

MAINE STATE LEGISLATURE

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Legislative Record

OF THE

Seventy-Sixth Legislature

OF THE

STATE OF MAINE

1913

SENATE.

Tuesday, March 11, 1913.

Senate called to order by the President.

Prayer by Rev. Isaiah F. Lusk of Gardiner.

Journal of previous session read and approved.

Papers from the House disposed of in concurrence.

An Act to prohibit the use of common drinking cups.

This bill came from the House by that branch referred to the committee on public health. On motion by Mr. Murphy of Cumberland, the bill was tabled for printing pending reference, in concurrence.

An Act to constitute nine hours a day's work for public employes.

This bill came from the House by that branch referred to the committee on labor. On motion by Mr. Packard of Knox, the bill was tabled for printing pending reference in concurrence.

House Bills in First Reading.

An Act to amend Section 3 of Chapter 162 of the Public Laws of 1905, entitled "An Act enlarging the duties and fixing the compensation of the attorney general." (On motion by Mr. Wing of Franklin, tabled pending first reading.)

An Act to change the name of the town of Eden to the town of Bar Harbor. (On motion by Mr. Patten of Hancock, tabled pending first reading.)

An Act to amend Section 5 of Chapter 113 of the Revised Statutes, relating to personal property bargained and delivered to another, which shall remain the property of the seller till paid for. (On motion by Mr. Murphy of Cumberland, tabled pending commitment to the committee on bills in second reading.)

Resolve in favor of the Penobscot tribe of Indians. (On motion by Mr. Richardson of Penobscot, tabled pending acceptance of the report of the committee in concurrence.)

An Act amending and correcting the limits of the Maine forestry district.

An Act to incorporate the Washington County Light & Power Company.

An Act to amend Chapter 215 of the Resolves of the State of Maine enacted in the year 1897, as amended by Chapter 108 of the Private and Special Laws of 1903, relating to tuition to students in agriculture at the University of Maine.

An Act to revive the charter of the Shawmut Water Company.

An Act relating to Good Templars' hall in Dexter.

An Act to restrict and regulate private banking.

An Act to incorporate the Brownfield Electric Company.

An Act to amend Section 4 of Chapter 78 of the Public Laws of 1909, relating to the better protection of the people of the State of Maine from the disease known as tuberculosis.

An Act granting the Penobscot tribe of Indians the right to establish and maintain a ferry between Indian Island, so-called, and the city of Old Town.

Resolve in favor of the town of Forest City.

Resolve in favor of the Maine State Agricultural Society and repealing resolves in favor of said society.

Resolve in favor of the town of Hermon.

Resolve in favor of the town of Milo.

The following remonstrance was presented and referred:

Legal Affairs.

By Mr. Patten of Hancock: Remonstrance of C. M. Willey and 58 others of Eden against the passage of House Bill No. 306, an Act in relation to the observance of the Lord's Day.

Senate Bills in First Reading.

Resolve appropriating funds for filing cases in the Senate office.

Resolve in favor of D. C. Skillin, secretary of the committee of the State School for Boys and the Industrial School for Girls.

An Act to amend Section 8 of Chapter 15 of the Revised Statutes, as amended, relating to school holidays.

An Act to amend Chapter 193 of the Laws of 1902, entitled "An Act creating the Maine Forestry District and providing for protection against forest fires therein."

Passed to Be Engrossed.

An Act relating to the use of automobiles in the town of Mt. Desert, Hancock county.

An Act to increase the efficiency of the public schools of Maine by retiring teachers of long service with pensions.

(The report of the committee was accepted.)

Mr. WALKER of Somerset: Mr. President, as pension legislation for teachers in Maine is something new, I wish to give a brief history of this measure and some of the reasons which actuated your committee in asking that it be enacted into law.

This measure was proposed in Maine for the first time at the Maine Teachers' Association meeting in Portland last fall. There were present at that meeting more than thirty-five hundred members, and they unanimously reported a resolution favoring pension legislation in Maine.

Mr. Taft, President of the United States, was one of the speakers and endorsed pension legislation for teachers. A committee was chosen at this meeting to look after the matter, which committee drafted a bill which was presented to the Legislature early in the session. This bill was referred to the committee on education. On this measure we had a hearing in Representatives' Hall, which was largely attended, it being one of the largest attended hearings which we have had during the entire session of the Legislature.

There were present many teachers, school superintendents, business men and professional men who were earnest in their appeal for this measure. Mr. Marshall, chairman of the teachers' pension committee, conducted the hearing for the petitioners. He stated to your committee that although pension legislation for teachers appeared in Maine for the first time, it was no new idea, as most of the continental countries of Europe and South America, as well as the Province of Canada, have teachers' pension systems. Also that there were five states in this Union containing fourteen mil-

lion people and a teaching force of fifty thousand that have complete pension retirement system.

Mr. Smith, the State superintendent of schools, also appeared for the measure, stating that he should consider it as to whether or not it would benefit our Maine schools, although he said he knew many teachers, long in the employ of the State, faithful and conscientious, whose needs in their old age should make a strong appeal to us. He said that in the years past, Maine has lost tremendously because of the teachers who have gone to other states to engage in their profession there. And that our attitude in regard to this measure would determine to a large degree whether this exodus would again take place.

Rhode Island, Vermont, New York and New Jersey, already have complete state retirement systems. Massachusetts, Connecticut and Pennsylvania are considering pension legislation for its teachers at the present time. Mr. Smith also made the plea that this pension system be made State wide in its operation. He said that many of the cities of our State were wisely considering pensioning their school teachers, and that a campaign had been begun in our State for the betterment of our country schools; that they are among the most important schools which we have and that in years past they have suffered in competition with city schools; that the inducements have been large for the country school teachers to leave the country schools and locate in the large towns or cities. A city pension plan which is being seriously considered by some of our cities would further attract our people from country neighborhoods.

In conclusion he said the teachers' pension proposed by this bill will at comparatively small cost give to the teachers of our State a degree of assurance and protection that it is beyond any words of mine to express. It will help to insure the children of our State better teaching and it would put our own commonwealth in line with the most progressive states of the Union in a movement which will soon-

er or later have general recognition everywhere, as it now has throughout civilized Europe and the leading educational centers of our own land.

I wish to add that there is no better State Superintendent of schools in the country than Mr. Smith.

Walter E. Ranger, commissioner of education in Rhode Island, describes the working of the pension system in his state. The principle reason for the adoption of the system there was that it would increase the efficiency of the schools. It has been found that it has resulted in fewer changes among the teachers, attracts strong young people to the profession of teaching and has practically solved the problem of a scarcity of teachers in the State. It had not tended to prevent increases in salaries as these had been advanced more rapidly as a rule since the law went into effect, and that the thirty-three thousand dollars which Rhode Island was spending annually for teachers' pensions was worth more to the public schools than one hundred thousand dollars spent in any other way.

This was expert testimony coming from a man who knew what he was talking about, in a State where this system is in operation. Many other speakers appeared for the measure, showing to us the small pay and hard work of the teachers. They told us that while the average annual wage paid in the United States for carpenters was eight hundred dollars; coal miners six hundred dollars; factory workers and common laborers about five hundred and fifty dollars, the school teacher receives but four hundred and eighty-five dollars, and that in Maine it is but little over three hundred dollars, and that if we raise this to the average salary paid teachers in the United States, it would necessitate the advancement of the teachers' wages more than sixty per cent., which our State is not prepared to do.

They further showed us that shrewd business men and corporations pension their faithful employes. Maine recognizes the principle in retiring the justices of our supreme court at 70 years of age on one-half salary. The speak-

ers were all very earnest and seemed to have the subject matter very much at heart.

In addition very many petitions favoring pension legislation have been introduced into this Legislature and referred to our committee. Also we have received many letters containing personal appeals.

It appears to be the duty of the educational committee to increase the efficiency of our teachers and awaken a greater interest in the cause of education among our people. We recognize the fact that the wages received by school teachers constitute a measure of two things. First, the quality of ability of the teacher, and second, the value the community puts upon the teachers' services. The fact that the teachers' wages are lower than those paid for almost any other sort of service means that we are neither asking for or getting a high grade of service, and that as a State we place a low valuation on our teachers' work.

We went into executive session with a desire to do the right as we had ability to see the right. From that session, or sessions, I should say, for we had several, came the bill in new draft which we unanimously reported "ought to pass." This bill provides that any person when they shall have reached the age of 60 years and who for 35 years shall have been engaged in teaching as his principal occupation and shall have been employed as a teacher in the public school, or in such other schools within this State as are supported wholly or at least three-fifths by State or town appropriation, and are under public management and control, 20 years of which employment, including the 15 years immediately preceding retirement, shall have been in this State and shall have been retired by his employer or shall have voluntarily retired, shall receive for the remainder of his life \$250, provided, that after September 30, 1913, no person shall be eligible to a teacher's pension unless they hold a State teacher's certificate issued under authority of the State superintendent of schools.

Any person who is 60 years of age and has taught 30 years as his princi-

ple occupation, with the other requirements which I have mentioned, will receive \$200. And any person who is 60 years of age and has taught 25 years, with the same requirements, will receive \$150 a year. Any person who otherwise meets the requirements, but has retired when this act goes into effect, shall receive one-half the amounts, or \$75, \$100 and \$125 per year. If any person who is granted a pension resumes teaching, his pension shall be suspended.

As 75 per cent. of our people who actually make good in life as teachers, doctors, lawyers, statesmen or in business, come from our rural communities, it seems but fair that our system of pensioning teachers should not discriminate against the country teacher and the county school. So far as the pension benefits go the country teachers should receive exactly the same pension as the city teacher. The 5-year period plan will give school boards a better opportunity to justly retire teachers who, because of old age, cannot do the best service.

The probable cost of the bill will be about the same as the one introduced, or a little less than \$25,000 per year, which is taken from the common school fund. I had some compunctions about taking this amount from that fund, but inasmuch as we have reported a bill cutting out New Year's day as a school holiday altogether and giving to the school committees an opportunity to have school on Washington's birthday, Columbus Day, and it costs the State approximately \$17,600 per day to run its schools, I quieted my conscience, believing that the teachers would render enough extra service if the holiday bills pass to pay for all pension benefits.

Your committee are unanimous in asking that you pass this teachers' pension bill. We ask it in behalf of the teachers of Maine; we ask it in behalf of the 200,000 school children in Maine, who have a right to expect the best teaching possible. We ask it in behalf of the fathers and mothers in Maine, who have sufficient confidence in their teachers to entrust to them their children during the tender years of their

lives when their characters are being formed for time and perhaps for eternity. We ask it for the honor of Maine, as an act of justice, that we may say to the faithful teachers: "We appreciate what you have done. You shall not want."

Now, Mr. President, I have been talking for the teacher, the woman who teaches our schools, for most of our teachers are women. I have now just a word to say in relation to the woman who furnishes the children for our schools, and then I am done. I mean the old-fashioned woman, whom we have heard about considerably during the last week; whom we all knew when we were boys, as grandmothers. This old-fashioned woman took life seriously; she believed in the big family which fills our schools, and she believed that to be a part of the responsibility of living. She worked hard, in season and out of season, week in and week out, day in and day out for her children. She had no hope of reward, only her hope as it existed in the future welfare of those children. She was mother and housekeeper; she nursed her children in sickness, she fed them and clothed them in health, she educated them and helped them build their characters as best she could, and sent them out into the world to do the work of life. This old-fashioned woman is gradually disappearing from the State of Maine, this woman, I mean Maine born and bred. If you disbelieve this statement, go with me to the best residential streets of our cities and you will find them almost childless. Go with me to our rural communities, where was once thirty, forty, fifty, seventy-five and more children, where now are so few that the cost of conveyance is very large in maintaining the few small schools.

Now, gentlemen, we have been proud of Maine in the past, principally because of the very large number of Maine boys and girls who have made good.

Now, while we report this pension bill "ought to pass" and thoroughly believe in it, yet if some future Legis-

lative committee, possibly the committee on public health, should recommend that this pension system be extended so that it may include the old-fashioned woman. I should have no objection.

Mr. President, I move that this measure now receive its second reading. (Applause.)

Mr. MURPHY of Cumberland: Mr President, I do not propose to make a speech on this measure. I simply want to endorse every word my friend, Senator Walker, has said. I do not believe the teachers in Maine get sufficient salary, at least in the rural districts. There is a tendency to hire teachers at the lowest possible salary, and I know of no other way of suitably rewarding the teachers than by a pension. It does not make any difference how much money some of the towns receive back from the State, there is still that tendency to put it into their inside pocket, rather than to reward the teachers.

There is a tendency, as my friend, Senator Walker, says, for the teacher to leave Maine, and the people of Massachusetts, in the shape of teachers' agencies are making it their business to come down to Maine and induce young teachers to go to Massachusetts. I have seen their agents at Castine, just before graduating day, soliciting the girls to subscribe their names on the list for positions in Massachusetts. They were more interested in getting the five per cent of the yearly salary paid the girl after she gets there than in getting her a good position. Invariably the positions handed out to the girls from Maine are the left-over positions. The teachers do not know that until they get there, but that is the sort of job they get.

I have myself had experience with teachers. I believe in making them contented, and I believe that this bill will make some of them more contented than they are now. I believe that teachers like to dress well and look good. Many come from the small towns. They are attracted to the cities because they get better salaries. The chances are that they would not go to

the cities if it were not for the salaries.

The first teacher that taught me in the North school in Portland is still there. She is a contented, pleasant and good-natured teacher. I was a little fellow and happened to be a pretty good boy at that stage of the game. She handed me a story book to encourage me to go to school, and I went as long as she was there. Later on, I had another teacher and then I found baseball more attractive than going to school.

I believe this law will make teachers more contented, especially after they have passed the age of thirty-five years. Then they think they have spent the most of their money and now they will settle down to teaching school, and they think of the bank account on which they can draw interest in the future, and they will be more contented.

I know a nice, young teacher, who said: "I wish this bill would become a law. I could do more for my mother then, and I would be more contented." That is a fact and it came to me through a second party as a fact. How much money would she have by the time her mother was through on this earth? Possibly not much, and she is growing older every day.

I am contented to vote for this bill. The committee is unanimous for it. I shall endorse every word my friend, Senator Walker, has said.

The pending question was the second reading of the bill.

The bill was given its second reading and was passed to be engrossed.

An Act to amend Section 2 of Chapter 47 of the Public Laws of 1909 relating to assessment of taxes for street sprinkling.

An Act relating to the Jerguson Manufacturing Company.

Resolve in favor of the Washington State Normal School at Machias for equipment, repairs and permanent improvements.

An Act to extend the powers of the Limerick Water and Electric Company.

An Act to incorporate the Winthrop Water District.

Resolve for an amendment to the

Constitution providing for the classification of property for the purposes of taxation.

An Act to ratify and confirm the organization of the Augusta Poultry Experiment Station, and to grant additional powers to said corporation.

An Act to amend Section 51 of Chapter 15 of the Revised Statutes as amended relating to the election of truant officers.

An Act to amend Section 34 of Chapter 15 of the Revised Statutes as amended, relating to the management of schools and the election of the superintendent of schools by the superintending school committee.

Resolve in favor of the Bureau of Horticulture. (On motion by Mr. Conant of Waldo, tabled pending second reading.)

Resolve in favor of the Bureau of Horticulture. (On motion by Mr. Conant of Waldo, tabled pending second reading.)

An Act to authorize the construction and maintenance of a dam and other structures in the River St. Francis.

Resolve for re-tracing and defining the lines around the reserved or school lands of plantations and townships. (On motion by Mr. Colby of Somerset, recommitted to the committee for correction.)

Resolve providing for epidemic or emergency fund.

An Act relating to the Fort Kent Electric Company.

An Act to create the Public Utilities Commission, prescribe its powers and duties and to provide for the regulation and control of public utilities.

Mr. STEARNS of Oxford: Mr. President, pending second reading of this bill, I move that it lie on the table.

Mr. HERSEY of Aroostook: Mr. President, I call for the yeas and nays on the tabling of this measure.

Mr. STEARNS: Mr. President, in order that I may be thoroughly understood as to the object of asking that the bill lie on the table at this time, I wish to say just briefly that this bill was reported, last Friday, and was printed over Sunday, and the printed copies came in, yesterday. I made an attempt, last night, to find some of the printed copies, and found my

Brother Hersey engaged in the same search, and neither of us were able to find sufficient copies to satisfy our requests. I know that there are a great many people around this State House and in the State of Maine, who are vitally interested in this measure. And it would seem that they ought to have an opportunity of reading the bill before it is passed to be engrossed here in the Senate.

I would not be understood in any degree to be standing here obstructing this very important measure. I do not believe this Senate is going to have any such notion of my object in asking that this bill be tabled at this time. But we realize that this is the most important measure that will be presented in this Legislature; the most important legislation that has ever been presented in the State of Maine to any Legislature assembled in this State. And it seems to me that it may be that we would be opening ourselves to criticism of attempting too great haste if we urge this matter to be passed to be engrossed, this morning, without at least a day or two in which to have printed copies of this practically new bill.

The committee, who have considered this bill, have considered it carefully. They have put a great deal of time and study upon it, and I believe they have examined the bill, and I believe that it is entitled to the favorable consideration of this Senate, but I see no reason why those interested in this bill, the lobby, the public utilities, and what not, should not have an opportunity to read this bill.

I do not believe there are half a dozen senators in this Senate, this morning, outside of the committee who have seen it, to say nothing about reading it.

I ask for no undue delay, simply for a day or two in order that we may be able to supply those who are requesting copies of this bill, which has been reported and which I say is a most excellent bill, and which I think is entitled to be read by those interested. That is my only object, fellow senators, in asking to have this bill tabled.

Mr. HERSEY: Mr. President, I presume I have the right to answer the senator from Oxford.

Now, the senator from Oxford, who has been on the committee which has reported this bill. I understand finds no objection in the bill. A committee of 20 lawyers of this Legislature has passed upon this bill. It has been reported to this Legislature, on last Friday afternoon, and printed copies were upon the desks of the members, yesterday. Previous to that, the members had,—some of them,—the full text of this bill since last Saturday. Let it pass its usual course to be engrossed in the Senate, this morning, then it would go to the House and take its usual course, there and would come back here sometime the last of this week or the first of next. It seems to me in all that time before it comes for final passage to this Senate, if there is anything in this bill that ought not to pass this Legislature,—if anything has been discovered up to that time that has not been discovered now, I think there is plenty of time to discover it.

I know that there is pressure brought to bear in the lobby against this measure going through this Legislature, and the lobby is interested in trying to find some reason for delay or defeat of the matter. I feel strongly if this bill is to go through this Legislature that it should take its usual course, while men outside the Legislature are working for its defeat.

Mr. MORREY of Androscoggin: Mr. President, for one, I was away yesterday afternoon, and that is no reason why, as far as I am concerned, I should urge that as a reason in support of the motion of the gentleman from Oxford, the mere fact of my absence, as far as I am concerned, would not entitle me to that objection.

This is by far the most important matter that will come before this Legislature at this session. I do not recollect a single bill that has been put through here on its passage, where a request to lay upon the table for a day or two has been refused. I do not know of one instance, and as I understand the motion of the sena-

tor from Oxford, it is that it lie upon the table and be specially assigned for next Thursday morning, only two days away. I go farther than Senator Stearns in his remarks. I do not believe there have been three senators, outside of the committee, who have read this bill. The matter is one of the greatest importance, and we all ought to have an opportunity to examine the matter carefully. I have the greatest respect for the judgment of the attorneys constituting the joint committee on this bill. I know well that it has received their best care, and their best thought, but it might be that something has escaped them, and it might be that nothing can be found in any way wrong in the bill, but as we accord to every measure that comes here the courtesy of allowing it to be tabled when we are convinced it is not done for any dilatory work, I see no reason why this matter should not be accorded the same courtesy and assigned for Thursday of this week. I therefore second the motion of the senator from Oxford.

Mr. MURPHY of Cumberland: Mr. President, I want to state that I was here yesterday afternoon, came in early, and the first I knew of this bill being printed was some time late yesterday afternoon, I saw one man with three or four in his hand and asked him if he had one to spare and he said there was one on the desk. I found one last night about 10 o'clock.

I believe some one here intended to do the right thing, but it is pretty hard to make us vote on something we have not had a chance to look into. As far as I am concerned, I am in favor of a public utilities bill. I think I shall vote that way, but would certainly like an opportunity for my friends to look into this matter.

Mr. STEARNS: Mr. President, I would suggest that Thursday, in the face of the objection of the senator from Aroostook, he would dislike to put it farther ahead, that this week Thursday, be assigned for consideration of this bill.

The question being on the motion of the senator from Oxford that the bill be tabled and specially assigned for

Thursday of this week, the yeas and nays were ordered.

The secretary called the roll. Those voting yea were: Messrs. Allan, Allen, Bailey, Boynton, Burleigh, Chase, Clark, Colby, Cole, Conant, Dutton, Emery, Hastings, Jillson, Maxwell, Morey, Moulton, Murphy, Packard, Patten, Reynolds, Richardson, Smith, Stearns, Walker, Wing—26. Those voting nay were: Messrs. Flaherty, Hersey—2. Absentees: Messrs. Hagerthy, Mansfield—2.

Twenty-six voting in the affirmative and two in the negative, the motion of the senator from Oxford was agreed to.

Passed to Be Enacted.

An Act to amend Sections 2 and 8 of Chapter 188 of the Public Laws of 1911, providing for the encouragement of industrial education.

An Act to amend Section 5 of Chapter 15 of the Public Laws of 1907, and also Section 6 of said chapter, as amended by Chapter 34 of the Public Laws of 1909 and Chapters 84 and 176 of the Public Laws of 1911, relating to the protection of trees and shrubs from dangerous insects and diseases.

An Act to amend Section 28 of Chapter 65 of the Revised Statutes relating to appeals from orders, sentences, decrees or deitals of judges of probate.

An Act to amend Section 50 of Chapter 93 of the Revised Statutes, as amended by Chapter 21 of the Public Laws of 1907, relating to liens on hemlock bark, cordwood and pulpwood for labor performed thereon.

An Act to repeal Chapter 153 of the Public Laws of 1911 entitled "An Act to prohibit the use of gang hooks, so-called, when fishing in the inland waters of the State.

An Act to amend Section 116 of Chapter 15 of the Revised Statutes relating to instruction for the blind.

An Act to extend the charter of the World's Standard Insurance Company.

An Act to amend Section 115, of Chapter 15 of the Revised Statutes, as amended by Chapter 106 of the Public Laws of 1909, and as further amended by Chapter 186 of the Public Laws of

1911, relating to appropriation for the support of the Normal and training schools.

An Act relating to the admission of foreign insurance companies and amending Section 78 of Chapter 49 of the Revised Statutes.

An Act to amend Section 6 of Chapter 18 of the Revised Statutes, as amended by Chapter 48 of the Public Laws of 1909, relating to the State Board of Health.

An Act to ratify the organization of St. Joseph's Convent and Hospital fixing the value of property it may acquire.

An Act in relation to the Skowhegan & Athens Railway.

An Act authorizing Blon M. Pike to maintain a ferry between Lubec, North Lubec, Eastport and Campobello.

An Act to amend Section 23 of Chapter 18 of the Revised Statutes, as amended by Chapter 26 of the Laws of 1907, relating to the State laboratory of hygiene.

An Act to amend Sections 41 and 42 of Chapter 49 of the Revised Statutes, relating to the organizations of insurance companies.

An Act to incorporate the Lincoln Sewerage Company.

An Act to amend Sections 80 and 81 of Chapter 52 of the Revised Statutes, relating to provisions for safety in the management and operation of steam railroads.

An Act to amend Chapter 100 of the Private and Special Laws of 1891 as amended by Chapter 506 of the Private and Special Laws of 1893, relating to drains and common sewers in the city of Rockland.

An Act to incorporate the Rockland Public Utilities District.

An Act to amend Section 2 of Chapter 253 of the Private and Special Laws of 1905, relating to Wiscasset bridge.

An Act to incorporate the Capitol Island Village Corporation.

An Act to amend Section 17 of Chapter 65 of the Revised Statutes, relating to the administration of oaths required by the courts of probate.

An Act to extend and amend the charter of the Eastern Maine Railroad.

An Act to repeal Section 1 of Chapter 158 of the Public Laws of 1911, relating to the annual examination of savings banks and trust companies.

An Act to extend the charter of the Matagamon Tow Boat Company.

An Act to create the Royal River Manufacturing Company.

An Act to set off the town of Isle au Haut in the county of Hancock and annex the same to the county of Knox.

An Act conferring equity jurisdiction upon the supreme judicial court to hear and determine property matters between husband and wife and wife and husband.

An Act to amend Section 55 of Chapter 49 of the Revised Statutes, relating to the enforcement of a mortgagee's lien for insurance.

An Act changing the name of Gregory Sanitorium at Boothbay Harbor to St. Andrew hospital.

An Act authorizing the town of St. George to restrict the taking of claims within the limits of said town to the inhabitants thereof.

An Act to incorporate the Mattawamkeag Water Company.

An Act to incorporate the Kenebec Gas & Fuel Company.

An Act to incorporate the Rumford Chamber of Commerce.

Finally Passed.

Resolve in favor of Peter J. Newell, representative of the Passamaquoddy Tribe of Indians.

Resolve in favor of Peter W. Ranco, representative of the Penobscot Tribe of Indians.

Resolve in favor of John M. Deering for services and expenses as secretary of the Maine Cattle Commission.

Resolve making specific appropriations for buildings at the University of Maine.

Resolve in favor of the city of Biddeford for balance of amount allowed it by the State for a free library for 1911.

Resolve reimbursing the town of New Portland for money expended for a free High school therein.

Resolve in favor of the Aroostook State Normal School for repairs and permanent improvements.

Resolve in favor of the Western State Normal School for purchase of equipment of manuel training department.

Resolve for aid in repairing the "Pond Road," so-called, in the town of Readfield.

Resolve in aid of re-building the "Lowell Bridge," so-called, across the Mattawamkeag River in Moro Plantation.

Resolve in favor of the Madawaska Training School for certain improvements and repairs.

Resolve in favor of Wilton Academy for undrawn balances of money previously appropriated.

Resolve to reimburse Cumberland county for expenses of law court held in ortland in 1910.

Resolve for aid in building a highway bridge across Crooked River between the towns of Naples and Caco, county of Cumberland.

Resolve in favor of the Farmington State Normal School for furnishings and equipment for a dormitory.

Resolve to reimburse the city of Waterville for money expended for support of State paupers.

Resolve in favor of the city of Saco for money expended in investigation of incendiary fires.

Resolve for the improvement of the State Park on the easterly side of State street.

Resolve in favor of the Western State Normal School at Gorham for permanent repairs and improvements.

Resolve relating to the publication of "The Beginnings of Colonial Maine,"

Resolve in favor of Grenville M. Donham for 400 copies of Maine State Year Book and Legislative Manual.

Resolve in favor of John M. Deering for services as secretary of the Maine Cattle Commission.

Resolve to authorize and provide for the purchase of the history of the town of Garland.

Resolve for aid in repairing the roadway leading from the town of Greenville to Lily Bay bridge, in the county of Piscataquis.

Resolve proposing an amendment to the Constitution of Maine conferring the right of suffrage on women.

In the Senate this bill was given its several readings and was passed to be engrossed, and in the House received its several readings and was passed to be engrossed, but failed on final passage in the House, not receiving a two-thirds vote.

The question before the Senate was the final passage of the resolve notwithstanding that it failed of a final passage in the House.

On motion by Mr. Hersey of Aroostook, the yeas and nays were ordered.

Those voting yea were: Messrs. Allan, Allen, Burleigh, Chase, Clark, Colby, Cole, Conant, Dutton, Emery, Hastings, Hersey, Maxwell, Milliken, Morey, Murphy, Patten, Reynolds, Richardson, Smith, Stearns, Walker, Wing—23. Those voting nay were: Messrs. Bailey, Boynton, Flaherty, Jillson, Moulton, Packard—6. Absentees: Messrs. Hagerthy, Mansfield—2.

Twenty-three having voted in the affirmative, and six in the negative, the resolve was finally passed.

The PRESIDENT: Unless there is objection, the Chair will lay before the Senate first the veto message from the Governor, on an act relating to untrue and misleading advertisements. This bill was returned to the Senate, March 6, with a veto message explaining the objections of the Governor. On motion by the senator from Androscoggin, Senator Morey, the message was tabled and specially assigned for consideration, today. The question before the Senate is shall this bill become a law notwithstanding the objection of the Governor. Upon that question a yea and nay vote is ordered, and a two-thirds vote of the members is necessary. The question is open for discussion.

Mr. BAILEY of Penobscot: Mr. President, as this is a bill which was reported from the committee on legal affairs, and is one which has been brought before the public to a large extent by the veto of the Governor, it seems proper and fitting not to offer any apologies for the favorable report of this bill, but to offer an explanation in regard to it. The bill starts in: "Any person, firm, corporation or association, who, with intent to sell or

in any wise dispose of merchandise, securities, service, or anything offered by such person, firm, corporation or association, directly or indirectly, to the public for sale or distribution, or with intent to increase the consumption thereof, or to induce the public in any manner to enter into any obligation relating thereto, or to acquire title thereto, or any interest therein makes, publishes, disseminates, circulates, or places before the public, or causes directly or indirectly, to be made, published, disseminated, circulated, or placed before the public in a newspaper or other publication, etc."

So the bill starts out in the first place to place the responsibility on parties who advertise. The Governor in his message gives us one of his reasons for vetoing the bill that it does not contain the word "knowingly." Under the common law, there is an action which is called an action of deceit. It is an action which allows one person to collect damages from another on account of the first person being deceived by a statement, representation, or assertion in regard to some property which is sold to him.

When that action was first put into practice they had to prove what is called "scienter." It means just what the Governor has asserted in his veto message, "knowingly" or with knowledge. It proved by actual experience and practice in the courts that the requirement rendered the action practically useless, so that a good many years ago that allegation and proof of knowledge on the part of the one that made false representations or assertions was done away with.

As the law now stands and is practiced in the courts, if a man makes a statement, a representation or an assertion which he knows to be false or which he does not know whether it is true or not, if he makes that assertion and a person believes it and is injured thereby, he can recover damages.

Perhaps a concrete illustration would be more efficacious than a statement of the general rule. There was a case in court, I think in Bangor, at the last January term. A man owned a farm and wished to sell it. A prospective purchaser came and looked at the farm.

Probably every lawyer here has had a case similar to this. Of course the purchaser wanted to look the farm over. They came to a swamp that had some juniper in it. The prospective purchaser said "Do you own this?" The farmer said "Yes, sir." He bought the farm and went and cut the juniper knees and then was sued by his neighbor. The line was run out and it was found that at least two-thirds of this juniper swamp was on the farm of his neighbor. The seller claimed in the first place at the trial of the case that he did not know, but supposed it belonged to him, as his father lived on the farm before he did and he supposed that it was a part of the farm.

The court said: "You should have known. This man bought your property on your assertion and on the supposition that you owned this juniper swamp. It was an essential element in the selling and buying, and when you made that statement, he relied upon it and was damaged thereby. You come into court and say you did not know, but supposed you owned it. That is no defence to the action."

And so it is in matters of this kind where you have the word "knowingly" put in, it is almost impossible to secure a conviction because it opens up such a wide gap for the party to escape.

Take this bill and insert the words "any person, firm or corporation knowingly," etc., and where do you land? Senator Walker might be advertising in the paper and his advertisement proving false and untrue, he says: "I do not know anything about that. My stenographer wrote that." He gets out of it. He did not know. He supposed it was all right. So the word "knowingly" under actual practice in courts takes away all the teeth in this kind of a bill.

Under the action of deceit, the common law action, you can see if a person is injured by some advertisement that he reads, his damage may be very small. No one will sue an advertiser as his damages would not be enough to pay his lawyer's bill.

The idea of the bill is to reach those who disseminated false and untrue ad posters, and not the newspapers and bill posters themselves. The original bill contained a provision by which news-

papers or bill posters would come within the statute, but this bill now reads: "With intent to sell or in any wise dispose of," so that it has eliminated newspapers. I understand there was a good deal of complaint to the Governor from the newspapers, but this bill does not touch them at all if they are honest. I noticed at the time of the Governor's veto that there was quite a line of newspaper men here that day, and one of them approached me and I said to him that this bill did not affect newspapers. As I said before, they must have misunderstood the application of the bill or they wished to secure some advertising which this bill was drawn to keep out. I do not like to accuse them of the latter, and so will be lenient and say that they did not understand the bill.

Secondly, the Governor vetoed the bill on the ground that it would be a detriment to modern advertising. But again the bill says: "Which advertisement contains any assertion, representation or statement of fact." It was not meant to apply to a merchant who, in his enthusiasm was willing to set forth, in his opinion, the desirability of purchasing his goods, as they call it in law, "puffing." But it simply means to strike at those people who made direct statements of fact. We know that newspapers are full of them.

The Governor also objects to the word "misleading." A statement from a very eminent authority on these matters. I will read, because it is put in better language than I can put it: "In cases which have been tried in New York so far under the local statute, it has been found that some of the advertisements which are doing the most harm could not be said to be absolutely false, but nevertheless would undoubtedly have misled the vast majority of persons who read them. An instance of this in the advertising of goods under some name known only to those intimately connected with the trade, which name is totally unknown to the public, and when used, misleads the public into the belief that the goods are what they are not. Under the Statute as worded at present, it is possible to stop that sort of advertising as clearly misleading."

The whole trend of modern decision and modern legislation is to protect the consumer, and a very eminent judge in the United States court in an opinion recently handed down, Judge Aldrich of Boston, said: "The whole trend of modern decision is in the direction of making it clear, whether in respect to food, drugs or wearing apparel, that the placing of adulterations and imitations upon the market, with the purpose of deceiving the members of the public who buy, as they do oftentimes, upon casual inspection, into buying something for what it is not, is a business which is not countenanced by law."

This quotation is in the case of *Estes vs. Ford*, 100 C. C. A. 258, in the circuit court of appeals.

So that this bill, coming as it did from the Advertisers' League, and also supported by Mr. Dow and Mr. Wish of Portland, prominent newspaper men, and recommending it, as they did, and such a law being in force in such states as New York, Massachusetts and Washington, and was being introduced into over 25 Legislatures in the country at this time, the committee felt it was in the line of progress to report this bill favorably, and because it would hurt no honest man. In these days of modern business stress and strain a man has some right to believe what he reads in the newspapers in regard to advertisements, and be protected in his belief.

All along the line these matters of legislation are coming up to make the lives of the average man, woman and child, happier and safer and more comfortable. We are passing similar laws, every day, and the committee believed that this law made for advancement and progress and therefore reported it favorably.

I do not wish to urge that we pass this bill over the Governor's veto, because if the Governor uses the strong arm of veto, it requires a very strong case to ask the members of the Legislature to pass beyond that. I understand that the Senate has already brought upon it the wrath of the gentleman from Augusta, Mr. Newbert, who is the next important man in the

State, at least in his own opinion, and we do not want to be too unpopular.

Mr. RICHARDSON of Penobscot: Mr. President, as I think I am responsible for the introduction of this Act and took some part in starting the agitation which produced the first Massachusetts bill, introduced to the committee on legal affairs, I feel in self-defence that I should say something in support of the measure, even if I have no desire to ask the Senate to pass the bill over the Governor's veto.

A year ago the purification of the advertising pages of our periodicals was primarily started by advertising men, and there are no better men in any trade or profession. These men are working judiciously to pass laws in the various states which will enable committees of their associations to successfully prosecute advertisers who make untruthful statements.

That the Senate may appreciate the magnitude of the undertaking, I will only say that at a recent meeting of the association of advertising men, the retiring president made the statement that the men of that association were responsible for the introduction of advertising into the periodicals of this country, aggregating in value over six hundred million of dollars. We will assume that the concerns back of this advertising appropriate the modest amount of three per cent. of their gross sales for this work. The total investment back of this advertising thus aggregates an amount beyond the comprehension of the average man. A police force is needed, and that police force is at hand in the committees of the advertising associations and is now at work in the various States. In fact the Senate will appreciate the fact that this bill is introduced in this Legislature by the Portland Advertising League.

To give an idea of the work of the vigilance committees, I will say that one New York committee holds regular fortnightly meetings. Since its formation, a little more than a year ago, it has investigated 92 cases. Of these 14 have been dropped for lack of evidence, 30 have been referred to the national committee for further investigation and action by other clubs, six are in the hands of the legal section with power to act (in one case at least this action has gone as

far as the district attorney's office), eight are to be bulletined to publishers and others interested, twelve objectionable features of advertising have been corrected voluntarily by the offending advertisers at the committee's suggestion and twenty-two are still under consideration. The committee has thirty-two new cases on hand for investigation.

I want to touch the work that is being done in other states, but will only say that in a great many of the other states these associations are working along the same lines.

I have in my hand an editorial which will appear in this week's issue of *Printers' Ink*: "When Governor Cox of Ohio signed House bill No. 104, in March, his state became the first to adopt an adequate law against fraudulent advertising. To the advertising men of Ohio belongs the honor of securing the passage of the following law—the model statute recommended by *Printers' Ink* with a very minor change:

An Act to provide against fraudulent advertising.

Be it enacted by the general assembly of the State of Ohio:

Section 1. Whoever, with intent to sell, or in any wise dispose of merchandise, securities, service, or anything offered by him directly or indirectly, to the public for sale or distribution, or with intent to increase the consumption thereof, or to induce the public in any manner to enter into any obligation relating thereto, or to acquire title thereto, or an interest therein, causes, directly or indirectly to be made, published, disseminated, circulated, or placed before the public, in this State, in a newspaper or other publication, or in the form of a book, notice, handbill, poster, bill, circular, pamphlet or letter, or in any other way, an advertisement of any sort, regarding merchandise, securities, service, or anything so offered to the public, which advertisement contains any assertion, representation or statement of fact which is untrue or deceptive, shall be guilty of a misdemeanor and on conviction thereof shall be punished by a fine of not less

than \$10 nor more than \$100 or by imprisonment in the county jail not exceeding 20 days or by both said fine and imprisonment.

One law actually upon the statute books is worth pages of argument. When *Printers' Ink*, a year and a half ago, advocated the adoption of this law, we insisted much more strongly upon the necessity for a police force to insure its enforcement. As was right and proper, the police force came first in the vigilance committee movement, progress of which is chronicled on another page of this issue.

Mr. President, it is hard to understand why newspapers should object to the passage of this law.

As a matter of fact the man who drew the Act, Mr. Harry D. Nims of the New York bar, has stated that it did not bear in any sense on the periodicals. I will quote from a recent article which he has published: "You will recall that in formulating this proposed statute, one of the principle things which I had in mind was to so frame it as to put the blame for misleading advertising where it belonged, namely on the shoulders of the man who formulated the advertisement; on the man whose goods the advertisement was intended to sell; on the man who would be benefitted by whatever deception of the public resulted through the advertisement.

To this end the *Printers' Ink* statute, in skeleton, provides: 'Any person—who—with intent to sell—anything offered by such person—for sale—publishes—or causes—to be published—a n advertisement—which—contains—any assertion—of fact which is untrue, deceptive or misleading, shall be guilty of a misdemeanor.'

When the statute is reduced to this form you will note (1) the man at whom the statute is aimed is the man who offers to the public goods which he himself has for sale. This is clear from a careful reading of the first three lines of the statute. On reflection it would seem clear that no newspaper is offering for sale the goods advertised in its columns. What it is offering for sale is its cir-

ulation and its space; and I believe that every earnest advertising man is in favor of penalizing any publisher who misstates facts regarding his circulation and in exempting him from legal responsibility as to mis-statements made by others through his columns as to what they have for sale.

(2) The phrase 'makes, publishes, disseminates, circulates, or places before the public' refers back to the person who is advertising something he himself has for sale. Can a newspaper or periodical be said to be offering to sell all the articles advertised in its columns?

To eliminate these words from the Statute, so far as I can see, merely gives an opportunity for a quibble to be made as to whether or not making a statement is different from causing a statement to be made. In the first case brought under the New York advertising Statute with which I had anything to do, we have run afoul of this very quibble. If it becomes necessary to limit the application of the Statute in some way so as to make it more evident that newspapers do not come within its provisions, would it not be better to be more specific in the definition of the person to whom the act applies, rather than to limit the verbs in the Statute which defines the offense?"

It is hard to understand why any newspaper man should object to that. It clearly does not bear on the newspapers. As it happened, when the Massachusetts law, a harmless little statute, and into which very carefully the word "knowingly" was inserted, when that law was put before the legal affairs committee, it appeared that there was some objection to it. I was before the committee on this proposed law in regard to untrue advertisements. I had in my possession the Printers' Ink Model Statute and I offered that as a substitute measure. A Portland gentleman, an official of a leading newspaper, appeared there favoring the Massachusetts bill. Later one of his force of employees wrote to the committee in regard to the Statute objecting to it. Last night, I had a letter from the president of the Portland Adver-

tising League, who is also an official of that same newspaper suggesting that I offer this same Printers' Ink Statute as a substitute measure.

Evidently these people who were first in favor of the Massachusetts Statute were not aware of the fact that the Printers Ink Statute had met with the disapproval of the Executive.

Mr. President, I have a great deal to say on this statute, but it is unnecessary. The measure is right. It will protect the honest advertiser. It will enable the prosecuting attorney to punish the dishonest advertiser. Back of this measure are very many responsible men. Further than that, some of the leading publishing concerns in this country are actively at work purging their columns of such advertisements. They are doing this for their own benefit. And I think it is right to say when you stop one unfair advertiser you make 10 fair advertisers.

Mr. FLAHERTY of Cumberland: Mr. President, I wish to say just a word in regard to this Act here. I wish to say that the president of the Portland Advertising League was in my store and willingly offered to substitute this model statute. I told him about it and he said that he did not understand the law did not have anything to do with it. There are several business men in Portland who are in favor of this law going in as it is. They are not afraid of saying anything in their advertisements that are misleading. And they asked me to make a statement before the senators approving this Act, and they trust it will be given consideration.

The PRESIDENT: The pending question is shall this bill become law notwithstanding the objection of the Governor? If two-thirds of the senators vote yes, that vote will be sent to the House, and if two-thirds of the House vote yes, the bill will become law notwithstanding the objection of the Governor. If less than two-thirds of the members vote yes upon this question, the bill will fail in the Senate and a message will be sent to the House informing the House of that fact.

So many of the members of the Senate as are in favor of the bill becoming law notwithstanding the objection of the Governor will vote yes, and

those opposed will vote no. The secretary will call the roll.

Those voting yea were: Messrs. Allan, Bailey, Boynton, Cole, Conant, Flaherty, Hersey, Jillson, Maxwell, Morey, Mouton, Murphy, Packard, Patten, Richardson, Smith, Stearns—17. Those voting nay were: Messrs. Allen, Burleigh, Chase, Clark, Colby, Dutton, Emery, Hastings, Reynolds, Walker, Wing—11. Absentees: Messrs. Hagerthy, Mansfield—2.

Seventeen having voted in the affirmative and 11 in the negative, the necessary two-thirds did not vote and the bill failed to become law.

The PRESIDENT: The Chair invites the senator from Lincoln to take the Chair for the remainder of the session.

Senator Baynton in the Chair.

The CHAIR: The Chair lays before the Senate for consideration Senate Document 310, An Act relating to the entry of "Noile Prosequi" in criminal cases.

Mr. PACKARD of Knox: Mr. President, I move that the bill be re-assigned for Thursday of this week.

The motion was agreed to.

The CHAIR: The Chair lays before the Senate majority report "legislation thereon inexpedient" and minority report with accompanying bill "An Act to repeal Chapter 179 of the Public Laws of 1911 providing for the exemption of mortgages on real estate from taxation," from the committee on taxation on an order of the Legislature to inquire into the expediency of investigating the subject of taxation of money invested in real estate mortgages and considering whether or not Chapter 179 of the Public Laws of 1911 should be repealed, and report by bill or otherwise.

Mr. WING of Franklin: Mr. President, I move the acceptance of the minority report in non-concurrence with the House.

Mr. President, I believe that this is an important matter and one that should and will receive the careful consideration of this Senate. We have noticed in recent years a gradual growth in appropriations. The appro-

priations in towns have increased; the county taxes have increased and the State appropriations have increased.

The people of Maine, today, are demanding more money to be expended on their roads; they are demanding better schools; they are demanding better sidewalks; they are asking for electric lights, water works and all the modern improvements. These added improvements increases the amount of money which we must raise by taxation, and I have been interested to note the amount that we now expend for public purposes in this State.

In 1911 the county and municipal taxes in the State of Maine were \$6,461,058.00, that was raised by the various cities and towns for public purposes. The direct State tax which was levied upon all the property of the State and directly affected every property owner, was \$2,712,641.00. The indirect State tax which was assessed on public service corporations was \$2,609,069.00. We also assessed upon the poles of the State \$535,598.00. Gentlemen, a grand total of \$12,318,367.00. Just think of that proposition for a moment. We are raising in Maine, today, upwards of twelve million dollars by taxation upon the people and property of this State.

I submit, is it fair that that money be raised in an equitable and just manner so that it shall bear as nearly as may be upon all the property of the State?

The Constitution of our State evidently had that matter in mind when this provision was enacted: "All taxes upon real and personal estate assessed by authority of this State shall be apportioned and assessed equally according to the just value thereof."

I contend, gentlemen, that the exemption which was made two years ago is not in accordance with the rule laid down in the Constitution, that we are not apportioning the tax equally. The Constitution of Vermont provides that every member of society has the right to be protected in the enjoyment of life, liberty and property and therefore is bound to contribute his just proportion toward the expense of that protection. That is, that all taxes should be apportioned equally throughout the State.

The supreme court in treating on this equality matter of taxation in the 62nd Maine, makes this statement: "To the precise extent that one man's estate is exempted from taxation, to that same extent is there an imposition of the amount exempted upon the rest of the inhabitants.

It can never be admitted that the Constitution of the State permits or allows the taxation of a portion of its citizens for the private benefit of a chosen few, and that taxes raised for such a purpose shall be assessed without reference to uniformity of taxable property or equality of ration. It is essential to all just taxation that it be levied with equality and uniformity."

Two years ago a law was passed exempting certain money invested in real estate mortgages, and the statute is worded: "All loans of money made by any individual or corporation and secured by a mortgage on real estate situated in this State" are exempt from taxation.

Now, gentlemen, that statute is a very bad one. Any money that is secured by a real estate mortgage is absolutely exempt under that law without any regard to the value of the security. It opens the door wide for all money at interest to escape taxation. Can you conceive of an assessor in this State that will be, after that law has been in force a few years, smart enough to catch any money at interest? Suppose a man has \$50,000 and he desires to loan it. If it is secured by a mortgage on real estate, it is absolutely exempt. Now we will suppose that it is secured in some other way. We will suppose it is secured by bonds. How easy to take a little real estate mortgage, and then it is exempt. Suppose a man is willing to loan his money without any security, he will in every case insist upon having some real estate security and that makes him exempt.

So that I say to you, gentlemen, it makes practically an absolute exemption of money at interest. This matter has been before the Legislature at other sessions for many years. Four years ago it came before our committee on taxation, and after a very full hearing every member of the committee reported "ought not to

pass." And the bill was reported that way. It came up two years ago. It was not discussed, as I understand the matter, in the House, but was discussed at some length in the Senate, and passed the Senate by a narrow margin.

I want to call your attention briefly to the size of this exemption as compared with other exemptions. We have previously made only a few exemptions that may be termed the poor man's exemption, like furniture, animals under six months of age, swine, and farming tools, and a few minor matters of that kind, but this exemption may be termed a rich man's exemption. It has no characteristics like former exemptions which we have named, and I call your attention to this fact, that in the State of Maine, in the year 1911, the last year before this law took effect, there was taxed money at interest \$12,012,665.00. Over \$12,000,000 of taxable property in this class and only a small part of the class was taxed at that. The \$12,000,000 produced a revenue to the various cities and towns of this State at the average rate of taxation, of \$271,486.00. That, gentlemen, was wiped out by the law passed two years ago. That law will have the absolute effect of depriving the cities and towns of the State of Maine of \$271,000.00 annually. Who pays the bill?

That burden is shifted. We do not, when we make exemptions, we do not wipe out the burden; we shift it to the shoulders of those who are paying taxes. You can never get rid of taxation by exemptions. Every time you make an exemption you shift the burden and place an additional burden upon the poor men of this State who are paying the taxes.

Suppose, gentlemen, I had at the beginning of this session entered a bill and asked you to exempt Franklin county from all State, county and municipal taxation. Suppose I had entered that bill and argued to you, as the proponents of this measure argued, the benefits which we could derive from that exemption. Would it not increase business in Franklin county if we could avoid all taxes

and have the rest of the State taxed for our benefit? Would not our farmers flourish? Would not the mills in Franklin county multiply? Would not business be good throughout that county were we not called upon to contribute one cent towards the expenses of the public?

And do you know, gentlemen, you could make that exemption, you could absolutely exempt everything that we have in Franklin county, and you could save \$52,048.00 over the exemption which was made. We will take the county of Lincoln. You could absolutely exempt every dollars' worth of property in Lincoln county. You could raise the taxes outside and pay all their bills and you could save the sum of \$91,481.00 over the exemption which you made.

Take the county of Piscataquis, they raised there in taxes \$203,816.00. That county could be absolutely exempt from all taxation and the State would be \$67,670.00 better off than with the exemption which was made.

There are five counties in the State of Maine where the State could absolutely exempt any one of them and still be better off than with the exemption which now stands on the statute books.

Now what do the people who are in favor of this bill say? They say it is double taxation. That word "double" taxation is scaring a great many people. We dread taxation fearfully now, but when you double it, it scares anyone at once. What does the law intend to do? The proposition is just this: We propose to tax every man according to what he has; what we find in his possession when we take the inventory, and if we eliminate what they object to, and call double taxation, I want to say to you, that you never will do it until you eliminate and wipe off all taxation laws from the statute books.

To illustrate: Here is a trader in the city of Augusta, and he has a stock of goods worth \$10,000. The assessors come around in the spring, and they assess him for his stock in trade. He may be owing for one-third or three-fourths, possibly for whole of the goods, but the property is found in

his possession, and is there any other rule by which we can tax it?

We have in our vicinity some mills that are doing business. I know of one mill where they put in about \$23,500 into the capital stock. They hired money for the balance, about \$30,000. They are taxed in the town for \$53,000, the value of their plant. Is there any other basis upon which they could be taxed? They have seen fit to hire money and put it into the business. Is that not as much double taxation as the double taxation of real estate?

The assessor goes to the farmer in the spring and finds certain stock in the barn. Is he going to inquire into the financial standing of that man and determine whether he owns that stock or not? Can he do it? Is it practical? The farmer may have that stock, and may be owing for the whole of it. It is in his possession and must be taxed.

You take the real estate mortgage. A man may have a farm worth \$10,000. He desires to hire \$5000 and give a mortgage. We do not know what he does with that money. He may take that money and invest it in bonds and lock them up in his safe and escape taxation.

I say to you, gentlemen, that you cannot trace out these things and eliminate what is commonly known as double taxation. It cannot be done. You may pass all the laws with that thought in view that you like.

There are a great many people who hold up their hands in holy horror at this proposition of double taxation, but the supreme court of New Hampshire has repeatedly decided that the taxation of the man who invests money, and the taxation of the property is not double taxation.

Now we come to one more illustration. The law of the State of Maine taxes every man that owns an automobile for the full value at the municipal rate of taxation. The State of Maine requires a license before you can drive the automobile. Every individual that runs a car must take out a license. Then it turns around and says that you must pay a registration fee, \$15, \$20 or \$25, and that must be paid to the State of Maine. You are issuing on that

law \$2,000,000 of bonds, and you say that the owner of the automobile in this State must pay principle and interest of that \$2,000,000. Any question of double taxation enter into that proposition, gentlemen? The State is taxing the property, the municipality is taxing the property and we have heard no complaint. Nobody objects to it. Why do they make this cry against double taxation? I will tell you why. The wealthy man, the man with money that he wants to invest is attempting to escape the payment of what he should contribute to the public in the way of taxation.

They give one more reason why this exemption should stand. They say that to the precise extent that we remove taxation on mortgages, we lower the interest rate and that it helps the poor man. These rich men come here and argue that they should have this exemption to benefit the poor men, and that it will reduce interest rates just that amount. If they had been sincere in their proposition, if they really had wanted to benefit the poor man, it would have been very easy to put a provision in that law that all loans bearing four per cent. or less, or five per cent. or less, should be exempt from taxation, but they did not do that. They left it wide open so that any man loaning money, today, can obtain the highest rate of interest anyone will offer for that money.

I asked the register of deeds of our county if it was true that there was any reduction since this law went into effect, and I have his reply in which he states:

"Farmington, Me., March 8, 1913.

Honorable H. S. Wing,
Kingfield, Maine.

Dear Sir:

The rate of interest on mortgages recorded in this office ranges from three to eight per cent., but about all are at six per cent. I do not see any particular change in the rates for the past few years.

(Signed GEO. D. CLARK,
Register.)

Representative Putnam, this morning, called the register of deeds on the phone from Cumberland county, and

he says: "No particular change in rate of interest on mortgages in last two years."

No change in Cumberland county. In Penobscot county the register says he can see no change in the rate of interest of the last two years. The same thing is true in Aroostook county.

The proposition resolves itself into this: We have made an exemption to a class of rich men in this State. They have not lowered their rate of interest. They have escaped taxation to the amount of \$271,000.00. Shall that loss stand? Shall that burden be placed upon the other taxpayers of this State? That is the question, Senators, for you to decide here, today.

Mr. COLBY of Somerset: Mr. President, I was a member of the taxation committee. I voted against the exemption of mortgages. Two years ago I was also a member of that committee. I voted in favor of the exemption. I did it with some hesitation, but did not care to put in a minority report. During the past years I have had the question in my mind, which was right? After looking into the matter somewhat at this session and hearing the able explanation of the senator from Franklin county, I claim the right to vote with the senator from Franklin county.

Mr. WALKER of Somerset: Mr. President, I wish to second the motion made by the senator from Franklin county. When I was a member of the House, I introduced a bill into that body which provided that mortgages should be taxed, and that the real estate should be taxed only what was left after taking out the tax on the mortgage. If real estate was taxed at \$10,000 and there was a mortgage on that real estate of \$6000, the mortgage should be taxed for \$6000 and the real estate for \$4000.

The bill was copied after an act which had been passed in California, and California is considered to be a progressive state.

I hope the motion of the senator from Franklin will prevail.

Mr. RICHARDSON of Penobscot: I would say just a word on this matter as it is one in which I feel very strongly. My opinion, as a member of the committee, and from my con-

versation with Senator Wing, who has made so able an argument before you, today, to me there is a question of fairness without regard to legal technicality.

Let us suppose that in a village of say twenty-five hundred people there happens to live a man with \$100,000 invested in real estate mortgages. Suppose those mortgages average \$2000 each. It follows that the man would hold 50 mortgages aggregating \$100,000. Let us assume that the rate of taxation in that little village is 20 mills. Every man whose property is mortgaged to this money lender would be contributing to his town, county and State on the amount of his loan only the sum of \$40. The aggregate paid by those 50 individuals would be \$2000. And as compared with this we would have a magnificent contribution from the money lender of \$2 or possibly \$3 in the form of a poll tax. That does not seem fair to me.

Mr. BAILEY of Penobscot: Mr. President, if you look at the scientific and technical side of this question, you cannot help going along with the able argument of the senator from Franklin. But it seems to me that there is a broader, a wider question, and I wish to say a few words upon that side of the proposition.

In the State of Maine we have savings banks and the money of the people is put into those savings banks. A large part of it is invested in stocks and bonds of companies and corporations who are doing business outside of the State of Maine. That is, the people of the State of Maine get no benefit from that money which is deposited in savings banks, as it is invested outside of the State.

The people of our State, the citizens of the State of Maine, are depositing money in our savings banks which is used to develop and build up industries in other states and other parts of this country. As I understand it, this law is not primarily to lower the rate of interest, but it is to keep the money of the State of Maine in the State for the benefit of the people of the State.

For instance, here is a man who has a

couple of thousand dollars. He can put in a savings bank and get $3\frac{1}{2}$ or 4 per cent. interest, or he can loan it to his neighbor. His neighbor perhaps would build a sawmill or help build it, or perhaps build a house. That money does not escape taxation. Whatever improvements, he borrows money to improve his property, or perhaps put a stock of goods in his store, that money is going to pay taxes. It does not escape taxation. It is not an exemption.

We appropriate large sums of money in this State. What for? To bring money into this State. We appropriate money for the fish and game interests for we believe they are worth a good deal to the State. It brings people into the State who are willing to spend their money.

Again, we are going to appropriate a good deal of money for good roads. One of the prime objects of that appropriation is to bring people in from outside the State to spend their money with us. While we are appropriating money to bring people with their money into the State, it seems to me to be a good policy to pass laws that would have a tendency to keep our own money here.

If, as the law is now, a person goes to a savings bank, a man in the rural communities, he cannot mortgage his farm; he is too far off, and perhaps the insurance rates are high. The man in the city can borrow money on real estate but the farmer cannot do that. As a general rule, he must be good outside of his property. If he can go to his neighbor and borrow his money, it is going to be a benefit to him, and it is going to be a benefit to the community and to the State at large.

As the senator from Franklin says, and he is absolutely correct in his reasoning, exemptions are not favored in law nor in the principles of taxation. Here is a common instance of exemption; here are certain wealthy men who have money and go to a town and say "If you will exempt us from taxation for ten years, we will open business here. They hold a town-meeting and are glad of the opportunity to exempt them. Why? Because the money expended there in

wages and the money the employers put out in that community increases the trade of the community and benefits them indirectly. As I understand it, it is the indirect benefit to the State as a whole which this law exempting real estate mortgages places upon our people.

You take any city or town and if the people cannot invest their money in mortgages, the people who have money, what do they do? It is stocks and bonds and lock them up in a safety deposit box and get nothing from them and the money is not doing the community a cent's worth of good. They are buying stocks of railroads that do not touch our border at all, and that money is absolutely useless to the State of Maine. But if inducements are offered them, such as exempting them from taxation, they are willing to invest their money at home. I understand that is the prime object of this law. It has only been in operation two years, and I should feel that at least we ought to let it stay two years more and see how it works.

The senator from Franklin spoke of exempting mortgages which bore a certain rate of interest. Any real estate mortgage that bears more than 5 or 6 per cent. interest should not be exempted from taxation. That will come in time, if it is thought wise to keep the Statute on the books.

Looking at it on the broad lines, I feel myself that it is wise to keep the law as it is.

Mr. REYNOLDS of Kennebec: Mr. President, I believe as Mr. Bailey says on this mortgage business. I think there is a great deal of money that goes out of Maine and there is some that stays in that they get of paying taxes on as it is invested in bonds. I have been in touch with these matters quite a good deal, and while I voted, four years ago, against this bill, I think it is argued out and proved to be a good law to have. It has been up to this time almost impossible when a man sold a farm for \$5000 to get \$2500 on it because it was going to be taxed. You go to them and they would say: "We cannot get five per cent. on bonds, and we cannot afford to pay the tax and we must have

six and seven per cent. And a lot of those mortgages made out and recorded in the office of the register of deeds are brought about this way: A man sells a farm and in order to sell the farm, he gives a bonus of \$200 to have the mortgage rate six per cent., and he gets away with \$200 and the interest is six per cent. That is the way a good deal of money was let. Now you can go out quite often and get money at five per cent. under this new law, and it seems to me that while we have tried it but 18 months, we ought to give it a test and try it two years longer.

People say that we cannot get money to develop our towns. But some one comes down from Massachusetts and they organize a little corporation and then there is lots of money to develop their business. But a farmer cannot do that. There are lots of farms that four years ago you could buy for \$5000 and today they are mortgaged for \$5000 and on the books as worth \$10,000. There are hundreds of those cases, and it is because some of these farmers are beginning to believe that this land is worth something. There are acres and acres that are worth \$100 to till. You do not have to go to Aroostook county; they are coming this way. I talked with a man from there yesterday and he probably has a \$100,000 invested at eight per cent.

We do not hear about it here until someone wants to buy a farm. Any man who has a house mortgaged for \$2000 today, has to sit up nights to pay interest. This five per cent. helps him. And, today, men are coming here and making this their home, coming here to live, and this is encouraging the people to buy a home. I think it would be a sad mistake to pass this by.

Mr. STAPLES of Oxford: Mr. President. At this hour I would not, even were I prepared, attempt to occupy very much of the time of the Senate in the discussion of this question, which has already from the standpoint of those who are in favor of the exemptions of mortgages on real estate from taxation, from those who view it from that standpoint, and the question having already been very ably

discussed by the senator from Franklin, but I feel that the people of my county expect me to say a word at least upon this proposition.

The exemption of mortgages on real estate from taxation may be a good proposition. If so, the people of my county have not yet found it out. They have not yet caught up with those who believe that way.

Two years ago, as I believe, there was passed and placed upon the statute books of this State the most pernicious and vicious piece of legislation that has been passed in the State of Maine for many years, and that was this same law. I was opposed to it then, and I am opposed to it now. After two years of the operation of this law, I see no benefits flowing from it. I know that so far as the rate of interest is concerned in our county, it has not been diminished. I know that many thousands of dollars have escaped taxation. We all know how it is when the assessor takes the valuation in the spring of the year. He goes out on the farm and says to A, "How much is your place worth?" The farmer says \$4000, and the assessor puts it down \$4000.

He finds out if the farmer has a horse and he fixes the value. He has so many cows and oxen and he puts them on; he has sheep and swine and he puts them on. He finds out everything the farmer has and he puts it on, and he asks him if he has a dog, and he fines him for having a dog. He goes to the next man and asks him what he has, and he says: "I have not got anything that you can tax." The assessor says: "How is that? I always understood that you were a man of property." He says in reply: "You cannot tax me for anything." The assessor asks him if he has not some money, and he tells him that while he has \$5000 at interest, he cannot tax it. And he twirls his thumbs and looks at the assessor and the assessor passes on.

He has taxed the man on the farm with a stock of cattle for everything he has in the world. The other man has just as much property, is worth just as much, perhaps more.

The senator just spoke of a man

having \$50,000 or a \$100,000 invested in real estate mortgages. He does not bear one cent of taxation. If that can be made clear to me as anything right and just, it is beyond my comprehension. What I object to is that the people who came and ask for this exemption come here in the disguise of being here for the benefit of the poor farmer, the man who is struggling with interest charges on his mortgage. They came here two years ago and now they seek to maintain this law and talk the same thing that it is for the benefit of the poor man.

Why do we not happen to hear anything about this from that class of people? Up in my county the poor man is not asking to have this law maintained on the statute book. But they come here from the city, and they have been coming here for 10, 15 years. They started to come here from the beautiful city of Portland, and we all admire Portland, the metropolis city. They have some fine people there and they have money to loan, and those men have been coming here for the last 10 or 15 years asking for this legislation, but asking for it in the name of the poor farmer, the mortgagor and the borrower.

Up to two years ago they have sung their sweet song into deaf ears. Two years ago they found a response. Two years ago, which they came in the same disguise, yet there was someone there to turn aside the fleecy robes and discover therein the wolf coming here and asking for this legislation.

Senators, I believe they had better come here and say that they are not here in the interest of the poor men but that they are here in the interest of general business. That question has been handled by the senator from Franklin.

Of course it is a nice thing to be exempted from taxation. Of course it is a nice thing for those exempted. They cannot meet the proposition that way, and they are to meet it at some time and the people of the State of Maine will find out what it means. I do not believe they know now what it means. A great many people do not understand that such a law is on the statute books,

and when they do they will send men here who will repeal this law if you gentlemen do not do it this year. The farmer, the poor people, the borrower, the mortgagor are not scheming and plotting for legislation. They stay at home and look after their own affairs and once in two years go to the polls and elect men to come to the Legislature and act for them. And they expect them to protect their interests.

I believe that is what we are here for today, to protect the rank and file, to legislate for everybody and not for particular classes, and if this is not class legislation, if this is not legislation in favor of the man with money to loan and who is loaning money, then I fail to see what it is.

Unless we do act for these men who send us here, in the words that were used here so often by the senator from Knox, Senator Staples, "unless we do this, others will hereafter sit in our places."

Mr. MAXWELL of Sagadahoc: Mr. President, I want to say just a word as in my county we are placed a good deal as the senator from Oxford says they are. We have heard a good deal said on this question, but as yet I have not seen it pointed out where the poor man has yet derived any great benefit from this law.

In my county there never has been any trouble for the farmer to place a mortgage on his property, and I think that has been the case and is the case at the present time all over the State, and that too many of them have mortgages on their property. In Sagadahoc county when this law took effect it exempted a good many mortgages and a large amount of money at interest. In my town, I have been an assessor there for ten years, and know something about the workings and who pays the taxes. You exempt the money at interest, but you have not reduced your appropriation any. You have reduced the wealthy man's tax and with the extra per cent to give you the amount that you have appropriated in taxes, who have you put it on? Who is the fellow that is paying that additional burden? You have relieved the wealthy man who has money to loan, and you

have added it to the fellow that is hard up. That is all you have done. It goes right back to the farmer, and that is all there is to the proposition.

There has not been trouble in my county for twenty years for the farmers to get all the money they wanted at six per cent. I do not believe there has been a mortgage for twenty years placed there at more than six per cent. I do not believe there has been a mortgaged placed since this law took effect for less than six per cent. I know at least of fifty in my town within six months, and every one draws six per cent. I cannot see where the farmer has been benefited. He is paying just as much for his money as before and in addition he is paying an additional tax for the man who loans the money. What does the farmer get off? This whole cry is for the relief of the poor man, and you hear it all over the State. We will all acknowledge, and I will acknowledge, that he is the fellow that needs relief. He is the fellow that has just a little farm and some stock, and when the assessors go around they hunt up everything he has. They go through his barn, they tax his old wagon, they tax his musical instrument and everything he has. You go to the fellow with money at interest on these mortgages and what do you do with him? You just relieve him and you add the burden to the fellow in the country and the result is this, that you have been searching the other fellow a little harder to make up the deficiency.

You feel that you must find additional property or the rate must be increased, and the only fellow you find is the poor farmer in the country. You discover perhaps a few things you did not tax quite enough before. You raise the price of the horses or the cattle and perhaps you increase the land value. I know in our town that we increased the value \$100,000.00. Did that hurt the fellow loaning money on mortgages? Did he get any benefit out of it? It came out of the property owner.

If you prove to me that the fellow hiring money, the farmer that you want to relieve, that he is getting his money two per cent less than before, possibly I would be convinced that this is good

law, but until you prove that you have given relief to the man you should give relief to, I do not believe it is good law.

Mr. BURLEIGH of Aroostook: Mr. President, it is getting late and the question has been ably handled by the senator from Franklin, but I want to say just a few words in regard to how this is working in my town, Houlton.

In 1911, money at interest at Houlton, was assessed on \$314,500.00.

This act was passed in 1911 and did not take effect on that assessment. In 1912, there was assessed on money at interest \$10,000.00 in the town of Houlton, and that was given in by a man who said he was not in favor of the law and he wished they would place some burden on him.

Money at interest paid a tax in Houlton of \$7,308.00. These last years with only \$10,000.00, there was \$200.00 taxed on money at interest. There was a loss to the town of Houlton of \$7,168.00, that we lost by not having a tax on money at interest in my town. The rate of taxation in Houlton was two cents and four mills. Now if we had taxed the money there was at interest in the town of Houlton, our rate of taxation would have been only two mills.

One man in my town paid a tax of over \$2,400.00. This year he paid a tax of \$666.00. \$240.00 of that was on money at interest, and \$426.00 was on his house, and on bank stock. So that he was relieved over \$1,800.00 in his taxes.

I inquired of the register of deeds in my county as to whether in the past two years the rate of interest on mortgages that he recorded in my county had been reduced any by reason of the removal of the tax on money at interest. He told me that as near as he could tell by looking over the record, the rate of interest on mortgages recorded in the registry of deeds in Houlton was slightly higher than before they were exempted from taxation.

The burden in my town comes on the owners of property there. The assessors went around last spring and searched everywhere to get all the property they could to make up for the loss on the money at interest. I cannot see any

other way but what it is an exemption of the rich man from taxation.

Mr. MOREY of Androscoggin: Mr. President, I would like to ask the senator from Houlton through the Chair what the rate of taxation was before this law came into effect in his county.

Mr. BURLEIGH: Mr. President, I do not know as I can tell exactly, but I think two and three-tenths.

Mr. MOREY: What was the average rate of the loans of money?

Mr. BURLEIGH: As near as I can tell, about six per cent. A little higher than six on an average.

I think this rich man that has been paying taxes in Houlton has been loaning for five and six per cent and has not changed his rate since he was exempted.

Mr. MAXWELL: Mr. President, I would like to say to the senator from Androscoggin on the matter of rates in these towns applies to the year this took effect and largely this year, and is largely because of the increase of the State tax and decrease of the State tax in the year this took effect which materially reduced the tax rates in those various towns and has no application to the matter of mortgages.

Mr. MOREY: Mr. President, and Gentlemen of the Senate: This proposition has been discussed by those who are ardently opposed to the existing law. This report of the committee comes in here, eight in favor of the retention of the present law and two in favor of the proposition of repealing the law.

In the House of Representatives where this matter was fully discussed, 121 members after listening to the discussion voted in favor of retaining the present law, and only 10 decided to ask for the enactment of this law. One hundred and twenty-one found for the present law, and 10 only asking for its repeal. So we come to the proposition where men have discussed the question, and undoubtedly there is an honest difference of opinion. This law is one that they are seeking to repeal, which if repealed, would unquestionably place double taxation upon mortgages. That is elementary. If a man goes to get a loan at the bank or from his neighbor who has accumulated a few hundred

dollars and says, "What rate will you let me have this money at?" And he says, "Six per cent, and I do not have to pay any taxes." Then he gets his money. If he goes to a man, unless he is a friend of his, that man will not loan him money at five or six per cent when he is paying two per cent to the State out of that. He would be only getting three or four per cent for his money. What is the result? The result is that on this property the man must pay a higher rate of interest.

Here is a law that has been on the statute book two years, and there was not a borrower in the State of Maine that appeared before this committee and asked for its repeal. Only one section of our State appeared in opposition to it, and that was from the town of Houlton, and the senator has mentioned the result in his town. That was the seat of the opposition, and that has been the seat of the opposition for years in the State of Maine for the enactment of this law.

I will discuss for a moment the results in the town of Houlton, for those figures were given to the committee, and there is no mistake in it, and we claim that this law did not injuriously affect the town of Houlton. That town was represented by the senator from that county.

Now then if it is claimed that removing this tax from mortgaged property will necessitate the increase of the tax upon other property holders, if you do on that one item, but you increase your property. You get other property, buildings, the money is in circulation, it is away from the hidden vaults. You would expect that there would be a difference in the tax rate. You would expect that there would be an increase in the tax rate on this property when \$314,500.00 that in 1911 was taxed in that town for mortgages and in 1912 only \$10,000.00, \$304,500 must have slipped out somewhere.

Whether it was in the increased number of houses that this person bought and so helped to make up the valuation of the town, we do not know, but in 1910 the tax rate, and I have it officially from the assessors' office, in 1910 the official tax rate was twenty-four and

one-half mills in Houlton. In 1911, the year that this went into law, the tax rate was twenty-four mills. In 1912 there was an increase of five mills, making it twenty-nine mills. It was 24 mills exactly in 1911, and half a mill less than in 1910. There is no question about Houlton and the way the tax rate stands.

One of the speakers has said that he was in favor of taxing the equity of the mortgage. No man can look at the proposition, the farm is taxed for its value and the mortgage was put on it, and with the mortgage attached it is doubled taxation.

Recognizing the equity of the situation, one of the senators is in favor of enacting this proposed law and says to tax the equity, tax the equity above the mortgage. That was tried in Massachusetts, and what was the result? Immediately upon the passage of the law, the money lenders wrote into their mortgages, in their blanks, so that—for everyone who has seen a Massachusetts mortgage knows as was testified to before our hearing—that a clause was inserted that the mortgagor should pay the taxes on the entire property. That did not relieve the situation. Here is a man trying to make a loan to build his house, a mechanic and men through the cities and in the county who want to get money to build a home.

If a man is paying five per cent interest and then on top of that two per cent, the local taxation, it is so much to discourage the building of houses and the development of the city.

Would we act in an honorable manner to those who have taken advantage of the laws of this State? All through the State of Maine there are people who have loaned money on mortgages with the understanding that there was no tax on them, and what has been the result? In one county in this State foreign capital came from Massachusetts and loaned \$200,000.00 at five per cent. An enterprise was brought in from Massachusetts, and now shall it be said that we will put a tax upon those mortgages of two per cent? When they brought in their capital from outside the State and under our law came here can we say "You have got your

money in here, you trusted to our honor, but we will now put a tax on your property of two per cent as long as you keep it here." Three per cent for their investment! Would that induce any more money to come here?

Take it in mortgages in Cumberland county, where property, it was distinctly stated by a member of this Legislature who offered to prove it in the hearing, that in the county of Cumberland the rate had been reduced in his own office where he acts for the loaning of money, some thirty-five mortgages had been placed during this time which otherwise would not have been placed except for the clause excepting the loans from taxation. Shall it be said to those men, that their contract has been let and they shall pay taxes of two mills on that contract?

What about these demand notes given by men in business throughout the State? Take the mortgages in the banks, some made on demand, take them in other places where they are made on demand, what will be the result if this law is repealed? It will be a sudden call-in of all this property. It will be a sudden call-in from men who can do better than loaning money at three per cent. Upon whom will the hardship fall? It will be upon the man looking for money and cannot get it. This has been a proposition back and forth in this Legislature for years. Gentlemen on one side and the other have had pronounced views upon the subject, and yet it seems that the law has been in force for two years and the testimony being from the county of Cumberland what the effect has been in the reduction of interest, thirty-five mortgages placed that would not have been without this law.

No one appeared before the committee against the bill and eight out of ten members voted after hearing all this evidence, including a former senator of this body, Representative Irving of the House, a man as well qualified to judge of this law and its results as any man in Maine, and a man from Aroostook county who has given this law his unqualified support after careful investigation. He said to me, "Why in two years should this suddenly be brought

up and upset the security of people who have entered into contracts and relied upon the good faith of the State?"

I certainly hope that the majority report—I believe the question is on the motion of the senator from Franklin county to substitute the minority report with accompanying bill for the majority report. I hope this motion will not prevail, and that the majority report will then be accepted.

Mr. MURPHY of Cumberland: Mr. President, just a word or two. Cumberland county has been mentioned by three or four gentlemen. I am almost tempted to vote for the repeal of this bill after listening to the senator from Franklin and the senator from Oxford, if they had not mentioned Cumberland county. I want emphatically to state that five per cent is the frequent rate of interest in Portland today on real estate mortgages. I also want to state that everything else in connection with building and building material has advanced tremendously. I want to state emphatically that the rate of interest has not increased in Portland and I have positive knowledge that five per cent prevails today, and I am astonished that it has not advanced and I believe this is one of the reasons why it is kept down, and why money can be obtained.

I believe that this law should be continued a few years until it is tested further.

Mr. BURLEIGH: Mr. President, in answer to the questions of Senator Morrey about the tax in 1911, I only gave it from memory. He is correct. It would be just the same in 1911 and 1912, but the State tax in 1911 was six mills and the State tax in 1912 was four mills, so that the rate of taxation, taking out the State tax in the town of Houlton would be two mills larger on account of the reduction of the tax on money at interest. He put it in that it had not been reduced at all, that it had not been increased by taking out the tax on money at interest. I say it has been increased, when they search for all the property, it was increased two mills actually in the town of Houlton.

He spoke about the man bringing money from out of the State and in-

vesting it here, and that if you repeal this law he will not bring it here. A man from outside the State does not pay any tax on money invested here for he lives outside the State.

The pending question being on the motion of the senator from Franklin to non-concur with the House in the adoption of the majority report, the yeas and nays were asked for by Mr. Wing.

A sufficient number having arisen, the yeas and nays were ordered and the secretary called the roll.

Those voting yea were: Messrs. Burreigh, Chase, Clark, Colby, Cole, Conant, Emery, Hersey, Maxwell, Patten, Richardson, Smith, Stearns, Walker, Wing—15. Those voting nay were: Messrs. Allan, Allen, Bailey, Boynton, Dutton, Flaherty, Hastings, Jillson, Morey, Moulton, Murphy, Packard, Reynolds—13. Absentees: Messrs. Hagerthy, Mansfield—2.

Fifteen voting in the affirmative and thirteen in the negative, the motion of the senator from Franklin prevailed.

On motion by Mr. Wing of Franklin, the minority report of the committee was accepted, and the bill was tabled for printing under the joint rules.

The CHAIR: The Chair lays before the Senate for consideration an Act repealing Sections 3 and 4 of Chapter 300 of the Private and Special Laws of 1911, entitled "An Act granting H. L. Gooch the right to maintain a dam on the East Machias river."

On motion by Mr. Bailey of Penobscot, the bill was reassigned for tomorrow.

On motion by Mr. Colby of Somerset, Adjourned until tomorrow morning at half past nine o'clock.