. They are conducted with primary regard for a single modern instrument—the motor vehicle. Only a mile or less back of these main trunk lines lie many communities which are virtually defenseless against criminal attack. Improved highways have brought the crime and criminals of the cities to the rural districts. It will be surprising if the state of Maine proves an outstanding exception to this general rule. Out beyond the influence of the hard surfaced roads are the vast unorganized areas which, in this state, do not possess even the rudimentary forms of local government.

Here is an unique American problem in government, one which may prove far more difficult in its solution than that of the common-

wealths which have thus far established "state constabularies," or more properly, "state police." The real rural districts (those lying along the main routes scarcely belong to this category any more) are almost entirely dependent upon the state government for protection. Mounted patrols alone can provide it. When the time comes to do so, this state may well model its rural police program upon the states now operating full fledged state police forces, and particularly upon those features of the Pennsylvania, New York, Massachusetts, and New Jersey forces which have a pertinent application in this state.

Meanwhile, the highway police should confine their service program to those features which it is reasonably possible for them to provide under their restricted budget, and no more. If the qualification, training, and discipline of the rank and file are steadily raised, a sound foundation will be laid for possible future expansion. Unless this is done, it may well be doubted whether any mere increase in numbers will provide a sufficient return to the state.

One last word should be said concerning the provision made for police leadership. The designation of the adjutant general as chief of highway police follows the example of several of the "ranger" forces in the southwestern states. In all of these states, save one, the ranger force has been abolished, as a direct result of political influences which have destroyed the usefulness of the police force. If the adjutant general is to enjoy continuity of service, we see no reason why the highway police should not remain under its present control. But if the office is to be frequently filled and refilled, with consequent changes in police leadership, it will prove advisable to reconstitute the highway police as an independent executive arm, and to provide the chief with assured tenure during good behavior. There is no substitute for intelligent police leadership and control, continuously applied.

### **CUSTODY OF CAPITOL BUILDINGS AND GROUNDS**

We propose that the superintendent of buildings department as now constituted be abolished and that a bureau of buildings and grounds be set up in the executive department, the director of which should be responsible for the custody and maintenance of capitol buildings and grounds, the state forts, and the maintenance of the telephone service at the capitol and adjacent buildings as at present. The other present duties of the superintendent of buildings in connection with the purchasing and handling of postage and supervision of the mailing room, the purchase of stationery, office equipment and janitorial supplies, and the custody of surplus property in the capitol and adjacent buildings should be transferred to the bureau of purchases in the department of finance.

This rearrangement will permit some reduction in the personnel

now employed in this department. With the limitation of the responsibility of the superintendent of buildings as described above, an assistant superintendent of buildings at \$1,920 should be unnecessary and a chief clerk at \$1,456 could also be dispensed with. One first class assistant at about \$20 per week would perhaps be needed by the superintendent of buildings for general clerical and stenographic work. The telephone service, janitorial service, and mechanical and electrical service now provided are efficient and low in cost. With the exception of Arkansas, Mississippi, and Alabama which employ convict labor, Maine pays the lowest weekly rate for capitol janitorial service in the country, and in our opinion, gets better results than many states. The net saving in salaries possible through the proposed reorganization, assuming continuance of the present salary rates, and assuming that the employees transferred to the bureau of purchases are continued in their respective employments, would be about \$3,000. There would, however, probably be some readjustment necessary following the transfers of employees to the bureau of purchases which would in part offset this saving.

### THE ARMORY COMMISSION

The adjutant general, two line officers of the national guard of the rank of captain or above, and two civilians appointed by the governor unless sooner relieved, constitute the armory commission, of which the adjutant general is chairman. This board is empowered to fix the rental of armories, suitable space for deposit of arms, equipment, etc., and for parade, target practice and drill. All of such facilities must be provided by the municipalities, for which a rental not exceeding \$100 per annum may be allowed. Members of the armory commission, the adjutant general excepted, receive \$5 per diem for each day actually employed in the work of the commission, plus travelling expenses.

Cities or towns may procure state aid for the construction of armories by providing suitable land and notifying the armory commission of intention to construct, whereupon the armory commission provides municipal officers with plans and specifications for the armory. Municipal officers let contracts for construction in accord with such plans and specifications, subject to the approval of the armory commission. The armory commission has full authority to inspect and investigate work in progress, and an inspector of construction work must be selected by the city or town, subject to approval by the armory commission. If the foregoing procedure is adhered to, the state is required to reimburse the local government to the extent of one-half the cost of construction, in instalments, but in no case shall the reimbursement to any city or town exceed \$50,000. Only one armory has been constructed (in Portland) and that was prior to the enactment of these statutes.

We recommend continuance of the armory commission as an adjunct of the executive department, since the adjutant general, who is chairman of the commission, becomes under the proposed organization, an officer of that department.

### **THE STATE PARK COMMISSION**

The state park commission which comprises three unpaid members appointed by the governor for terms of four years each, and the superintendent of public buildings, ex officio, has charge of the state park at Augusta. One of the members must be a citizen of Augusta recommended to the governor by the city council thereof. Such a commission seems a desirable thing and we offer no recommendation for change in its composition or relations except that it be included in the executive department to which it is proposed to transfer the superintendent of public buildings.



## CHAPTER III

### THE FINANCIAL SYSTEM

Maine has a very archaic and cumbersome financial system, both from the standpoint of organization and procedure. Some of the fiscal structure and methods which the state government is still attempting to get along with date back to the constitution of 1819, or more than a century ago. The treasurer's office was created by this document and his general duties outlined, with the proviso that "No money shall be drawn from the treasury, but by warrant from the Governor and Council, and in consequence of appropriations made by law."

Not until recent years have any attempts been made to modernize the state's financial system, and these have largely failed to accomplish their intended purpose because they have been mainly of a patchwork nature. The most notable of these attempts was the creation of the state auditor's office in 1907. The principal duties assigned to this office were to maintain central accounts, perform an audit of all claims for payment, and prepare the "warrants" for the approval of the governor and council. A satisfactory central accounting system has not yet been developed; and the auditing work leaves much to be desired. For a time this office seemed to spur up the transaction of the state's business, but now the volume has increased to such extent that the payment of claims and the auditing of receipts is again lagging behind. Another attempt to bring modern technique into the state's financial system was made in 1919, when a budget committee of the administrative-legislative type was established. This committee has so far failed to produce a comprehensive budget document; it has never given any attention to the important problems of budgetary control.

In brief, the state of Maine has a disjointed financial structure, built up over more than a century. It has no budget system worthy of the name, effective methods of budgetary control being almost entirely lacking. It is without a real central accounting system which develops information readily for purposes of administration. It lacks centralized purchasing machinery now generally regarded as being indispensable to the economical buying of supplies, material and equipment used by the state government. It uses antiquated treasury methods in the handling and disbursement of funds, not to mention the unnecessary number of such funds. It is without an established policy in the issuance and retirement of state bonds. Its tax system is not properly adjusted from an administrative standpoint to meet present day conditions. It is without adequate central supervision of the personnel employed to conduct its business. Finally, it is totally lacking in an independent check upon its fiscal operations secured through the medium of a postaudit of its general and subsidiary accounts.

## PROPOSED REORGANIZATION OF THE FINANCIAL AGENCIES

In view of the conditions just enumerated, we recommend a complete reorganization of the state's financial agencies. We propose the establishment of a department of finance under a commissioner appointed by the governor. We also propose that the existing auditor's office be assigned to the function of independent post-audit of the accounts kept by the administration. These proposals will require both constitutional and statutory changes to complete them. It is possible, as we shall point out later, to start in the direction of financial reorganization by statutory revision at the 1931 legislature and to complete the new structure as soon as certain constitutional changes can be made, probably by the beginning of 1933.

### Department of Finance

The department of finance should be the right arm of the governor in managing the state's business. Its head, the commissioner of finance, should be appointed by the governor with the advice of the council and should serve at the pleasure of the governor. He should be thoroughly qualified by training and experience to direct the financial affairs of the state government, which involve the annual collection and expenditure of moneys amounting to about \$25,000,000. The department should be organized under the following bureaus: (1) bureau of accounts and control, with a controller in charge; (2) bureau of purchases, headed by a purchasing agent; (3) bureau of taxation, with a director of taxation at its head; (4) bureau of the treasury, headed by a treasurer; (5) bureau of motor vehicles, with a director of motor vehicles in charge. Each bureau head should be thoroughly qualified to carry on the work of the bureau and should be regarded as a permanent state employee, not to be changed by each succeeding administration.

The department of finance can be established by statute and all the major functions, except the treasury, placed under it immediately. To put the treasury under it will require constitutional amendment. In the meantime the treasury can be associated with the department to the extent of working out the proper fiscal procedure and installing a central set of accounts. While the bureau of motor vehicles may be taken from the secretary of state's office and placed under the department of finance by statutory revision, we do not recommend this change until such time as the secretary of state is abolished by elimination from the constitution and his functions distributed to the proposed departments as we have recommended in the preceding chapter of this report. The department of finance, therefore, as it may be set up by the 1931 legislature would contain three bureaus, the two just mentioned being added as soon as the proposed constitutional changes have been made.

The bureau of accounts and control should maintain the general

accounts for the entire state government, establishing such subsidiary accounts in the departments and institutions as may be necessary for administrative purposes. It should audit all receipts of the state, seeing that the proper collections are made. It should audit all claims against the state before payment. It should also classify the information relative to income and expenditures so it may be effectively used in the monthly reports and in the budget.

All accounting work should be transferred from the state auditor's office to the bureau of accounts and control. Much of the present departmental accounting should be eliminated; the remainder should be simplified and properly tied into the central system. The treasury accounting should be reduced to a record of receipts, disbursements, deposits and investments and made subsidiary to the general accounts. An up-to-date machine system of accounts should be installed in the proposed bureau of accounts and control. This may be accomplished by selecting as the head of the bureau a person who is already acquainted with the financial operations of the state, such as the chief accountant of the highway commission, giving him authority and funds to advise with governmental accountants, to engage such assistance as he may need from outside the state, and to oversee the preparation and installation of a complete system.

The bureau of purchases should buy all supplies, materials and equipment for the state departments and agencies with the possible exception of highway materials and perishable foodstuffs. Printing, stationery and postage should also be purchased through this bureau. Adequate stores control should be set up, especially at the state institutions, to guard against the waste of supplies. A standardization committee should be established in connection with the bureau of purchases to determine the character and type of goods that should be bought centrally. This committee and other matters relative to purchasing are discussed more at length in a subsequent section of this chapter.

The bureau of taxation should handle the assessment of wild lands and the equalization of all general property taxes, which is now under the board of assessors. It may also administer the gasoline tax now in the state auditor's office, and the inheritance tax now under the attorney general's office. These taxes should, at least, be transferred to the department of finance, whether assigned to this particular bureau or not. There should be some provision for a board of equalization in connection with the bureau of taxation. Further discussion on these points is found in a subsequent section of this chapter dealing with the state tax procedure.

The bureau of the treasury should be set up under the department of finance as soon as the constitution can be amended. It is necessary that the treasury be an integral part of this department and it cannot be made so without eliminating the treasurer from the constitution. The treasurer should be a permanent, full time employee. No deputy treasurer is necessary. The present force

in the treasurer's office may be reduced by a simplification of the records and methods now in use. Many of the collections now made by different departments should be made directly by the treasurer. All moneys not collected directly by the treasurer should be turned over daily to him.

If, and when, the secretary of state's office is abolished by amending the constitution, we recommend that the registration and control of motor vehicles be transferred from this office to a bureau of motor vehicles in the department of finance. There should be a full time director at the head of this bureau. A discussion of the administration of the motor vehicle work is to be found in the preceding chapter.

Arguments will probably be advanced against the establishment of a department of finance on the score that it sets up a new office under the title of commissioner of finance. While this is true, it is proposed to eliminate the board of assessors, the treasurer, and the secretary of state, transferring part or all of their functions to the department of finance. Unless such a department is created, we do not believe the state of Maine can establish an orderly and effective financial system. When this department is set up, we do not think it will be any more expensive to operate than the existing agencies which handle the financial functions; besides, we think it will actually reduce the personnel engaged in bookkeeping in the several departments, institutions and agencies.

### **The State Auditor**

Every state government should have an independent audit of its accounts at least once a year. Maine has not had such an audit for many years. The audit performed currently by the state auditor is not of a disinterested character, since he is collecting and disbursing moneys and keeping accounts relative thereto. He is therefore in the position of auditing his own transactions and records.

An independent audit, such as we have in mind, may be provided for in one of two ways. It may be performed by a private accounting firm whose services are retained by the state, or it may be performed by an officer of the state government who is independent of the executive and the administration. We believe the latter method would perhaps be more satisfactory for Maine at the present time. We therefore recommend that the state auditor, who is elected by the people and thus in a position of independence with reference to the governor and the departments under his control, conduct the postaudit of the state's financial affairs as recorded in its general and subsidiary accounts. In order that the state auditor may be perfectly free to criticise the administration, when the findings of his audit justify it, it is proposed that he will not keep any accounts, administer any revenues, such as the gasoline tax, collect any state moneys, exercise any administrative functions, such as are required by the farm lands loan board, or serve ex-

officio on any state board. He should maintain only working papers in his office, such as a private firm of accountants would have when conducting an audit of the state's business. He should have a small force of auditors; five or six ought to be ample to handle the state auditing. He should be required to prepare and publish a report setting forth the essential facts of his audit of state affairs, within two months after the close of each fiscal year. If he should find evidences of improper transactions or of incompetence in keeping accounts, or of other improper financial practices, he should be required to report them to the governor immediately; and if any of the transactions so reported are thought to be illegal, he should also be required to call these to the attention of the attorney general. He should include all findings of this character in his annual report, and he should have the authority to make them public at any time during the year.

In addition to the postaudit of strictly state accounts, the auditor should have the authority to audit the accounts of all town and city governments. Under an act passed in 1923, an audit of their books is optional with the municipalities. About fifty municipalities have elected to have an audit under this act. We believe the act should be amended to make the audit compulsory and to require it to be made annually at the expense of the municipality. If the accounts of the municipalities are not properly designed or kept, the auditor should be required to correct them. The annual budget of each municipality should be reviewed by the auditor before its final adoption to see that it is balanced and that the necessary provisions have been made for debt service.

### **BUDGETARY AND ACCOUNTING METHODS**

We have already stated in the previous chapter that responsibility should rest squarely on the governor for the preparation and the execution of the state budget. These two phases of budgeting belong distinctly to the executive under our form of government, while the authorization of the budget is exclusively a legislative matter. We are therefore suggesting, as soon as the necessary legislation can be passed, that the present budget committee be abolished. If the governor wishes to advise with members of the legislature in the preparation of the budget, he may do so, but this should not absolve him of complete responsibility for the financial plan. The governor may name an advisory committee from the legislature without any formal legislation. A more important matter to be provided for by legislation is the requirement that a new governor upon assuming office shall be responsible for the budget that is presented to the legislature. The outgoing governor should not be allowed to prepare the budget for the incoming administration. After a new governor is elected in September, he should acquaint himself with the state's finances and determine the fiscal policies which he wishes to outline in the budget. By arranging for the submission of the budget to the legislature about February 1,

instead of early in January, as now required by law, a new governor should have plenty of time to get his budget ready.

We have suggested that the work of compiling the budget which is to be submitted to the 1931 legislature should be carried on under the governor's office by the clerk to the budget committee, and that this clerk may be continued as the budget officer under the governor after the budget committee has been abolished. The preliminary work of getting the new budget lined up for execution beginning July 1, 1931, should be handled by this officer. As soon as the department of finance has been fully established, the budget work should be transferred to it and carried on either by the head of that department or by a budget officer working directly under the head and in conjunction with the bureau of accounts and control.

### **Need for a Comprehensive Budget**

The state government of Maine is spending annually about \$25,000,000. Less than half of this amount appears in the so-called budget. The expenditures of the highway commission, except a small amount, and of several other agencies, together with a number of special funds, are not to be found in the budget. Therefore the budget does not present a comprehensive plan of the state's financial requirements, or strike a balance between its total income and total expenditures. Such a document tends to mislead the legislature and the citizens as to what the state government is actually costing. We propose that all financial requirements of the state government be budgeted and presented to the legislature for its review and approval.

Besides not being comprehensive, the present budget document is quite defective in form. It has no budget message by the governor, setting forth the fiscal policies and summarizing the financial recommendations. It lacks a balanced statement of anticipated income and proposed expenditures, with supporting schedules and detailed estimates. We recommend the following changes in the budget document.

1. It should contain a budget message prepared by the governor and presented on the first few pages. This message should discuss the major fiscal policies of the state government, explaining the proposed expenditures, department by department, and outlining any changes which may be recommended in the existing sources of income.

2. There should be a balanced statement following the budget message, presenting a complete summary of the state's estimated expenditures and anticipated income for each of the fiscal years covered by the budget. This statement should be explained by a few supporting schedules, showing the detailed expenditures and revenues for each fiscal year and comparing these with the expenditures and revenues of the current and preceding years.

3. Following the summary and supporting schedules, the detailed estimates of expenditures should be printed, supported by lists of

personnel, cost data and other information not now supplied. Estimates of the state's income, shown by sources, should also be presented in this section of the budget document. These estimates are quite unsatisfactory at the present time, due mainly to the fact that the collections from the various sources for the last completed year are used as the index of the yield for each of the budget years.

4. In a final section of the budget document, budget bills should be presented, covering all appropriations recommended by the governor and all proposed changes in the existing revenue and tax laws to finance these appropriations. The appropriations should be made in lump sum amounts to each organization unit. There should be one appropriation for operation and one for the acquisition of properties. This practice has already been adopted by several states. It constitutes a sound and workable basis for the exercise of budgetary control. Highly itemized appropriations not only hinder good administration under a properly organized state government but they put unnecessary work on the legislature and its committees.

### **Legislative Procedure on the Budget**

As soon as the budget document has been submitted to the legislature, the budget bills recommended by the governor should be introduced and referred to the joint committee on appropriations and financial affairs. This committee should hold such hearings on the budget as it may deem desirable, principally during the month of February. The governor and the departmental heads should be required to appear before it to explain the budget and answer questions concerning the expenditure requirements. These hearings should be open to newspaper reporters and others who wish to attend.

If the committee finds it necessary to revise the expenditure requirements recommended by the governor, it should always keep in mind the anticipated income and the balancing of this with the proposed expenditures before the appropriations are finally passed. Unless this is done, the authorizations of the legislature may exceed the means of financing.

The work of the committee should be completed so that the budget bills can be reported out in ample time for consideration and passage by the legislature before the end of the session. Three weeks ought to be enough for legislative consideration of the budget bills. A definite time should be set aside for the discussion of the budget and the budget bills on the floor of the legislature. At least two full legislative sessions should be given to this discussion in consecutive weeks. The members of the legislature who might be opposed to certain of the budgetary proposals would then have an opportunity to criticize the governor's program. Provision should be made for bringing the governor or any of the departmental

heads on the floor of the legislature and interrogating them on the budget. After the discussion on the floor, the legislature should be allowed to amend the proposed appropriation bills either upward or downward, but if upward then not to exceed the means anticipated to finance the appropriations.

### **Budgetary Control**

The execution of the financial plan is the most important phase of budgeting. No matter how carefully the budget may have been prepared by the governor and how fully it may have been considered by the legislature, unless it is enforced during the fiscal period to which it applies, it can be nothing but a "paper plan." In order to execute the budget the governor needs a department of finance with a budget officer to see that quarterly allotments of the appropriations are properly made on the basis of work programs, that control accounts are kept, that necessary detailed information is prepared, and that reports are made at least monthly showing the status of all revenues and appropriations under the budget.

Lump sum appropriations, such as we have suggested above for each department or agency, should be expended according to a definite work program and on the basis of quarterly allotments. The work program should be prepared by the responsible officer of the department or agency, submitted to the budget officer and approved by the governor before any expenditure is made from the appropriations. This program and the quarterly allotments should be set up immediately before the opening of the fiscal year on July 1. The allotments should cover the entire fiscal year, and should be subject to revision with the approval of the governor at the beginning of each quarter subsequent to the first, if conditions seem to warrant it. At least a 5 per cent reserve should be withheld from each lump sum appropriation for operation, the reserve being set up against any contingencies which may arise during the fiscal year. This reserve provides a certain leeway which insures that the total appropriation will not be overexpended, if anything out of the ordinary should occur. It also makes the use of the so-called state contingent fund unnecessary for the ordinary operation of state agencies.

The state contingent fund, amounting to \$300,000, is placed in the hands of the governor and council to appropriate for any purpose they may see fit. It has been customary to use a considerable part of this fund each year to meet operating and maintenance needs, or to meet contingencies which might have been easily anticipated in the budget. With a system of budgetary control, such as we have just outlined, it should be possible to dispense with this fund altogether. For real emergencies an appropriation to be allotted by the governor of \$50,000 for the biennium should suffice. This amount should be carried in the budget and a detailed accounting of it made to the legislature.



In order to facilitate the budgeting of state requirements, it is suggested that a number of special expendable funds be eliminated as rapidly as possible. This will allow the moneys now segregated in these special funds to be pooled in the general fund, thus producing a greater reserve to draw upon than exists at the present time. It is also recommended that the present fiscal year, beginning July 1 and ending June 30, be made uniform for all state agencies. This should work no hardship on such agencies as the state highway commission which is now operating on the basis of the calendar year. Several other states are carrying on their highway work, so far as budgeting and reporting are concerned, on the basis of the fiscal year suggested above.

### **Up-to-date Accounting System Required**

As we have already suggested, provisions should be made for the establishment of a central accounting system on the accrual basis, a careful audit of all claims before payment, and the preparation of current information essential to the execution of the budget. One set of general accounts should be provided in the bureau of accounts and control for the entire state government. Subsidiary accounts should be kept in the departments and institutions where they are required to complete the central system, but not otherwise. Such a system will eliminate a great deal of bookkeeping that now exists among the various state agencies, making for better records and control and reducing the amount of clerical and other services needed.

The new accounting system should be designed to use the latest machine methods, including the tabulator for purposes of distribution and analysis. Successful businesses usually have their accounts set up on this basis. There is no reason why the state government should not operate in the same manner, producing its financial information through one central set of accounts, quickly and accurately, by the use of machines and a small number of trained employees. Special attention should be given to the forms for payrolls, purchase orders, invoices and so forth. The original documents covering all claims should go to the controller for audit and authorization of payment. Such useless steps as the present "manifesting" of all claims should be discontinued. Checks may be prepared by the controller which become valid upon the countersignature by the treasurer. These may be on special punch cards, such as those now used by a number of commercial concerns. Then a statement may be taken off on the tabulator before sending out the checks and again on the return of the cancelled checks from the banks, the latter statement being used as a means of ascertaining what checks are still outstanding.

Legal provisions and practices which interfere with the expeditious handling of the state's business should be eliminated. The constitutional provision requiring the governor and council to approve "warrants" for all expenditures before payment can be made

is long since obsolete. As a practical proposition, it can no longer be followed. The present practice of getting out weekly payrolls for nearly all state employees increases tremendously the paper work of the fiscal offices. Payment of regular employees twice a month would seem to be often enough. In fact, some of the officers and employees so expressed themselves during this survey. The employees of some of the institutions, notably the normal schools, are now paid on the monthly basis. The holding open of many of the accounts until the end of six months after the close of the fiscal year is unnecessary once the accounting is put on the accrual basis. The encumbrances against appropriations will then be known and the free balances may be reverted immediately the fiscal year ends.

It is the present practice for the state auditor and the treasurer each to issue printed reports, setting forth the financial condition and transactions for the two fiscal years ending June 30, prior to the regular meeting of the legislature in January. While these reports are poorly arranged, they contain considerable financial information about the period covered. However, they are issued at such long intervals and are so far behind in reference to current transactions, that they have practically no value from the standpoint of the governor and the administration. If a comprehensive and informative budget document is produced such as we have recommended, these reports may be found unnecessary.

The reports which the governor ought to have from the accounting office, if he is to follow closely the execution of the budget, should tell the complete story of state's current income and outgo. They should set forth for each month just how the income from each source is flowing into the treasury, whether it is in line with the anticipated monthly schedule, whether it is behind or ahead of the same month or period of the previous year, whether it is meeting the expenditure demands and the excess, if any, over and above these demands; they should also tell with respect to the appropriations, the condition of the allotments, the encumbrances, the free balances, the rate of monthly expenditure, the comparisons with the month or quarter of the previous year, and so on. These are the kind of financial reports that aid the governor in directing the administration of the several departments. The accounting machinery should be such that they can be prepared promptly—within four or five days—after the close of each month, and at such other times as the governor may request.

### THE STATE'S TAX PROCEDURE

The bureau of taxation, under a director of taxation, which it is proposed to create in the department of finance should have three divisions: (1) the division of property taxes which would take over the administrative duties in connection with the direct assessment of wild lands and of personal property in unorganized

towns, and those related to the equalization of general property taxes which are now discharged by the board of state assessors; (2) a division of gasoline taxes which would take over the duties which the state auditor is now discharging in connection with that tax; and (3) a division of inheritance taxes which would take over from the attorney general's office the task of administering the inheritance and estate taxes.

It is further recommended that the board of state assessors, as at present constituted be abolished and that a new board be created, consisting of the commissioner of finance, as chairman, without additional salary, and two citizen members to serve on the call of the chairman and to be paid on a per diem basis. The chief of the division of property taxes should serve as the secretary of this board. The routine clerical work connected with the extension of tax rolls for corporations which is now handled by the existing board should be transferred to the several state agencies which are today, in fact if not in theory, directly responsible for the essential steps in the administration of corporation taxes.

The reasons for the changes proposed are embodied in the following description of the existing administrative procedure in connection with taxes.

### **The Elements in the Tax System**

The state at present levies six major types of taxes: (1) poll taxes, (2) taxes on general property, (3) excise taxes on four classes of corporate franchises, (4) excise taxes on the sale and use of fuels for internal combustion engines, (5) license taxes for the registration of motor vehicles and motor vehicle drivers, and (6) succession taxes. In addition, the state administers taxes on bank stocks which it pays over to local governments in lieu of general property taxes on the value of those stocks. Local governments derive revenue also from poll taxes and general property taxes, and play a large part in their administration. They also levy excise taxes on motor vehicles in lieu of a general property tax on them, returning no part of the revenues from that source to the state.

### **The Assessing Function**

Before proceeding to a more detailed description of the state's procedure in administering its corporation taxes, it will be necessary to refer to the meaning of certain words which have been used so loosely in the tax law of Maine that confusion has been inevitable. In the administration of a tax, four distinct steps are necessary. In certain types of taxes, one or more of these steps become relatively so unimportant that they may be combined into one; but even in such cases careful analysis will usually reveal their presence. In the first place, a monetary value must be placed on the thing to be taxed, or on some outgrowth from, characteristic

of, or other index to its value. Next, a rate of taxation which is to be applied to the value developed by the first step must be produced. The third step requires the multiplication of the taxable values of all the things in a given taxable class by the appropriate rate in order to arrive at the amounts of the individual taxes. Finally, the tax must be collected. The confusion in terms is confined to the first three of these.

Under a nomenclature which is coming to be widely followed among writers on the subject, and which will for convenience be used in the following pages in spite of the fact that it is still far from universal acceptance, the word *assess* is used to mean the process of placing a value on the tax base. Except in connection with certain excise taxes in which the legislature itself sets up a more or less arbitrary base in the law, the assessing function is delegated to an administrative agency. The word *levy* is used to describe the legislative process which, among other things, establishes the tax rate. The legislature may establish a fixed mill rate to be applied to the physical value of property, or a variable percentage rate to be applied to the gross or net income; it may stipulate a flat sum or a series of graded sums to be levied against persons or corporations exercising certain privileges; or it may levy simply an aggregate amount to be raised by the taxation of a certain class of taxable subjects, leaving the precise rate to be computed by an administrative agency through the process of dividing that amount by the sum of all values established by the assessors for the individual items in the class to be taxed. Since there can be only one correct answer to the solution of a problem in long division, the control of the legislature over the establishment of the rate under such a plan is absolute, whether it computes the rate itself and writes it into law, as in Maine, or whether it leaves that computation to an administrative agency as is done in a large number of other states. Once the property has been valued and the rate established, the calculation of the amounts due from individual taxpayers—or the extension of the roll, as it has come to be called by some writers—becomes a simple clerical function which can be shifted from one department to another in the interests of economy and efficiency without affecting any essential requirement of the tax system.

### **The Board of State Assessors**

In the tax law of the state of Maine, there has been a marked tendency to apply the word *assess* indiscriminately to the first and third of the steps outlined, and an apparent centralization of assessing functions under the board of state assessors has thereby been achieved. That board has the duty of assessing—that is valuing—real estate and personal property in the unorganized towns and of extending the rolls thereon for state and forestry district taxes. It exercises supervision over the local assessors of general property

in the organized cities, towns and plantations, and has broad powers to equalize the values they establish. In addition, it extends the rolls for the various types of corporation taxes (with one or two minor exceptions); that is, it multiplies the base reported to it by other agencies of the state government by the rates established by the legislature, and reports the resultant individual taxes to the agencies of the state which are made responsible for the collection. In a number of instances, it has no authority to assess (value), or to revise or correct any values submitted to it, having no more freedom of action in determining the apportionment of taxes than a calculating machine would have. That is a purely fictitious centralization of assessing powers which serves no useful purpose. On the other hand, chiefly because of the form in which the reports are transmitted from one department to another, it leads to the useless and wasteful recopying of identical data in at least three and sometimes more departments. For this reason, it is recommended that the statutes be amended to require the agencies which now transmit to the board of state assessors the names, addresses, and taxable values of the corporations under their supervision and control, to extend the rolls and transmit them directly to the treasurer for collection. The agencies which now are responsible for supervising the activities of corporations, and for compiling the data necessary for placing a value on the tax bases are: the public utilities commission, the department of banking, the department of insurance, for the group of specialized corporations indicated by the names of the departments themselves; and the secretary of state for all other taxable corporations. The use by these departments (or by their successors under the plan of reorganization proposed in other chapters of this report) of properly designed forms, furthermore, will permit the preparation of tax bills at the same operation by which the rolls are extended; and will at the same time obviate the need for any further recopying in the treasurer's office.

While the statutes are being amended to permit this change, care should be taken also to eliminate certain anachronisms in the law. Railroads and street railroads, for example, are the only types of utilities which are taxed today on the basis of data contained in their annual reports to the public utilities commission. Other public utilities which also make complete annual reports to the same commission are required to make additional reports either to the board of state assessors or to the secretary of state, which reports establish their tax base. Because these reports cover a period which varies from the calendar year, it is practically impossible to check their accuracy against the only complete statements of the operations of those companies in the possession of the state, namely, those in the files of the public utilities commission. The utilities referred to are parlor car companies, telephone and telegraph companies, and express companies. Minor changes in the law would make it possible for the public utilities commission to ascertain the statutory tax base for these companies from the reports already

required to be made to it, except in the case of the one parlor car company which does not report to that commission its gross receipts from business done wholly within the state. The commission already has authority, however, to demand that information.

In the same manner, uniformity should be introduced into the tax procedure with reference to the several types of banking corporations which are supervised by the bank commissioner. The taxable values of savings banks, and of trust and banking companies incorporated under the laws of Maine, are established on the basis of reports to the bank commissioner. The taxable values of loan and building associations, on the other hand, and the values of shares of stock in state and national banks, are established on the basis of reports made direct to the board of state assessors. Since the arm of the state government which is charged with the supervision of banks is the only agency which has the accumulated information and the staff necessary for verifying the accuracy of such reports, it is recommended that the bases for all taxes on the franchises of banks, or on their stock, be established by the proposed new bureau of banking in the department of corporations.

### **Extension of Taxes on Wild Lands**

In addition to the direct assessment of wild lands and of timber and grass on reserved lands which is a duty of the board of state assessors, as has already been pointed out, that board prepares and extends the tax rolls for state taxes and for Maine forestry district taxes on the wild lands and reserved lands in unorganized territory. Both the valuation and the extension are tasks of considerable magnitude. The present procedure of the board with reference to extension doubles the work involved without achieving anything in the way of increased accuracy. For the years 1929 and 1930, for example, the value of every parcel of wild land in the state outside the boundaries of organized towns and plantations was multiplied once by the state rate of 7.5 mills, and again by the forestry district rate of 2.25 mills. Every possible requirement for collection, control, and apportionment to the proper funds would have been met by computing one tax at the combined rate of 9.75 mills. Furthermore, the two taxes on every parcel are certified to the treasurer on separate lists; and every county containing wild lands also extends its tax separately and certifies it to the state treasurer for collection on a third list. The state treasurer then makes up a fourth complete tax roll to which he transfers for every parcel the corresponding state, county and district taxes.

If the law were amended so as to make it possible for the several counties to certify to the board of state assessors simply the county tax rate, the labor of extension would be saved the counties, and at the same time the labor of recopying would be saved the treasurer, without adding to work of the state assessors in the slightest. If, for example, Somerset County's tax rate of 2 mills for 1930

had been added by the board of state assessors to the combined state and district rate, making a total rate of 11.75 mills for use in that county, the result would have been by actual test to increase the aggregate extensions made by the state board of assessors by an amount for county purposes which is within seven cents of the sum of the separate extensions made for that purpose by the county officials themselves. It is recommended, therefore, that the statutes be amended to require the division of property taxes in the proposed bureau of taxation, to extend all taxes on wild lands for state, district, and county purposes within a county by the use of a consolidated rate. The interests of the individual land owners, and of the three overlapping governmental units concerned would not be affected in the slightest thereby. On the other hand, the counties would be relieved of the labor, and of the expense for printing, involved in the present plan of extension; the need for the consolidation by the treasurer of three rolls into one would be entirely eliminated; and the volume of work now performed by the state assessing officials in extending the rolls would be cut in half.

### Publicity by Taxing Officials

That complete information to taxpayers and to citizens generally is an essential to the maintenance over a long period of equitable tax administration has been so frequently proven by experience in the past that it hardly needs argument. Maine has made a commendable effort in this direction. The continuance of the biennial volume called the Maine State Valuation is necessary for this purpose. Experience in a number of our large cities indicates, however, that the size of that volume could be greatly reduced without lessening its value. It is doubtful that the long legal descriptions of individual parcels of wild lands now used to supplement the township and range numbers, and the tract or survey initials, are necessary for proper identification by any interested citizen. It is even more doubtful that the custom of writing out in words the number of acres and the dollars of assessed values increases the usefulness of the publication. A tabular presentation of the tracts described simply by numbers and initials, and the use of figures for acreages and values, would meet every requirement of tax publicity, would be less expensive to prepare and publish, and would be much more convenient to use.

The publication of the biennial report of the assessing officials is similarly a valuable adjunct to good administration, but the form and contents of the report could be improved. No information is submitted now on the highly important function of equalization, on the amounts by which individual towns are "doomed," or on the reasons therefor. On the other hand, 72 pages were devoted in the report for 1927 and 1928 to what is in effect a census of the live-stock and poultry in the state, classified by ages.

The publication of the so-called "act for the assessment of a state tax and list of taxes" serves no useful purpose whatsoever and could be discontinued without jeopardizing the validity of the taxes actually levied, and without depriving the citizens of the state of any information which will help them in appraising the accuracy and fairness of the work of the assessing officials.

### **Allocation of Costs of Valuing Wild Lands**

The valuation of all property subject to the general property tax in the organized cities and towns is a duty of the local units of government, and the costs of that work are included in the sums levied against that property in the form of local taxes. In other words, the owners of the property taxed pay the cost of assessment. In the Maine forestry district, on the other hand, the state assumes the cost of placing a value for tax purposes on the wild lands, and apportions that cost in its general tax rate not only on the lands directly valued by it, but also on the property in the organized cities and towns. In order to place the owners of property in the Maine forestry district on the same footing in this respect with the owners of property elsewhere, it would be necessary to amend the statutes so as to permit the cost of assessing property within the forestry district to be charged to the district. In view of the facts, first, that the state's expenditures for this purpose for some years past have amounted only to \$10,000 per annum with occasional small additional sums made available out of the state contingent fund by order of the governor and council; and, second, that the proceeds of the forestry district tax at the present rate have been sufficient to build up a considerable surplus, it is obvious that the shift could be made without subjecting the owners of wild lands to undue increases in tax burdens.

### **Tax on Motor Vehicle Fuels**

The administration of a state tax by the chief auditing official of the state, while it has abundant precedent in the procedure followed in certain other states, leaves a great deal to be desired from the standpoint of a logical allocation of administrative functions. It is, therefore, recommended that the administration of the gasoline tax be transferred to a division created for the purpose in the bureau of taxation in the proposed department of finance. It is further recommended that the inspection of motor vehicle fuels and lubricating oils which has recently been coupled with the administration of the gasoline tax be transferred to the bureau of inspections in the department of agriculture.

The present procedure in the auditor's office places undue emphasis on the use of detective methods. The accounting and clerical work is handled by four employees of that office, whose chief duties lie in other directions. The only employee of the office who devotes



his full time to the gasoline tax and to gasoline inspection is engaged primarily in the field inspection of gasoline and lubricants, and in the prosecution of cases in court. A detective who has been assigned to the auditor's office by the attorney general also spends the greater part of his time in field investigations. Other states have succeeded in administering the gasoline tax by enlisting the cooperation of transportation companies, and of large distributors in other states, in compiling data on gasoline shipments against which to check the accuracy of individual returns. Even in the case of small distributors who receive their supplies by truck from sources outside the state, proper cooperation with the officials in charge of gasoline tax administration in neighboring states will develop the information necessary for testing the completeness of the returns. In other words, a more intensive application of the simple arithmetical processes of addition and subtraction will eliminate much of the need for detective work.

The work of testing the quality of gasoline and of lubricants, to which reference has already been made above, is showing signs of growing to considerable proportions. The fact that the act providing for this duty carries with it what is in effect almost a blanket appropriation payable out of the proceeds of the gasoline tax, makes it easy for future expenditures to grow rapidly without attracting the attention either of the legislature or of the taxpayers in general.

It is true that almost one-half of the states have laws requiring the testing of all shipments of gasoline or of lubricants produced, or delivered to distributors, within the state. On the other hand, the list of states which make no provision for testing such materials, includes some of those with the largest consumption of gasoline and oil. There is nothing to indicate that the quality of the products offered for sale is either better or worse in one group of states than in the other. The present keen competition between the large refiners and distributors is probably responsible for the maintenance of definite standards of quality for their output. The brief experience of Maine in this field indicates that of the large number of samples submitted to the agricultural experiment station for analysis, the small proportion of substandard samples has been drawn largely from small and irresponsible retailers. In the light of these facts, it seems clear that any further extension of the state's activities in the direction of a general sampling of all gasoline and lubricating oil would be largely a waste of money. Provision should be made simply for the analysis of samples submitted to the bureau of inspections of the department of agriculture by dissatisfied purchasers; for judicious random sampling by the field staff of that agency where there is suspicion of fraud; and for specific sampling by the state police in cases of complaints by citizens.

### Succession Taxes

In their basic features, the statutes governing the succession taxes, namely, the inheritance tax on residents, the reciprocal inheritance tax on property within the jurisdiction of the state of Maine belonging to the residents of other states, and the additional estate tax on estates large enough to be subject to federal taxation, conform to a pattern found in a number of states. In matters of administrative procedure, on the other hand, they leave something to be desired.

The fact that the attorney general is made responsible for representing the interests of the state has made it inevitable in Maine, as in other states where that plan is followed, that the routine administrative procedure should tend to be subordinated to the legal aspects of the problems presented. The situation is further complicated in Maine by the fact that courts of probate have jurisdiction to hear and determine all questions in relation to the taxes imposed. The registers of probate frequently overlook the section of the law requiring them to report to the attorney general once a year a list of all estates in which a will has been filed or administration granted more than a year prior to the date of such list. The only other official source of information open to the attorney general as to estates which may be liable to tax are the reports from city and town clerks acting in their capacity as registrars of vital statistics. These officials are required to notify the state treasurer of all persons dying within their municipalities who in their judgment left estates in excess of five hundred dollars, but frequently neglect to do so. The extreme laxity of the administrative procedure in the past is indicated by the fact that it has been possible even for the title to real estate to pass without the payment of the succession taxes due on it.

Even without other changes in the law, it is believed that the transfer of the administrative functions from the attorney general's office to a division in the bureau of taxation in the proposed department of finance would pave the way for a more aggressive policy in obtaining information on estates liable to tax, and for a more systematic follow-up. The services of the attorney general would still be required in litigated matters, but the cases which follow a routine course, requiring simply notification, information and computation, could be greatly expedited.

### THE STATE DEBT

The bonded debt of the state of Maine on June 30, 1930, amounted to \$20,720,300. It was made up as follows:

1. Miscellaneous bonds, issued against the general credit of the state	\$1,418,800
2. State highway and bridge bonds, directly chargeable to automobile fees	15,137,500
3. War and military service bonds, chargeable to a special one mill tax	1,164,000
4. Kennebec Bridge loan, payable from tolls and contributions by the Maine Central Railroad Company	3,000,000
	<hr/>
	\$20,720,300

Among the miscellaneous bonds is a municipal war debt loan bond for \$500, issued October 1, 1869, which will be retired when presented for payment. Then there are three unnegotiable bonds, one for \$50,000 issued to secure a legacy to the Augusta State Hospital by Abner Coburn, December 13, 1888, due in 1947, with interest at 4 per cent; another for \$100,000 issued to secure a legacy to the University of Maine by Abner Coburn, February 5, 1889, due in 1947, with interest at 4 per cent; and a third for \$118,300 issued to the University of Maine, covering a fund derived from the sale of land scrip apportioned to the state by Congress, dated June 1, 1889, renewed June 1, 1919, for 30 years, with interest at 5 per cent. Finally, there is an issue of state pier bonds amounting to \$1,150,000, dated March 1, 1922, which are twenty year serials, payable \$115,000 on March 1, 1933, and each year thereafter to 1942 inclusive, with interest at 4 per cent.

The unnegotiable bonds issued to the Augusta State Hospital and to the University of Maine represent moneys which came into the hands of the state as trust funds and were spent instead of being invested. No provisions have been made for retiring these bonds, which would be equivalent to restoring the trust funds. Whether or not the state government wishes to do this is a matter of policy. The hospital and the university cannot be greatly concerned over it as long as the state continues to pay the interest.

Although the state pier bonds were issued on March 1, 1922, the serial payments of principal do not begin until 1933, or eleven years after the date of issue. This arrangement throws an increased burden upon the state during the last ten years of the term of the bonds; it does not reflect the actual burden that the state has assumed in the first ten years. When serials of this character are issued, it is better policy not to defer the first payment, but to start retirement the year after issue.

### **State Highway and Bridge Bonds**

The state started issuing highway bonds on September 1, 1913. The first two issues were serials, running for 40 years, and retired by equal annual installments. On March 1, 1916, an issue was put out for a term of 20 years and called for heavy retirements during the earlier years. An issue on May 1, 1917, inaugurated the policy of postponing retirement of principal and extended the date of maturity to 30 years. During the period from April 1, 1920, to July 1, 1924, bonds were issued for highway financing to the amount of \$8,100,000. These issues were for terms varying from 20 to 34 years. The retirement of these bonds was gradually shifted to the future until the issue of July 1, 1924, postponed the first retirement of principal for 25 years and extended the term to 34 years. On November 1, 1925, regular serials were again issued for a term of fifteen years. This practice was continued the following year. In 1927 and 1928, however, serials were issued which were not retired in equal annual installments but left large amounts to be paid on the final maturity date. Issues since 1928 have combined the features of previous issues as to term and retirement, sometimes postponing the first serial payment until five years from the date of issue.

In 1929 the constitution was amended to allow the debt limit for highway and bridge bonds to be increased from \$16,000,000 to \$31,000,000, and to provide that the bonds issued henceforth must be retired serially within 25 years. If these bonds are issued immediately, that is, within the next four or five years, the burden for redemption and interest charges will be greatly increased; in fact, the result will be a peak load between 1935 and 1940 which it may be difficult to meet from the revenues available.

This situation is discussed further under highway financing in another part of this report. Suffice it to say here that a definite program for retirement of the highway and bridge bonds should be worked out before any more bonds are issued.

### **War and Military Service Bonds**

The first issue of war loan bonds was for \$500,000, dated May 1, 1917, redeemable May 1, 1927, or any interest date thereafter, with a final due date of May 1, 1937. No serial retirement was provided in this issue. A one mill tax was authorized to meet the interest and retirement charges. On November 1, 1928, \$86,000 in bonds of this issue were called, leaving outstanding as of June 30, 1930, \$414,000. Instead of retiring the balance of this issue from the proceeds of the mill tax, it was decided to start in 1932 to set aside \$100,000 annually to meet the maturity of the issue in 1937. Because of this delay, there are surplus receipts from the mill tax which are being used for the relief of needy dependents of

disabled veterans of the World War and other general fund purposes. The postponement of the debt retirement for five years has therefore resulted in the use of the mill tax receipts for other purposes than debt payment.

The war bond issue of December 2, 1918, for \$500,000 was in serial form. It is being retired at the rate of \$50,000 a year from 1923 to 1932. There is still outstanding \$150,000.

The military service loan (soldiers' bonus) was issued December 1, 1920, and a small additional amount December 1, 1922, the latter amount being treated as a serial installment of the original issue. This has all been retired as of June 30, 1930, with the exception of \$600,000.

On June 30, 1930, the war loans had been reduced from the original amount of \$4,300,000 to \$1,164,000. Had the provisions for the war loan sinking fund been followed, the entire issues would have been retired by 1932. In this case, the one mill special tax would no longer have been necessary.

It is recommended that at least \$300,000 of the issue of May 1, 1917, be retired in 1931 from the receipts of the one mill tax, and that the provisions of Chapter 162, Public Laws of 1927, be changed accordingly. The military service loan bonds, dated December 1, 1920, have a final installment of \$300,000 due December 1, 1930, and an issue of \$300,000 for similar purposes, dated December 1, 1922, which falls due on December 1, 1932. A payment of \$300,000 in 1931 on the issue of May 1, 1917, of which \$414,000 is outstanding, would equalize the payments, and with the payment of the additional \$114,000 of this issue in 1932, would complete the retirement of all war loan bonds by the end of 1932.

### **Kennebec Bridge Loan Bonds**

These bonds, amounting to \$3,000,000 and dated July 1, 1926 to June 1, 1927, finally mature in 1978, with serial retirements starting in 1931 and varying in amounts from \$50,000 to \$100,000 a year. While the state lends its credit for the construction of this bridge, 55 per cent of the cost of construction and maintenance will be borne by the Maine Central Railroad Company. The state's share of maintenance and debt service is to be returned in tolls from the bridge.

The state was compelled to meet the interest charges on these bonds from the general "sinking fund reserve," until revenue was received through the operation of the bridge. The amounts advanced from this reserve for interest have been refunded and from now on the revenue of the bridge should be sufficient to operate it and to pay the debt service, according to the terms of the bond issues.

### "Sinking Fund Reserve"

Prior to 1925, current or general surplus was carried as "state contingent fund surplus." The governor and council directed the expenditure of this surplus. Chapter 164, Public Laws of 1925, provided that the "contingent fund" be limited to \$300,000 for each year, and that the balance of the current surplus be credited to an account known as the "sinking fund reserve." It further directed that the moneys in this fund "be applied to the payment of outstanding obligations of the state and to the purchase of outstanding unmatured bonds of the state." One may reasonably assume that this act intended that surplus current funds in excess of \$300,000 be applied to the reduction of the funded debt of the state. But no funded debt has been so retired. The result is merely a book account entitled "sinking fund reserve." This account is to all intents and purposes what is commonly called "surplus" in governmental accounting and should be so designated.

### Trust Funds

There are certain trust funds which have come into the possession of the state at various times, some of them dating back a great many years. These funds were mingled with the general funds of the state and their use cannot be traced. In effect, that portion of these trusts which has not been segregated and set aside, constitutes an unfunded debt of the state.

As of May 31, 1930, the state of these funds was as follows:

	<i>Total Liability</i>	<i>Amount of Fund Invested</i>
Lands reserved for public uses.....	\$747,840.14	\$622,196.04
Permanent School Fund .....	522,322.60	43,196.51
Passamaquoddy Indian Fund .....	113,707.10	18,367.78
Penobscot Indian Fund .....	88,092.44	—
Houlton Academy Fund .....	2,000.00	—
Foxcroft Academy Fund .....	1,000.00	—
Hebron Academy Fund .....	1,000.00	—
Madawaska Territory School Fund....	5,000.00	—
School District No. 2, Madison.....	1,000.00	—
Augusta State Hospital, Gilman Legacy	1,000.00	—
Augusta State Hospital, Williams Leg- acy .....	1,000.00	—
Jordan Forestry Fund .....	1,125.00	—
State School for Girls .....	10,819.15	—
Sanford Legacy, School for Boys.....	700.00	—
Sanford Legacy for Deaf, Dumb and Blind .....	600.00	—
Maine Teachers' Retirement Association	6,817.33	6,817.33
State School for Girls, Godfrey Fund	893.00	893.00

Pownal State School, Joseph C. Green		
Fund .....	6,000.00	6,000.00
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Total.....	\$1,510,916.76	\$697,295.66

From the foregoing tabulation, it will be observed that there is an uninvested liability in "lands reserved for public uses" of \$125,644.10, and in other trust funds of \$687,977. The uninvested balance in "lands reserved for public uses" is assumed to be carried in "general fund cash." The uninvested balance in the other trust funds, amounting to \$687,977, may be regarded as unfunded debt of the state. These trust funds were intermingled with other state moneys prior to 1923. In 1923 the state auditor was directed by statute to invest all permanent funds held in trust by the state in certain designated securities. In 1929 a law was passed (Ch. 189) requiring the state auditor and the treasurer to open an account called the "state trust fund," and credit to this account all receipts from the inheritance tax in excess of \$1,000,000 during each fiscal year. It is probable that the trust funds may be restored in this way, since on two occasions—the fiscal years 1924 and 1927—the receipts from the inheritance tax have exceeded this amount. It is suggested, if sufficient receipts are not forthcoming from the inheritance tax, that provision should be made to set aside an amount from current surplus to restore these funds.

### PURCHASING AND STORING

Maine is one of the twelve states which has not yet adopted a comprehensive plan of centralized purchasing. This fact is all the more significant because the state could easily set up a satisfactory purchasing system; the constitution here is free from those restrictions which in some states act as a serious curb to businesslike procedure. Some progress has already been made, however, toward centralized control over expenditures for supplies, materials and equipment, in that all printing for the state has been purchased through a central office for a number of years. The superintendent of public buildings has likewise been for some time in charge of buying all stationery and equipment for all capitol offices. The institutions have voluntarily formed an association through which they purchase cooperatively some of their staple requirements. Otherwise, each department and institution purchases for itself.

### Amount of Matériel Expenditures

The present accounting system does not show exactly the amount spent for supplies, materials and equipment by the various branches of the state government. By reference to the maintenance accounts set up on the auditor's books, plus figures furnished by various departments, it has been estimated that the state government spends approximately \$3,000,000 per year for matériel. The following

table gives a rough picture of the situation and shows the leading spending agencies of the state, although it must be borne in mind that these figures are in some cases estimated:

SPENDING AGENCY	<i>Matériel Expenditures 1929-30 Fiscal Year</i>	
State Highway Commission (operation and maintenance) .....	\$1,500,000	
State Institutions (except University of Maine) .....	1,145,000	
Superintendent of Public Printing (average) .....	150,000	
Superintendent of Public Buildings:		
Departmental supplies (including postage) .....	\$75,000	
Maintenance supplies .....	40,000	115,000
Department of Public Welfare (clothing) .....	40,000	
State Highway Police .....	18,000	
Adjutant-General .....	10,000	
Other departments (estimated) .....	25,000	
		<hr/> \$3,003,000

### **Purchasing for State Institutions**

In 1919, the stewards of the Augusta and Bangor state hospitals and the Pownal School formed the State of Maine Purchasing Agents' Association, for the purpose of buying their staple requirements cooperatively. The Association has operated ever since and now has twenty-eight members representing all the institutions and several of the state departments. Ever since the Association was established, the steward of the Augusta State Hospital has acted as its secretary and has devoted a great deal of time to it. The Association is really a contract-making agency rather than a purchasing organization, for its members must place their own orders after the Association has arranged the contract terms.

In the eleven years of its existence, the Association has unquestionably demonstrated its usefulness to the state government. Its monthly meetings serve to bring together the stewards, superintendents or other buying officers of the institutions for an interchange of information on institutional methods as well as purchasing problems. This has been a helpful influence for the morale of the state service. Naturally, the Association's most important service has been the reduction of unit costs of the articles purchased cooperatively. There is no way of computing the savings brought about by the Association's work. The chief of the state highway police estimates that the savings on the articles bought for that service on the Association's contracts during the present year have



run as high as 40 per cent in comparison with the prices paid last year when the police bought the same articles independently.

Despite the undoubted economies of cooperative purchasing, the majority of the institutions have failed to take advantage of the Association's facilities. As shown in the table following, some of the institutions have made no purchases on Association contracts during the past year, while others have bought only a fragmentary part of their requirements cooperatively.

<i>Institution</i>	<i>Amount Purchased Through Association</i>	<i>Total Amount Purchased</i>	<i>Per Cent Purchased Through Association</i>
Augusta State Hospital	\$100,919.11	\$197,807.18	51
Bangor State Hospital	68,976.33	181,995.91	38
Pownal State School	47,583.92	115,898.77	41
State School for Girls	1,766.34	39,842.15	4
State School for Boys	9,956.58	39,191.34	23
State Reformatory for Men	11,147.47	29,922.33	37
State Reformatory for Women	8,464.61	24,490.39	35
Central Maine Sanatorium	10,880.81	97,798.28	10
Western Maine Sanatorium	19,735.34	68,938.58	28
Northern Maine Sanatorium	—	64,028.19	—
Bath Military and Naval Children's Home	896.78	14,873.91	6
Maine School for the Deaf	1,090.76	17,713.16	6
Maine State Prison	16,272.91	112,557.95	14
<i>Normal Schools<sup>1</sup></i>			
Aroostook State Normal School	—	16,992.29	—
Eastern State Normal School	—	14,374.10	—
Farmington State Normal School	—	48,656.92	—
Western State Normal School	—	31,277.66	—
Washington State Normal School	—	17,670.58	—
Madawaska State Training School	—	10,682.21	—
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\$297,690.96 \$1,142,711.90			26

<sup>1</sup> Data on expenditures of normal schools was furnished by the Commissioner of Education.

After eleven years of trial, it has become self-evident that the institutions prize their purchasing prerogatives too highly to relinquish them voluntarily. Institutional employees insist upon having their own particular choice of variety or brand, as illustrated by the recent refusal of the Central Maine Sanatorium to accept flour bought on the Association contracts because the sanatorium chef would use only Gold Medal flour.

The problem of standardization has proved the big stumbling

block for the Association. At its monthly meetings, the Association's members discuss standards and adopt them by majority vote. Standards have been adopted in this way for seventy commodities, principally foodstuffs, but including gasoline and automobile tires and tubes, which are now being purchased by the state highway commission for all members of the Association. But since the Purchasing Agents' Association has no legal status, it cannot enforce the use of the standards adopted by majority vote. Many of the institutions whose representatives vote for the adoption of a certain standard, refuse to use it. Standards for bed sheets and pillow cases were adopted last year after very considerable effort, but thus far it has been impossible to secure agreement on the use of such standards by the tuberculosis sanatoria, for example, which have uniform populations and common requirements.

### **A State Purchasing Agency Recommended**

Since the institutions will not cooperate voluntarily, coercive measures must be adopted. It is therefore recommended that a bureau of purchases be established in the department of finance. To this bureau should be given the power to control the purchases of the state institutions and departments, under the supervision of the advisory committee discussed below.

It is not contemplated that the bureau of purchases would buy *all* supplies, materials, and equipment used by the state government. Fresh fruits and vegetables could probably be bought to better advantage locally by the individual institutions. Contracts for highway maintenance commodities should be handled by the state highway commission since that body is the only user of such materials. But all commodities which are used in common by two or more of the institutions and departments, except perishable foodstuffs, should be procured through the bureau of purchases.

Obviously some authority must be set up to decide what articles shall not be bought centrally but shall be purchased by the individual state agencies. It is, therefore, recommended that a standardization commission be created with the following personnel: a representative of the executive department designated by the governor; a responsible representative of the state highway department; the commissioner of health and welfare; the commissioner of education; and the head of the bureau of purchases. It should be the function of this commission to decide what commodities or classes of commodities shall be exempted from central purchase, and the law should provide that all commodities shall be purchased centrally unless the commission by majority vote rules otherwise. The commission should also be responsible for the adoption and enforcement of standards of size, quality and grade of commodities, and for the formulation of definite specifications describing such standards.

Since the commission would not have time to perform the routine work of standardization, the State of Maine Purchasing Agents' Association should continue to meet regularly for purposes of standardization and for discussion of matériel problems. It is contemplated that the standardization commission would approve the standards which the Association adopts by majority vote. But the commission should compel the members of the Association to formulate standards for all classes of commodities which it has thus far ignored; and the commission should enter the picture only to ratify action by the Association, to force action where inaction now prevails, and to decide disputes where agreement is found impossible. The Association and the standardization commission should call upon the engineers, chemists, and other technicians in the state service for aid in formulating standards and written specifications.

Within the compass of this report, it is impossible to describe in detail the purchasing procedure which should be followed. But all purchases, whether placed in the open market or on formal contracts, should be based on competitive bids wherever competition is possible. Likewise, the institutions and departments should be required to secure competition on all purchases which they may continue to make independently. A copy of each local purchase order, accompanied by a record of the competitive bids received, should be sent to the bureau of purchases for scrutiny before being passed on to the bureau of audit for checking against the invoice.

The bureau of purchases should have authority to call for estimates of requirements for any given future period not exceeding one year. By studying market conditions and price trends, the bureau of purchases should be able to buy at the most advantageous periods; to do so, it must have power to secure estimates from all the using departments and institutions by which to determine the total requirements of the state government. The bureau should also be able to enter into long term contracts for large quantities, and to secure delivery as needed in small quantities, thus allowing the vendor to furnish the storage space. In this way, the state can take advantage of large purchases without enlarging its present storage facilities or setting up a central warehouse.

Another important by-product of centralized purchasing should be a substantial reduction in the paper work involved in the payment of bills. All invoices for all purchases, whether made locally or centrally, should be sent to the bureau of purchases. The vendor could thus submit one detailed invoice, even though it represented deliveries to ten different departments or institutions. The department and institutions should submit a delivery report to the bureau of purchases as soon as delivery is received, inspected and accepted. The delivery reports would then be used to check the invoice and would accompany the invoice to the bureau of audit as the latter's

authority to prepare warrant for payment. By ordering less frequently and by receiving consolidated invoices, the bureau of purchases should make a substantial reduction in the paper work of auditing which has now reached stupendous proportions. The fact that almost 100,000 claims for matériel expenditures are vouchered and paid each year is proof enough of the waste of buying in dribbles.

Centralized purchasing should also involve centralized control over goods on hand in storehouses. At the present time, each institution maintains its own storage facilities and each follows its own storage system. In some institutions, there is little knowledge of the use of goods after they leave the storehouse. In others, there is a great deal of spoilage because of insanitary storerooms.

The department of public welfare should install a uniform system of stores accounting in the various institutions and departments. Then each institutional and departmental storekeeper should report monthly to the bureau of purchases the amounts of each commodity on hand. This information would be invaluable for use in checking requisitions and estimates to determine whether the amounts asked for are actually needed during the current period. It would also help to break up the practice of an institution's requisitioning a more or less standard quantity without reference to the amounts actually on hand.

The bureau of purchases should also have charge of all property which is declared surplus by any department or institution. Such property should be disposed of by transfer to other state using agencies or by public or private sale. It is important also that the bureau of purchases should also have authority to take samples of deliveries and to have chemical or physical tests made by the United States Bureau of Mines, the United States Bureau of Standards, the University of Maine, or other qualified laboratory.

It goes without saying that the success of the bureau of purchases will depend in large measure upon its personnel, especially the head of the office. The individual in charge of purchasing for the state government should be a man of exceptional qualifications—with broad business experience, tact, and above all a real zeal for service. The real purchaser is the servant, rather than the master of the state departments and institutions. He should always be ready and willing to produce the commodities which will best promote the interests of the state. The head of the bureau of purchases should be very carefully selected on the basis of merit rather than partisanship, should be given security of tenure in office, and should be paid enough salary to attract a man of the proper calibre.

### **The Purchase of Printing and Advertising**

The purchase of all printing and binding for all institutions and departments and for the legislature is centralized in the office of

the superintendent of public printing. The superintendent is responsible for expenditures aggregating about \$175,000 in years when the legislature meets and about \$100,000 in nonlegislative years. The office is capably administered and is headed by a practical printer who is thoroughly versed in all phases of his work.

Since the modern purchasing office usually has a buyer of printing and stationery as a member of its staff, it is recommended that the office of the superintendent of public printing be transferred to, and be made a part of, the bureau of purchases, and that the present superintendent be continued as the buyer of printing. All classes of printing, except miscellaneous job printing, should be purchased on contracts after receipt of competitive bids. The present "working agreements" with printers should be continued for the purchase of job printing, but all jobs involving an expenditure in excess of \$100 should not be let until competitive bids have been received to supplement the working agreements. In this way, the state can take advantage of the lower prices which job printers are willing to quote in "slack" periods in order to keep their forces employed and their presses running.<sup>1</sup>

To the buyer of printing in the bureau of purchases should be given the authority to handle all legal advertising for the state government. The same knowledge of typography and printing methods which has proved its worth in buying printing will apply to the handling of legal advertising. During the present year, the superintendent, acting in behalf of the department of agriculture, has reduced the cost of advertising the quarantine against the European corn borer from \$340 paid last year to \$132.

The letter service now maintained by the superintendent should also be continued in the bureau of purchases. All departments should be compelled to secure their mimeographing and multigraphing through this central office. Likewise the small printing press now operated by the superintendent should be made a part of the equipment of the bureau of purchases. Standardization of letterheads and office stationery would reduce the need for this press, and probably reduce its usefulness to the state government.

The superintendent should be encouraged to continue his vigilant watch for ways and means to reduce the state's printing bill. He should make periodic surveys of the printing expenditures of the state legislature and should report his findings to a conference of the governor and the leaders of both houses.

<sup>1</sup> In that section of the report which deals with the state institutional services to be placed under the control of the new department of health and welfare, it is recommended that state use printing shops be established at the men's reformatory and boys' school under the direction of the superintendent of printing.

### **Purchase of Stationery, Office Equipment and Janitorial Supplies**

The superintendent of public buildings is now responsible for purchasing all office stationery and equipment used by the departments in the capitol and adjacent buildings, and all the supplies and materials required in cleaning and maintaining the capitol buildings and the grounds surrounding them. The departmental supplies represent an average annual expenditure of approximately \$75,000, while \$40,000 is required for maintenance supplies and materials per annum.

Practically every item now purchased by the superintendent of public buildings is also purchased and used by part or all of the institutions. To continue the superintendent's purchasing function would mean a complete duplication of the work of the bureau of purchases of the finance department. It is therefore recommended that the bureau of purchases relieve the superintendent of his purchasing responsibilities and also assume control over the storeroom which the superintendent now maintains. The buyer of printing would logically take over the purchase of stationery and office supplies. The superintendent of public buildings is now custodian of surplus property in the capitol buildings. This is another logical function for the bureau of purchases and should be delegated to it.

### **The Purchase and Handling of Postage**

A mailing room is maintained in the capitol under the supervision of the superintendent of public buildings. The mailing room staff is responsible for hauling all incoming mail from the post office and distributing it to the various state departments, and also for collecting all outgoing mail from the state offices and hauling it to the post office. But the mailing room has very limited control over the amount of the state's postage expenditures.

During the past fiscal year the state departments and the legislature spent almost \$50,000 for postage. Of this total, almost \$21,000 was spent by the office of the secretary of state. In this sum was included \$3,560 which was distributed to the members, committees and employees of the legislature by the secretary of state on legislative order.

The capitol mailing room is equipped with a machine for sealing envelopes and metering the mail at one operation. Although all first class mail is supposed to be run through the meter and mailed under postal permit, the postage expenditure by meter was only \$10,460 for all departments except that of the secretary of state during the past year, while the postage stamps affixed by hand by the various departments totaled \$16,713.38. Each department secures postage stamps in bulk on requisition from the mailing room but no accounting is kept of their ultimate use.

It is recommended that Maine follow the lead of New Jersey

and Virginia and turn over to the mailing room the complete control of postage expenditures. All first class mail should be metered, and large mailings such as those originating in the secretary of state's office should be sealed in the mailing room. All registered letters and parcel post packages should be brought to the mailing room unstamped, and the postage should be affixed by the mailing room staff. The mailing room could also handle the mail for the state legislature as well. Instead of delivering stamps totaling \$10 to each member and employee, each individual could be charged for the postage on his mail until such charges totaled \$10. This would confine the postage expenditures to the actual needs of the legislature. In the same way, the mailing room should pay all postage due on incoming letters and charge the department concerned with the amount thereof. Since the accounting for postage is largely a fiscal matter, it is recommended that the mailing room be made a part of the bureau of purchases of the department of finance. It is now capably supervised and ably manned, but its supervision seems more logically a part of the function of the bureau of purchases than of the superintendent of public buildings.

### **Purchasing for the State Highways**

As shown in the foregoing table the state highway commission is the chief buyer in the state government and uses almost one-half of the state's matériel requirements. This figure does not, of course, include highway construction contracts, since they are essentially an engineering matter and would not come within the jurisdiction of a state purchasing system. The largest items on the commission's shopping list are the commodities used in highway maintenance, such as calcium, tar, bituminous materials, cement, and culverts. The highway commission is also the state's largest user of automotive equipment, consequently the expenditures for new automotive equipment, repair parts, gasoline, oil, and tires and tubes aggregate in the neighborhood of a half million dollars per year. Also the commission buys almost \$50,000 worth of groceries and camp supplies each year for its construction and repair gangs.

With the exception of the groceries, camp supplies, and automobile repair parts, the bulk of the commission's purchases are made on formal contracts, with definite written specifications, covering a year's requirements. As far as could be learned by the surveyor, the commission's purchasing methods are satisfactory. Wide competition is secured on all contracts. Specifications are exact and carefully prepared. The accounting methods and record system are admirably maintained.

The overhead cost of purchasing might be reduced, it is believed, if a fewer number of employees were concerned with purchasing details. Under the present system the engineer or other official who

initiates a contract sees it through to completion. Twelve or fifteen officials must now spend a part of their time in interviewing salesmen and attending to the buying details for the particular line of commodity which they procure. It is believed that a preferable arrangement would be to have one official in charge of construction contracts, and another responsible for maintenance contracts, and to have all other purchases made by the purchasing agency of the central state government.

### **PUBLIC PRINTING**

As already noted in the discussion of purchasing problems, the state superintendent of printing is responsible for the expenditure of approximately \$175,000 a year for public printing in legislative years, and about \$100,000 in other years. His responsibility in the matter is, however, limited to the arrangement of the necessary contracts with printing concerns in accordance with the provisions of the law relative to public printing, and to recommendations relative to format, type, etc. The numbers of copies of reports and their disposition are fixed in the law.

State printing is divided generally into four classes and specifications for each class have been set up. The classifications now in use are:

1. Book and pamphlet work.
2. Miscellaneous job printing of office forms, application blanks, index cards, etc.
3. Legislative work, including bills, calendars, legislative records, engrossing acts, speeches, etc.
4. Election printing, including ballots and accessories, absentee voting blanks, etc.

Some letterheads are printed by the superintendent of public printing in his own office on a small electrically operated press, but the greater part falls within the contract printing classification. Some mimeographing and multigraphing are also done in this office, although many of the departments have their own mimeographing machines and operators.

### **Extravagance in Printing Expenditure**

The superintendent of printing is a thoroughly competent printer whose advice on the state's printing problems saves the state considerably each year. But the savings, as the result of this officer's supervision, are insignificant when the tremendous waste of printing is considered. Since neither the superintendent of printing nor any other officer is responsible for determining what shall be printed within the limitation of funds and the provisions of the law, a great deal of printing is done which is of doubtful value. Certainly some of the printing now required by the departments could be discontinued without loss, and much printed matter that would otherwise



be useful is prepared and edited with so little regard either for cost or use that great waste results.

A brief analysis of the printed, mimeographed and multigraphed reports, pamphlets, leaflets, posters, etc., now scattered through the various departments, reveals the astonishing fact that there are over 1,500 separate and distinct items, and of these items by far the great majority is printed. It is probable that even this total of items does not represent all of the departments' publications. Each department head determines within the limits of his funds what he shall require and, except for the slight amount of material mimeographed or multigraphed in his own offices, makes requisition on the public printer for the items. One has only to examine the files of obsolete and outdated leaflets, forms, pamphlets and reports scattered through the various departments to reach the immediate conclusion that better control of printing is urgently needed.

In addition to the mimeograph machine in the office of the superintendent of printing, there are five other mimeographs in various departments which are in frequent use. In the department of education, the mimeograph is used for forms for the use of superintendents and teachers. In the department of agriculture, the mimeograph is in daily use turning out material for the central office and its various divisions. The library mimeograph is in use three or four times each week preparing lists of material and special bulletins. The health department makes daily use of the mimeograph for report forms, instructions to health officers, notices, etc. The adjutant general uses a mimeograph for getting out departmental orders and for special data compiled by the state police on automobiles, for use by the secretary of state. Two of the above departments, namely education and agriculture, and the adjutant general's office, also have mimeoscopes. There is no control whatever over the use of machines in the individual departments, and consequent extravagance in use.

There are now in use 99 different styles and types of letterheads used by the administrative departments and the legislature. Of these, 27 were printed in the office of the superintendent of printing and 72 were printed on contract by outside concerns. There is every size of letterhead from  $5\frac{3}{4}$  inches by 8 inches to  $8\frac{1}{2}$  inches by 11 inches, although the great majority of letterheads are of the latter standard size. They are printed in blue, green, and black inks; about a third of them are embossed; and, except for those printed by the superintendent of printing, about every possible style of type, number of lines, and arrangement is used.

It is obvious that there is immediate need for central control of printing. As already recommended in the report on purchasing, the bureau of purchases of the proposed department of finance should be responsible for all printing, the present superintendent of printing being transferred to such bureau as the buyer of printing. Standard forms of letterhead should be used throughout the departments; all mimeographing and multigraphing should be centralized under the superintendent of printing, including the control

of machines; and no printed, mimeographed, or multigraphed material should be authorized except on the basis of clearly defined specifications as to numbers of copies, style, and distribution requirements, etc. The superintendent of printing, if given authority to revise copy as to form and set up, can reduce a great deal of the present waste which is fostered by the present unsystematic procedure, but the work must be centralized under his supervision in the bureau of purchases.

### Departmental Reports

Under the reorganization plan proposed, the number of departments and special agencies from which reports are required would be reduced about three-fourths. The heads of these departments and special agencies would constitute the governor's cabinet, meeting once a month. At such times, each cabinet officer should submit to the governor a brief report of the activities under his supervision for the preceding month. These reports should be edited in the office of the governor, by a competent secretary, and given out for publication by the press. At the end of the fiscal year the department heads and other administrative officers should be required to prepare in summary form a condensed statement of the twelve month activities. This would be relatively simple as their monthly statements could be quickly summarized. The annual reports thus prepared should then be edited in the governor's office and turned over to the bureau of purchases where they should be reviewed by the printer and put into shape for printing, according to a standard form. All departmental and other reports should be bound into a single volume for general distribution to libraries, the press, departments of state and local governments, etc. As many of the separate reports of each department should be struck off as might be required for the use of the departments themselves.

### State Printing Shops

In our report on state institutions, we propose the establishment, at the reformatory for men and at the school for boys, of state printing shops where all general report and pamphlet work would be done. The superintendent of printing, in accordance with our request, has estimated that a complete printing plant with a capacity of \$15,000 to \$20,000 work a year, employing at least six workers, would cost about \$13,500. Two such plants would require an initial expenditure of about \$27,000, but after their establishment, upkeep would be negligible. If these plants were established in the institutions mentioned, it would be possible, we believe, after about one year of their operation to turn out at a very low cost the greater part of the nonlegislative printing required by the state. The advantage of this lies not alone in economy but in the value of printing as a means of education and employment for young men and boys.

The reformatory and the boys' school could, we are sure, under the guidance of the state printer, train institutional inmates for self-supporting work in the printing trades outside. Institutional shops of this kind have been established for state use only in many prisons and reformatories and, as a rule, they are by far the most productive industries in such institutions.

Generally speaking, the printing trades' unions have not opposed such work as long as it has been confined strictly to state use printing. In fact, in several states the printing trades' unions have encouraged the establishment of these shops for limited numbers of institutional inmates and have gone so far as to admit institutionally trained printers to their unions on an equal footing with printers trained in outside shops. We urge that this question be taken up frankly with the printing trades' unions and their cooperation in the plan invited. If the state can save, as it should, conservatively estimated, \$25,000 to \$30,000 annually on its printing bill and at the same time provide first class training for boys and young men who might otherwise become heavy liabilities of the state, it is in the interest of all citizens to encourage the state to do so. The amount of printing work which would be removed from the open contract market under this plan would be so slight as not seriously to affect the free shops.

#### **Use of Photostat Machine Recommended**

It is suggested that a photostat machine be purchased for use particularly by the library and other departments in making exact copies of important documents. The machine would permit considerable saving in the preparation of certified copies of vital statistics records and other important documents when exact copies of records in the original are wanted. The machine should be placed under the control of the superintendent of printing and photo-copies of records prepared under his supervision for the various departments on their requisition.

#### **BONDING OF STATE OFFICERS AND EMPLOYEES**

At the beginning of this survey effort to discover the facts about bonded employees of the state disclosed that nowhere at the State House was there a complete list of bonded employees, the amount of their bonds, the premiums paid, the names of the bonding companies to whom employees were bonded, dates of bonds, and the responsibilities of employees which necessitated their bonding. After considerable correspondence by the surveyors and detailed inquiry by the auditor, a list was compiled of 218 bonded officers and employees of the state. It is possible that even this carefully prepared list is incomplete but it represents the best information on this matter to date.

These 218 officers and employees are bonded in amounts varying from \$150,000 in the case of the state treasurer to \$500 in the case

of certain minor employees handling small cash receipts. The total of bonds carried is \$915,000, and the premiums on this total amount to \$2,325. These bonds are handled by 23 different companies. The great majority of bonded employees are bonded to the state of Maine, a few to the treasurer of state, and a few to the institutions in which they are employed or to the boards to which they are responsible. There is little relation between the amount of bond carried and the responsibility of the employee for the handling of money, and the rates of premium on bonds vary widely. Many bonded employees handle no money whatever, as for example, the officers and patrolmen of the state highway police, and wardens employed by the commissioners of sea and shore fisheries and commissioner of inland fisheries and game. Others handle such small amounts of cash that, given a proper system of control of cash receipts, bonding in any amount would be unnecessary.

We recommend that the list of bonded officers be greatly curtailed and the amount of bond reduced to the lowest safe figure. The bonded officers and employees should be limited to the office of the treasurer, to those institutional officers who collect payments from patients and other officers handling any considerable amount of cash. With the inauguration of a control system under which receiving officers shall make daily remittances of their receipts to the treasurer, there are very few officers who would hold at any one time sufficient cash receipts to justify bonding them. The state can reduce the cost of bonding employees by approximately one-half in this way.

## CHAPTER IV

### HEALTH AND WELFARE ORGANIZATION

The extreme decentralization of administration of the health and welfare functions of the state affords many opportunities for uneconomic expenditure of public funds. It is, moreover, an encouragement both to partisan political interference and to "logrolling" tactics in financing public health and welfare work. The result often is that appropriations are more likely to be made in accordance with the amount of pressure which this group or that is able to bring to bear upon those responsible for appropriations than on the basis of clearly defined objectives and relative values in the promotion of the public health and welfare. It is clear enough that without administrative coordination of the various state enterprises and the elimination of the present divided responsibility for health and welfare betterment, wise planning of future state expenditure is well nigh impossible.

The department of health is responsible generally for the prevention of disease, but its effort in this direction is seriously handicapped because several important phases of disease preventive work have been placed under the jurisdiction of other departments. The commissioner of agriculture is charged with control of milk and other foods, and drugs whose protection is essential to public health; and certain sea fish inspection is provided by two independent inspectors of fish appointed by the governor. The public utilities commission is legally in control of the sanitation of public water supply, drainage, and sewerage systems, another basic health function. The commissioner of education supervises school health work and vocational rehabilitation, which are likewise matters closely related to other health and welfare activities of the state. The department of public welfare administers mothers' aid and other activities for the care of dependent and neglected children, supervises the expenditure of state aid funds to private institutions cooperating with the state in the relief of the sick and needy, and carries on other complementary activities in connection with public and private institutions and agencies for relief, all of which are closely related to public health conservation. The thirteen state institutions which are under the control of eight independently constituted boards deal with problems of care and treatment of institutional inmates which are directly related to the outdoor activities of the departments of health and welfare. In addition, there are a visiting committee to state hospitals and a visiting committee to the state school for boys, the first comprising two members of the council and a woman appointed by the governor; the second, three members of the council and a woman appointed by the governor. These commit-

tees are presumed to provide an independent check upon the management of these institutions. The governor's messenger, as the agent of the governor and council, administers a group of relief activities for relief of state paupers and state pensionnaires which represent services which ought to be closely tied in with other welfare activities of the state. The World War Relief Commission, another independent relief agency, has no connection with any other relief service of the state except that which is supplied by the governor's messenger who is secretary of the commission, and by the secretary of the public welfare commission who is one of its members. Finally, the supervision of the welfare of the Penobscot and Passamaquoddy Indian tribes as wards of the state is in the hands of the forest commissioner, who acts through an agent whose chief responsibility is the provision of outdoor relief for needy Indians.

Thus the varied but closely related health and welfare activities of the state are in one way or another administered or supervised by nineteen independent, though in some instances interlocking, departments, boards, commissioners, committees, and other agencies, namely, the department of health, the commissioner of agriculture, the inspectors of fish, the public utilities commission, the commissioner of education, the department of public welfare, the eight institutional boards for thirteen state institutions, the two visiting committees to state institutions, the governor's messenger, the World War Relief Commission, and the forest commissioner. It requires no extraordinary knowledge of administrative organization to suggest that the present system of divided responsibility is incapable of coordinated, efficient, and economic effort no matter how well the various agencies have developed their voluntary cooperative relations.

In this miscellaneous array of health and welfare services, three major groups of activities may be defined: those which have to do with the prevention of sickness, now represented mainly by the health department; those concerned with the prevention and relief of social or economic disability among adults and children, now carried on mainly by the department of public welfare; and those designed to provide for the care and custody of the dependent, defective and delinquent in state institutions, now directed by the eight state institutional boards. Each of these three groups is necessarily closely related with the others, the fundamental purpose being the conservation of the human resources of the state. The prevention of poverty, crime, and social ills generally hinges upon health protection, and health protection in turn is efficient or inefficient depending upon accomplishments in other fields of social and economic welfare. The most important thing that Maine can do for its own future development is, therefore, to coordinate its effort for conservation of its human resources. This necessitates a complete administrative reorganization of its health

and welfare work in which each of these three major groups of activity or lines of effort shall be clearly defined and brought into close and harmonious relationship under singleheaded control.

### **Department of Health and Welfare Proposed**

We propose for the coordinate administration of these three groups of activities the creation of a department of health and welfare with three major bureaus, namely, a bureau of health, a bureau of social welfare, and a bureau of institutional service. At the head of this department, there should be a commissioner appointed by the governor and directly responsible to him. Appointed by and under the general supervision and control of the commissioner of health and welfare, there should be a director of the bureau of health and a director of the bureau of social welfare. No director of the bureau of institutional supervision would be needed, as the commissioner himself could well serve in such capacity. The commissioner of health and welfare should be a man of high executive ability, and it would be desirable that he have also experience in the business management of institutional services since this would be one of his most important duties. The director of the bureau of health should be the technical expert in health and should be left to carry on, with the commissioner's approval, the technical work of that bureau in accordance with the general program. The director of the bureau of social welfare should likewise be responsible for technical direction of social welfare work. Each institutional superintendent should be appointed by and made responsible directly to the commissioner of the department for the management of his institution in accordance with the general program, but the details of institutional management should, as at present, be left to the superintendents. It should be the commissioner's task primarily to coordinate the efforts of the three bureaus to the end that the highest possible degree of business efficiency may be maintained. The responsibility of the commissioner of health and welfare for the control and use of his personnel should be as complete as possible. He should have complete authority to transfer employees from one station to another and to assign them as he may determine in the interest of the general program. Subject only to such restrictions as will be recommended elsewhere in this report on budget and the central management of personnel problems, the commissioner should appoint and remove employees at his pleasure.

Briefly summarized, the establishment of such a department of health and welfare calls for the abolition and transfer to the new department of the duties of the following existing state agencies.

1. The department of health and advisory health council;
2. The department of public welfare and welfare commission;
3. The eight institutional boards, namely, the state hospitals' board, the tuberculosis sanatoriums' board, the juvenile institu-

tions' board, the prison board, the men's reformatory board, the women's reformatory board, the board of the school for the deaf, and the board of the military and naval children's home;

4. The World War Relief Commission;
5. The two visiting committees to state institutions;
6. Inspectors of fish.

In addition, the responsibilities of other officers and departments should be transferred to appropriate bureaus in the department of health and welfare as follows:

1. Administration of relief activities now provided by the governor's messenger as the representative of the governor and council;
2. Such control of milk and other food and drug supplies as is essential to health maintenance now under the commissioner of agriculture;
3. Primary sanitary supervision of public water supply, drainage, and sewerage systems now under the public utilities commission;
4. Supervision of vocational rehabilitation work in behalf of disabled civilians now carried on by the department of education;
5. Promotion of the welfare of the Indian tribes now provided by an Indian agent under the direction of the forest commissioner.

The above changes require legislation. Other adjustments necessary to make the proposed department of health and welfare most effective can be made by voluntary cooperation between departments without the necessity of legislative action.

### **Advisory Council and Local Boards of Visitors Recommended**

As an aid to the commissioner of health and welfare, an advisory council of health and welfare comprising six members and the commissioner, ex officio, should be established. The six members should be chosen by the governor from among the best qualified men and women of the state regardless of residence or political leanings. The terms of office of those appointed, excepting the commissioner, might well be six years, except that the first appointed should have terms of 1, 2, 3, 4, 5, and 6 years in order to establish rotation and preserve a necessary measure of continuity of policy in the advisory council. Assuming that future governors serve as in the past for two consecutive terms, each governor will have, in his four year period, the appointment of a majority of the advisory council. This council should have no administrative duties whatever, but should, with the advice of the commissioner of health and welfare, prepare and promulgate departmental policy and procedure, and otherwise aid in developing cooperative relations between the state and private agencies and individuals for the common good.

The creation of such an advisory health and welfare council



would fill the gap left by the abolition of the existing advisory health council, the welfare commission, and the World War Relief Commission. It would serve in the same advisory capacity as the eight existing institutional boards, for the planning and development of the state institutional services. In order to meet the need for periodic institutional visitation and inspection now provided by the existing institutional boards, it would be well to include in the legislation abolishing present agencies and creating the new department, a provision authorizing the governor to appoint a local board of five visitors for each of the state institutions, such boards to have the right to inspect the institutions at any time and make recommendations relative to their management to the governor and council. The members of the local boards of visitors, if established, should have terms of one year only in order to permit the governor, if he chose, to give a large number of citizens opportunity to become familiar with state institutional work. They should not, however, have direct authority in any matter except in reporting their observations to the governor.

The creation of the local boards of institutional inspection and visitation would give the governor and council a desirable independent check upon institutional work which is now in part provided by the two visiting committees to the state hospitals and to the boys' school; now made up of members of the council and appointees of the governor.

### **Internal Organization of the Department**

With respect to the details of organization of the department, aside from the general grouping of functions in the three major bureaus previously described, it is our opinion that this should be left largely to the commissioner, after the general reorganization has been effected. The act establishing the proposed department of health and welfare should go no further than to require the creation within the department and definition of the duties of a bureau of health, a bureau of social welfare, and "such other bureaus" as the commissioner of health and welfare may deem necessary for the general purposes as described. The present departments of health and public welfare represent groups of activities which would, naturally, be assigned to bureaus of the same designation. The bureau of institutional supervision previously mentioned could not at once be so clearly defined in the departmental organizations because it would represent mainly a group of state institutional supervisory activities of which there is no counterpart in the present machinery of state government. It should, therefore, be left to the commissioner of health and welfare to create a bureau of institutional supervision and define its duties which in general should be to supervise the administration of the state institutions and other institutions receiving state aid.

### **Centralization of Stenographic and Clerical Services of the Proposed Department**

Although there would not be necessarily any material change in the professional and technical activities now carried on by the departments of health and welfare, many of the stenographic, clerical, and record keeping activities of these two departments and of the governor's messenger should be consolidated in special central divisions under the commissioner of the proposed department. For example, there are now ten stenographers in the health department, two in the welfare department, and two serving the governor's messenger, fourteen in all. Many of these stenographers combine stenography with minor clerical duties. We recommend the creation in the proposed department of a central division of stenographic service to serve all bureaus of the department as required. Six well trained stenographers at the most, if relieved of clerical duty, could, we believe, do all the secretarial, and stenographic work of the new department. Likewise, record keeping and statistical work, excepting that of vital statistics which should remain a special division of the proposed bureau of health, and accounting, should be centralized in a division of clerical service. At present, the department of health employs a chief clerk and a mailing and order clerk, and the department of public welfare has a chief clerk, a statistician, a bookkeeper, filing clerk, and hospital clerk. A competent chief clerk with three assistants should, we think, be capable of handling all departmental records and accounts, inasmuch as some of the record keeping activities now carried on by the existing departments will, assuming the general reorganization becomes effective, be transferred to other agencies. The purchasing agent and her two assistants now employed in the department of public welfare would not be needed in the new department if a state purchasing office is established. Little accounting work would be required in the department of health and welfare provided a proper central accounting office of the state is established as recommended, as departmental accounting would in large measure simply be a duplication of the accounting work of the general accounting office of the state. It is our opinion that the present clerical, stenographic, statistical, and record keeping personnel can be greatly reduced if organized along the lines here suggested and placed under the supervision of an expert chief clerk responsible directly to the commissioner of public welfare. Conservatively estimated, the salary cost for these services should be reduced \$8,000 to \$10,000 yearly under the reorganization plan.

We recommend in view of his long experience in the welfare work of the state and his familiarity with the general problems to be dealt with by the proposed department of health and welfare, that the governor's messenger be made executive clerk of the department and put in charge of the central division or divisions of

stenographic and clerical service. This would not seriously interfere with his special duties as governor's messenger, and it would make available at once to the commissioner of health and welfare, a valuable aid in the readjustment of the relations of the various employees brought under central control. The executive secretary of the department should also serve as secretary of the advisory health and welfare council previously recommended.

No general reduction of the cost of health, welfare, and institutional services can be expected. The savings made through better organization will in all probability be in part offset by increased expenditures for many central supervisory activities now badly needed. Savings will be the result rather of more productive public service and the ultimate reduction of losses through the sickness, death, social or economic disability of the people. In subsequent sections, we shall consider public health, public welfare, and state institutional services in somewhat greater detail and show the advantages to be gained by the consolidation of activities here outlined.

## CHAPTER V

### PUBLIC HEALTH ACTIVITIES

The town government system of Maine offers serious handicaps to efficient administration of the state's public health work. The large number of small units of local government, the physical conditions which make ready communication between some of them difficult and at times impossible, the lack in certain communities of the financial and other resources necessary to proper individual and community health maintenance, and the relatively unorganized state of government itself in many areas, throw an increasing burden of responsibility and expense upon the state for activities which under other conditions, and in most other states, would be more generally carried by local governments. As modern medical and sanitary science discovers the causes of disease and provides new methods of preventing and treating it, expansion of the state health services must continue if the vital resources of the state are to be conserved. But if such necessary state expansion of state health work is to be kept within reasonable bounds of public expenditure, it is certain that a determined effort will have to be made by the state not alone to coordinate its own activities for the health betterment of the people, but also to carry on a definite and purposeful campaign for the improvement of local government in order that the latter may take upon itself its proper share of responsibility for its own health protection, leaving to the state only that directing control and supervisory health work which, by its very nature, is outside the sphere of local action. Unless this is done, the state will be more and more drawn into the performance of health regulatory duties which it cannot do well because of its remoteness from the local situation, and which will inevitably compel further expenditure of state funds out of all proportion to the benefits to be derived by the people in rural areas.

During the past ten years the expenditures of the state health department have increased from about \$85,000 to about \$135,000, an increase of approximately 60 per cent. The greater part of this increased expenditure has been devoted to special efforts in behalf of maternal and child health betterment, a work which is primarily a responsibility of local governments, to the development of district health supervisory activities designed to raise the standards of local health service, and to the increase of clerical and secretarial personnel at department headquarters necessary to these activities. In other words the increase of state health expenditure in the past decade has been devoted very largely to the development of services needed to fill the gaps in public health protection left by the failure of the local governments to make good use of their own resources.

This increase of expenditure for state health work is not, however, an unusual or extravagant increase under Maine conditions. Reduced to per capita figures, it means simply an increase of from about 12 cents per person in 1920 to about 17 cents per person in 1930. In view of the wide extension of health education during the past ten years and the many hitherto undeveloped opportunities for health betterment, further increases of state expenditure along all lines are to be expected. True economy in expenditures for health consists, however, in getting greater results in health per dollar spent rather than in merely decreasing expenditures. Such economy can be had only by raising the standards of local health organization and effort. The state must, if it is to profit by such increasing outlay for health, devote itself wholeheartedly to a policy of organizing and utilizing more effectively the services of local governments and private agencies for public health. There is ample evidence to show that the state's return in public health per dollar expended is much less than it should be, not because of the inefficiency of its health personnel, but because of decentralized responsibility, inadequate laws, ill-defined health objectives and lack of consistent effort to obtain them.

This report will not recommend any material increase of state health expenditures, but will attempt to outline what can be accomplished with existing facilities under the proposed reorganization plan.

### **Summary of Aims in Health Reorganization**

The three chief defects in the state health program now being carried on should be restated for the sake of emphasis. First, state health control under the existing plan is weakened by the division of responsibility for important health work among several departments; second, there is no well conceived plan for the improvement of local health organizations so that they will function efficiently in their own behalf; third, there is no adequate organization for cooperative effort by official and unofficial agencies for health betterment. We shall therefore direct the further discussion of this section of the report to proposals designed to remedy these major defects as follows:

1. The coordination under one directing and controlling authority as far as practicable of all essential health functions of the state.
2. The adoption of a policy and program of supervision, direction and aid to local health organizations which will permit better use of local health resources.
3. The development of cooperative relations between the state and private health agencies and institutions in order that through a centrally directed plan waste of money and effort can be minimized and all available unofficial health resources made use of to better advantage.

We shall consider these proposals in the order named, and in their specific application to the reorganization plan previously outlined. Emphasis will be laid upon plan and policy rather than upon administrative procedure, for unless the plan and policy are sound, no mere readjustment of practice is likely to produce the desired results. There are many defects of procedure which need correction, but the paramount issue is sound organization and central direction of effort.

### **Coordination of State Health Work**

In the preceding chapter the necessity of bringing together all essential health activities of the state was briefly referred to. This, of course, requires amendment of a number of existing laws. Since, however, it is proposed to embody all of these amendments in a single bill reorganizing the state government generally, we shall not offer specific recommendations on legislation here but merely outline briefly the purposes of such amendments.

The two important health activities now outside the control of the health authority of the state are: the sanitary inspection and supervision of milk and other foods and drugs, now a responsibility chiefly of the department of agriculture, and the sanitary control of public water supply, drainage and sewerage systems now vested in the public utilities commission. Both of these activities or groups of activities are recognized in all progressive states as essential parts of public health work which, to be most efficiently carried on, must be brought into close and harmonious relation to other activities for the prevention of sickness. Milk, particularly, and other foods are frequent sources of disease infection. Water supplies are likewise readily contaminated by improper disposal of human and other wastes. It is not extravagant to say that under present conditions contaminated milk and water are Maine's chief preventable health hazards. Both can be safeguarded, provided they are dealt with by sanitary experts who understand thoroughly what the hazards are and how they may be eliminated.

With respect to milk and other food and drug control, it is obvious that the state department of agriculture is not legally or otherwise equipped to provide adequate public health protection against food and drug dangers. The purpose of the department of agriculture is, moreover, the regulation and promotion of agricultural industry. With such purpose it is poorly fitted to deal with those features of food control which are only indirectly related to agricultural interests. The commercial interests of farmers in food production and distribution are recognized, but no one has any right to endanger the public health at any time, regardless of commercial interests. The Maine public and its guests need greater guarantees of food safety than the department of agriculture can furnish without an expenditure out of all proportion to benefits received. The health organization of the state as reconstructed will

have all of the technical and other facilities to make food inspection efficient at reasonable cost; it will have broad powers under the law to correct any conditions menacing the public health and it will be much less susceptible of influence by commercial or agricultural interests.

We propose, therefore, to transfer from the department of agriculture to the bureau of health of the proposed department of welfare:

1. The milk and dairy inspection branch of the division of animal industry comprising two employees.

2. The food and drug inspection work including inspection of bakeries, groceries and markets, restaurants and eating houses, bottling establishments, slaughter houses, food factories, shell fish, ice cream, and all other duties in connection with the licensing and regulation of places where food for human consumption is produced, manufactured, stored, handled, sold, or exposed for sale. This means the transfer from the department of agriculture of two of the inspectors of the division of inspections who are most experienced in this kind of work.

To make food control still more effective, we propose the abolition of the office of the fish inspectors now appointed by the governor and the inclusion of fish inspection in the general food inspection program.

This readjustment will give the bureau of health of the proposed department of health and welfare the nucleus of a real food inspection division. Four inspectors on full time properly directed and working in close cooperation with the health laboratory should be able to render good account of food sanitation.

The same argument is made for the transfer of sanitary control of public water supply, drainage, and sewerage systems from the public utilities commission to the department of health and welfare. The former is not equipped to deal with the problem efficiently from the public health viewpoint, while the latter has or will have under the proposed organization all of the facilities necessary to this purpose. Such a transfer of sanitary control does not interfere in any way with the utilities regulatory functions of the utilities commission. On the contrary it enhances the effectiveness of the commission's regulation by providing scientific sanitary control of public sanitary utilities. No new machinery is necessary. The present health department, which would under the reorganization plan become the bureau of health of the department of health and welfare, would simply provide the same sanitary supervision over all public water supply and sewage disposal system which it now provides over private facilities of this type. No transfer of personnel from the public utilities commission is suggested at this time.

These readjustments by legislative action represent the minimum necessary to put the health service of the state on a sound basis. There are, however, several other readjustments which can and should be made by cooperation between state departments.

### State Administrative Cooperation for Health

The state department of education is responsible primarily for health service in the public schools. Its activities in this direction are carried on mainly through the local school committees which it supervises. The health protection of school children is obviously a fundamental purpose of the state, and as such should be closely identified with other related health work to be carried on by the bureau of health as proposed. In view of the fact that the efficiency of school health work depends in the last analysis upon the cooperation of local school committees, it seems desirable to leave school health supervision with the department of education, but we urge that the department of education and the proposed department of health and welfare jointly direct their efforts as soon as practicable to the following purposes:

1. A survey of school health conditions which will furnish the basis for needed legislation regarding further protection of the health of children in rural schools.
2. The development of a program of instruction of normal school students to the end that they may be more thoroughly trained in the observation and reporting of conditions in schools and among school children which call for action either by the department of education, the department of health and welfare, or both.

The survey of school health conditions can readily be made by the present personnel of the two departments concerned. The health bureau will have a group of nurses, district health officers and other field agents who can aid in this work in the course of their other duties; the department of education will also have a number of field agents who can be utilized for such survey work; and the private health and welfare agencies of the state will, we believe, be glad to assist the officials of the state in such work.

The more intensive instruction of normal school students for health supervision of school children seems to us a necessity in view of the lack of sufficient physicians and nurses throughout the state. Given proper instruction any intelligent teacher is capable of becoming a first class health inspector of school children. It is not suggested that an attempt be made to make poor doctors or nurses out of good school teachers, but simply to utilize teachers for reporting more completely and accurately conditions requiring corrective legislation and constructive administrative action.

The coordination through cooperative action of the field inspectional work of the proposed department of health and welfare, the proposed department of conservation, and the state police, is also practicable. Under the reorganization plan there will be a single commissioner of conservation responsible for forest, fish and game patrol. If the field forces of this department are instructed in health observation and inspection, many conditions requiring the action of the state health authority can be brought to light. These forest and game wardens cover practically the entire state in the course of their work. They ought to be capable of detecting common



violations of sanitary laws and regulations and of furnishing other information about the health and welfare of the people in rural areas to the department of health and welfare. To use them efficiently requires, however, an organized plan and their definite instruction and direction with these ends in view.

The same may be said of the state police. This force properly trained and instructed should be capable of efficient service as health observers and reporters. It is not proposed that they shall neglect in any way their other police duties, but merely that they be used efficiently to enforce public health laws as well as other laws. Here again, definite organization and cooperative action by the adjutant general and commissioner of health and welfare is necessary to this purpose.

### **Raising Standards of Local Health Work**

Next to the administrative reorganization of the state health services and the development of a coordinated public health policy and program, the betterment of standards of local health organization and service is of chief importance. Under present laws and other less easily corrected handicaps to efficient community action, local health organization in Maine is, with few exceptions, woefully deficient. Competent local health officers are decidedly in a minority due to the insufficiency of physicians, the lack of adequate health officer compensation, the comparative poverty of many local communities, and the almost complete lack on the part of many local officers of government of a proper conception of their responsibilities for the public health. No amount of state reorganization alone can wholly correct these conditions but much can be done through a well organized state department of health and welfare to raise the standards of local health service above present levels.

The laws governing the health work of local government officers and their relations to the state do not permit the state health authority that measure of supervision and control over them which is essential in Maine to proper state and local unification for health service. Far too much authority rests with local government officials to allow the state to establish and enforce even the minimum standards of public health protection in rural areas. The limits of this report do not permit more than a few specific recommendations regarding the legislation necessary to give the state health authority the power it needs to correct present conditions, but we urge that steps be taken immediately to secure all of the detailed information about local health conditions needed for future legislative action.

In this connection the work of the seven district sanitary officers of the present department of health deserves particular consideration. These seven officers are now assigned to districts in which they are expected to act as supervisors of local health service. As far as can be determined from their reports, they have failed to contribute materially to improving the relations between the state

and local health authorities. The chief reason is, we believe, that they have not had their objectives clearly enough defined, but have been on more or less roving commissions which have so distributed their efforts that much of it has been wasted. Four of these officers receive \$3,300 a year salary, and three \$3,000 a year. In addition they receive payment for the use of their private automobiles at the prevailing schedule of mileage allowances, and also living expenses while away from home. These allowances are generous, and their total compensation and allowances amount to between \$4,000 and \$5,000 a year each. Such an expenditure is not warranted unless it produces commensurate health benefit to the people, and in our opinion, it is not so productive at this time. We do not, however, recommend any reduction of the number of these officers or their compensation, but merely such direction of their work as will permit future determination of their competency and the need of such changes in personnel and compensation as may be indicated.

To this end we propose the creation of a new position in the bureau of health of the proposed department of health and welfare, namely, a supervisor of local health organization who shall be responsible to the director of the health bureau for the work of the district sanitary officers. Under the direction of this officer, a complete sanitary survey of local health units should be mapped out and district sanitary officers required to furnish complete and accurate returns on conditions in all local health jurisdictions within their districts. When this material has been gathered and reviewed, the local health organizations should be rated according to conditions found. Following such rating, district sanitary officers should be directed to concentrate their efforts in those communities most requiring supervision and aid. This will reduce materially the territory to be covered by district officers, reduce cost, and produce results when results are needed.

A further duty of the supervisor of local health organization should be to encourage and develop the cooperation of local government officials with each other and the state to the end that many of the smaller areas of local government may be consolidated for health purposes. This, if successful, will reduce the number of local health units and permit the establishment for the larger population units so cooperating of a much more efficient health service at lower cost per taxpayer. It will permit the employment of more competent local health officers in many areas by making possible larger compensation for them than many small units can now individually afford, and it will reduce materially the cost to the state of supervising local health work because there will be fewer and better organized units to supervise. Present laws permit such consolidation of towns for health work, but up to this time relatively little effort has been made either by the state or local governments to take advantage of this law, probably because it has not been sufficiently urged by the state.

It is our opinion that there is no more important service to be rendered the people of Maine than that of improving the standards of local health work. The state must take the initiative, but under present conditions of decentralized responsibility for health service, it is in no position to do so. Under the reorganization plan, however, the commissioner of health and welfare will have at his command all of the forces and facilities necessary to effective action. These, first utilized in a survey, will permit him to determine accurately what the relations of the state and local governments ought to be in health matters and to lay a sound basis for corrective legislation.

### **Some Immediately Practical Steps in Improving Local Health Work**

Under the public health law there must be local health officers, but since no adequate compensation for them is provided in many places, and no proper qualifications for the office are required except in the larger health jurisdictions, the state is obliged to get along as best it can with many very inefficient local health officers. If, however, the salaries of health officers could be increased, more efficient officers might be found. We have suggested consolidation of local health jurisdictions as one possibility under the present law. Another is to induce town government officers to combine in the person of the health officer the duties of milk inspector as provided for certain towns under the agricultural law, the duties of school physician as provided for in the educational law, and possibly in some instances, the duties of plumbing inspector as provided in the public health law. The combined salaries of these various positions, if available to a single health officer, would perhaps make the position sufficiently attractive to induce competent physicians and other qualified persons to accept health officer appointments.

No new legislation would be required for this. It would be necessary, however, to convince local officers of government of the desirability of this procedure as against the present one of creating more poorly paid jobs for more people. This might well be a first point of approach to the local health problem by the supervisor of local health organization following the general survey suggested.

### **Other Uses for District Health Officers**

The governor is empowered by law to appoint in each county of the state competent resident physicians as examiners of insane convicts, and county medical examiners. It would be desirable in our opinion for the governor to designate the district health officers as examiners of insane convicts and county medical examiners in the counties in which they have residence. This would permit the district health officers to augment their salaries by fees for such

special services and would help to meet the demand which has already been made for increased salaries for them. It would further make possible a closer supervision by the state health authority of the work of some, at least, of the physicians appointed to these important positions in the various counties.

It would also be desirable, we think, for the governor to make appointments of county medical examiners and examiners of insane convicts only from a list of physicians approved by the commissioner of health and welfare. The latter should have information regarding the physicians of the state which could be made available to the governor so that his appointments should be given to the best qualified physicians. The examination of the insane convicts and the work of county medical examiners in investigating the causes of death may be done efficiently with saving to the public, or it may be done inefficiently with resulting waste of public money. Only the best qualified physicians should therefore be chosen for these appointments.

These recommendations can be carried out immediately and effectively without any amendment of existing law.

### **The Cooperation of Official and Unofficial Health Agencies**

The third step in the health program here outlined is to effect the complete cooperation of the state health organization and the various unofficial health organizations and associations throughout the state. There are now about 135 public health nurses at work in various lines of health effort. The state department of health has a director of nurses, a field supervisor, and eight field nurses on full time with occasional additions of temporary part time assistants; the Maine Public Health Association and its affiliated local associations employ fifteen or more nurses; the Red Cross has about thirty nurses; and there are about eighty other health nurses variously employed by industrial corporations, the Metropolitan Life Insurance Company, and local groups with one health purpose or another. If this great army of public health nurses could be so organized that they would function coordinately under central direction, more could be accomplished for the health of Maine people in the next five years than has been accomplished in the last ten, and at less cost.

We urge, therefore, that on the completion of the state reorganization program, a conference of representatives of the health nursing agencies throughout the state be called by the commissioner of health and welfare, and that this conference create a permanent joint council on public health nursing which shall include representatives of all health nursing agencies, state and private. The council should then work out a plan for districting the field of the state and supplying, as far as practicable, for each district where need is greatest a trained nurse who will provide a general health nursing service for such district. The state could well afford to furnish in

the offices of the state department of health and welfare the space and clerical help needed for this cooperative work.

If, as apparently has been the case in the past, such cooperative action is resisted by individuals in public or private office, the public which supports both the state health service and the private agencies should insist that the individuals concerned be eliminated. The present lack of full cooperation between official and unofficial agencies is a matter of sufficient public importance to warrant public interference. There is enough nursing service now available within the state to revolutionize rural health conditions, but the present scheme of specialization in nursing function and divided, noncooperative direction of forces, even if the numbers of nurses were doubled, could not produce results commensurate with cost.

### **Further Suggestions for Health Betterment**

There are many other adjustments of law and administrative procedure which are now much needed but would be of relatively little avail in improving health conditions without the adoption of the general reorganization program recommended. We cannot discuss all of these in detail here but merely make brief mention of the more significant changes needed.

1. *Communicable Disease Control.* Present procedure in prevention and control of communicable diseases is generally inadequate throughout the state, both in the requirements of law and regulation, and in enforcement. This is largely the result of the inefficiency of local health authorities upon whom the state must depend for primary action in the matter. Reporting of communicable disease is notoriously bad, and the management of the relatively small number of cases reported extremely inefficient in rural areas. To correct these conditions the state must take a larger responsibility for enforcing higher standards of local health work and general recommendations to that end have been made. But along with the general survey program recommended must go the enactment of more suitable legislation as well as a clearer conception of the relative importance of state health activities on the part of those in authority.

*First*, the laws relative to the prevention and control of communicable diseases should be revised and a complete sanitary code of regulations supplementing such laws should be drafted and put into effect by the commissioner of health and welfare acting with the advisory council of health and welfare. The laws relative to reporting and control of communicable diseases and the regulations supplementing them should conform as closely as possible to the recommendations of the committee of the American Public Health Association on standard regulations for the control of communicable diseases, as approved by the United States Public Health Service.

*Second*, the relative importance of venereal disease prevention and control has been greatly overestimated in the state's program. About \$13,000 is spent annually for this specific purpose, although nowhere is there any possibility of real control of this disease under existing laws. Reporting of the disease is certainly not even 25 per cent efficient now and is not likely to be in the present generation. Even if more drastic laws and regulations regarding this disease were attempted, it is probable that they would defeat the primary aim of the health authorities, namely, efficient reporting. Instead of spending \$13,000 yearly, almost a tenth of the entire health budget, on this one disease problem, and practically ignoring other disease problems of actually greater significance, the state should materially reduce its expenditures for venereal disease control and spend more for the prevention of other more important health hazards as here indicated. The state appropriation for venereal disease control should not exceed \$5,000 annually on the basis of the present total expenditure, and this should be devoted chiefly to educational efforts for better reporting and sex hygiene.

*Third*, an opinion should be obtained from the attorney general on the question whether or not the towns can be required, as the law apparently permits, to provide the necessary aid to typhoid carriers within their jurisdictions (Sections 70 and 71, Chapter 197, Laws of 1917). The state spent \$1,980.84 for typhoid carrier aid in 1928, \$2,886.60 in 1929, and \$2,336.69 in 1930. There are at present two men and three women typhoid carriers between the ages of 23 and 60 who are receiving from \$8 to \$30 a week each. If it is impracticable to turn this burden of relief back upon the towns, the state might well consider providing self-supporting employment for as many as possible of these typhoid carriers in the state institutions in employments where they would not endanger others. The advantage of this would be that they would be at all times under control of the medical officers of the institution and subject therefore to improved central control by the state.

*Fourth*, the state health authority should be authorized by law to approve appointments of local health officers, and to remove them from office in the event that they neglect or refuse to carry out the public health law and the regulations of the state department of health. Many local health officers now wholly neglect the clear mandates of the law.

2. *Laboratory Service.* The efficiency of the communicable disease prevention and control program of the state depends largely upon the competency of health laboratories utilized throughout the state by physicians and others for diagnostic purposes. It is, therefore, essential that no diagnostic health laboratory be permitted to function without approval of its equipment and methods by the state upon evidence that in its equipment and methods it conforms to the accepted standard of the American Public Health Association and United States Public Health Service.

The two laboratories now maintained by the health department,

namely, the chemical laboratory under the direction of the sanitary engineer used chiefly for the examination of water supplies, and the general pathological and bacteriological laboratory under the direction of the pathologist should be combined in a single division of laboratories under the latter's direction. The maintenance of two independent laboratories necessitates a higher degree of specialization in laboratory function than is now warranted.

3. *Vital Statistics.* The present laws relative to vital statistics should be amended in the following particulars:

a. The commissioner of health and welfare should be authorized by law to designate primary registration districts comprising one or more towns as may seem desirable, and to designate as registrars in such districts either a town clerk or local health officer. (Town clerks are now local registrars and their performance is, except in a few instances, unsatisfactory.)

b. Local registrars of vital statistics should be required to record births, marriages and deaths upon the forms and in the manner specified by the state commissioner of health and welfare. The forms and procedure should follow that established as standard by the United States Bureau of the Census. Local registrars should be required also to transmit the originals of such records to the state registrar of vital statistics instead of copies as at present. The originals are in many cases lost or destroyed now due to the carelessness or ignorance of town clerks.

4. *Dental Hygiene.* This work which has just been begun by the state health department should not now, in our opinion, be expanded beyond its present state in view of the more important health problems calling for action. The present limited educational program might, however, well be continued.

5. *Public Health Education.* This important function of the state health department has been given practically no consideration in appropriations. We do not, however, recommend the inauguration of a health educational publicity program now. When the reorganization of health and welfare work is perfected, it would be desirable for the consolidated department to publish a monthly bulletin for the entire department which would carry information to the public generally on its aims, purposes, regulations and procedures and serve as a means of encouraging citizen cooperation.

### **Suggested Divisional Organization of the Health Bureau**

As stated in the general outline of organization of the proposed department of health and welfare, we do not recommend incorporating in the law establishing such department, definitions of the various divisions of the health bureau and their responsibilities. It may be well, however, to outline tentatively a divisional organization of the health bureau which would represent satisfactorily the grouping of activities recommended in this report:

1. *Office of Director* to include such general overhead activities

of the health bureau as may be necessary together with general health educational publication and other activities of an educational nature.

2. *Division of Preventable Diseases* to be responsible for all present activities for control of preventable diseases, including venereal diseases and such other activities of this kind as may be undertaken.

3. *Division of Child Hygiene and Public Health Nursing* to carry on all activities for maternal and child health and generalized public health nursing.

4. *Division of Food and Drug Inspection* to provide for the inspectional services to be transferred from the department of agriculture and elsewhere, as previously recommended.

5. *Division of Local Health Administration*, comprising a new office, i.e., supervisor of local health administration and the seven district health officers engaged in sanitary supervision of local health work.

6. *Division of Laboratories* to carry on all laboratory work of the department including supervision of the branch laboratory at Caribou, and in addition to license, inspect and supervise the works of all health laboratories of the state.

7. *Division of Sanitary Engineering* to carry on present sanitary activities, except laboratory work, which should be consolidated in the division of laboratories, plus the supervision of public water supply, drainage and sewerage system which would be transferred from the public utilities commission.

8. *Division of Vital Statistics* to be responsible as recommended for the receipt and compilation of original records of births, marriages and deaths, and to exercise general supervision over local registrars.

Each of these divisions should be under a chief responsible directly to the director of the health bureau and through him to the commissioner of health and welfare.

The advantage of such divisional organization is that it more definitely fixes responsibility and makes possible a more intelligible and constructive budgeting of health funds.



## CHAPTER VI

### PUBLIC WELFARE ACTIVITIES

Considering noninstitutional relief and other public welfare activities of the state, we find in the main the same administrative defects as have been noted in discussion of public health matters, namely, division of administrative responsibility among several welfare agencies, and, because of the lack in local governments of well organized efforts in behalf of their own citizens, the assumption by the state in increasing ratio of responsibilities which ought to be carried more largely by local governments. The state has attempted from the State House in Augusta to carry on through several independent agencies, all of the field activities throughout the state necessary to a determination of public welfare needs with little or no aid from local sources. Of course, it has not succeeded under such circumstances in doing an efficient piece of work, although even with these limitations it has made some real and permanent contributions to public welfare betterment. We venture to say that twice the present appropriations for public welfare work without any more coordination of effort than now exists, and without any more cooperation from local governments, would accomplish little more than to discover more dependents and increase the number of applicants for relief. In other words, Maine's public welfare work has been directed, and necessarily so, chiefly to administering relief rather than to a comprehensive program of preventing the necessity for such relief.

The above statement of defects in Maine's public welfare program suggests the remedies which are, in our opinion:

- i. The incorporation in the bureau of welfare of the proposed department of health and welfare of the following public welfare activities now distributed among the several existing agencies as follows:

- a. The administration of mothers' aid; the care of dependent and neglected children for whom the present welfare commission acts as a board of guardians; and the licensing of persons, firms, corporations or associations that solicit funds for welfare purposes outside of the municipalities in which such agencies are located. These activities are now carried on by the department of welfare and welfare commission.
- b. Administration of appropriations for the following relief purposes; care of state paupers, pensions for Civil and Spanish War veterans, pensions for the blind, education of blind children in out-of-state institutions; commitment of insane state beneficiaries, burial of soldiers and their widows, pen-

sions for state employees and other special pension allowances. These administrative duties are now performed by the governor's messenger acting for the governor and council.

- c. Administration of aid to wives, children under 16, and infirm and dependent parents of killed or disabled soldiers or sailors on active duty during the World War, now provided by the World War Relief Commission.
- d. Promotion of the welfare of members of the Penobscot and Passamaquoddy Indian tribes, now a responsibility of the forest commissioner acting through an Indian agent.

2. The establishment in each county of the state of cooperating official and unofficial agencies for the purpose of promoting local interest in welfare matters and encouraging local action for the prevention of poverty, delinquency and other causes of social incompetency.

The above recommendations will be dealt with in the order presented.

### **Coordination of Present Welfare Activities**

With respect to the first proposal, namely, the coordination of outdoor welfare activities in the bureau of social welfare of the proposed department of health and welfare, the aim is to put under single-headed direction all outdoor relief activities which call for investigation of applications for relief by the state and the provision of relief as indicated, including the relief of dependent mothers, dependent and neglected children, veterans and their dependents, the blind, state poor, Indian wards, and all others. This group of services represents two chief divisions of social work which might well be recognized in the bureau of welfare, namely, a division of child care which would be concerned primarily with mothers' aid cases, and dependent and neglected children, as at present, and a division of relief or social welfare which would be responsible for all other welfare activities mentioned. The definition of these two divisions in the organization of the bureau is not, however, essential.

The remaining activities of the present department of welfare, namely, general supervision over all institutions of an eleemosynary or correctional nature which derive any part of their support from the state; the reviewing of plans and specifications for new institutions of an eleemosynary or penal nature; and the distribution of state funds for the compensation of private hospitals and other institutions for the care of state charges, should be brought together with other supervisory activities in connection with the state institutions in the bureau of institutional service of the department of health and welfare which will be discussed in the next chapter of the report.

Assuming the establishment of the department of health and

welfare and the creation within such department of the bureaus of welfare and institutional service earlier recommended, the changes in administrative organization required to bring about the desired readjustment may be briefly stated as follows:

1. The abolition of the present department of welfare and welfare commission and the transfer of its duties and responsibilities to the bureaus of welfare and institutional service.
2. The abolition of the World War Relief Commission and the transfer of its duties and responsibilities to the bureau of welfare.
3. The transfer of the duties of the governor's messenger, acting for the governor and council as administrator of certain relief funds to the bureau of welfare.
4. The transfer of the duties and responsibilities of the forest commissioner in promoting the welfare of Indian tribes to the bureau of welfare.

### **The Present Department of Welfare and Its Work**

Of the various activities for which the present department of welfare is responsible under the law, three, namely the licensing of persons, firms, corporations and associations, soliciting funds for social welfare purposes outside of the municipalities where such agencies are located; the supervision of all institutions of an eleemosynary and correctional nature which derive any part of their support from the state; and the reviewing of plans and specifications for new institutions of an eleemosynary or penal nature, have received scant consideration chiefly because the department has had neither the funds nor the technical and other personnel necessary to carry on such work efficiently.

The department's supervision of state institutions amounts to little because it has insufficient authority under the law to make its supervision effective in any case, and without institutional inspectors or examiners who are expert in institutional matters, its suggestions even when offered to state authorities are rarely well received, and, except in minor matters, result in little action. Supervision of state institutions or any institutions by an agency without actual facilities and authority to make its supervision effective is never productive. Likewise, the review by the department of public welfare of plans and specifications for new institutions of an eleemosynary or penal nature is of little value unless the department is provided with the technical experts on such matters necessary to the purpose. In short, the department of public welfare as at present organized is essentially a children's bureau, concerned primarily with the administration of mothers' aid and the care of dependent and neglected children, its one other major function, namely, the administration of funds for the compensation of private hospitals, requiring relatively slight office or field force. For the purposes of this report

we shall consider these three functions as representing the department's real work.

It should be said here, however, that the licensing and supervision of agencies soliciting funds for social welfare purposes and particularly those whose purpose is child care of any type should receive more serious consideration. The law should be strengthened so as to require that all agencies, institutions, firms, corporations, associations, or individuals soliciting funds for any social welfare or relief purposes *anywhere within the state* should be required to obtain a license annually from the department of health and welfare and be subject to its supervision. This is, however, a detail of administration requiring no additional office or field force.

### **Mothers' Aid and Care of Dependent and Neglected Children**

The cost of relief provided by the department under the mothers' aid law is divided equally between the state and the cities or towns in which the mother has residence. During the past five fiscal years, 1926-1930 inclusive, there has been an increase in active mothers' aid cases from 518 to 636, or about 23 per cent, and in state expenditures for mothers' aid in the same period from \$92,013.94 to \$220,008.81, or nearly 140 per cent. The relatively great increase of expenditure reflects not only the increased cost of living but the higher standards of relief which public sentiment in Maine has endorsed. In view of the fact that the present standards of mothers' aid allowances are not extravagant or unreasonable, and grants in aid are as efficiently administered as is possible under the law and with present limitations of personnel, any reduction of public expenditure for mothers' aid should depend upon other measures than a return to lower standards of mothers' maintenance. Reduction of state expenditures for mothers' aid, if possible at all, must come about through better organization and administration of the state and local agencies through which mothers' aid is provided, reduction of the number of recipients of such aid, or the shifting of a greater part of the burden to local governments than the law now permits. We shall consider these possibilities later, but it is proper to say here that our criticisms of the present administration of mothers' aid must not be regarded as in any way reflecting upon the efficiency of the department of welfare. It has done its work well.

In the case of dependent and neglected children committed to it by municipal and probate courts, the department of public welfare has likewise shown high efficiency under existing conditions. Expenditures for this purpose are now by virtue of a recent amendment borne one-third by the state and two-thirds by local governments, which is, in our opinion, an equitable distribution of the burden. During the last five fiscal years, 1926-1930 inclusive, there

has been an increase in the daily average of children in the custody of the department as dependent and neglected, from 1,848 to 2,261, or about 23 per cent, but an increase of expenditure only from \$275,354.22 to \$312,691.98, or about 13 per cent. In the same period standards of care of dependent and neglected children have been materially improved. This has come about largely through the improvement of supervisory methods by the department and the more careful control of expenditures, particularly in the purchase of clothing and other needed supplies for children. The average per capita cost per child boarded by the department has been reduced in the five year period from \$233 a year to \$212.48 a year with better service to the child.

This is a record of which the department of welfare may well be proud and it testifies as clearly to the efficiency of the department's field agents as to the competency of their direction. But when one considers that an average of about 250 dependent and neglected children are committed to the department each year, there is little in the situation which any intelligent citizen can contemplate without distress. One might reasonably expect that with the supposed general betterment of health and welfare conditions during the past decade, the number of dependent and neglected children needing public aid would be decreased. That they have been steadily increasing argues that there has been little improvement of health and welfare conditions generally; that the lack of local resources or a desire on the part of local authorities to shift their burdens to the state has resulted in more commitments of children who otherwise might have been dealt with without commitment; or that the opening of new channels of social inquiry has discovered more dependent children needing public aid. Possibly all of these factors have had a part in the increase of commitments, and we are inclined to believe that such is the case. None the less, we believe reduction of commitments of dependent and neglected children and consequent reduction of public expenditure for their care is possible and practicable. As in the case of mothers' aid, standards of care of dependents should not be lowered but effort made through better organization of state and local facilities to reduce the number of dependent and neglected children requiring care at public expense.

### **Suggested Measures of Economy in Child Care**

As we see the problem, reduction of the demand upon the public purse for mothers' aid and the care of dependent and neglected children calls for state action along the following lines:

1. The coordination of all state health and welfare services to the end that all available facilities of the state for the prevention of sickness and other causes of social and economic disability may be better utilized in the common cause.

2. The development through such coordination of state health and welfare services of all possible resources of local communities in order that they may function more efficiently for the prevention and correction of local causes of dependency and family breakdown.

A third possibility has been suggested in the case of mothers' aid, namely, the shifting from the state to the local government of a larger share of the cost of such service. The cost is now divided equally between the state and local governments for mothers' aid, although recently the state has declared with respect to the care of dependent and neglected children that the local governments shall bear two-thirds of the cost of their care. It is probable that by thus increasing the burden of local governments, fewer dependent and neglected children will be committed to the state by local courts, but whatever the result, we believe such distribution of burden is justified on the ground that the responsibility of the state and local government is thereby more fairly measured. In the case of mothers' aid, however, we believe the present equal distribution of cost between the state and local government should be continued, for the present at least.

It is certain that the conditions which result in the demand for mothers' aid and in increasing the numbers of dependent and neglected children are in large measure preventable. Sickness in the family is a chief cause of dependency of both mothers and children, because it is, in a majority of cases, the beginning of the economic incompetency or loss of the breadwinner. If, therefore, the state is to prevent family breakdown and promote family rehabilitation by scientific use of all its resources, it must have a centrally directed plan and program which will bring to bear upon the problem all of the technical skill and experience of health workers, social workers and others concerned in the conservation of the human resources of the state. We have already outlined such an organization in the proposed department of health and welfare.

The development of local resources so that they will be more competent to deal with the problems of family maintenance and rehabilitation at their source has with respect to public health work been considered in the previous chapter of this report. In the field of social welfare, however, since no satisfactory official organization of local forces now exists except in a few communities, we urge the establishment on the initiative of the proposed department of public welfare of voluntary county welfare associations to cooperate with the state in finding and utilizing all possible local resources for family betterment. Official boards of county welfare would be better but the present status of the Maine county government offers little hope for official agencies of this kind. We shall offer further suggestions on this subject in considering the problem of juvenile delinquency.

### **Delinquent Children and Their Care**

The department of welfare has no direct responsibility for the care and custody of delinquent children. Jurisdiction over delinquency cases is vested in 154 trial justices, 43 municipal and police courts and the superior courts. Trial justices and municipal courts have concurrent jurisdiction with certain restrictions as to territory with respect to child misdemeanants. They have no jurisdiction over juvenile cases in which the offense would be a felony if committed by an adult. Such cases are bound over to the higher courts. Children adjudged incorrigible by the courts are committed to the state juvenile schools or some penal institution and commitments to the juvenile schools alone average about 100 a year. It is unquestionably true that many of these children should never have been so committed and would not have been, had there been an adequate local organization which could have been made responsible for them. Maine has no official or unofficial agency responsible for caring for delinquent children. They come before all the courts and are dealt with accordingly, for better or for worse. The result is that juvenile delinquency is apparently increasing and the burden upon the state for the care of committed children in state institutions is likewise increasing.

To provide the nucleus of a more constructive organization for handling juvenile delinquency and dependency cases, we recommend that the governor designate in each of the 16 counties of the state one or more of the municipal court judges to be known as judges of juvenile and domestic relations courts for their respective counties or parts thereof, and that the courts so established be given original jurisdiction in all cases involving children under 18 years of age and in all cases of crime against children. Right to appeal should be safeguarded, as also the right of the juvenile court to send on any case of so serious a nature as to require investigation by a superior court. Provision should be made in such amendment of law for the employment of competent probation officers of these courts. The law should provide also that if the child is so dependent, neglected or delinquent as to make his removal from home or the community imperative, he should be committed not to an institution in any case, but directly to the department of health and welfare, which should determine what further should be done. Such an amendment of law, if enacted, would:

1. Establish in each county of the state one or more responsible official agencies for handling social problems in which children are factors.
2. Create a center for official and unofficial cooperation of local organizations and individuals in the state's effort to prevent family breakdown and promote family betterment.
3. Reduce the number of children committed to the state and help to lighten the burdens of institutions for juvenile delinquents.

4. Save eventually thousands of dollars in public expenditure by promoting individual and community responsibility for self help.

### State Payments to Private Institutions

Prior to 1929, the state appropriated lump sums of money to several general hospitals to compensate them for their care of indigent patients. Since 1929 appropriations have been made directly to the department of public welfare which has expended the money for the care of indigents in private hospitals on a per diem basis so that each hospital receives its proportionate share of funds available in accordance with the amount of service rendered to cases approved by the state department of welfare. If it is assumed that the state should provide for the care of indigents in private hospitals, the present plan of administering hospital aid through the state welfare department is the only sound one.

The state now appropriates \$160,000 annually for this purpose, and it is likely that this sum will have to be increased soon in order to meet the legitimate demands of private hospitals to keep pace with their rising costs. It is, of course, impossible for any good private hospital to provide even the minimum of care of an indigent sick person for the \$2.50 per day plus extras which the state allows. It is apparent that owing to the lack of adequate hospital facilities in many communities, discontinuance of state compensation to private hospitals would work serious hardship on many deserving sick, and so for the immediate future the state might well continue paying them for their services. We feel, however, that the distribution of such payments can be improved by the adoption of a scale of per diem allotments which will recognize more fully the differences in quality of service of the hospitals aided. Some of the private hospitals maintain services which conform fully to the standards recognized as proper by the American Hospital Association and the American College of Surgeons. Others are incapable of maintaining these standards. In some of the hospitals an allowance of \$2.50 per day is in no sense adequate return for the service given, while in others it represents about the value of that service. In our opinion, a readjustment of compensation to private hospitals should be made in accordance with their ability to maintain adequate standards of administration and operation. Hospitals not able to maintain such standards should either be eliminated from the list of state aided hospitals or per diem payments to them reduced. No fixed rate for all hospitals can possibly be determined upon which will be fair to all hospitals and fair to the public.

An appropriation of \$31,800 gross is now made to nine private child caring agencies. We recommend that such appropriation to these agencies be discontinued and a like sum appropriated to the department of health and welfare to be used for the boarding care



of such state wards as the department may place in these or other institutions. This would put complete control of these funds where it properly belongs.

### **Administration of State Pension and Pauper Funds**

Little need be said of the activities of the governor's messenger in the administration for the governor and council of various relief funds. Because of his long experience and extensive personal acquaintance with local officials, he has been able to carry out his duties perhaps better than any other officer who might have been chosen under the existing plan of organization, or rather the lack of it. He has, however, not had at his disposal any field agents to make proper inquiry regarding applications for relief from the funds under his management or to provide the necessary periodic inquiry into the status of recipients of such relief.

The number of Civil and Spanish war pensioners has been reduced about 50 per cent in the past five years, and expenditures for such relief have been cut about 34 per cent. This is about what might be expected. Blind pensioners have, however, increased about 18 per cent in number and expenditures for their relief have increased in about the same proportion. The number of state paupers has not varied greatly during the five year period and the slight increase of expenditure for their relief has no particular significance. The administration of funds for the education of blind children in and out of state institutions, and other minor relief activities of the governor's messenger, call for no comment.

Further economies in the administration of these funds are possible, we think, chiefly through their administration by an officer familiar generally with the public welfare needs and resources of the state and having at his command the combined facilities of the state for social inquiry and investigation. No relief of any kind, pension or other, should be granted by any public agency without thorough inquiry as to need, determination of the kind and amount of relief to be given in accordance with such facts, and frequent periodic reinvestigation to discover any changes in the conditions which originally made relief necessary, but which have subsequently changed. Without criticism of the work of the governor's messenger, it is none the less apparent that the present procedure of review of applications and inquiries regarding applicants is inadequate to safeguard public expenditure for these relief purposes.

For this reason we urge the transfer of the duties of the governor's messenger in the administration of the several relief funds to the bureau of welfare of the department of health and welfare. There the field agents of that bureau will make the same type of inquiry and give the same periodic supervision of pension and state poor cases as they now give to mothers' aid and child guardianship cases. It may be possible to discover other and more suitable means

for relief of such needy persons than a mere dole. It may be possible in some cases to relieve the need altogether and restore the applicant to self-supporting independence. The Maine Institution for the Blind has already proved that many blind persons who have previously been completely dependent can be restored to self-supporting life by proper industrial training. A steady increase in the number of blind pensioners is worthy of someone's serious thought. With all the facilities for the prevention of blindness now available and all of the resources of the state for education and training of the blind, it would seem that improvement in this situation is possible and practicable. It can be had, we believe, when all of the facilities for prevention, treatment and aid to the blind are brought together in common cause.

In order to utilize the long experience and personal contacts of the governor's messenger in the general health and welfare program, we have recommended that he be made executive clerk of the department of health and welfare.

#### **Abolition of World War Relief Commission Recommended**

The abolition of the World War Relief Commission and the inclusion of its duties among those to be vested in the department of health and welfare and carried on by the bureau of welfare thereof, seems highly desirable. This commission has been long enough in existence to demonstrate clearly that it is incapable of functioning efficiently without field agents. If it is continued as an independent agency, the single field agent recently employed will probably be so swamped with work that others will be needed soon. It is estimated that within a very short time, unless the law is amended to limit further the number of persons entitled to this relief, expenditures now about \$90,000 a year will increase to about \$200,000 a year. To control this expenditure adequately, considerable office and field force will be required. By placing responsibility for the administration of World War relief funds in the department of health and welfare, the office and field personnel required can be provided at much less cost, and the care of worthy veterans materially improved.

It is our opinion that the act providing relief for World War veterans does not adequately limit eligibility for relief nor provide the machinery necessary to make such investigation as will permit proper determination of need. We do not, however, recommend at this time any change in the conditions of eligibility. It is our belief that once provision has been made for thorough inquiry into all cases by the transfer of responsibility for the administration of World War relief funds to the bureau of welfare of the department of health and welfare, the information which will be developed thereby will indicate clearly the need for further legal limitation of the state's liability in the matter.

To insure that the World War veterans of the state will be properly represented in the administration of funds for their relief, it would be desirable that the governor appoint to the advisory council of health and welfare at least one person representative of the World War veterans' interests.

### **Extension of Field Services Necessary**

The present department of welfare now employs a field supervisor, 15 field workers who are engaged in supervising mothers' aid and child guardianship cases, two hospital investigators who makes inquiry regarding applications for hospital aid, and an attorney who makes collections from the parents of children in custody. The World War Relief Commission has just recently employed a field worker to investigate applications for aid to World War veterans. Under the proposed reorganization this field force would be combined in the bureau of welfare of the department of health and welfare, and, with the exception of the attorney, assigned to districts where they would investigate all applications for relief of whatever nature, supervise the relief measures provided, and otherwise aid in encouraging local cooperation in relief where possible.

The 15 field workers of the present department of welfare engaged in mothers' aid and child dependency work are now carrying altogether too many cases to make possible efficient supervision of them, each having about 160 cases under her supervision. The consolidation recommended will relieve this situation only slightly by the addition of one field worker from the World War Relief Commission. It is recommended that when the reorganization of health and welfare activities has been effected, the field force of the bureau of welfare be increased to 20, and that an additional supervisor be employed. These 20 field workers should be districted and each required to make within her district all investigations and provide all of the supervision required in administration of mothers' aid, child dependency, pension and veteran aid, pauper relief, hospital relief, and any other form of relief under the supervision of the welfare bureau. Such a force working in smaller districts and more adequately supervised can, in cooperation with the juvenile and domestic relations court previously recommended, make the public welfare program effective throughout the state. The cost of increasing the field force will be offset many times over by the improved control of expenditure which will be made possible and by actual reduction in the cost to the state for the support of the needy.

## CHAPTER VII

### STATE INSTITUTIONAL SERVICES

For the operation and maintenance of the thirteen institutions controlled by the state, Maine now spends about a million and three-quarter dollars yearly, exclusive of capital outlay which ranges from about \$100,000 to \$300,000 or more a year. In these thirteen institutions there are approximately 4,000 patients and inmates, about 68 per cent of whom are in the two state hospitals for the insane and the school for the feeble-minded; about 10 per cent in the three tuberculosis sanatoria, another 10 per cent in the state prison and two reformatories, 8 per cent in the schools for juvenile delinquents, and the remainder in the two special institutions, the school for the deaf, and the children's home. To provide for the care and custody of these 4,000 wards of the state, about 1,000 persons are regularly employed, or on an average of one employee for every four institutional patients or inmates.

All state institutions have reached or exceeded the maximum occupancy desirable. The state hospital at Bangor, the state prison and the boys' school still have a slight margin of space available for new admissions, but no more than is needed to provide for proper segregation of patients or inmates. The three sanatoria for tuberculosis, the reformatories for men and women, the school for the deaf, and the children's home have reached the point of maximum occupancy. Taking the figures for 1929, the last complete year of record at the time of this survey, the state hospital at Augusta was seriously overcrowded by an average daily number of 1,223 patients in space designated for 970; the state school for mental defectives with capacity for 645 had a daily average of 674 patients; and the girls' school had a daily average of 174 girls uncomfortably crowded into space intended for 158. To sum up, all state institutions, except possibly the state prison and the boys' school, require relief from overcrowding now or in the near future. Minor readjustments of which we shall speak later may furnish some immediate relief, but it is inevitable that under Maine conditions, the state will have to continue to bear an increasing burden for the care and custody of its defective, delinquent, and dependent charges.

In view of these conditions, it is essential that the state take advantage of all possible measures of economy and increased efficiency in the management of its institutions. As we see it, any reduction of the state's burden must depend on better organization of its general health and welfare services, including the institutional services, looking forward to ultimate economy through the betterment generally of health and welfare conditions throughout the state and a system of institutional control and planning which

will avoid the errors of the past and be better suited to the needs of the future.

In subsequent pages we shall discuss briefly those deficiencies of state institutions which we believe are most handicapping to their efficient and economical management and operation. It is only fair to say, however, that these deficiencies are not primarily the result of any lack of purpose on the part of the managing boards, or institutional officers. They are due rather to the present plan of dividing administrative responsibility among several lay boards, a plan which might have served a half century ago, but which the state has now outgrown. On the whole the institutions are physically satisfactory, wholesome in maintenance, constructive in purpose, and providing, apparently, as good care of patients and inmates as is possible under existing conditions. Their executive officers are with two exceptions, to be later noted, competent men and women; the morale of all personnel is excellent; there is no evidence that partisan politics has worked to the institutions' disadvantage; and all institutional officers are eager to adopt any permissible policy or procedure which will mean more efficient service.

We have been strongly impressed with the many expressions of the willingness of institutional authorities to cooperate for better public service, but quite as strongly impressed with the impossibility of obtaining satisfactory cooperation under the present administrative plan. Aside from such slight cooperative action as may be brought about through the administration of a small group of institutions by a single board as in the case of the hospitals, sanatoria, and schools for juveniles, and that provided by the purchasing association, cooperation in medical service, education and training, industrial work, farm operation and other essential features of institutional service is generally conspicuous by its absence. There is not even an occasional conference of institutional boards or executives to discuss formally their common problems, many of which are dependent for their solution upon cooperative effort.

### **Institutional Costs**

We offer no comparative statement of institutional per capita costs, believing that such a statement would lead to wrong conclusions on the part of public officials and citizens generally. Comparison of per capita and other unit costs is a useful device for fiscal control, but it is of no avail when standards of institutional operation and maintenance, and accounting methods are so widely variant as in Maine institutions. Costs in most of the Maine institutions are lower than in like institutions in other states where more adequate professional and technical personnel is provided, and where public interest and support of institutional work has been better fostered.

In the state hospitals, per capita costs compare favorably with

those of similar hospitals in other states. Costs are higher at Bangor than Augusta not because of any relative inefficiency of management at the former but chiefly because with essentially the same organization for medical work, the Augusta hospital is caring for a much larger number of patients. Increasing the number of patients with no compensatory increase of personnel naturally results in lower per capitas. This illustrates well the point just made that any attempt under present conditions to judge the efficiency of institutional management on the basis of cost data would lead to error. All state hospitals are excellent institutions providing as efficient service as is possible with existing handicaps. That they can provide better service with present facilities and without increased cost when these handicaps are removed through better organization of the institutional system as a whole is certain, but if they are to meet their future responsibilities fully, increase of cost seems inevitable.

The state sanatoria are laboring under the handicap of trying to provide with sanatorium equipment all of the essential services of general hospitals for tuberculosis. The result is a per capita cost too high for sanatoria, too low for efficient hospital service. Again the danger of using per capita costs as a measure of institutional efficiency is evident. The lowest per capita cost, at the Central Maine Sanatorium, does not mean most efficient administration. It means actually least efficient care of patients in this institutional group. When present plans for more adequate medical care of patients have been put into effect at Fairfield, its per capita costs will probably be as high if not higher than at the other sanatoria. Here, also, it is fair to say that no material reduction of costs is possible under the present administrative plan and hampering legislation.

At the two schools for juvenile delinquents per capita costs are far lower than in efficient institutions of their type elsewhere. They are slightly lower at the girls' school than at the boys' school, partly because this institution is overcrowded, but they reflect also, in our opinion, far less efficient management than is found at the boys' school. But the needs of each school are so different that comparison of cost data leads nowhere. Neither school is equipped to perform well its particular function in educating, training, and rehabilitating juvenile delinquents. The state is no doubt getting as much as it pays for, but it is not getting all that it should from these schools.

The same is true of the reformatories for men and women. Their costs are lower than those of the most efficient like institutions in other states. Each is as well managed as present policy and funds permit. Indeed, we regard these two institutions as outstanding in many respects among institutions of their type. But that it is impossible for them to maintain desirable standards of training, employment, discipline, and general welfare of inmates is certain without larger expenditure for the professional services needed.

As custodial institutions they perhaps meet all requirements, but as *reformatories* they fall short of the mark.

The state prison is the one institution of its type in the state. Comparison of its per capita costs with those of any other institutions in Maine is therefore impossible. But comparison of its per capita cost with that of other state prisons shows that it is a most expensive institution. Study of conditions at the prison reveals that not only is it not making best use of its present resources in the interest of economy but that its management is deficient otherwise in many important elements. If any opportunity further to reduce costs without impairment of public service exists anywhere, it is in the state prison. We believe that costs can be materially reduced here even under the present administrative plan and at the same time, materially improve its service to the state.

Per capita costs at the school for the deaf and the children's home at Bath are lower than is warranted by their need. The former is able to report a low cost largely because it has reached its maximum of occupancy without provision for the personnel necessary to the maintenance of first class educational, industrial training and recreational facilities, a practical impossibility with present plant and equipment. At the children's home the lack of personnel and equipment adapted to efficient health protection permits lower costs than would be possible otherwise. But as is the case with other institutions, central control, and the utilization through the cooperation of all institutions of the many special resources which can thereby be made available will permit better service even without any increase of their personnel or equipment.

### **The State Hospitals**

The Bangor and Augusta state hospitals and the Pownal State School which are under a single administrative board, are institutions on a par, generally, except for minor deficiencies of personnel and equipment, with the best of similar institutions throughout the country and superior to those of many states with greater resources than Maine. Each is in charge of a medical superintendent of recognized executive ability and long experience in institutions for the treatment of mental disease and defect.

The most significant of their present handicaps to efficient public service apart from those which are the direct result of lack of central institutional control and supervision are briefly these:

1. An illogical division of responsibility for executive direction between the medical superintendents and stewards at Bangor and Augusta. There should be one chief executive officer and only one. Correction of this situation requires legislative change.
2. Overcrowded wards particularly at Augusta and Pownal. Temporary relief at Pownal will be provided by the new hospital building authorized. Transfer of some of the patient excess from Augusta to Bangor will relieve the situation somewhat at the for-

mer. Permanent relief from overcrowding at these institutions must, however, come about through ultimate extension or space alterations of existing plants, the adoption of a more scientific program of classification and segregation of patients and inmates of all institutions, and the reorganization of the nurse training program of all medical institutions including the tuberculosis sanatoria. Such permanent relief depends essentially, however, on the establishment of the central control of state institutional services already recommended.

3. Inadequate medical, nursing and ward personnel at Augusta. This situation can be partially met by a more equitable adjustment of the patient load between the Augusta and Bangor hospitals, but the maintenance of approved standards of personnel in all institutions is likewise contingent upon central control with emphasis on medical treatment as the most important responsibility of medical institutions. The present tendency of the hospitals' board is to overemphasize custodial care to the detriment of medical care and treatment.

### **The State Tuberculosis Sanatoria**

These three institutions under a single board cannot be given high rank either as sanatoria or hospitals. Under the present law relative to admissions they are obliged to receive tuberculous patients of all types, medical and surgical, and in all stages of the disease. Though organized and equipped to provide sanatorium service, they are not organized or equipped to provide as extensive hospital service as the law makes necessary. In consequence of their handicaps under the law, each state sanatorium falls below approved standards either of sanatorium or hospital care.

Since it seems desirable in view of the lack of medical and nursing facilities throughout the state, to provide for the care of tuberculous patients of all types, an amendment of the law seems necessary to define sanatorium care and restrict it to those whom it is most likely to benefit permanently, namely, early, curable, or otherwise suitable cases of pulmonary tuberculosis. Provision for hospital cases should be made otherwise. Readjustment of the present program is highly necessary to make the state sanatoria more than "boarding houses for tuberculous patients," as one superintendent expressed it. We recommend first, the establishment and development of one of the state sanatoria, preferably the Central at Fairfield, as a tuberculosis hospital which will receive only cases not suitable for sanatorium care. The other two institutions should be maintained as sanatoria for suitable cases of pulmonary tuberculosis only. Instead of trying to develop in each sanatorium a complete service, medical and surgical, for tuberculous patients of all types, which means an almost prohibitive expenditure, one institution only should be manned and equipped for medical and surgical care of nonpulmonary tuberculosis, and for such cases of pulmonary tuberculosis as are not suitable for sanatorium care in



the other two institutions. Eventually, another institution may be necessary, but the first step is such segregation as has been suggested, so that determination of future needs can be intelligently made.

As in the state hospitals for the insane and the school for the mentally defective, the most successful maintenance and operation of the tuberculous institutions under the existing or proposed plan depends upon their recognition as primarily medical institutions and their complete equipment as such in accordance with their sanatorium or hospital purpose. Under the present plan their chief executive officers, who are competent physicians, are expected personally to do the greater part of the routine medical work and at the same time function efficiently as business executives. No matter how competent they may be as medical officers, they cannot, under present conditions, render satisfactory service in either way. At many points in the control of personnel, supervision of stores and dietary, and plant maintenance, opportunities for waste and extravagance are evident. As medical officers their interest is first in medical service, and overburdened as they are with this, other phases of institutional management necessarily suffer. These deficiencies of business management will, we believe, be more readily corrected by central control of purchasing, stores, personnel, dietary, and plant maintenance over all institutions, than by remedial measures applied directly to the individual institutions. We shall offer further recommendations on this subject.

### **The Schools for Juvenile Delinquents**

Here again we find a procedure of commitment under the law which puts upon these institutions the well nigh impossible task of providing efficient education, training and discipline for a mixed group of inmates, many of whom are utterly unfitted for such regime. Some of these children should never have been committed to these schools, but to institutions better equipped to deal with their particular problems of mental defect or psychopathic condition. Others should never have been committed at all but should have remained on probation under competent supervision. The state has not now proper facilities for better segregation of these children and only in extraordinary cases is their transfer to other institutions possible. At the girls' school there is now overcrowding which further seriously hampers discipline and is not conducive to the proper training of inmates. The sanitary facilities in some of the attic rooms now necessarily used are wholly inadequate. At the boys' school where there is ample space for all, discipline is much better maintained and the difficulties of dealing with the mixed group are much less. The girls' school is further handicapped by the physical infirmity of the superintendent, which leaves the institution practically without a head.

In both schools the educational program falls far short of that desirable. Effort is made to carry on elementary education com-

parable to that in the public schools but without the benefit of the supervision of the state education department, except occasionally and voluntarily. Such school work should of course be definitely under the supervision of that department and its teaching staff and curriculum should be approved by that department. Education in arts and crafts and in useful industries has not been properly organized and carried on in either school. In the girls' school emphasis is put, except for limited commercial courses, upon such training for employment as can be supplied mainly through the routine maintenance work of the institution, and in the boys' school farm labor and odd jobs are the chief recourse. In other words, the institutional experience of juvenile delinquents fits the girls chiefly as domestics and the boys as farm laborers. Each of these institutions ought to provide a much wider range of opportunity. Each should have a well trained, experienced educational director responsible for developing a complete educational program adapted to the employment opportunities which the state affords and suited to the capacities of the children.

Parole under wise supervision is a fundamental of good management of juvenile delinquents. Little value can, however, be given to parole as now exercised in these two institutions. It is mainly by correspondence with infrequent visits to nearby parolees. At both schools institutional custody is too long maintained for many children who could safely be released under well supervised parole. In this respect the boys' school has the better record but even this otherwise well managed institution has not fully met its responsibilities. Apart from its value as a means of rehabilitation of the juvenile offender, parole is a measure of economy in institutional maintenance which should be more carefully considered.

There is one noteworthy feature at the girls' school which should be particularly mentioned, namely, its medical service. This is the only custodial institution which has a full time resident medical officer. The result of her work in the betterment of the physical and mental reactions of children offers strong argument for the installation of an equivalent service in other custodial institutions.

The first step in the improvement of conditions at the girls' school should be the retirement of its infirm superintendent who has served the state long and well. A woman superintendent is needed who has had thorough training and experience in work with girl delinquents. At present the girls' school is practically without a head and there is very little integration of its various departments or divisions of work. No such condition exists at the boys' school and the present superintendent is thoroughly able to carry out the program of reconstruction practicable under central control. Educational work in both schools can be materially improved through the supervision of the commissioner of education, and the adoption of a central system of classification and segregation of institutional inmates generally will eliminate many of the present disciplinary and educational difficulties. Central parole supervision in accord-

ance with recognized standards of parole will permit the earlier release of many juvenile delinquents. Industrial opportunities can be greatly increased by the development of such industrial work as will fit in a plan of cooperative institutional industry. Finally, commitments to juvenile institutions can be reduced through the cooperative effort of health and welfare organizations in local communities. In this connection reference should be made to the proposal to establish juvenile and domestic relations courts as set forth in the section of this report on public welfare.

### **The State Prison**

The state prison as a place for the mere custody of prisoners is perhaps as satisfactory as any that could be built and the physical plant is maintained in excellent condition. As an institution for the rehabilitation of prisoners through education, training, recreation, physical and mental betterment, discipline and employment in productive work, it is entitled to little praise. Effort to provide even the simplest elementary education for illiterates is negligible, little attempt being made to induce prisoners to attend classes. No other organized educational work is attempted. Medical service is provided by a part time physician who comes only when needed, and there is no adequate record of the physical condition of inmates, a necessary feature of any intelligent employment program. Mental examinations are not made as routine. Discipline is not good owing chiefly to the lack of systematic work for all able-bodied prisoners, the employment of poorly qualified guards at ridiculously low wages, with consequent frequent changes in guard personnel, and the custom which has grown up in previous years of permitting guards and prisoners to mingle promiscuously. This disciplinary situation should, however, be improved considerably under the recently appointed deputy who has been given charge of disciplinary matters.

Prison industries are now at low ebb. Income from prison labor has fallen to almost a third of that five years ago. At the time of the survey, the harness shop was employing about 13 men, the woodworking shop about 27, and the prison farm about 16. A majority of the remainder of the 200 prisoners was engaged in part time maintenance and odd jobs which means, of course, part time idleness; and about 40 were wholly idle in their cells. Only 3 were invalid. This condition is without justification, although partly excusable on the ground of the recent discontinuance of the shirtmaking industry. The solution of the industrial problem must, however, come through the development of cooperative institutional effort by a central department with authority to direct the individual work of each institution in accordance with a comprehensive plan. We shall consider institutional industries at greater length in subsequent pages.

One of the most important factors in prison management is the

guard. He is the one in most direct daily contact with individual prisoners and, therefore, the one upon whose effort disciplinary success or failure depends. Prison guards at Thomaston are paid from \$24 to \$34 a week depending upon their rank. They do not live at the prison and they are not provided with maintenance. During the six months prior to this study there were twelve changes in guard personnel. In the course of a year, at the same rate of change, there would be 100 per cent change of guard personnel. It is obvious that this means a serious loss of efficiency in management, and the deterioration of discipline.

As we have said, the per capita costs at the Maine State Prison are unusually high. The total expenditure for prison operation and maintenance in 1929, the last complete year of record at the time of this survey, was \$108,150.92, and the average daily prison occupancy was 200. On this basis, the inmate day cost was about \$1.48 which is excessive. According to data furnished by the National Society of Penal Information, food costs were about 31 cents per capita in 1927-28 in the Maine State Prison, a food cost exceeded by only eight state prisons in the country. We are unable to give more recent figures on food costs owing to the lack of full information and proper segregation of prison accounts, but in view of conditions observed it is more than likely that food costs are now as high or higher.

Although in the past four years the average daily prisoner population has declined materially, the salary costs have increased and this in spite also of the lessened demand for skilled supervision because of the industrial decline. Salaries now constitute more than 50 per cent of the total expenditure for operation and maintenance, a higher ratio even than is found in the state hospitals and sanatoria where higher salaried professional medical and technical service is a definite necessity. The major part of this salary cost is, of course, for guards who, although poorly paid, are in excessive numbers. Considering the total full time personnel of the prison, the present ratio of employees to prisoners is as 1 to 4.7. The ratio of guards to prisoners, including overseers, guards on routine guard duty day and night, and three guard officers in the harness shop, commissary and on the farm, is 1 to 6.2.

If no other evidence were available of the need for more efficient and economical management, the facts above noted are sufficient to call for complete reorganization of prison management and prison industry.

The present warden has neither the industrial nor penological experience to fit him for his duties. The actual management of the prison is vested in the deputy warden who is an experienced prison officer. But for this fact, we believe the record at Thomaston would be even more unsatisfactory. In our opinion, there is no need of a prison warden at \$3,000 and a deputy warden at \$2,250 if prisoners are properly employed and under supervision of competent guards. We recommend, therefore, that the position of deputy warden be

abolished and that a full time experienced warden be appointed. It should be possible, given competent guard officers and a well organized employment program, to make the state prison an asset rather than a liability. It would make for economy as well as increased efficiency at the prison to employ fewer well qualified guards and pay them higher wages.

### **The State Reformatories**

The state reformatories call for relatively little comment. In our opinion, both are excellent, well kept institutions, conducted economically by clear thinking, practical executives. The average daily number of inmates at the men's reformatory is about 70 and all are regularly and systematically employed in useful and productive labor, about 30 on the new industrial building, about 18 in the brick plant, and the remainder on the farm. Costs are low, the men well cared for, and disciplinary control is excellent. At the women's reformatory much the same condition was found, except that little productive employment of inmates other than in maintenance work is practicable. All, however, are well employed who are able to work. In this institution, the increasing commitments of mothers with infants necessitates, however, better facilities for their care. There were in 1929 an average daily number of 89 women and 26 babies, a situation which calls for immediate consideration in future planning. We urge also the employment of a full time woman physician at this institution. The present physician receives \$1,200 for part time service, in attendance when called. Part time service here is insufficient in view of the medical care of mothers and infants needed.

In each of these institutions, also, we find a number of inmates who cannot be adequately provided for because of the mental defects which throw them out of step with the necessary routine, and otherwise severely handicap the executives in their disciplinary efforts. The problem of misfits at the state prison, the reformatories, and the juvenile schools will be discussed at greater length farther on. We mention it here merely as an indication of the handicaps which are ever present under the present lack of a central system of classification and segregation.

### **The State School for the Deaf and the Children's Home**

We commend highly the work of these institutions. The school for the deaf is, however, not able to meet adequately the needs of its students because of the crowded condition of its plant, its lack of personnel and equipment for first class training of students, and its lack of recreational opportunity. Its location and environment are unsuited to the purpose, and it seems highly desirable to dispose of the present plant and establish an institution elsewhere which will be capable of more productive educational work.

The State Military and Naval Children's Home seems well

adapted to its purpose, except that it lacks proper equipment for the care of the sick. A small infirmary could be provided at small cost by the addition of a story to a small recreational building or "playhouse."

### **Classification and Segregation of Institutional Inmates**

Reference has been made to classification and segregation of institutional inmates under central supervision as a means of removing some of the present handicaps to institutional economy and efficiency. This means simply thorough examination of the individual physically and mentally, thorough inquiry as to his needs and capacities, and his assignment to the particular institution best fitted to deal with him. Without such a system, misfits in the population of the state institutions are inevitable, particularly in those institutions which receive commitments directly from the courts which are not capable of determining the individual's peculiar makeup.

To meet this situation, we suggest the establishment, under the supervision of the department of health and welfare, of a special clinic for the examination and classification of all persons committed to state institutions. There are two possible opportunities for the development of such a clinic. The Augusta State Hospital is conveniently located for this purpose and it has already available an excellent medical staff and good equipment. The Burleigh group of buildings would suit clinic purposes well, but this would require considerable adjustment of present patient accommodations and service utilities. The Pownal State School is not as conveniently located and is otherwise not now as well equipped for the purpose, but it will have, on the completion of the new infirmary, ample space for such a clinic as we propose. Our own opinion is that the convenience of location of the Augusta State Hospital is a major argument for the location of the clinic there, as transportation of inmates to and from other institutions would be very much easier.

In order to make a system of classification and segregation of institutional inmates effective, a new institution is needed, namely, an institution for defective delinquents. Defective delinquents are now misfits at the institution for the defective and at the reformatories, state prison, and schools for delinquents. Their proper management in any existing institution is difficult and their presence is a serious handicap both to other inmates and the institutional personnel. Partial adjustments of the existing conditions can perhaps be made through the clinic mentioned, but permanent relief can only be had through a special institution. If, as suggested in the chapter on education, one or more of the small normal schools is abandoned, as for example the one at Castine, such an institution could, we believe, be utilized for defective delinquents with comparatively few changes. It should be the business of the clinic for classification and segregation to determine the extent of the need for defective delinquents and the best method of meeting it institutionally.

If existing laws could be so amended that persons now committed directly to the institutions could be committed to the state department of health and welfare, assuming that such a department is created, the procedure of examining, classifying and segregating institutional inmates could be greatly simplified. We believe such an amendment is practicable, but it would be desirable to have the opinion of the attorney general on the matter. Committing persons to the department of health and welfare is not a new procedure; dependent or neglected children are now committed to the present department of welfare by the courts. If the same procedure were followed in the case of juvenile delinquents and other offenders, it would not appear to do violence to any constitutional right of a committed person. It would be much easier and cheaper to determine where the individual should go at the beginning and start him at the right place than to send him to the wrong place and have to readjust his institutional career later.

The development of such a program as we have suggested depends for its success upon complete central coordination of institutional services, and the utilization of their combined resources. The state now has in its various institutions medical officers and medical equipment needed for the purposes above outlined, but it needs a central authority to direct their efforts in accordance with a well developed plan.

### **State Use Industries**

The employment of patients and inmates of state institutions in some form of productive labor is, of course, a desirable thing for reasons of economy as well as of patient or inmate welfare. In the state hospitals and sanatoria such employment is primarily therapeutic in purpose, the actual production of goods having sale or use value being a secondary, though not negligible, concern. In these institutions employment as a therapeutic measure must necessarily be highly diversified in order to meet individual or small group requirements, and it is inevitably more or less broken in continuity in order that the work shall not require a greater output of physical or mental effort than will be beneficial to the already handicapped patients. Such institutions cannot, therefore, be expected to provide any greater production of goods than is necessary to meet their own particular needs, and their part in any general industrial program must be determined in each case by patients' condition and capacity.

In the custodial institutions, namely, the reformatories for men and women, the schools for juveniles, and the state prison, the problem of industry is somewhat different. Here the purpose of employment is not primarily therapeutic, although it should be in all cases of a type which promotes physical and mental vigor. To be of real educational and disciplinary value, it must be efficiently productive, and in consequence it must follow more closely the ordered routine of efficient industry outside. The aim of the state

should be to establish in its custodial institutions as far as practicable, industries which will provide wholesome employment of educational or training value, and will be productive of goods useful to the state.

The possibilities of productive industry of this kind at the schools for juveniles are not great owing to the relatively small number of inmates of suitable age and to the pressing need for the extension of educational work along lines of character building rather than mere occupation. The chief deficiencies of these schools now is that they have subordinated educational and training effort to the employment of children on maintenance work which has relatively little constructive value in the rehabilitation of delinquents.

At the men's reformatory and boys' school the greatest opportunity for inmate employment seems to us to be in the establishment of state printing shops which shall be under the supervision of the state printer. Printing is an industry to which boys and young men "take" naturally; it is of high educational value; and it would be extremely useful to the state. All reports, bulletins, pamphlets, etc., which are now printed by contract with outside concerns could be done exactly as well in such state printing shops and at much less cost after the original equipment of the shops. The state printer is thoroughly competent to set up and supervise such shops, and we urge that he be given authority and means to do so.

At the men's reformatory brick making is now a chief industry, but except for the brick now being used in the new industries building there, little market for bricks is found. Other institutions apparently do not want reformatory brick. About 500,000 brick were produced at this plant in the last fiscal year of which about 200,000 were used in the new building, and about 105,000 sold to outside buyers. If, as elsewhere recommended, proper specifications are set up for all kinds of supply and material, and purchases made through a central purchasing officer for the state as a whole, it can then be determined whether or not reformatory brick are suitable for all state purposes. If they are not, the brick plant should be discontinued when construction of the new building is completed there. If they are, it should be expanded to meet more largely the needs of the state.

Little opportunity exists at the women's reformatory for productive employment of inmates except on routine maintenance work, because of the relatively small number of women, and the fact that many of them have infants to care for. It would be possible, perhaps, to set up here a small cannery which might contribute to the dietary of the Central Maine Sanatorium, which is nearby but has no farm or adequate garden. There would, we believe, be sufficient employment in season for fifteen or twenty women in this work.

The prison industrial problem is of all the most serious. As already noted, there is much idleness at the prison due to the dis-



continuance of the contract shirt-making work. In our judgment the number of prisoners available for contract labor, in view of the necessity for the employment of many on the farm and in prison maintenance and repair, is too few to permit satisfactory contract arrangements. Contract prison labor is not as desirable in many respects as state use production, because of its "sweat shop" character, and though it can be made extremely profitable to the state, a majority of state prisons have abandoned contract for state use industry. It seems desirable on the whole that the state limit itself to state use industry at the prison. The harness shop and the wood-working shop have been in operation a long time and have been reasonably successful to date. Good work is turned out and the shops are apparently well managed. They might well be continued for the time being as they furnish regular employment for about 40 men or one-fifth of the prison population. The question of what other state use industries should be established is one, however, which can only be solved satisfactorily after the reorganization program recommended has been put into effect. Then it will be possible by extensive survey of the needs of other institutions to provide at the prison and other institutions industries which will meet their needs. Our limited survey of state industries indicates several possibilities for prison industry.

The manufacture of all sorts of metalware for kitchen and domestic use in other institutions is suggested as one that would furnish employment for a large number of prisoners. Articles of this kind are now produced in considerable quantities at the Pownal State School. By centralizing production of such goods as far as possible, unemployment at the prison could be completely eliminated with considerable saving to the state. The present prison shops are ample for such industry.

The manufacture of concrete block for building purposes is another industry which could be set up at the state prison in connection with the further development of the large prison farm. It would be desirable, we think, in any case to set up such an industry immediately and to erect on the prison farm good barracks for housing a selected group of farm workers. The state of New Jersey has recently built, with prison labor, some excellent barracks of this type on its prison farm and these serve as permanent quarters for prison workers on the farms.

Farm industry can and should be extended at the prison. Of the total 418 acres, only 98 are now under cultivation, the remaining 320 acres being mainly woodland. Only about 16 men are now regularly employed on the farm with a few additional in the work of clearing land and cutting wood. Twice as many men could be used in clearing woodland, cutting wood, and putting the land in condition for cultivation. If, as earlier recommended, the prison farm is utilized as a source of food supply for other institutions,

a much greater area for cultivation is needed. A great deal of this work could be done during the fall and winter.

Other more desirable industrial opportunities for the prison may appear after reorganization of the institutions under singleheaded control and survey of institutional supply and material requirements, but from such study as we have given the matter, we may summarize our suggestions on the industries best adapted to present prison conditions as follows: (1) the manufacture of metalware for institutional kitchen and domestic purposes; (2) the manufacture of concrete block and the construction of farm barracks therewith; (3) the extension of cultivation acreage on the farm by clearing woodland so as to permit the prison farm to be used as a source of supply for other institutions as well as the prison. These industries with the harness and woodworking shops and the regular maintenance work of the prison should furnish good healthful work for all ablebodied men, at reduced cost for prison maintenance and material betterment of the disciplinary situation.

To guarantee efficient industry in institutions it would be desirable to appoint a supervisor of state use industries in the department of health and welfare. Such an officer should be a man with practical experience in shop management capable of directing the work of local shop foremen.

The question whether or not prisoners should be paid a small daily wage of a few cents is one of considerable importance in maintaining efficient production. It is our experience that prisoners are better producers when they are paid even small amounts, and disciplinary control of workers is considerably easier. The first step is, however, to set up the industries. After they have been in operation for a year, decision can be made on the matter of compensating prisoners. Assuming that the prison shops produce an adequate return to the state after operation for a year, some of this return might well be distributed among the prisoners as bonuses in accordance with the amount and efficiency of their labor. The promise of reward would, perhaps, have a greater effect in making the prison industries efficient than the immediate payment of a per diem wage.

### **Cooperative Institutional Farming**

One of the greatest opportunities for reduction of the costs of institutional operation and maintenance is in cooperative farm production and distribution. Under the present plan of administration of state institutions this is impracticable because there is no state authority in a position to plan farm production and distribution for the entire group of institutions. All institutions except the School for the Deaf, the Military and Naval Children's Home, and the Central and Northern Maine Sanatoria have large farms varying in size from about 60 acres at the girls' school to about 1,200 acres

at the Pownal State School. Each institution attempts to provide as far as possible for its own needs in general, although with respect to certain items its production is frequently less than need. Surplus production is apparently infrequent except of a few items.

Excellent dairies are maintained at both the state hospitals, the Pownal State School, the two reformatories, the two schools for delinquents and the state prison but no standards have been established with respect to the quantity or quality of milk production nor is there any uniformity in the herds themselves, pure bred Holsteins, pure bred Guernseys, and grade herds being maintained in accordance with the particular views of the institutional boards.

There is not the slightest cooperation between institutions in the distribution of farm and dairy products, although ample opportunity for such cooperation exists. The Augusta State Hospital could, with slight increase of its farm and dairy facilities, provide all that the girls' school requires. The women's reformatory could without great increase of cost supply the Central Maine Sanatorium. The men's reformatory has a farm and dairy which, with slight additional development, could supply the boys' school which maintains its own large farm and dairy, and the school for the deaf in Portland which has no farm or garden. The state prison farm and dairy could readily supply the children's home in Bath, and possibly other institutions. Other opportunities for better distribution of products are available, limited only by transportation problems, many of which can be solved by auto trucks. If the boys' school and the girls' school were relieved of much of their farming and dairy work, boy and girl inmates could be given better educational opportunities. The maintenance of large farms at these institutions is more of a liability than an asset.

We urge, following the organization of a department of health and welfare, that this department, in cooperation with the state department of agriculture and the agricultural experts at the state university, make a complete survey of institutional farms, map out a plan of farm and dairy operation for each based on the needs of all, and establish as far as possible standards of farm and dairy production accordingly. To make the result of such survey and plan worth while, a farm supervisor should be appointed in the department of health and welfare to see that the plan of production and distribution is carried out.

The lack of a well organized plan of farm production suited to food and forage requirements calculated in advance results in under-supply of certain items and over-supply in others, and the consequent necessity of purchase in the one case or waste in the other. We are convinced from our observation of conditions at the state institutions that a plan of food production and distribution, coupled with the adoption of central supervision of institutional dietaries, will save the state many thousands of dollars yearly.

There is no reason why any institution should have to buy any food product that can be raised on Maine farms, and the institutional farms can produce practically all the native foods which institutions require. The food requirements of any given institution can be readily calculated; its food production can also be calculated within reasonable limitations.

### **The Cafeteria Plan in Certain Institutions**

Experience in the feeding of large numbers of institutional patients and inmates indicates that there are many advantages in the installation of the cafeteria plan over the prevailing table-waiter type of service wherever this is possible and practicable. The former is much cheaper in operation, more economical of food, and generally more satisfying to able-bodied patients or inmates. The cafeteria plan operates very successfully in prisons, reformatories, juvenile institutions, and even in tuberculosis sanatoria when the patient group does not require to be waited on. It has even been adapted for service to the higher types of feeble-minded and groups of the less disturbed insane.

We recommend the immediate installation of the cafeteria plan at the Maine State Prison. Reduction of food costs should then follow this change.

At the boys' and girls' schools, where the cottage unit plan is in effect and children dine in the cottages where they live, the adoption of the cafeteria plan would not be so easy, but the elimination of individual cottage kitchens, dining rooms, and table-waiter service is a possible economy, important enough to warrant consideration in the future development of these institutions. The common argument against the cafeteria plan in schools of this type is that it is not so conducive to good discipline and instruction, the theory being that cottage life is in fact essential to maintenance of "home influences." This, we think, is debatable. "Home influence" in a cottage housing 30 to 40 children is a matter rather of management than of type of building. The cafeteria has become an established American institution with which almost all persons, and particularly self-supporting workers, eventually come in contact. "Home influence" can be maintained satisfactorily in juvenile institutions less expensively than by individual cottage kitchens and dining rooms.

At the men's and women's reformatories, also, cafeteria dining rooms would decrease cost materially and could be adapted somewhat more readily to local conditions than in the schools for juveniles, although some structural alterations would be necessary in each.

If, as earlier recommended, a redistribution of tuberculous patients is made which will establish two of the present sanatoria as institutions for cases of pulmonary tuberculosis not requiring con-

stant care in bed, the cafeteria plan of food service might well be considered in connection with the alterations necessary to such rearrangement.

At the Pownal State School and the state hospitals, the cafeteria plan could be utilized for feeding selected patient groups.

We recommend that the plan be first tried in the state prison and men's reformatory. If successful there, the experience gained would be invaluable in extending the plan to other institutions.

### **Payments by Patients for Institutional Care**

Under the law, those persons liable for the support of patients in the state hospitals and sanatoria are expected to pay the required charges. In the case of the state hospitals, determination of inability to pay is based on a certification to that effect by the officers committing insane patients. The trustees of the state hospitals, if they find that improper certification has been made by committing officers and that the persons liable for support *are* in fact able to pay the hospital charges, may compel such persons to pay them by action at law. In the case of the sanatoria, patients are definitely required to pay except that the trustees of the sanatoria may waive such payment if the circumstances of the patient warrant.

It is, therefore, plainly the duty of hospital and sanatorium authorities to make such inquiries regarding the circumstances of their patients as will permit determination of ability to pay, and to make a consistent effort to collect charges in whole or in part where that is possible. The following table is of interest in showing the present trend in the collection of such charges. The figures of patient population and receipts for board and care were furnished at our request by the state auditor.

It will be noted from this table that although from the fiscal year 1927-1928 to the fiscal year 1928-1929, there was a total increase of 87 in the daily average of patients in the five institutions, the total receipts from patients decreased at the same time by \$7,048.70. The Augusta State Hospital was the only institution showing both an increase in the daily average number of patients and in collections. The decrease of 6.9 per cent in collections by the Bangor Hospital might perhaps be accounted for on some other basis than lack of effort, but the decrease in collections of 35.4 per cent, 39.2 per cent, and 93.9 per cent at the state sanatoria would appear to indicate chiefly a failure to carry out the clear intent of the law, either because of neglect or because facilities for the necessary inquiry and follow-up were lacking.

The opportunity for materially increasing the revenues of the state by greater effort to collect payment for hospital and sanatorium care from those able to pay ought not to be missed. Patients able to pay even a small part of the cost of their care should do so, though, of course, it would be unwise to exact payment from

RECEIPTS FOR BOARD AND CARE OF PATIENTS IN STATE HOSPITALS AND SANATORIA IN THE FISCAL  
YEARS 1927-1928 AND 1928-1929

INSTITUTION	Average Daily Population 1927-1928	Average Daily Population 1928-1929	Average Daily Increase (+) or Decrease (—)	Total Receipts 1927-1928	Total Receipts 1928-1929	Increase (+) or Decrease (—)	Per Cent Increase (+) or Decrease (—)
Augusta State Hospital .....	1,218	1,224	+ 6	\$55,122.09	\$58,139.58	+ \$3,017.49	+ 5.5
Bangor State Hospital.....	776	833	+ 57	25,256.61	23,501.68	— 1,754.93	— 6.9
Central Maine Sanatorium...	133	144	+ 11	6,549.97	4,227.49	— 2,322.48	— 35.4
Northern Maine Sanatorium.	95	102	+ 7	2,471.16	149.42	— 2,321.74	— 93.9
Western Maine Sanatorium..	122	128	+ 6	9,350.13	5,683.09	— 3,667.04	— 39.2
Total .....	2,344	2,431	+ 87	\$98,749.96	\$91,701.26	— \$7,048.70	— 7.1

any who would be unduly handicapped thereby. It is a sound principle of hospital service that those who can pay should pay, no matter how small the amount, in order that the benefits of free service can be more widely extended to the wholly dependent.

Better collection of payments from hospital and sanatoria patients requires, first, thorough social investigation of the circumstances of the patient and his family as a matter of routine; second, determination of ability to pay and the proper amount of payment in accordance with the circumstances; third, the requirement of a signed formal agreement from the person or persons able to pay, that payment will be made. The last suggestion is of great importance because it fixes responsibility in the record and is further a reminder to the person liable for payment that he has a real obligation.

The hospitals and sanatoria are not now equipped to carry out the above procedure satisfactorily. Under central control of institutional services by a department of health and welfare, the field agents of the department can and should supply all the information needed about the circumstances of patients and their families and make the necessary follow-up to see that agreements to pay are carried out. No change in the law is necessary for this.

### **The Training of Nurses**

Since efficient care of hospital and sanatorium patients, as well as the promotion of public health generally, depend so largely upon the quantity and quality of trained nursing service, it is highly desirable that the state make opportunity for nursing education available to as many of its young women as possible. Only two of the state institutions, namely, the state hospitals at Bangor and Augusta, are able to provide nursing training for a few at the present time, and even in these institutions the training is necessarily limited chiefly to the care of insane patients. The sanatoria employ mainly graduate nurses and maintain no organized nursing schools.

It is suggested that under the plan of reorganization of health, welfare, and institutional services in a single department of public welfare, an effort be made in cooperation with the state university, the Bangor State Hospital, and the Bangor General Hospital, to establish at the university a training school for nurses from which the state as well as private agencies may fill their nurse quotas. Relatively few of the trained nurses practicing in the state have received their training in Maine, and the total number of trained nurses practicing in the state is even now less than is needed to meet present needs. With a first class training school for nurses at the university and an opportunity open to its graduates for employment in Maine, it is believed that many young women would take advantage of such opportunity. All authorities on nursing education are agreed that the present method of training in hos-

pitals means incomplete training, because the demands of hospital nursing necessarily subordinate the highly specialized instruction in fundamentals which the modern nurse should have.

Experience in other states shows that it is much easier to enroll students in a university course of nursing at a moderate fee than to induce the best type of girls to take hospital training under present conditions even when they are paid small stipends while in training. It is our belief that the same would be true in Maine if the university course were offered at a small fee and without undue insistence upon high school graduation for entrance. On the completion of a two year university course, students could then be given their practical experience in the state institutions or private institutions for a year or more. This would meet the demands of the state institutions for pupil nurses and would relieve the state of the burden of maintaining in its own institutions the full nurse training curriculum.

Under Maine conditions, standards for admission of nurses to training and for graduation must, we believe, be kept somewhat lower, in the beginning at least, than those which have been established in states where the general level of preliminary education is higher, and where nursing work offers greater financial return. Maine needs a lot of good nurses, and though as high standard of general education as possible should be insisted upon, a standard beyond the capacity of many otherwise well qualified girls would undoubtedly debar many who would make excellent nurses.

### **Sterilization of the Unfit**

In our opinion, an amendment of the law is necessary to make effective the sexual sterilization of those institutional patients and inmates who are unfit for parentage by reason of feeble-mindedness or mental disease. The present law requires the written consent of the patient when mentally competent to give such consent, or the written consent of the guardian when the patient is incompetent to give consent. It requires also that a physician "having the custody of any such case" shall call a council of two registered medical practitioners "one a physician and one a surgeon" to examine the individual and determine whether or not he is capable of giving consent, and submit recommendations relative to his sexual sterilization. The requirement of written consent of the patient or his guardian and the examination by private practitioners who are rarely familiar enough either with feeble-mindedness or mental disease to make their opinion worth while are too great a handicap to any sterilization law.

We recommend the enactment of a law based on the Virginia statute which the Supreme Court of the United States has upheld, permitting the sterilization operation to be performed on the authority of the state when, in the judgment of the advisory council of health and welfare proposed, such operation is necessary. The initiative in such cases should be given to the superintendents of



the state institutions who should recommend action with proper report of their findings in each case. The recommendation and report should be reviewed by the advisory council above mentioned and an order given for the performance of the operation by competent physicians in the state service. When the new infirmary is established at Pownal, the quarters, equipment, and personnel necessary to provide proper surgical treatment and after care of these cases will be available.

Sexual sterilization if performed on all suitable patients now in the state institutions would permit the release of certain of such patients earlier than is now possible which would, of course, be an advantage to the state, but the most important thing gained would be the gradual reduction of feeble-mindedness and mental disease due to inherent parental defects or disease. Commitment of many persons now outside state institutions for this particular operation and their immediate release thereafter, if they are capable of independent, self-supporting life, is a problem for later consideration.

### **The Maine Institution for the Blind**

This institution, though not, strictly speaking, a state institution since it is only in part supported by the state and under the management of a board of directors partly appointed by the governor and partly by the corporation, deserves consideration as an essential part of the state's institutional service. It is a well conducted institution under a competent executive officer and furnishes a splendid educational and industrial training service to the blind. It deserves the support of the state in every respect.

The institution is frankly not self-supporting. In the fiscal year 1929, it made a gross profit of \$405.41 on the sale of articles manufactured by the blind which represented an outlay for wages of the blind and materials of \$15,262.64. Income from investments, donations, and rentals amounted to \$5,259.05. The total expenditure for operation and maintenance of the institution was \$19,458.82, leaving a deficit in operating costs over and above the profit on sales and income from other sources of \$13,794.36. The state provided \$12,665 for care of the blind at \$1 a day per person, and \$999.86 for repairs, leaving a balance of \$129.50 to be met otherwise.

In our opinion, this institution should be given an opportunity by the state to extend its usefulness to the blind. The superintendent and his board take the position that no able-bodied blind person needs to be dependent and that with sufficient funds to increase the capacity of the present plant, improve its equipment, and provide a home educational and training service to many of the blind of the state who are now almost wholly dependent upon public relief, the institution can be productive of great ultimate saving to the state through reduction of the number of dependent blind persons. We are satisfied from study of the work of this insti-

tution that these objectives are possible of attainment under its present management. We recommend that the allotment to this institution for board and care of the blind be increased to at least \$15,000 a year. This will permit increasing the number of wage-earning blind or increasing the wages of particularly needy ones.

We do not recommend that the state take over this institution, but since it has accepted partial responsibility for its management, some way should be found to aid the corporation in its effort to raise funds for a new dormitory for men, which is badly needed, and to provide other minor betterments to the plant.

This institution can be of great value to the state if its industrial work is coordinated with that of the state institutions. Mattress-making, chair caning and broom making are the chief industries and the products are of high standard. If the state would permit state institutions to serve as the market for mattresses and brooms manufactured in the shops for the blind, these two industries could be so operated with improved equipment, in the opinion of the superintendent, that the greater part of the needs of all the state institutions for these articles could be met by the institution for the blind. This would furnish year-round, self-supporting employment for many more blind than can now be provided for with the present limited market for their products. We urge that this be given consideration in the development of the general industrial program of the state institutions.

### **Summary of Chief Recommendations on Institutional Management**

We summarize in brief below the major recommendations relative to institutional management which have for the most part been discussed at length in preceding pages. These recommendations represent principle and practice which have been tested in the experience of other states. Their application to the Maine situation is, however, contingent upon the consolidation of health and welfare activities in a department of health and welfare as already outlined.

1. *Central Records.* The central office of the department at the State House should keep currently all information on institutional plants, personnel, patients and inmates, medical and nursing service, farms and industries, and finances, for the information of the governor and the council, the legislature, the budget officer, other departmental executives, and the general public. (When this survey was undertaken the mere statistical data necessary to the appraisal of institutional work had to be gathered piecemeal, and with great difficulty, from the various institutions and several departments of government).

2. *Executive Responsibility.* There should be one superintendent of each institution and only one. The present division of executive responsibility between the superintendents and stewards of the state hospitals is inconsistent with efficient institutional management.

3. *Tuberculosis Sanatoria.* In place of three tuberculosis sanatoria, each attempting to maintain a complete medical, surgical and research service for all types of tuberculous patients, there should be one tuberculosis *hospital* for general medical, surgical and research work, and two *sanatoria* for suitable cases of pulmonary tuberculosis only. The tuberculosis *hospital* should be at Fairfield.

4. *Education of Institutional Inmates.* The educational work of the two schools for juvenile delinquents, which are now conducting courses of elementary instruction paralleling those of the public schools, should be under the supervision of the commissioner of education. A supervisor of education should be appointed in the department of health and welfare to develop in cooperation with the commissioner of education, the educational work in these and all other institutions where education is an essential function, as the state prison, reformatories, school for the deaf, and children's home.

5. *Parole.* More efficient parole work is necessary to safeguard delinquents released from custody, and uniform standards of parole and parole supervision at all custodial institutions should be maintained. The advisory health and welfare council should serve as a parole board, and a supervisor of parole should be appointed to see to it that efficient parole work is done by institutional parole officers.

6. *Medical Service.* Higher standards of medical work are necessary to the proper care of inmates of all institutions except the state hospitals, the Pownal State School, the tuberculosis sanatoria, and the girls' school. All other institutions are depending on part time medical service by local practitioners. Full time medical service is necessary at the women's reformatory and a much greater amount of medical supervision should be provided at the state prison, men's reformatory, boys' school, school for the deaf, and children's home. Readjustment of medical staff needs at the tuberculosis sanatoria should wait until the tuberculosis service is reorganized as recommended in paragraph 3 above. A small three-bed infirmary is needed at the children's home, and a nursery at the women's reformatory.

7. *Classification and Segregation.* A system of examination, classification and assignment of institutional patients and inmates to the institutions best suited to their care is urgently needed. All institutions are now handicapped by having to care for many patients or inmates who are misfit in their present situations. A classification and segregation clinic either at the Augusta State Hospital or the Pownal State School is a much needed betterment.

8. *New Institution for Defective Delinquents.* The defective delinquent is now misfit in any existing institution. A new institution is needed to provide for such cases. If, as recommended in the chapter on education, one of the smaller normal schools is abandoned, a building could be made available for the care of the defective delinquents now scattered throughout many institutions to their disadvantage, and the disadvantage of all others concerned.

9. *State Use Industries.* Coordination of the industrial work of the various institutions is much needed. Present industries have little relation to the general needs of the state and in the state prison, particularly, do not at all meet the local employment need. We recommend the establishment of the following industries for state use only, in addition to those now in operation: printing shops at the boys' school and men's reformatory; concrete block manufacture at the prison and construction therewith of farm barracks for prisoners employed on the farm; a metalware industry at the prison to produce kitchen and domestic ware for all state institutions and agencies; a small well-equipped cannery at the women's reformatory. To supervise institutional industries there should be a superintendent or supervisor of state use industries under the commissioner of health and welfare.

10. *Cooperative Institutional Farm Operation.* An immediate survey and plan for cooperative farming, dairying and distribution of food products should be made by the commissioner of health and welfare in cooperation with the experts of the university and the state commissioner of agriculture. Expansion of farm and dairy operations at several of the larger farms and the distribution of their products to other institutions would permit large economies. The prison farm could well supply several nearby institutions; the men's reformatory farm could supply most of the needs of institutions in the Portland district; the women's reformatory farm could supply the central sanatorium; the Augusta State Hospital farm could supply the girls' school. Farming at the boys' and girls' schools, particularly, should be curtailed in the interest of occupations of higher educational value. A farm supervisor to see that the cooperative production and distribution plan is carried out should be appointed to the staff of the commissioner of health and welfare.

11. *Cafeteria Feeding.* The adoption of the cafeteria plan of feeding inmates at the state prison and men's reformatory is recommended as a first step in further reduction of food costs. No considerable structural changes would be required for this at those two institutions. On the basis of experience there, the plan should be adapted to all institutions as far as practicable. It has been found successful in schools for juveniles, prisons and reformatories, tuberculosis sanatoria, schools for the feeble-minded, and even hospitals for the insane. A supervising dietitian should be appointed to the staff of the commissioner of health and welfare to have general oversight over institutional dietaries and food service personnel.

12. *Collection of Hospital Charges.* More earnest effort should be made to collect payments for the care of patients in the hospitals and sanatoria, as the law permits. Collections in the fiscal year 1928-1929 at the three tuberculosis sanatoria represented a decrease over the previous year of \$8,311.26, or about 45 per cent, in spite of the fact that more patients were cared for. Collections at the Bangor State Hospital, which also cared for an increased

number of patients, decreased by \$1,754.93, or 6.9 per cent in the same period. Only the Augusta State Hospital showed an increase both in numbers of patients and collections in the period mentioned. The total net decrease of collections by the two state hospitals and three sanatoria was \$7,048.70, or 7.1 per cent.

13. *Training of Nurses.* A nurses' training school at the university which will relieve the state hospitals of the necessity of maintaining small but costly nursing schools is recommended. Under this plan the student nurse would receive her preliminary training at the university nursing school and her practical work only in the hospitals of the state or other hospitals.

14. *Sterilization of the Unfit.* An amendment of the present law is necessary to permit sexual sterilization to be applied effectively as one safeguard against the reproduction of more human liabilities within the state. A new law modeled on that of the Virginia statute which has been upheld by the courts is recommended. The advisory council of health and welfare should function as a board of review and final determination with respect to cases recommended for sexual sterilization by institutional superintendents. The projected new infirmary at the Pownal State School should serve as a hospital for the surgical operations and after care necessary.

15. *The Maine Institution for the Blind.* This institution which is under the management of a private corporation but receives state aid should be regarded as a state institution for the purposes particularly of industrial cooperation. Its mattress and broom making industries are efficiently conducted and capable of development to meet the needs of all institutions for these items. By concentrating such industry there, employment for many more blind could be provided and the institution made more nearly self-supporting. More adequate state support of this institution is highly desirable as an aid in the prevention of dependency among the blind. It is in every respect worthy of such support.

## **CHAPTER VIII**

### **AGRICULTURE**

Maine is fortunate in not having a number of agencies carrying on its agricultural activities, as is the case in some of the other states. These activities are very well consolidated at the present time, being conducted largely by the department of agriculture and the College of Agriculture of the State University. However, there are still some adjustments that should be made as between the work of the department and the college. Certain minor activities are now being carried on by the department which should be transferred to the college or one of its subdivisions, such as the experiment station or the extension service. Other activities of the department can be handled to a better advantage by certain of the proposed departments, as we shall note later. Some readjustments in the present organization of the department of agriculture should also be made.

#### **Division of Work As Between the Department and the College**

It is now generally recognized that only the regulatory functions pertaining to agriculture should be assigned to the department of agriculture, while the service functions—educational, experimental and promotional—should be carried on by the College of Agriculture. This division of functions has not been strictly followed by the Maine legislature in assigning duties to the department of agriculture. For example, the 1929 session of the legislature provided for the holding of an egg laying contest at Highmoor, which is one of the experimental farms under the College of Agriculture. The supervision of this contest, however, is put under the department of agriculture, in spite of the fact that it more properly belongs to the work of the experiment station and is to be conducted on one of the experimental farms. Aside from the possibility of conflict between the experiment station and the department, the cost of conducting the contest will probably be higher under this arrangement than if it had been carried on by the staff of the experiment station.

The blueberry fly control work is another activity that might be carried on more properly by the experiment station than by the department of agriculture. The station is conducting experimental and investigational work along this line at the present time with some federal support. If the exercise of regulatory functions became necessary in this connection, the department of agriculture might then be called on to cooperate with the experiment station.

Considerable educational and promotional work is now carried on by the department of agriculture with the result that in some

divisions the regulatory duties of the department are being more or less neglected. This is particularly true in the dairy and sheep work. The dairy work, as now organized, gives attention mainly to the promotion of the industry, the inspectional and regulatory phases of it being regarded as of secondary importance. Where samples of milk are collected and tests are made, the tests are for the purpose of determining butter fat and other qualities that affect the sale of the product, and not for the purpose of determining the sanitary conditions under which the milk is produced. The transfer of dairy work from the department of agriculture to the proposed department of health and welfare has already been recommended in a preceding chapter. In the sheep work, attention is given almost entirely to the production and sale of wool and wool products. In fact the state sheep specialist is secretary of the Maine Sheep and Wool Growers' Association. There can be little doubt that the promotional features of the dairy and sheep work ought to be carried on through the specialists and county agents of the extension service of the College of Agriculture.

Much time is given during the year by the commissioner of agriculture, by the division heads, and by other officers of the department to speaking engagements, farmers' meetings, agricultural demonstrations, state fairs, and so on. Most of this work, it seems, can be conducted to greater advantage by the staff of the extension service and the experiment station. While it is necessary to carry on some work of an educational nature to acquaint growers and others with police regulations, officers of the department should confine themselves to this type of instruction and not attempt to give technical information on agricultural subjects. To do so is to neglect some of the more important functions of the department of agriculture and also to overlook the fact that such a department is, or should be, essentially regulatory. We want particularly to stress this point, since we feel from our survey of the department that much energy is now being dissipated by giving attention to promotional and educational features which contribute little, or nothing, to the effectiveness of the regulatory work.

### Organization of the Department

The fact that the department of agriculture is now headed by a commissioner appointed by the legislature for a term of four years removes a very important department of the state government from any direct control by the governor. The tendency throughout the country at the present time is to place the department of agriculture under the control of the governor in the reorganized state administration, and there is every indication that this arrangement works successfully. We recommend that the law be changed so that the commissioner of agriculture of Maine will be appointed by and responsible to the governor. This will make

it possible to bring about certain economies in the department of agriculture through more effective budgeting and executive supervision and also to secure fuller cooperation between this department and the other departments of the state government.

In 1919 a statute was passed requiring the commissioner of agriculture to organize the department under five divisions: administration, inspection, animal industry, plant industry, and markets. This set-up was made compulsory regardless of how the work of the department might later develop; the commissioner was not allowed to use his discretion. The result is that these five divisions have been set up, at least on paper, although actually a division of administration can hardly be said to exist. In addition, the dairy inspection and the sheep work, though nominally under the division of animal industry, are for all practical purposes separate and distinct.

Undoubtedly the internal organization of the department could be greatly improved if the commissioner were free to define it as he felt the work required. We recommend that the law be changed to give the commissioner the power, with the approval of the governor, to establish such bureaus or divisions in the department of agriculture as may be necessary to carry on its functions in the most effective manner. Only three bureaus seem necessary at the present time, namely, a bureau of animal industry, a bureau of plant industry, and a bureau of inspections. The work of the so-called markets division should be divided between the commissioner's office and the bureau of plant industry.

The department is poorly housed in the capitol at the present time, resulting in considerable lost motion in its work. Two divisions and the dairy work occupy a large room adjacent to the office of the commissioner. This room is not only too crowded for satisfactory work, but much confusion results from the operation of mimeographing equipment in one corner of it. The division of inspections is housed in a room on the third floor of the capitol which it must vacate during the legislative session so as to provide space for officers of the legislature. The weights and measures equipment of this division is placed in a room on the fourth floor of the capitol. The division of animal industry is located in a room in the basement of the same building. The office of the state sheep specialist is some distance from the capitol and occupies space in conjunction with the Maine Sheep and Wool Growers' Association. This scattered arrangement of the department of agriculture means that it must maintain more clerical and stenographic help than would be necessary if it were properly housed, and also that a lot of time and energy is lost trying to communicate between the more or less detached divisions and offices. This situation should be remedied as early as possible.

No one has been assigned to meet visitors to the department and give them general information or direct them to the proper in-



dividuals in the department. At the present time the head of the markets division who has a desk near the main entrance of the department is subject to almost continual interruptions by persons who come to the department. This condition should be met immediately by some rearrangement of the office space and by the assignment of a competent person from the clerical force of the department whose duty it would be to meet visitors and find out what they want. Such a person should find time to perform clerical duties in addition to answering inquiries from visitors.

There is too much disconnected bookkeeping in the department of agriculture at the present time. It pertains mainly to receipts which are taken in by the different divisions. This work should be concentrated in one set of records kept for the whole department. A large part of the bookkeeping now done in the department will be eliminated if a central accounting system is installed in a fiscal department. With the elimination of the superfluous accounts and records, a reduction can be made in the clerical force of the department of agriculture.

Recently mimeograph and folding machines have been installed in the department to get out weekly market news and other releases. It is recommended that this work be turned over to the superintendent of printing who is equipped to handle it expeditiously. This transfer would permit an employee of the department of agriculture to be dropped or used on other work.

### **The Division of Inspection**

The work of the division of inspection includes the enforcement of the laws regulating the sale of agricultural seeds, commercial feeding stuffs, fungicides and insecticides, commercial fertilizers, drugs, food, and the packing and grading of apples. It also includes the inspection of grocery stores, markets, restaurants, slaughter houses, food factories, bottling establishments, and canning plants. It involves the annual registration of brands of feeding stuffs, fertilizers, fungicides and insecticides, and the enforcement of the weights and measures law.

The inspection of foods and drugs and the various establishments where foods are prepared or kept for sale does not properly belong in a division of inspection of the department of agriculture, since it is mainly for the protection of health. We therefore recommend that this work be transferred to the proposed department of health and welfare, as discussed elsewhere in this report. Such a transfer might carry with it one or two of the six regular inspectors now working in the division.

The administrative routine of the division needs to be improved. The assignments given to inspectors by the division head are often vague and in most general terms. The reports on the daily activities of each inspector are not as complete as they should be and are not closely checked by the division head. Frequently an in-

spector may be detailed to do some miscellaneous work, such as attend a local fair to see that the regulations are being complied with for the payment of premiums on the part of the state. Things of an unrelated or sporadic character seem to consume a lot of time on the part of both the division head and the inspectors.

It is evident that the regular work of the division is not being as thoroughly and systematically carried on at the present time as it was some ten or fifteen years ago. This may seem rather strange when the same division head has been in charge of the work during all this time. It may be explained, however, by the fact that too many things of a temporary nature and in many instances unrelated to the work of the division, have recently occupied his attention and also been allowed to take up the time of the inspectors. While thorough work appears to have been done by the division a few years ago, it cannot rest on its past reputation. An aggressive attitude needs to be taken immediately in the enforcement of the regulatory measures, particularly with reference to commercial fertilizers, feeding stuffs, and field seeds. The printed records of analyses in these cases show many violations under the law which are apparently not followed up by the division and the statutory penalties imposed upon the manufacturer or distributor, or any adjustments required with the purchasers. Laxity in this regard means a loss of the division's prestige as a regulatory agent. It is of little value to conduct inspections, collect samples, and make analyses, unless the results ascertained from the inspections and analyses are to be used to enforce the provisions of the law where violations occur. We should also mention the fact that the weights and measures work, so far as the cooperation with the local sealers of cities and towns is concerned, is at a rather low ebb. If it cannot be improved immediately, it should be abandoned. It does not seem to be worth spending money on, if it is to be continued on the present basis.

Some question has been raised as to the inadequacy of the present inspectional force. It is our opinion that the present force is sufficient, at least so far as numbers go, to do the work required after reorganization. The inspectors need to be kept consistently on the job, doing nothing but inspectional work, with a planned itinerary extending as much as two weeks ahead, reporting daily to the central office and working singly most of the time rather than in pairs. An attempt should be made to keep the samples going more or less continuously to the laboratory, rather than sending them in by spurts now and then and thus piling up in a few days several weeks' work in the laboratory.

At the present time the department of agriculture is paying the experiment station laboratory at the College of Agriculture about \$12,000 a year to make the analyses and tests for the division of inspection. The quality of the work done by the laboratory seems

to be quite satisfactory, although much of its equipment is pretty well worn out or antiquated, and it is housed in old and poorly lighted quarters. When the question of new equipment and housing for the laboratory at the experiment station comes up, as it will soon, consideration should be given to establishing a laboratory for the department of agriculture at the state capitol.

### **Animal Industry**

The division of animal industry, with the aid of the federal government, has made rapid strides in cleaning up tuberculosis among the cattle in the state. As a result, Maine is the second state to be placed in the modified accredited area by the United States Bureau of Animal Industry. The state has had two regular veterinary inspectors assigned to the tuberculosis eradication work. Federal officers and employees have also cooperated in this work.

Working in connection with the division of animal industry is a sheep specialist. The arrangement is such that he devotes only a part time to the work of the state, and very little of this is any longer given to the control of sheep diseases. He is now concerned mainly with the investigation of cases where sheep have been killed by dogs and the payment of claims under the law on account of such damages. He also does some promotional work among sheep owners which, as we have already pointed out, might better be done by the extension service. As secretary of the Maine Sheep and Wool Growers' Association, he is of course very much interested in promoting this organization and in giving service to its members. Nonmembers, who constitute about 50 per cent of the wool growers of the state, are likely to be in a less advantageous position. We do not believe that this arrangement works out to the best interest of the state. We recommend, if the present incumbent is to be continued as state sheep specialist, that he be required to give full time to the position and sever his connection with the Wool Growers' Association. The promotional work which he is now doing among sheep growers should be handled by the extension service of the college.

Two inspectors, who are more or less loosely connected with the division of animal industry, are carrying on the dairy and milk inspection work. This work which is, or should be, primarily of a sanitary character ought to be conducted by the state health agency. We therefore recommend that it be transferred to the proposed department of health and welfare. The promotional functions, which take up a large part of the time of the present inspectors, should be transferred to the extension service of the college.

### Plant Industry

The division of plant industry is concerned mainly with the certification of seed potatoes, nursery inspection, gipsy and brown-tail moth control, and the enforcement of quarantine regulations. The certification of seed potatoes constitutes the bulk of the work in this division. Because of his past training and experience, the division head is inclined to emphasize this work to the exclusion of other important regulatory work of the division. Nine regular men are employed on the seed certification work, being switched to insect control work when the seed work is slack. Tree spraying and painting of gipsy moth egg clusters therefore receives only such attention as the force may give when not engaged on seed certification. While this arrangement may keep men employed continuously, it has disadvantages as an effective method of insect control.

The division has a horticulturist and an assistant horticulturist. Aside from nursery inspection, which is of minor importance in Maine, these men are engaged mostly in the dissemination of information on the growing of fruits, vegetables and flowers. It seems that the giving out of this type of information should devolve on the extension service or the experiment station.

A careful study should be made of the effectiveness over the past ten years of the control work against gipsy moth. There are strong indications that the expenditures for this work have availed little or nothing. If such is the case, then the work might as well be discontinued and the division turn its attention to other and more profitable things. The federal government has practically abandoned its fight against the gipsy moth in the New England area and has established a barrier zone, 30 miles wide, extending from the Canadian border to Long Island Sound along the eastern border of New York state, a distance of some 250 miles. It hopes by this method to prevent the westward spread of the pest.

The control work against the European corn borer has been removed from the division of plant industry and placed under the personal supervision of the commissioner. We think this work should go back under the division, so it can be planned in connection with the other pest control work. We do not feel that it is being most economically and advantageously handled in the present segregated manner. A careful study of the effectiveness of this work should be made, with the idea of determining whether it ought to be expanded or curtailed. Since the federal department of agriculture recognizes the impossibility of eradicating the European corn borer and its inevitable spread into the corn belt of the middle west, one may very well question the need for spending state moneys on quarantine enforcement against this pest in Maine. An expenditure for research into the practical methods of combating the pest would seem to be more to point.

### **Markets and Marketing**

The division of markets is in charge of the shipping point inspection of potatoes and endeavors to improve the marketing of farm products and the purchasing of farm supplies. In addition, the division head gives some time to the appraisal of lands upon which application has been made for farm loans. Considerable lecture and demonstration work is also carried on by the division. Part, if not all, of this might be handled more effectively by the extension service of the college.

If the work in connection with the shipping point inspection of potatoes were transferred to the division of plant industry, the remainder of the markets division work might then be attached directly to the office of the commissioner. Under this arrangement the present head of the markets division might be made deputy commissioner to have the general oversight of the department when the commissioner is absent, as well as to have charge of the strictly marketing work.

### **Budgeting the Departmental Expenditures**

For the fiscal year ending June 30, 1930, the department of agriculture spent approximately \$300,000. Only about two-thirds of this amount was appropriated and the remainder came from receipts collected during the year by the department. Some of these receipts came from licenses or taxes; others from salvage of carcasses, fines, and payment for certain services rendered. Almost without exception, the department was allowed to use them to augment its appropriations. It is suggested that these receipts be taken into account in the budget of the department and that all the needs of the department be appropriated for with the possible exception of two activities. These are the certification of seed and the shipping point inspection of potatoes. At the present time a small appropriation is made to each of these activities—\$10,000 a year to seed certification and \$12,000 to shipping point inspection—and receipts amounting to about \$57,000 are collected from the growers which receive these services. It is suggested that either the total receipts from these two activities be estimated and an amount appropriated to meet their entire cost, or that a small revolving fund be set up for each activity which would be reimbursed from the moneys collected from the growers. The latter plan is perhaps preferable.

The commendable practice is now followed of passing all receipts collected in the department into the treasury without putting them through a bank account in the name of the department. There is, however, one exception, namely, in the case of the dollar license fee paid by about 5,000 producers and dealers in milk and cream. This money is placed in a special bank account and checked out by the commissioner. It is said that the reason for

this special account was the fact that the treasury objected to receiving so many small amounts. It is recommended that this account be closed and that the receipts be turned immediately into the treasury whether or not the dairy inspection work is transferred to the department of health and welfare as proposed.

In arriving at the budgetary requirements of the department of agriculture, the departmental head should be required to do project planning and prepare a work program extending over the biennium. This program should be set up in such a way that it can be used during the biennial period as a basis for the allotment of appropriations. The appropriations for the operation of the department should be made in a lump sum amount, except where the legislature may want to provide for a certain project, such as the control of the European corn borer. There is neither rhyme nor reason to the way the appropriations are set up now. For example, the appropriation for "salary and clerk hire" does not include all the officers and employees of the department, but an arbitrarily selected group from all the divisions. Again, the appropriation for "general office expenses" applies to all the divisions. The appropriations made to the several divisions, therefore, do not represent the totals which these divisions have been granted. A much more satisfactory scheme, as we have suggested, is the lump sum appropriation for all operating expenses of the department, which is expended on the basis of a work program and controlled by quarterly allotments. This scheme requires the head of the department to do some current planning, to think about the future work of his department and not just drift along with the idea of meeting whatever contingencies may arise from day to day. All of this has a most salutary effect upon departmental administration, and we believe it would do a lot to improve the work of the department of agriculture.

## CHAPTER IX

### HIGHWAYS

In order to bring highway administration into conformity with the general reorganization plan, we recommend its establishment under a single commissioner appointed by the governor, with the advice of the council, in place of three commissioners as at present. Although the commission plan of highway administration now in effect in Maine is found in a majority of the states, those states in which administrative reorganization has taken place, after careful study of their needs, have definitely lined themselves up on the side of single-headed highway administration. Our study of highway administration in Maine, even disregarding recent scandals in highway affairs, convinces us that the change proposed will be wholly in the interest of efficient, nonpartisan highway development.

It is recognized, however, that it is desirable for a highway commissioner in Maine to have the advice of a well informed body of high minded citizens resident in different parts of the state and familiar with local needs and resources. We recommend, therefore, that an unpaid advisory highway council of three members be appointed by the governor with the advice of the council for terms of three years each, except that the first members should be appointed for one, two, and three years, respectively. Meetings of the council should be held once a month, or oftener at the request of the commissioner, and members should be paid only their necessary travel and other expenses in connection therewith.

The highway commissioner should appoint and remove the chief engineer of the department, subject only to such limitations of his appointing and removal power as may be fixed for state personnel generally, as described in the section of this report on personnel management. The internal organization of the department into special bureaus and divisions should be determined by the commissioner with the advice of the chief engineer. The present plan of organization of the department appears satisfactory except that there are a number of important activities which deserve greater consideration than has been given them. We shall speak of these later.

#### The State Highway System

The most important highway problem in Maine is the development and maintenance of a more or less fixed "trunk line" or state highway system which will connect the most important cities and towns; connect with corresponding trunk highways of other states or counties; give access to and from these parts of the state having unusual scenic or recreational attractiveness, provide outlets

to markets from highly developed agricultural sections, and otherwise satisfy the need of the greatest number of users. The traffic counts in a number of eastern states have established that, as a general rule, 75 per cent of traffic is served by about 10 per cent of the total public road mileage.

With the idea of providing for such a trunk system, the highway commission of 1913 laid out a network of between 1,350 and 1,400 miles of state highway which was then about  $5\frac{1}{2}$  per cent of the total 25,530 miles of public roads within the state. This system passed through 238 cities and towns embracing about 73 per cent of the total population at that time. Since then, the state trunk system has been increased by additional designations to 2,265 miles (at the close of 1929), and now represents about 9 per cent of the total road mileage of the state, a figure which compares well with that of other eastern states.

Since 1913, or actually since 1923, about 700 miles, or 31 per cent of the total state highway mileage, have been added by designation to the system. This addition has represented about 40 different designations, 25 of which have been made since 1927, 16 being made in 1927 alone. In view of the fact that Maine's population has not appreciably increased in the last 15 years and that there has been no change in the movement of population, industry or tourist traffic to justify anything more than minor adjustments or extensions of the original plan, so many designations of minor additions to the state highway system appear to represent more of political expediency than public benefit.

Designation of additions to the state highway system do not, of course, mean actual construction. Designations can be made and apparently have been made to satisfy this or that community or group influence, while actual construction lags far behind. Each year up to and including 1924, the number of miles constructed exceeded the number of miles designated. Each year since that time, designated additions have considerably exceeded miles constructed. In fact, the designation of about 700 additional state highway miles has actually meant a net gain of only about 150 miles of state highway construction in 15 years. A state highway system developed along these lines is not likely even to be a complete *system* in the real sense. Even now, the state highway map shows serious gaps and other defects which wiser planning could have avoided.

In our opinion, no more additions to the state highway system should be designated. The state should "catch up" on its highway program by completing highways now designated until the system as now laid out is complete, designations to be constructed in accordance with their importance.



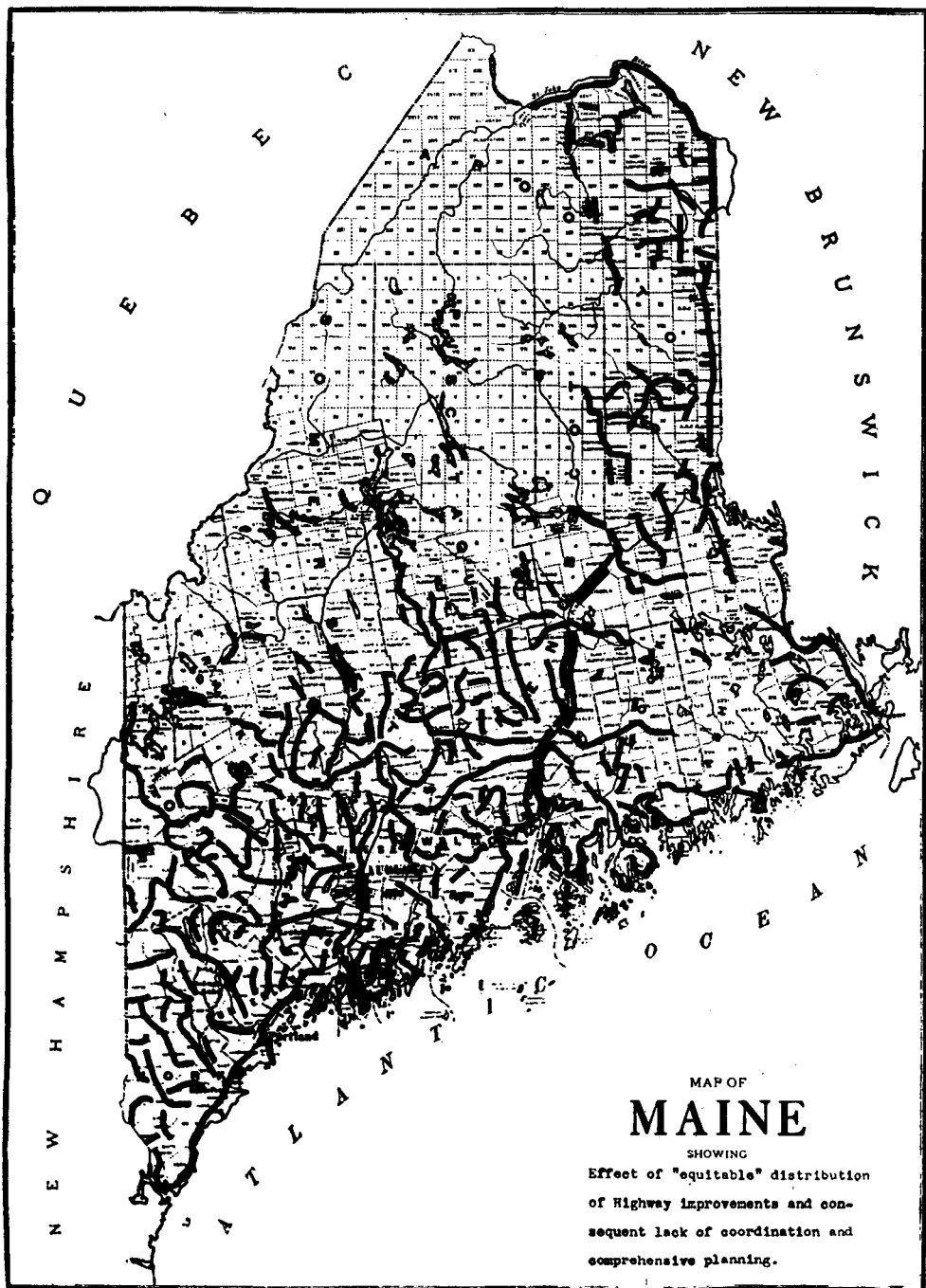
### State Aid and Third Class Highways

The usefulness of the state highway system depends, naturally, to a considerable degree upon its integration with a well-planned system of secondary roads. State aid highways as defined by law are "such highways not included in the system of state highways as shall be thoroughfares between principal settlements or between settlements and their market or shipping point and *in so far as practicable* feeders to the *state highway*." Third class highways are all other highways not in the first two classes.

The great difficulty in developing an adequate tributary system to the state highway or trunk line system is that jurisdiction over local roads is primarily vested in over 500 separate and distinct local governments. This means that over 500 sets of local officials are dabbling in road making, and road making naturally becomes a matter of local politics. It is only through its control of state aid funds that the state highway department can influence to a purposeful degree the planning and improvement of the secondary road "system." The state highway commission has the power of approval or disapproval of state aid highway designation, but under the varying pressures of so many kinds and from so many different points, it is not surprising that the so-called state aid "system" is actually nothing but a poorly articulated, piecemeal improvement of a few miles of road here and there, unrelated on the whole either to the state highway system or the traffic needs of any county, section, or group of communities. It represents one of the most striking illustrations of lack of plan in highway improvement within our experience.

The present situation with respect to state aid highways is, of course, an impossible one and indefensible on any ground except that of partisan political interest. The obvious solution of the problem is the reduction of the number of local jurisdictions for highway administrative purposes by the consolidation of local government units into highway districts. As this survey was not authorized to go thoroughly into matters of local government, we are not in a position to say how such consolidation can best be brought about, whether by voluntary cooperation of adjacent towns or the mandatory establishment by law of consolidated highway districts. The breakdown of local highway administration is due in the main to the inability of towns to provide competent engineering planning and supervision; to partisan political interference in road making; to the low valuations for tax purposes in many towns which prevent their making adequate appropriations for highway work; and to the inevitable lack of coordination of local effort for highway improvement and maintenance.

We believe that a most important factor in bringing order out of the present chaos in local highway administration is the establishment of a single-headed highway department directly responsible



MAP OF  
**MAINE**

SHOWING  
Effect of "equitable" distribution  
of Highway improvements and con-  
sequent lack of coordination and  
comprehensive planning.

to the governor, with an advisory highway council of outstanding citizens with no political or other axes to grind. The establishment of an efficient state budget system is also necessary in order that there may be more careful scrutiny of proposed state expenditures. Once these reorganization betterments have been made effective, the state will be in a position to utilize the skill and experience of a competent highway engineer to better advantage.

### Highway Financing

The state highway system of Maine is being financed from six sources of income: (1) bonds, (2) motor vehicle registration fees, (3) gasoline tax, (4) property taxes, (5) direct appropriations, and (6) federal aid. The two most prolific sources are the motor vehicle fees and the gasoline tax, which supply about a third each of the total income.

Maine started issuing highway and bridge bonds in 1913. Up to June 30, 1930, it had issued a total of \$18,274,500, not including \$3,000,000 for the Bath Bridge. It had retired during this period of 17 years bonds to the amount of \$3,137,000, leaving a total outstanding of \$15,137,500. Some of the outstanding bonds were issued for such long terms—in some instances, 40 years—that they will not be retired until 1958. The annual retirement and interest charges on these bonds for the next ten years, as shown by the accompanying table, will average approximately \$1,250,000. After that time these charges will gradually decrease until the last bonds are redeemed in 1958.

The irregular manner of arranging the retirement of past bond issues has been the principal cause of the excessive retirement and interest charges during the next ten years. For example, some issues did not start maturing until 5 to 25 years after date of issuance. Meanwhile interest charges had to be paid. The elapsed periods in some cases from date of issuance to final maturity were as much as 40 years, ten of the twenty-one issues being for periods of 20 years or more. From 1925 to 1930, however, bonds were issued for 15 year periods.

An amendment to the constitution, approved by the voters in September, 1929, provided for increasing the debt limit for highway and bridge purposes from \$16,000,000 to \$31,000,000. It specified that the additional \$15,000,000 be utilized as follows: \$10,000,000 for the construction of the state highway system as designated prior to April 1, 1929, and \$5,000,000 for the construction of interstate, intrastate, and international bridges. The amendment also provided that the bonds must be retired serially within 25 years.

REDEMPTION REQUIREMENTS AND ANNUAL INTER-  
EST CHARGES FOR HIGHWAY AND BRIDGE BONDS  
ISSUED PRIOR TO JANUARY 1, 1930

<i>Year</i>	<i>Bonds</i>	<i>Interest</i>	<i>Total</i>
1914	\$ 7,500	\$ 12,000	\$ 19,500
1915	39,500	41,700	81,200
1916	38,500	60,120	98,620
1917	54,000	71,880	125,880
1918	79,000	73,220	152,220
1919	79,000	78,800	157,800
1920	287,500	150,840	438,340
1921	119,000	213,090	332,090
1922	119,000	295,330	414,330
1923	119,000	340,070	459,070
1924	119,000	398,810	517,810
1925	119,000	433,550	552,550
1926	181,000	495,970	676,970
1927	444,000	573,550	1,017,550
1928	481,000	563,890	1,044,890
1929	531,000	598,150	1,129,150
1930	631,000	651,150	1,282,150
1931	581,000	624,660	1,205,660
1932	606,000	599,420	1,205,420
1933	606,000	572,930	1,178,930
1934	621,000	546,140	1,167,140
1935	827,000	517,050	1,344,050
1936	821,000	482,720	1,303,720
1937	826,000	447,530	1,273,530
1938	826,000	412,240	1,238,240
1939	826,000	376,950	1,202,950
1940	838,000	341,660	1,179,660
1941	914,000	306,090	1,220,090
1942	829,000	264,880	1,093,880
1943	849,000	235,320	1,084,320
1944	674,000	200,360	874,360
1945	424,000	174,400	598,400
Year	Bonds	Interest	Total
1946	424,000	156,440	580,440
1947	404,000	138,880	542,880
1948	404,000	121,720	525,720

<i>Year</i>	<i>Bonds</i>	<i>Interest</i>	<i>Total</i>
1949	\$504,000	\$104,560	\$608,560
1950	504,000	83,400	587,400
1951	344,000	62,240	406,240
1952	344,000	47,480	391,480
1953	219,000	32,720	251,720
1954	211,500	22,960	234,460
1955	100,000	16,000	116,000
1956	100,000	12,000	112,000
1957	100,000	8,000	108,000
1958	100,000	4,000	104,000
Total	\$18,274,500	\$11,964,870	\$30,239,370

It appears that the maximum term of the bonds of this additional authorization of \$15,000,000, namely 25 years, is too long. We believe that the term ought not to exceed 15 or 20 years, depending upon the type of highway constructed. Although the wording of the amendment would seem to leave no option in this matter, the state authorities issued on July 1, 1930, under the terms of this amendment and the supporting statute (Chapter 130, Private and Special Laws of 1929), \$1,500,000 of bonds for a term of 20 years. The retirement of these bonds is not to begin until 1936, at which time they are to be paid off at the rate of \$100,000 a year until they are all retired in 1950. Obviously, the state authorities have decided that such bonds, which are really deferred serials, meet the provision of the amendment requiring serial retirement. Even with deferred serials, if the whole \$15,000,000 of bonds are issued during the next four or five years, the retirement and interest charges on account of them will reach a maximum by 1940 or 1941. When added to the retirement and interest charges of the outstanding bonds, which will not have started to decrease before that time, the aggregate charges will constitute quite a burden. In view of this fact, it is believed that the state authorities should seriously consider getting along without issuing very many of the additional bonds until about 1940.

On the present population basis of 800,000, there is one passenger motor vehicle in the state of Maine for about every 5.4 persons. This would indicate that the maximum registration, with the present population, is being approached. Likewise, the present average tax per vehicle is already high and further increase in the rates would seem unjustifiable. In view of these facts, we cannot conclude that the increase in revenue from motor vehicle fees will be appreciable in the immediate future, certainly not sufficiently so to warrant incurring larger and larger highway expenditures on account of this source of revenue.

The average annual gasoline tax per registered motor vehicle in the country during 1929 was \$17.72 and the gasoline consumption 532 gallons. In Maine the average total gas tax contributed per motor vehicle in 1929 was \$20.53 and the average gallons consumed was 513. While the amount consumed compares favorably with the countrywide figure, the average total tax is considerably higher due to the 4-cent rate in Maine as compared with an average of 3.22 cents for the whole country. No doubt, the proportion of gas consumed by resident cars in Maine is considerably smaller than in many other states due to the relatively short driving season, but evidently the tourist cars are a sufficiently important factor to raise the figures to the favorable position noted above.

Assuming that the present gasoline tax will continue in effect and the average increase in annual consumption will be maintained, the probable receipts from this source during each of the next five years may be estimated as follows: 1930, \$4,191,000; 1931, \$4,541,000; 1932, \$4,891,000; 1933, \$5,341,000; 1934, \$5,591,000. As a whole, this revenue seems to offer the best source for future highway financing.

A tax of one mill on the dollar is laid on the general property of the state and goes into a "mill tax highway fund." This fund is used for the construction of third class highways, except that not more than \$150,000 may be used annually in the construction of highways and bridges in accordance with certain provisions of the law, and \$200,000 for second class or state aid highways. The state highway system therefore receives no direct benefit from this source except in so far as it relieves the finances of the highway department from further allotment to state aid and builds up some value in the state aid roads which may eventually be designated as part of the state highway system.

In addition to the "mill tax highway fund," the state legislature makes an annual appropriation of \$300,000 to the highway department which is used for state aid purposes. The present policy seems to be to continue this appropriation indefinitely.

Maine has received a larger amount of federal aid than any of the New England states with the exception of Massachusetts. At the time this survey was made, Maine had a large unexpended balance of federal moneys available for the completion of several miles of approved federal aid highways. While these moneys will lapse on June 30, 1931, it is presumed that Congress will continue them and perhaps make new amounts available.

Maine has adopted an extremely liberal policy with reference to the distribution of state aid to the localities. While other highway expenditures have been more conservative, the total for state aid construction and maintenance has been constantly increasing from year to year so that during the past several years the state's share has been practically as much as the total expended on the

main trunk system of state highways. This excludes moneys for "third class" roads and "special resolves." In fact, in 1930 it is estimated that the total expenditures by the state for state aid will actually be more than those for the improvement of the state highway system. This is due largely to the basis of apportioning state aid to the hundreds of small townships, which makes road building by the localities an attractive "business." In 1930, for every single dollar that the locality raises the state will contribute the following aid: in 176 townships, \$3.50; in 242 townships, \$2.00; in 21, \$1.75; in 14, \$1.22; in 10, \$1.13; in 7, \$1.07; in 74, \$1.00. In other words, out of a total of 578 localities 544 will receive \$1 or more for every single dollar raised locally, 470 will get more than \$1 for every local dollar, and 418 from \$2 to \$3.50 for each local dollar.

This state aid policy is bringing about a situation in which the total moneys expended for all road purposes, regardless of the source of the funds, will be distributed in about the following relative proportion for 1930:

<i>Purpose</i>	<i>Per Cent of Total</i>
State aid highways	36.5
State highways	34.4
Bridges	11.0
Debt charges	9.4
Third class highways	6.4
Special resolves	1.3
Administration	1.0
Total	100.0

Thus, while the state highways are used by approximately 75 per cent of the total traffic, they are receiving less than 35 per cent of the moneys. This seems rather unfair to the automobile taxpayers, and is also contrary to the principle of improving the highways according to "traffic and economic necessity." With this in view, we believe the ratio of state aid to local funds should be considerably curtailed. Dollar for dollar would seem to be a fair basis. If this basis were adopted, the excess over state aid requirements together with the normal increase in the gasoline tax ought to provide ample funds for highway purposes and make the issuance of bonds unnecessary for some years to come.

We should not overlook in this discussion of highway financing the fact that the highway moneys are not included in the so-called state budget. These moneys are budgeted exclusively by the highway commission without the biennial approval of the legislature. Furthermore, the fiscal year of the highway department is not the same as that of the state government as a whole. We think these are conditions which should be corrected. The

highway revenues and expenditures should be included in the state budget, otherwise about half of the state's annual expenditures are unaccounted for in the general financial plan. It is not impossible for the highway department to plan its expenditures several months ahead of the period when they will be made, as has been demonstrated by the experience of other states. To do so would be a real advantage, since the department would then get a longer range view of its projects than it now has. If the fiscal year of the highway department were changed from the calendar year to the uniform fiscal year of the state, namely, July 1 to June 30, it should work no hardship for the department in planning and executing its projects. Indeed, there ought to be an advantage in having the budget for the highway work determined three or four months before the fiscal year opened. Under the present practice, the highway program for expenditure is nearly always adopted after the beginning of the year to which it applies; that is, the highway commission generally approves it during the first quarter of the calendar year.

### **Highway Engineering Practice**

Present engineering practice in the department conforms to recognized standards. There is need, however, for more careful study of road use. Relatively little attention has been given to making a comprehensive census of traffic, that made by the United States Bureau of Public Roads in 1924 furnishing the only satisfactory basis for determination of present use of highways. Short time counts are made from year to year chiefly to check the condition on federal aid routes, but with respect to the remainder of the highway network, data are not sufficient to permit proper planning. This deficiency is not due to a failure of the engineering force to recognize the importance of such studies, but rather to the lack in season of sufficient force for the purpose.

### **Acquisition of Rights of Way**

A major difficulty in acquisition of rights of way is that attempts by the highway commission to acquire property are too often made after contracts have been let, and in some cases after construction is actually under way. The result is that property owners hold up the progress of the work by placing exorbitant figures on the property desired for road purposes. We recommend that as far as possible hearings be held immediately following the location survey and before any letting of contracts or undertakings of construction. "Hold-up" tactics on the part of property owners would be less frequent, if they had no final assurance as to highway location.



## Highway Construction

A piecemeal highway improvement policy has been forced upon the state by reason of the provisions of law requiring "equitable" distribution of highway funds among the localities of the state. As a result of this policy the effort and expenditure of the state have been scattered so promiscuously in such small amounts that construction on many sections of highway has been in progress sixteen years or more. In many instances the delays in completing given sections of road have been so long that the first portions constructed have worn out and need reconstruction before the end of new construction has been reached. The interference with traffic and the nuisance to road users resulting from this situation require no vivid imagination. Highways are no better from a traffic standpoint than the unimproved or worn out stretches in their course.

Many roads have been improved by construction utterly unsuited to traffic use; costly pavement has been used in many parts of the state where a less costly type would have done as well. Travel throughout Maine by the examiners in the course of this survey has revealed many illustrations of expenditures for highways which cannot be justified by any present traffic need. About as many illustrations were found of failure to use highway material of high grade when such was needed. This situation is not, of course, peculiar to Maine, but it is more hampering to Maine than to many states because of her distribution of population, topography, and climate.

Contracts for construction are let in small parcels necessarily because of the "equitable distribution" policy fixed in the law. Bidding is highly competitive, of course, and the range of bids unusually high. One reason for high bids is that contractors, other things being equal, are required to give preference in employment to inhabitants of the towns in which the work is done. This handicaps considerably contractors with large organizations which they must keep busy and forces them to raise their bids accordingly.

A most serious factor in the distribution of highway construction work is the allotment by the legislature of \$150,000 annually in the form of "emergency" appropriations to some 150 towns in amounts varying from a few hundred to several thousand dollars. Although it is stipulated that the so-called "emergency" work is to be done under the supervision of the highway department, neither the highway commission nor its engineering staff has the right to determine where such "emergency" exists. This "emergency" construction work seems purely political. Funds for such purposes, if provided at all, should be budgeted the same as other funds to the highway department to be spent in accordance with its own determination of emergencies.

### **Highway and Bridge Maintenance**

In our opinion, the highway maintenance work of the department is done as efficiently as present highway policy and existing force permits. Since bridge maintenance is a function of local government, it is by no means as well done. Most of the older bridges and culverts are in poor condition and show the result of general neglect. Here, again, the need for local cooperation is apparent. The state should provide an annual inspection and survey of all bridges and make consistent effort to see that these important features of the highways are improved.

Maintenance work on state highways has been neglected by many towns which are required by law to keep their own sections in good repair. There is much evidence both of lack of respect for the law by town authorities and lack of good enforcement by the highway department, which may itself do the work and charge the cost back upon the town. This penalty is rarely exacted, although it might well be in many cases.

Route marking on the state highway system is good except on portions of the highways running through towns and cities. The marking of trunk line and second class intersections is deficient. Many signs are so old and weatherbeaten as to be illegible at driving distance. Much remains to be done in standardizing highway markers and caution signs, particularly in local communities.

Snow removal has been materially bettered in recent years and, in our opinion, is now being done as well as the "state aid" system permits. Its supervision by the highway commission is as efficient as possible with the present force.

### **Highway Garage and Equipment**

The highway department is well equipped for road construction and maintenance, and all equipment is as well cared for as possible under the present plan of rental, which does not permit the best care of equipment in the field. Charges for rented equipment, although less than in commercial practice, have been sufficient to cover the upkeep and replacement of equipment and to construct a good garage and shop building. The lack of divisional storage places in the field necessitates the return of equipment to the state garage at the close of the season, and seriously overtaxes garage capacity. We believe that in the long run it would be more economical and make for more efficient use of equipment to establish a few small storage places at central points remote from Augusta, in accordance with the general construction program when that has been more definitely defined.

### **Divisional Organization Recommended**

Most states in which highway work has attained a high degree of efficiency have found it desirable to establish certain geo-

graphical divisions for administrative purposes, each division being in charge of a division engineer responsible directly to the chief engineer of the department. We believe it would be desirable for Maine to establish not more than five highway divisions and to put in charge of each a skilled engineer who would see to it that all construction and maintenance operations within his district were carried on according to plan.

This would not require any considerable increase of cost. The present personnel is ample for the purpose and the additional expense of establishing division headquarters would be in part offset by savings in transportation and other present costs incidental to supervision from headquarters in Augusta. We believe that the results of such decentralized supervision of field work would ultimately mean greatly improved highway service.

### **Highway Accounting, Statistics and Reports**

The general accounting work of the highway department is very well organized and conducted at the present time. It is, however, quite elaborate, since it has been set up to exercise complete control over all the financial transactions of the department. This has been necessary in the absence of an up-to-date central accounting system for the whole state government. If our recommendations for the installation of such system are carried out, the general accounting and auditing work in the highway department may be very greatly reduced. Much of this work would then be done centrally.

The attention of the highway accounting staff, when relieved of much of the general accounting which it is now doing, could be turned to the production of cost data. Such data needs to be developed to a much greater extent as an aid to the administration of the department. The preparation of comparative costs, by districts or townships, by months, and by years, ought to be emphasized. These costs are highly desirable in administering the operations of the department and in controlling its construction and maintenance work.

The reports of the highway department leave much to be desired as a means of public information. They are not only issued long after the period to which they relate has passed, but they are lacking in proper discussions of the highway work, organization, problems encountered, plans for the future, and comparison of costs and results in Maine with those of other neighboring states. A great deal of useful information for the people of Maine and their visitors is buried in the files of the highway department. If this information were properly edited and published, we think it would promote cooperation between state and local authorities in highway development and encourage tourist traffic. We suggest that the Maine development commission, if continued, give some thought to publicity about the highway progress of the state.

## CHAPTER X

### CONSERVATION

It is recommended that a department of conservation be created under a qualified commissioner of conservation, to be appointed by the governor with the advice of the council, and to serve at his pleasure. The proposed department would have three bureaus: a bureau of forestry, a bureau of fish and game, and a bureau of geology. The directors of the three bureaus should be appointed by and directly responsible to the commissioner of the department. That they should possess the training and experience necessary to the efficient administration of the functions delegated to them, goes without saying. The existing state agencies which would be consolidated into the new department are the following: the department of forestry, the department of inland fisheries and game, and the department of sea and shore fisheries. The department of forestry would become the bureau of forestry without other change; the departments of inland fisheries and game, and of sea and shore fisheries, would be merged to form the new bureau of fish and game. In addition, the duties of stream gauging and topographic surveying, now performed by the water resources division of the public utilities commission, would be transferred to the bureau of geology. The name of the bureau has been selected because all of its work is carried on in cooperation with the United States Geological Survey. If a cooperative arrangement can be made with that agency of the federal government for a study of the geological structure of Maine or of its mineral resources, the work of the recently created state geologist should also be transferred to this bureau.

#### **Forestry Activities**

Under a strict interpretation of the law, the state of Maine has at present no department of forestry. Nevertheless, the forest commissioner has been made solely responsible by the legislature for the administration of all the functions related to the protection of the forests against fire and insect pests, to the conservation of old forests and the propagation of new, and to the administration of the state's interests as trustee of the lands reserved for public purposes. The resultant centralization of related functions, and the absence of divided responsibility, has given the state's forestry work a unity which is absent in many of the departments specifically created by statute.

### Forest Fire Prevention and Control

The most important single function for which the forest commissioner is responsible, when measured by the amount of money expended, is that of the protection of forests against fire. Within the Maine forestry district, where the cost of that work is met by a special tax on the lands included in it, supplemented by contributions from the federal government under a cooperative arrangement, that work has reached a high state of development. When the difficulties of fighting fire in areas remote from population are taken into account, it is probable that no part of the country can lay claim to doing better work. The system of lookout towers is well laid out and well manned. The skeleton fire fighting force which is maintained on a full time basis during the fire season is well organized, well distributed, well equipped, and efficient. The plans for the prompt mobilization at points of danger of fire fighting crews which frequently must be recruited in sections remote from the fire area, and sometimes even from points outside the state, have been well designed. That they have also been well executed is indicated by the records of fire losses.

In the organized towns, however, the record is not so good. There, the responsibility for the prevention and suppression of forest fires is placed on the local governments themselves, and the forest commissioner has powers only to educate, advise and aid. An experiment is at present under way in which a group of towns are cooperating with one another under the general direction of the forest commissioner, and with the aid of cooperative funds supplied by the federal government. If it succeeds, it offers a plan by means of which adequate fire protection can be extended little by little to the large forested areas outside the Maine forestry district. The inevitable future growth in the relative importance of forestry in the economic life of many of the rural towns which have been largely agricultural in the past must lead eventually to the provision there of fire protection of the same high grade as is now furnished inside that district. In other states, the realization that financially weak local governments, administered by part time and frequently untrained officials, are not adequate to the task, has led to a more or less complete transference of responsibility for fire fighting to the state. Too rapid a shift has frequently defeated its own purpose because of the hostility engendered in the minds of the local residents. Nevertheless, the probability that such a transfer in Maine must eventually become not only necessary but also popular is something that should not be lost sight of in every future draft of legislation pertaining to forest fires. Furthermore, the success of the present district plan of financing by means of a special tax on the property protected, indicates the wisdom of incorporating that idea in any statutes which may hereafter create additional forestry districts in the areas covered by organized towns.

### **White Pine Blister Rust Eradication**

The work of eradicating or controlling the white pine blister rust in the southern part of the state must at present be carried on also through the cooperation of the local governments. The federal government contributes approximately one-half the cost; the state, the local governments and the land owners affected contribute the remainder. The difficulties of obtaining the necessary appropriations from the towns where the infection has been discovered, and the additional difficulties of arranging with local officials and land owners as to the time and the place for undertaking the eradication work are hampering to the federal agent and to the assistants supplied him by the state. As the result, much time and money is wasted. For the time being, however, the benefit of widespread dissemination of information about the rust, which is aided by town and owner cooperation, compensates in part for the increased cost of eradication under this method. It should be possible eventually through enlightened public opinion on the subject to establish by legislative action, on the petition of land owners, eradication districts in which special taxes would be levied for the purpose. In such districts the police power of the state would be exercised directly. The federal blister rust agent, and his associates in the state government, deserve high commendation for the excellent work they have succeeded in doing in the face of difficult conditions.

### **Forest Entomology**

The general work in forest entomology, when measured in size of staff and in annual expenditures, would seem to be relatively unimportant in the work of the department. That small staff, however, is conducting patient experiments, designed to devise means of minimizing the monetary losses due to the ravages of insect pests, and of developing means of control. It has succeeded in placing in operation a most promising plan for extending the scope of its own usefulness without increased expenditures, by utilizing the fire fighting organization of the state in the detection of infested areas. When these facts, coupled with the direct bearing of the work on the economic life of the state, are taken into account, it becomes apparent that this phase of the department's work is by no means the least important.

In addition to the ingenious defoliation experiments now under way, in connection with the damage caused by leaf borers and miners, plans have been laid for other inexpensive experiments to devise means for reducing the ravages of the white pine weevil. It would seem highly desirable to place the means for conducting these at the disposal of the entomologist.

In another chapter of this report, reference is made to the very considerable expenditures which are now being made in the de-

partment of agriculture for the control and eradication of insect pests, and to the doubtful value of the methods there employed. If the present plan of work of the department of agriculture is discontinued, the authority and the funds for research in control of those insect pests whose ravages affect trees primarily, might well be transferred to the state entomologist.

### **Reserved Lands in Unorganized Townships**

The work of the forest commissioner in his capacity as land agent has shrunk with the practically complete alienation of the lands originally comprised in the state's public domain. His duties under this head now consist primarily of seeing that the survey lines of lands reserved for public uses which lie in unorganized townships are not obliterated, and of administering the reserved lands as trustee for the local schools in townships which have been organized into plantations.

It would seem that there is room, however, for careful legal research as to the status of reserved lands in unorganized townships. If and when the townships are organized into towns, these lands pass into the custody of the local officials. Meanwhile, however, by agreements entered into many years ago, the reserved lands in every unorganized township are under lease, usually to the owners of adjoining lands, until such time as the townships may be organized either into plantations or into towns. The leases, which are in effect simply timber and grass rights, were obtained by the payment of stipulated sums once and for all, and involve no annual payments. The value of the timber and grass on these lots is taxable for state, county, and district purposes; but the land itself is exempt from taxation. In view of the probability that many of the townships which are at present unorganized will always remain in that condition, it seems regrettable that the reserved lands within them, aggregating almost 4 per cent of their area, should be held by lessees, probably in perpetuity, free both of annual rentals and of taxes on the base lands value. It must be admitted that the board of state assessors, by their practice of making the taxable value per acre of rights to timber and grass on reserved lots almost as high as that of the adjoining privately owned timber, including lands, has done much to improve this situation in so far as annual taxes are concerned. Nevertheless, from the standpoint both of state finances and of conservation policy, the clarification of the state's title would be a distinct advantage. The task of unravelling the tangle is one to challenge the best brains in the state.

### **Fish and Game Activities**

The department of inland fisheries and game and the department of sea and shore fisheries have a common heritage in legislation

of 1867 which set up a commission to take steps relative to the restoration of sea fish to the rivers and inland waters of Maine. By successive acts of the legislature, the duties of the commission were expanded. As early as 1871, the state took the initiative in salmon breeding; in 1873, it began to pay attention to lobsters; in 1880, it was given power to enforce laws for the protection of game, as well as those relating to inland and marine fisheries.

In 1895, the duties which had previously been handled by one body were separated into two parts, jurisdiction over inland fisheries and game being vested in one commission; that over sea and shore fisheries being transferred to a separate commissioner. The two agencies were given concurrent jurisdiction over sea salmon, shad, alewives, and smelts. Subsequently, the legislature transferred to the department of sea and shore fisheries the duties of enforcing the game laws on the islands in the sea, and along the tidal waters of the state, but the experiment was short lived.

### **Protection and Propagation of Migratory Fish**

With the separation into two departments, such slight progress as had previously been made toward the propagation and protection of migratory fish practically came to an end. The problem is not simple at best, and the divided authority which grew out of the theoretically concurrent jurisdiction made it impossible for either agency to accomplish anything. The task of the inland commission was complicated by the factors of stream pollution and the absence of fishways in dams. Even if it succeeded in overcoming these obstacles, the way was still closed to the migrations of fish as long as riparian owners in the tidal waters exercised their legal rights to place weirs along the shores in such a way as to intercept the small numbers of migrants which had survived the deadly effect of the changed conditions along the routes which their ancestors had followed for generations. The sea and shore commissioners have been confronted by a similar dilemma. As long as the riparian owners insisted on the full measure of the rights which had been theirs since colonial days, why should the commissioners ask them to surrender their rights to a precarious current income in return for a promised increase in future incomes when the development of that future income depended absolutely on the success of the inland commission in clearing up pollution and providing fishways? Under the circumstances, it is not strange that both agencies of the state government should have lost the capacity to see the problem as a whole.

So far as migratory fish are concerned, it is safe to say that the restoration of a great industry, which has in the past been an important element in the economic life of the state, is utterly impossible unless the responsibility for the task is again centralized in one



agency. Centralization alone, however, without an intelligent clarification and revision of state laws, can accomplish little. Since colonial days, there has been confusion in the laws governing the rights in, and powers over, the lands below high tide. Private owners, the towns, and the state all exercise certain powers and rights, but there is no clear cut line of demarcation between them. If the salmon industry is again to contribute to the wealth of Maine, the rights of private land owners and of towns must be subordinated to those of the state, because the state is the only agency which can safeguard the rights of all the individuals concerned. That it is clearly to the advantage of all to have the state exercise control over riparian lands below high tide is proven by the success of New Jersey in the restoration of her oyster industry. That a state can, in the interests of all the individuals who make up the state, substitute new principles for old in shifting the pre-existing line of demarcation between private and public rights is sufficiently indicated by the experience of California in revising her basic law on riparian rights in waters for irrigation.

The existing law on fishways in dams is less subject to criticism than that on riparian rights, but there are numerous defects in it. At present, the department of inland fisheries and game is working energetically to obtain the cooperation of dam owners in providing and maintaining new fishways in old dams. At the same time, plans for new dams are required to be filed with the public utilities commission. There is nothing in the public utilities law which would make it possible for that body to reject a plan because of its failure to provide a fishway; nor is the question of fishways taken into account by that commission when the plans are filed. Manifestly, legislation providing for better team work between departments will be necessary if the rivers are again to be opened to migratory fish.

### **Stream Pollution**

So far as stream pollution is concerned, much work remains to be done in all states. The Pennsylvania plan of classifying inland waters into three classes based on the character and the degree of pollution and of adopting a separate course of action for each class, would seem to be adaptable for use in Maine. Waters which are still free from pollution should be protected by the full police power of the state; those which are polluted but which could be cleaned up without imposing undue financial hardships on the municipalities or on the industries responsible for the pollution, should not only be given ample protection against further pollution, but should be cleaned up as rapidly as circumstances permitted; those which are badly polluted by industries whose very existence would be threatened by the individual costs entailed in a general campaign for purification, should be subjected to re-

search in the endeavor to find some method or combination of methods which would eventually clean up waters without disrupting the economic life of the entire region. The study now being made by some of the major industries with the cooperation of departments of the state government could undoubtedly be used to provide the fact basis necessary for a classification along the lines suggested above, and for a program of action for each class.

### **Other Special Problems**

In spite of these obstacles, the department of sea and shore fisheries, by concentrating its resources largely on that phase of its work, has achieved measurable success in protecting lobsters. The proximity of York County to the Boston markets, which are governed by the nine inch law of Massachusetts, has, it is true, created a public opinion in that section of the state, which has made it difficult for the department to persuade fishermen and dealers there to recognize the existence of the state's ten and a half inch law. Conversations with dealers and fishermen indicate, however, that the persistent work of the department has succeeded in building up elsewhere in the state a measure of public opinion in support of the Maine law.

The need for a more intensive study of the lobster industry than has ever been made was pointed out in official reports many years ago. Plans for lobster hatcheries were broached during the same period. The arguments then advanced are still sound. The need for action is greater than ever. The revenues necessary to carry on the work are still lacking. In view of the facts that the lobster beds are plainly the property of the state and that the state may extend or withhold the rights to fish thereon; in view of the further fact that the amounts wisely expended by the state in the propagation and protection of lobsters increase the value of such rights to the individual fishermen, it is obvious not only that it would be fair, but also that it would advance the interests of all concerned, if lobstermen were required to pay an annual fee for the license to exercise that right. It is recommended that the laws be amended so as to impose such fees. That plan would place the burden of improving the lobster fisheries on those who would benefit directly as a result of the improvement. The principle involved is the same as that which has been invoked in the law creating the Maine forestry district. That the lobster industry has progressed in spite of the almost studied neglect on the part of the central government is due largely to the determination of one man, the present director of the department. He deserves high praise for his accomplishments in the face of obstacles.

The department is confronted also by a number of other problems: the development of the shell fish industry, the protection of ground fish during the spawning period, etc. The first of these is

closely allied with the problem of riparian rights which, as has already been pointed out, stands in the way of the restoration of migratory fish to the inland waters. The second will require, for complete success, the closest cooperation with the federal government and with neighboring states. The importance of the sea and shore fisheries in the state of Maine is ample argument for abandoning the policy of neglect which has prevailed for a generation.

### **Coordination of Work of Wardens**

Reference has been made above to the need for centralization of powers indicated by the problem of migratory fish. It is not alone in this field, however, that the desirability for combining in one agency control over inland fisheries and game, and over sea and shore fisheries, is clearly revealed. The department of sea and shore fisheries at present maintains a force of 23 wardens along the coast. In the same approximate area, the department of inland fisheries and game utilizes five chief wardens and 15 deputy wardens whose districts run down to the coast line. Practically no evidence of cooperation between the two bodies of wardens was found. The legislature has made several unsuccessful attempts to unify the control over fish and game in this area by the devices of concurrent jurisdiction, or by the bodily transfer of responsibility within the coastal area from one department to the other. The only practicable way of achieving this purpose is by reuniting the two closely related tasks under one head. Whether any economies in man power would be possible under consolidation can only be determined by experience. That greater efficiency will be possible in the enforcement of laws for the protection both of game and of sea fisheries is of course obvious.

The work of the department of inland fisheries and game has recently undergone a marked change for the better. The internal organization of the warden force has been improved. Responsibility for appointment and discipline has been more clearly vested in the head of the department. Both the duties and the districts of the warden supervisors, the chief wardens, and the deputy wardens, have been more clearly defined. The entire force has been adequately uniformed and equipped. Salary rates have been revised and an attempt has been made to solve the problem of field expenses. In its work of propagation, also, the department shows abundant evidence of progress. On the basis of facts relative to the quantity, quality and temperature of available waters, the work of the fish hatcheries and feeding stations is being overhauled. Rules of thumb in feeding fish, which had long been followed in other states as well as in Maine, have been subjected to scientific scrutiny, and are being radically modified in the light of facts developed by carefully controlled experiments. All along the line, there is evidence of intelligent and forceful direction.

Three factors have contributed to the progress of the department: a man well qualified for the position by training and experience has been placed in charge; complete responsibility for the selection, organization and discipline of his staff has been placed in his hands; funds sufficient to carry on the work of the department have been placed at his disposal. The increased funds for the work have been provided by a change in the rates for resident fishing and hunting licenses. Unless, however, the form of the resident licenses is changed from a life basis to an annual basis, revenues from that source cannot be expected to accrue at the same rate in the future. That change is not only imperative, if the future progress of the work of propagating and protecting fish and game is not to be checked, but it is also amply supported by the dictates of common sense, and by the experience of a number of other states.

The work of the department of sea and shore fisheries has suffered because it has not received a similarly wholehearted support of the state government. The rates of pay of the wardens are entirely too low. The appropriations made available are as a rule insufficient to keep the wardens at work on a full time basis even at the low rates authorized. Although the department is required by law to patrol the entire coast line of the state, it has no boats for its local patrol, and only inadequate boats for its supervisory patrol and for the inspection of smacks operating in Maine waters out of ports in other states.

### **Functions of Bureau of Geology**

The present work of the state of Maine under this head is confined to stream gauging, topographic mapping, and the computation of run-off and stream flow. It is carried on under the public utilities commission in cooperation with the federal government and with private industries, and the names of most of the employees engaged in the work never appear on any payroll of the state. Heretofore, the fact finding part of the work has been assigned to whatever department happened to be charged with the administration of the state's hotly debated water power policy. One after another, the successive agencies which have hitherto administered that policy have incurred legislative and popular displeasure. That fact has undoubtedly tended to hold back the work of measurement, computation and survey, because of its effect in holding down the annual appropriations available for the noncontroversial portions of the work.

The completion of the topographic map of the state, and the development of a more extensive program of stream gauging for a period long enough to provide a reasonably accurate basis for estimates as to probable future maximum and minimum run-off, are undoubtedly essential to the formulation of a well founded

policy on water power. There is no reason, however, for believing that the work would suffer if the fact finding activities were to be separated from the administration of the interim policy. On the other hand, there are good grounds for the hope that the work would be carried on with fewer ups and downs in the future if it were separated from what is probably the most vexed question in the politics of the state. Furthermore, the work is of importance not only in the ultimate development of a water power policy. Pending the completion of the final maps, every successive step is also of immediate importance to other activities of the state.

Among these are the preparation of better maps for forest fire control and forest type studies; better information for fish and game propagation and protection; and better bases for the classification of inland waters from the standpoint of pollution. These are all functions of the proposed department of conservation, and it is, therefore, recommended that the noncontroversial activities in connection with topographic mapping and stream gauging be transferred from the public utilities commission to the new department. Care should be taken, however, in making the transfer to leave all questions directly affecting water policy in the hands of the public utilities commission.

### THE STATE GEOLOGIST

The legislature of 1929, by Chapter 183 of its public laws, authorized the governor to appoint a state geologist. The principal duties which the statute assigns to this official are to investigate the mineral resources of the state, developed and undeveloped; and to prepare an annual report to the governor and council, which must be printed, and distributed free to all of the members of several large groups specified in the act. The University of Maine is authorized but not compelled to employ the state geologist as a member of its teaching and research staff. The act carries an appropriation of \$2,000 per annum during the current biennium—the only direct appropriation available which can be drawn on by the governor and council for the salary of the incumbent, the expenses incurred by him in the course of his investigations, and the costs of printing and distributing the report which he is required to make. In short, unless the University of Maine sees fit not only to pay him a salary as a member of its faculty, but also to assign him to field work with an expense allowance sufficient to enable him to carry on the work; or unless the governor and council authorize expenditures for the purpose out of the contingent fund, it is improbable that he can produce any annual reports which will be worth the costs of printing and distribution, unless he is willing and able to produce those reports largely at his own expense.

The state has in the past carried on studies of the mineral resources of the state, developed and undeveloped, and has published some worth while reports on the subject. The work was initiated under the direction of the Maine state water storage commission, and the most comprehensive report is embodied in Volume 2 of the report of the public utilities commission for 1916, that body having taken over the duties of the water storage commission when the latter was abolished. The United States Geological Survey, during the same period, carried on extensive reconnaissance work in the same field. At present, topographic and hydrographic work is being carried on by the state in cooperation with the divisions of the United States Geological Survey concerned with those branches of the general field.

If the legislature feels it worth while to continue the office of state geologist after the end of the current biennium, it is recommended that the office be transferred to the bureau of geology of the department of conservation as described in preceding pages.

## CHAPTER XI

### EDUCATION

Most of the direct educational functions of the state have already been brought together in the department of education, including the work of the trustees of state normal schools, the board for vocational education, and the teachers' retirement board. It is recommended that the state library and the museum be brought into the department also as new divisions. This practice has been followed in other states and has much to commend it in Maine. In the case of the library, such a relationship will be of advantage in developing the traveling library service in the schools and unorganized townships.

The state museum is capable of being made of larger educational importance for school children and visitors to the capital, especially through the addition of industrial and agricultural exhibits.

The University of Maine should remain as at present constituted, connected to the state department of education through the ex-officio membership of the commissioner.

The state department of education will take over the supervision of the educational work in the various state institutions in so far as this is of a common school character, as is recommended in the sections of this report dealing with the state's institutions.

It is recommended also that the eleven occupational examining and licensing boards be brought under the department of education with a single general secretary to handle the administrative work and maintain the necessary records.

The department is handicapped in its supervision of physical education which includes the training in personal hygiene, community sanitation and organized recreation, on account of the lack of a specially qualified and trained supervisor on the staff of the department. This is an undeveloped field and one which, therefore, needs personal leadership and individual guidance in large measure. The state is now distributing \$40,000 a year to the local schools for physical education, and should undertake a more intimate and more professional supervision of the work.

#### Vocational Rehabilitation

Approximately \$6,000 to \$8,000 is expended each year, under the direction of the department, for the rehabilitation of industrial cripples. This is a federal aid fund. Applications come from various sources, but chiefly through the department of labor and the industrial accident commission. They are investigated in the field and arrangements made for the necessary educational work. Most of this is in the form of apprenticeships in various special lines of industry fitted for physically handicapped men and women. Correspondence courses are also common. The required tuition is paid

by the state in either case. Though the act permits it, the state has not undertaken the payment of ordinary living expenses during the period of rehabilitation. The state has assumed certain medical expenses especially for artificial limbs and braces.

The work has been well handled and important results achieved. Experience both in Maine and in other states indicates, however, that the therapeutic side of the work deserves greater emphasis and that this can be handled more efficiently and economically when brought into close contact with the health and welfare services of the state. It is, therefore, recommended that vocational rehabilitation be transferred from the department of education to the new department of health and welfare outlined in this report. Under this plan the field investigations will be made by the regular investigators of the welfare department and the therapeutic work done in the hospitals where modern equipment and trained staff will be available. This will improve the service and decrease the administrative cost.

### The Normal Schools

Maine has too many normal schools at the present time. None of these schools is located for the best interest of the work for which it is designed. If the slate were wiped clean, the needs of the state for teacher training would be better provided for by forgetting the five normal schools and the training school at Madawaska, and establishing not more than two normal schools, one at Portland and one at Bangor, where the teacher training work might be properly organized without wasted energy and travel.

Under the present plan, the cost to the taxpayers is excessive. The two larger institutions, offering as good or better training than the other normal schools of the state, run at a cost per pupil of approximately \$130 a year, and their dormitories are fully self-supporting except for the original investment. At the smaller schools, the average cost per pupil per year is \$289, or well over twice as much, and the dormitories are not self-supporting. At the smaller schools, there is the further difficulty that the school cannot afford to have as great specialization in the teaching staff. The present faculties of the normal schools are shown in the accompanying table.

NORMAL SCHOOL FACULTIES AND COSTS, 1929-1930

INSTITUTION	Number of Students	Per Pupil Cost	FACULTY			
			Number	College Graduates	Graduates of Same School	Average Annual Salary
Gorham .....	440	\$134	29	13	10	\$1,715
Farmington .....	420	122	25	11	13	1,705
Aroostook .....	134	288	9	4	1	1,815
Machias .....	133	240	16	6	3	1,616
Castine .....	93	299	14	2	10	1,399
Madawaska Training School .....	83	357	10	4	1	1,796



Four of these schools were established between 1864 and 1879, while the remaining two, Aroostook and Machias, were established in 1903 and 1909, respectively. In other words, all of the schools were established before the development of the automobile, before the construction of hardsurfaced highway, before the development of modern methods of teacher training through the extensive use of model schools, and before the inclusion in the curriculum of commercial and industrial arts work for which training can be provided only in or near cities. With these revolutionary changes in conditions, the state should consider a change of policy in normal school education.

It is manifestly impossible for financial and other reasons to abolish all of the present schools and adopt an entirely new plan. The state should, however, work out a new program to meet the new conditions, and then definitely control all future building and faculty appointments to conform to this program. The time may present itself when one or more of the smaller schools can be closed and its buildings and grounds transferred to some other state department or to the locality for educational or other purposes. Unless plans are made in advance, such opportunities will pass by without result.

The economies to be effected through consolidation are extensive. It is reasonable to suppose that the cost of students can be brought down to the Gorham and Farmington level. On the basis of the present enrollment this would effect an economy of \$70,000. This is 4 per cent interest on \$1,750,000. The chief reason for the consolidation is not economy, but the very much more adequate and modern educational work which can be offered with larger schools, larger and more diversified faculties, and better located institutions from the practice teaching standpoint.

### **Distribution of State School Funds**

As in most other states, the state of Maine has built up gradually from year to year a complicated system of state aid for local education. The more important bases for the allocation of funds are: the number of children between 5 and 21 years of age resident in the locality, the number of teachers employed, the aggregate school attendance, the amount spent for agricultural, industrial and domestic science instruction, the salaries of physical education teachers, the amount spent as secondary school tuition, and finally an equalization quota allowing credits for schools with an annual attendance of less than 1,500 pupil days, a credit for unavoidable closures, a credit for consolidated schools to meet conveyance of pupils, an allowance for meritorious projects, and an allowance for high tax rate towns, roughly in proportion to their tax burdens. The state aid to private academies rendering a public high school function is separately provided for with a distribution from the state school fund of \$205,000 annually based partly on courses

offered, partly on attendance, and partly on a further allotment made by resolve of the legislature from session to session. (See Chapter 154, Laws of 1929.)

This entire system of aid for public and quasi public educational institutions is obviously a hodge podge with no consistent underlying idea. The basic purpose of state aid is to guarantee to every child in the state a standard public school education without placing a disproportionate tax burden upon the poor as against the rich communities. After this comes the natural desire to encourage the improvement of schools in all sections of the state. This idea of encouraging local effort is a dangerous idea to follow to any large extent, because it is always the wealthy school districts, where the higher salaries are paid, which rush forward into the "encouraged" courses and thus receive the lion's share of the state aid, while the poor struggling towns, which can barely afford to give a simple schooling, cannot qualify for aid, though they contribute their full share to the tax funds. This situation has developed in most of our American states and has been remedied by recent revision of state aid laws in a number of jurisdictions. How far it is true in Maine is shown by the accompanying table.

STATE AID PER SCHOOL CHILD IN THE RICHEST AND  
POOREST SCHOOL DISTRICTS OF MAINE\*

Number of Children School Census		City or Town	State Aid Per Child in Average Daily Attendance
Group I	75-175	Richest: Lovell Poorest: Winterville	\$24.84 14.76
II	175-300	Richest: Farmingdale Poorest: St. John	16.12 11.84
III	300-500	Richest: Old Orchard Poorest: Oakfield	12.40 17.54
IV	500-700	Richest: Falmouth Poorest: Wallagrass	16.06 10.11
V	700-2,000	Richest: Bar Harbor Poorest: Eagle Lake	12.06 11.79
VI	Over 2,000	Richest: Lewiston Poorest: Caribou	17.16 10.13

\* Based on "Bulletin of Information" February, 1929, State Department of Education.

The cure of this condition is a matter of major importance to the state of Maine. The proper method of approach is for the state department of education, with such assistance as the commissioner may find necessary, to make a thorough analysis of the practical effect of the present laws, a study of the new laws of other states,

and then to draft for the governor and legislature a new comprehensive plan which will place a much greater emphasis on equalization than at present and which will establish an equitable and mathematical rule for the distribution of all aid including that for the academies.

### Investment of Funds

The state of Maine has under its control three important funds in which the schools of the state have a primary interest. These are:<sup>1</sup>

	<i>Principal</i>	<i>Actual Cash</i>
Permanent School Fund		
Established by Chapter 19, Sec. 201 R. S.	\$522,322.60	\$ 43,196.51
Lands Reserved for Public Uses Fund		
Established by Chapter 58, Sec. 1	747,840.14	622,196.04
Teachers' Retirement Fund		
Established by Chapter 19, Sec. 234 R. S.	6,817.33	6,817.33

<sup>1</sup>As of May 31, 1930.

Because of the compulsory nature of the teachers' retirement fund, the resources of this fund will soon be larger than either of the other two funds listed here.

The investment of the principal of these funds is by law entrusted to the state treasurer with the exception of the reserved lands fund which has been placed under the control of the farm lands loan commission. This commission is made up of the governor, the state auditor, the forest commissioner, the commissioner of agriculture, and the state commissioner of education. Investments are limited to: Maine state bonds; bonds of cities, towns or counties of the state of Maine; and United States bonds and farm mortgages. The farm lands loan act limits the mortgage loans to \$10,000 and to 50 per cent of market value, and provides the procedure of application and grant, and fixes the interest rate at 5 per cent. The provisions of the act follow the standards adopted in various other states, though they are weaker with respect to the foreclosure of delinquents. Since the act went into operation, 511 applications have been received and 161 loans granted. Of these, 40 have been paid up in full and 11 foreclosed. The amount outstanding at present is \$228,211.70, of which 24 loans involving \$20,461 are now in default on principal payments.

In the case of the permanent school fund, the small amount which has not been dissipated is on deposit in bank and not invested due to the failure of the law to authorize its investment.

The teachers' retirement fund may be invested by the state treasurer in accordance with the laws governing savings banks (R. S. Chapter 19, Sec. 242). This authorizes as investments, in addition to governmental bonds and certain stock, mortgages on real estate in Maine, New Hampshire, Massachusetts, Rhode Island, Con-

necticut, and Vermont, to 60 per cent of the market value; collateral loans; bankers' acceptances, bills of exchange and personal loans (R. S. Chapter 57, Sec. 27). This list is too extensive to be placed under the control of a single official, and is too broad for public funds under any condition.

In view of this situation, it is recommended that the investment provisions of these laws be completely revised. Since the schools have a special interest in these funds, it would seem appropriate to give their requirements first consideration in revising the investment provisions. Accordingly, it is suggested that preference in the investment of these funds be given to school bonds of the cities and towns of Maine. The interest rate should be set for 5 or  $4\frac{1}{2}$  per cent and the locality should be compelled to pay off a small part of the principal in addition to the interest each year.

Such an arrangement would be of great advantage to the taxpayers of the school districts—which eventually include all the people of the state—as they are now paying up to 6 per cent interest on school bonds and are in many cases allowing the bonds to run without making any provision for retirement. The arrangement would also be advantageous for the state as the interest rate would be satisfactory and the interest and principal are perfectly secure as the state may even deduct the amount due before the payment of the annual school moneys if that becomes necessary. It is the experience of New Jersey, Virginia, and other states which have entered upon the policy here recommended that there is no difficulty in collecting the amounts due.

Should there be funds that cannot be placed out through school bonds, the next preference should be given to town, village, and city bonds, rather than to state issues. The reason for this is that these smaller units of government generally have to pay higher rates of interest than does the state, especially if they go outside of the state.

We recommend that the private mortgage loan business be closed out through the refusal to loan further moneys under the farm lands loan act. This is no kind of a business for an ex-officio body of elected state officials to manage from Augusta. To make such a business a success, personal knowledge of local values, knowledge of changes in the economic status of individuals and localities, a readiness to foreclose when the time comes, and complete freedom from any possible political motive is required. All these conditions are inevitably lacking in such a set-up as Maine now has. There is the further danger that the state funds will be used more and more to pay off mortgages held by local banks who may decide to pull out of a given situation as has been done already to a limited extent. This abuse is encouraged by the fact that the local banks serve as the agents of the state farm lands loan commission under the provision of the law.

As far as we know, nothing untoward has happened thus far, but the danger is great, if there is anything in the experience of

other states. All in all, it would seem wiser to discontinue the mortgage business and use the funds to make money available at low rates for school building and other public work. This will be a benefit to every taxpayer. If, however, the state desires to continue the mortgage loan business, a plan should be adopted whereby the state furnishes funds to a responsible local association which assumes all of the administration under state rules and bears all of the risk.

In revising the investment provisions, authorization should be given to put the permanent school fund to work, and private loans, bankers' acceptances and bills of exchange, etc., should, of course, be prohibited as state fund investments.

### **Examining Boards for Professions, Occupations and Trades**

Maine has eleven boards which examine and license applicants in the several professions, occupations and trades as follows: accountancy, law, medicine, nursing, osteopathy, chiropractic, optometry, veterinary, dentistry, embalming, and pharmacy. These boards usually consist of three or five members, appointed by the governor and council and serving for overlapping terms of three or five years. The board of registration of medicine is an exception in that it consists of six members with overlapping terms of six years each. Usually a member of each board serves as its secretary and in this capacity has charge of the records pertaining to it as well as the collection of its receipts. Although these receipts are required to be turned over to the state treasurer quarterly, this is not generally done in practice. The secretary of the medical board, for example, maintains a bank account and turns over to the state treasurer the moneys accumulated in this account about twice a year.

As a rule, the members of the several examining boards receive \$5 per day for their services plus traveling expenses. The exceptions are as follows: the members of the medical board receive \$100 and the secretary \$300 per year with additional traveling expenses; the secretary of the board of embalming examiners, who is the commissioner of health serving ex officio, receives \$10 per day and traveling expenses; the members of the board of registration of nurses receive \$4 per day and necessary expenses, while the secretary of this board receives \$250 per year.

The different boards are supposed to keep their expenditures within their receipts except the board of pharmacy which gets an appropriation of \$1,000 a year in addition to its receipts. The total receipts of all the boards for the fiscal year ending June 30, 1930, were \$8,256.80, while the total expenditures were \$8,655.87. The expenditures were divided as follows: \$3,750.50 for salaries and per diems, \$1,902.94 for traveling expenses, and \$3,002.43 for office, printing and miscellaneous expenses.

Under the existing arrangement, the offices and records of the several boards follow the secretaries. At the present time, the sec-

retaries of four of the boards are located at Portland, three at Bangor, and one each at Auburn, Augusta, Lewiston, and Millinocket. Without consulting a state directory, one would not know where to address the secretary of any one of the examining boards. Not only are the offices of the boards widely scattered, but the records are inadequate or poorly kept in several instances and the procedure is without uniformity.

There is need for a central office at the state capitol in which the records of all the examining boards would be kept and through which the routine business of these boards would be conducted. If the receipts of the various boards are pooled, they should be adequate without any additional appropriation to maintain such an office and to meet the per diems and necessary expenses of board members. It is proposed also that a competent person be selected and placed in the department of education to act as general secretary for all the examining boards. This person should bring together the existing records of all boards, revise and classify these records so as to determine the active roll of licensees in each profession, occupation or trade, handle the secretarial and clerical work of the boards, and, as far as practicable, work out uniform procedure and fees. The filing of applications for examination, the notices of examination, the payment of fees, the issuance of licenses, and the recording of licensees are matters which can be handled more or less uniformly. This is now being done successfully in other states. The volume of this work in Maine is small enough that it may be handled by one individual with occasional stenographic or clerical help.

The examinations for licenses may be conducted by permanent boards, such as those existing at the present time, or by temporary boards or committees, the members of which are selected from lists furnished by the professions, trades or occupations directly interested. We believe that the temporary boards or committees are adequate, and that the members of these boards or committees should be selected by the commissioner of education from the recommended lists. We also believe that the department of education should be given power to pass on the academic credentials of all applicants for examination and license, a thing that is not done at the present time. This would require the establishment of minimum educational standards for each profession, trade, or occupation. Such is now the established practice in several states.

### **Office Space and Procedure**

The department of education is badly crowded for office space. Part of the present space is temporary, and the remainder poorly suited to the needs of the department. Though large rooms are appropriate for clerical employees engaged in routine activities, they

are distinctly unsatisfactory for executives, more particularly so where a considerable part of the work involves interviews as is the case in the department of education. The efficiency of the department would be greatly increased by the provision of appropriate office space.

The bookkeeping of appropriations and federal aid funds should be transferred to the recommended department of finance to avoid the duplication which now exists in this work. Approximately \$1,000 a year may be saved by this transfer.

As the teachers' retirement work begins, there will be need for the development of a systematic method of handling the receipts and payments. The list of pensioners under the old law and also under the new law should be set up so that the pension rolls and checks can be made up mechanically and sent out in window envelopes.

The various card lists and files of teachers, certificates, applicants for positions, etc., are in the main well designed. There is too much personal filing in the department, but this is more or less inherent in the present office arrangement and cannot be changed until more suitable office space is provided.

### Forecast

No state has ever deemed it advisable to cut down its appropriations for education over a period of years. The consolidation of the library and the museum with the department of education will not reduce their expenses, but should increase their usefulness. The transfer of the vocational rehabilitation work to the new department of health and welfare will not cut down the expenses, though less will be spent for travel and probably more for rehabilitation. The rearrangement of the office will make possible central secretarial and filing service for the executives in the department as far as they find this suitable. This is generally a real economy, but will not save the state of Maine materially as the work of the department is growing so that any savings in time will probably be used in other directions. Further expenditures are urgently needed especially in the supervision of physical education.

The revision of the methods of distribution of the state school fund will be of great help to the smaller and poorer towns, but it will not, of course, reduce the amount needed for education.

The only real economy which can be made is through the consolidation of normal schools and the elimination of the small high-cost institutions. This will save some \$70,000 annually, provided some good use can be found for the existing grounds and equipment. It may be well to note here the need for a new institution for defective delinquents as recommended in that chapter of the report which deals with state institutional problems. Possibly one of the smaller normal schools, as that at Castine, might be adapted to this purpose.

## THE STATE LIBRARY AND MUSEUM

In recommending the inclusion of the library and museum in the department of education, we have in mind the development of broader cooperation between the general educational work of the state and these two potentially valuable aids. Each can be so used so that it will be of vastly greater educational value to the people of the state without any material increase of expenditure.

### The State Library

The state library is on the whole an excellent institution, well officered and well equipped. It is seriously handicapped for space at the present time owing in a measure to the accumulation of public documents whose current use is slight but whose preservation in part is highly desirable as historical records. It is possible, we think, by a judicious selection of material and the destruction or sale of such volumes and documents as have lost value because of obsolescence or are unnecessary duplications. We recommend, therefore, an immediate survey of library files to eliminate from active files all material which has not current value or definite historical interest.

A serious situation exists in the magazine room which is now overtaxed as to capacity. The present sectional wood cases are arranged twenty feet high around the four walls of the room and at some points, due to their overloading, are partly detached from the walls. The fall of one of these cases might easily do a great deal of damage to property and might, if the room were occupied by employees or visitors at the time, be the cause of serious personal injury or death. These stacks should be immediately lightened and properly braced.

Minor adjustments of space are perhaps possible in the main library room by double stacking, but as the room is now very crowded without adequate space for a reading room or even convenient use of material by employees and visitors, we see no great opportunity for space betterment without new construction. We have already commented on this matter in connection with our recommendations for reallocation and extensions of space in a preceding section.

With respect to library service, three extensions seem highly desirable. The reference section of the library is not as extensive as is necessary to meet the needs either of public officials or citizens in general. It is particularly weak in material of current value on public administration and the various special fields with which public administration is concerned. It would be of great value to public officers and the citizens of the state, particularly while administrative reforms and new legislation are under consideration, to have a well selected reference library of this kind. Much of this material can



be obtained at small cost from agencies of the national and state governments and private agencies interested in the promotion of special projects related to government administration. The list of published documents alone which can be obtained free or at small cost is almost unending.

It is desirable, also, that the director of the state library be given responsibility for supervising the libraries of state institutions, and in cooperation with the commissioner of education, adapting the institutional libraries to a more definite institutional educational purpose. The present library extension service should, as a matter of fact, be extended to cover the state institutions. The libraries of state institutions at the present time are mere collections of books, poorly selected and having no apparent relation either to the interests of institutional authorities or the educational and recreational needs of inmates. Well selected, properly managed, well kept, useful libraries are an essential feature of institutional work.

The practice of the various departments of purchasing certain of their own reference books and of maintaining individual departmental libraries should be discouraged. All reference books and other material of departmental interest and permanent value should be transferred to the state library and placed under its control, except, perhaps, such material as is needed in the departments for daily reference. The library is conveniently situated for the use of all departments and with proper indexing of material any officer could obtain any book or pamphlet he needs at short notice. When new reference material is needed by any department, requisition for purchase should be made to the librarian. A list of all new acquisitions should be furnished at least monthly to the officers of government. No direct expenditures for books or other documents should be permitted departmental officers. Provision should be made to meet their needs in the library budget. This will prevent the purchase of unnecessary books or documents, prevent duplication of purchases, prevent loss or misappropriation of library material, and guarantee more efficient library service to all at lower expenditure.

### **The State Museum**

The state museum is at the present time a mere collection of objects, chiefly illustrating Maine's animal life, with an odd lot of curiosities which have no particular relation to the interests of Maine people. There has apparently been no definite policy of museum development and no attempt to make it of real educational value to the state. This is in the main due to the fact that the museum has been regarded as merely a sort of appendage of the department of inland fish and game and has been without adequate supervision. At the present time, it is largely left to the ministrations of a caretaker.

To make the museum really useful, it should have a curator who will be wholly responsible for the selection, preparation, arrangement, labeling and display of exhibits. Museum material should, moreover, be selected which will have a definite relation to the interests of Maine people as exhibits of the natural resources of Maine, its industrial life, its governmental activities, etc. For example, Maine's fish and game life might well constitute one section as at present; another section might well be devoted to her minerals; another to her native woods and their use in industry; another to other special industries and their processes; another to her insect pests and their parasites; another to her government, and so on. At the present time, the museum contributes nothing of value to the encouragement of Maine's industries and little to appreciation either of her governmental problems or her natural resources. It will never be practicable for Maine to develop a museum of great proportions or one in which mere curiosities are given important place, but a small museum limited in its scope to Maine resources and interests can be made ten times more valuable to officials and the public.

The space now utilized by the museum, on the first floor of the capitol, is well adapted to museum purposes, but this space is so badly needed for administrative purposes that the museum should remain in its quarters only if adequate space is provided for administrative offices in a state office building. If, however, a new wing is added to the capitol, the museum should be moved to such new wing and brought into coordination with other educational work of the state.

## CHAPTER XII

### CORPORATIONS

A new department of corporations is recommended to take over all of the work incident to the establishment or licensing of corporations, the licensing of agents, the issuance and sale of stock, the taxation of corporations and the regulation of business generally, with the exception of public utilities which will remain with the public utilities commission.

The department of corporations should include a bureau of charters, which will take over the work now performed in the office of the secretary of state relative to general corporations; a bureau of banking, which will take over all of the present work of the bank commissioner, except the "blue sky" work; a bureau of insurance, which will take over the work of the department of insurance; and a bureau of securities, which will take over the supervision of securities, issues and agents now handled by the banking department.

The head of the department should be appointed by the governor with the advice of the council. He should take charge personally of the bureau of corporations, and should give such time as is necessary to the remaining bureaus, each of which should be under a bureau chief. The bureau chiefs should be appointed by the head of the department on the basis of professional qualifications to serve during good behavior and in accordance with general regulations as to personnel control elsewhere discussed.

#### **The Bureau of Charters**

It is proposed to transfer from the secretary of state's office to the department of corporations the work now performed by the so-called corporation division. This work involves the filing of papers of incorporation, the keeping of corporation records, the preparation of an annual franchise tax roll, the sending out of franchise tax bills, the receipt of annual corporation reports, and the advertising and suspension of corporations which have failed to pay their annual franchise tax. A chief clerk and two assistants handle this work at the present time. This clerk and one assistant would probably be required to do the work under the department of corporations, with such time as the head of the department might give to it.

The procedure relative to incorporation would remain substantially as it is now. Applications would be filed with the department of corporations and reviewed, as at present, by the attorney general's office. Upon approval by the attorney general and after examination by the blue sky division of the department of corporations, the corporations would be admitted to do business within this state.

We think it is important, if the blue sky provisions of the law are to be properly enforced, that the corporation papers be carefully examined at the time each corporation is admitted. No suggestions are made for changes in the fees for the organization of corporations; these may well remain as at present.

It is proposed, however, to change somewhat the procedure for paying the annual franchise tax. At the present time the secretary of state's office makes up a roll of the taxable corporations, without extending the taxes, and sends it to the board of state assessors. A clerk in the assessor's office extends the amount of each corporation's tax on the roll. This extension is purely automatic, since the graduated amounts of the tax are definitely fixed in the law. No discretion is possible on the part of the assessors. When the roll is extended, it is returned to the corporation division in the secretary of state's office. This division prepares and sends out the first tax bills to the corporations. The roll is then turned over to the state treasurer and the taxes are payable to him. If he fails to collect the taxes on any corporation in the course of ten or eleven months after September 1, the secretary of state then prepares a list of the delinquent corporations and publishes it during August of the succeeding year in the papers of four cities within the state. Delinquent corporations which have not paid their taxes and the costs of advertising by December 1 of that year are suspended. So much for the existing procedure under the law. We propose that the roll of taxable corporations be prepared by the department of corporations, the taxes extended, and the tax bills made up in a single operation. As we have said, the computation of the taxes requires no judicial or other determination; it is automatic under the provisions of the law. The extended roll and the tax bills, when prepared, should then be sent to the department of finance, where the roll is audited and the amounts due accrued on the books of the controller. The roll and bills would be passed to the state treasurer, who would mail the bills to the corporations with instructions to remit the amount of the taxes directly to him. The treasurer should be responsible for the collection of delinquent taxes and for the preparation and publication of the delinquent list of corporations. At the expiration of the date for the collection of delinquent taxes, he should send to the department of corporations a list of the corporations which have failed to pay their taxes and this department will then suspend them. We believe this is a more expeditious and satisfactory method of handling the collection of the annual franchise tax on corporations.

At the present time the records, as they are being kept in the secretary of state's office, do not permit ready determination of the number of active corporations. Active, suspended, excused, and dissolved corporations are mixed together. During this survey, it was estimated that there were between 6,000 and 7,000 domestic corporations and between 500 and 600 foreign corporations on the active list. It is suggested that the present records be revised so

that the active corporations may be readily ascertainable, as well as the other groups of corporations.

### **The Bureau of Banking**

The bureau of banking in the proposed department of corporations should take over the present work of the banking commissioner with the exception of the supervision of securities, issues and sales. The work of this department is now performed efficiently, as far as can be determined by an examination of the work in the office, the reports made by the examiners, the general supervision given the examiners, and the records of the small number of bank failures which have occurred in Maine in the past decade. Review of the records in the office indicates that there has never been a time when the work of the office was being better taken care of than at present. The bank examinations which are being made today are far more exhaustive and complete than at any time in the past. This, rather than the growth of banking or of banking institutions, is the chief source of the growth of the work of the department.

In the field of supervision of financial institutions, the state has passed through the complete cycle of evolution which has also been evident in other states. First there was the period of legislative charters and legislative supervision, or rather, lack of supervision. This gave way, first in the case of savings banks, and then also for trust companies, to general incorporation and supervision by the banking commissioner. This last step was not made until 1907. One by one various other types of supervision by the commissioner of banking were introduced, such as for loan and building associations, thrift accounts, small loan agencies, branch banking and finally the "blue sky" securities regulation. There is but one type of regulation in this general field which is not dealt with in the state of Maine. This is real estate sales and agencies. With this single possible addition, it may be assumed that the activities now handled are relatively permanent, and will not change materially in the next decade, unless the bankers themselves ask for more frequent examinations as was contemplated by a recent bill presented to the legislature.

The present banking department is virtually a new department. Out of a staff of 19, only three have served for five years or more. There have been two underlying causes for this unusual turnover: politics and low salaries. Both of these defects are being overcome at present, and can be met even more successfully under the plans here recommended which will make of the head of the banking bureau a permanent official, and which will presuppose a standardization of salaries in accordance with the work to be performed by the personnel officer in the executive department, as recommended elsewhere in this report.

### The Bureau of Insurance

In contrast to the banking department, the department of insurance has an unusual record of continuity of service in its staff. Excluding one recently employed clerk, the average period of service, including the commissioner, is now 18 years.

The work of the department is well handled, and extensive card records and files are maintained covering all of the activities of the office. There are two parts of the work that might be extended somewhat further. These are the examination of Maine state insurance companies, and the investigation of incendiary fires.

The examination of insurance companies is by custom divided up among the insurance commissioners of the various states, each state being specially responsible for its own companies. The other states in which a company does business are generally satisfied with an examination of the financial statement of the company. In many instances even this work of examination is divided among a small group of states to lighten the load through cooperation. For this purpose Maine works with Rhode Island and Vermont. This is a good arrangement, especially as Rhode Island is one of the highly rated departments.

The duty still rests on Maine, however, of making a thorough examination of its own insurance companies, not only for its own protection, but for the other states as well. Fortunately this is not a very burdensome task, as there are but two life insurance companies and 51 mutual fire insurance companies incorporated by the state of Maine. Both life companies are visited each year by the commissioner of insurance with the assistance of clerks drawn from his office, and the books, the securities and investments examined. The reserves are computed actuarially each year on the basis of the policies outstanding, and the market value of the securities is determined from the list prepared by the national association of insurance commissioners for the purpose. In the case of the mutual fire companies, the examination is based entirely upon the reports furnished. This is generally regarded as sufficient, as mutual companies do not carry or require large invested surpluses and as fire companies do not require actuarial audits.

It is evident, however, that the department could make a more satisfactory audit of the Maine companies if one or more experienced examiners were available for the one or two weeks required to assist the commissioner in this work, in place of the office clerks who are now used. This is of course impossible now as part time examiners are expensive and all but worthless in work of this sort. But with the bringing together of the insurance commissioner and the banking commissioner in the same department, a practical plan can and should be worked out whereby two or more of the banking examiners would be assigned to the insurance work when needed for the audit of the cash, securities and records of the Maine state

insurance companies. With very little, if any, additional cost, the work could be placed on a high level of efficiency.

### **Transfer Fire Investigations to State Police**

The investigation of fires of suspicious origin is a police function. At the time this duty was laid upon the commissioner of insurance, there was no state police service. This situation is now changed. Many insurance men in the state feel that more investigations should be made. The commissioner joins in this view. The matter is not of large proportions however. At the most there are 20 to 30 such fires a year in the entire state, and many of these require no state investigation as they are adequately handled by city fire, police and detective forces. The transfer of the work to the state police would not add greatly to the work of the police. It would, however, mean more prompt and thorough investigation than can be made by any one commissioner, and the investigations could also be made more cheaply in most cases. The psychological effect throughout the state, which is of large importance, would not be lessened by the use of the police, and the work of prosecution might be helped, as the police are in continual contact with the local prosecuting officials.

If and when the work is transferred as here suggested, the insurance commissioner and the chief of the state police should work out a system of interdepartmental reports, so that the insurance commissioner would have copies of the reports at all times and so that whatever he may have may be available for the police.

### **Unauthorized Insurance Taxes**

The tax on unauthorized insurance should either be enforced or eliminated. The tax has now become purely voluntary; the good citizens and the ignorant pay, while the wise and the hard-fisted tear up their tax bills.

In view of the fact that the legislature is not now in session, it would seem that the best procedure would be for the insurance commissioner to ask the attorney general for a formal ruling as to the legality of the tax. If the attorney general holds that the tax is legal, he should then institute suit for the collection of delinquent taxes, instead of allowing the matter to drift. The present situation is manifestly unfair to those who do pay.

### **Simplification of Administrative Records**

The insurance department has an excellent system of records, indexes, card catalogues, copies of certificates, etc. They have been kept up with diligence and are in fine condition. Though it is difficult to outline economies in office routine without planning the whole system through to the last detail, it would seem that some

savings in work can be made in the indexing systems used. Two additional carbon copies made at the time agents' licenses are issued could be used in place of the present catalogue of agents licensed and also in place of the catalogue of agents by companies. In recording fire losses, the state card should be redesigned to conform to the loss report card of the National Board of Fire Underwriters, so that the report cards filed by the national board with the department may go directly into the file without being recopied, and so that the reports to be made by Maine to the national board on the losses of Maine mutual fire companies may be made out at the same time that the state loss record is made. These same cards with such cross reference cards as are necessary, should then go into the perpetual name index, instead of preparing an entirely new card for this purpose.

### **Biennial Licenses**

It is suggested that the insurance agents license be changed from an annual to a biennial basis, with a proportionate increase in the fees. An examination of several samples in the agents' card catalogue shows that approximately 65 per cent of the agents are licensed for two years or more for the same company and that a third of the agents are licensed for the same company for five years or more. Under these conditions, it is manifestly cheaper and more satisfactory to arrange all licenses on a biennial basis. During the first few years, it may be well to provide for a refund of half of the fee in case of cancellation within the first year.

### **Bureau of Securities Regulation**

The bureau of securities regulation should enforce the present "blue sky" law and assume, also, the licensing of real estate agents and the licensing of real estate sales companies, if an act is passed in the state providing for such regulation.

The work of this bureau now requires perhaps 25 per cent of the time of the banking commissioner, the full time of one junior examiner, and most of the time of one clerk. If the licensing of real estate companies is undertaken, the time of one more clerk may be necessary. If under the new arrangement the head of the department of corporations cannot devote a quarter of his time to the "blue sky" work, it will probably be necessary to add a senior examiner with some experience in finance and business to the bureau.

### **Taxation of Banking and Insurance Corporations**

This survey is not concerned with the kinds of taxes provided for by law, but only with the administrative methods that are used in enforcing these taxes. In the case of the taxes on banks and



insurance companies at the present time, all of the work leading up to the actual computation of the taxes is done in the banking and insurance departments respectively. Only the last clerical act of multiplying the rate and extending the taxes is done in the office of the board of assessors. We believe it would be simpler and more economical to perform the entire process in the department of corporations. Under such a plan, the tax bills can be made out at the same time as the tax roll, using a carbon process, and transmitted to the department of finance for audit and collection. This will save labor and errors.

### **Central Clerical Staff**

The department of corporations will be large enough to maintain a central clerical staff. All the files of the department should also be consolidated under a single clerk, except for the banking and the insurance files which may well remain in their respective bureaus.

Further examination may show that it is possible to bring together under a single clerical force the issuance of all licenses of agents for all types of business regulated by the department of corporations; to have all collections similarly handled by a single clerk, and to have all card catalogues of agents and other licensees similarly maintained. There is a special skill and thoroughness required in supervising such work, which can best be utilized by concentration of the clerks involved under a single individual.

Under any such plan the peak load will occur in July and August because of the insurance agents' licenses, and the vacations. This may be adjusted by shifting vacations in the department to other months and by arranging the license year for certain classes of licenses so that the administrative work will be somewhat distributed.

### **Transfer Bookkeeping to Finance Department**

With the establishment of a genuine finance department, the bulk of the bookkeeping now carried on in the divisions to be brought into the new department of corporations can and should be transferred to the finance department. There will be no need of maintaining the present records of departmental receipts and appropriation accounts. When these records are transferred, the only financial record the commissioner will have will be his daily deposit slips of cash and checks turned over to the treasurer. In other words, the department will be almost entirely freed of bookkeeping.

### **Possible Savings Through Reorganization**

The program of reorganization suggested in connection with the department of corporations will have no appreciable effect on the

budget. There will be a saving in personnel in the general corporation work, and in the insurance work, especially as there will be no need for the appointment of a deputy to fill the vacancy in the office of the insurance commissioner. The head of the department will devote personal attention to the "blue sky" work, thus making the appointment of an additional senior examiner there unnecessary. The indicated economies will slightly exceed the additional costs involved in the new arrangement. The reason for the changes is not primarily financial but administrative. The return will be in the form of better service.

## CHAPTER XIII

### LABOR

The functions of the state with regard to labor and working conditions should be brought together in a single department of labor. This would include all of the activities now carried on by the commissioner of labor and industry, by the industrial accident commission, and by the state board of arbitration and conciliation. Though the two boards involved should not be abolished because of the nature of their work, they should be a part of the department of labor, because of the interrelation of their activities.

Under such a plan of reorganization, the department would have the following major functions:

- The enforcement of laws regulating the employment of minors and women;

- The enforcement of laws and orders established for the protection of health, lives and limbs of workers;

- The enforcement of laws regulating the payment of wages;

- The inspection of factories and other places of work;

- The hearing of evidence, the making of awards and the enforcement of the workmen's compensation act;

- The arbitration of strikes and the conciliation of labor difficulties, and

- The collection and analysis of statistical material with regard to workers, wages, accidents, industries and labor organizations.

#### Other Essential Activities

Examination of the work which is now being done indicates three lines of activity which need greater emphasis than is being given them at present. These are accident prevention, statistical research, and free employment service.

At the present time, the commissioner of labor, and two factory inspectors, one of whom is a woman, are endeavoring to inspect 2,500 establishments, to make an immediate special investigation of every fatal accident, and to inquire into every complaint which is received of irregular conditions. Under the circumstances, very little can be done with preventive safety engineering. In addition there is no time or special staff for boiler or elevator inspections, in fact the state has no boiler code whatsoever. During some recent special work, boilers were found to be in operation in the state of Maine which had been condemned and shipped out of a neighboring state.

Safety engineering involves more than the investigation of the causes of fatal accidents. It includes the application of preventive measures, the development of new safety appliances, the education of manufacturers in prevention and the issuance of orders where

necessary for the installation of improved safety devices and methods. Some of this work is now being done by the commissioner and the two inspectors, but the state needs the full time services of a trained safety engineer. To meet the special needs of the state, this engineer should also be able to make and direct boiler inspections.

The second task which needs even more attention is that of gathering and analyzing the statistics of labor and industry. A small amount of factual material is now gathered and tabulated by the department. A new classification and analysis of accidents as reported to the industrial accident commission has been started during the present year. The commissioner has a weekly summary of employment in the four chief manufacturing industries of the state. There are, however, no monthly or periodic reports on general labor or wage conditions, and none of the larger tabulations of the material which is now available have been published during recent years for reasons of economy.

How much and what labor statistics should a state collect? This is of course a debatable question. But whatever standard may be set, the state of Maine falls short. For this the department is not to be blamed, as no funds are available under the present appropriation for any further statistical work. For the future, however, more attention should be directed to the systematic gathering and analysis of facts to serve as the basis of future public policy in the whole field of labor legislation.

A further important service which the department of labor can render the state is the establishment of free public employment agencies in the three employment centers chiefly affected by seasonal work: the southern part of the state, the potato regions and the lumbering regions. There is no reason why this seasonal work cannot be shared with the unemployed residents of the state. The plans already prepared by the commissioner of labor for meeting this situation appear practical and economical.

### **Departmental Organization**

The administrative head of the proposed department of labor should be the commissioner, appointed by the governor with the advice of the council. He would be a member of the governor's cabinet, and ex officio, a member of the industrial accident commission. He should appoint and define the duties of all of the employees of the department, except for the chairman and two associate commissioners of the industrial accident commission. The board of arbitration and conciliation should be appointed as now by the governor and council, but with the advice of the commissioner of labor, and the secretary of the board should be designated by the commissioner of labor, with the approval of the board and, whenever appropriate, from the staff of the department.

The industrial accident commission should be brought into the department physically and function virtually as at present under

its chairman. It is suggested that the commissioner of insurance be dropped from the commission as his function of approving the insurance policies and rates does not require his attendance at the hearings.

As in the case of the labor department, the industrial accident commission has been backward in the development of factual studies of its own records. A study of Maine experience should be of very real value not only for accident prevention in the future, but also in connection with any consideration of compensation insurance rates and classifications. By bringing the two departments together, the need of each for a statistical division can be satisfied by a single individual. The same is true in the accident prevention work. While preventive work belongs naturally in the labor department, the most important contact with accidents is through the work of the industrial accident commission and the greatest incentive for many manufacturers toward improvement is the reduction of accident costs as measured by insurance ratings or costs. There is thus a fundamental unity in the work of the two departments, which should be recognized more fully through the bringing together of the two activities in a single department of the state government, as has already been done in New York, in Illinois, and in a number of other states.

The statistical work, especially with regard to accidents has already reached a point where it cannot be handled economically by the process of hand tabulation. During 1929, 16,400 accident reports were filed and 1,100 cases heard. When the state acquires sorting and tabulating equipment, the statistical material should be carried to punch cards. This will make it possible to produce any type of statistical analysis which may be desired promptly and at very little expense.

The clerical staffs of the present department of labor and of the industrial accident commission can be brought together with real advantage. With a slight revision of the records, the accident cards now being kept by the department of labor can be eliminated. This is also true of the records of insurance policies which are being kept both by the commission and by the insurance department. Though the present relations between the department of labor and the industrial accident commission are thoroughly satisfactory, there would be a distinct gain in bringing the two organizations together with adjoining offices and joint files, records, and clerical forces. This will of course involve rearrangement of office space.

Appropriation accounts are now kept in both departments, and a record of receipts for certified copies of records and for blank forms is maintained in the industrial accident commission. It goes without saying that such bookkeeping should all be transferred to the proposed finance department where it can be handled more efficiently.

The program of consolidation which is here outlined will save the state approximately \$1,500 per year in clerical services and lost

time, not counting the elimination from the labor department budget of \$1,500 with the withdrawal of the insurance commissioner from the industrial accident commission as this will have to be made up at another point in the state budget. This small economy will be more than cancelled, however, if the recommended additional activities of the labor department are assumed. These will require approximately \$4,500 for a safety engineer, who will also take charge of the new boiler inspection work, \$2,500 for statistical services, and \$3,000 for free employment agencies, which will be matched by a similar amount from the federal government.

## CHAPTER XIV

### THE PUBLIC UTILITIES COMMISSION AND RELATED AGENCIES

In the state of Maine, as in the great majority of American states, the regulation of the services and rates of public utilities is a vexing problem; and the regulatory agencies and their policies have become the objects of heated political controversies. This state of affairs is attributable less, however, to the sins of commission and omission of the agencies themselves than to the current differences of opinion as to the scope and methods of regulation. The growth of intra-state and interstate holding companies; the growing number of utilities of various types which have not yet been brought under federal control but which have escaped from state control because of the interstate nature of their operations; and the nebulous state of judicial opinion as to the essential requirements of a valid rate base, have combined to throw both expert and lay opinion into confusion along a wide front. Because of the attitude of the federal courts toward the questions involved, no one state working alone can hope to clarify the situation.

It is not surprising, therefore, that many even among the advocates and supporters of the existing plan of state regulation should be dissatisfied with the results which have been achieved. On the other hand, it is probable that even those public utilities commissions which have, in the face of these facts, lost the courage necessary for the assumption of the initiative in regulatory matters may nevertheless be exercising a salutary influence in maintaining the status quo, pending the crystallization of public opinion in support of one or another of the conflicting theories which are now being so hotly debated.

Only a person endowed with the gift of prophecy could see clearly the direction which future developments in this field will take—whether, for example, the state agencies will have simply the administrative duties of entering on the public records, and verifying certain reports to be submitted by the public utilities; whether they will assume permanently a status more or less analogous to that of special master in cases which are, or may become, matters of litigation; or whether they will be required to take the initiative, as representatives of the interests of large numbers of users against corporations which are, in the nature of things, outside the scope of the competitive forces which regulate rates and services in non-monopolistic activities. Furthermore, existing statutes, when read against the background of state and federal court decisions, fail to indicate clearly the character of the functions which the regulatory agencies now have the right and the duty to exercise. In view of the

fact that any plan of reorganization must be predicated on a clear cut knowledge of the functions to be discharged; that it is difficult to establish beyond question either what the present functions of the public utilities commissions are, or what their future functions are likely to be; and that the maintenance of the status quo, until such time as the situation is clarified, is itself probably a thing to be desired, no proposals for a change in the form of the existing public utilities commission, as such, are submitted in this report.

It is recommended, however, that the statutes be amended so as to eliminate certain obstacles which at present stand in the way of a more flexible organization of the administrative staff inside the department; and to transfer to the proposed departments of health and welfare, and of conservation, certain duties which now devolve on the public utilities commission. These duties have only a remote relationship to the regulation of rates and services, but they do have a direct relationship to the functions of those departments.

### Internal Organization

The internal organization of the department at present is not well planned. Leaving out of account the secretary to the chairman of the commission, and the personnel engaged in hydrographic and topographic surveys in cooperation with the federal government, the commission has fifteen subordinates. These are organized into six separate units, two with one member each, two with two members each, one with three members, and one with six. In other words, six of the fifteen employees are responsible directly to the commission as a body, which serves as the head of the department. Very few commissions are ever markedly successful in the task of administration. Where for one reason or another the retention of a commission in an administrative capacity is necessary or advisable, it is as a rule desirable for the commission to concentrate authority, at least over administrative routine, in the hands of one chief subordinate.

The provisions of section 1 of Chapter 62 (R. S. 1930), specifying the appointment of certain subordinates have contributed to building up an inflexible type of organization. If these were eliminated, it should be possible to make a much more effective use of the small staff available to the commission in the discharge of its wide range of regulatory duties. To cite only one instance, the chief inspector of utilities, who must under the existing statute be a practical railroad man, devotes his time and that of his assistant to the compilation of annual reports on certain aspects of railway operation and maintenance which have a bearing on safety. The scope and contents of the reports are modelled on the analogous reports made under the direction of the former railroad commission. While no fault is to be found with the reports themselves, it is doubt-



ful whether the compilation and publication of this data year after year makes the best possible use of the sums now required for that purpose. Other vestigial survivals of older agencies are also evident in the present plan of organization. These should be eliminated in order to make it possible to use any member of the staff at any point in the field of public utility regulation in general where the most urgent need manifested itself.

### **Public Health Functions**

About the time that the public utilities commission was created, a critical situation arose in the state because of the widespread pollution of sources of public water supply. The health department at the time was not only the target of general criticism, but its organization and duties were in a state of flux. As a result of these conditions, the legislature of 1917 conferred on the public utilities commission certain duties which were plainly public health functions. This fact is indicated clearly by the fact that the statute follows certain sections of the health laws of Massachusetts word for word, except that the words "public utilities commission" are substituted wherever "department of health" appears in the Massachusetts statutes, and that certain other minor textual changes were made to adapt the law to conditions in Maine.

During the next two years, the administration of the health functions was in the hands of the assistant clerk of the commission, acting in close cooperation with the state department of health, which is the only official source of information on pollution available to the public utilities commission. At a later period, the commission's chief engineer was made responsible for this work, and he was so impressed by its importance that he recommended the addition of a competent hydraulic and sanitary engineer to his staff. More recently, the discharge of these duties has become more perfunctory, the expenses incurred in this connection have declined to very low levels, and the commission has handled the problems directly, or through its secretary.

The conditions which prevailed when this public health function was conferred on the public utilities commission no longer obtain. The present health department is an active agency, and already has on its staff a competent sanitary engineer. It is recommended, therefore, that supervision over pollution of water supply be transferred to the proposed department of health and welfare.

### **Stream Gauging and Topographic Survey**

The closely related tasks of measuring the run-off of streams and of establishing precisely the areas of their water sheds have been carried on for several decades past in the state of Maine in cooperation with the federal government. During the present century, the

state survey commission, the water storage commission, the public utilities commission, the water power commission, and the public utilities commission for a second time, have in turn been charged with carrying on this work. The frequent shifts from one agency to another have been due primarily to the legislative battles waged over questions of water policy. While the collection of basic data on the capacity, variability and distribution of the sources of water power in Maine is a prerequisite to the formulation of a sound water power policy, it is neither necessary nor desirable that the task of compiling such data be placed under the supervision of the agency which is charged with administering the interim policy formulated by the legislature pending the formulation later of a definitive policy. It is recommended, therefore, that the statutes be amended so as to dissociate stream gauging and topographic surveys from the duties of administering the state's present water power policy; that the latter be left in the hands of the public utilities commission; and that the former be transferred to the proposed new department of conservation.

### COMMISSIONERS OF PENOBSCOT BOOM

The body now known as the Commissioners of the Penobscot Boom first appeared in the legislation of 1838, which authorized the governor and council to appoint a committee of three annually to view the booms, piers and works of the Penobscot Boom Corporation and to prescribe certain regulations for the guidance of that corporation in its dealings with the individuals and companies who were engaged in floating lumber down the Penobscot. They were to receive no salary but their expenses were to be paid by the boom corporation. In 1842, the powers of the committee were somewhat more clearly stated. At the expense of the corporation, they were to ascertain the cost, depreciation, and present value of the corporation's property; and to report its annual expenditures, losses and receipts. While the legislature did not surrender its direct control over rates, it conferred on the committee, in all other respects, regulatory powers over the largest public utility in the state at the time, which closely resemble those it has since conferred on the Public Utilities Commission with reference to practically all other public utilities in the state. When the controversy over rates nevertheless continued unabated at every session of the legislature, that body in 1854 incorporated the Penobscot Lumbering Association, membership in which was automatically conferred on every person whose logs passed through the boom; and conferred the right on that body to lease the boom from its owners and manage it on a cooperative basis. The boom committee was continued and was given the added powers to appoint a log agent to be paid by the association. The arrangement of 1854 has been continued down to date by successive acts practically without change, the log agent now serving as secretary of the lumbering association.

Meanwhile, however, great changes have taken place in the lumber industry. In the eight drives from 1835 to 1842, an average of more than 50,000,000 feet B. M. of logs passed through the boom per annum. The volume in one of those years was in excess of 82,000,000 feet. In 1842, furthermore, the logs of 160 separate owners passed through the boom. In the intervening period, both the volume of lumber and the number of owners have declined steadily, and in 1930 only 3,000,000 feet of long logs and 68,000 cords of pulpwood, belonging to three owners, were handled in the boom.

That the old agency has outlived its usefulness is indicated by several facts. In the first place, there have been periods in the past when all the positions on the commission became vacant by deaths, resignations or removals, and were not filled for some time thereafter by new appointments. No apparent bad effects resulted from that condition. In the second place, the governor and council have come to rely on the recommendations of the lumbering association in making the appointments, and the correspondence in the governor's files indicates that that association is having difficulty in finding men who are willing to accept the appointments. In the third place, the boom on the west branch of the Penobscot River, which because of shifts in the location of the mills has become much more important than that on the main river, both in volume of lumber handled and in number of owners served, operates successfully without the intervention of a state agency. For these reasons, it is recommended that the Commissioners of the Penobscot Boom be abolished. If rates of boomage should again become subjects of controversy in the future—a remote probability—it is recommended that booms be declared public utilities and brought under the supervision of the Public Utilities Commission.

### **INSPECTORS OF DAMS AND RESERVOIRS**

It is recommended that the office of inspector of dams and reservoirs be abolished and that the duty be transferred to the public utilities commission. For some time past, the governor and council have followed the wise policy of appointing the chief engineer of that commission to act as the one inspector of dams and reservoirs. The demands made on his time have been negligible. In the law making the transfer of functions, it is suggested that the public utilities commission be given authority to move for the repair or removal of unsafe dams on its own initiative, as well as on the initiative of individuals exposed to the hazards created by unsafe structures of that type. This step would be in complete harmony not only with the practice which has prevailed in the state for some time past, but also with existing legislation which requires that the commission receive and file the plans of all new dams.

## PORT OF PORTLAND AUTHORITY

The Port of Portland Authority was created by Chapter 114 of the Private and Special Laws of 1929. It took over, to hold as the property of the state of Maine, all rights, titles and interests in lands, wharves, privileges and personal property which had previously been held in the custody of the directors of the Port of Portland; or which might be vested by reversion or otherwise in the commissioners of the Portland state pier site district. It was clothed with all the powers to own, construct, extend and operate piers and terminal facilities which earlier legislation had conferred in 1919 on the directors of the Port of Portland; and to use, at its discretion, its net income for improvements and extensions. No indebtedness issued or liability incurred by the Port Authority in the exercise of this power, however, shall be an obligation of the state of Maine. In other words, the authority has no power to pledge, directly or indirectly, the credit of the state in excess of the revenues from the state property which has been placed in its charge. The statute continues the control by the state over the activities of the authority in the following ways: (1) the governor, with the advice and consent of the council, appoints four of the five directors who constitute the Port of Portland Authority, the fifth member being appointed by the council of the city of Portland; (2) no deed of conveyance of real estate, no lease for a term exceeding five years, and no contract for purchase or new construction exceeding \$5,000 is valid until approved by the governor and council; (3) an annual report of the condition of its property and finances must be made by the authority to the governor and council; and (4) the state auditor is required to approve the form in which it keeps its accounts, and to audit those accounts at least once a year.

Some difference of opinion exists today as to the proper definition of the term "net income" which the authority has available for extensions and improvements. The confusion arises out of the existence of two bond issues, the proceeds of which were used to acquire the site, and to construct the existing pier and terminal facilities, but toward whose support and retirement the Port of Portland Authority, and its predecessor, the directors of the Port of Portland Authority, have not contributed.

The first of these bond issues was made under authority of Chapter 117, Private and Special Laws of the special session of 1919, which incorporated the Portland state pier site district, and authorized it to issue bonds not in excess of \$400,000 for the purpose of acquiring a site for the state pier. The district includes the territory and people of Portland and South Portland, and is administered by a board consisting of the mayor and the treasurer of each of the two cities, and by a fifth member appointed by the directors of the Port of Portland. According to information obtained through the office of the state auditor, the district has outstanding \$345,000

in twenty-five year sinking fund bonds issued in 1921, and maturing on May 15, 1946. They bear interest at 5 per cent. The interest charges on these bonds, amounting to \$17,250 per annum, and sinking fund contributions considerably in excess of actuarial requirements, have been paid annually, not out of pier earnings, but out of the proceeds of taxes levied on property in the pier site district.

The second bond issue was made under an amendment to the state constitution ratified by the people at a special election held on September 8, 1919, and is commonly referred to as the state pier bonds. It consists of \$1,150,000 in bonds issued on March 1, 1922, for a maximum term of twenty years. The bonds bear interest at the rate of 4 per cent, and are to be retired in ten annual installments of \$115,000 each, the first of which falls due on March 1, 1933. As in the case of the pier site district bonds, the earnings of the piers have not been drawn on for the support of the bonds, the annual interest charges of \$46,000 a year having been met by the taxpayers of the state as a whole.

Relieved of the necessity of contributing to the support and retirement of the bonds issued for the acquisition of the site and the erection of the pier, the directors of the Port of Portland had succeeded in building up a surplus out of the excess of receipts over other expenses which amounted on December 31, 1928, to \$35,747.90. This surplus had accumulated, however, at a very uneven rate. The operations for the year 1927, for example, resulted in a deficit of \$7,982.15; those for 1925 yielded a surplus of \$13,996.60. The fluctuations in the net revenues were traceable in great part to two factors: (1) the great variation in gross revenues which, during the five calendar years that had elapsed since the completion of the pier, ranged from \$82,000 in 1926 to \$101,000 in 1928; and (2) the variable amounts spent out of revenues for repairs, equipment, and plant additions.

The foregoing figures are drawn from the report of February 28, 1929, made by the state auditor to the house of representatives in compliance with a house order of February 14 of that year, as published in H. D. 606 of the 84th legislature. The detail of the financial operations of the piers presented in that report makes it clear that no reserve for depreciation has been set up, and that the cash surplus on hand on December 31 of the year preceding, plus the amounts expended for repairs and additions represent a scant 1 per cent per annum on the investment in depreciable piers and sheds.

Taking into account the operations for the calendar year 1929, figures for which were obtained from the pier officials, the showing is somewhat more favorable. The gross revenues in that year reached the highest point in the history of the project—\$113,170.91. At the same time, the expenditures—\$82,266.90—reached a lower point than in any previous year except 1926, chiefly because no

additions were made to structure and buildings, and because repairs were held to a minimum. As a result, the cash surplus at the end of the year reached the total of \$66,651.91. This sum, accumulated during seven years of operation, is only slightly more than the interest for one year on the two bond issues made for the acquisition of the site, and for the erection of the pier. Because of the effect of the current worldwide business depression on freight movements generally, it is not improbable that the state pier is facing a period of declining gross revenues. The current surplus constitutes the only fund available to the Port Authority on which it can draw in meeting such a contingency. For this reason alone—even if the statutes on the subject were not clear—it would be extremely unwise for the state to include in its plan for its own future financing any part either of the existing cash surplus, or of the surpluses that may accrue hereafter.

Furthermore, the recommendations in the official report to the legislature on which subsequent action was based—that of the state harbor commission to the legislature of 1919—outlined clearly the plan of financing which was established with only minor variations in subsequent legislation. Throughout the text of the report which was submitted in support of the recommendations, one basic idea emerges frequently, as the following quotations indicate:

The immediate direct return from such a pier would probably not warrant its construction by private interest, but we are convinced that the indirect return to the state from this improvement in its transportation facilities would be so great as to make its construction immediately profitable, . . . (page 20)

The Port is the servant of the interior. . . . Its development calls into life new water lines and betters the service of old lines, and its merchants find new markets for inland products. (page 23)

No private party can be expected to make the large expenditures required for adequate port facilities. These must be made by the public, since the state or city . . . will benefit not only from a direct return but even more largely from the indirect return which increases the prosperity of the state in which this port is located. . . . The community may very properly find all its profits in the indirect returns. . . . (page 44)

In our judgment, the problem of port development may be compared to a considerable extent, at least, to that of a city or state supplying itself with highways, which certainly bring no direct return. . . . We believe it is true that the development of the Port of Portland is necessary not only to keep pace with the state's industrial development, but that through such a development an increase in the value of taxable property of the state and city will be brought about that will more than pay all the carrying charges of a new public terminal. (pp. 44-45)

In short, the report of the state harbor commission pointed out in 1918 the probability that the proposed pier would not produce revenues sufficient to support and retire the bonds issued for its acquisition. It based its proposal for state and local bond issues sufficient to provide the recommended port facilities on the argument first that the state as a whole would reap certain indirect benefits as a result of the erection of the pier; and second, that the city of Portland would receive certain special advantages, over and above those accruing to the state as a whole, as a result of the location of the pier in Portland harbor. The fact that these recommendations and the arguments on which they were based were available in printed form before the legislature and the people voted on the bond measures; and the further fact that the bond acts themselves make no stipulations for the use of pier revenues in the support or retirement of the bonds, would seem to indicate clearly the intention both of the legislature and of the people that the bonds be supported and retired out of taxes.

It is unfortunate that the serial retirements on the state's issue should have been deferred until 1933. It is too late now, however, to correct that mistake. Both the law and the fulfillment of the harbor commission's prediction of 1918 that the pier would not produce revenue sufficient to pay off the bonds, make it inevitable that the taxpayers of the state will have to continue to provide the interest, and that they will have to contribute the additional \$115,000 per annum necessary for serial retirements beginning in 1933. The taxpayers of the pier site district are in a somewhat more fortunate position. Because, since 1923, they have contributed to the sinking fund for the pier site bonds at a rate substantially in excess of actuarial requirements, they are now in the fortunate position where they can reduce their future contributions materially.

#### **BOARD OF HARBOR COMMISSIONERS FOR THE HARBOR OF PORTLAND**

The board of harbor commissioners for the Port of Portland, created by Chapter 192, Private and Special Laws of 1917, consists of four unsalaried members, two from Portland, and two from South Portland, appointed by the governor for overlapping four year terms. It has a list of powers most of which it has no machinery for exercising. Its staff consists of a harbor master and four pilots. The harbor master is responsible for policing the harbor generally, preventing the obstruction of channels, assigning berths for anchorages, and preventing pollution. His salary and expenses are paid by the city of Portland. The pilots are paid on a fee basis by the vessels they serve; but since no one is responsible for making up and enforcing a duty roster, it sometimes happens — especially in bad weather — that vessels which, under the terms of the law are required to have pilots, find that none is on duty. A pilot is always on hand, however, when outbound vessels of the classes required to have a pilot, leave the dock.

That there is an overlap in duties between the Port of Portland Authority and the board of harbor commissioners is recognized in the law creating the Port Authority. Section 8 of that act specifically provides that in case of conflict between the two agencies, the provisions of the Port Authority Act shall govern. Because of the inevitably loose organization growing out of the law creating the board of harbor commissioners, it is recommended that that body be abolished, and that the harbor master be appointed by the Port of Portland and carried on its payroll. There is some difference of opinion manifest among shipping interests in Portland as to whether or not pilots are necessary. If they are maintained, the duties of selecting them and of assigning them to duty on a definite roster should also be exercised by the Port Authority.



## CHAPTER XV

### THE ATTORNEY GENERAL AND OTHER AGENCIES

Under the constitution, the attorney general is chosen by joint ballot of the senators and representatives. The statutes require that he shall render his written opinion upon questions of law submitted to him by the executive, the legislature, or any of the departments, boards, and commissions of the state government. A similar duty is imposed upon him to appear before judicial tribunals on behalf of the state or any of its administrative branches, to represent and protect the public interest (R. S. c. 82, sec. 62).

The foregoing represents the usual scope of the duties attaching to the office. To these duties, however, have been added a considerable number of others. The attorney general is enjoined to consult and advise the county attorneys in criminal prosecutions, and if necessary, to assist by attending grand jury sessions. This function, once of importance, has fallen into desuetude, and is now rarely exercised. But the concept of the attorney general as a law-enforcement officer lingers, with the result that he is empowered to employ detectives, offer rewards and use such other means as he may deem advisable for the detection and apprehension of offenders. Funds to the extent of \$12,500 are authorized by law for this specific purpose.

The attorney general is also authorized to employ a deputy, assistants and associated attorneys for legislative drafting, for the review of the certificates of organization of new corporations, for the assessment and collection of the inheritance tax, for the collection of delinquent franchise and gasoline taxes and for the administration of the Workmen's Compensation Act for state employees. Salaries for these employees are fixed by the attorney general with the approval of the governor and council. The number of clerks and their salaries are also such as may be approved by the executive power. Opportunity for further expense, independently of specific legislative action, is contained in the provision for the employment of additional assistant attorneys general, associated attorneys, and clerks from funds collected by the office, if the governor and council approve. We have, then, an office grown from small beginnings, which has expanded far beyond its original scope and purpose, and is still expanding, or striving to do so.

As far as the strictly legal aspects of the work of the attorney general are concerned, there is positive detriment arising from the fact that the office is filled by the two houses of the legislature, acting conjointly. In his traditional sphere, the attorney general acts chiefly as the legal conseller to the administrative branches of

the state government. As such he should be appointed by, and held directly responsible to, the executive, and we recommend constitutional amendment to this end.

The appropriation made for general law enforcement by the attorney general ignores the fact that the state highway police now exercise full police powers, and are available for the assistance of all state departments. It is recommended that the criminal investigations now conducted by temporary employees of the attorney general's office be turned over to the highway police. The fund may accordingly be reduced to a point where it will be sufficient for the purposes of arrest rewards, extraditions, and similar occasional needs, and placed at the disposal of the state executive.

The biennial reports of the attorney general may be greatly reduced as to publication cost by the exclusion of the detailed lists of persons sentenced in the several counties. These now absorb about three-fourths of the reports averaging 250 printed pages for each biennium. The summary tables, and the opinions rendered, may profitably be retained.

### THE MAINE DEVELOPMENT COMMISSION

In its work of advertising the advantages of the state through its development commission, Maine is attempting what has been tried by a number of states, usually without success. The current experiment in Maine, now in its fourth year, has profited by an intelligent direction which is considerably above that in most of the states where similar activities have been undertaken.

So far as methods are concerned, the work of the commission indicates that it has given thoughtful consideration both to the salient features of Maine's advantages which are to be stressed, and to the advertising media through which those persons who are economically capable of availing themselves of those advantages may best be reached. On the other hand, the field of advertising, whether public or private, is an exceedingly difficult one in which to measure results. No attempt will be made in this report, therefore, to estimate whether or not the benefits to the taxpayers and to the state in general are commensurate with the expenditure of \$75,000 per annum authorized by the legislature of 1929.

In addition to the ineptitude in management which has frequently accompanied similar publicity work in other states, two dangers confront this type of work. In the first place, it is difficult to design an advertising campaign which will be equally satisfactory to all sections of the state, and to all of the divergent economic groups who make up the general body of taxpayers. In the second place, it is not always easy to draw the line between a movement to advance the general interests of the state as a whole, and a campaign to further the interests within the state of a party,

a faction, a group or an individual. There are indications that the commission has not been entirely successful in avoiding either of these dangers. Judging by experience elsewhere, a considerable percentage of the enemies made by errors in judgment or as an unforeseen by-product of a deliberate plan, become permanent enemies. These accumulate with each successive mistake until they develop strength enough, if not to abolish the publicity work, then at least to cripple it by reduced appropriations. Because of these tendencies, and quite apart from the question of whether or not work of this character deserves to be continued as a state function, it is hardly probable that the Maine development commission will remain a permanent agency of the state government. For this reason, and because of the difficulty of fitting the agency into any of the departments in the reorganized government proposed elsewhere in this report, it is recommended that the Maine development commission be left in its present form.

With respect to the amounts to be appropriated for its support, it is difficult to formulate concrete proposals for reasons already made sufficiently clear in the preceding paragraphs. The appropriation for the commission authorized by the legislature of 1927 was \$50,000 per annum during the succeeding biennium. The legislature of 1929 authorized an increase to \$75,000 per annum during the current biennium. The commission itself feels that it should have at least \$100,000. One of the results of the increased appropriation in 1929 seems to have been a substantial falling off in the amounts contributed to the publicity campaign by the towns cooperating in it. In the absence of direct measures of the effectiveness of the commission's work, the legislature might use as an index of the general public opinion concerning it, the amounts contributed directly to the work by the towns of the state, and the sums contributed indirectly by the private associations of hotel keepers and others who cooperate closely with the commission. It would certainly seem to be unwise to increase the present appropriations until towns and private associations at least duplicate that sum.

### **COMMISSIONERS OF WRECKS AND SHIPWRECKED GOODS**

It is recommended that the office of commissioners of wrecks and shipwrecked goods be abolished. These officers served a highly useful purpose in the days when their positions were created. Nowadays, however, when the coast is lined with federal coast guard stations which maintain patrols and lookouts for the purpose of aiding vessels in distress; and when the development of communication both by land wires and by radio has made it possible for those responsible for wrecked vessels to get in touch promptly both with the owners and the underwriters, the position

has become largely a superfluous one. This is indicated by the fact that only one commissioner is now on the state's roster. He resides at Rockland. At other points along the coast, where the need for the office must be as great as at that point, men engaged in or closely connected with the shipping business were surprised to learn that the statutes provided for the appointment of such officials, and could not see what useful purpose they would serve if appointed.

While the continuance of the office would impose no burden on the state, there being no salary attached to the position, it is felt that the abolition of the post would be desirable in connection with the general program of simplifying the state's administrative machinery.

### THE STATE ASSAYER

For many years past, the statutes have authorized the governor, with the advice and consent of the council, to appoint one or more suitable persons to be assayers, such assayers to analyze such ores, metals and other substances as may be brought to them. The compensation of these assayers is to be paid by the persons employing them. No requirements are set up in the law for the examination of applicants for the position, and no reports are required to be made. The only apparent effect of the law is to make it possible for the assayer or assayers so appointed to use the title "state assayer" in his search for business. In the complete absence of control over the assayers appointed, there is always the danger that this power may be abused. Nothing was discovered which would indicate that the power has been abused by the present or previous incumbents of the office. In order, however, to eliminate the danger, and because, furthermore, the office seems to serve no useful purpose in the business of the state, it is recommended that the office be abolished. The University of Maine could no doubt discharge all the duties of the present state assayer as such, without the need of additional legislation.

### INSPECTORS OF FISH

It is recommended that the office of inspectors of fish be abolished and that the duties of inspecting pickled fish packed or cured for exportation be transferred to the bureau of health in the department of health and welfare.

The office is an old one, and in earlier days was quite important. According to the annual reports of the department of sea and shore fisheries, there were twenty or more of these officials in existence during the period from 1903 to 1906. It was their duty to inspect and brand all casks of pickled fish packed for exportation in the towns for which they were appointed. They were entitled to seven cents per barrel for inspection and branding, exclusive of cooperage; received no money from the state; and made perfunctory reports on their activities, when they happened to think

of it, to the commissioner of sea and shore fisheries. With the decline of the pickling industry, the number of individuals who were willing to serve in that capacity fell off markedly. It became more and more frequent for the remaining picklers themselves to accept appointment as inspectors at the hands of the governor. A packer was thus vested with the authority of the state to inspect and brand his own product.

At the present time there is only one inspector of fish in commission, located at Boothbay Harbor. The abolition of the office would therefore entail no great disruption in existing state machinery. On the other hand, the transfer of the duties of inspecting pickled fish to the state agency charged with inspection of sardine packing and clam shucking should lead to a more effective control over this type of food supply without added expense to the state.

### LICENSED DETECTIVES

Licensed detectives, to a number not exceeding thirty-five, may be appointed by the governor with advice and consent of council for a term of four years, unless sooner revoked for cause. A bond of \$500 is required, conditioned on the proper discharge of their duties. They are required by statute to pay a \$10 fee before the license can be issued by the secretary of state. Their powers of arrest are similar to those of sheriffs and police officers generally. No character investigation of these men is made, and there is no evidence that they exercise their powers as quasi public police officers, except in those cases where the attorney general designates certain of them for special investigations on a per diem basis.

The statutes on this subject are defective, however, in that they treat the licensing of private detectives as a privilege, rather than as an obligation. Thereby state control over private detective operations, which is always desirable and sometimes most necessary, is lost. The license fees are inadequate to pay the cost of administration. There are not less than eight private detective agencies maintaining offices within the state. Only four of these are represented in the list of thirty-five private detectives. In addition, the large private detective, private police, and industrial guard agencies, doubtless operate within the state from time to time, even though no business office is maintained there.

Repeal of the present statutes providing for the licensing of private detectives is recommended. Instead, the state should require a license from all private detective agencies operating within the state jurisdiction. Licenses should be issued only after a favorable report has been rendered on the applicant by the chief of highway police, and should carry a revocation clause. Annual, rather than quadrennial, licenses are recommended, and a license fee exacted of not less than \$100 per annum for agencies, and \$10 per annum for employees operating as private detectives. Failure to secure the license should be punishable as a misdemeanor.