

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

Ninetieth Legislature

OF THE

STATE OF MAINE



1941

KENNEBEC JOURNAL COMPANY

AUGUSTA, MAINE

HOUSE

Monday, April 21, 1941.

The House met according to adjournment and was called to order by the Speaker.

Prayer by the Rev. Mr. Washburn of Hallowell.

Journal of the previous session read and approved.

Senate Reports

From the Senate:

First Biennial Report of the Maine-New Hampshire Interstate Bridge Authority (S. P. 560)

Came from the Senate ordered placed on file.

In the House, the Report was received and placed on file in concurrence.

Leave to Withdraw

Report of the Committee on Judiciary on Bill "An Act to Regulate the Manufacture, Sale, Distribution, Use and Possession of Explosives" (S. P. 436) (L. D. 891) reporting leave to withdraw.

Came from the Senate, read and accepted.

In the House, read and accepted in concurrence.

Ought Not to Pass

Report of the Committee on Judiciary reporting "Ought not to pass" on Bill "An Act relating to the Attorney General and the Justices" (S. P. 249) (L. D. 405)

Report of same Committee reporting same on Resolve relating to the Revision of the General and Public Laws (S. P. 371) (L. D. 623) as it is covered by other legislation.

Report of same Committee reporting same on Bill "An Act to Incorporate the Saco Bay Company" (S. P. 245) (L. D. 400) as legislation is inexpedient at this time.

Came from the Senate, read and accepted.

In the House, were read and accepted in concurrence.

Final Report

Final Report of the Committee on Reapportionment.

Came from the Senate read and accepted.

In the House, was read and accepted in concurrence.

Ought to Pass With Committee Amendment

Report of the Committee on Education on Bill "An Act relating to School Equalization Fund" (S. P. 293) (L. D. 504) reporting "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

Came from the Senate with the Report accepted and the Bill passed to be engrossed as amended by Committee Amendment "A".

In the House, Report was read and accepted in concurrence and the Bill read twice. Committee Amendment "A" was read and adopted in concurrence, and tomorrow assigned for third reading of the Bill.

Senate Divided Reports

Majority Report of the Committee on Judiciary reporting "Ought not to pass" on Resolve, proposing an Amendment to the Constitution to Provide for the Appointment of the Attorney General by the Governor with the Advice and Consent of the Council, for a Term of Four Years (S. P. 343) (L. D. 660)

Report was signed by the following members:

Messrs. HARVEY of York

—of the Senate.

McGLAUFILIN of Portland

BRIGGS of Hampden

GRUA of Livermore Falls

WILLIAMS of Bethel

PAYSON of Portland

HINCKLEY of So. Portland

MILLS of Farmington

—of the Senate.

Minority Report of same Committee reporting same in a new draft (S. P. 563) under title of "Resolve proposing an Amendment to the Constitution to Provide for the Appointment of the Attorney General by the Governor, subject to Confirmation by the Senators and Representatives of the Legislature" and that it "Ought to pass"

Report was signed by the following members:

Miss LAUGHLIN of Cumberland

Mr. FARRIS of Kennebec

—of the Senate.

Came from the Senate with the Majority Report accepted.

In the House, on motion by Mr. Hinckley of South Portland, the Majority Report, "Ought not to pass" accepted in concurrence.

Senate Divided Reports

Majority Report of the Committee on Judiciary on Bill "An Act relating to Powers and Duties of the State Personnel Board" (S. P. 316) (L. D. 521) reporting "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

Report was signed by the following members:

Miss LAUGHLIN of Cumberland
Messrs. FARRIS of Kennebec

HARVEY of York
—of the Senate.

McGLAUFN of Portland

WILLIAMS of Bethel

MILLS of Farmington

—of the House.

Minority Report of same Committee reporting "Ought not to pass" on same Bill.

Report was signed by the following members:

Messrs. HINCKLEY of So. Portland

GRUA of Livermore Falls

PAYSON of Portland

BRIGGS of Hampden

—of the House.

Came from the Senate with the Majority Report accepted and the Bill passed to be engrossed as amended by Committee Amendment "A".

In the House:

The SPEAKER: The Chair recognizes the gentleman from Portland, Mr. McLaughlin.

Mr. McGLAUFN: Mr. Speaker, I move the acceptance of the majority report and I would like permission to face the House.

The SPEAKER: The gentleman may have permission to face the House.

Mr. McGLAUFN: Mr. Speaker and Members of this House: We passed a bill in this Legislature known as the Personnel Bill.

It was an attempt to put State employees on a Civil Service basis. The bill was long and somewhat complicated. We spent much time in the Judiciary Committee trying to get a good bill. Almost inevitably, in a bill of that size, there would be some things—some points—that should be amended.

Now, the matter that you have before you in the bill at the present time is such an amendment. Under the present set-up, the Personnel Board examines candidates for positions in State employment—

clerks, stenographers, and so forth, and they give examinations, chiefly to girls, I presume. If they pass these examinations, they are then available for service, as they are needed in the various departments.

But under the present set-up, if a girl is employed in a certain department, there is a provision that from time to time, as she deserves it, her salary may be increased, within certain definite limits. It is not at any price; it is limited.

Now, the present arrangement is this: If Dr. Tyson, at the State Hospital across the way, has a secretary in his employment, who has given good service, and has served for a long period of time, he can now recommend to the Personnel Board that she be given an increase in salary. Then the Personnel Board has to come back to Dr. Tyson, to find out why she should be so increased, and, having gotten that information from him, then they do whatever they please. If they see fit to grant it, they do. If they do not see fit to grant it, they do not. And that is the end of it.

Now, this bill provides that when the head of a Department, like Dr. Tyson, for example, who has had this secretary under his control for some period of time,—when he is convinced that she should be raised a dollar or two a week,—he himself can raise that salary that amount; instead of going to the Personnel Department and reporting what he wants, and then having the Personnel Department come back and investigate her case, and then do just what they please; and finally, as I understand it, what they decide upon the raise, that in turn, has got to go to the Governor and Council for confirmation.

This bill simply cuts out all of that red tape. The reason you cannot get things done in the United States, for instance, is because there is so much red tape. Some of you have heard Theodore Roosevelt tell about the difficulty that he had in getting beans to feed his soldiers, there was so much army red tape.

Now, there is some opposition to this bill on the part of some very fine women, who think there is something sacred about this Personnel bill, and that it should not be disturbed. They think that you should leave the Personnel Board to run the whole shooting match;

let them do it, because they know so much better than anybody else what to do.

Well, it just happens that I do not agree with that, and I am going to give you a concrete illustration of why I do not agree that they possess any superiority of judgment at all.

Down in Portland, we had a man who was serving as an Assistant to the Old Age Assistance Department. He had been a traveling man for years, and he came constantly in contact with men. Afterward, he became Chief of Police of the City of Portland, where he had charge of more than a hundred men.

Finally, after his retirement, he was appointed as an Assistant, as one of these Old Age Assistance investigators. I saw him myself from time to time. He was greatly interested in these Old Age people. He had sympathy for them. He wanted to help them, and I know that it is my opinion, at any rate, he made a splendid investigator.

Well, what happened? They held an examination, and he did not pass the examination. The type of question that he was asked was — How many cords of wood in a pile so many feet long, and so many feet wide and so many feet high? It had been a long time since he went to school; and he had forgotten the table and he could not figure that out. So he was thrown out.

They put in his place a young girl who was smarter than chain lightning. She knew all the answers. She could give the figures. But she did not know one single thing about humanity and about life—a more incompetent person for that job I cannot imagine. They turned out a man whose judgment was worth something and put in a young girl who knew all the answers.

Now, I do not know anything about these examinations that they give, but I do say this. They should use in those examinations some common sense. In the case that I have given, I do not think they used any. So I am making this point. I do not trust the judgment of that Personnel Board entirely.

Now, coming to the point at issue. You are the head of a department. You have got a stenographer who is working for you. You see her work every day. She stays there a year or two years, and you find she is exceedingly competent. You say,

“That girl is worth \$2.00 a week more.” This bill provides that if that situation arises, the head of that Department can himself say, “That girl is going to get \$2.00 a week more.” This bill is just that simple,—instead of the head of the department going to that board, and that board coming back and investigating. They have got to get their information from him. They cannot get it anywhere else. They do not know a thing about the capacity of that girl, and he does. I think it is just plain common sense, and that the measure ought to pass and cut all the unnecessary red tape.

I am going to tell you about some red tape when another bill comes up here later.

Now, another provision of this bill is simply this: If there is a department that needs some special girl, with special qualifications, and if the Personnel Board has not given any examination at all, so that there is not anybody available for the position on the list, then the head of the department can select his own secretary, stenographer or clerk, until such time as there shall be a list provided by the Personnel Department. Now, I ask you if that is not plain common sense, too? Instead of having the Personnel Board select somebody that is not qualified and that he does not want, he selects somebody he does want, until such time as they have examinations and get somebody in that class that they can choose.

Now, I think this is a simple matter. To me it is just plain common sense. I hope this bill has a passage.

The SPEAKER: The Chair recognizes the gentleman from Portland, Mr. Payson.

Mr. PAYSON: Mr. Speaker, I am most heartily opposed to this bill, and my Brother's argument on this bill has disclosed what I think is the true intent of the bill, not to improve the Personnel Law, as they say, but to sabotage it altogether. It is the first step; it is the entering wedge, as we say.

I believe this bill has to do chiefly with promotion in the classified service and salary advancement. If you will look at the bill, you will notice that the argument which my Brother used concerning the gentleman in Portland who was unable to hold his job because he could not pass the examination, had nothing

to do with promotion or salary advancement. It went right to the basic principles of personnel administration. A man could not get a job because he could not pass an examination.

Now if my Brother (Mr. McGlauffin) wants to repeal the Personnel Law, I think he ought to come out in the open and say so, because the illustration he gave you had absolutely nothing to do with what this bill intends to do.

I have some questions as to whether or not the sponsors of this bill know exactly what it does do, because in the fourth or fifth line of the bill itself it strikes out the words "promotion in the classified service."

I hate to take up the time of this Legislature, but I do want to see this bill killed.

In the classified service—let us take a simple illustration: When a girl goes to work in a department, she probably goes to work as a junior clerk. That is her classification. A step above that is an intermediate clerk. That is another classification. And the step above that is senior clerk. Each one of these clerkships, Junior Clerkship, Intermediate Clerkship, and Senior Clerkship, have salary brackets. Perhaps the Junior Clerk gets from fourteen to eighteen dollars a week, starts at fourteen and works up to eighteen.

Now promotion in the classified service, if I am not mistaken, is promotion from junior clerk to intermediate clerk, and that at the present time is done partly on the merit rating system and partly on civil service examination; but, if I read this bill correctly, the Personnel Board loses all control of promotions and that goes to the department head.

Now going over to the salary increases within the brackets. My Brother McGlauffin has given you what he says is simple plain common sense. Let me say to you that you have to work under some handicaps in governmental work. You cannot handle it as you handle your own private business; and I will say to you very frankly, you do not want it handled as you do in your own private business, because there is too much chance for favoritism, for logrolling, politics and a dozen other things to creep in. You want these people handled under a sys-

tem that will attempt to give fair play to everybody.

Let me show you exactly how this salary advancement can work if the department head has control of it instead of the Personnel Department. Let me take the Insurance Department, just for example, and suppose that the Insurance Department head is a live wire and an up-standing department head, and he goes out and fights for the rights of his people. He has got some junior clerk in the office. The Insurance Department is a rather popular division, because it produces money; it produces a great deal more than it spends. So the Insurance Commissioner goes to the bat for the clerks in his Department and he gets them up to sixteen dollars a week.

Now let us go along into some other department, a department that might not be quite so popular. I am not speaking of personalities; I am just taking two different departments for illustration. Let us take the Health and Welfare Department. That is a department which is not too popular with the Legislature, because you do not get any money back for what you spend there. Let us suppose that the Commissioner of Health and Welfare, the department head, is a lackadaisical fellow and will not do anything for his clerks, you will have people working in that department, doing the same work and getting fourteen dollars while over in the other department with a go-getter for a head, a girl doing exactly the same type of work will get sixteen dollars a week.

Now my Brother McGlauffin has made the appeal to you that the department head is the only one that knows what the clerks are doing. That is not true. They have the merit rating system in this State House for these classified employees, where the department heads are supposed, I think, to make quarterly ratings of their employees, how they are doing their work, and those ratings go through to the Personnel Department, and, on that basis, the Personnel Department has intimate information as to what should be done and can handle with an even hand the promotions and salary advancements as they should be made.

I believe that this is a vicious piece of legislation which ultimate-

ly, if carried through, will be the end of the Personnel Law.

The SPEAKER: The Chair recognizes the gentleman from Bethel, Mr. Williams.

Mr. WILLIAMS: Mr. Speaker, I rise in support of the motion of the gentleman from Portland, Mr. McGlauffin, that the majority report of the Judiciary Committee be accepted.

I think, personally, that this legislation is very wise legislation. For, at the present time, if the Personnel Law were enforced as it should be, which unquestionably it is not, the only persons who would have any control over changes in salary would be your Personnel Board.

I do not question but what records are kept in the Personnel Office relative to performance of an employee, but I do submit that the only way that the actual work of an employee can be determined is by the person who is actually working with him.

It is true, of course, that by an examination you may be able to determine what an employee can do, but certainly an examination does not determine what he will do, nor does it determine what he does do.

You might, by an examination, indicate that a person was well qualified to be Governor of the State of Maine, and yet by performance he would not be fit to handle a pick and shovel.

It is true that an examination will determine the qualification for the initial appointment, but the right to be advanced in a particular salary range, I believe, can be determined only by the department head who is working with the employee every day in the week.

Therefore, I hope that the motion of the gentleman from Portland (Mr. McGlauffin) will prevail.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Grua.

Mr. GRUA: Mr. Speaker and Members of the House: I signed the minority report "Ought not to pass" on this bill, because I think it takes away from the State of Maine all that is of any particular value in the Personnel Law.

I think the gentleman from Portland, Mr. Payson, has well stated to you that this takes out practically everything there is in the Personnel Law, aside from the fair giving of examinations to applicants.

Now, we have had this law in force only a few years, not long enough really to test it.

The only arguments that were presented to the committee in favor of this had to do with personalities—not with the efficiency of the law. It was demonstrated that it had to do largely with persons who had failed to get promotions that they thought they were entitled to.

Now, I submit our duty and our task is performed when we set up the best possible kind of machinery, the kind of machinery which, properly administered, will give the best results. We have attempted to do this in the Personnel Law. If there is dissatisfaction over the Personnel Law, then it is a case of personalities and not a case of defects in the law itself.

I suggest that under the present set-up, if the head of a department feels that one of his employees is entitled to a raise, he is the moving party. He goes to the Personnel Board and recommends the raise. The Personnel Board, after investigation and giving full consideration to the recommendation of the head of the department, will then make the raise, unless they find that it is not justified by the facts.

Now, I believe that the members of the Personnel Board are in a position to perform a very necessary check on improper promotions within a department. We all know that it is pretty easy for the head of a department to play favorites. We all know that somehow or other relatives do creep into departments—relatives of the heads of departments. We hear complaint that some young girl employed for six months is advanced right over the heads of girls who have worked over fifteen years. Now, that sort of advancement does not make for better operation in that department. The other girls feel they have been improperly used, and they have a right to feel so.

When you have that sort of promotion in a department, you are pretty apt to have a department that is not running smoothly.

Now, I cannot conceive of a Personnel Board operating except what they consider in the best interests of the State of Maine.

There has been no suggestion that the Personnel Board is shot through with politics. There has been no suggestion that they are prompted by improper motives. Yet

we are asked to oust them from this authority of promotion—not only promotion which is within the classified range of that particular classification, but you will notice that this law goes much further. It ousts them from all promotions. So, having set up a series of clerks, and their relative salaries for different jobs, they are no longer in a position to advance a clerk from one salaried job to another, as they think the clerk deserves.

I believe that if you should pass this law, that you would find a tremendous change in the set-up of the different departments and the girls that get advancements.

As it is now, there have been very few instances that have come to my attention, or to representatives of the committee, where there was any quarrel or dispute with the action of the Personnel Board on recommendations of the department head. Those few argue to me that in all probability it is the very fact that the Personnel Board is doing the job that it was intended to do that has caused this much of dissatisfaction. The fellow who is trying to get advanced without a just reason for it, is pretty apt to get sore if he does not get what he went after.

Now, I believe that this dissatisfaction which we find, is a good argument for our keeping this Board, and a good argument for the fact that this Board is functioning as we intended it should. You will notice, also, that this law cuts out all the control over the leaves of absence, over resignations, over hours of service, over vacations, over sick leave.

Now, those are things that—if the Personnel Board is going to have any control over employees—are absolutely necessary. I believe that the Personnel Board is in a better position to judge these things than the heads of departments.

My Brother, the gentleman from Portland, Mr. McGlauffin, has argued at length about ability of the head of a department to get the person he wants for the job. It may not be familiar to all of you as to how this operates. If the head of a department wants a girl for a certain position, he asks that names be submitted. Three are submitted. If those are not satisfactory, he can ask for further names. If those are not satisfactory, he can again ask for further names, and he can continue until he does get the sort of

girl that he wants. Now, what could be fairer than that? After that, selection among those who have qualified is left entirely to the head of the department.

I feel that, if we should leave this with the department heads, the head of a department who wanted to be a rather good fellow, and have his employees like him, could very easily advance every one of them to the maximum for that particular class, without any rhyme or reason. There is no doubt at all, if this law is passed that they can deny him that right.

Now, then, we have heard a good deal about improper wage increases—even when they have gone through the Personnel Board, even when they have been approved by the Governor and Council. Are we ready to take away all of these checks and rely entirely on the heads of the departments?

I say to you that I am not ready to go that far. I want this law to be tried further, and if, in the future, it proves improper, we can repeal it then, but let us not dispense with it now.

THE SPEAKER: The question before the House is on the motion of the gentleman from Portland, Mr. McGlauffin, that the House accept the majority, "Ought to pass" report of the committee.

All those in favor of the motion of the gentleman from Portland, Mr. McGlauffin, that the House accept the "Ought to pass" report of the committee will say aye; those opposed no.

A viva voce vote being doubted, A division of the House was had.

Forty-one having voted in the affirmative and sixty-three in the negative, the motion to accept the majority "Ought to pass" report did not prevail.

On motion by Mr. Payson of Portland, the minority report, "Ought not to pass" was accepted in non-concurrence and sent up for concurrence.

Non-concurrent Matter Tabled

From the Senate:

Bill "An Act relating to the School or Reserved Lands of the State" (H. P. 1790) (L. D. 1043) which was passed to be engrossed in the House on April 2nd.

Came from the Senate, passed to be engrossed as amended by Senate

Amendment "A" in non-concurrence.

In the House, Senate Amendment "A" read by the Clerk as follows:

Senate Amendment "A" to (H. P. 1790) (L. D. 1043) Bill "An Act Relating to the School or Reserved Lands of the State."

Amend said bill by striking out therefrom all of Sections 2 and 3 of the bill.

The SPEAKER: The Chair recognizes the gentleman from Greenville, Mr. Rollins.

Mr. ROLLINS: Mr. Speaker, owing to the fact that I think this bill is covered by other legislation, I would move that the bill lie on the table pending consideration.

The SPEAKER: The gentleman from Greenville, Mr. Rollins, moves that this bill lie on the table pending further consideration. Is this the pleasure of the House?

The motion prevailed, and the bill was tabled pending further consideration.

On motion by Miss Clough of Bangor, House Rule 25 was suspended for the remainder of today's session, in order to permit smoking.

Senate Insisting—Conference Asked

Bill "An Act relating to the Duties of Superintending School Committees" (S. P. 331) (L. D. 825) on which the House accepted the Majority Report of the Committee on Public Health reporting "Ought to pass" on April 9th in non-concurrence, and passed the Bill to be engrossed as amended by House Amendment "A" on April 17th.

Came from the Senate with that body insisting on its former action whereby the Minority Report reporting "Ought not to pass" was accepted, asking for a Committee of Conference and with the following Conferees appointed on its part: Messrs. STILPHEN of Lincoln
ELLIOT of Knox
DOW of Oxford

In the House, on motion by Mr. Downs of Rome, the House voted to insist on its former action and join in a Committee of Conference.

Thereupon, the Chair appointed as Conferees on the part of the House:

Mr. DOWNS of Rome
Miss DEERING of Bath
Mr. FICKETT of Naples

Senate Insisting—Conference Asked

Resolve proposing an Amendment to the Constitution to Provide for Appointment of the Treasurer of State by the Governor and Council (S. P. 75) (L. D. 49) on which the House accepted the Minority Report of the Committee on Judiciary in non-concurrence on April 11th.

Came from the Senate with that body insisting on its former action whereby the Majority Report of the Committee reporting same in a new draft (S. P. 546) (L. D. 1130) was accepted and the new draft passed to be engrossed, asking for a Committee of Conference and with the following Conferees appointed on its part:

Miss LAUGHLIN of Cumberland
Messrs. FARRIS of Kennebec
HARVEY of York

In the House, on motion by Mr. Williams of Bethel, the House voted to insist on its former action and join in a Committee of Conference.

The Chair then appointed as Conferees on the part of the House: Messrs. WILLIAMS of Bethel
McGLAUFLIN of Portland
GOOD of Monticello

Senate Insisting—Conference Asked

Bill "An Act relating to Inspectors in the Department of Secretary of State" (S. P. 500) (L. D. 1024) which was indefinitely postponed in the House on April 17th in non-concurrence.

Came from the Senate with that body insisting on its former action whereby the Bill was passed to be engrossed and asking for a Committee of Conference and with the following Conferees appointed on its part:

Messrs. LIBBY of Cumberland
ELLIOT of Knox
HASKELL of Penobscot

In the House, on motion by Mr. Murchie of Calais, the House voted to insist on its former action and join in a Committee of Conference.

Thereupon, the Chair appointed as Conferees on the part of the House:

Messrs. MURCHIE of Calais
WILLIAMS of Clifton
WELCH of Chapman

Remonstrance Placed on File

Remonstrance of 14,055 citizens from the 16 counties of the State of Maine in Opposition to any Tax on Tobacco or Cigarettes (H. P.

1924) (Presented by Mr. Tozier of Fairfield)

The remonstrance was ordered placed on file and sent up for concurrence.

Orders

On motion by Mr. McGlaulin of Portland, it was

ORDERED, that Mr. McFadden of Pembroke, be excused from attendance today because of business.

House Reports of Committees Divided Report Tabled and Assigned for This Afternoon

Report A of the Committee on Taxation on Bill "An Act Creating a Tax on Cigarettes" (H. P. 117) (L. D. 66) reporting same in a new draft (H. P. 1925) under same title and that it "Ought to pass"

Report was signed by the following members:

- Messrs. CHAMBERLAIN of Penobscot
- BOOTHBY of York
- FELLOWS of Kennebec
- of the Senate.
- RICHARDSON of Strong
- JORDAN of Saco
- of the House.

Report B of same Committee reporting "Ought not to pass" on same Bill.

Report was signed by the following members:

- Messrs. DORSEY of Fort Fairfield
- WORTH of Stockton Springs
- WARREN of Westbrook
- MORRISON of Winter Harbor
- TOZIER of Fairfield
- of the House.

(On motion by Mr. Payson of Portland, 750 copies of the new draft ordered printed, and the two reports, with accompanying papers, tabled pending acceptance of either report, and specially assigned for this afternoon.)

First Reading of Printed Bills

Bill "An Act relating to the Personnel Law" (H. P. 1445) (L. D. 759)

Bill was read twice and tomorrow assigned.

First Reading of Printed Bills With Committee Amendments

Bill "An Act to Incorporate the

Wiscasset Foundation" (H. P. 1156) (L. D. 501)

Bill had its two several readings. Committee Amendment "A" was read by the Clerk as follows:

Committee Amendment "A" to H. P. 1156, L. D. 501, Bill "An Act to Incorporate the Wiscasset Foundation."

Amend said Bill by striking out Section 3 and substituting in place thereof the following:

'Sec. 3. May acquire property. The corporation may acquire, take and hold by purchase, grant, gift, devise or bequest or in any other manner upon trust or otherwise, real or personal property from any source, and may use and dispose of the same for the purposes for which the corporation is organized.'

Further amend said Bill by striking out Section 4 and substituting in place thereof the following:

'Sec. 4. Powers of corporation. The corporation shall have all the broad powers of corporations organized for charitable purposes under the provisions of chapter 70 of the revised statutes and in furtherance and not in limitation of such purposes and powers, it may carry out the terms and conditions of any gift, devise, bequest or other donation made to said Foundation for the benefit, education, improvement, beautification and assistance of the inhabitants of the town of Wiscasset. No property held by the corporation for investment purposes shall be exempt from taxation.'

Committee Amendment "A" was then adopted and tomorrow was assigned for third reading of the bill.

Bill "An Act Amending Certain Laws to Limit the Powers of the Council." (H. P. 99) (L. D. 64)

Bill had its two several readings. Committee Amendment "A" was read by the Clerk as follows:

Committee Amendment "A" to H. P. 99, L. D. 64, Bill, "An Act Amending Certain Laws to Limit the Powers of the Council."

Amend Section 4 of said bill by striking out the words "commissioner of finance" in the 5th line thereof and substituting in place thereof the words 'state controller'; and

Further amend said Section by striking out the words "department of finance" in the 9th and 10th lines and substituting in place thereof the words 'state controller'.

Amend Section 14 of said bill by returning to the section the deleted words 'and his bureau chiefs' in the 13th and 14th lines; and

Further amend said section by striking out all of the last sentence thereof.

Amend Section 15 of said Bill by inserting the word 'and' after the word "commissioner" in the 4th line and returning to the section the deleted words 'and director' in the 4th and 5th lines thereof; and

Further amend said section by striking out all of the next to the last sentence thereof.

Thereupon, Committee Amendment "A" was adopted and tomorrow was assigned for third reading of the bill.

Passed to be Engrossed

Bill "An Act to Provide a Police Commission for the City of Biddeford" (I. B. 1) (L. D. 1158)

Bill "An Act relating to Elections in the City of Biddeford" (I. B. 2) (L. D. 1159)

Resolve in favor of the Children's Aid Society (S. P. 557) (L. D. 1156)

Were reported by the Committee on Bills in the Third Reading, Bills read the third time, Resolve read the second time, all passed to be engrossed and sent to the Senate.

Amended Bills

Bill "An Act Revising the Regulation of the Clamming Industry in Lincoln County" (S. P. 556) (L. D. 1155)

Was reported by the Committee on Bills in the Third Reading, read the third time, passed to be engrossed as amended and sent to the Senate.

Bill Tabled and Specially Assigned

Bill "An Act relating to Taxes upon Wines and Spirits" (H. P. 1474) (L. D. 607)

(Was reported by the Committee on Bills in the Third Reading, read the third time, and on motion by Mr. Payson of Portland, tabled pending passage to be engrossed and specially assigned for Wednesday, April 23rd.)

Bill "An Act Amending the Gasoline Tax Act" (H. P. 1239) (L. D. 500)

Was reported by the Committee on Bills in the Third Reading, read the third time, passed to be engrossed as amended and sent to the Senate.

Orders of the Day

The SPEAKER: The Chair recog-

nizes the gentlewoman from Brunswick, Miss Clough.

Miss CLOUGH: Mr. Speaker, I move that the House reconsider its action of the last legislative day whereby it passed to be engrossed L. D. 1085, Bill "An Act Relating to Hours of Employment."

In support of this motion, I would say that it was my original intention to ask to have this matter reconsidered in order to restore to the bill a few vital words that are left out. Furthermore, it has been called to my attention that complications have arisen concerning the bill which may be of far-reaching consequence unless it is considered further. Moreover, I would say that the opposition to the bill are in favor of such reconsideration. And so, Mr. Speaker, I now move that the matter lie on the table pending the motion to reconsider and be specially assigned for tomorrow morning.

The SPEAKER: The gentlewoman from Bangor, Miss Clough, moves that the House reconsider its action whereby it passed to be engrossed L. D. 1085, Bill "An Act Relating to Hours of Employment."

The gentlewoman from Bangor, Miss Clough, moves that this bill lie on the table pending her motion to reconsider and be specially assigned for next Wednesday morning.

The question before the House is on the motion of the gentlewoman from Bangor, Miss Clough, that this bill lie on the table and be specially assigned for next Wednesday morning. Is this the pleasure of the House?

The motion prevailed and the bill was so tabled and so assigned.

The SPEAKER: Under Orders of the Day the Chair lays before the House the first tabled and unassigned matter. Bill "An Act Authorizing a Bond Issue for the Building, Rebuilding and Strengthening of Bridges for Military Purposes on the Highways of the State of Military Importance," (H. P. 1902) (L. D. 1127) tabled by the gentleman from Portland, Mr. Payson, on April 18th, pending passage to be engrossed; and the Chair recognizes that gentleman.

On motion by Mr. Payson, the House voted to reconsider its action of the last legislative day whereby it adopted Senate Amendment "A."

Mr. Payson thereupon offered House Amendment "A" to Senate

Amendment "A" and moved its adoption.

House Amendment "A" to Senate Amendment "A" to H. P. 1902, L. D. 1127, Bill "An Act Authorizing Bond Issue for the Building, Rebuilding and Strengthening of Bridges for Military Purposes on the Highways of the State of Military Importance."

Amend said Amendment by striking out the following words in the third and fourth lines of said amendment: "only if, as and when" and inserting in place thereof the words "in conjunction with".

Further amend said Amendment by striking out in the last line thereof the word "are."

House Amendment "A" to Senate Amendment "A" was adopted, and Senate Amendment "A" as amended by House Amendment "A" was adopted, and the bill was passed to be engrossed as amended in non-concurrence and sent up for concurrence.

The Chair lays before the House the second tabled and unassigned matter, Bill "An Act to Incorporate the Ellsworth School District" (H. P. 1589) (L. D. 911) on which the Bill was substituted for the "Ought not to pass" Report on April 10th, and passed to be engrossed on April 14th. Comes from the Senate with the Report accepted in non-concurrence, and tabled by the gentleman from Clifton, Mr. Williams, on April 18th pending further consideration; and the Chair recognizes that gentleman.

Mr. WILLIAMS: Mr. Speaker, at the request of the gentleman from Ellsworth, Mr. Willey, I now move that we recede from our former action and concur with the Senate.

The SPEAKER: The gentleman from Clifton, Mr. Williams, moves that the House recede from its former action whereby it passed the bill to be engrossed and concur with the Senate in the acceptance of the "Ought not to pass" report of the committee. Is this the pleasure of the House?

The motion prevailed, and the House voted to recede from its former action whereby it passed the bill to be engrossed and to concur with the Senate in the acceptance of the "Ought not to pass" report of the committee.

The Chair lays before the House the third tabled and unassigned

matter, House Report "Ought not to pass" of the Committee on Education on Bill "An Act Relating to Apportionment of School Funds" (H. P. 462) (L. D. 200) tabled by the gentleman from Calais, Mr. Murchie, pending acceptance; and the Chair recognizes that gentleman.

Mr. MURCHIE: Mr. Speaker, I now move that we substitute the bill for the "Ought not to pass" report of the committee. In explanation, I want to say that this is in full accord with the Committee on Education. The plan is to get the bill back before us, that I may present an amendment which will clarify a situation that has been existing whereby the Department of Education is called upon to do things that they have not the money to do.

The SPEAKER: The gentleman from Calais, Mr. Murchie, moves that the House substitute the bill for the "Ought not to pass" report of the committee. Is this the pleasure of the House?

The motion prevailed and the House voted to substitute the bill for the "Ought not to pass" report of the committee.

Mr. Murchie then offered House Amendment "A" and moved its adoption.

House Amendment "A" to H. P. 462, L. D. 200, Bill, "An Act Relating to Apportionment of School Funds."

Amend said Bill by striking out in the 10th, 11th, and 12th lines thereof the words, "a sum sufficient to make up such deficiency shall be allocated to the state school fund from the general funds of the state" and substituting in place thereof the following, "such amount remaining shall be proportionately allocated to the several towns in the state."

House Amendment "A" was adopted, and, under suspension of the rules, the bill was given its two several readings and tomorrow was assigned for third reading of the bill.

On motion by Mr. Payson of Portland, the House recessed until 2:00 P. M.

Afternoon Session—2 P. M.

The SPEAKER: The House is proceeding under Orders of the Day. The Clerk has in his possession a Conference Committee report.

Conference Committee Report

Report of the Committee of Conference on the disagreeing action of the two branches of the Legislature, on Bill "An Act to Incorporate the Reef Point Gardens Corporation" (S. P. 481) (L. D. 998) reporting that the Committee is unable to agree.

(Signed)

Messrs. MacLEOD of Bar Harbor
GRUA of Livermore Falls
HINCKLEY of So. Portland

—Committee on part of House.

BRIDGES of Washington

LIBBY of Cumberland

DOW of Franklin

—Committee on part of Senate.

The Report was accepted and sent up for concurrence.

The Chair lays before the House the fourth tabled and unassigned matter, House Amendment "A" to Bill "An Act Relating to the Manufacture and Sale of Cider" (H. P. 1560) (L. D. 849) on which on April 18th Mr. Bubar of Weston, moved to indefinitely postpone the Bill, pending which Mr. Goodrich of Palmyra offered House Amendment "A" which was read and tabled for reproduction under the rules.

House Amendment "A" appears on the desks of the Members as L. D. 1161. Is it the pleasure of the House that House Amendment "A" be adopted?

Thereupon, the House voted to adopt House Amendment "A."

The SPEAKER: The question now before the House is on the motion of the gentleman from Weston, Mr. Bubar, that the bill be indefinitely postponed. Is the House ready for the question?

All those in favor of the motion of the gentleman from Weston, Mr. Bubar, that the bill be indefinitely postponed will say aye; those opposed no.

A viva voce vote being taken, the motion to indefinitely postpone did not prevail.

Thereupon the bill was given its third reading and passed to be engrossed as amended and sent up for concurrence.

The Chair lays before the House the fifth tabled and unassigned matter, Bill "An Act Relating to the Inheritance Tax Law," (H. P. 1285) (L. D. 551) tabled by the gentleman from Portland, Mr. Payson,

on April 18th pending passage to be engrossed.

Mr. PAYSON: Mr. Speaker, I offer an amendment and move its adoption.

The SPEAKER: The Chair will state that the amendment has not been reproduced, and, under the rules, must lie on the table pending reproduction and distribution before consideration.

The Chair lays before the House the sixth tabled and unassigned matter, Bill "An Act Relating to Payment of Accounts to the State," (S. P. 46) (L. D. 22) which came from the Senate, passed to be engrossed as amended by Senate Amendment "A," and in the House was tabled by the gentleman from Dixfield, Mr. Holman, on April 18th, pending third reading; and the Chair recognizes that gentleman.

Mr. HOLMAN: Mr. Speaker, it often happens that there is some disagreement between the State, especially the Highway Department, and the towns as to whether money is owed the State from the towns. This bill, as I understand it, is intended to make it legal for the State Treasurer to do what it has been customary to do for a great many years: Instead of paying to the towns money that is owed the towns and then towns returning to the State as another check the money that is owed the State for other services, the State Treasurer, or those in control here at the State House simply balance one against the other, and then, if there is a small balance in favor of the town, the State Treasurer sends a check for that amount.

The way the bill is drawn up, when there is a difference of opinion as to whether the charge is correct or not made against the town by the Highway Department or some other department under the provisions of this bill, there is no appeal or no way they can rectify that, and it makes it legal for any department of the State to take that money from the money due the town regardless of whether it is correct or not. It makes the Controller or the Highway Department the sole judge and jury, and it does not provide for any way to straighten it out. So I offer House Amendment "A" and move its adoption.

The SPEAKER: The gentleman from Dixfield, Mr. Holman, offers

House Amendment "A" and moves its adoption. The Clerk will read the amendment.

House Amendment "A" to Bill "An Act relating to Payment of Accounts to the State" (S. P. 46) (L. D. 22)

Amend said Bill by adding at the end thereof the following underlined words:

'No funds shall be withheld as hereinbefore provided if liability therefor is denied by proper officers of the town or county.'

House Amendment "A" was adopted and the bill was given its third reading and passed to be engrossed as amended in non-concurrence and sent up for concurrence.

The SPEAKER: The Chair is informed that the new draft of the cigarette tax measure has not as yet been received but is expected momentarily from the printer. The House may be at ease pending the reception of the new draft, to reassemble at the call of the Speaker.

House at Ease

Called to order by the Speaker.

The SPEAKER: The Chair lays before the House Report A of the Committee on Taxation on Bill "An Act Creating a Tax on Cigarettes." (H. P. 117) (L. D. 66) reporting same in a new draft, (H. P. 1925) under the same title and that it "Ought to pass," and Report B of the same Committee on the same bill, reporting that it "Ought not to pass."

The Chair recognizes the gentleman from Strong, Mr. Richardson.

MR. RICHARDSON: Mr. Speaker and Members of the House: I move the acceptance of Report A — "Ought to pass." To justify the position taken by those who signed Report "A", I think, perhaps I can justify that position by calling your attention to the fact that, early in the session, we received the report of the Budget Officer of the State, in which he pointed out to us that an amount in excess of \$1,800,000 would be necessary if the State were to meet its obligations to those entitled to Old Age Assistance, and at the same time maintain the present level of State service.

At about the same time, His Excellency, the Governor, appeared before a Joint Convention, and he gave us figures that were substantially the same.

Since then, the Committee on Appropriations and Financial Affairs, after a long and exhaust study, brought in this report, which indicated the two million dollar figure was not far out of the way.

I think, in deference to the Committee on Appropriations and Financial Affairs, that we ought to recognize that probably there has been more labor involved in the presentation of the report brought out by that committee than has been the case in any Legislature in many years.

First, instead of following out the practice of bringing out a report that might look good to the electorate of Maine, and which they themselves knew would prove finally to be insufficient to meet the demands of the State, this committee reversed the policy. While the figures contained in the report may in some cases seem large and excessive, nevertheless they are based on the honest opinion of the committee upon the actual needs of the State, providing these services were to be maintained, and this additional appropriation made to take care of those entitled to Old Age Assistance.

Remember, that in some years that have gone by, they have kept the report submitted by the committee down to a more pleasant figure, and they have depended upon some subsequent sessions of the same Legislature, or perhaps the next regular session, to remedy the situation created by making deficiency appropriations. That may have been the right way to get the State on a sound financial basis, but we doubt it.

Now, it is the position of those who signed this report that so long as the Budget Officer, the Governor of the State, and the Committee on Appropriations and Financial Affairs, with their fingers on the pulse of the State, come before this Legislature in Joint Convention and tell us that we are to be in the red two million dollars unless we provide the revenue—we of that committee take the position that it is our job at the proper time to submit to this Legislature those measures which may produce or provide the necessary revenue.

We have no brief for the cigarette tax, or for any other revenue measure, as far as that goes. We have heard the rumors throughout the corridors that some have in mind

a horizontal cut of five per cent in all the budget items brought out by the committee. Up to the present moment, that has not been produced.

I think in all fairness to the committee that we ought to concede that probably such a procedure would be fraught with some danger and some difficulties, at least insofar as related to some departments of State.

It has been suggested that the Committee on Taxation has withheld reporting back some of these revenue measures. In answer to that, we can simply say that it would have been the height of foolishness and absolutely absurd for the Committee on Taxation to have reported five or six revenue major measures back to the floor of the House with a favorable report, not knowing which of those might be favorably received.

In other words, the "Jones Bill" so-called, had it received passage, would have made absolutely necessary the other measures introduced. So we maintain it was our job to report these various items back and allow the body to dispose of them one by one.

So, right now, we seem to be, in the closing hours of this session, still faced with the gravest problem that this particular session has been called upon to face, and, if we are to believe all reports, is as far from a fair and logical solution as ever.

We admit that this new draft is not perfect, but, at any rate, it is our answer to one of the bills introduced, namely, that by the gentleman from Monticello, Mr. Good. It is the opinion of some members of the committee, and I concur, that these funds should be definitely earmarked for Old Age Assistance. As a rule, we are not in favor of too much earmarking, but, if there is anything to the rumor that the Federal government may, in the near future, take over the cost of administering and financing the Old Age Assistance program, then we believe that there should be some provision in this bill to safeguard these funds and to see to it that, if they are not needed for the purposes of financing Old Age Assistance, they should be segregated and held by the State, until a subsequent session of this Legislature—or the 91st Legislature—should determine upon the allocation of those funds, because the plight of real property really demands that any funds not

necessary for the first purpose, that of Old Age Assistance, should be so allocated.

They are now objecting to this particular draft of the bill, telling us that a cigarette tax law, calling for the affixing of stamps, would be much more satisfactory to the tobacco interests. Up to the present moment, none of them has been able to explain to me why they took an entire afternoon of the Taxation Committee, and spent a fairly considerable sum of money, in giving us a demonstration of how difficult it was to affix stamps, practically basing all their opposition on that one point, and now they come to us on their knees, and ask us to give them that law.

They are also advocating, at the present moment, that we turn to the property tax, lifting the rate from 7 1-4 mills to 9 1-2 mills.

I think before we toss out all these measures, and have nothing to fall back upon except the increase in the State mill tax, this Legislature would do well to consider. They tell us that they have sold the idea to many that we have the machinery all set up to collect that tax; that this responsibility is on the local officials; and that it costs the State not one penny for that purpose.

I might call your attention to the fact that the unpaid tax due from towns and cities to the State of Maine, as of March 31, 1940, amounted to \$6,469,591. That amount is represented in tax liens and tax deeds and papers of that kind, the vast majority, are absolutely worthless. In other words, while they have a perfect system of collection, the system in itself is not able to collect on that bankrupt property—bankrupt because of excessive property levies.

Therefore, we maintain that while 2 1-4 mills, ordinarily would not mean a whole lot, if the earning power of the State were sufficient to absorb that additional charge, under existing conditions it is absolutely out of the picture.

There was no more serious minded group of citizens before the Committee on Taxation than the more than two hundred Selectmen, representing sixteen counties and probably one hundred communities, who came in here to register their protest against such a proposition.

We sound the warning here and now that the imposition by this Legislature of an additional assess-

ment upon real property, which is already crumpling under the load, means the development of one of the most critical periods that this State has been called upon to face. We of the Legislature, as representatives presumably of those who send us here, face not only the responsibility, but the privilege, of making a courageous decision on this issue.

We have heard various charges presented, even on the floor of the House, relative to the influence of the so-called Third House. They have exerted no influence upon me. Were it not for the printed list that has been submitted for our consideration, I frankly admit that I know very few of them or whom they represent. Right now, in session, we are acting on our own. We are responsible not to any Third House but to the electorate of Maine. We have here the right to make a decision, whether present services are to be maintained, and the funds provided to maintain those services; and whether we are to carry out the campaign pledges of both parties, and give this additional assistance to those entitled to Old Age Assistance; or whether we intend to make this drastic cut in all our appropriations. Certainly if the latter is to be the course, it should be done without delay.

All we of the Taxation Committee have to say is that this is another vehicle which at least offers some hope of providing the necessary amount of revenue that they tell us will be necessary to do those things that we seem to be obligated to do.

We of that committee want to say, frankly, that if this Legislature, in its wisdom, decides that retrenchment is the order of the day, if they have a proper method this retrenchment may be brought about, then this committee would desire to have the privileges of asking that this be indefinitely postponed, but, until that step has been taken, we believe that our course is clear.

In closing, it just seems to the members of that committee that we are facing something here that rises above mere partisanship, and certainly above any personal viewpoints.

During the course of this Legislative session, most of us have introduced measures which have been defeated. Most of us have had the privileges of serving on committees,

and have come into the House to see those committee reports overthrown and the bill substituted for the report.

Some of the legislative measures that we have introduced may have seemed to us of vast importance, and so they may be, but, even though the disappointment may have been great, we are satisfied that it will be only momentary, and time may bring out the facts. It may justify our position, or, on the other hand, it may show where the decision of the Legislature was right and that we were wrong. At any rate, all those things are of secondary consideration.

Right now I think that we have got to recognize that this thing takes precedence over any personal views or desires or emotions that we may have. We are trying here honestly now to bring out something that will be fair to the State and fair to those who must, in the final analysis, pay the bill. That seems to be our responsibility, and it is on that basis that we of the committee, signing this report, offer this as a possible solution.

The SPEAKER: The question before the House is on the motion of the gentleman from Strong, Mr. Richardson, that the House accept Report A, "Ought to pass." Is the House ready for the question?

The Chair recognizes the gentleman from Standish, Mr. Hanold.

Mr. HANOLD: Mr. Speaker and Members of the House: It is with some reluctance that I speak on this measure, but I can tell you truthfully that I am definitely opposed to a cigarette tax as such.

I would like to read to you a statement which I made to the press, by request, on January 1st of this year, prior to a time when any member of the "Third House," so-called, could have approached me and influenced my attitude on this bill before us. This is the statement I made: "With no temporary loans outstanding against the State, and with approximately two-thirds of the contingent fund intact, and with a comfortable cash balance in the treasury, it might be hoped that ways and means will be found to meet the demands made upon the Legislature without new revenue."

I will admit to you, Ladies and Gentlemen, that I have not studied the tax question perhaps as much as I should have. I do not think any of us have had time to study the re-

draft we have before us at the moment, I do notice however that this redraft, number 1164, does not contain any emergency clause. I think you will all agree with me that a tax measure on cigarettes sent to the people—which undoubtedly will go to the people without an emergency clause—will be handled by a "No" vote.

Now, I cannot see the advantage of wasting our time in passing this measure, in its present form at least, because certainly the referendum will be invoked upon it.

We had before us this morning 14,055 signatures. Now, I do not put a whole lot of faith in petitions against this or against that, because we all know that you can go out and get 15,000 signers on any petition. That is why I say I think we will get a referendum on any tax measure of this type passed by this Legislature.

Now, we have in the State of Maine, I understand, over 5,000 merchants selling cigarettes. Under the set-up of this bill, as I interpret it, it means tremendous extra expense upon them, reduced profits, and probably reduced sales. Be that as it may, I feel the same as the gentleman from Orono, Mr. Goldsmith, stated, that a selective, discriminatory tax is not what we want.

There is something that I would like to inject into my few words, which, so far as I know, has not been brought up at any tax hearing, and certainly not on the floor of this House. I received this information from those in a position to know,—that up to and including January 1st of this year there have been employed an additional 14,000 men in the State of Maine, bringing in additional new income of approximately fifteen million dollars in new money.

Now, we are talking about Old Age Assistance. I think that that particular item of fifteen million dollars in new money is bound to reflect favorably upon the pauper situation, and affect our Health and Welfare Department appropriation. I will say that I think it will reflect favorably upon the Old Age Assistance set-up.

I have one or two other figures which I think might be of interest to you. Up to last Saturday night, there has been 65 per cent decrease in claims made to the Unemploy-

ment Compensation Commission, which meant \$340,000 less was paid in unemployment compensation claims up to last Saturday night than for the same period of last year. By comparison with the year 1939, \$680,000 less claims were paid. Now I think that those points are well worth consideration when we are voting on this bill.

The SPEAKER: The Chair recognizes the gentleman from Calais, Mr. Murchie.

Mr. MURCHIE: Mr. Speaker, I rise here with some amazement as to what method of approach the Members of this Legislature intend to make to the situation. We all came here with the idea in our mind that we must have funds to set up Old Age Assistance, and here we are going along with one tax bill after another being thrown out and gone with the wind, as it were. Now we are up to the situation that presents itself as the last thing in sight. You have a vehicle here that will meet the situation, and that is this particular vehicle. With the so-called tax on liquor plus what we are trying to do with the inheritance tax, those three measures will almost take care of the situation, I think perhaps fully, if we do not expand in one or two ways I will explain later on.

The gentleman from Strong, Mr. Richardson, made reference to the idea in the minds of many Members here that cuts were going to be made. You can go ahead and pare just as much as you like and it will not make any difference to me, but I just want to give you a few ideas.

Education at the present time is set up at \$2,647,000 in round numbers. You know how Education is made up. It is set up by law; the education fund is three and a half mills of the State tax plus half the tax on our savings banks and interest on the permanent school fund plus a certain \$200,000 given by the Legislature for equalizing two years ago. I wonder if anybody is going to attempt to cut that group down.

I have just tried to list a few here. The next item I have in mind is the Governor's department, set up at \$39,500. There is a little increase there but that increase is purely and simply put there to take care of the needs of the Governor's Council and their expenses. It was

formerly paid out of the legislative appropriation, but we thought it was more businesslike to have it placed there where it belongs.

Of course Health and Welfare is always a bugbear, and there is \$5,379,000 set up for the total Health and Welfare Department. We did bear down on pauper support \$100,000. I just wonder if you will get anywhere in your attempts to pare down to any great extent. I am promising you that if you do you are coming back here in a short while and try to meet the needs of overdrafts and deficiencies. That is absolutely true on institutions. The Supreme Court was set up at \$191,500. The increase there was due to a recent retirement. Sea and Shore Fisheries is set up at \$100,000,—one of the best advertising mediums we have in the State. The University of Maine—who is going to try to cut down the University of Maine on their one mill of the State tax, \$624,000? The Treasury Department is set up at a total of \$551,000.

I mention these larger items, and I am telling you those larger items so far indicated get us up to almost twelve millions of dollars.

Now in absolute figures there is yet left over in the appropriations of this year provided we set up Old Age Assistance, \$1,505,000, and in that \$1,505,000 you have got the Department of Adjutant General \$170,000 that was not mentioned and the Department of Agriculture, \$230,000. Incidentally, I am using Mr. Gould's sheet here. You have got the Bureau of Purchases, the Maine State Prison, the Maine Development Commission — none of those are in the eleven million. You have got the Superintendent of Buildings; you have got the legislative appropriation to pay for the expense of this present session which is \$219,000. You add those to the eleven million I suggested and you have got very little left. I would like to see where you are going in any attempt to pare down very much on those things.

Mr. Richardson just touched on the situation I had in mind, and he in some way stole part of my thunder. What I intended to inject here was the thought that we are definitely faced with a situation where, in order to even provide for the continuance of the same number of Old Age recipients, it is necessary that new revenues be provided.

I believe, however, that there are those of this Legislature who are aware of the fact there is very definite likelihood of the Federal Government enacting legislation in the near future that would take care of the Old Age Assistance program on a National basis and be provided for by Federal taxation. In view of the news that has been carried in the press during the past several days, whereby it appears that the Federal government is about to initiate a tax program on a scale perhaps far beyond that which any of us might have realized, it does appear that we should approach our own problem in a cautious manner, and in a manner that will allow us to take care of our immediate requirements without projecting our services too far into the future.

As I have stated, the problem is how to finance Old Age Assistance. One solution—and it is the one that seems to confront us today—is to provide State funds for this activity. The other is the possibility that the Federal government will provide for this service. In the event the latter should take place, I believe it only fair to the people of the State of Maine and fair to ourselves that any tax measure that may be passed at this session should carry a provision that this money be definitely earmarked for Old Age Assistance until a State contribution is no longer required, at which time the tax would either be discontinued or be applied to reduce the State tax assessed against the cities and towns.

This method would protect the interests of the taxpayer, for I firmly believe that unless such a provision is definitely specified in the tax bill that new activities and new ways will be found to spend the money in the event it is no longer necessary for Old Age Assistance.

From that it might appear that I was not altogether in favor of the bill. I am fully in favor of it. We must pass legislation here and how to take care of our present situation, because we have no knowledge as to when the Federal government may do this thing that is suggested. But in the event they should this is to safeguard the taxpayers and to allow us to use some money for relief of real estate. This is purely with the idea of protecting the taxpayer. I am just stating again: "You can not cut down appropriations to

any great extent with any long-continued success. You have here a vehicle this afternoon before you that will meet your situation, with these other two items I mentioned, and you are going to make one great mistake if you do not go along with it."

I have just one other thought and that is the reference to this foolish nine and a half mill tax that a fellow by the name of Murchie put in a bill for. (Laughter) You know as well as I do that is put in to call the Legislature's attention to a situation that would prevail and outline to them that it would be necessary to set up nine and a half mills of State tax to balance the budget if we decided to go along with Old Age Assistance without any new taxes. That bill was signed by a fellow by the name of Murchie, but that fellow by the name of Murchie is definitely opposed to any such foolishness. (Laughter) I want to tell you that right now.

I could not go on with it for another reason. On Friday afternoon a few weeks ago two hundred people gathered here in opposition to that bill. I then explained to them, as I am trying to give you the idea now, that I was opposed to the principle of that bill, and so I am, because I am morally obligated to that bill, but if you pass that bill you will do it over my dead body. (Laughter)

The SPEAKER: The Chair recognizes the gentleman from Thomaston, Mr. Smith.

Mr. SMITH: Mr. Speaker, when the vote is taken I ask that it be taken by the yeas and nays.

The SPEAKER: The Chair recognizes the gentleman from Orono, Mr. Goldsmith.

Mr. GOLDSMITH: Mr. Speaker and Members of the House: I do not think that Mr. Murchie is quite as foolish as he wants us to think he is in presenting that measure, because, if I could have the privilege of presenting his bill on a blackboard before this session, I could prove it would be a much better bill than this document which was laid before us about ten minutes ago.

I do not know a thing about this bill, and perhaps, therefore, I should not say too much about it. I have not had a chance to read it, and I doubt if anyone here has had a chance to do so. I do not know

much about the method of collecting, but I am going to assume, after the hearing was given—Mr. Good might call it a court procedure, because it was a one-sided affair—the gentleman presented the bill, and, myself who presented a bill, all we had were opponents. It is only natural when a tax measure is presented that there should be opponents.

Mr. Murchie mentioned the fact about two hundred came in to oppose his bill. It seems to me when I presented my bill there were about two thousand to oppose it. (Laughter) I had one friend in the audience, the friend with the cash register.

At that time I went on record as saying that I definitely opposed a discriminatory tax measure. I went on record then and I do now, and state that my only reason for entering into the taxation problem was to write a bill against the discriminatory tax laws that we have handled here.

Now we all know there is nothing personal about a tax measure. I mentioned before, and I mention again: There is no love, no glory or honor to any Member here who writes a tax measure. They just can not face the public; they are bound to hurt someone's feelings when they write a tax measure, because we have been told, after presenting all our bills, that no one wanted any new taxes.

At the hearing I invited all my opponents to please present something to us that would help us solve the problem in the State, but there was no help coming forth, and therefore we are still here fighting and roaming around for a tax measure.

It was pointed out at the hearing that if it is a two-cent tobacco tax—and I assume that this is what this will ultimately lead to after it is explained—that a man smoking a package of cigarettes a day would pay approximately \$7.30 a year, and if he smoked two packages he would pay about \$14.60 a year. I bring those figures out to show that if I could have the privilege of presenting it on the blackboard I should show that a man smoking cigarettes would pay much more than the mill tax rise would be, a good deal more.

But, to come back to the hearing, I was interested in the bootlegging angle on cigarettes into the

State of Maine. We had during the Prohibition days plenty of bootlegging, and people made a lot of money bootlegging. Why could not that be done with cigarettes? It seemed to be a very simple thing. A man with a small truck could load up at the nearest state where they do not have such a tax and could easily cross our State line and dispose of a small truckload of cigarettes in an evening. I am told that he would not have to go so far away but what he could make about three trips a week.

So I commenced to fool around with pencil and paper again. This is a simple arithmetic example, and you can all use your pencil and paper if you wish. I learned at the hearing that a case of cigarettes contains about fifty cartons. I never knew that before, but that is a fact. I learned that a case weighs approximately thirty pounds. Now the case that was exhibited on the table here was not a very large case, and I am going to assume that twenty of these cases would go into a small truck very easily. That would give a man about a thousand cartons of cigarettes to deliver in the state. Now he could purchase those cigarettes without tax at about \$1.20 a carton, and that same carton would cost the dealer here about \$1.40. Now then, if he split the difference and charged \$1.30, he would be making himself ten cents a carton on the bootleg price. It does not seem very much, but if he had a thousand cartons of cigarettes, which is a small amount on a small truck, he could make himself about a hundred dollars a trip, and about three trips a week would give him a gross profit of about three hundred dollars.

He would be going over good roads, and he could make his trips very easily, slip in and out of Maine in the dark, and would make a good profit. He could unload those cigarettes—everybody knows you can always find people who are willing to make money along with you in deals of this kind. That has been proven.

Now what object would there be in the dealer in the State, his accomplice, in buying those bootleg cigarettes? His object would be he would be making an extra ten cents on a carton, and he would be making over and above the aver-

age profit of the legitimate dealer approximately seven and a half cents, and he would be making a long profit as against the legitimate dealer across the street who obviously has to pay the tax. I doubt if he would start cutting prices, because they possibly might suspect he was tied up with a bootlegger, yet he would be making a longer profit than the other man on the other side of the street.

My real reason for being opposed to this tax is the fact that it is a discriminatory tax. We have plenty of working men in my town; we have two mills in our town. They have approached me time and again and said, "Such a tax is directly against the working man, and we hope, Mr. Goldsmith, you will oppose the cigarette tax."

The SPEAKER: The Chair recognizes the gentleman from Portland Mr. McLaughlin.

Mr. McGLAUFNIN: Mr. Speaker, I would like permission to face the House.

The SPEAKER: The gentleman has permission.

Mr. McGLAUFNIN: Mr. Speaker, I have not had the opportunity to read this particular bill, but I do want to make a few general remarks on the tax situation which may have some bearing on what we do.

In the first place, I am fully convinced that it is absolutely out of the question to carry out the suggestion of Mr. Goldsmith of increasing taxes on real estate. I have been convinced of that situation for the last four years. I can tell you of building after building that has been torn down in the City of Portland because of excessive taxes, and I myself represent a class that tore down three such buildings because we could not get the assessors of Portland to put a fair value on the property.

Now I am further convinced that you cannot possibly get such a tax proposition through this House, and I am going to tell you why.

The gentleman from Livermore Falls, Mr. Grua, introduced a bill to put a ceiling on real estate, and I pointed out to this House that we ought not to pass that measure until we had provided some other tax measure.

Now I honestly believe that nearly everyone in this House agrees with me that that is sound common sense, and yet the majority of this House felt so strongly on that real estate proposition that you voted to pass that measure. Of course it will never pass, because you have got to get a two-thirds vote, but it showed how you feel. So I say that the real estate increase is out positively and definitely.

Now the next proposition that was suggested by Mr. Richardson was that some men were saying that you could economize. Now I want to tell you that this idea of economy is not any new thing. I will call your attention to the fact that Senator Fernald, four years ago, struck out preparing his campaign for the Governorship on the idea of economy, and if you should look back at the records you would find that he talked long and eloquently on economy and he finally succeeded in getting a cut in two measures in another body from this. That came down to this House and it was pointed out after discussion that it was utterly absurd to make those reductions. One of them, as I recall, was to reduce the amount for the State Prison, and the evidence showed that they needed more money, not less; and this House promptly restored those two items, so that Senator Fernald accomplished nothing at that time.

I have talked with a well-known gentleman from Portland who has said to me many times, "Why don't you economize." And I have discussed the matter with him and I have pointed out that we want to economize. But I asked him, "Where can you cut down the appropriation for schools?" I have not found anybody that said we could. Can you cut down the appropriation for hospitals? If you look at the hospital situation, you will find that is out of the question. Can you cut down the appropriation for the Pownal Institute? Visit that institute, and if you do not come back feeling that they need more money instead of less, then I miss my guess.

And so you can go down through the various tax items, and I have failed to find anybody who would point out where we can economize to a great extent, to any such extent as involves hundreds of thousands or a million dollars and still give

service. So I say that I for one am convinced that we cannot solve the problem before us at this time by any reasonable economy that you can set forth.

Now the gentleman from Standish, Mr. Hanold, said that any measure that we pass would probably go to the people and they might upset it. I want to say to you that that is the people's responsibility and not ours. It is up to us to do our job as we see it, and then if the people see fit to upset it that is their privilege.

Now there came into this House this morning over fourteen thousand signatures against a cigarette tax. I will venture to say that ten thousand of these signatures were signed by request, and I have already pointed out to this House how people will sign anything if you ask them to, without knowing what it is all about, so that I do not figure that petitions of that kind amount to very much and they should not influence us on what we do here.

It has been said that the Federal government is going to take care of the situation in the near future; but the Federal government has not done it and nobody knows when it is going to do it, so our problem is still here.

Another suggestion that I have heard today was that new employment, due to the war situation, might cut down some of the Old Age Assistance needs. I hope that is so, but that has not yet come to pass. Therefore we still have our problem.

Now I have also heard it suggested here today that we go home and do nothing, just let the matter ride. That is the worst proposition yet, because when we go home the people that ask us not to pass these taxes are immediately going to say, "What did they do down in the 90th Legislature? Not one thing. They did not have guts enough to do anything." That is what they are going to say.

Now I am not particularly talking in favor of this measure, but I am pointing out to this House that we are narrowing down these tax measures, and we are pretty near the end, and I, for one, came up here to use my influence the best I knew how to help solve this problem, and I propose to vote for some tax measure whether the people like it or whether they do not,

because I am not going back home and have it said that I did not have sand enough to do anything but just pass the buck. I say that this Legislature, which I have praised many times, because you are the most intelligent Legislature that I ever saw, has got the guts to pass a tax measure, and I hope you do it.

The SPEAKER: The Chair recognizes the gentleman from Perham, Mr. Bragdon.

Mr. BRAGDON: Mr. Speaker and Members of the House: After listening to the remarks of the gentleman regarding our budget recommendations, I should be convinced that it would be impossible for this Legislature to make any economies. I would not attempt to refer to any of the items in our appropriation bill except the appropriation for Health and Welfare, which I think is the whole situation.

In this situation, I wonder if we are not living in the past rather than looking forward into the future. For the past four or five years, we in the State of Maine, and all over the country, have been in a situation where it was impossible for a great many of our citizens to receive the employment which they desired.

It seems to me that almost overnight that situation has changed.

I went home over the weekend, thinking that I might desire to buy another farm, and run it another year. I looked over the labor situation in Aroostook County and I changed by mind. Instead of having a surplus of labor there another summer, we are going to be confronted with an acute labor shortage. I wonder if this should have a very substantial effect on the necessary expenditures of our Health and Welfare Department during the following biennium.

It seems to me the greater part - I will not say the greater part, but a great many of our expenditures—for our poor, and I think Old Age Assistance could be included in that, have been because it was impossible for certain people to secure employment.

The situation now is that many of our young men have gone away for training. Others have gone into various employment in other states, where they are receiving good pay. Salaries are good here in the State of Maine.

It seems to me that the general trend should be, with these men receiving good wages, which I think will continue over the next two years, that they should be able to substantially take care of much of this situation, and make it possible to get along with a little less money in that department, than perhaps we have built ourselves up over the past two or three years to believe that we would have to have.

I think, perhaps, you will guess that I am speaking in opposition to this tobacco tax, because it is one of the means of revenue to provide this added money.

There is another matter in opposition to the tobacco tax, which I would like to speak of briefly at this time. It concerns wholly, perhaps, Aroostook County. Some of you know that many of our citizens in Aroostook County raise seed potatoes, and they look to other states for markets for those potatoes. When it became known in the State of South Carolina, which takes a very large quantity of our seed potatoes, when it became known there that the Legislature of the State of Maine was considering imposing a tax on cigarettes and tobacco, the Commissioner of Agriculture of the State of North Carolina, felt called upon to express his opposition to any such tax. I have here a copy of the letter which he wrote to Mr. Good. I think, perhaps, I will read it to you to explain this situation. This is addressed to Representative Lee C. Good of the State Legislature, Augusta, Maine.

"Dear Mr. Good:

It has come to our attention in North Carolina that you are proposing legislation to tax tobacco sales in Maine for revenue purposes. Tobacco means as much to the farmers of this State as potatoes do to agriculture there. Particularly in view of the plight of our tobacco farmers, due to loss of export trade, we do not look with any more favor on discriminatory taxes against tobacco than the Maine farmer would on our using potatoes as a source of tax revenue.

We are inclined to consider your proposal as a form of interstate trade barrier. Eight or ten years ago the Commissioners and State Agriculture officials through their national organization began to analyze the subject of trade barriers and have sought to discourage and

correct some of the resulting evils. Since the general public has been made to recognize the seriousness of the problem in recent years, most of the attempts at setting up new trade barriers have failed.

There are ample facts and figures to substantiate the fact that commodity taxes do reduce consumption, restricting markets, and a considerable portion of the tax works back to the producers in lower prices as well. Please be kind enough to read the enclosed leaflet, "The Truth About Who Pays the Tobacco Tax." Much more evidence of this kind is readily available.

North Carolina is a large potato customer of the State of Maine, for both table and seed stock. Practically all of our commercial planting of about 35,000 acres use Maine Certified seed. Our purchases from Maine of eating stock extends over most of the year and runs into much greater volume. Yet, it has been clearly demonstrated that our mountain districts can produce seed stock for our commercial growers of eastern areas that perform more satisfactorily and profitably than seed from any other sources we have tried. Restrictions on outside sources would be the means of developing this intrastate industry. Net necrosis, bacterial ring rot, and a few other diseases which are not uncommon to Maine seed would serve to justify such action. Trade barriers do encourage retaliations which make bad matters worse. Free trade and lack of discrimination promote friendly relations and contribute to common welfare.

Our legislature is, also, now in session and like your own, is looking for additional "new money" to provide for expansion demands. We could not accept with good grace the passage of an Act to further burden our tobacco growers with revenue taxes for support of the State of Maine. It is hoped that you will be able to see both sides of the picture and view the situation in our light.

Very truly yours,

W. Kerr Scott
Commissioner of Agriculture"

Now, I would not attempt to estimate what effect this might have. But I would suggest to Aroostook farmers who are in the seed business that in view of these facts, it

would be unwise to pass such legislation, which would be in a sense antagonizing a good customer of the potato interests of Aroostook County.

I hope that the motion of the gentleman from Strong, Mr. Richardson, will not prevail.

The SPEAKER: The Chair recognizes the gentleman from Saco, Mr. Jordan.

Mr. JORDAN: Mr. Speaker and Members of the House: It is not because I favor additional taxes that I signed the "Ought to pass" report of the committee. Nobody would be more pleased than I if some action could be taken that would make any other tax unnecessary. But we have been told that it was the duty of this Legislature to take care of the old people of this State; and we have been authoritatively informed that it will take \$2,000,000 in added taxes to do it. Then our job is to find a tax that will do that with the least amount of inconvenience attached.

So there are several reasons why I favor this tax:

1. It is a Sales Tax; and a Sales Tax being based on a person's ability to pay, is a fair and just tax.

2. It is a Luxury Tax, the best kind of a Sales Tax. I have heard some people claim that cigarettes are not a luxury. Now I smoke tobacco as much, if not more, than any Member of this House, and I should hate to have to stop; but I did not smoke at all until I was twenty-five years old, and before that time I never felt the need of it, and I was just as contented. If a tax on a habit-forming weed isn't a Luxury Tax, I do not know what is.

3. Every other New England state has this tax. Even with the hideous billboards across the State border in Kittery, advertising tax-free cigarettes, New Hampshire collected over a million dollars last year. That does not look as if the cigarette industry could have suffered tremendously; and it also gives you an idea what Maine can secure from it.

I see no reason why Maine is any different than the other New England states. I should be the last person to advocate this tax if none of the neighboring states had it; but when they all have it, I cannot help feeling that we are out of step

and that we should follow their example.

4. There has been one ray of light, it seems to me, brought out here this session relating to our taxation system; and that is the theory behind the Resolve offered by the gentleman from Livermore Falls, Mr. Grua, for a ceiling for Real Estate Taxation. I know at present it is just a ray, but it seems to me worth looking to see if the real light can be found. To me it seems worth a good hard study between this and the next Legislature, and so I feel that if we must have more money to run the State, I favor a method which will not disrupt our present system to such an extent that the public interest in Mr. Grua's amendment is lost.

I said last week that I believed in a Patch tax. This cigarette tax is just that. It will raise approximately the amount required at present, and it will fit in any later tax system without change.

5. Finally, we have been told the money will go for Old Age Assistance, and this bill will get it. Also may I remind you that this may be the last year that the State of Maine will be able to raise additional funds. You all read the grandiose tax scheme of the Federal government. If the State of Maine is a poor State now, with this added burden, it can be readily imagined that we shall be hard put to pay this increase, let alone find extra for State activities.

So I hope the motion of the gentleman from Strong, Mr. Richardson, will prevail.

The SPEAKER: The Chair recognizes the gentleman from Thomaston, Mr. Smith.

Mr. SMITH: Mr. Speaker and Members of the House: I am not convinced we need that two million dollars. I think if we pass the new inheritance tax and the liquor tax and pick up maybe a quarter or a half million dollars in the Health and Welfare, we can get along.

Why I speak of the Department of Health and Welfare, is, under present conditions, no healthy man need be out of a job.

The SPEAKER: The Chair recognizes the gentleman from Monticello, Mr. Good.

Mr. GOOD: Mr. Speaker and Members of the House: I have heard it said that this is Good's

Tobacco Tax. I might be the proponent of it, but it is your tax. It is no more my tax than your tax.

We came down here for two purposes. They were to see if we could reduce real estate, and to see if we could take care of Old Age Assistance.

I have heard some members here advocating — the gentleman from Perham, (Mr. Bragdon) advocating — how the situation might be able to take care of it—in regard to the labor situation.

It is peculiar to me that when somebody is campaigning, they are always telling you that they are going to take care of Old Age Assistance, when they get down here. But when they get down here, it seems to be a different thing.

I want to say at the outset, that if you do not like this bill and you kill it, you will not see me cry. If you have got anything better than this that you can produce, you can put this in the ash can, and I am ready to go along with you.

We have fiddled along here seven-teen weeks. We have never reached any conclusion yet what we are going to do. We have said that we are going to do something. Now we hear it said in the halls of the House we are not going to do anything.

I said it a while ago, and I am going to say it again, if we come down here and cannot economize and get this money that we have got to raise, and then go back home, and then they call us back, it would cost the State \$25,000 or \$30,000 for a Special Session,—then I hope that for every Republican who sits in the House, a Democrat will sit in his place the next time. (Laughter and applause)

I do not want to take too much time. They say if we pass a cigarette tax, it is going to cut the consumption, and the people will not be able to use so many, that we are not going to get revenue.

I have got figures here that I just want to go over roughly, from Washington. I had no way of finding out how much revenue it would give us in the State of Maine, because we have not got any tax on cigarettes or tobacco in the State of Maine. So I wrote to Washington, and they sent me these figures.

From 1863 down to 1939, I have the amount of tobacco and cigarettes sold in the United States of

America, and the amount of dollars that the United States of America collected on revenue, here before me.

Almost every year, from year to year, it has gradually gone up. I will give you just a few to show you. The first tax on cigarettes was in 1865. They got \$14,944.95. In 1866, they got \$1,797.92. Within the next two years, "B" there—I do not know what "B" means, but they have got "B" there, anyhow. Then, in 1869 they got \$3,273. Then I will jump down to 1930. They got \$359,816,274.69. From 1931 to 1938, they got \$493,432,959.72. An increase, from 1931 to 1938, of \$145,517,772.88, in less than eight years.

I could go on here maybe half an hour with that kind of stuff. I am not going to.

You might say, how did you get the amount of revenue? I took the amount of cigarettes that had been sold in the United States of America, which was 169,969,219,880. I then took 130,000,000 people, and divided up and found out how many cigarettes per capita they used. I then took 800,000 people—I have just got a letter on my desk from a man who says there are 840,000 people—I figured it out how many per capita for 800,000 people. It gives a revenue of \$1,100,000, the way I figured it. I found out a million people came into the State of Maine as tourists. I figured out at the same rate per capita what they would pay. They would pay almost \$300,000 of the revenue we would get. You do not believe it would curtail the consumption?

You have heard some people say the poor man cannot pay it. I know better. He can pay it. Here are some cigarettes that I picked up in the corridor, just a few moments ago, before I came in here. Here is one that is not half smoked. Two more puffs would pay his tax. (Laughter)

The other day when that man was sweeping, I said to him, "Gather up a few of those cigarettes, will you?" I did not gather them up myself. Some of you folks may say he picked them out, when he was sweeping the other room. I just said, "Give me some cigarettes and put them in an envelope." I will pick them out now.

There are a couple more. You could pay your tax on that. There is another one here, that is not half smoked. Here is another one. Prob-

ably some fellow was in a hurry. So I could pick them out here by the dozens, from what I have got here in this envelope. There is no such thing as the poor man. He did not care about this one. He will pay.

We are paying Old Age Assistance. We are taking care of them. If they want to smoke cigarettes, and they do, let them pay a tax on them. I am not one to deprive men of smoking. Let them smoke.

Some of you fellows might say—and it has already been thrown in my face—"You do not smoke." Well, I used to. I have got three boys that smoke. They will pay the tax for me. They will probably smoke many of them.

My Brother, the gentleman from Standish (Mr. Hanold), told you a few moments ago what a terrible thing it was to curtail. The Maine Development Commission bill came in here the other day, and they wanted to reduce it. You can understand the stand he took might not have done me so much good in Aroostook. You people along the coast would get more benefit from that bill but I thought it was only right he should have the money.

Then I hear people say, "We do not want to tax cigarettes, because they are going to bootleg them." I was surprised that my brother, the gentleman from Orono (Mr. Goldsmith) should be talking about bootlegging cigarettes. I never heard at all of persons bootlegging cigarettes out of a State where they cost more than they do in the State of Maine.

We are the only State in New England that has not got a cigarette tax—the only state in New England that has not got a tax today on cigarettes.

Two years ago, when I argued here for this same bill, the opponents said, "If we pass a tax, they will be bootlegging cigarettes, just as soon as we pass a tax."

Now, then, I took the assumption they might pass a tax, because there were three bills before the Legislature at that time and evidently they did pass it, now because they are bootlegging cigarettes out of Maine.

You see how much revenue it will give. It will give more than a million and a quarter dollars, without any doubt.

I have before me a letter that I received from a man in the south-

ern part of the State. I will just read a few phrases of it.

"A friend of mine over in New Hampshire gave me some figures on cigarette taxes that you are sponsoring. The population of New Hampshire is 440,000. Maine is 840,000. New Hampshire got \$1,100,000 last year."

Less twenty per cent for cigars and tobacco, amounted to \$900,000, that New Hampshire got last year on cigarettes, with 440,000 population. They have one and a half cents per package. We have two cents. We have got double the population, and the rural conditions are practically the same.

I say that we would get a million and a quarter dollars and maybe over a million and one-half dollars of money.

We have got 5,000 people that need taking care of. It may be revised and may be changed, the Old Age pension, but I do not believe that some of these aged women, with their backs bent and their heads bowed,—that we can ask them to go out in the field and do the work that my Brother, the gentleman from Perham (Mr. Bragdon) has spoken of.

We have 12,903 on the pension list. We have applications for investigation, 2,947, and the number of pending applications uninvestigated is 3,397. We have over 18,000 people to take care of. Supposing we can strike off a thousand? If a man cannot work he cannot work, that is all there is to it. You and I probably can go out and do a fair day's work, but when a man cannot work he cannot work. People are going hungry all over the country. These towns where they have town managers, they are almost crying because they want to make a good showing, and they are nearly starving some of these people to death. When I was home last time a woman came out of prayer meeting and said to me, "For God's sake, are they not going to do something for us down there? I have not got a thing in the house; I haven't got hardly anything to wear."

That is the condition of things. The old age people have not had things any too rosy in the last two years.

Two years ago when they were campaigning they said, "We will take care of the old people one hundred per cent." We came down

here and we went home. We took \$800,000 out of the Highway Department to pay old age pensions and just about half did the job. If we do not produce the money we might just as well repeal the law, rather than tell people they are going to have pensions and then do nothing.

We have been here seventeen weeks. If you and I go home without doing anything and have to be called back here, we ought to be ashamed to come back.

Listen to these figures from New York. "New York's new tax, also at the rate of 2 cents a package, applies only to cigarettes, and estimates of the anticipated yield vary from \$17,500,000 to \$22,500,000 annually."

The tax in the twenty-three states varies from five cents to two cents per pack. Only one state, Arkansas, has a 5-cent tax, however. Three states—Louisiana, Mississippi and South Carolina—levy a tax of 4 cents a pack.

You heard my Brother speak of North Carolina. Here is South Carolina with 4 cents on a pack of cigarettes. They want to get that in the record.

I will tell you about that letter. When that letter came to my attention I filed it away and said, "I will keep still about it; I won't tell a soul." I did not even tell my wife. I said, "I will keep it to myself." I knew that Mr. Payne got one, and others got one.

One day there was a certain person said to me, "You got a letter from North Carolina, didn't you?" I said, "How do you know?" I laughed and passed on. I say that was sent for the purpose of bringing pressure in the hope I would withdraw this.

That was brought out two years ago. They think a fellow will buck down. Two years ago when I introduced a tobacco tax bill one of the Members of the House sat in the hotel in Augusta right next to me, and he said, "Have you got a boy working for the United States Tobacco Company?" I said, "Yes, sir." He said, "I think this is a matter you ought to know about. I heard it said last night that if you insisted on this tobacco tax you would cut the boy's throat." I said, "He is of age, and so am I. I was sent down here to do the best I can for the State's business. He is out there and let him look after that."

It reacted a little differently than they thought it was going to.

I got a telephone call from Portland and they wanted me to come down to the Augusta House. The tobacco manager from Portland wanted to know where I heard it. I told him where I heard it. They almost got on their knees.

I want to tell you, Ladies and Gentlemen of this House, that this is a fair tax. I held up here a few minutes ago a list of people who are willing to do anything to defeat the proposition. I think it is about high time the Representatives of this State should say what they are going to do.

There are a lot of other things I would like to mention here. Now in 1939 they estimated New York got from seventeen to twenty-two million. I have the 1940 sheet here which shows they got over twenty-two million in the State of New York alone last year. I could go on here and give you some of these other states. In Louisiana, Mississippi and South Carolina the tax is four cents a pack; while the tax is three cents a package in seven states: Alabama, Georgia, North Dakota, Oklahoma, South Dakota, Tennessee and Texas. The remaining 12 states, the rate is 2 cents a package. These states are Arizona, Connecticut, Iowa, Kansas, Kentucky, New York, Ohio, Pennsylvania, Rhode Island, Utah, Vermont and Washington.

Out of thirty states that have a sales tax over fifteen of them have got an independent cigarette and tobacco tax.

I had a telegram today from a man I never met which says: "Why don't you put a tax increase on liquors and tobaccos? Take care of the rest by economizing and close up shop and come home." That was the telegram.

Let me read over some of the states that have a cigarette tax: Arizona, Connecticut, Iowa, Kansas, Kentucky, Massachusetts, New Hampshire, New York, Ohio, Pennsylvania, Rhode Island, Utah, Vermont, Washington and Wisconsin.

I am not going to take any more time. I am going to sit down in just a moment. All I want to say to you is this: Connecticut is a tobacco State, and they collected \$8,160,079.35 from June 30, 1936 to June 30, 1938, two years. I am just giving you a sample of it.

Now then, I have never seen this new draft. I do not know whether it is earmarked, but I am in favor of it being earmarked for Old Age Assistance. I said I would not vote for any tax unless it was earmarked and we knew where we were going. If it were earmarked for old age assistance we could very nicely take care of that if the Federal government takes care of old age assistance eventually, and have an amendment put on so in case the Federal government does take care of old age assistance then it can revert back to take care of real estate and take care of State taxes.

I am in favor of this bill, for this reason, that we need some money; we have got to have it. Now, as I have said before, I am not going to be mad, I am not going to find fault; if you have got something else and will produce it I will go along with you, but it seems to me there is a feeling amongst some of the men who have had a bill in here, where they have put the axe to it, that they will not vote for any taxes. You can put an axe to this one if you want to, and if you produce one that is going to do the job I am for it one hundred per cent. I thank you.

The SPEAKER: The Chair recognizes the gentleman from Rockland, Mr. Sleeper.

Mr. SLEEPER: Mr. Speaker, I have sat here in this same section of this House going on my fourth term now and my second term in this same row, and I have heard these same arguments expressed for and against for the last four terms, and I knew down deep in my heart that some day this House would have to enact some such sort of a tax.

I sat here in 1935 when they first brought up Old Age Assistance, and I saw that start its growth, and I saw it grow in 1937 and 1939. In 1939 the pressure for new taxes was getting pretty severe, and I almost thought we would have to enact new taxes. I hate new taxes just as much as anyone else in the House. This is the way I always argue: I state the case first and the reasons afterwards. It is not going to take any courage to enact this tobacco tax because everyone expects it.

In 1939 we were reduced to such straits that in order to take care of the situation at that time we raided the Highway Department and made

a diversion of funds of \$800,000, which allows us to pay a pittance to the few old people to whom we are paying it.

Both parties have expressed their intentions to the people that they are going to provide adequate means for old age pensions. The problem is here and we have got to solve it.

Now we are paying 18,000 people a small amount, an average of \$22. In regard to the Federal participation, I do note that the President says he is going to see in the next few years that it is put up to at least thirty dollars a month. So where I said a few days ago the Federal government take over the burden, they may make that burden even larger. If they insist on thirty dollars and we have to pay fifteen instead of eleven, our burden is that much greater.

Getting back to the Appropriations Committee—the bulk of their work was done, the hard preliminary findings were done by the Budget Committee, and I do not think anyone can question the integrity and ability of that Budget Committee. They pared to the bone. You realize they are not spenders. They tried to add a little here and cut a little there, and I maintain the appropriations set-up cannot be further cut.

You talk about the fact that good times are right around the corner. William Knudsen said that the depression that is going to come after this shipping boom is going to make times today seem like a boom. Good times are not around the corner; hard times are not around the corner, and the sooner this House gets down to business and realizes that we have got a problem the better off we will be.

I do not know what you think of the gentleman from Strong (Mr. Richardson) or the gentleman from Monticello (Mr. Good) but I know one thing about both of them; I know they are sincere, and I know they are honest and are trying to do what they think is right.

The money necessary to take care of the people to whom we have promised support, even the pittance we have promised, is roughly two and a half million dollars. We have of that two and a half millions \$700,000, therefore we need about \$1,800,000. The new set-up from inheritance taxes we hope and I think ought to bring from three to four

hundred thousand dollars. That leaves roughly about \$1,400,000 to get from some new tax.

This cigarette tax, this terrible tax that everyone hates so, a tax that they have in every State north of Virginia; this tax in the State of New Hampshire brings in around \$900,000—and New Hampshire is a little more than half of our population. It is therefore safe to say this tax is going to bring us thirteen or fourteen hundred thousand dollars.

We have not any other tax. I was going to say if you name it I will vote for it; but this is the only tax I am willing to go home and say I voted for. This is the only tax that it is not going to take much courage to vote for, because it is a tax they expect.

A few days ago I think I was one of the first ones to publicly state that I was in favor of a cigarette tax. I stated that for two reasons. One was that I wanted to see what the reaction was going to be in the House and the reaction back amongst our constituents. I went home Friday already for trouble, and my phone did not ring once in opposition to the tax. The only thing I heard was: "How long are you going to take to do it? Are you going to stay there all summer? Are you going to wait until you are entitled to an old age pension?" (Laughter)

They all expect this tax; they all want it, and I venture to say they want it in preference to any other.

Those figures show, if you want to carry out the party platforms of both parties and pay these pensions, you have got to find fourteen hundred thousand dollars somewhere, and you cannot find it anywhere else.

The fairest tax of course is an income tax based on ability to pay. I think the Federal government has got that field pretty near to themselves, with a four per cent base, and they are going up to eight per cent. So it is not any use for the State of Maine to try to dabble in the income tax.

I wish all you members would realize that we have got, before we leave, to find somehow or other fourteen hundred thousand dollars, and that is the way to find it.

The proponents of this bill, you can say anything you want to about them, but you cannot question their sincerity. The arguments against

the bill are rather far-fetched. I could not help but laugh at the bootlegging argument. Where are they going to bootleg from? Are they going to bootleg from Canada where cigarettes are thirty cents a package, or from New Hampshire or Massachusetts which all have a cigarette tax? There will not be any bootlegging of cigarettes and there will not be any great fuss at home.

I am glad to know this bill does not include anything but cigarettes, therefore the man way down at the bottom cannot say we are taxing his comfort, because if he does not want to smoke cigarettes he can smoke a pipe. I do not think that is any logical argument.

We need more money; we cannot economize further, and good times are not around the corner. It is just a question of getting it into our heads that we have got to have it and this is the way to do it. I trust the motion of the gentleman from Strong (Mr. Richardson) will prevail.

The SPEAKER: The Chair recognizes the gentleman from North Anson, Mr. Fenlason.

Mr. FENLASON: Mr. Speaker and Members of the House: I have been very much interested in the remarks of the gentlemen. It has been said with the best of intentions that we should meet this without any taxes by cutting the departments. A lot of the members here are selectmen or members of the Budget Committee at home. I have served as budget chairman for six years, and I have worked hard nights, after serving down here and elsewhere on that Budget Committee. If any loafer on the street who had no knowledge whatsoever of how those appropriations were set up and what the demands were should come along and tell me I could get along with half of it, I should not even talk with him.

I think these men here have proved worthy, because if they did not have intelligence they would not be here. Every man and woman here I think is of a high type and they mean to do right. Of course people differ in their opinions; they always have and they always will.

The gentleman across the way has touched upon the fact that the appropriation for the Health and Welfare Department could be re-

duced, but it would take a long period of time by some pretty shrewd man to find out what we ought to do. I do not believe we could intelligently cut that.

Now this bill here I note carries no emergency clause and it is not earmarked, but, as someone has said, that could be easily done. Now whether I like this bill or not I am not saying, but, for goodness sake, you gentlemen who are in the middle of the road or undecided, please do not kill this bill today. If you do, maybe you will kill the only tax revenue measure which we have. If this bill should pass this House today and go to the Senate, if they want to kill it that would be their business. They may possibly do it. They are a group of intelligent men and a small body. I beg your pardon, Mr. Speaker.

But we would at least have one bill left. We are not going to kill many more tax vehicles and get out of here with any tax measure, because both parties promised Old Age Assistance.

The Governor told me that if we did not raise this money he would call us back in three weeks. That is what he told me. Now what are we going to do? As I understand, it costs about sixty dollars to get a man down here from Fort Kent for a special session. If we are called back here we have got to provide the money and we have got to pay a lot more. I hope that this bill will have a passage.

The SPEAKER: The Chair recognizes the gentleman from Biddeford, Mr. Belanger.

Mr. BELANGER: Mr. Speaker and Members of the House: I am in favor of any tax measure and I will vote for any tax measure that is brought in here providing they earmark it for Old Age Assistance.

The SPEAKER: The Chair recognizes the gentleman from Strong, Mr. Richardson.

Mr. RICHARDSON: Mr. Speaker, I would like to make it clear that if this bill does receive favorable action this afternoon, an amendment will be offered definitely earmarking it for Old Age Assistance.

The SPEAKER: The question before the House is on the motion of the gentleman from Strong, Mr. Richardson, that the House accept Report A "Ought to pass". Is the House ready for the question? The gentleman from Thomaston, Mr.

Smith, requests that when the vote is taken it be taken by the yeas and nays. Under the constitution the vote shall be taken by the yeas and nays upon the request of one-fifth of the members present. All those in favor of the vote being taken by the yeas and nays will rise and stand in their places until counted and the monitors have made and returned the count.

A division of the House was had.

The SPEAKER: Obviously more than one-fifth of the members having arisen, the yeas and nays are ordered. The question before the House is on the motion of the gentleman from Strong, Mr. Richardson, that the House accept the "Ought to pass" report. All those in favor of the gentleman from Strong, Mr. Richardson, that the House accept the "Ought to pass" report of the committee will say "Yes" in answer to their names; all those opposed will say "No". The Clerk will call the roll.

YEA—Anderson, Ayer, Baker, Belanger, Biddeford; Bolduc, Bowers, Brown, Eagle Lake; Bubar, Buckley, Conant, Cross, Davis, Buxton; Davis, Montville; Deering, Denny, Donahue, Dorrance, Dow, Downs, Dutton, Estabrook, Farwell, Fenlason, Forhan, Fuller, Good, Goodrich, Gould, Gorham; Gould, Milo; Grady, Grua, Hall, Hamilton, Harvey, Hinckley, Holman, Jordan, Lambert, Leavitt, Littlefield, Martin, McGillicuddy, McGlauffin, McIntire, McKusick, McLellan, McNamara, Megill, Milliken, Mills, Murchie, Newcomb, Osgood, Otto, Patterson, Payson, Pratt, Preble, Race, Rankin, Bridgton; Richardson, Robbins, Robie, Robinson, Sanderson, Savage, Seeger, Sichel, Sleeper, Slosberg, Southard, Teel, Williams, Bethel; Williams, Clifton; Winter, Wyman.

NAY—Arzonico, Babin, Bangs, Belanger, Winslow; Bernier, Boutin, Boyd, Bradford, Bragdon, Brewer, Briggs, Brown, Brunswick; Brown, Corinna; Clough, Cousins, Crockett, Dean, Dorsey, Dwinall, Eddy, Pickett, Flag, Goldsmith, Gowell, Hanold, Keller, Labbe, Lackee, LaFleur, Lane, Leveque, Libby, MacLeod, Mercier, Michaud, Morrison, Pearson, Phair, Pierce, Poulin, Rodrigue, Rollins, Sayward, Shesong, Small, Smith, Thomaston; Starrett, Tozier, Walker, Wallace, Warren, Welch, Chapman; Welch, North Berwick; Weston, Worth.

ABSENT—Brown, Bangor; Buker, Clapp, Doughty, Jacobs, Jones, McFadden, McKeen, Pelletier, Porrell, Rankin, Denmark; Roberts, Roy, Smith, Bangor; Stevens, Sylvia, Willey.

Yes 76; No 55; Absent 17.

The SPEAKER: Seventy-six having voted in the affirmative and 55 in the negative, the motion prevails and Report A "Ought to pass in new draft" is accepted.

The Chair recognizes the gentleman from Rockland, Mr. Sleeper.

On motion by Mr. Sleeper, under suspension of the rules, the bill was given its two several readings and tomorrow assigned for third reading.

The SPEAKER: The Clerk has in his possession a Conference Committee report.

Conference Committee Report

Report of the Committee of Conference on the disagreeing action of the two branches of the Legislature, on Bill "An Act relating to the Salary of the Attorney General" (H. P. 1464) (L. D. 740) reporting as follows: That the House recede from its action whereby it accepted the "Ought not to pass" Report of the Committee on Salaries and Fees; substitute the Bill for the Report, adopt Committee Amendment "A" submitted herewith, and pass the Bill to be engrossed as amended by Committee Amendment "A";

That the Senate recede from its actions whereby it passed the Bill to be engrossed as amended by Senate Amendment "A", and whereby Senate Amendment "A" was adopted, indefinitely postpone Senate Amendment "A", adopt Committee Amendment "A" and pass the Bill to be engrossed as amended by Committee Amendment "A".

(Signed)

Messrs. LaFLEUR of Portland

DOWNES of Rome

COUSINS of Old Town

—Committee on part of House.

CHASE of Washington

FARRIS of Kennebec

SANBORN of Cumberland

—Committee on part of Senate.

The SPEAKER: The Clerk will read Committee Amendment "A".

Committee Amendment "A" to H. P. 1464, L. D. 740, Bill "An Act Relating to the Salary of the Attorney General."

Amend said bill by striking out all after the enacting clause and substituting therefor the following:

"R. S., c. 125, sec. 6, amended. Section 6 of chapter 125 of the revised statutes as amended is hereby further amended to read as follows:

Sec. 6. The attorney general.

The attorney general shall have an office in the state capitol and shall receive an annual salary of \$5000 in full for all services and in lieu of all fees. He shall receive his actual expenses incurred in the performance of his official duties while away from his home. During his term of service, he shall not be an officer or director of any corporation engaged in business for profit within the state of Maine.

This act shall take effect on January 1, 1943.

Thereupon the House voted to accept the report of the Conference Committee.

The House then voted to recede from its action whereby it accepted the "Ought not to pass" report of the Committee on Salaries and Fees, and voted to substitute the bill for the "Ought not to pass" report of the committee.

Thereupon Committee Amendment "A" was adopted and, under suspension of the rules the bill was given its two several readings.

The SPEAKER: Is it the pleasure of the House that the rules be suspended and the bill given its third reading at this time? The Chair recognizes the gentleman from Rome, Mr. Downs.

On motion by Mr. Downs, the bill and accompanying papers, were tabled pending assignment for third reading.

On motion by Mr. Payson of Portland, the House voted to take from the table, Bill "An Act Relating to the Inheritance Tax Law" (H. P. 1285) (L. D. 551) tabled earlier in today's session pending reproduction of an amendment.

The SPEAKER: The Chair recognizes the gentleman from Portland, Mr. Payson.

Mr. PAYSON: Mr. Speaker, I now ask leave of the House to withdraw my amendment as it is covered by another amendment which will be offered.

The SPEAKER: The gentleman from Portland, Mr. Payson, asks leave to withdraw his amendment. Is this the pleasure of the House?

The motion prevailed and the amendment was withdrawn.

Mr. Grua of Livermore Falls offered House Amendment "A" and moved its adoption.

House Amendment "A" to H. P. 1285, L. D. 551, Bill, "An Act Relating to Inheritance Tax".

Amend said bill by adding at the end thereof the following:

Sec. 2. P. L. 1933, c. 148, 4, amended. Section 4 of chapter 148 of the public laws of 1933 is hereby amended to read as follows:

'Sec. 4. Amount of tax on Class B. Property which shall so pass to or for the use of the following persons who shall be designated as Class B, to wit: brother, half brother, sister, half sister, uncle, aunt, nephew, niece, grandnephew, grandniece, or cousin of a decedent, shall be subject to a tax upon the value thereof, in excess of an exemption of \$500, of 4% 8% of such value in excess of said exemption as does not exceed \$50,000, of 4½% 9% of such value as exceeds \$50,000 and does not exceed \$100,000, of 5% 10% of such value as exceeds \$100,000 and does not exceed \$250,000, and of 5% 12% of such value as exceeds \$250,000.'

Sec. 3. P. L. 1933, c. 148, 5, amended. Section 5 of chapter 148 of the public laws of 1933 is hereby amended to read as follows:

'Sec. 5. Amount of tax on Class C. Property which shall so pass to or for the use of any person not falling within either of the classes hereinbefore set forth shall be subject to a tax upon the value thereof, in excess of an exemption of \$500, of 5% 10% of such value in excess of said exemption as does not exceed \$50,000, of 6% 12% of such value as exceeds \$50,000 and does not exceed \$100,000, of 7% 14% of such value as exceeds \$100,000 and does not exceed \$250,000, and of 8% 16% of such value as exceeds \$250,000.'

House Amendment "A" was adopted and the bill was passed to be engrossed as amended and sent up for concurrence.

The SPEAKER: If there are no further matters to come before the House under Orders of the Day, the Clerk will read the notices.

On motion by Mr. Davis of Buxton,

Adjourned until ten o'clock tomorrow morning.