

# MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

# Ninetieth Legislature

OF THE

STATE OF MAINE



1941

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AUGUSTA, MAINE

## SENATE

Tuesday, April 15, 1941.

The Senate was called to order by the President.

Prayer by the Reverend F. F. Fowle of Hallowell.

Journal of yesterday read and approved.

From the House:

Bill "An Act Relating to the Practice of Chiropractic." (S. P. 482) (L. D. 1068)

(In the Senate, on April 10th, passed to be engrossed as amended by Senate Amendment "A.")

Comes from the House passed to be engrossed in non-concurrence.

In the Senate:

Miss LAUGHLIN of Cumberland: Mr. President, I move that the Senate insist on its former action and ask for a committee of conference.

Mr. ELLIOT of Knox: Mr. President, I move that the Senate recede from its former action and concur with the House in the indefinite postponement of Senate Amendment A.

The PRESIDENT: The Senator from Knox, Senator Elliot moves that the Senate recede and concur with the House. The motion to recede and concur has precedence over the motion to insist. Is the Senate ready for the question:

Mr. FRIEND of Somerset: Mr. President, when the vote is taken, I ask for a division.

A division of the Senate was had. Eleven having voted in the affirmative and eighteen opposed, the motion to recede and concur with the House in the indefinite postponement of Senate Amendment A, did not prevail.

Mr. ELLIOT: Mr. President, I would like to inquire as to whether or not a motion to insist on our former action and ask for a Committee of Conference on the adoption of Senate Amendment A would take precedence over a motion to insist and ask for a Committee of Conference on the whole bill?

The PRESIDENT: The motion to insist and ask for a Committee of Conference opens up the whole matter whether it is on the amendment or on the entire bill.

The Senator from Cumberland, Senator Laughlin moves that the Senate insist and ask for a Committee of Conference.

A viva voce vote being had

The motion to insist and ask for a Committee of Conference prevailed and the President appointed as Senate members of such committee, Senators Laughlin of Cumberland, Farris of Kennebec, Sanborn of Cumberland.

From the House:

"Resolve to Apportion One Hundred and Fifty-one Representatives Among the Several Counties, Cities, Towns, Plantations and Classes in the state of Maine." (S. P. 533) (L. D. 1096)

(In the Senate on April 7th passed to be engrossed.)

Comes from the House, passed to be engrossed as amended by House Amendments "A," "B," "C," "D," and "E" in non-concurrence.

In the Senate:

Mr. DOW of Oxford: Mr. President, these five amendments to this bill are to apportion the 151 representatives among the several counties, cities, towns, plantations and so forth. These five amendments, with the exception of Amendment A, are merely correctional amendments. Amendment A is in connection with Cumberland County. Through a misunderstanding somewhere along the line there, the Cumberland County representation was cut up differently than it has been for the last ten years. I understand a delegation meeting was held a short time ago and it was the vote of the delegation that it be restored to its original classification. House Amendment A does just that.

Mr. President, is it in order for me to speak on all five of these amendments?

The PRESIDENT: The Chair will suggest that a motion to reconsider the former action of the Senate whereby this bill was passed to be engrossed, would be in order.

Mr. SANBORN of Cumberland: Mr. President, on behalf of the delegation from Cumberland County I think I should state that the Senator from Oxford, Senator Dow, has stated the situation exactly as it is in regard to the Cumberland delegation.

Mr. DOW: Mr. President, and members of the Senate, Amendment B restores the town of Perkins into a class where it was before. Through an error the classification of the town was changed. This amendment simply restores it to its proper classification.

House Amendment C strikes out the capital letter "A" in regard to Penobscot County and inserts the proper figure "8" instead of "A", which was the mistake in the original bill.

House Amendment D strikes out in Washington County the number "18 E. D. (unorganized)" which I understand is referred to by another title in that same classification and merely clears up any redundancy through more names than necessary.

House Amendment E strikes out "Franklin Plantation" and so forth, and doesn't leave Franklin Plantation in the bill because it does not exist on the map. Those are the reasons for the five amendments.

Thereupon, House Amendments "A", "B", "C", "D" and "E" were severally adopted by a viva voce vote and the bill as so amended was passed to be engrossed in concurrence.

From the House:

The Committee on Legal Affairs on bill "An Act to Incorporate the Ellsworth School District," (H. P. 1589) (L. D. 911) reported that the same ought not to pass.

In the House, the bill substituted for the report, and passed to be engrossed.

In the Senate:

Mr. EMERY of Hancock: Mr. President and members of the Senate, last Friday after we adjourned, in order to inform myself a little more definitely in regard to this situation, I went to Ellsworth and spent the rest of the afternoon and evening there talking with people, both those in favor and those opposed to this so-called school district.

The PRESIDENT: The Chair would like to inquire of the Senator as to what motion he is addressing himself?

Mr. EMERY: I wish to make a motion, Mr. President, that the Senate concur with the House in their action whereby the bill was substituted for the report.

Without taking too long, but due to the fact that I would like to cover the ground thoroughly, I have made some notes to refresh my mind and I will say that Ellsworth is the shire town of Hancock County which you probably all know, and the majority of smaller, adjacent towns are looking to Ellsworth for assistance in their school problem

which is a real problem and unless some provision is made to care for the tuition students in addition to the quarters which they have now they will not be able to continue to care for students from the other towns.

The present high school building was built to accommodate 150 students. Its enrollment now is 325. A real effort is being made by the Ellsworth Chamber of Commerce to attract new industries and one of the first questions asked by prospective industrialists is whether the school facilities are adequate to care for all the children. This question must be answered in a satisfactory manner, otherwise it would be difficult to interest any new business developments.

I think you have had a petition sent you in the form of a telegram this morning, which represents a cross section of the business, professional and industrial groups of the city. I might say that in looking over these groups and making some computations, the names of the persons listed are those who pay over one-third of the present real property taxes in the city of Ellsworth. The merchants have a very active association there, a sub-division of the Chamber of Commerce, and they have almost universally approved of the establishment of a school district.

The main feature of this proposition from a local standpoint, as I see it, is the fact that the citizens feel that they should be allowed to make the decision as to whether it is good business and the correct procedure for them to add additional school quarters. And, as was stated to me very forcefully, they feel that their judgment should be used as to how far they can go.

Now, I have the utmost respect for the members of the committee that passed this measure and it may be reasonable to assume that possibly there were some phases of the matter that were not brought to their attention and they may not have realized the widespread and insistent demand for this bill.

The question arose at the committee hearing and was debated at some length and I want this to appear as a matter of record because I think it should not be regarded as a city debt.

The city debt of Ellsworth is, in round figures, approximately \$125,000. The statutory debt limit is

\$175,000. Please bear these figures in mind with relation to what I am going to say regarding a decision on the much discussed city hall indebtedness, which is \$111,000.

The law firm of Hale and Hamlin gave as their opinion regarding the city hall debt that the city was in no way bound because if they were bound by this debt at the time when the contract was entered into to build a hall, it would have increased their debt limit over their maximum allowed and therefore would have invalidated the contract.

The law firm in Bangor of which Edgar Simpson is a partner agreed with Col. Hamlin in the above opinion, which is a matter of record in the city hall of Ellsworth. The Reconstruction Finance Corporation attorneys have also recognized the fact that the city is not legally bound by this contract.

I have the original petition from which the telegrams sent you were made, containing 77 names. This is a very far reaching measure in our county involving not only the county seat but several of the surrounding towns and I have certainly put all the time that I can into it and given it most careful consideration before I decided that it was the right thing to do to ask the Senate to go along with my colleague, Senator Hodgkins and myself in this matter. And I would yield the floor to Senator Hodgkins.

Mr. SANBORN of Cumberland: Mr. President, I fully recognize the rule, and I think perhaps it may be characterized as a rule, that deference should always be paid to the judgment, opinions, views, calculations of those in immediate vicinity of a local problem. This I concede at the outset. On the other hand there is also something in the nature of a rule that committee reports are entitled to at least a fair consideration. And while I have the greatest respect for the views of the Senators from Hancock County, I think perhaps it is incumbent on me to set forth briefly the considerations which moved the committee to the conclusion at which it arrived.

We were presented with a set of facts, in many particulars identical with those which have been outlined by the Senator from Hancock. We understand that the present high school accommodations in the city of Ellsworth are inadequate to take care of the Ellsworth pupils and

the pupils from, as we got it, four or five surrounding towns.

We were, however, led to understand that each of these surrounding towns might, if they saw fit, otherwise provide for their own high school pupils, a situation quite different than that existing, for instance, in the case of the proposed Carmel School District. The Carmel School District was absolutely limited to its own provisions. No town surrounding it was in a position to take on any of the Carmel pupils and the committee, and the legislature, I think, was wise in following it in its conclusion, the committee concluded that Carmel would be unable to have a school district and make its provisions for pupils.

But in the case of these surrounding towns we were given to understand and we believed that all of these surrounding towns could find satisfactory means for taking care of their high school pupils. We were led to conclude that in the case of Ellsworth, if pupils not in Ellsworth were admitted to the Ellsworth schools the tuition paid by them was somewhat less than the cost to the city of Ellsworth of the tuition for the pupils, and we concluded, and of course that would be only a mathematical conclusion, that if this school district were created and that additional debt taken on, the cost would be still greater and the disparity increased.

We were given to understand, as I say, that without the pupils of the surrounding towns their accommodations were entirely adequate. We were also given to understand that even if they were to take on the outside pupils a very moderate expense only would be entailed in adapting the hall of the new city hall for school purposes for a period at least until the indebtedness of the town could be reduced.

We were given to understand and believed that although there was as the Senator pointed out, some legal question as to the validity of the debt hanging over the city of Ellsworth for the new city hall, as a matter of fact interest was being paid on it and the debt was being reduced and it was in contemplation that it should be accepted as a debt and ultimately paid. And if such is the case, that would mean a debt on the city already substantially in excess of its constitutional debt limit.

The creation of the school district, while legally it would obviate the difficulty, in effect it would result in imposing on the city of Ellsworth and its tax payers obligations far beyond what they ought to be expected to assume. Again, while there were two separate hearings, one at which the proponents appeared and a later one at which both sides appeared—and, as I say, I think the matter was gone into very thoroughly—we were given to understand and believed that the substantial tax paying citizens of Ellsworth were opposed to the district. And I have no means of knowing what are the facts in regard to the telegram which has been distributed here and is on your desks. I certainly have no disposition to contradict or to intimate any contradiction of statements that have been made by the Senator from Hancock as to the substantial character of many of those people who signed the telegram. I am only setting forth what we had before us and what we believed.

Now, there was a still further argument submitted to us in favor of the bill which was that it carried a referendum and that after all, the people of Ellsworth ought to be permitted to settle the matter for themselves. In answer to that argument it was urged, and so far as I am concerned I will admit with some force, that it may well be true that in general a referendum would be supposed to be proper to settle questions of this sort but that in a situation of this sort numerically there might be and probably would be a large number of voters who would vote that way knowing full well that they personally would never be called upon to pay a cent toward the obligation, they outnumbering, perhaps, the substantial tax voting people who would be enabled to saddle upon the tax payers a debt which they themselves would not welcome and which would be unfair to them.

I admit that that may not appeal to the senators as a strong argument but that was present in the minds of the committee. So, as I say, it resolves itself into this question: Ought we as a legislature to make it possible by our action to create this school district, the effect of which would be likely to be imposition upon the people of Ellsworth of a grossly burdensome obligation, the benefits to be derived from which

would merely be to permit that city to continue its practice of admitting the pupils of surrounding towns to their high schools for compensation somewhat less than the actual cost to them?

The matter, I think, can very properly be left to the Senate to pass upon as to whether on the whole it seems to them fair and just.

Mr. HODGKINS: Mr. President, if we lay any stress on the petitions I don't see how we can do any different than to go along with this petition. It has 77 names. I haven't counted them but Senator Emery informs me it is that. And some of those names appeared on a former petition that we had in opposition to this, which means merely that they had changed their minds since learning some of the facts that they didn't know before, and I think it would be wise to go along with this petition.

Mr. BRIDGES of Washington: Mr. President, through the Chair I would like to ask either the Senator from Cumberland, Senator Sanborn or the Senator from Hancock, Senator Emery, whether the high school in Ellsworth is a two session high school or a one session high school.

The PRESIDENT: The Senator from Washington, Senator Bridges asks a question of the Senator from Cumberland, Senator Sanborn and that Senator may answer if he wishes and if he knows.

Mr. SANBORN: Mr. President, I regret to be obliged to answer the question by saying that no information was presented to the committee on that phase of the matter and I am uninformed.

The PRESIDENT: Does the Senator from Hancock, Senator Emery desire to answer the question?

Mr. EMERY: I will say, Mr. President, that it is a two session school.

Mr. BRIDGES: Then, Mr. President, may I ask the Senator through the Chair whether that means that the same pupils attend the morning session as attend the afternoon session?

The PRESIDENT: The Senator from Washington, Senator Bridges asks a question, through the Chair, of the Senator from Hancock, Senator Emery which that Senator may answer if he wishes.

Mr. EMERY: Mr. President, I am not in a position to discuss the curriculum.

Mr. BRIDGES: Mr. President, I

move that this bill be laid upon the table pending the motion to substitute the bill for the report and that it be especially assigned for the next legislative day.

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

Fifteen having voted in the affirmative and thirteen opposed, the motion prevailed and the bill was laid upon the table pending motion to substitute the bill for the report.

From the House:

The Committee on Taxation on bill "An Act Relating to Taxation of Shore Property in Wild Lands," (H. P. 1599) (L. D. 924) reported that the same ought not to pass.

In the House, the bill substituted for the report, and passed to be engrossed.

In the Senate:

Mr. CHAMBERLAIN of Penobscot: Mr. President, I move that the "Ought Not to Pass" report of the committee be accepted. I would like to say a few words in regard to that. This bill was given rather serious consideration by the Taxation Committee. It seemed to us that the bill was unsuited to accommodate the purpose that was desired. The Taxation committee were willing to admit that some kind of bill might adequately accomplish that purpose but the Taxation committee did not conceive that it was their duty to do that and rather preferred that the legislature itself if they thought best should do so.

Therefore, Mr. President, I trust that the report of the committee "Ought Not to Pass" will prevail.

Mr. BROWN of Aroostook: Mr. President, I hope that the motion of the Senator from Penobscot will not prevail. While I have all due deference to him both personally and as Chairman of the Taxation committee, yet I think that this bill has real merit and, as the Senator said, he believed, or at least they were informed, such a bill would meet the situation, but not this particular bill, and if that is so then I would suggest that this particular bill be amended so that it would meet the situation. The situation as I get it is something like this. Two years ago when the wild lands of the state of Maine were sold, the only thing considered of value was the timber and evidently they didn't consider that worth very much. They had no idea that their prop-

erty would ever be worth anything except as a property which they could flow when they needed to build dams for the purpose of floating their lumber. But today, under our modern civilization with the roads reaching very nearly to some of these lakes, some of these properties, and with the desire of people to own summer homes, both people in the state and people outside the state, some of these shore properties have become very valuable, I might almost say the most valuable real estate in the state of Maine. Yet the owners of these wild lands refused to sell and will only lease and the most of it, so far as I am able to find out, is leased only from year to year and at prices which are very profitable to the wild land owner.

Near my home town, or 18 miles away—we call that near now—is a lake, Madawaska Lake, and a little above that is the chain of Fish River lakes. Now, along the shores of Madawaska Lake in this unorganized town, the land belongs to the real estate owners, the wild land owners—I might say those Princes of Privilege, if I may use a New Deal term—who seem to be able to run not only their own affairs but the affairs of the rest of the state to suit themselves—around the shores of that lake are 200 cottages. They lease them a fifty foot shore front for which the price is \$25 per year. Now this figures up to somewhere around \$5,000 a year approximately that they get for rent for that little strip of land along the lake and yet the state continues to tax it on the basis of its being wild land.

It seems to me that this is an injustice to the people of the state of Maine who are losing the taxes to which they are entitled and it is a great injustice to the people who want to own or rent cottages and to build cottages. It is keeping hundreds of people from building cottages because no one wants to build a very elaborate cottage anyway, and put out a considerable sum of money when he isn't able to buy the land and can only lease it from year to year and may be told at the end of a year that they do not wish to renew the lease.

Now that condition also obtains over a great section of the state, around Moosehead Lake and other places where the wild land owners continue to lease that land and refuse to sell it—and why shouldn't

they sell it when they are only taxed for wild land and are getting, as I understand, \$25 for a fifty foot front lot along the shore of the lake.

I believe that those properties should belong to the state of Maine or to the citizens. But this bill provides for a zoning system, that the state tax assessor can create a zone around those lands so that they may be taxed differently than the rest of the wild land back away from the shores of the lake. And that seems to me to be only a fair and reasonable thing to suggest because those lands have become valuable, not because of the timber on them but because people like a place to go in the summer time and they want to own their cottages there and while they pay very dearly for that privilege the wild land owners simply take the money and pay to the state the pittance which they do pay as taxes on wild land.

This measure provides for the setting up of zones along these lakes and taxing the property somewhere in accordance with what the wild land owners receive for it. Of course even then their taxes would be very small as compared with taxes in unorganized towns because they only pay the state and county tax but for the purposes of valuation I believe these zones should be set up and if this bill doesn't meet the approval of the Tax Committee and still they thought it had merit in it then there should have been an amendment proposed which would make the bill meet with the approval of the committee.

I hope, Mr. President, that the motion will not prevail and that we will adopt the Minority Report and concur with the House.

Mr. SNOW of Piscataquis: Mr. President and members of the Senate, I wish to go on record as being in favor of this bill and I hope that the "Ought Not to Pass" report will not be accepted. We have in our town a beautiful lake which is called Sebec Lake and there is a land owner in our town who owns two pieces of property on this lake. About two years ago we began increasing the valuation of this land which had been taxed as wild land. The owner of this property would not sell a foot of this land to any person and they are the most desirable camp sites on the lake.

As I said, two years ago we began increasing the valuation on

these two pieces of property. The next year he sold one of these pieces and today every lot has been sold at a price of about \$250 per lot, five rods from the frontage. I guess they have got to increase the valuation of the other piece of property before he will sell. It is a 160 acre strip on the lake and very desirable lots.

Now, we have many lakes in our county with conditions existing just like this. The land owners will not sell the property and they would bring into our county some very valuable, taxable property. I think the land owners at the present time are paying something like a cent an acre as wild land on this land and I think if this bill is passed it will be a great benefit to the state of Maine.

Mr. CHAMBERLAIN: Mr. President, in further defending the action of the Taxation Committee in regard to reporting this bill "Ought Not to Pass", I would like to say that the bill itself was the thing that we considered and I would like to read to the members of the Senate, the bill, or part of it. It is not an amendment to any existing statute. It is the bill itself: "In the determination of the value of land under the provisions of Section 37 of Chapter 13 of the Revised Statutes, consideration shall be given to the enhanced value thereof by reason of the frontage upon any body of water when the lands are adaptable to development and occupancy for sporting, recreational or dwelling purposes."

The committee made no recommendations. The Senator from Aroostook, Senator Brown considers that bill as a zoning law. I cannot see that it has anything to do with zoning. We had before us that bill. If the purpose that was being attempted to be obtained is to be carried out it certainly can not be carried out in the bill. If the legislature wants to amend it and change it that is their province. They can do so, but the bill itself, as I have read it, certainly is subject to no other conclusion than that it ought not to pass.

Mr. SANBORN: Mr. President, perhaps I may be somewhat ignorant of the conditions which obtain in this matter but I was under the impression that provisions of our constitution make it mandatory to do all that this bill would require them to do.



I suppose it was the duty of the state assessor to assess all that land in accordance with its fair market value or worth, taking into consideration whatever elements might affect that value. I certainly think it proper for him to do so and that he should take into consideration any enhanced value due to the property bordering on a lake or pond.

I think if a state highway should pass through one of these sections thereby adding to the value he could take that into consideration. I think if a power line went through thereby increasing the value, than that ought to be taken into consideration. I think if a manufacturing plant were to be set up in the neighborhood of some of these lands thereby enhancing their value that that ought to be taken under consideration.

I don't quite see any reason for passing a law and encumbering our statute books with a law which requires only one or perhaps a dozen different things that it is already encumbent upon the assessing powers to do. As I say, I may be entirely under a misapprehension as to the bearing of this but that is the way it occurs to me. It seems to me that the motion of the Senator from Penobscot, Senator Chamberlain, should prevail.

Mr. HILDRETH of Cumberland: Mr. President, I would like to read Section 8, Article 9, of the Constitution: "All taxes upon real and personal property assessed by the authority of this state shall be apportioned and assessed equally according to the just value thereof." It seems to me that answers both questions which my colleague from Cumberland has set up.

Mr. BROWN of Aroostook: Mr. President, this is an attempt on the part of the proponents of the bill to instruct the tax assessor, perhaps, as to what his duty should be in regard to this land. I was much surprised the other day to be shown a chart which came from a tax assessor's office in which each township was shown in different colors, and according to those colors and according to the statement at the bottom of it there were fifty townships in the state of Maine about which the tax assessor knew nothing whatever as to the value of the land. There were upward of 120 townships in the state of Maine on which his information was from ten to twenty years old and a great

number more of which his information was at least ten years old. So that it is very apparent that under the present system the tax assessor has not valued the land of the state of Maine nor taken any steps to do so.

I understand that in defense of that he says that he hasn't money enough in his department so that he can survey these lands and if they had more money they might be able to do it. But as a matter of fact the law states very plainly that the wild land owners shall make returns of the value of this land and if they fail to do so that they can then be surveyed by the assessor and the wild land owners must pay the cost. So that it seems to be that there has been a woeful negligence on the part of the state assessor in assessing these lands.

Now, this bill provides that the state tax assessor shall consider the enhanced value by reason of shore frontage. In the past they have taken no consideration, as the Senator from Cumberland, Senator Sanborn, suggests they should, they have taken no consideration whatever as to the highways going through the land. This particular piece of property about which I speak at Madawaska fronting on the lake has a state highway of about half a mile and on both sides of the road they have built these cottages and they are still taxed as wild land.

This bill, as I understand it, will direct that the state assessor shall take into consideration the enhanced value of these water front properties. I think it is very proper that this bill should have a passage at this time.

Mr. CHAMBERLAIN: Mr. President, I think the whole position of the committee has been very well explained by the Senator from Cumberland. The committee is not in favor of nor opposed to any other bill but this one. If you want to make a bill that will cover the action expected from this bill, very good. The Committee on Taxation did not have that before it. The fact that the state tax assessor is to give consideration—I asked a person who appeared at the hearing if the legislature should pass this bill and he went to the state tax assessor and asked him if he was giving the consideration to this assertion that he should and the tax assessor should say, "I am giving

consideration to it," what would he say to him?

The PRESIDENT: The question before the Senate is on the motion of the Senator from Penobscot, Senator Chamberlain, that the "Ought Not to Pass" report of the committee be accepted.

Mr. BROWN: Mr. President, when the vote is taken, I ask that it be taken by a division.

Mr. SNOW of Piscataquis: Mr. President, I just wish to state that every piece of wild land in the state was taxed and is taxed as wild land at the same rate regardless of where it is and what value it may have.

The PRESIDENT: Is the Senate ready for the question?

A division of the Senate was had.

Twenty-one having voted in the affirmative and ten opposed the "Ought Not to Pass" report was accepted, in non-concurrence.

Sent down for concurrence.

From the House:

The Committee on Legal Affairs on bill "An Act to Provide a Jointly Contributory Retirement System for State Employees Except Teachers," (H. P. 1783) (L. D. 1033) reported that the same ought to pass as amended by Committee Amendment A submitted herewith.

In the House, the report read and accepted and the bill passed to be engrossed.

In the Senate:

Mr. FRIEND of Somerset: Mr. President, I would like permission to ask a question through the Chair of the Senator from Cumberland, Senator Sanborn.

The PRESIDENT: The Senator may ask his question, through the Chair of the Senator from Cumberland, Senator Sanborn, who may answer if he wishes.

Mr. FRIEND: Mr. President, I would like to ask the Senator if county employees are included in this bill.

Mr. SANBORN: Mr. President, by the provisions of the bill county employees in any county where the county commissioners may determine may come under it. It is optional with them to take advantage of the bill if they see fit, and the same is true of municipalities.

Thereupon, the report was read and accepted in concurrence and the bill was given its first reading, Committee Amendment A was read and adopted in concurrence and un-

der suspension of the rules read a second time and passed to be engrossed in concurrence.

### House Committee Reports Ought to Pass

The Committee on Sea and Shore Fisheries on bill "An Act Relating to Transportation of Lobsters," (H. P. 1556) (L. D. 847) reported that the same ought to pass as amended by Committee Amendment A submitted herewith.

Which report was read and accepted in concurrence and the bill given its first reading; Committee Amendment A was read and adopted in concurrence, and under suspension of the rules the bill was given its second reading and passed to be engrossed in concurrence as amended by Committee Amendment A.

The Committee on Sea and Shore Fisheries on Bill "An Act Relating to Lobster Fishing Licenses," (H. P. 1616) (L. D. 960) reported the same in a new draft (H. P. 1912) (L. D. 1143) under the same title, and that it ought to pass.

The Committee on Ways and Bridges on "Resolve in Favor of the Towns in the Hancock-Sullivan Bridge District," (H. P. 1222) (L. D. 439) reported that the same ought to pass.

Which reports were severally read and accepted in concurrence, the bill and resolve read once, and under suspension of the rules, read a second time and passed to be engrossed in concurrence.

### Orders of the Day

The President laid before the Senate the first tabled and especially assigned matter, bill An Act to Incorporate Reef Point Gardens Corporation (S. P. 481) (L. D. 998) tabled by Mr. Hodgkins of Hancock on April 11th pending motion to indefinitely postpone.

Mr. HODGKINS of Hancock: Mr. President, when the Senators were good enough last Friday to allow me to table this bill that I might get in contact with the people in Bar Harbor, I did that, and I have a little report from both the opponents and proponents, not very much from either side. The proponents are first, and they sent a telegram saying it is supported by the chamber of commerce, probably 100 or 125 prominent men and merchants. I have four letters opposing this bill and they are also from

prominent people. I told them I wanted something concrete to help decide this matter. I will read this telegram from the Chamber of Commerce: "Contrary to arguments presented in Senate, Reef Point Garden will result in increased revenue to the state. We urge passage." I do not know of anything more I can say on the bill. It is not a personal matter but is a local matter a concern in the town of Bar Harbor, so it seems to me the majority should rule.

Mr. EMERY of Hancock: Mr. President, I would like to touch on a few points which have been mentioned regarding this particular measure. I have them written down so I won't forget them.

It was asserted that somehow or other an evasion of taxes would be accomplished by the people interested in this proposition if it went through. This is or would be a philanthropic proposition and the formation of such a corporation, as I understand it, the set up would be approved by the attorney general as conforming to statutes governing such corporation or it will be taxed. The reason people are objecting to paying more taxes is because of the fact it takes the principal away. Taxes are customarily based, or should be, upon the income, not on principal, and on a proposition of this type the principal would be depleted and the income is what runs it. I have quite a few notes but will not take the time to read them all, but a few things have been brought to my attention which I would like to mention here.

The reason no ceiling is wished for on intangible personal property is that it is the income as distinguished from principal on these funds which are going to be used to operate the corporation. It requires a lot of money at the present rate of interest to get that income. Whatever the income may be, it will necessarily be spent in channels of trade and labor and employment in the state of Maine. According to what I have been told, the head gardener demands a salary of about \$2,000 a year and at the present time it would take about \$100,000 invested to pay the gardener. You might hire a librarian and it would be on practically the same basis, or any other employee, which would be necessary to operate an institution of this kind.

It was from just such a beginning that Acadia National Park was formed although for somewhat different purposes. I think the members of the Senate will recognize the attraction of Acadia Park which keeps a record of visitors, and they are not an inconsiderate number. This corporation, if it is formed, by charter limiting as to real estate—there is nothing to prohibit other people from outside the State to leave bequests or by some means transfer to the corporation money which could be used to further the purpose for which it is formed. I hope the motion of the Senator from Washington, Senator Bridges, does not prevail.

Mr. BRIDGES of Washington: Mr. President, I would not transgress on the time of the senate in this matter again were it not for the fact that while it has been said this is merely a local matter, in my opinion it involves a matter of principle, and that is the reason why I am asking the privilege of again stating my position upon this matter. I trust I shall not repeat anything which I said before in regard to this measure but inasmuch as I speak extemporaneously and without notes, it may be that at points I will be repeating.

I take it Chapter 70 of the revised statutes of the State of Maine covers charitable, scientific, educational corporations and crystallizes the fixed public policy of the state of Maine as written in the statute books and if this particular sought-for corporation came within the provisions of that statute, I would not now be on my feet talking against this bill. There would be no incorporators wanting to go beyond that particular statute. But they want a special vehicle to carry out what they say are charitable, scientific and educational purposes. If this bill grants the charter, the corporation will escape all taxation.

I was talking this very morning to one who is a lobbyist for the bill. I said to him, or he said to me, "It may be some time before the bulk of this property comes to this corporation". I said, "The nucleus is there right in that \$40,000 garden, isn't it?" He answered, "Yes". "And from the time this bill becomes effective the \$40,000 real estate will escape taxation?" He said, "That is true". I said, "Besides that, the personal property will escape taxation?" He said, "That is true".

I hold, as a matter of principle, we ought not to be allowing corporations that will represent wealth to be tied up in this corporation and be escaping any taxation.

It has been said that the income will be necessary to pay for those who work upon the place, and the gardener gets \$2,000. Now, would you fellows say to the tax assessor, "Don't assess us because we have got a hired man we have got to pay". That is his argument. "We must pay the hired help, so please exempt us from taxation."

They can even charge admission down there. It says so right in the bill,—“charge admission or have the same free to the public”. I maintain every cent of taxes that this corporation wants to be exempted from is just so much taxes placed upon the homes of the poor in the town of Bar Harbor. We have been fighting all along in this session to aid the little fellow but when we pass this bill we do the very reverse.

Nor is it true that the Attorney General passes upon this matter afterwards. If we pass this bill and this were incorporated, it would become a corporation, and that settles it. The Attorney General acts only when they seek to come in under Chapter 70 and abide by its terms, and he decides whether it does come within chapter 70. This is outside chapter 70. It is, as I say, a special dispensation. One hundred and some odd members of the chamber of commerce have asked it to go through, and four people are opposed. I wonder if anyone has made an effort to contact the laboring class of the town of Bar Harbor, those who are paying taxes for their little homes every ten years. Did anyone seek them to find out how they stood? We will be seeking them the next election and it is quite important that we consider them now and here.

This morning, in talking with the gentleman who is advocating the passage of this bill, he dropped this little suggestion to me,—isn't it funny, isn't it funny how they will drop a little something that really defeats their purpose? He said, "The Rodick Realty Company is very much interested in the passage of this bill". The Rodick Realty Company! I wonder if it ties in what what I said the other day, that someone has a lot of stuff they want

to unload and get out from the burden of taxation, and therefore they are particularly interested in this bill? I asked him, "Is Mrs. Ferrand going to live in this \$40,000 cottage?" He said, "Oh yes". "Tax free?" He answered, "Yes". In the name of Heaven, is there any reason why a person whose wealth runs up into millions should live in this place tax free for the rest of her life? Is there any reason in it and is there any justice in it? They know this is all wrong. They know it. They have the sense to know. In the very ink upon the page of this bill—listen to it—you have never seen such a statement anywhere upon any bill since this state was created, "Said corporation"—it is in section 2, the last sentence, "Said corporation shall have no power to and shall not carry on propaganda or otherwise attempt to influence legislation". Why, they are guilty in their very minds. They say, "Give us this, and forever we will be nice little boys and we will never do a thing wrong again."

Did you ever see such a bill come into this legislature, saying "If you give us this we will never try to influence legislation. Guilty? Yes. This thing will come back to them time after time like the ghost of Banquo to see their eyeballs. "We will never do anything naughty." What made them think we thought they were going to be propagandists of future legislation? Who suggested it to them? Oh, you know who did. They knew in their own consciences they were asking something this legislature ought not to grant and they tried to wave over this, this soporific influence, saying, "We will never carry on propaganda. Never. Just give us this. We will save all our income, all our principal, and the poor fellow down there will not know anything about it. They were so anxious that the poor fellows should not know, that when they came to this legislature they didn't even want the committee to consider the bill. They wanted it to go through and down the vaseline highway to enactment. I learned that from the committee.

It is time to put on the red light any say, "You shall not pass with that kind of vehicle." I am asking you members of the Senate to indefinitely postpone that bill, and if you do, you will be satisfied when this legislature shall have come to

an end, when the next one meets if we are all here, and satisfied right down to the last day when the shadows fall.

Mr. CHAMBERLAIN of Penobscot: Mr. President, I desire to second the motion of the Senator from Washington, Senator Bridges, that this bill be indefinitely postponed. For some length of time I have been associated with municipal affairs and early in that period I came into contact with chapter 70 of the revised statutes. That chapter wisely was adopted by the legislature.

Most everyone can understand it would be improper to tax a hospital and it would be perhaps equally improper to tax the other parts of that chapter where they are engaged in carrying out purposes that would be beneficial to the people of this state.

It has been my habit,—foolish. I am beginning to believe—of reading every bill that is introduced into this legislature except those pertaining to fish and game, which I hardly know very much about. I naturally get way behind but I do now and then manage to get within reaching distance of the daily work, and when I came to this bill it struck me as being one of the very broadest bills that could possibly be carried out, unlimited in its terms of acquiring and owning property.

Chapter 70, as the Senator from Washington, Senator Bridges, has said, wisely provides that \$100,000 shall be the limit that these benevolent corporations can own. The legislature has seen fit to pass that good law.

Going to the town of Bar Harbor—I frequently read, or have in past years, of meetings of residents and non-residents, protesting against the constant increase in taxation in the town of Bar Harbor. Many such meetings are held, trying to obtain less taxes to pay, and that equally applies to residents and non-residents.

Very few members of the legislature know anything concerning the people who hope to incorporate and it is very advisable to believe their purposes are good, but it would seem to me that it would be far better to limit in some way the amount of property that could be held. It may not be, perhaps, advisable to go back to \$100,000, but certainly there should be some limit to it, and it seems to me they are

very ungracious to come here and ask a legislature composed of presumably intelligent people, to give them unlimited power to hold property and thereby reducing or taking away from taxable property, property that in these days every city and town in Maine cannot afford to lose unless the purpose of the loss is clearly for the benefit of the people.

I trust the motion to indefinitely postpone this bill will prevail.

Mr. BRIDGES: Mr. President, I ask for a division.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Washington, Senator Bridges, to indefinitely postpone bill, An Act to Incorporate the Reef Point Gardens Corporation. That Senator has asked for a division. Is the Senate ready for the question?

A division of the Senate was had.

Twenty-four having voted in the affirmative and seven opposed, the motion prevailed and the bill was indefinitely postponed in non-concurrence.

Sent down for concurrence.

The President laid before the Senate the second tabled and especially assigned matter, bill, An Act Levying a Use Fuel Tax (H. P. 1479) (L. D. 602) tabled by Senator Dow of Oxford on April 14th pending enactment; and on motion by that Senator, the bill was passed to be enacted.

On motion by Mr. Farris of Kennebec, the Senate voted to take from the table, Senate Report from the Committee on Judiciary; Majority Report, "Ought Not to Pass"; Minority Report "Ought to Pass" on bill, An Act Repealing the Personnel Board Law (S. P. 333) (L. D. 904) tabled by that Senator on March 28th pending acceptance of either report; and on further motion by the same Senator, the Majority report, "Ought Not to Pass" was accepted.

Sent down for concurrence.

On motion by Mr. Farris of Kennebec, the Senate voted to take from the table, House Report from the Committee on Judiciary; Report "A" "Ought to Pass as Amended" by Committee Amendment "A"; Report "B", "Ought Not to Pass" on bill, An Act Relating to

Attachment of Shares of Stock (H. P. 1427) (L. D. 591) tabled by that Senator on April 14th pending acceptance of either report; and on further motion by the same Senator, Report "B", "Ought Not to Pass" was accepted in concurrence.

On motion by Mr. Brown of Arcostook, the Senate voted to take from the table, Memorial to the Honorable Senate and House of Representatives of the United States of America in Congress Assembled (S. P. 55) tabled by that Senator on April 10th pending adoption.

Mr. BROWN: Mr. President, I will say that the memorial has been amended by inserting the words "by registered mail" so that the memorial would be sent forward by registered mail, and so I now move adoption of the memorial.

Thereupon, the Memorial, as amended, was adopted.

Sent down for concurrence.

On motion by Mr. Brown of Aroostook, the Senate voted to take from the table, Report from the Committee on County Estimates, Resolve for the Laying of the County Tax for the Year Nineteen Hundred Forty-one (H. P. 1900) (L. D. 1124) tabled by that Senator on April 14th pending acceptance of the report; and on further motion by the same Senator, the report of the committee was accepted and the resolve was given its first reading.

House Amendments "A" and "B" were adopted in concurrence. Thereupon, under suspension of the rules, the bill was given its second reading and passed to be engrossed in concurrence.

On motion by Mr. Brown of Aroostook, the Senate voted to take from the table, Report from the Committee on County Estimates, Resolve for the Laying of the County Taxes for the Year Nineteen Hundred Forty-two (H. P. 1901) (L. D. 1125) tabled by that Senator on April 14th pending acceptance of the report; and on further motion by the same Senator, the report of the committee was accepted in concurrence and the resolve was given its first reading.

House Amendments "A" and "B" were adopted in concurrence.

Thereupon, under suspension of the rules, the bill was given its

second reading and passed to be engrossed in concurrence.

On motion by Mr. Elliot of Knox, the Senate voted to take from the table, Senate Report from the Committee on Motor Vehicles, Report "A" Ought to Pass in New Draft under a New Title, "An Act Relating to the Weight of Motor Vehicles"; Report "B", Ought Not to Pass on bill, An Act Making Uniform Registration Standards of Weight and Length of Trucks in the North-eastern States (S. P. 120) (L. D. 150) tabled by that Senator on April 3rd pending acceptance of either report.

Mr. ELLIOT of Knox: Mr. President, I move acceptance of Report "A", Ought to Pass in New Draft under a New Title. In explanation, I would like to say this, the Committee on Motor Vehicles had before it two bills which had to do with increasing the gross weights of commercial vehicles. They were numbered 411 and 150. Number 411 was reported "Ought Not to Pass", which report was accepted by the legislature. We held Legislative Document 150 to find out whether a compromise could be arrived at. It was suggested the trucking interests might, in cooperation with the highway department, draw up a new draft of No. 150 which would meet with the approval of everyone concerned. We now have a new draft of No. 150 and it is Legislative Document 1114, An Act Relating to the Weight of Motor Vehicles, which was reported out by the Committee, five for "Ought to Pass" and five for "Ought Not to Pass."

This bill sets up a formula for determining the gross weight of tractor-trailer combinations. This is on page 2 and it is Section 56. Although it looks very complicated, it is very simple. In arriving at the gross weight you simply take the length of the vehicle between the front and rear axles and you add 40 and multiply by 600. Under this proposed bill the maximum gross weight would be 46,200 pounds. The bill also sets up the maximum distance between axles as 37 feet. The total increase in gross weight allowable would be 6,200 pounds.

Under Section 4, at the bottom of page 2, there is a clause reading as follows: "Provided, further, that said state highway commission shall not issue any such emergency overweight permits to any applicant

therefor unless such applicant shall have paid to the secretary of state the maximum registration fee payable under the provisions of section 57 of this chapter, as amended, for the year in which said permit is issued."

The Committee on Motor Vehicles in studying the matter of overweight and over-dimensional permits, find the highway department has issued many permits for overweight. We found some permits not only covering a specified hauling over a specified route but which were in the minds of the committee, so-called blanket permits covering a period as long as six months. We also found in the case of a tractor-trailer combination weighing 24,000 pounds, which is not infrequent, the gross weight on the highway being 40,000 pounds, it was only necessary for them to be registered for eight ton, or 16,000 pounds. By simply applying to the highway department he could get a special permit for carrying 35, 50 or as high as 65 or 70 tons over the highway without getting registered for the maximum of 12 tons. In other words, the registration fee is the same for 12 tons as for over 12 tons, or \$300. It has been possible in the past for truck owners to apply for special permit without registering the maximum required by law. The committee saw a distinct injustice in that motor truck operators were required to register up to 12 tons if they intended to carry that much weight in their vehicles. However, a tractor-trailer combination would apply for special permit, for which there was no fee, to carry from 25 to 70 tons, as I said before.

Section 2 would take care of that, requiring anyone applying for an overweight permit must register his vehicle up to the maximum allowed by law if they propose to carry that much weight over the highway. That is about all I have to say.

Mr. LIBBY of Cumberland: Mr. President, in opposing the motion of the Senator from Knox, Senator Elliot, I want to state briefly some of the reasons that motivated the signers of Report "B". In the first place, you will notice the original title was An Act Making Uniform Registration Standards of Weight and Length of Trucks in the Northeastern States.

Now, this act in the new draft, if passed, would not only have the

tendency to make uniform, but would have the exact opposite effect. At the present time the maximum weight on the highways in all New England states except Rhode Island is set at 40,000 pounds. Rhode Island is set at 80,000 pounds. I may say that there is a vast difference between the problems of Rhode Island and Maine and other New England states. In the first place, the population in Rhode Island is ten times as dense as that in Maine. The state is a small, compact state, and doesn't have the large territory and the great number of roads and bridges we have in Maine. The valuation per mile of highway in Rhode Island is 20 times that of Maine. Last, they do not have the severe weather problem we have here in Maine.

This question has been studied by various commissions and committees. We have a council of state governments, an organization with representatives from each of the states. They have been studying this question for several years and in their last report recently, within a month or two, they have stated that they are not ready at this time to make any recommendations changing the maximum weight and they want more time to study the question. The Interstate Commerce Commission, which has been studying this question since 1935, under instructions from Congress, have not yet made any final report and will not be in a position to make a final report or recommendation on this question for some time to come yet.

In the state of Vermont the committee studying this question has made a recommendation to the present legislature in Vermont as follows: "The Commission further makes the following recommendation with respect to limitations on motor vehicles: (1) that the present weight and load, and size limit of motor vehicles should not be increased further at the present time." That is the committee on highway safety. In a report to the legislature of Massachusetts they say this, "In the opinion of the committee, an increase in the total length limit for commercial motor vehicles would be very undesirable. It might result in permitting or encouraging the use of full or 'dead' trailers of large size, not now

legal in this Commonwealth, and would certainly bring upon the roads larger and heavier vehicles than are now admitted. Increase in length brings increase in weight also, especially if the formula for determining weight is adopted, because the formula has as one of its principal factors the length of the vehicle between the front and rear axles. That is the very situation we have in the formula in the proposed bill. The weight is tied in with the distance between the front and rear axles. "The Committee agreed that 40-foot trucks are obstruction enough on the highways, and that longer ones would increase traffic difficulties and cause more wear on our roads." You will bear in mind the present draft increases from 40 to 42 feet. "There is also the possibility that increasing the permissible size of trucks would antagonize the public. The Committee believed that Maine, New Hampshire and Vermont would not favor increases in length and weight limits. This is the committee on public safety, reporting to the Massachusetts legislature.

It seems to me with all these various committees, commissions and councils that have been studying this question, they are not willing to recommend an increase in weight and length at this time but plainly state there should be no increase in weight or length and it seems it would be entirely foolish to take away uniform standards as they are now maintained.

May I recall to the minds of every Senator that we, in joint convention heard His Excellency, Governor Sewall say that there are 54 bridges located on our strategic network, which are not up to engineering standards at the present time. He recommended a bond issue of two million dollars to bring them up to standard. This bill, as I understand it, is pending in this legislature and has favorable consideration. Would not it be entirely inconsistent for this legislature in one breath to borrow two million dollars to bring these bridges up to engineering standard and at the same breath increase the weight and length of the maximum load going over the bridges, increasing the length by two feet and the weight by over three ton? Under this bill, the maximum weight would be in-

creased to 46,200 pounds. I hope the motion of the Senator from Knox, Senator Elliot will not prevail.

Mr. FELLOWS of Kennebec: Mr. President, I ask for a division.

The PRESIDENT: The question is on the motion of the Senator from Knox, Senator Elliot, that the committee report, "Ought to Pass in New Draft" be accepted. A division has been asked. Is the Senate ready for the question?

A division of the Senate was had.

Three having voted in the affirmative and twenty-five opposed, the motion to accept the "Ought to Pass in New Draft" report did not prevail.

Thereupon, on motion by Mr. Libby of Cumberland, Report "B", "Ought Not to Pass" was accepted. Sent down for concurrence.

On motion by Miss Laughlin of Cumberland, the Senate voted to take from the table, House Report from the Committee on Taxation, "Ought Not to Pass" on bill, An Act Amending the Poll Tax Law (H. P. 867) (L. D. 299) tabled by that Senator on March 13th pending acceptance of the report in concurrence.

Miss LAUGHLIN: Mr. President, this is the bill which would impose a tax upon women as well as men. If I thought it would do any good I would move to substitute the bill for the report but I do not believe it would pass and I do not intend, therefore, to take up time and so I will at this time make a motion to accept the report, but I want to make a few statements to explain my position to show I make the motion because of circumstances and not because of belief.

In the first place, I believe the law should apply equally to every citizen and I, for my part, along with many thousands of other women object to being in the exempt class. Secondly, it seems to me the most foolish talk about exempting women on poll taxes when they pay every other tax, real estate, personal property, excise, gasoline tax and every other kind of tax. Third, this bill if passed would bring in a revenue even if the tax collectors only half did their duty, of \$175,000. Of course, it would not help to balance the state budget because poll taxes are paid to cities and towns, but it would increase the revenue of



the cities and towns and therefore, tend to decrease by that much the tax on real estate. Fourth, I am informed pretty reliably that a great many men hide behind their wives' names in registering automobiles in wives' names so they get by without paying poll taxes. We have heard of men who register property in their wives' names to avoid payment of debts. We know many who register religious beliefs in their wives' names, and now we have this one.

I have been told, although it has not been said to me, that the opposition is that men would have to pay their wives' tax as well as their own. If that is true, and I hope it isn't, it is a terrible indictment on those men who would have to pay their wives' poll taxes because it would imply their wives had no money of their own—were penniless. If it is true for any considerable number of the wives of this state, we need a new emancipation proclamation.

At a certain grange meeting this remark was made and a woman got up and told what she had done that day and she said, "If I have not earned enough to pay a poll tax this one day, I am very much mistaken. I think everyone present thought that she had.

The agricultural department of the federal government a few years ago made an inquiry into the hours of labor. It was the agricultural department and not the labor department which made it. I wrote them for their report. Their report stated that housewives worked the longest hours of any other worker in the country, longer than the agricultural laborer and such long hours as to make the hours fixed by the labor unions fantastic. I think if we think about it, the wife in the household with small children is on call 24 hours a day and her actual hours of labor would be around 15 or 16 a day. I think we agree the labor performed is more valuable than any other labor because the rearing of good citizens is the most important thing possible. So it seems to me it would be a terrible indictment to suggest that she who works the longest hours of anybody, who does the most valuable work, is nevertheless penniless and could not pay a poll tax.

Perhaps I feel a little more strongly on this because I lived for years in a state where the laws declared all money and property ac-

quired after marriage was community property, that marriage was a partnership, that husband and wife had equal rights in disposing by will of property acquired after marriage, and in case of divorce, it would be divided equally as in any partnership upon dissolution. So I have been in a place where to suggest a wife was penniless would not only be fantastic but far worse than that.

However, I have twice introduced this bill in the legislature to see it defeated. Of course, you Senators do not have to accept my motion to accept the report of the committee. I am making it because I believe conditions force me to; but I do believe in the bill and honestly believe the bill should be substituted for the report. I speak for many thousand women. In the Federation of Women's Clubs, numbering 10,000, I have been asked why I didn't get the poll tax through the legislature.

However, I move the acceptance of the report.

Mr. BISHOP of Sagadahoc: Mr. President, I referred last night to the various bills I had presented to this legislature which have met with disapproval. This happens to be one of them. I was the father of this bill but could not present it to this Senate because it was a tax or revenue measure. It was necessary to find a sponsor in the House and I did it. I did it in good faith. I believe it is a sound measure. I believe the women over the state are in favor of it.

There are 340,000 taxable polls in this state and on those figures, you would assume as many women voters. The bill proposed to cut the \$3.00 rate to \$2.00 and make everybody pay a poll tax. It would mean instead of \$3.00 we would get \$2.00—two \$2.00 poll taxes, making a total of \$4.00. Therefore, we would have an increase of \$340,000 to redistribute the tax burden. It would lower or reduce the tax burden.

I feel it would attract young people and especially young women who have no interest in citizenship or voting, to cause them to become more interested, and perhaps better citizens and voters.

I don't want to break my record and I will go along with the Senator from Cumberland, Senator Laughlin, on her motion that we

accept the "Ought Not to Pass" report.

Mr. HILDRETH of Cumberland: Mr. President, I'd like to go on record as seconding everything said by the Senator from Cumberland, Senator Laughlin, and the Senator from Sagadahoc, Senator Bishop. When the vote is taken, I ask for a division.

Mr. CHAMBERLAIN of Penobscot: Mr. President, as chairman of the Committee on Taxation, I presume I am expected to defend the action of that committee. The committee gave consideration to the matter and under all circumstances and conditions that we could possibly find out, we reported this bill "Ought Not to Pass". Had I supposed the matter was to come before us this morning, I would gladly have presented to and spoken to the Senate on an article I read the other day, that poll taxes are going out, not coming in. There is a concerted effort throughout the country to get rid of collecting a head tax. We have learned that taxes are to be assessed on the ability to pay and not because we are human beings and live in a community,—whether the tax is \$1.00, \$2.00 or \$5.00. I think there might be no objection if we followed the reasoning of the Senator from Cumberland, Senator Laughlin, and the Senator from Sagadahoc, Senator Bishop; but when we take into consideration that poll taxes are archaic and old fashioned and do not belong to today, it seems to me foolish to enlarge that which is wrong. I hope the motion to accept the "ought not to pass" report will prevail.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Cumberland, Senator Laughlin, that we accept the "ought not to pass report." The Senator from Cumberland, Senator Hildreth, has asked for a division. Is the Senate ready for the question?

A division of the Senate was had.

Twenty-five having voted in the affirmative and six opposed, the motion prevailed and the "ought not to pass" report of the committee was accepted in concurrence.

On motion by Mr. Bridges of Washington, the Senate voted to take from the table bill, An Act Conferring Jurisdiction of the Public Utilities Commission over Vessels or Boats Propelled by other Motive

Power than Steam (H. P. 1283) (L. D. 549) tabled by that Senator on March 13th pending second reading.

Mr. BRIDGES of Washington: Mr. President, I move the indefinite postponement of this bill and in doing so I wish to give my reasons to the Senate. The present Public Utilities Commission has jurisdiction over steam boats. This bill sought to give the Public Utilities Commission the same jurisdiction over boats propelled by other motive power, such as motor boats, gasoline boats and boats propelled by Diesel engines.

It is obvious that I should be interested in this kind of a bill because the waters of Washington County are thick with motor boats just as the highways are thick with cars. Right after the matter was tabled by me I got in touch with the Honorable Senator from Knox County, Senator Elliot, from whose committee the bill came out with an "Ought Not to Pass" report and he very kindly collaborated with me to find out the situation and the feelings of the people down along the shore because his county is also bordered by the waters of the ocean.

When the matter got down to its final analysis it seemed that as far as we were concerned only two steamboat lines were involved with which motor boats or Diesel engine boats run in competition. One was the little steamboat line that runs from Lubec to Eastport and the other was the steamboat running from Rockland out to Vinalhaven and one or two other places.

I received a report from the Quoddy boat line at Eastport that they weren't objecting to the bill so far as any competition was concerned from motor boats or Diesel boats because those boats were inspected and carried licensed engineers, so that practically removed the Quoddy line and leaves just the boat that runs from Rockland to Vinalhaven.

We submitted a bill to the Public Utilities Commission and asked them to give us their opinion as to its effect upon motor boats or Diesel boats, and the Public Utilities Commission very kindly gave us their interpretation. We had many copies printed, together with a letter and a copy of the letter was mailed to each of thirty or forty people who had protested against this bill, asking them that if they

still were opposed to the passage of the bill they write another letter. Several letters in opposition have been received. It seems that this Vinalhaven boat is a big steamboat carrying 135 or 150 passengers, and it runs on a schedule and is under the jurisdiction of the Public Utilities Commission.

There are many other boats doing common carrier duty along the shore, bringing in crowds of students to basketball games and so forth, and one boat in particular has been running on more or less of a set schedule, practically along the same points as this steamboat from Rockland. It carries 30 to 35 passengers and is under federal regulations, having to carry life preservers and so forth.

We received a letter from one doctor very much opposed to the bill saying there was plenty of work for these boats to do and he gave us the reasons why the Diesel propelled boats should not be under the jurisdiction of the Commission. It can run its schedule better as it is. It can run on hours which are much more convenient for the people living on the island, and we had one instance where somebody died, and of course, people cannot die according to steamboat schedule, and the steamboat couldn't bring over the funeral party until the next day so a Diesel motor boat brought the party over. People cannot have surgical operations according to steamboat schedule, operations for appendicitis, for instance, and in such instances they must have some boat to carry them over in a hurry.

All in all we found that there was considerable objection to the passage of this bill and only one steamboat line wanted it passed. Now I feel from what I know of the Bay, — and I was born on Penobscot Bay — that the day of the little steam packet is passed. The motor boat has taken its place. And for that reason I don't believe we should make a new law to cover one steamboat line, and for that reason I move the indefinite postponement of the bill.

Mr. BATCHELDER of York: Mr. President, I might state that the reason why we decided in this particular matter was that under the common carrier act vessels are defined to be steamboats. We find that they are operating Diesel engines, motor boats and so forth and we saw no reason why we should

grant any special privileges to any particular people and that anybody operating over any one route now operated by common carriers in transportation of property should also come under that act, and this bill was simply to clarify that particular statute to bring it under that particular heading, and I hope that the motion of the Senator from Washington, Senator Bridges, does not prevail.

Mr. ELLIOT of Knox: Mr. President, I should like to concur with the remarks of the Senator from Washington, Senator Bridges in that we did go to the Public Utilities Commission and got their interpretation of what their action would be if this law passed, and I sent copies of their opinion to all those who have written their opposition to it and asked them if they were still opposed to it in view of the explanation of the Public Utilities Commission, and if they were still opposed to write me again. I have received sufficient letters from Knox County so that I trust that the motion of the Senator from Washington, Senator Bridges will not prevail.

Mr. LIBBY of Cumberland: Mr. President, I merely want to say that in concurring with the remarks of Senator Batchelder, the important part of this whole bill, it seems to me, is in the last three lines which gives the Commission the right to regulate small boats when they are operating over regular routes on regular schedule in competition with one or more regularly established lines. It does not apply to the occasional small boat that takes a basketball game crowd somewhere but only those small boats operating in competition to regularly established lines.

Now, this line in Rockland is regulated by the Commission. These small boats that are operating there are not. And of course these fellows who now have all the best of it in operating unregulated boats in competition with a regulated carrier, of course they are against this bill. I hope the motion of the Senator from Washington, Senator Bridges will not prevail.

Mr. BRIDGES: Mr. President, I would like to further explain a reason for opposing the bill. It says, "over substantially the same routes." Along the shores of our state there are lobster fishermen who gather lobsters and put them in pounds.

There are also many clam diggers who dig clams and leave them on the beaches for motor boats to pick up. Suppose a lobster fisherman is three or four hundred yards from the nearest wharf of a regular steamboat. Is that "substantially the same route"? Can the steamboat pick up the lobsters or must the lobstermen carry them to the wharf? I say it works a hardship on the lobster men and on the clam diggers.

And furthermore, this Diesel boat from Rockland can do the round trip for the same price as the cost of the others for one way only.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Washington, Senator Bridges, that the bill be indefinitely postponed. Is the Senate ready for the question?

Thereupon, a viva voce vote being had, the bill was indefinitely postponed in non-concurrence.

Sent down for concurrence.

The PRESIDENT: Is there further business to come before the Senate? The Chair makes the suggestion that perhaps the Senate might recess until some time this afternoon.

Thereupon, on motion by Mr. Friend of Somerset

Recessed until two o'clock this afternoon.

#### After Recess

The Senate was called to order by the President.

On motion by Mr. Chamberlain of Penobscot, the Senate voted to take from the table bill An Act Relating to Vital Records (S. P. 409) (L. D. 822) tabled by that Senator on April 3rd pending first reading; and on further motion by the same Senator the bill was given its first reading.

Mr. CHAMBERLAIN of Penobscot: Mr. President, under suspension of the rules, I move that the bill be given its second reading, and on that motion I would like to say a word or two. The vital records which really concern the collection of records of births, deaths, marriages and so forth of people in this country from ancient times have been collected by authority of the state, at least so far as I know since 1909. The first payments were made in 1909 and again in

1910, 1911, 1913, 1914 and 1915 under an act of the legislature of 1903 and again in 1917. The amounts paid them for collecting the records, or at least purchasing the volumes that contained the records were, in 1909, \$480; \$500 the next year; \$962 the next year; \$500 the next year; and then in 1914 a jump for three years to \$2,000 and has been growing ever since then until in recent years it has taken considerable sums of money. Whether it is worth that or not is not a matter that I have in hand.

In 1924 collecting the vital records of Hallowell. Volumes 1, 2, 3, 4, 5 and 6 cost \$9,510. The vital records of Topsham in 1929 and 1930 cost \$5,470. In 1933 and 1934 the records of Augusta cost \$2,500.

That went on, collecting these records from those early times in 1909 until 1917, and the law was passed originally in 1921 and then gathered in to the revised statutes but in 1937 in Chapter 213 they amended the law under which vital records would be gathered taking it away entirely from the Maine Historical Society and adding to the ones who must approve whether such records should be gathered, the State Librarian. Two years ago a bill was introduced into the legislature and was finally indefinitely postponed, adding to the State Librarian, various other persons, to see if it really was worthwhile and regulating it somewhat because it was reported to the State Librarian from the Historical Society, "I believe that the vital records of the following towns are being prepared for publication: Bowdoin, Nobleboro, Damariscotta, Waterville, Albion, Otisfield, Norridgewock, Lisbon and Bowdoinham.

There was some objection last year when this bill was indefinitely postponed but it seemed quite advisable to have somebody besides the State Librarian to have a say as to what towns shall be gathered and when it shall be purchased and how it shall be carried on,—the Historical Society of Maine, the State Librarian and the State Historian. Probably many members of the Senate do not know that there is a State Historian and certainly they didn't know who was State Historian, but it happened to be a Professor of Colby, a Mr. Griffiths and it was decided to take out all the others mentioned two years ago and allow the state historian to

have something to say about these records.

The PRESIDENT: The Senator from Penobscot, Senator Chamberlain moves that under suspension of the rules, the bill be given its second reading.

Thereupon the bill was given its second reading under suspension of the rules, and the same Senator presented Senate Amendment A and moved its adoption: "Amend said bill by striking out at the end thereof the crossed out and underlined words and substituting in place thereof the following: 'The State Librarian and the State Historian.'"

Senate Amendment A was adopted and the bill as so amended was passed to be engrossed.

Sent down for concurrence.

On motion by Mr. Hildreth of Cumberland, the Senate voted to take from the table House Report from the Committee on Towns "Ought to Pass in a New Draft Under the Same Title" on bill, An Act Relating to Annual Audits in Cities, Towns, Plantations and Village Corporations (H. P. 1287) (L. D. 552) tabled by that Senator on April 3rd pending acceptance of the report; and on further motion by the same Senator the report of the committee was accepted in concurrence and the bill was given its first reading.

Thereupon, the same Senator presented Senate Amendment A and moved its adoption: "Amend said bill by striking out all after the first paragraph thereof and substituting in place thereof the following: 'Section 97. Annual audit of cities, towns, plantations and village corporations provided for. The municipal officers of every city, town, plantation and village corporation in the state shall have on or before September 30 of each year an audit of its accounts covering the last complete municipal year prior thereto and the parties making said audits shall have access to all necessary books, papers and records. Said audits shall be made either by the State Department of Audit or by public accountants. For purposes of this section a public accountant is one trained and skilled in accounting and auditing who devotes the greater portion of his time to accounting and auditing services or the teaching thereof for compensation. Whenever any city,

town, plantation or village corporation shall have said audit made by a public accountant instead of the state department of audit the city, town, plantation or village corporation clerk shall immediately upon the employment of such public accountant file the name and address with the state department of audit and such public accountant shall within ten days after making the reports of the audit and recommendations to the said city, town, plantation or village corporation, file a certified copy thereof with the state department of audit on forms which said state department of audit shall prescribe, which said forms shall provide for uniform classification of accounts. Any failure on the part of a public accountant to fulfill the provisions of this section shall result in a new audit to be made by the state department of audit. It shall be the duty of the state department of audit to see that the provisions contained herein are carried out and if any city, town, plantation, or village corporation fails to make provision for an annual audit of its accounts within the prescribed time then the state department of audit shall cause such audit to be made.'"

Mr. HILDRETH: Mr. President, I would like to make a few remarks in explanation of this proposed amendment. This proposed amendment is in substance a completely new bill to the one passed by the House. Now, why am I opposing the bill? The reason for it is that in 1927 the legislature passed an act requiring audits to be made by each town and that law was pretty strict. It required the audit to be made by auditors who were on an approved list made up by the state auditor. The result of that act was that the state auditor did not put on his list very many auditors and accordingly many towns were greatly angered by their inability to get audits made within a reasonable time.

As near as I have been able to find out there is a considerable justification for the complaints against the state auditing department and its operation under that law. In their anger these towns representatives proposed a new draft for the bill. The first draft really did away with the compulsory provision of the audit and said that each town may have an annual audit. Subse-

quently they stipulated a new bill and the essence of this bill is the following. It says: "An audit shall be made by either the state department of audit or by individuals or firms recognized as competent auditors by training and experience or by qualified public accountants." Now, recognized by whom. There is the nub of the matter. It does not say by whom these auditors shall be recognized as qualified auditors. That situation disturbed a great many people and they felt that there should be a better definition of auditors.

Accordingly I would call your attention to the definition of an auditor in the amendment that I have proposed. It is as follows: "For the purposes of this section a public accountant is one trained and skilled in accounting and auditing who devotes the greater proportion of his time to accounting and auditing services or the teaching thereof for compensation." In other words, it tries to set up merely a reasonable measuring stick for the qualification of these accountants. If a man resides in a town and he is regularly employed as an auditor if he is doing auditing work day in and day out, whether he is doing it for the public or for private concerns, as long as that is his field of work, he is then qualified under this definition.

It does not limit accountants to C. P. A. and those people who maintain an office for public auditing. It allows a town to take advantage of any accountant who is residing within that town and who lives up to a reasonable degree of competency. It seems to me that it would be deplorable to let down the bars completely as I believe the draft coming from the House does. And I might say that the Attorney General believes that the definition is a wise and proper provision. I could quote any number of accounting authorities who have given this their consideration and feel that it is a fair and reasonable provision and yet considerably more protection than the provision in the bill that was passed in the House.

I would like to quote from a letter from the President of the Maine Society of Public Accountants: "Since the compulsory audit law was enacted in 1937, there have been disclosed 108 shortages aggregating more than \$119,000 and more money was recovered from these irregular-

ities than the total cost of all the audits. We believe it in the public interest for you to vote against the passage of L. D. 1072 the draft that came from the House."

Now it does seem to me that the bars shouldn't be let down as they are in 1072 and I submit that in the proposed amendment there is a fair compromise between the difficulties we have encountered in the past. The towns are perfectly free to select their own accountant provided he lives up to this reasonable measuring stick of efficiency and we have in this new draft the provision that a copy of the audit shall be filed with the state department of audit on an approved form. That will have a tendency to eventually have all audits made along the same line.

It is a highly desirable thing for the state but it is not compulsory. The audit may be made in any way the town wishes but a final report must be made on this provided form. I believe I covered the essential points of the difference between the House bill and that which most accountants and other authorities believe is necessary. I hope that this amendment will be adopted.

Mr. CHAMBERLAIN: Mr. President, I move that L. D. 552 be laid upon the table pending the adoption of Senate Amendment A and assigned for later in this session this afternoon.

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

Five having voted in the affirmative and fourteen opposed, the motion to table did not prevail.

Mr. FARRIS of Kennebec: Mr. President, I want to register my opposition to the amendment proposed by the Senator from Cumberland, Senator Hildreth, on the ground that this is an unanimous committee report and a new draft of the Committee on Towns.

Now, the committee on Towns had the original bill and made a new bill of it. This amendment strikes out the new draft and makes another new bill. Now, I would like to know who is legislating here, one Senator, or the Committee on Towns, or this Senate?

The whole proposition boils down to the fact that the Maine Auditing Association was very much interested in this bill and has been lobbying it for some time in telegrams and letters in regard to op-

position to 1072 under the new draft as read by Senator Hildreth.

Now, in the past the auditors under this law have gone down into the towns and called for the books of the municipal officers with an attitude that the municipal officers were crooks or something. They came down there with an idea they were going to find something in the books. They acted mysterious and strutted around and wouldn't give any information as to what they were doing and I am informed that they are not under bond and the state auditors are not under bond at this time, but they go down into these towns and make their reports to the state auditor and do not file their report with the town officers. The municipal officers have a hard time to get a report sent to them.

I know of one case where it was a year and a half before they could get a report and they had to go to the Attorney General before they could compel the state auditors to file a report with that town.

I believe that if we are going to have an amendment it should contain a provision that the reports shall be filed with the municipal officers as well as with the state auditor.

I am opposed to this amendment as it reads.

Mr. CHAMBERLAIN of Penobscot: Mr. President, it seems to me this amendment which I have given a rather cursory reading, for the purpose of laying it on the table that I might have more time to go over it, it seems to me it is rather involved in comparison with the law passed a few years ago, which was rather humble. Now an amendment is presented to the legislature changing it and changing it not very well, changing the word "shall" to "may". The first amendment which was adopted, the one I first saw which I believe was adopted in the House seems to be quite satisfactory and is not nearly so involved as this one which occupies the whole page and goes on to speak of many different things.

The definition of a public accountant is to be considered in any way you have a mind to. It may be construed to mean certified public accountants although you may leave off the word "certified" but it must be one continuously engaged in auditing.

I believe every town should have an audit and it should be compulsory, should do so by order of the state, either by its own auditors or by others who are qualified. Many of the towns are simply small towns, not much money involved although the auditing is demanded just as much there as in larger cities, but does not require the services of a trained accountant even under the definition of this new amendment, it seems to me. And there has been a great deal of criticism of the cost of auditing these towns. I believe eventually the state auditors should be the ones to do it and should have enough to do it. We, in Brewer, use the state auditors and have no difficulty with them whatsoever. While we are larger than some towns, auditors need not be trained auditors but can audit these towns easily. I am opposed to this amendment as read.

Mr. HILDRETH of Cumberland: Mr. President, I'd like to reply to Senator Farris that if the town hires the auditor or public accountant, his first and primary report is going to the town. I would like to say to the Senator from Penobscot, Senator Chamberlain, that this very definition, I repeat, for the purpose of this section, a public accountant is one trained and skilled in accounting. He has got to be trained and skilled in accounting and auditing, to which he devotes a great deal of his time.

The great objection to the present bill, which comes from the House is that it simply says the audit shall be by either the state department of audit or by qualified public accountants. That is all right. Or it may be done by individuals or firms recognized as competent auditors by training and experience. That is what I think lets the bars down. Recognized by whom as a competent auditor? It doesn't say recognized by whom at all. It sets up no measuring stick.

I will only try to summarize very briefly once more this bill, this type-written page, but it has only three clauses. It says the audit is compulsory. It says it shall be made by one trained and who devotes the great portion of his time to accounting and says a copy of the audit shall be filed with the State Department of Audit. That does not seem to me very complicated and that is why I was willing to

have the amendment tabled so it could be studied. It is as simple as this; and as to the objections Senator Farris spoke about, they were objections under the old practice, and I feel very confident they have been eliminated, or would be eliminated under this amendment.

Mr. CHAMBERLAIN: Mr. President, "for the purposes of this section a public accountant is one trained and skilled in accounting and auditing." That is plain enough, but it goes on to say, "who devotes the greater portion of his time to accounting and auditing." It might be a man did not give the greater portion of his time to it. That is the thing that causes the auditor to approach closer to a certified public accountant. Certainly they do not need that approach. Some of these towns are very small and yet we are treating them as though they were a large city. That is the part I do not like very much.

Mr. HINMAN of Somerset: Mr. President, I have no connection with any auditors. I have not talked with any auditors. I have dealt with this question in past legislative sessions through the work that I have done and I think I realize the importance of what has been accomplished. It doesn't make any difference to me whether we correct and attempt to nullify what we have been doing by a useless bill, or whether we attempt to correct it by an amendment that is a little longer than some think it should be. The crux of this proposition is this, that the bill shows it was the intent of at least some towns to decide whether or not they should have an audit and then decide whether someone in their own community was going to do the audit. We went into this thing and for a purpose. Experience would indicate our efforts were not in vain. I have no interest other than I do not want to see our efforts destroyed because I know they have been productive and it is true that the new bill has taken care of much that was objectionable in the original presentation. But it does leave the municipal officers in the position of being able to decide whether a man is competent to make an audit, and I think it is perfectly proper we should set up a very definite qualification and they should be perfectly willing to meet that qualification. There is no new proposition in the amendment.

I knew nothing about this amendment until I read it this noon time and I was interested that I knew something about what was in it before it was brought to the floor, but I cannot find anything in the amendment that brings up any new phase of the situation. It simply defines the type of person that may make an audit and doesn't let the bars down and say Sam Jones or some other person can make an audit and do it on their own, whether qualified or not. I hope the amendment may be adopted.

Mr. CHAMBERLAIN: Mr. President, when the vote is taken I ask for a division.

The PRESIDENT: The question before the Senate is on the adoption of Senate Amendment "A." A division has been asked. Is the Senate ready for the question?

A division of the Senate was had.

Seven having voted in the affirmative and twenty-two opposed, the motion to adopt Senate Amendment "A" did not prevail.

Thereupon, under suspension of the rules, the bill was given its second reading and passed to be engrossed, in concurrence.

On motion by Mr. Morse of Waldo, the Senate voted to take from the table, House Report from the Committee on Federal Relations, Majority Report, "Ought to Pass"; Minority Report, "Ought Not to Pass" on Resolution Proposing an Amendment to the Constitution of the United States Relative to Taxes on Incomes, Inheritances and Gifts (H. P. 466) (L. D. 202) tabled by that Senator on April 8th pending acceptance of either report; and that Senator yielded to the Senator from Kennebec, Senator Fellows.

Mr. FELLOWS of Kennebec: Mr. President and members of the Senate, I move first that the "ought to pass" report of the Committee on Federal Relations be accepted. I might also say that the record does not show that the report was seven in favor of the resolution and three opposed. Mr. Willey, Representative, voted for the passage of the resolution but for some reason his name was left off.

This amendment proposes an amendment to the Constitution of the United States limiting the power of Congress to impose taxes on incomes, inheritances and gifts to a maximum rate of 25% except that



in the case of a war creating a grave national emergency the limitation may be temporarily removed by a three-fourths vote of each House of Congress.

Briefly stated, the purposes of the resolution are: 1. By amending the Federal Constitution to deprive the Federal Government of the power to destroy the American private enterprise system through unsound and confiscatory taxation, and by stimulating industry through tax revision to put back to work in private employment the millions of unemployed in this country. 2. By amending the Federal Constitution to deprive the Federal Government of the power to destroy the independence of the states through the power of taxation.

The objection is sometimes made that the above mention resolution is a measure designed to help the rich at the expense of the poor and that if the maximum income tax rate were reduced to 25% it would necessitate raising the money in some other way, as for example, by a sales tax. The answer to the objection is that the lower rate will produce the larger revenue.

Economists have long recognized that excessively high tax rates on incomes are self-defeating so far as the securing of revenue is concerned, and that there is a point of diminishing returns beyond which the revenue produced is less rather than greater.

This seems a bit paradoxical, but the reason for it is clear when the matter is carefully analyzed. The revenue from the income tax, and for that matter from any tax, is dependent on two factors, 1, the size of the base against which the tax is applied, which in the case of the income tax is the income of the taxpayer, and 2, the rate of the tax. If an individual with an income of \$10,000 in a given year is taxed at the rate of 50% the tax revenue is \$5000. If his income increases to \$20,000, a rate of 25% will produce the same amount of revenue, namely \$5000. Of the two factors, the first, namely the base, is by all odds the most important. From the standpoint of tax revenue it is much more important to increase the national income, that is, the income of the people, than it is to increase the tax rate. The most effective means of increasing the na-

tional income is by decreasing the rate of the tax.

By increasing the national income a larger sum is produced for division among the three parties in interest, namely, the federal government, the state and the taxpayer, so that the actual amount going to each will be greater, although the percentage of the total going to each is less.

The principle here involved is the same as that governing the operation of every successful business today, namely, that the greatest profits are to be obtained by charging a low rather than a high price for the goods sold, provided, of course, the price is not so low that no profit whatever results.

Applying that principle to the matter of taxation, it is obvious that a tax on business income must be included in the price of the article sold; otherwise the business will ultimately become bankrupt. The higher the tax, the higher the price and the fewer the sales. The fewer the sales, the smaller the national income; and the smaller the national income, the smaller the revenue from the tax.

In the case of the individual investor, the higher the tax the more reluctant he is to risk his money in productive enterprise and the higher the return he will demand. This tend to restrict the amount of capital available for business and to increase the price which business must pay for the use of capital. This adds to the cost of production and to the price which must be charged for the article produced, which leads to the production of fewer articles, a smaller national income, and smaller revenue from taxation.

In short, the effect of high tax rates is to restrict business, reduce the national income, and thereby to reduce the revenue from taxation.

This principle has long been recognized by leading economists, by outstanding leaders of both the Republican and Democratic parties, by outstanding labor leaders, such as Matthew Woll, Vice President of the American Federation of Labor, and by such research organizations as the Brookings Institute.

The theory that a reduction in tax rates will increase revenue is well supported by the actual experience of the Federal Government. For example, in 1926 Congress pass-

ed a tax act reducing the maximum rates of normal and surtaxes from 46% under the 1924 act to 25% under the 1926 act. The effect on the revenue of the years 1927 to 1929 inclusive, was an increase in each year, amounting in 1928 alone to \$275,000,000.

In the case of inheritance taxes, high rates are extremely destructive of capital and will in the long run destroy the accumulations of capital that are so necessary for industrial activity and expansion, and for the full employment of labor. Moreover, high federal estate taxes deprive the states of a source of revenue to which they are justly entitled. It is obvious that if the top rate of the federal estate tax were 25% instead of 77% there would be more of the estate left for the states to tax. What has been said about inheritance taxes applies equally well to gift taxes.

I have heard considerable comment that this is going to hit the poor but I do not see it that way at all. If you have additional capital with which to do business, it means an expansion of business.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Kennebec, Senator Fellows, for the adoption of the majority report, "ought to pass".

Mr. HILDRETH of Cumberland: Mr. President, I would like to read one paragraph from a letter from Dean Pound of the Harvard Law School. "The organization is wholly non-partisan, and its activities are directed toward calling public attention by newspaper advertisements and otherwise to the taxation situation in the country, which in my judgment has become a very bad one indeed. The practically unlimited powers of federal taxation are an incitement to reckless expenditure, and worse than that, federal taxation is readily used in my judgment, and has been used, to put the states in the condition of dependence upon the federal government. Indeed, the sources of revenue for the states are subject to be drained in advance by the federal government, the states are driven to all sorts of expedients to raise revenue to meet increasing demands upon them, and in the not distant end the state governments will have to succumb unless some reasonable restrictions are put upon federal tax-

ation and some adjustment of federal and state taxation power is arrived at."

The PRESIDENT: The question is on the adoption of the majority report, "ought to pass".

Mr. FELLOWS: Mr. President, I ask for a division.

A division of the Senate was had.

Twenty eight having voted in the affirmative and one opposed, the majority report, "ought to pass" was accepted, in non-concurrence. Sent down for concurrence.

On motion by Mr. Farris of Kennebec, the Senate voted to take from the table, bill, An Act Relating to Fees of Referees (H. P. 102) (L. D. 57) tabled by that Senator on April 5th pending enactment; and on further motion by the same Senator, the bill was passed to be enacted.

On motion by Mr. Chase of Washington, the Senate voted to take from the table, House Report from the Committee on Salaries and Fees, "Ought Not to Pass" on bill, An Act Relating to the Salary of the Attorney General (H. P. 1464) (L. D. 740) tabled by that Senator on April 14th pending acceptance of the report; and on further motion by the same Senator, the bill was substituted for the report in non-concurrence.

Thereupon, the bill was given its first reading, and Mr. Chase presented Senate Amendment "A" and moved its adoption:

"Senate Amendment 'A'. Amend said bill by inserting after the enacting clause thereof the following: 'Section 1. Further amend said bill by striking out the underlined figures '\$7,000' and inserting in place thereof the underlined figures '\$5,000'. Further amend said bill by adding at the end thereof the following: 'Section 2. Effective date. This act shall take effect January 1, 1940.'"

Mr. CHASE: Mr. President, it has been my misfortune to spend considerable money for legal advice and I have learned from experience that the best advice is the cheapest in the end. It has seemed to me that the salary of the attorney general is not commensurate with the labor which that office requires, but I realize that a man, in accepting

this office, knows what the salary is. Therefore, I have placed in this amendment the figures \$5,000 for the salary and have made it effective January 1, 1943, when presumably a new attorney general would take office.

Mr. BISHOP of Sagadahoc: Mr. President, we talk about economy with one hand and do just the opposite with the other. There were five candidates for attorney general, all able. They knew what the salary was. Our present attorney general, a member of the House, knew what the salary of House and Senate members are. We know it and we run for the office. Some of the defeated candidates are able, able as any we have. I do not believe it is in accord with the condition of the times to increase any salary. I move indefinite postponement of the bill.

Mr. BROWN of Aroostook: Mr. President, I very much dislike to oppose my good friend, Senator Bishop, but I hardly think his argument is pertinent to the point because if this should pass it does not go into effect until this term of the attorney general has elapsed. It is true that this is a time of economy but we do not always economize by hiring the cheapest men we can get. The attorney general is one of the poorest paid officials of the state of Maine and one of the most important. Different branches of the different departments go to the attorney general to ask him what they can do. It is even on occasion that the governor has to go to the attorney general and find out what he can do. The attorney general has 11 assistants under him and he is paid less money at the present time than the head janitor of this building. It seems to me if we expect to hire men who can put the most of his time into it, men of importance in state government that an attorney general is, that we ought to be able to pay him a small part of what the calibre man we want can earn in private practice in one single case. It has come to the point where the attorney generalship of the state of Maine is a full time job, practically so, and I think that the salary of the attorney general

should be raised, in that it doesn't become effective during this term but whoever goes into office next year will know what the salary is going to be—it will be \$5,000 and maybe it will attract men of high calibre who can feel they can take the job for that amount.

I hope the motion to indefinitely postpone the amendment will not prevail.

Mr. BISHOP of Sagadahoc: Mr. President, I believe the statement that it would attract better men is a reflection on our present Attorney General. If he isn't getting as much pay as the head janitor, I think the head janitor is getting too much.

Mr. STILPHEN of Lincoln: Mr. President, I want to go on record for once with Senator Bishop. I do not believe we will lack any candidates in 1943 at the present salary. I hope the motion to indefinitely postpone will prevail.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Sagadahoc, Senator Bishop, that Senate Amendment A be indefinitely postponed. Is the Senate ready for the question?

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

Eleven having voted in the affirmative and twenty-one opposed the motion to indefinitely postpone Senate Amendment A did not prevail.

Thereupon, on motion by Mr. Chase of Washington Senate Amendment A was adopted; and on further motion by the same Senator, under suspension of the rules, the bill was given its second reading and passed to be engrossed as amended by Senate Amendment A in non-concurrence.

Sent down for concurrence.

The PRESIDENT: The Senate is still proceeding under Orders of the Day. Are there any more of these unassigned matters that can be disposed of at this time? Is there any further business to come before the Senate?

On motion by Mr. Friend of Somerset

Adjourned until ten o'clock tomorrow morning.