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**Maine Water Powers : the Prophecy of Theodore Roosevelt in
1909 Applied to the State of Maine in 1924 / Address of Percival
P. Baxter, Governor of Maine, Before the Lecturers of the Pomona
and Subordinate Granges at their Annual Conference at the State
Capitol, January 30, 1924**

Percival P. Baxter

Maine Water Powers

*The Prophecy of Theodore Roosevelt in 1909
Applied to the State of Maine in 1924*

ADDRESS

— OF —

PERCIVAL P. BAXTER

Governor of Maine

BEFORE THE LECTURERS OF THE POMONA AND
SUBORDINATE GRANGES AT THEIR ANNUAL
CONFERENCE AT THE STATE CAPITOL
JANUARY 30, 1924



AUGUSTA

ADDRESS
— OF —
PERCIVAL P. BAXTER
Governor of Maine

AT THE ANNUAL MEETING OF THE LECTURERS
OF THE POMONA AND SUBORDINATE
GRANGES OF THE STATE

State House, Augusta, January 30, 1924

Ladies and Gentlemen:

I consider it a privilege to be with you on this occasion. There are so many interesting problems connected with our State and its government it is difficult to make a selection. I know, however, that you are interested in the water power question and therefore take it as my subject for the evening.

Since 1909 I have taken a prominent part in water power discussion, and since 1917 have given it special study. During these years there has been no issue more widely commented upon than this, and I have been in the thick of the fight and have carried it on with vigor. Today I am as interested as ever to have this problem solved for the best interest of all the people and all the industries of the State; for its proper solution is vital to our future. I have faith in this cause, believe that the great body of our citizens realize its importance, and am convinced that they and myself are in accord upon its basic principles.

Why is the Water Power Question Still Unsettled?

It would seem that this issue at last should have been settled after the agitation that has taken place, and the arguments that have been advanced by both sides. The reason

is not far to seek. A small group of private interests still insist upon obtaining for little or nothing the few remaining publicly owned water resources of the State, and until they are acquired by, or safely placed beyond reach of those interests, the struggle will continue. This is due to the rapidly increasing value of our water resources, a condition that no one realizes more keenly than do these corporations. They are playing for large stakes. The more valuable these resources the more eager certain power interests are to obtain them.

The Unearned Increment from State Owned Water Resources

Whatever the value of our State owned water resources was in 1909, when our non-transmission law was passed, it has trebled in value since then. If this be so, what will their value be in twenty years, forty years? If a mere lease of the Kennebec Storage was worth a million dollars in 1923, and that was the price offered the State in the compromise bill, what will be its value in 1944? In 1964. What will a deed of this privilege be worth in 20 or 40 years? Who is to receive the benefit of this vast unearned increment, the people of the State, or private corporations? A lease retains this increment for the People; a deed gives it to the corporations. I hold that the People should derive the benefit from the increase in value, in so far as it applies to State owned water resources, that comes about solely from the ever widening demand for electricity, and the great progress in electrical science. This demand and progress take place so rapidly it is difficult to keep track of them. The unearned increment of electrical science is tremendous.

Mr. Edward C. Jordan of Portland, one of the most conscientious and best informed engineers in Maine, recalls that about 20 years ago the best so-called electrical "experts" in America decided that electricity could not successfully be transmitted from Presumpscott Falls to Portland, a distance of 4 miles, or from Mallison Falls to Portland, 16 miles. These "experts" held that those water powers were "too far away" from the consumer to make them valuable and, instead of purchasing those two properties, the companies to which they were offered installed an expensive steam generating plant in Portland and brought coal all the way from Pennsylvania with which to operate it! Today Presumpscott and Mallison Falls are almost priceless.

Progress in the electrical world is bewildering. Almost

everything that makes for industrial advancement is electrical. Electrical energy, "power", is the foundation of modern civilization and people of today cannot imagine to what extent "power" will enter into the everyday life of the citizen a generation hence. The monopoly, hereafter referred to, already has acquired most of the great sources of "power" and intends to secure those that are left. It plans to force the people of this country to pay tribute for all time. In Maine we have the chance, in some small measure, to protect ourselves and now is the time to do so.

Keep Maine Water Powers for Maine People

One of the burning questions of the day is, shall electric energy be transmitted beyond the borders of our State? Personally I had thought this question settled, first because of the 1909 law and second because the people of Maine are almost unanimously in favor of that law. It, however, is far from settled and the situation is more critical than ever.

There now is imminent danger of our losing our water powers and having them transmitted to other states. Certain forces, backed by unlimited wealth, by large business interests, by some newspapers and politicians, are making a determined drive against this law. In fact, powerful influences centering in Boston, New York, Washington and Maine seek to break down Maine's non-transmission policy.

Who is to stand the brunt of these attacks? The people of Maine must depend upon their representatives in the legislature and upon the man who sits in the Governor's office. If these public servants fail, it will be but a short time before the matter will have been settled once and for all. It then will be too late to fight. Will our leaders be men of strong convictions, unmoved by political or business pressure?

"Super Power"

The so-called "super power line" is a project that seeks to bring into one great system all the principal power resources of the North Atlantic States. The newspapers are filled with articles reciting the advantages that would flow from such a line, and the large power interests, centering in the electric monopoly that exists in this country, are behind it. This monopoly that dominates not only the manufacture of electrical apparatus, but the production and distribution of electrical energy, is controlled by the General Electric

Company and a group of associated corporations, whose influence reaches into this State and exerts a marked influence upon our industrial and political life.

A Recent Attack

Recently, at Bangor, a man formerly with the Department of Commerce, bitterly attacked our non-transmission policy. He called Maine's policy provincial and selfish and told of the great income that would flow into the State treasury by reason of the construction of water power dams in the back woods of Maine from which power would be shipped to other states. The figures of Mr. Clarence S. Stetson were manufactured for the occasion and are not worthy of serious discussion. No doubt some of his audience were in sympathy with his ideas, because water power and timberland interests often work together and what benefits one benefits the other, but the rank and file of the people of this State, in my opinion, have very decided opinions upon this question and will not be moved by the pleas of special interests.

Mr. Stetson is not hopeful of Maine's future. He said, "that Maine will become, in the reasonably near future, a really great industrial and manufacturing State, is fiction," and then proceeded to argue that we should develop our water power and allow other states to get the benefit of it. "The neighboring New England States are in need of power" and "it is time that this doctrine (non-transmission) is cast to the winds" he continued. I admit that this is true if we want to build up our neighbors at our own expense.

Mr. Stetson closed his attack by referring to the "politicians," whom he accused of self-interest in their efforts to protect the people of the State against encroachment. If it is "selfish" for Maine people to fight to keep their water powers, it is more selfish for those outside our borders to take for their profit the one natural resource on which the future of the State depends, and with it build up Massachusetts, Connecticut and New York. Mr. Stetson, I am informed, did not represent the Department of Commerce in the remarks he made. He plans to again come to Maine and make another attack, and it would be interesting to know his backing and his interests.

It is true that if power is developed for outside use a considerable sum of money would be spent in construction work in Maine. It, however, is spent but once and the taxes levied

upon the "development" would be nominal, as most of the dams would be located in the wild land townships where taxes are about one-fifth what they are in towns and cities. The income and the real profit from a change in Maine's policy all would go into the treasury of the great electric trust, and not into the State treasury or the pockets of Maine people.

It is argued that Maine could "recall" the power from those states to which it is to be shipped, but this would not be so, because there never would be any demand for such "recall." The industries that would use this power would be located far away from Maine and there they would remain, draining us for all time. Factories built at the end of a power line running from Moosehead Lake to Connecticut never will be moved to Maine. Although I favor development, I prefer to have some of our water power remain idle for a few years longer, until such time as we ourselves need it; on the other hand an Intra-Maine Super Power line is much to be desired and progress already has been made on it.

St. Lawrence Waterway Project

You have heard of the proposed St. Lawrence Waterway project under which a ship channel is to be built from the Atlantic Ocean to the Great Lakes, and immense water powers are to be developed on the St. Lawrence River and its tributaries. Some of the citizens of Maine are fearful that if this plan is carried through our State will be injured. They say that New York and Massachusetts then will get their power from Canada, and will not need to come to Maine for it. I, however, cannot become alarmed over this project, nor do I think our State Chamber of Commerce and our Portland Pier Directors need be. I do not believe we even would lose any of our shipping business. In my opinion, we have little to fear and something to gain. How can Maine prosper by furnishing power to build up industries outside the State? If the St. Lawrence project is ever completed, the outside pressure to obtain Maine's hydro-electrical energy might be removed, for then they could obtain their power from Canada and we would be left to develop our own electricity for own use. I predict, however, that Canada never will allow its water power to be developed and exploited for use in the United States. The Canadians are intensely loyal to their own country, and like ourselves will jealously guard their own great natural resources. In fact, Canadian power in the future will not be brought into the United States in large

quantities. That being so, Maine power will rapidly increase in value, and it is all the more vital for us to retain it. Industries then will be forced to come to Maine and use and develop power in Maine.

Mr. George Otis Smith also Attacks Our Policy

The super power attack has developed from another angle and the plans were laid in 1920. Mr. George Otis Smith, Director of the U. S. Geological Survey, writes that he made an arrangement with Governor-Elect Parkhurst, to address to the latter certain "open letters," the purpose of which was to break down Maine's policy. Governor Parkhurst agreed, Mr. Smith says, to receive these letters, and publicity was to be given them. Some months ago I was surprised to learn of this arrangement and it now appears that the plan has not been abandoned. Under date of December 21, 1923, Director Smith asks if I would allow him to address his "open letters" to me and says: "I am taking the liberty of asking your opinion whether there is any better method for me to treat the question than by addressing you an open letter or two, a method which had been agreed upon by Governor Parkhurst."

I replied to Director Smith on January 2, 1924, in part, as follows:

"It is probably true that I am as much responsible for Maine's non-transmission law as is any other citizen **** and I believe it is vital for the State to insist upon this policy*****. I do not want to do anything that would tend to break down our policy*****and prefer that you would not address any open letters to me. I do not want to be used as a vehicle for the transmission of ideas which I believe if put into effect would prove detrimental to the people and industries of Maine."

Since the above correspondence, Director Smith has addressed his "open letters" to Hon. Charles E. Gurney, Chairman of our Public Utilities Commission. Instead of giving Chairman Gurney time to read the letters and decide whether or not he cared to be used for the transmission of Mr. Smith's views, Mr. Smith forwarded his letters to the daily papers with the result that they now are being given the widest publicity. Evidently he did not wish to receive from Chairman Gurney a letter similar to the one that came from me. It is unworthy of him to say our policy is not even "passably

honest." Self preservation always is justifiable; this is an economic, not a moral issue.

Both Mr. Stetson's address and Mr. Smith's letters are published in full in most of our newspapers, while I doubt if this address of mine, made in the interest of all the people, will be printed in full in a single daily paper.

The statements of Messrs. Stetson and Smith throw no new light on the Maine situation. Their arguments are the same as those advanced by the corporate lobby for years past, especially last winter. They tell us nothing new. They entirely overlook the present public ownership of certain of our water resources. They would develop corporate profits at the expense of the people's heritage. They forget the fact that this State has until now given away all its greatest water resources, given them to anyone who came with open hands, and able lawyers to receive them. They do not admit that corporate "development" has had full swing in Maine and that had a proper policy been adopted years ago, all our corporations would have prospered and at the same time a splendid revenue would be flowing into the State Treasury from leases, not deeds.

A State Issue

Director Smith, Mr. O. C. Merrill, Secretary of the Federal Power Commission, and the United States Department of Commerce, all have a right to favor the super power line, but Maine's water power problem is peculiar, and those connected with our Federal Government cannot be expected to support it. It is a State, and not a National question and Chairman Gurney and myself have emphasized this in our correspondence with Secretary Hoover.

At the Super Power Conferences recently held in Washington, Maine's policy was stated without reservation, and we have been represented at these conferences for the purpose of obtaining information and with the definite understanding that we hold fast to our 1909 law. As Governor of Maine, and having a vital interest in our State, I propose to stand for that law because, in my opinion, it means everything for the welfare of our own people.

The issue should not be a partisan one, although it cannot escape being political in the broad sense of the word. Unless it is discussed in every home and shop, unless our people stand behind it, sooner or later our policy will be broken down. If the time ever comes when you cannot depend upon

the governor and the legislature to defend this policy, if they cannot stand against pressure, Maine's water powers will be taken beyond the State, the incident will be closed, and the people betrayed.

The Pressure Is Tremendous

The pressure now being brought to bear against Maine's policy is tremendous. The U. S. Department of the Interior (Mr. Smith) and the Department of Commerce, are working for what they believe to be the welfare of the nation. The Electric Trust, the large banking and business interests, many leading politicians and newspapers are working for their own interests. It is not to be wondered at that under these circumstances men sometimes yield and are convinced almost against their will! These attacks will break down almost any opposition, and how long will our policy stand the strain? The people of Maine at last should have their eyes opened to the importance of our Water Resources, for if they were not of surpassing value, the great companies I have referred to would not trouble themselves to fight to obtain them. They waste no time on small matters. The greater their value, the greater becomes the desire to acquire them.

Farmers Need Power

Every unit of power that we have in Maine soon will be needed here for our manufacturing establishments, our railroads, our domestic and public uses and, above all, for our farmers. I concede that farming in Maine is in a critical condition, and that in many sections of the State is on the decline. Our agriculture is threatened and there is but one salvation—"power". If Maine farmers can be furnished electrical energy at reasonable rates to light their homes and barns, to cut their wood, grind their corn, milk their cows, pump their water and do the thousand and one things on a farm that require power, it may be that the tide of depression can be turned and our farming industry revived. Moreover if electric power will lighten the drudgery of farmers' wives, more than all else that will keep our farms occupied and our farmers contented.

Most of the power companies of Maine are somewhat reluctant to extend their lines into the smaller places because the income therefrom is less than that from lines in more populous districts. Some companies, however are more rea-

sonable than others and manifest a willingness to help the agricultural situation. We talk about "co-operative marketing" and tell of its benefits, but, after all, we must keep the farmer on the farm if there are to be any products to "co-operatively" market. "Power" is the farmers' only hope. If the farmers could appreciate this, if they would stand together for their own interests and make their influence felt in legislative halls, they soon would be cared for. Of all the groups in our State none are more loosely held together than the farmers. They often are played upon by others and lose sight of their own legitimate interests. I wonder that they have been so long suffering!

Our State and local Chambers of Commerce and other public organizations frequently talk about "how to help the farmer," and papers on this subject are read and discussed. How many of these Chambers supplement their resolutions by action? How many have sent representatives, or committees, to the legislature to fight for the farmers' interest? How many of them have had the courage and wisdom to stand for a real Maine Water Power policy? Some of these associations appear fearful lest they antagonize certain powerful interests represented by the banks, the lawyers and large business houses, while the farmers too often are left alone and unaided. Here is an opportunity for public spirited organizations to rally around our agricultural interests and fight for a great principle—electric power for the farms of Maine!

I believe the retention of Maine's hydro-electric energy and its distribution among the farming community, would do more to build up the State than any other single agency. The farms of Maine gradually will become fewer in number and of less productivity unless the burden of the farmer and his wife is relieved by electrical power. In these modern days, "Power" is everything, and electricity must be substituted for man power. Apart from the farmer, if our power is taken from us, no new industries of any size will locate in our State and the present high rates for power and light will be maintained indefinitely.

The "Baxter Amendment"

The 1909 law has been a source of prolific discussion among the lawyers of the State. They are evenly divided as to its constitutionality and the United States Supreme Court some day may be called upon to test it. No company, however, as yet has had the temerity to test the law although the Central

Maine Power Company once stated that it would take power out of the State when it gets ready to do so. If the law should be held unconstitutional there will be companies ready to take advantage of the adverse decision and our people will be helpless unless the Maine legislature has the foresight and courage to place the so-called "Baxter Amendment" in every power charter. This amendment once affixed to a corporation charter becomes a vital part of its existence and limits its right to develop and transmit power solely for use in the State of Maine. Should a company violate this amendment the Attorney General would have the power, and be under a duty, to call for the corporation's dissolution, and all contracts made in violation of the amendment would be annulled. With such an amendment on power charters Maine's electrical energy would hereafter be retained in the State, notwithstanding an adverse decision of the United States Supreme Court. This is the one sure way of maintaining our non-transmission policy, but I can foresee a lively contest if such a program were attempted. If our people understood the situation it might be possible for legislators to rally and carry it through, though to do so would require men of nerve who recognize neither political nor business pressure.

I believe the time has come when the "Baxter Amendment" should be as much a part of the State's policy as is the 1909 Law. It is even more important because it affords absolute protection to our non-transmission policy. The State in granting charters to corporations can impose whatever conditions it believes for the public interest. The greater power that of creating a corporation, includes the lesser, that of limiting its powers as to the territory it shall serve.

Another amendment for which I have been responsible during the past eight years provides that the State, if it later should acquire the property of water resource companies, will not be obliged to pay for the franchises it gave to the said companies. This has been affixed to every new charter and to many old ones during my administration, with the added provision that the State may acquire the property of these several companies by paying fair prices for them.

Water Storage

My views on the development of State-owned water resources are well understood. I believe that the State wherever it owns a water power or water storage location never should part with it. These sites should be developed as rapid-

ly as possible either by the State itself, under a constitutional amendment, or by private corporations under lease from the State. When leases are made they should be for a period sufficiently long to enable the corporation to obtain a fair return upon, and to charge off, the original investment. A reasonable businessman's contract should be entered into, but the State of Maine must never deed away another square foot of land or cubic foot of water!

The same influences that are working to convey electric power outside the State, are opposed both to the State's developing or leasing its water resources. These interests urge the State to deed its rights to private corporations, and thus forever part with title and ownership. The electric monopoly to which I have referred, and the large banking and power interests in Maine and beyond our borders, all are in favor of such action. They are not content to take leases even on the most liberal terms, and the cry has been raised that it is "socialistic" for the State to have anything to do with water development, and that the sanctity of private rights is endangered. These interests are very eager to protect all "private or vested rights", but have they ever stopped to consider that the people have "rights" that are "vested" and also need protection? The rights of "private" property are sacred and protected by constitutional and statutory laws. The rights of "vested Public" property should be equally sacred, but in the years gone by too often have they been violated with impunity by private interests. The cry of socialism is absurd, and those who indulge in it often call any man a socialist who does not agree with them. If it is socialism for Maine people to insist on leases of public property, instead of deeds, then the United States Government is committed to socialism for that is the basis of the Federal Water Power Act. Unfortunately but few of the newspapers of the State are independent enough to come out openly for the people's interest and lead public thought in the right direction.

Kennebec Reservoir 1923

The Water Storage fight was waged hotly by both sides in the last legislature when the Kennebec Reservoir Charter was under discussion. A franchise that at the lowest estimate was worth a million dollars (\$1,000,000) on a 40-year lease was given away by the Legislature by an overwhelming vote. The members were eager to go on record as favoring the project. I vetoed the bill, but it was triumphantly carried

over the veto; in the Senate 22 to 7 with the President of the Senate, Hon. Frank G. Farrington voting against the veto and in favor of the bill; and in the House 121 to 25. When however, the legislators were face to face with the Governor's referendum they hastily receded from their former position and the very men who carried the unfortunate bill over the veto were the ones to repeal it by almost an unanimous vote in both branches. Popular opinion was too strong to be withstood. As a matter of fact this contest cleared the atmosphere. The people are aroused and now understand the question better than ever before.

The Kennebec bill by no means is dead. Plans are being laid for the future. Our people should not forget that a short six years ago, 1918, sixteen of the great power controlling corporations, with Ex-Governor William T. Cobb as their figurehead and spokesman, joined together to put an end to all water power discussion. They intended to clean up and handle the situation themselves; instead of which they enlightened our people as to the importance of the question. Some of these same corporations intend sooner or later to secure the Kennebec Charter. Will there be a Governor and Legislature at Augusta who will stand out against such a bill? When the time comes the same lobbyists will be living at the Augusta House and moving about legislative halls. Their number will be increased. They will come armed with the same specious arguments that appealed to the Legislature of 1923, and the same pressure will be exerted upon members.

It is urged that the State can not lease the "public" or "school" or "ministerial" lots on which the Kennebec dam was to be located; certainly if it can sell them it can lease them, and the proceeds can be applied by the legislature to any public uses. This was a bogey raised by corporation lawyers to alarm timid lawmakers!

The future will tell its own story but when it comes the issue should be clean cut. The Governor and Legislature then will decide whether or not these publicly owned water resources are to be given or deeded away to private corporations, or are to be preserved for the benefit of this and future generations.

It cannot be denied that the people of Maine own the water in the lakes of Maine, regardless of what corporation lawyers may say. At the Kennebec Reservoir location on the Dead River the people also own the land at the location of the proposed dam. The 1923 Legislature intended to deed

away this land for a few thousand dollars, and give away the franchise, and I do not hesitate to say that whatever that water and that location are worth today, in forty years they will be worth several times that amount. Shall this great inheritance be deeded away, or shall it ultimately come back to the People? Shall we meekly hand over to private owners what little remains to the people of the State, and by doing so repeat the history of the wild land tragedy of 1868?

The Plea of "Development"

So much has been said about "development" that it has become a mere catch phrase. Candidates for office stand on safe ground in favoring "development", for with them it means nothing and carries no obligations. We are asked to believe that every time a water power is "developed," the people immediately derive great benefit therefrom. The use of the word has been overdone. It has been made a scarecrow to frighten legislators and deter them from protecting public rights. Everybody desires **proper** development, both in the public and private interest, but oftentimes those who talk most about it have little or no real interest in the actual development of the whole State; their sole interest is in the **development** of their own fortunes.

I want wise, prompt and proper development of **all** the resources of Maine, the people retaining the ownership of such of them as now belong to the public, even though later leased to private interests. This is the principle for which I have fought the past eight years. It has been an interesting experience and I have pointed the way. It now remains for the people to decide as to the future. Certainly it is better to allow some of the publicly owned water resources to run to waste for a few years longer, than to have them come under the absolute and final control of private interests.

The Roll of Honor

I hope the people of Maine will remember the names of those outstanding Senators and Representatives who protected the public rights and voted against carrying the Kennebec Reservoir Charter over the Governor's veto. They were Senators Harmon G. Allen and Wilbur D. Spencer of York; Ralph O. Brewster, Harry L. Cram and Alexander Speirs, of Cumberland; Herbert A. Clark of Lincoln, and William H. Kirschner of Androscoggin; and Representatives Charles S.

Adams of Liberty, James M. Beckett of Calais, Daniel E. Bisbee of Damariscotta, William E. Brewster of Dexter, Harry G. Crowley of Lewiston, Franklin D. Cummings of Portland, Ansel L. Dunn of North Yarmouth, William Gilmour of Westbrook, Herbert L. Hayes of Chelsea, Charles A. Hayes of Gorham, William K. Keene of Belfast, Edwin I. Littlefield of Kennebunk, James L. Morse of Bath, Albert T. Nickerson of Swanville, Ralph N. Perry of Saco, Charles S. Pierce of Sanford, W. O. Rogers of Rockland, Samuel N. Small of Standish, George E. Sparrow of Pittston, Anton L. Storm of Westmanland, John M. Sturgis of Auburn, George L. Tarr of Arrowsic, John F. Williams of Falmouth, Walter C. Winn of Lisbon and Chester T. Winslow of Raymond. Whatever may come in the future these men did their full duty.

When I realize the untold value of the property and franchises that in the past have been deeded and given away by the State, and what a pittance now belongs to the people, I wonder there should be such a drive by a few private interests to obtain what little public property is left. It will be interesting to study the personnel of the next Legislature and form an estimate of the action they will take when the test comes.

In conclusion, if everything that protects the people's rights should be swept aside, there still is left a refuge under the Federal Water Power Act. Under that law, the United States Government has control of every river and stream in the country and, as a last resort, a State Charter could be annulled by the Federal authorities if rights of perpetuity were granted, or if Federal control was infringed upon.

The Olive Branch

Some few weeks ago, through Mr. Walter S. Wyman of the Central Maine Power Co., I invited the seven gentlemen who were incorporators of the Kennebec Charter to a conference. My letter was as follows:

November 19, 1923.

Dear Mr. Wyman:

I ***** should like to know if you have extended my invitation to Messrs. Dodge, Lockwood, Pagenstecher, Pratt, Schenck and Winchester to have an informal conference together with you and myself. As I told you ten days ago when I asked you to come to my office, it seems to me that it ought

to be possible for these gentlemen, who are interested in the development of the Dead River Storage, and myself to find a solution of the present water storage situation.

If you and your associates representing the interested corporations, and myself representing the State, could prepare a plan for submission to the Legislature, I am of the opinion I should be warranted in calling a special session, and would be hopeful of securing the passage of a law that would enable your corporation to develop water storage in the Dead River district and at the same time adequately protect the interests of the State in the publicly owned land and water resources of that region.

On my part I should approach this subject without bearing in mind any of the controversies that have been indulged in in the past. I should endeavor to effect a settlement of a situation that ought not to continue.

The people of the State all want development and no one is more desirous of having it than myself. I personally have a deep interest in the State of Maine and yield to no one in my desire to have our State advance.

My plans now are to be in Boston Thursday and Friday of this week and I shall be at the Touraine Hotel. If you and your associates would like to meet me there at any time after two P. M. on either date, I will have a suitable room prepared for us so that we can sit down and talk matters over without interruption. I should not want to have any lawyers or subordinate officials present, and would confine our conference to the seven gentlemen interested in the Kennebec-Dead River storage and myself. I should not want any substitutes to appear for them, because this is a matter in which the principles alone should appear, and we eight men ought to be able to accomplish something for our State. I certainly shall approach the conference in a spirit of helpfulness and have every reason to believe that you gentlemen would do the same.

Believe me

Faithfully yours,

(Signed) Percival P. Baxter,
Governor of Maine.

To—

Walter S. Wyman, Esq.,
Central Maine Power Co.,
Augusta, Maine.

A few days ago I received the following communication from Mr. Wyman:

January 15, 1924.

Hon. Percival P. Baxter,
Governor of Maine,
Augusta, Maine.

Dear Governor Baxter:

In my earlier reply to your letter of November 19th and in subsequent conversations with you I said that we would arrange for a meeting of the water power owners on the Kennebec river as soon as practicable. The meeting was held last Thursday, January 10th, and all the dams on the river were represented. Your suggestion for a conference to consider an attempt to secure at a special session of the Legislature appropriate legislation under which the Dead River Reservoir might be built was considered.

An extensive study of another location, (Brassua Lake and Moose River) where a reservoir almost as large as the Dead River Reservoir is possible, had been made and its construction is to begin immediately. This new reservoir will be sufficient for the present needs of the river and will cost a large sum of money. All therefore feel that they would not be interested in discussing the building of the Dead River Reservoir at the present time. I was asked to inform you of their conclusion.

With appreciation of your courtesies.

Yours very truly,
(Signed) Walter S. Wyman.

I want the people of Maine to understand that I did all in my power to bring the contending parties together, and now leave the future to others.

Why Blame the Governor for Droughts and Floods?

The newspapers have confirmed the statement of Mr. Wyman that the private corporations who sought the Kennebec Charter are soon to build a new reservoir on privately owned land where no grant from the State is needed. This plan discloses an interesting situation.

During the past year (1923) certain corporations and their supporting newspapers blamed the Governor, first for the

floods of the Spring, second for the drought in the Fall, and third for "holding up" the proper "development" of the Kennebec valley. I was held responsible for shutting down mills, for throwing people out of employment, for loss of dividends and for other more or less serious offences. All the while the very corporations that tried to extract from the Legislature a deed of the State's most valuable water storage and water power location, themselves owned another storage location that now they claim is about as valuable as the one owned by the State. They did not want to use their own property, where no legislative act was needed, but sought to acquire the most desirable storage and power location that the State of Maine owns. They apparently wanted to use the State's property first and retain their own for the future. They spent tens of thousands of dollars in an attempt to get their charter passed, upset the whole program of the Legislature, turned it into a disorganized body of angry men, called the Governor a socialist and blamed him for "interfering with the development of the State." After this disclosure you will hear no more of the Governor's "holding up" development.

It now is admitted that the proposed Brassua-Moose River Storage "will be sufficient for the present needs of the river", and yet the Governor was blamed for the water shortage and the floods, because he refused to deed the people's property to a corporation that already owned just what was needed to save the industries in the Kennebec valley. If these same gentlemen quietly had gone to work and developed their own storage reservoir on Moose River and Brassua Lake, and left the legislature alone, there would have been no hard feelings last Winter. In fact subsequent events have shown that they did not need the Kennebec charter and could have developed their own property years ago. This shows that a certain few private interests are determined that the people of Maine shall neither own, develop, nor lease any State owned water resources, and that these corporations intend sooner or later to become the owners of these resources. Maine has had its own "Teapot Dome" Scandals but few of them have ever been brought to light.

The Policies

The questions that I have discussed are very simple. No one should be confused by them.

1. Maine's hydro-electric energy should be kept within the State.

2. Maine should not deed away for all time the few water resources that the people now own; these either should be developed by the State, or leased so that the State will derive an income from them, and all the public waters in the State should yield a revenue to the people. These doctrines are neither radical, socialistic nor unfair.

Maine Corporations

I doubt if any State in the Union has been more liberal to its corporations than the State of Maine. Under my plan the State can "have its cake and eat it too." We can have the development of the water resources under leases, while retaining ultimate ownership. Under this plan the corporations would prosper, and sometime in the future the people would acquire the developments all the while receiving a direct income from them.

Everybody in Maine wants our corporations to prosper. Almost without exception they are rendering good service. During my 20 years experience as a legislator and Governor, I do not recall that a bill ever was introduced for the sole purpose of "holding up" a corporation. Other states have indulged in this practice, but Maine fortunately has been free from it.

I would not have it appear that all the corporations in Maine were involved in the Kennebec controversy, or that all are opposed to the leasing plan. Some of our power corporations are under the management of farseeing, public spirited men, who fully appreciate their responsibilities to the people they serve. In fact some of their executives favor State development of water storage and are opposed to the transmission of electricity beyond our borders. These men ask for fair play for their companies and fair play for the people, and have the confidence of the communities in which they operate. They seek no special privileges and covet no State owned property. I believe this spirit is extending to other corporations and that the future promises a better understanding.

I am not opposed to corporations as such, for I recognize that they are responsible for much of our prosperity. I wish we had many more than we now have, and our people are well intentioned toward them. They have nothing to fear in Maine. It has been my duty to stand in the path of a very few companies and protect what I believe to be the public interest. In doing this I have acquired their hostility and that of their friends and allies but, as for my self, no animosities

linger and I want them all to prosper. I would not impede the legitimate progress of any one of them, nor deprive them of a dollar of their property or profits, but a few arbitrary, powerful men, who control vast accumulations of capital and many thousands of employees, should not dominate the water power policy of the State of Maine.

Where is the Grange?

What of the Grange in Maine? Are its leaders sound on this issue? Are they independent and fearless? Are they standing four square for Maine's future, especially for the future of our farmers? Are they outspoken to protect the rights of their 60,000 hard working men and women members? To these questions I must in part give a negative answer, but in doing so refer to certain leaders and not to the rank and file of members. It will be interesting to see whether or not the Grange from now on will come out in favor of a constructive water policy for Maine.

State Master Clement S. Stetson (1911-1915)

In the years previous to 1916 the Grange took a decided and outspoken stand on Water Powers. In going through the Journals of Proceedings for the five years to and including 1915 I find that those at the head of the Grange did not hesitate to speak for the people. I quote from the messages of State Master Clement S. Stetson:

"Maine is just on the threshold of its possibilities and most especially is this true of water power development. Shall the development be in the interest of all the people or shall it be monopolized by the big interests? Shall this God given bounty be developed for the purpose of making Maine a power station and this power transmitted over high tension wires, for the purpose of developing other sections of New England? Our purpose and aim should be to keep and develop the water power of Maine for Maine, and when so developed our State will progress immeasurably both industrially and agriculturally. *****

"Patrons, is it not a duty which you owe to yourselves, to your State and to unborn generations who are to follow you, to see that representatives elected to the next regular session of the Legislature ***** are men who consider our water power development from the right viewpoint; men who will not countenance monopoly control, whereby this development

will become a menace, blocking industrial progress, arresting farm prosperity and turning the State backward in the march of progress?

"Farmers are vitally interested in securing Legislation, controlling forest areas and the developing of water power sites in the interests of all the people. *****

"But isn't it worthy of thought and study as to whether or not the State could supply the funds for storage and other developments? Could not the rights to build and operate power stations be leased at a sufficient rental to pay interest on the investment and provide a fund to pay the debt? ****
***** The water powers of the State are a great heritage. ***** They will develop electric service in every part of the State and increase farm values immeasurably. *****

"***** We should unite ***** and prevent the putting of our State under perpetual tribute. ***** The important question for us to consider is whether this development shall be in the interest of all the people or whether the God given bounty of vast water powers shall be monopolized by the big interests.

"I want to call your attention to the fact that farmers should be vitally concerned in the matter of conserving water power. I am sure that agricultural development in Maine depends largely upon a proper development of water power **
****. We are not in sympathy with ***** the idea that this God given bounty of water power is to be developed and made available only for the purpose of turning the wheels of industry in cities and centers of population. It should be available for use upon the farm. *****When we wake up to realization of what our water powers are worth we will wonder that we had no thought of it years before."

At the State Convention in 1913 the Grange adopted the following resolutions:

"WHEREAS:—We are now living in an age of electricity and far seeing men realize that this subtle force will soon furnish the motive power of the world, and

"WHEREAS:—The great financiers of the country are already seeking to absorb this source of wealth, in which our own state is so rich, therefore be it

"RESOLVED:—That the State of Maine should retain possession of its great water powers given by the Almighty

to all his people, rather than permit it to become a source of private fortune.

“RESOLVED:—That the State Grange in annual session assembled demands that these water powers should be developed at the expense of the State, as wanted, and rented for the benefit of the State Treasury in order to relieve the pressure of taxation.”

State Master Stetson in 1914 and 1915 spoke as follows:

“Maine has a magnificent ***** resource in its water powers, and this power generated into electricity and made cheaply available to farmers and others of small means would very materially lessen the cost of farm products and would furnish a cheap, direct and expeditious mode of transportation from the farm to the consumer. ***** Our water powers have been and are being taken by combinations of capital *** and are held as an undeveloped resource by their promoters and ***** the masses of our people are not and unless radical legislation is enacted never will receive any benefit from this God-given bounty. *****

“If we wish to develop agriculture to the limit in Maine we must have cheap power on the farm and for transportation. Electricity generated from the water power of our State is the first step toward this development. *****

“*****This rich prize (water power) is now being sought and to secure it every stratagem and every secret resource of politics are being employed by eminent financiers back of the project.

“Who are the master minds behind this colossal ‘grab’? It is not easy to determine, but it is now generally well understood that the scheme is being pushed by great special interests working through intermediaries.

“Our purpose, and our determined effort must be to keep for Maine the water powers of Maine, free from monopoly control. And where they already have passed into monopoly control, we must recover them if possible, or failing in this we must place proper restrictions on the transmission of electrical power and exercise the taking power so as to recover to the people a revenue justly proportional to the revenues that should rightly be received by the State from this natural resource.

“***** I urge every grange throughout the State to take it up, study it and demand that the Legislature take

instant and positive action to safeguard the interests of the people.

"The time is ripe for action. ***** A bill was introduced in the last Legislature (1913) ***** and it was reported 'as being inexpedient at this time'. Inexpedient for whom? Inexpedient for the class of men and combinations who took the wild lands and robbed the State of an annual income of more than ten millions of dollars! Doubly inexpedient for the men and combinations of capital who are greedily and selfishly gobbling up our water powers and thus depriving the people of another resource of more than thirty millions of dollars annually. ***** Isn't it time that we throw off the party yoke and elect men to enact laws for us who can find it expedient to make laws for all the people? The bill as a whole contains the basic idea that the great water power resource should be controlled by and developed for the benefit of all the people.

"*****Patrons, by unity of effort and concerted fidelity to our interests this work will be carried forward until electricity on the farm will be as common as is the telephone on the farm. Is it not a duty ***** to your State and to unborn generations ***** to see that representatives elected to the Legislature are men who consider our water power development from the right viewpoint; men who will not countenance monopoly control; men who from a broad gauge standpoint will try to develop our water power for Maine and all its people?"

The Convention of 1915 adopted the following Resolutions:

"WHEREAS, The great ponds and rivers of Maine belong to the people; and

"WHEREAS, There is a tendency on the part of corporate interests to monopolize power sites primarily for the purpose of furnishing dividends to stock-holders in Power Companies; Therefore be it

"RESOLVED, That the Maine State Grange is in favor of the State ownership and development of unused power sites in order that the people may receive the benefit of low rates for electric light and power."

From the above quotations you will see that during the years referred to, the Grange had a leader who took a positive and progressive stand. If his successor had held true to that course, the water power issue by this time would have been

down a resolution offered for their protection. If this resolution could be honestly explained to the more than 400 Pomona and Subordinate Granges of Maine not 20 of them but would give it their cordial endorsement. If you Lecturers of the Granges were present when that unrepresentative action was taken, I hope you will do everything in your power to enlighten the Grange during the present year.

I wish that I might have been at Lewiston but, significantly, this year the Governor was not invited. Had I been present, the Grange never would have defeated the resolution without a protest from me, but now, no doubt the next Legislature will be told that the Grangers of Maine are eager to give away to private interests what few water resources still belong to the people.

An Incident at Oakland Grange

Recently at Cascade Grange, Oakland, I had an interesting experience. I was invited to give an address and spoke of enforcement and other State issues. The Editor of the **Maine Farmer**, Mr. Dudley Alleman, was present to deliver an address on water powers and, being interested, I remained to hear him. I regret to say Mr. Alleman showed he did not know his subject and was far from being well grounded in it. Holding a copy of the Lewiston Resolution high in the air, he condemned it and then dramatically cast it on the floor and stamped upon it. You cannot kill that resolution by such methods. I did not intend to reply to such an attack, but was asked to do so by the audience. The reaction was wholesome and I feel sure that Cascade Grange is in favor of the policies outlined in this address for the protection of the people's rights in the State's water resources. The sentiment was overwhelmingly one-sided and to my satisfaction, a few days later, I received the following communication:

Oakland, Maine, Dec. 29, 1923

Governor Percival P. Baxter,
Augusta, Maine

Dear Sir:—

"It gives me pleasure to inform you that Cascade Grange at their regular meeting one week ago voted to extend to you the support of this Grange on the water power and enforce-

ment questions as outlined by you in your address December 15th before this body."

Yours very truly,

W. H. Judkins, Secretary
Cascade Grange P. of H. No. 92

Regardless of some of their leaders and advisers, the men and women of the Maine Grange understand the water power question!

The Grange Is Sound at Heart

I have spoken of the retiring head of the Grange, but want it understood that, in my opinion, the Grangers themselves are doing their own thinking, and intend to make their influence felt on the right side. If the subject of non-transmission, and leases not deeds, could be put to a vote today in Maine, ninety out of every one hundred voters would uphold these policies. How are these loyal citizens of the State to make themselves heard? How can their influence be effectively expressed? You Lecturers can arouse your people and lead them in this cause. You should be leaders, not trailers. You can place the Grange in the true light and make the Grange view point felt in the next Legislature. You can show the State that for eight years the grangers have been misrepresented on this issue.

I do not know the views of your new Master, but I know the sentiment of the grangers and propose to stand with them. You must not rely upon the city people on this question, for often they are too much engrossed with their own affairs, do too little thinking and are more swayed by prejudice and business pressure than are the people in the rural districts. And finally, you must be careful not to rely upon the big daily papers to lead you, for certain of them at times are subject to outside influences.

What of the Future? Study the "Official Records"

What of the future? Do not be misled into opposing every form of public ownership and control. Do not be frightened by scarecrows. Great changes are taking place; what is condemned today is applauded tomorrow. The natural resources of the nation, especially coal and water power, will not always be exploited by private interests, regardless

of the rights and necessities of the people. Public opinion cannot forever be moulded to suit the convenience of monopoly. The next twenty years will witness a transformation as yet undreamed of, and I prophesy a marked change in the public attitude toward the ownership of what truly are natural resources.

A State election approaches and men and women seek office. Anybody can become a candidate at the Primaries and almost anyone can be elected! It is seldom that the views of candidates are sought or their records examined. Men slip through and reach high positions when the people at large know little or nothing about them. Candidates today too often avoid issues, and court both sides. The Water Power issue should be one of the most important of the 1924 campaign although at the moment it may not so appear. Corporations are laying their plans in every district and the people know little of what is going on. The official Legislative Record of 1923 may "make or break" some candidates, and I advise you to look up the records of those who appeal to you for support. Do not let party labels count too much in your final judgment, for although parties are desirable, on the economic issue of Water Powers the State of Maine is to be considered first. In my opinion, no one is worthy to be Governor of this State, or to represent any section thereof, unless he pledges to the people that he will stand for the two water power principles that I have discussed with you this evening. A bad record in the past cannot be healed by mere platitudes, and a shifty answer should not bring support.

People Must Be Vigilant

I have pointed the way and have shown the pitfalls in the path. The people of Maine must now protect themselves, their children and grandchildren. For eight years the battle has been fought and the odds have been heavy. The winter of 1925, however, will see a sharper contest than any that have preceded it. If the people fail at this time, in the years to come they will look back with regret, and those who follow us will say we lacked both vision and courage. If we neglect our opportunity the price will be paid by future generations. If power is taken out of Maine, if the corporations secure the few publicly owned water resources of the State, you will see more abandoned farms and more vacant land in Maine than ever before.

Theodore Roosevelt

In these remarks, I have spoken frankly and fearlessly realizing that I shall be called a radical, a socialist and a disturber. I am glad to take these epithets knowing from whence they come, and am proud to take up a cause that, in the years gone by, was sponsored and fought for by the greatest American of our time.

I caution those who are ever ready to attack me in the press and on the platform to withhold their fire, for behind me is the shadow of a patriot. Turn back the pages of history for a brief fifteen years and take up Document 1350, House of Representatives, in which Theodore Roosevelt, President of the United States, addressed the House of Representatives (January 15, 1909). Read the words of a man of courage and ability, whose loyalty and Americanism no one dares to question. Theodore Roosevelt, on the battlefield and in the Halls of Congress, fought for the people of this nation. Against him were arrayed all the special interests of the country whose political power and financial influence were tremendous. He swept them aside and stood out the greatest American of modern times. No one more than he realized the power and obstacles that confronted him. He gave his life to the service of his fellow countrymen.

The Congress passed a bill in many respects similar to the Kennebec Charter of our last Legislature. It came to the President and he vetoed it. Congress, unlike the Maine Legislature, declined to pass it over his disapproval. The language of President Roosevelt's veto message should be read at every Grange meeting in the State of Maine.

Theodore Roosevelt's veto message is a great State document. In it he says:

"Through lack of foresight we have formed the habit of granting without compensation extremely valuable rights, amounting to monopolies, on navigable streams and on the public domain. ***** No rights involving water power should be granted to any corporation in perpetuity, but only for a length of time sufficient to allow them to conduct their business profitably. A reasonable charge should, of course, be made for valuable rights and privileges which they obtain from the National Government. *****"

"A fair share of the increase (unearned increment) should be safeguarded for the benefit of the people, from whose labor it springs, ***** Accordingly I have decided to sign no bills hereafter which do not provide specifically for the

right to fix and make a charge and for a definite limitation in time of the rights conferred. *****

"We are now at the beginning of great development in water power. Its use through electrical transmission is entering more and more largely into every element of the daily life of the people. Already the evils of monopoly are becoming manifest; already the experience of the past shows the necessity of caution in making unrestricted grants of this great power.

"The present policy pursued in making these grants is unwise in giving away the property of the people in the flowing waters to individuals or organizations practically unknown, and granting in perpetuity these valuable privileges. *****

"When the public welfare is involved, Congress should resolve any reasonable doubt as to its legislative power in favor of the people and against the seekers for a special privilege. *****

"It is the duty of that sovereignty in the interests of the people so to condition the grant of that power as that it shall redound to the interest of all the people, and that utilities of vast value should not be gratuitously granted to individuals or corporations and perpetually alienated from the people or the state or the government. *****

"The people of the country are threatened by a monopoly far more powerful, because in far closer touch with their domestic and industrial life, than anything known to our experience. A single generation will see the exhaustion of our natural resources of oil and gas and such a rise in the price of coal as will make the price of electrically transmitted water power a controlling factor in transportation, in manufacturing, and in household lighting and heating. Our water power alone, if fully developed and wisely used, is probably sufficient for our present transportation, industrial, municipal and domestic needs. Most of it is undeveloped and is still in national or state control.

"To give away, without conditions, this, one of the greatest of our resources, would be an act of folly. If we are guilty of it, our children will be forced to pay an annual return upon a capitalization based upon the highest prices which 'the traffic will bear'. They will find themselves face to face with powerful interests entrenched behind the doctrine of 'vested rights' and strengthened by every defense which money can buy and the ingenuity of able corporation lawyers can

devise. Long before that time they may and very probably will have become a consolidated interest, controlled from the great financial centers, dictating the terms upon which the citizen can conduct his business or earn his livelihood, and not amenable to the wholesome check of local opinion.

"The total water power now in use by power plants in the United States shows that thirteen large concerns, of which the General Electric Company and the Westinghouse Electric and Manufacturing Company are most important, now hold water power installations and advantageous power sites aggregating about 1,046,000 horse power.

"The great corporations are acting with foresight, singleness of purpose, and vigor to control the water powers of the country. They pay no attention to state boundaries and are not interested in the constitutional law affecting navigable streams except as it affords what has been aptly called a 'twilight zone' where they may find a convenient refuge from any regulation whatever by the public.

"They are demanding legislation for unconditional grants in perpetuity of land for reservoirs, conduits, power houses, and transmission lines. ***** On the other hand, the administration proposes that authority be given to issue power permits for a term not to exceed fifty years, irrevocable except for breach of condition.

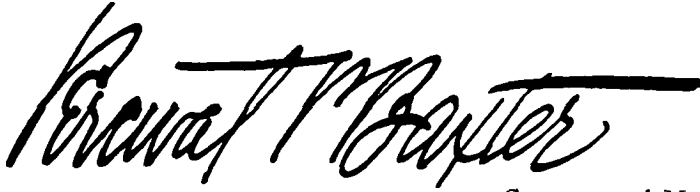
"I will sign no bill granting a privilege of this character which does not contain the substance of these conditions. I consider myself bound, as far as exercise of my executive power will allow, to do for the people, in prevention of monopoly of their resources, what I believe they would do for themselves if they were in a position to act.

"I esteem it my duty to use every endeavor to prevent this growing monopoly, the most threatening which has ever appeared, from being fastened upon the people of this nation."

If I had spoken the above to you without the use of quotation marks, some of the newspapers and the lobbyists of Maine would have cried out, "These are the words of a socialist, agitator and self-seeking politician". They would have hurled their attacks at me and their abuse would have been abundant. Mr. Thompson, Mr. Alleman, Ex-Governor Cobb and their associates would have traveled far and wide over the State proclaiming me a destroyer of "vested rights". Now, however, their voices are stilled because they cannot attack the words of Theodore Roosevelt, words that apply to

the State of Maine in 1924, equally as they applied in 1909 to the United States. Roosevelt's memory never will die, and his devotion to the welfare of the common people always will be remembered.

I ask the Grangers and the people of Maine: are you prepared to follow Theodore Roosevelt or William J. Thompson?

A large, stylized handwritten signature in black ink, reading "Percival Baxter". The signature is written in a cursive style with a prominent horizontal line across the middle.

Governor of Maine.