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The State's Business : a Message to the People of  
Maine Delivered before the Eighth Annual  
Convention of the Maine Assessors by Percival P.  
Baxter, Governor of Maine; Augusta, November  
12, 1924

Percival P. Baxter

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Maine. Governor, 1921-1924. (Percival P.  
Baxter)

THE STATE'S BUSINESS

*A Message*

TO THE

PEOPLE OF MAINE

*Delivered before the*

EIGHTH ANNUAL CONVENTION

OF THE

*Maine Assessors*

BY

PERCIVAL P. BAXTER

*Governor of Maine*



AUGUSTA  
NOVEMBER 12  
1924

*A Message to the People of Maine Delivered Before the  
Eighth Annual Convention of the Maine Assessors,  
Augusta, November 12, 1924.*

Assessors of Maine:

When the Chairman of our State Board of Assessors, Hon. Clement S. Stetson, invited me to speak upon this occasion I accepted because it is a privilege to discuss problems with men and women like yourselves who are deeply interested in State affairs. I have enjoyed the four Assessors conventions that I have attended (1921-1924) and am of the opinion that there is no gathering held within the State that has greater possibilities of good than this. You men and women are at the head of public affairs in your cities and towns and are in a position to exert a wholesome influence over public sentiment in your several communities.

**Politicians**

Those of us in important positions of government are often accused of being "politicians," but personally I never have made claim to that distinction. As a matter of fact there is not as much "politics" in the State's affairs as many people would believe. I know that in the Governor's office and, with rare exceptions, the same is true elsewhere in the State House, questions are settled upon their merits and political maneuvering is not indulged in. I am not ashamed, however, to be called a "politician" because, as I interpret the word, every good citizen should be one. Politicians in Maine certainly stand as high in moral probity and public spirit as do our average business and professional men. My observations have led me to believe that these latter citizens have no reason to consider themselves in any sense superior to their political brothers who take an active interest in public affairs.

**Women**

The advent of women into politics has had a wholesome effect upon the political atmosphere in our State. I recall in the years gone by that when women appeared before Legislative committees their views were given but scant attention. All this has changed, and today when women

express themselves on public matters the men listen to them with great respect. The unfortunate conditions that often prevailed in party caucuses and conventions as well as at the polls, in certain sections of the State, have been entirely done away with. It is rare that liquor is seen or used, or profanity indulged in at our political gatherings and I know of no polling place in Maine where it is not entirely safe for a woman to enter alone and unannounced.

Maine has not been backward in giving women a position of full equality on political committees and several have been appointed and elected to important positions in our government. It is seldom that one encounters a man who does not admit that conditions have improved and that public affairs have been placed upon a higher plane through the advent of women into politics.

In national party affairs the change is equally as noticeable as in State. I have attended four National Conventions, and before women came into power when men held full sway the scenes in hotels and meeting places at those gatherings were very different from those of recent years. One of the most impressive features of the last National Republican Convention was when the entire audience stood and recited the Lord's Prayer in unison. Such a thing never would have been possible in the old days. This change is entirely attributable to the presence and uplifting influence of women.

### **The People to be Trusted**

There is no mystery about the government of a State, although office holders sometimes would like to have it appear to the layman that there is. Public officials often assume an air of aloofness, are reluctant to impart information, and convey the impression that the public business cannot be understood by ordinary citizens. Thomas Jefferson said: "The principles of right and wrong are easily discernible, requiring not the aid of many counsellors," and another writer expresses it well in saying, "The people can be trusted. All they need is to understand the questions and they will understand if you just give them a little time. They will understand in spite of the influences that are subservient to selfish interest and concentrated wealth."

The remark of Theodore Roosevelt, who believed in the people and understood them, is straight to the point. He said: "By actual experience in office I have found that I could secure the triumph of the causes in which I most believed not from the politicians and the men in business and government but by going over their heads and appealing directly to the people themselves. Whatever power I at any time had I obtained from the people."

### No Secrets

It is not at all difficult to mislead and confuse the public if a public man wishes to do so. This has been done so frequently that it is not surprising that the people often have a feeling of helplessness and become disgusted with public affairs. During my administration, however, there have been no secrets of State and everything has been open and above board. As for myself I have not been subject to any group or influence, but like Lloyd George, have "cast myself upon the people because I have never betrayed them." Public officials should keep in mind that "the art of government is the art of being honest," to which I add, "Keep the people informed, and interest them in public business, for it is their business."

I once was amused at the advice given me by a close friend whom I consulted about an address that I was preparing. After reading my notes he remarked: "For Heaven's sake don't be so frank, the thing for you to do is to say nothing that means anything. Just indulge in a few platitudes for the people do not understand." It is needless to say that this advice was not followed.

### Economy

It has been the purpose of this administration to save more and waste less. No sum has been too small to save, and every effort has been made to stop leaks and do away with little extravagances. It is true there is lost motion in certain departments and institutions, but on the whole the affairs of our State are well managed and the work that is done is of general public benefit.

The State of Maine is in excellent financial condition. On November 1st we had \$1,908,407.97 in our Treasury. Our

business is handled as economically and efficiently as are the affairs of most of the large private corporations. My experience with such corporations has been that they do not escape leaks and extravagances. Their employees often shirk on their jobs and there is a good deal of lost time and much waste of material. For results accomplished the State takes second place to none and, contrary to popular belief, "politics" does not hamper the efficient administration of its business. Where a Governor is not given the power of removal, possessed by most business executives, the efficiency that prevails here reflects credit upon the entire organization.

As to our State House officials and employees, my experience tells me that there is no need of "cleaning them out." Our affairs are open and above board and invite inspection without notice. Throughout my administration I have been proud of my "official family." The State House people are a body of earnest and conscientious workers who take pride in their work and are rendering faithful service.

Our State departments, with one exception, have rendered splendid cooperation and I have kept in touch with their affairs and worked with them. When I found that in 1922 it cost the State \$311,240.85 for automobile transportation I was surprised and began to make inquiries. I discovered that State owned motor cars, and cars privately owned and operated at the State's expense on a ten cent per mile basis, were at times being operated on other than public business. Acting upon my suggestion, the Council on January 2, 1923, passed an order that all State owned cars should be marked as the property of the State, and "For Official Use Only." Of course we realized that this was but a feeble attempt to correct abuses, but it seemed the best we could do at the time. Every department and institution, with the exception referred to, cheerfully complied with the order and made a determined effort to aid in correcting whatever evils existed.

As I have said, the marking order was passed on January 2, 1923. Although repeatedly requested and directed to do so, the head of the Industrial Accident Commission refused to mark the department's car, which of course was

State property. The Governor and Council were patient, but in December ordered the car taken from the Commission and sold. After this was done the Chairman offered to have the car lettered, but as he had been given eleven months to comply with the Council Order and had refused to do so, it was decided not to reopen the matter.

A short time after the car had been sold as above stated the Governor and Council, realizing that the head of the Commission referred to was out of sympathy with the present administration, although he had been appointed by the present Governor and confirmed by the Council, unanimously passed a Council Order asking him to resign in the public interest. This, however, he declined to do and although removal proceedings might have been instituted, it was thought best to leave the matter where it was and not place further emphasis upon it. Since December last the Commission has been without a State owned car. The relations between the Governor and Council and all the State's Departments and Institutions with this one exception have been mutually satisfactory and pleasant.

### Lapses

As I have stated, we have made whatever savings we could, great and small. One of the troublesome situations that presents itself is where departments or institutions are reluctant to have any portion of their unexpended legislative appropriations "lapse" into the State Treasury. It has happened that just before the end of a fiscal year purchases have been made or work undertaken to use up these balances. Where this has been done it has disclosed a lack of understanding and cooperation on the part of Trustees and Departmental heads, but when called to their attention by the Governor the situation has been remedied and the purchases and work have been charged to the succeeding fiscal year. This situation is not likely to occur again. Moreover, our departments and institutions better than ever before, have lived within their appropriations.

We have saved large amounts in printing, cutting this down almost one-half, in the purchase of coal, in refusing many increases in salaries, and in carrying on departmental work with four fewer deputies and without a State Pension Agent. By establishing at small expense a freight traffic bureau many thousands of dollars a year in freight have been saved, the State's freight bill being more than \$100,000 annually.

Economies have been instituted in the management of departments and institutions, and large sums saved through Executive vetoes. Without consciously doing so I estab-

lished a veto record, which I have not regretted. In fact had I added other vetoes to the list the State Treasury would have benefitted thereby. Vetoes, however, should not be taken too seriously by the advocates of the vetoed measure. They should not engender hard feelings for they merely register an honest difference of opinion. There is no reason why a Governor should subordinate his views to those of Legislators. His responsibility to the people is no less than theirs and as a rule he has had wider experience in public affairs. We need Governors in Maine who will veto all measures they cannot conscientiously approve.

### State Debt

The debt of the State of Maine is well within reason and today is \$14,545,300. I hope it will not be increased for the "Pay as you go" principle is sound finance. I believe if the State announced it intended to live within its income and was to borrow no more money, its action would have a wholesome influence upon our cities and towns and also would serve as a warning to our citizens that they too should live within their incomes.

We are paying off our debt each year and in 1924 shall have reduced it by \$475,000. If bonds are to be issued they should never be for a longer period than twenty years, and none should be refunded or reissued. It is well to remind ourselves that once debts are incurred somebody must pay them, and interest runs rapidly into large figures. Future generations will have their own problems to meet, problems as acute as our own, and except in grave emergencies such as war or like catastrophies the present generation has no right to place a mortgage upon the property and prosperity of those that follow.

Many States are carrying on their activities without resorting to bond issues, while others are piling up debts without limit. As for Maine I believe we should stop borrowing money and should look forward to the day when the State will be free of debt. As for our road program it can be carried forward with reasonable dispatch without additional bonds. We have made excellent progress on road construction but must not expect to proceed too rapidly. I do not believe we even should bond the so-called "permanent" portion of our roads for there is no such thing as a permanent road. Every part wears out in time. We should not lead ourselves into a false position.

I want to go on record as opposed to any future bridge or road bond issues, and as a citizen of Maine in 1924 I am willing to carry a heavier tax burden myself so that those who follow me will not be forced to pay for improvements I enjoyed.



## Taxes

It should be borne in mind that taxes come from the people, for every dollar paid in as taxes must be earned by somebody, somewhere and somehow. The only way to reduce taxation is to cut down expenditure. When this is done everybody is benefited.

Henry Ford wisely has said, "High taxes put burdens on the poor. Every time taxes are increased the politicians have more money to spend. One dollar in every eight now goes for taxes." These are the words of a shrewd, successful business man, and should be taken to heart by every legislator and citizen. Taxes are too high, but certainly there is no excuse for having them any higher. Moreover I see no need of any new forms of taxation, for that means shifting the burden from one shoulder to another and giving the politicians "more money to spend." It is easy enough to devise new forms of taxation. Any man can invent a dozen which will be approved by everybody except by those who pay them. The successful public financier is the man who reduces taxes and does the State's work on less money. The ordinary "politician" wants to shift the tax burdens on to the shoulders of those who have the least political influence. He caters to the greatest number, regardless of the merits of the question and fears to cut down appropriations lest some supporter lose a job or a perquisite. The time has arrived to reduce, not shift or increase taxes. When everybody *wants* larger appropriations and everybody *needs* lower taxes, anybody can see that the solution of the problem requires thought, and above all else, courage.

All the activities of the State can be properly carried on with the State's present income and any increase of the tax burden either in the rate of taxation or in its form or method is not warranted. There is every reason why the State of Maine should follow the excellent example of the United States government and actually lower its taxes during the coming fiscal years. It can and should be done.

## Railroad Taxes

We would all like to have lower taxes, and the railroads have entered upon an active campaign to secure them. In this they are supported by a strong combination of newspapers and banking interests. Our principal Maine railroad, the Maine Central, is constantly increasing its freight rates and curtailing its passenger service. Under the new schedules and classifications soon to be heard in the Eastern Rate Investigation hearing, additional burdens are to be placed on Maine shippers. Even if railroad taxes

were reduced no assurance is given that freight rates would be lowered or passenger service restored.

If you lower the taxes of one group, such as the railroads, you either must increase those of other groups or reduce your expenditures. Unless there can be a gradual all round reduction of taxes I am opposed to making any change at the present time, for the householder and the farmer are entitled to as much consideration as the railroads. Every well informed citizen appreciates the need of proper railroad service, to furnish which the railroads must be accorded every proper consideration, and I am glad to see that the Maine Central is gradually getting on a dividend basis. If railroad taxes are lowered either the State must cut down its expenses or other property must be called upon to make up the loss in revenue to the State by an increase in existing taxes or through the imposition of new ones.

An interesting comment on railroad operation is disclosed by the recent report of the Sandy River Railroad. When this was under Maine Central management it was operated at a loss and faced bankruptcy. The situation became desperate. After divorcing itself however from Maine Central control the present managers of the Sandy River have turned a deficit of \$37,734 into a surplus of \$16,781.

Management is everything in a railroad and the Sandy River situation calls attention to what can be accomplished through sound, prudent and businesslike methods. This furnishes a much needed object lesson. The question naturally arises in the inquiring mind, "Why cannot the Maine Central do likewise?"

If the railroads should succeed in securing lower taxes based in part on "net" income, it would be necessary for them to adopt some system of bookkeeping that would not be prejudicial to the public interest. Unless this was done the door would be left open to abuses and "net" income might vary according to the interpretation of railroad accountants. There would need to be some limitation placed on deductible items. Probably the bookkeeping requirements imposed by the Interstate Commerce Commission would cover most of these questions, but they all should be looked into and understood before any change is made.

It has been said that the present tax on "gross" earnings is "unscientific." Just what a "scientific" tax is I have yet to learn. The "gross" tax has the advantage of being cleancut and easily determined and, as far as I know, is as "scientific" as any. Under it the State is protected and no arguments can be raised by the taxpayer. I am informed that the present "gross" tax was suggested by the rail-

roads themselves and when adopted was satisfactory to them, and no doubt at that time effected a considerable saving for them.

I should like to see all taxes reduced, and the railroads are as much entitled to this relief as are the owners of homes and farms. We have built highways that compete with our railroads and have spent millions of dollars upon them. It would not be unreasonable to slow down our highway construction somewhat and by a readjustment of the State's finances reduce the present tax for road purposes. This would mean a saving to all the people, and a proportionate reduction could be made in the railroads' tax burdens. The railroads must be allowed to operate on a fair basis and should be given their "day in court."

It would not be fair to charge a railroad a property tax based on its real estate valuation and assessed at the general average of municipal taxes,  $38\frac{1}{4}$  mills. The railroad is taxed on its "right to do business," an excise tax. Its right of way is not real property, it is but an "easement." It is a public service corporation whose rates are fixed by and profits, if any, limited by public regulatory boards. It is not even independent in the wages it pays its employees. In these and other respects railroad ownership differs materially from ordinary property ownership. Of course where a railroad actually owns real estate, such as stations and warehouses, it pays the regular tax upon them.

I want this issue understood and faced squarely. Apart from the question of taxation, I believe it would be well for the Maine Central to revise certain features of its management. A railroad should have a board of directors each one of whom is vitally and financially interested in its success, and each one of whom is able and willing to do his part in actually "directing" the railroad. I believe that proper management is as much needed in the case in point as is tax reduction. The railroads must not be forced into bankruptcy; they must be treated fairly and on their part must treat the public fairly. The relationship is mutual.

### Special Mill Taxes

There are movements under way the object of which is to levy special mill taxes for certain purposes. This is well enough for the recipients of these favors but in my opinion the special mill tax system is unfair and unsound. It places a binding obligation upon succeeding legislatures, deprives them of their power to control the affairs of State and mortgages the State's income for years in advance. Once a special tax is established it is almost impossible to change or repeal it.

Mill taxes now are asked for "advertising the State," for the University of Maine and other purposes. We already have these special taxes for our roads, schools and war purposes, and today 5 1-3 mills out of the present State tax of 6 3-4 mills is obligated in advance of the meeting of the legislature. This means that 79% of the money raised from the present State tax is spoken for before the legislature convenes.

If every special mill tax were limited by law to a two-year period, affirmative action by the legislature being required before it could be extended for another two-year period, each legislature would be in a position to carry out its own policies unhampered by the acts of those who preceded them. Such a plan would increase the self respect of legislators.

It also would be in the public interest and be sound book-keeping if "continuing appropriations" were abolished, for they confer special advantages on the few departments that enjoy them. The State's books should be definitely closed at the end of every fiscal period.

### "Advertising the State"

A Statewide campaign has been launched to "advertise Maine." The plan is to secure a large legislative appropriation and to induce cities and towns to contribute from their tax levies, the money so obtained to be used to bring tourists to our State. It is hoped to make Maine a great summer resort. Those who would receive the principal and direct benefit from such an advertising program in my opinion are the ones who should pay for it. The transportation companies, hotels, boarding houses, sporting camps and a certain class of store keepers should carry this burden and not attempt to pass it on to the already overtaxed householder, farmer and manufacturer. Advertising is not a proper function of government. In its nature it is a private undertaking, to be financed by those who hope to benefit by it. The public at large should not be asked to support it.

We all want Maine to prosper and we are proud of our natural attractions. We want people from beyond our borders to share these with us and we welcome them to our midst. On the other hand the seasonal business brought by summer tourists is not conducive to normal, steady, all-the-year-round growth and prosperity. A community that is principally a summer resort is abnormal. Its citizens must earn their twelve months' living in two or three months' time. They are inclined to do little or nothing during the long closed periods and become care-takers of

other persons' property. A summer resort, whether in Maine or elsewhere, during the spring, fall and winter is a dreary place with an unwholesome atmosphere.

What we want in Maine is all-year-round citizens. Men who come here to build up our farms and industries, raise families and cast in their lot with us. I would rather have one thousand new permanent Maine citizens than many thousand casual visitors. A Maine town of a few hundred people with regular community life is of far greater value to the State than an exotic summer resort of ten times its population. Maine must not, like Switzerland, be a servile state of caretakers and tip seekers.

I do not want this State to cater to tourist travel at the expense of more enduring prosperity, for this somewhat temporary business at times has a demoralizing effect upon our citizens. At Maine's most famous resort, Bar Harbor, certain of the wealthy summer residents openly defy our laws and claim the privilege of doing about as they wish to do. They seem to think that our laws against liquor should not apply to them and they often have exerted a corrupting influence over local enforcement officials. There are other places in Maine where similar conditions prevail and where the conscience of the native citizens has been dulled by contact with outsiders. This condition of open lawlessness in resort places is not confined to Maine. On my recent trip to the South I found that conditions in the boom towns of Florida closely resemble those in certain Maine summer communities.

Those who come to our State must be made to understand that our laws are to be obeyed and that proper respect must be shown our institutions. If these people come in the right spirit they are welcome, if not the State is better off without them. In our search for the golden harvest we must not overlook the higher things of life.

Advertising the resorts of the State is an expensive undertaking which, like many other ventures that promise profit, should be financed by those who expect to reap the direct benefits that flow from it. I have witnessed the launching of a number of "Boom Maine" campaigns, none of which ever resulted in anything but wasted effort and useless expenditure of money.

### **Portland Pier and Springfield (Mass.) Fair**

If Maine is to build up institutions like the Springfield, Mass., Fair and the Pier at Portland there is little hope for the reduction of taxes, or even for keeping them as they are. We have all we can do properly to care for the State's legitimate activities within the State. In my opin-

ion the Springfield Fair is of comparatively little consequence to Maine, and of doubtful value to our agricultural and manufacturing interests. If our State ever constructs a building in that city it will prove a heavy load for us to carry and before it is completed we shall be tired of our bargain.

The Pier at Portland is still far from "paying its way." The Legislature appropriates \$46,000 annually to pay the interest on the Pier bonds. The State appropriated \$1,315,000 for building the Pier, not including about \$400,000 appropriated by the Cities of Portland and South Portland for the land and flats.

Nothing is being earned by the Pier to pay this interest on the bonds or to build up a sinking fund or provide for depreciation. Wharf property deteriorates rapidly and the U. S. Government considers 5% as a fair wharf depreciation charge. In view of the excellent construction of the Pier, a three per cent annual charge would be reasonable, and on \$1,315,000 would amount to \$39,450. No provision is made for a sinking fund to retire the bonds, which should be at least 1%, or \$17,150, on the total cost of the Pier and land under it, approximately \$1,715,000.

Totalling these customary business expenses—interest on bonds \$46,000; depreciation \$39,450 and sinking fund \$17,500—makes a total of \$102,950 of fixed charges. Before the Pier really can be said to be "earning its way," it should earn sufficient to pay this sum together with all its other ordinary expenses of maintenance and operation. Any private business undertaking would have to face this situation, but in the case of the Pier the tax-payers of Maine are obliged to take this \$102,950 out of their hard-earned savings every year to support it. These figures are conservative.

I believe the people are entitled to the facts. The Pier is a heavy expense and many persons like myself do not believe it is of sufficient benefit to the farmers and the manufacturers of Maine to warrant its construction. It has yet to be proven that the "intangible" benefits that accrue to the State from the Pier are sufficient to justify its having been constructed. Of course we all hope that sometime the Pier actually will be self-sustaining. The Pier Directors are deeply interested to make it so and are doing their utmost to encourage business and make the Pier a success. As long as the State owns it, it should be conducted on business lines. We must make the best, and the most of it. I regret that the State ever embarked on such an enterprise.

### Municipal Accounting

Few people realize the urgent need of uniform, accurate municipal accounting in our State. The books of many of our towns and cities are hopelessly confused, and many officials do not know whether their communities are solvent or otherwise. One city has borrowed taxes four years in advance, there are towns whose debt limits are considerably in excess of the five per cent constitutional restriction and the bookkeeping methods of others are shockingly slack. Under the law passed in 1923 municipalities have the privilege of calling upon the State Auditor's department for assistance in straightening out their accounting systems, and already several have taken advantage of the privilege. It would make for good business administration, real economy and an awakened civic interest if every town and city in our State was obliged by law to adopt modern bookkeeping. Only in this way can citizens obtain the information they require to keep in touch with municipal affairs and learn if their public servants are faithful to their trusts.

As an example of lax methods, few boards of assessors have accurate records of the amount of property lawfully tax exempt within their jurisdictions. Under a recent Legislative Act I appointed a Board to collect statistics on this important subject. Its report will prove interesting and helpful and no doubt will form the basis of legislation. Many millions of dollars worth of property now held in Maine escapes taxation under our laws. I do not refer to property that evades taxation, but to property that is *exempted* by law. These exemptions crept into our Statutes one at a time and though at first appearing harmless they have withdrawn large sums from our taxable assets, and the taxed property is bearing an undue share of the burden. I believe the Board referred to will find several hundred millions of dollars of tax exempt property in Maine. Once our people understand this they will correct the abuse. I look for excellent results from the work of this Board. It is rendering a distinct public service.

### Farms

Everybody talks about helping the farmer, whereas very little can be or has been done to aid him. Among political speakers one of the leading topics is Agriculture and but few of those who talk know anything about their subject. As I view it, the farmer to a large extent must settle his own problems. Certainly he has them. The only concrete suggestion of any value that has been made is that of "co-operative marketing" and even this has not proven altogether successful in the potato regions of Aroostook County.

The farmer like the consumer is at the mercy of the middle man. If there was some method whereby these two could be brought together, the farmer would receive more for his produce and the consumer would pay less.

I have no fear that Farm Co-operative Associations ever will indulge in the vicious practices of the great "trusts," and properly handled they may be of real help to those citizens who are trying to wring an honest living from the land. It has been urged that these associations would interfere with the normal "law of supply and demand," but that law does not operate unless there is free and unrestricted competition. Today such competition does not exist, for the individual farmer is subject to the dictation of the great food controlling trusts who manipulate prices at will.

The agricultural situation today in Maine is not as critical as a few years ago, but this improvement is not due to any relief given the farmer from the outside but to his own hard work and sacrifices. Some of the best men in the country are working on farm problems and good results ought to come from their efforts.

### Constitution and the Courts

The Constitution and the Courts lately have been much discussed, due largely to the fact that both have been under political fire. Our Federal Constitution ranks with Magna Charta as one of the greatest documents ever produced by the human mind. It is the foundation of our government, and as such is entitled to our utmost respect and support.

Certain radicals would have us believe that if any portion of the Constitution needs to be changed the whole structure should be torn down to effect it. As a matter of fact the Federal Constitution provides a lawful method for its own amendment, to which nineteen already have been added with a twentieth in prospect.

When I hear people talking about the Constitution I ask myself how many of them ever have read, or know where to find it. If our Constitution were taken from us, we then would appreciate what we had lost and perhaps would not be able to regain it. In order that the rising generation may know more of what it is and what it means, I urge our high school and grammar school teachers to read it to their children, even though it may not be fully understood by them, and to explain how and why it was adopted. The story is fascinating, and if often told will make better citizens of the rising generation.

The Courts of Maine are above reproach and have the confidence of all our citizens. We all look up to them. Our State is fortunate in the character and attainments of its



Judiciary. Our people respect their Judges, and the Judges themselves are sufficient reason for this respect. Other states may be dissatisfied with their judicial officers, but in Maine we are proud of the personal standing and splendid record of the men who decide our cases and interpret our laws.

In my opinion the Judges of our Higher Courts are not paid the salaries to which they are entitled. Men who occupy these all important positions should not be asked to serve the State at a sacrifice. I hope the time is not far distant when judicial salaries in Maine will, in a measure at least, reflect the great public service that our Judges are rendering.

### Institutions

Each State institution is a place of absorbing interest. If a Governor does not want to have his sympathies appealed to by the needs of the State's unfortunates, he should refrain from visiting the places where these men, women and children are cared for. Each time I visit an institution I want to do more and more for its inmates, and I wish the State had a million dollars of free money with which to complete and thoroughly equip every institution.

The 2000 insane patients at Augusta and Bangor are pitiful in the extreme. Apart from the world, abnormal, oftentimes feared and always shunned, they live out their lives in worlds we know not of. No one on earth can comfort them. The 535 feeble minded at Pownal brought into the world mentally defective and physically deformed through no fault of their own, abandoned as outcasts, make a lasting appeal upon our sympathies. Too much cannot be done for the 343 patients afflicted with the Great White Plague at Fairfield, Hebron and Presque Isle. Hopeful and hopeless they wear away the long days and longer nights while those at home wait for the recovery and return that too often never come. The 968 men and women, boys and girls who have erred and who now are under restraint in our penal institutions are not to be neglected just because they have sinned. Let those who have not sinned be the first to condemn them. Their temptations were heavy, their environment unwholesome, their powers of resistance feeble. They should be helped rather than punished.

The State's dependent mothers with their children and the dependent and neglected children, totalling 3568 in number, cannot be neglected. I have seen and talked with many of them and want to do everything possible for them. The pensioners, old soldiers and the blind, and the deaf and the dumb, all deserve our care. We also have 900 State paupers, pitiful cases living on a dole of charity.

Let any man or woman know all these things and the State government becomes a living thing, a force to uplift, help and comfort. Let a Governor know of them and he asks the Almighty that he may be worthy of the great responsibility entrusted to his care.

Our State institutions are well managed and the Trustees take an intelligent interest in them. One that especially needs attention is the School for the Deaf in Portland. It is crowded in between other buildings on a narrow street in the heart of the city and its children have little or no room to play or move about in. In my opinion, the present location should be sold and the plant moved into the country. This could be done without great expense because the city property would bring attractive prices.

Few people realize that Maine is caring in whole or in part for 11,351 persons made up as follows:

Soldiers' pensioners	2,523
Insane patients	1,856
Tubercular patients	343
Blind pensioners	516
Deaf	104
Dependent and neglected children	1,524
Mothers' Aid	544
Mothers' Aid children	1,500
In Prison and Reformatories and State Schools	968
Feeble minded	535
Blind	38
State Paupers	900

This constitutes a family of no mean proportions and problems incident to it are constantly being brought to the Governor's office. During my terms I have visited every institution, some of them several times, so that I know their needs and appreciate the good work they are doing.

### Roads and Bridges

The State road program has been carried along successfully during the past four years. When I first came into office I thought that good gravel roads could be constructed for a modest amount per mile, but experience has taught me otherwise. We do not hear as much today from the advocates of gravel roads as formerly for they, like myself, have come to realize that such roads are not inexpensive to build, and are expensive to maintain. The cost of good gravel roads that will stand heavy traffic is about two thirds or three fifths that of bituminous roads, while the cost of the latter is about three fifths that of concrete. The question to decide is; Is it better to build a shorter mileage of hard surface roads where the maintenance cost is trifling,

or a greater mileage of gravel roads with a heavy annual upkeep cost? Great progress has been made in maintaining our roads and this now is being done better than ever before.

Special attention should be given to the avenues leading into the State, for over them comes our tourist business. The Jackman-Quebec road is nearing completion, only nine miles above Bingham now needing attention. I predict that this road will bring to Maine many thousands of people who otherwise would not come to us. Its construction will prove a wise investment. The problem of "market roads," however, has never been satisfactorily worked out in Maine, and a good deal of thought should be given it.

There are some wastes in our Road Department. At times it undertakes work and finds that its estimates were too low and regardless of cost the job must be completed. The Edgcomb cut-off is an example. The erection of thousands of posts to be used as route markers seems to me to have been an unnecessary expense of many thousand dollars when telegraph poles were readily available. I believe that the Department should build up an organization and do most of its own construction work, and that the amount of its work should be limited to about what the Department itself can handle.

As to bridges the situation is discouraging. There are many bridges in Maine actually unsafe for travel, and when one knows this he hesitates to use them. The cost of a bridge depends largely upon the engineer who designs it. If the plans are not carefully worked out a bridge easily may cost double what it should and the tax payers are none the wiser. A bridge engineer may save or waste his yearly salary many times over in the construction of a bridge of any considerable proportions. I am inclined to favor the steel bridge over the concrete in many locations. The scarcity of proper ingredients for concrete work, the lack of skilled labor in country districts and the shortness of our building season and early frosts all are factors that should be considered in bridge building. The experience of the State and its subdivisions with concrete bridges has not been altogether satisfactory.

### Kennebec Bridge

The Bath bridge apparently is to be one of the troublesome issues of the coming Legislature. Around it will center many contests entirely irrelevant to it, and apparently upon it will hinge the passage of many appropriations and bills. This bridge should be considered entirely upon its own merits.

It has been erroneously stated that I am "the chief opponent of the Kennebec Bridge." Neither publicly nor privately have I opposed a bridge across the Kennebec River. During the 1923 Legislature I kept entirely out of the discussion, for I saw that the Legislature was becoming hopelessly involved in it, and knew that because of the way it was being handled nothing would come of it. The same thing will happen in 1925 unless wiser counsels prevail.

The Kennebec bridge should be settled by calm and thoughtful men. It cannot be driven through the Legislature by violent, unreasonable agitators who have but one idea in their heads. Maine Legislators are too sensible and steady to be stampeded; they cannot be intimidated any more than can the present governor.

It would be desirable to have a bridge across the Kennebec, but before any man honestly can favor it he must know something about it. Where will the bridge be built? What will it cost? How much can the State afford to spend on it? What will our northern counties say? The Bath location would cost a large sum of money running into several million dollars; no one really knows how much. The engineer who made the estimates so often quoted by bridge advocates, himself told me that they were only suggestions and were not accurate figures that could be relied upon. A bridge at Winslow's Rocks, a mile or so above the city of Bath, would cost about half as much, while the cost of a bridge at Richmond would be about one fourth or one third as much as that of the Bath bridge. Certainly these latter locations have merit and require study.

The people of Maine will not spend their money to build a bridge for the sole purpose of benefiting the city of Bath, or town of Woolwich, nor for the purpose of enriching any particular bridge contractor. Right thinking citizens of those communities fully understand this and realize that the bridge is a state, not a local affair. In fact a number of public spirited Bath Citizens believe the bridge would be a detriment to their city. They hold that the stopping of the river ferries would allow the river to freeze, and as a result Bath's chief asset, an all-the-year-round open harbor would be no more.

The 1925 Legislature in my opinion will not commit the State to the Kennebec bridge until it knows where it is to be built and how much it will cost. The whole subject should be surveyed by a careful and impartial board and the facts presented to the people, who then will act intelligently. I have advocated this course and in 1923 would have approved a liberal appropriation for an expert survey, but certain irresponsible people sought to rush the bridge bill through regardless of cost or other considerations.

The scheme of a few men seems to be to get the state committed to the Bath bridge, after which the state would be forced to complete it, though the expense ran into millions. I do not believe our people will allow themselves to be led blindfolded into this trap. If there is any merit in the Kennebec Bridge, the facts will bear their own weight.

### Blocs and Third Parties

We hear much today about "blocs" and "third parties," but there is little reason to be disturbed by them. Third parties rise and fall, they come and go we know not whither. Blocs are an old institution under a new name. Maine always has been well supplied with them, and although to a great extent they have controlled our legislatures they are no more dangerous today than they were twenty years ago. We have our Railroad bloc, and now our Water Power and Timberland blocs are much in evidence. The Farmers are nourishing a little bloc of their own, and the Associated Industries, Publicity Bureau and State Chamber of Commerce apparently are to have one all by themselves. The only bloc that is missing, and the only one of which I approve, is the People's bloc; a bloc to lessen the burdens of the taxpayer.

As long as we have legislatures, persons bound together by their own selfish interests often will be ready to sacrifice the general welfare to obtain some special advantage. This situation must be met whenever it appears, but need not cause any unusual concern. It is an old story in Maine's political life.

The remedy for third parties lies within the two major parties themselves. The prosperity of the State of Maine is not dependent upon parties, for as Lloyd George, referring to his own country, recently said: "This old country existed before the first party was thought of and will survive the last party." Party existence is not justified unless it has a solid foundation of principle. Parties must stand squarely for the interest of all the people. There is nothing sacred about them, for they always should be but a means to an end, that end being honest, efficient government. If the older parties stand for what is right, if they are progressive and meet the needs of the day, it is unlikely that any third party long will succeed. No party however can hold the confidence of the people if it seeks only the spoils of office.

We have no right to berate those who form new parties, just because we fear or do not approve of them. Moreover it is useless to expect to strengthen old parties by merely condemning new ones. The people of Maine and of our

country expect performance, and are no longer content with empty promises. They realize more than ever that the platforms of parties too often have been "built to get in on and not to stand upon." The Republican and Democratic parties must discard all old-time methods, and show the people that they stand for principles and will fight for them. If this is done the third-party situation need not concern them. We are inclined to be somewhat too complacent in Maine about both of our parties. Both should be more aggressive and progressive. Both should divorce themselves from the influence of small groups of old-time politicians. A wholesome agitation in party councils would result in an awakened party interest in public affairs. No doubt in some respects it would be desirable if the minority party in the Legislature was strong enough to keep the majority party hard pressed to hold control of State affairs.

### **The Great Northern Paper Company**

The Great Northern Paper Company on October 1, 1924, issued the following order and published it broadcast over the State:

"Until further notice, ALL PERSONS who camp or shoot game on the lands owned by the Great Northern Paper Company must be accompanied by a licensed guide, and must register their names and residences with an agent of the Company. The company reserves the right to treat all those failing to comply with the provisions of this notice as trespassers.

"(Signed) GREAT NORTHERN PAPER COMPANY."

This order is a blow to the long standing rights of the people of Maine. The citizens of the State have always thought that they had a right to use and enjoy the big woods, the lakes and the rivers, but the Great Northern Company now challenges that right.

As Governor of the State, I deny the right of any owner of wild land, corporate or otherwise, to say to a citizen of Maine he shall not hunt or fish on the wild lands within the State without a guide. In this stand I am supported by the opinion of able lawyers. The Great Northern Paper Company has taken unto itself the powers of the Legislature. Its course is arbitrary and indefensible. Moreover in the opinion of the lawyers referred to, the timberland owner cannot lawfully prevent a citizen from camping and building fires on wild land if the same is incident to hunting and fishing.

The Great Northern gives as reason for its order the danger of fire. There is no unusual danger of fire this autumn; in fact the woods are in excellent condition, and

fires few or none. Even if there were fire the Great Northern has no power to close the woods, for the Governor is the only one who can do that, and he derives his power from the Legislature. I myself have not hesitated in a crisis to prohibit hunting in order to protect the forests, for I realize their importance and always have done everything to recognize the lawful rights of timberland owners. I have not been asked by the Great Northern to close the woods this autumn.

A great principle is at stake. If the Great Northern this year closes its 1,000,000 acres to all persons unaccompanied by guides, next year it may close them, guides or no guides. The power to regulate may develop into the power to prohibit. Other great companies and owners then may follow suit, and soon there will be built what amounts to a Chinese wall around the wild lands of Maine, and the people will have lost their rights.

### Timberland Taxes

Timberland owners pay only a fraction of the amount of taxes that other people pay. They pay a county and state tax, which, according to figures given me by the State Treasury last year averaged  $9\frac{1}{4}$  mills. The average tax on farm and town property in the State the same year was  $38\frac{1}{4}$  mills. This shows a wide discrepancy in taxes in favor of the wild land owners.

The chief argument of the timberland owners for maintaining this low tax has been that their lands are open to the people, and that the people had the use of them. For that reason it is argued wild land taxes should be materially less than other taxes. In addition to the  $9\frac{1}{4}$  mills, a small Forestry tax is levied upon timberlands in the "District" for their own fire service, but none of it goes to pay for schools, roads and other State activities of a public nature.

If timberlands are closed to the public the argument, such as it was, for low taxes vanishes. Unless the people of Maine insist upon their rights the 9,505,791 acres of Forestry District land some day will be absolutely closed against them and then no doubt the same thing will happen to the 5,494,209 acres of other timberlands.

If any man is arrested for alleged trespassing he should stand on his rights and carry the case to the Supreme Court so that the people of Maine may know just what rights they possess in the timberland areas. This is the time to settle it.

### Useless to "Advertise" Maine

I suggest that those people interested in "advertising" Maine and making it a resort for tourists take this matter up and press it to a decision. Certainly this is a serious blow to Maine's resort program. It would be well for the Maine Publicity Bureau and State Chamber of Commerce to have a representative enter on the lands of the Great Northern, get himself arrested, and make a test case. In this way these organizations might render a public service by preserving for our people their inalienable rights in the great wooded areas of our State.

The Publicity Bureau and the State Chamber of Commerce are spending money to advertise Maine, and are planning to ask for a Legislative appropriation. Any money they receive from the State will be wasted, as will all the oratory that is being indulged in about "Advertising our Natural Attractions," if the Great Northern has its way. If this matter is not settled right the State may as well erect signs at the principal avenues leading into Maine telling everybody that more than half of the State is closed to them.

### Right to Hunt and Fish

The right of our people to hunt and fish is established by a long line of precedents and decisions, and is set forth in several recent decisions by our Supreme Court. It is well established by law that any pond or lake ten acres in extent or more is PUBLIC property, and even though one man may own ALL the land around that pond the public has a right to cross private property to reach it.

Hunting and fishing in Maine already have become expensive pastimes and gradually these sports are being placed beyond the reach of persons of moderate means. Every additional restriction and expense placed upon our citizens reduces the number of those who can enjoy our great open spaces. Already 500 people have applied for licenses as guides in order to obey the Great Northern's order. Formerly a guide's license meant something, it was a certificate of ability in woodcraft and people could rely on it; now in most of the emergency licenses it is a farce.

### State Should Protect Its Citizens

If I were to be Governor another two years I would promise the people of Maine that the Attorney General would defend anyone arrested for trespassing by the Great Northern Company. I would carry this case to the highest court. I believe the State authorities should do this in the interest of the people. We must not humbly surrender the



rights that have come down to us from the early days. In fact I seriously doubt if any sheriff would dare to arrest a man upon request of that Company, for an action of false arrest might be brought against such an officer.

The State has sold and given away its wild lands and its water powers; some of them have been taken from the State by high-handed methods. About all we have left is our right to use these wild lands for recreation purposes. It is time we stood for those rights before we allow several millions of acres of land to be fenced in and marked "No Trespassing."

### Investments in Hotels and Camps

What will happen to the millions of dollars invested in camps and small hotels throughout the northern and eastern part of Maine if the patrons of these hotels are to be kept out of the woods? Unless prompt action is taken the whole talk about advertising will be a farce.

### Great Northern's Power

The Great Northern and its associates are powerful; they are the strongest factors in the legislature; with their banking, business and political connections they control the situation whenever they desire to do so. Through the sale of newsprint paper they have a grip upon the editorial and news policies of some of our newspapers that stifles free expression. None have dared attack or even criticise them. Our papers are silent in a crisis where a great principle is at stake and the people's rights may be taken from them without a word being said by those who should be their chief defenders.

Any company that owns over 1,000,000 acres of land in Maine, as does the Great Northern, and that is one-twentieth of all the land in the State, is a factor that must be reckoned with. Few people realize its power. Its business is profitable and well conducted, and it has been treated most liberally by the State and has been given unusual consideration. Its activities, however, are far reaching and I have known of men holding the highest political position in the gift of the people of this State to go to it for advice and to seek its support. When this is done the price must be paid and the account settled!

This matter should be handled vigorously. As yet the State Chamber of Commerce and Publicity Bureau have done nothing. Are their hands tied? Is the Great Northern's influence as a contributor and manufacturer of paper too strong? Already the Secretary of the Publicity Bureau, Mr. Harrie B. Coe, has stated: "I am not sure but that the

rule of the Great Northern is desirable and no damage has been done at present." He does not remember the Oriental proverb that once the camel gets his head into a tent he is pretty sure to crowd in and drive everyone else out. The influence of the Great Northern is tremendous and it now looks as if it absolutely can control the situation.

The people who live in communities near our great woods are powerless to act, for many of them are dependent for employment upon the timber interests. They dare not speak. Those who keep stores and are in business there, as well as those who actually work in the woods, are in no position to take a stand. Their very livelihood depends upon their remaining silent. It also is very doubtful if the Legislature will take any definite, fearless action in the matter.

### **State's Forestry and Game Departments**

The State of Maine maintains an expensive Department of Forestry for the sole purpose of protecting the timberlands of companies like the Great Northern, and the taxpayers pay the bills. Also we have an extensive Fish and Game Department to encourage fishing and hunting. These two departments are doing good work. If new laws are needed it is for the Legislature, not the Great Northern, to pass them.

I think the Great Northern made a serious mistake and overreached itself. It has called attention to the absurdly low taxes that it is paying and has aroused public indignation not only against itself, but against others who are innocent of any wrong doing. I hope that public sentiment will be so strong that the Great Northern will be obliged to rescind its order and give up its arbitrary methods. I do not believe the attitude of this great corporation represents that of all the wild land owners, and if that be so, the Great Northern will have been responsible for bringing down upon some of them a great deal of criticism they do not deserve.

### **Ward Four Portland Primary (1924) Frauds**

The outcome of the prosecution and trial for conspiracy of the Ward Four, Portland, officials who were involved in the Primary frauds was a disappointment to me. The Attorney General, Mr. R. W. Shaw, his deputy, Mr. Clement F. Robinson, and the County Attorney, Mr. Ralph M. Ingalls, handled the cases well, and had reason to be hopeful of a verdict of guilty from the jury, at least as to several of the respondents.

The verdict of "not guilty," rendered upon the direction of the judge, frees the respondents from any subsequent prosecution in connection with the tampering with the Ward Four ballots and the falsification of the returns. For all practical purposes they have been given a clean bill of health, and cannot be put in jeopardy again on the same charge. Where does this leave us, and what of the future? There was a serious crime, or crimes, committed by some one or more persons. There is no doubt about that. The judge himself says: "No one questions that the evidence here discloses that there was a most gross and inexcusable falsification of the (Primary) returns." The ballots were in the custody of the Ward Four officials, and no evidence appeared that they ever were out of their custody. These officials or some of them "had the exclusive opportunity" to commit the crime and evidence was presented to show a motive on their part to do so.

Under the Court's decision, if a group of election officials conspire to falsify the ballots and then carry out their schemes, and it cannot be shown definitely just which particular individual performed the criminal act, all escape punishment under our present laws. That is the precedent that has been established in this case.

Conspiracy under the circumstances was the only charge that could be brought. Fraud, however, usually is committed in secret, and it is almost impossible to secure direct evidence of a fraudulent act. As the judge said: "It (fraud) has to be done that way." In my opinion the outcome of this case is most unfortunate. It shakes public confidence both in our elections, and in the power of the State to punish criminal acts.

I am disturbed at the outlook for hereafter corrupt election officers are likely to consider themselves able to defy the law and escape punishment. The Ward Four officials have been requested by the city council to resign and some have done so. The others cannot be ousted, while if they were no doubt their political supporters would re-elect them by triumphant majorities. This makes a "vicious-circle" and the hands of Justice are tied.

In fairness to the prosecuting officials I want to say that I have confidence in them and believe they did their duty. That the judge of our Cumberland Superior Court is a man of unimpeachable character and legal learning is recognized by all. It goes without saying that he acted according to the law and his convictions. We all respect him for doing so. His decision shows that he is willing to take full responsibility for discharging the Ward Four officials. He, and not the jury or prosecutors, settled the case. The judge

relied on the law, as he was required to do. It was not within his province to pass upon the facts. I want people to understand this clearly.

I emphasize this because there is much loose talk prevalent and certain thoughtless, critical persons from the first have alleged that the case was to be "whitewashed" by the prosecuting officers. I have received numerous letters making such charges but all such comment is unwarranted. Every effort was made to convict these ward officials and the cases were well prepared and tried with care and ability.

The Ward Four crime goes unpunished and law-abiding people are disturbed. I had hoped to see the guilty men, whoever they are and however exalted their position, punished. There are many injustices in the world; guilty men escape, innocent men are punished. Prosecuting officials, however, can but do their best in each case.

The present incident is closed. The 82nd Legislature, however can revise our primary and election laws and impose penalties upon negligent and unfaithful public servants even though no conspiracy can be proven against them. In the future at least we can in part avoid the repetition of the Ward Four scandal.

#### "Investments"?

I am disturbed at the tendency in our State to promote and invest in fraudulent get-rich-quick schemes. A number of so-called "investments" that are bound to bring financial ruin and distress in their wake are being exploited over Maine today. Some of these are as vicious and unscrupulous as those of the famous Ponzi, and I think that charlatan would feel proud to be the instigator of them.

Many of our people seem to be carried away with the desire to obtain fabulous returns upon their savings. Those who "invest" in such schemes know that sooner or later a crash will come, but each speculator hopes to be fortunate enough to get out from under before the day of reckoning arrives. Any man or woman who promotes these schemes is dishonest and those who enter into them are gamblers and parties to the fraud. No one who in any way is connected with them deserves sympathy for the losses that are bound to come. When I see the hard-earned savings of our citizens being drawn from places of safety, from savings banks and trust companies, and thrown into such bottomless pits, I dread to think of what is in prospect.

Hundreds of thousands of dollars are being turned over to these promoters who know full well they never can return the money or make good on their promises. As a rule any man who attempts to obtain over six (6%) per

cent return on an investment takes chances. Multiply this return several times and the chances of loss increase in proportion. An investor in the schemes I refer to is not given even the chance he had of winning in the old-time Louisiana lotteries.

We need higher standards of morality in certain Maine financial circles and when I learn of what some people are doing, and of how they have become involved in these frauds, I ask myself: "What has become of the old fashioned business integrity of New England?"

The ramifications of these schemers are extraordinary. They extend into banks, business houses, churches, and even into our institutions of learning. People are fascinated and carried away by the prospect of sudden riches. As a matter of fact no self-respecting man should have any connection with such enterprises and the use of his name on a board or committee encourages simple-minded, trusting people to follow his lead and put their money into projects for the enrichment of sharp promoters.

The men behind these schemes are shrewd manipulators who are advised by the cleverest lawyers. They intend to keep just "within the law," to go so far and no farther. They hope when the time of trouble comes that they can retain their concealed, ill-gotten gains. There is no need of calling these projects by name, for one has but to listen to the talk and see what is going on to recognize them.

### Regrets at Leaving

It is a privilege to have served the people of the State of Maine. My daily tasks have been of absorbing interest and have given me an opportunity to do something for my State. Although I have had many attractive invitations to speak and attend conventions outside of Maine and thus acquire a wider experience and reputation, I have felt it my duty to remain at home and take care of home affairs. The most satisfactory part of my work has been to know the people of my State intimately, and my chief regret in leaving office is that hereafter I shall not come into such close contact with my fellow citizens. I shall not have the opportunity to serve them in the future as I have enjoyed doing in the past. There is so much yet to be done for Maine that I am sorry to step aside. The State's business, however, is left in good condition and I want the path of my successor to be both useful and pleasant.

(Signed) PERCIVAL P. BAXTER,

Governor of Maine.