

# MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

*Ninety-Third Legislature*

OF THE

STATE OF MAINE

1947

DAILY KENNEBEC JOURNAL  
AUGUSTA, MAINE

## HOUSE

Tuesday, February 25, 1947

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

Prayer by the Rev. Rodney W. Roundy of Portland.

Journal of yesterday read and approved.

### Papers from the Senate

From the Senate: Bill "An Act Appropriating Moneys for 1946-47 Appropriation Deficiencies in Aid to Dependent Children, World War Assistance, Board and Care of Neglected Children, and Indians" (S. P. 358) (L. D. 1027)

Came from the Senate referred to the Committee on Appropriations and Financial Affairs.

In the House referred to the Committee on Appropriations and Financial Affairs in concurrence.

From the Senate: Bill "An Act to Promote the Topographic Mapping of Maine in Cooperation with the United States Geological Survey" (S. P. 359) (L. D. 1028)

Came from the Senate referred to the Committee on Counties.

In the House referred to the Committee on Counties in concurrence.

From the Senate: Bill "An Act relating to Restoration of Membership in Indian Tribes" (S. P. 360) (L. D. 1030)

Bill "An Act relating to Membership in Indian Tribes" (S. P. 361) (L. D. 1029)

Came from the Senate referred to the Committee on Indian Affairs.

In the House referred to the Committee on Indian Affairs in concurrence.

From the Senate: Resolve Closing Farmer's Brook in Franklin County to Smelting (S. P. 362) (L. D. 1031)

Came from the Senate referred to the Committee on Inland Fisheries and Game.

In the House referred to the Committee on Inland Fisheries and Game in concurrence.

From the Senate: Bill "An Act to Provide for the Creation of a Liquor Research Commission" (S. P. 363) (L. D. 1032)

Bill "An Act Providing for a State Advisory Council on Personnel" (S. P. 364) (L. D. 1033)

Bill "An Act to Incorporate the Franco-American Loan Corporation of Lewiston" (S. P. 365) (L. D. 1039)

Bill "An Act relating to Time for Registration of Voters" (S. P. 366) (L. D. 1034)

Came from the Senate referred to the Committee on Judiciary.

In the House referred to the Committee on Judiciary in concurrence.

From the Senate: Bill "An Act relating to Penalty for Posing as Indian in Vending" (S. P. 367) (L. D. 1035)

Bill "An Act relating to Elections in the city of Biddeford" (S. P. 368) (L. D. 1042)

Came from the Senate referred to the Committee on Legal Affairs.

In the House referred to the Committee on Legal Affairs in concurrence.

From the Senate: Bill "An Act to Provide for a Sliding Scale Bonus to Maine Veterans of World War II" (S. P. 369) (L. D. 1040)

Bill "An Act to Provide for the Payment of a Cash Bonus of \$500 to Maine Veterans in World War II" (S. P. 370) (L. D. 1057)

Came from the Senate referred to the Committee on Military Affairs.

In the House referred to the Committee on Military Affairs in concurrence.

From the Senate: Bill "An Act relating to Boards of Registration" (S. P. 371) (L. D. 1036)

Came from the Senate referred to the Committee on Salaries and Fees.

In the House referred to the Committee on Salaries and Fees in concurrence.

From the Senate: Bill "An Act relating to Superintending School Committees" (S. P. 372) (L. D. 1037)

Came from the Senate referred to the Committee on Towns.

In the House referred to the Committee on Towns in concurrence.

From the Senate: Resolve in favor of the town of Andover (S. P. 373) (L. D. 1038)

Came from the Senate referred to the Committee on Ways and Bridges.

In the House referred to the Committee on Ways and Bridges in concurrence.

From the Senate: The following Order:

ORDERED, the House concurring, that a Joint Convention be held in the hall of the House on Thursday, February 27th, 1947, at 11:15 o'clock in the forenoon for the purpose of inviting His Excellency, Governor Horace Hildreth, and his guest, the Honorable Paul H. Griffith of Uniontown, Pennsylvania, National Commander of the American Legion, to attend and address to the Convention such remarks as they may be pleased to make (S. P. 377) Came from the Senate read and passed.

In the House, read and passed in concurrence.

#### Senate Reports of Committees Ought to Pass

Report of the Committee on Judiciary reporting "Ought to pass" on Bill "An Act relating to Registration or Transfer of Securities to or by Fiduciaries or Their Nominees" (S. P. 82) (L. D. 168)

Came from the Senate with the Report read and accepted and the Bill passed to be engrossed.

In the House, Report was read and accepted in concurrence, the Bill was read twice and tomorrow assigned.

Report of the Committee on Judiciary reporting "Ought to pass" on Bill "An Act relating to the Amortization of Premiums and the Accumulation of Discounts on Bonds or Other Obligations Held in Trust" (S. P. 85) (L. D. 111)

Came from the Senate with the Report read and accepted and the Bill passed to be engrossed.

In the House:

The SPEAKER: The Chair recognizes the gentleman from Cape Elizabeth, Mr. Chase.

Mr. CHASE: Mr. Speaker, this bill is sponsored by some friends of mine whom I should like to help. They are, however, subject to very human failings in that in trying to make life simpler for themselves they have not considered how complicated they may make it for the great number of other people. The proponents of this measure in urging its passage emphasize the need for clarification of the law with respect to trusts of the testa-

mentary type where a man leaves his property in trust, with the income to go to his wife during her lifetime and the remainder to go to the children or someone else.

For such a type of trust and in the hands of corporate fiduciaries or professional trustees, I raise no objection to the procedure which they recommend with respect to the charging off of premiums paid for bonds above their par value. This law, by its terms, applies to every trust fund in the State of Maine. Now there are hundreds of these trust funds which are not of the particular type which this bill is based on. All the trust funds which we have in our own towns, the cemetery funds, the funds for the benefit of the schools, and all other purposes for which trust funds have been created, are regulated by this bill. By this bill there is created an incentive to invest to secure the highest possible cash income, and once you have so invested, the bill makes it mandatory that you shall treat all of that coupon income from bonds as income.

For example, a trustee who buys a bond of the Canadian National Railway, a 4% bond, now selling at \$1200 per thousand, would get a return of 4% on his money in cash, but on the accepted tables of amortization of premiums actually his yield would be only 2 1/10%, that is, the real yield from that bond, but by buying that bond for \$1200, this bill would make it mandatory that he treat the whole coupon as income and pay it over to whoever the beneficiary was as income, so that in 1955, inside of ten years, he would absolutely be compelled to have reduced the principal of that trust fund, insofar as it was invested in that bond, from \$1200 to \$1000.

Now I have made an effort to correct this bill by limiting its application to the so-called testamentary trust with a life tenant, and I suggested certain amendments. The proponents of the measure I understood were agreed that the bill could be amended so that it would not apply to charitable, religious, fraternal and educational institutions. In other words, if they kept the books themselves they could amortize premiums if they wanted to. That I do not think is satisfactory because it only applies when those particular institutions keep the books themselves, and, as many

of you know, the trustees set up for these funds are not in the church or the academy; they are on the outside, so it would not apply to them.

I have also attempted an amendment which would put a ceiling on the amount by which anyone could build up income by this procedure of buying high premium bonds.

Now I think the bill is very easy to correct. There are a great many people who know nothing about the bill who will be affected by it. A very simple amendment limits its application to this particular type of life tenancy trust, and it should not be difficult I think to establish a general rule which would apply to all trust funds on amortization. The trust fund law in Maine is not very clear. The only decision which I have been able to find, a recent one, on this very point rules that in the type of case which the proponents of this measure are talking about, that is, the life tenant trust, it is all right not to amortize premiums, so I do not think they are in a very bad place even if it should not pass.

I should like to have the bill amended either to limit its application or to set up something so that these funds cannot be dissipated by this procedure of paying high premiums and then being compelled to spend the whole income.

I am going to move that the bill be recommitted to the Committee on Judiciary. I should like to have the vote not on a matter of courtesy or procedure; I should like to have it on its merits, so that if it is so recommitted, the members of the committee may have cause to believe the House would like to have the bill amended in certain respects.

If the House does not want to recommit it, it is all right with me and I will say no more about it. I move that the report and bill be recommitted to the Committee on Judiciary.

**The SPEAKER:** The gentleman from Cape Elizabeth, Mr. Chase, moves that the report and bill be recommitted to the Committee on Judiciary in non-concurrence.

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

**Mr. McGLAUF-LIN:** Mr. Speaker and Members of the House: I am speaking for one on the Judiciary Committee briefly, I hope. I do not pretend to know as much about

banking as the gentleman from Cape Elizabeth, Mr. Chase, who has just spoken; but the reason I voted to pass this bill was because I find that the bankers in the City of Portland are very much in favor of it. At least one of them has outlined to me the nature of this bill and what it does. I propose to retell it to you so that perhaps you will have some idea of what we are talking about.

An illustration that I think will make it clear is this: A man leaves funds, or leaves bonds, we will say, the income from which he wishes to go to his widow after his death and after her death to some remainderman, perhaps his children. As a rule, the testator wishes to take care of the life beneficiary first. Now let us suppose that the trustee buys a bond, a \$1000 bond, that costs him \$1050. That bond is at five per cent; it pays \$50 a year, and it runs for a period of ten years. The income, \$50, is paid to the widow, but at the end of ten years the bank, the trustee, finds itself in this position: It has a bond that costs \$1050, but when the bond matures the bank only receives \$1000, so there is a \$50 loss in the period of ten years that in some way must be accounted for.

Now one way they sometimes do it, the interest on a bond being payable every six months, every six months they hold back \$2.50, and that, at the end of ten years will amount to the \$50. The widow, instead of getting \$50 a year, gets \$47.50, and thus the \$50 that was paid above the face of the bond is accounted for.

Now the banks feel that this necessitates a great deal of unnecessary bookkeeping, and what they want to do is to have the right to pay the widow, in the case I have supposed, the whole of the \$50, and then when it comes to accounting for the \$50 when the bond matures, it is simply put down as a loss, making the books thus balance. That is my understanding of how it works and how simplified to the banks that becomes.

Now just a word on the point that Mr. Chase has made about referring it back to the Judiciary Committee. For one, I think that it is a useless gesture, because it was stated, I understood, that Mr. Chase offered an amendment which the bankers could not accept, and, if that is the case, you have got to expect a

complete reversal of the decision of the Judiciary Committee, and, if I know those men on that committee, you are just wasting your time.

The SPEAKER: The Chair recognizes the gentleman from Bangor, Mr. Finnegan.

Mr. FINNEGAN: Mr. Speaker and Members of the House: I happen to be one of those unfortunate individuals who has had to serve with some of these trustees' committees. I am a member of the trust committee of our local bank and also am trustee on some private, personal trusts. I think that the illustration that Mr. Chase has given is a little bit exaggerated. I do not know of anyone who has bid for these \$1230 bonds. The whole intent of this is, as I understand it, to clarify the procedure under which trust officers can operate without accepting the hazard of being sued by some remainderman after their trust has been terminated because of their failure to amortize the premium on these bonds.

Now in all the trusts with which I have been concerned, I can say without exception that the criterion of the trust is primarily that the beneficiary of the trust shall receive the maximum amount of income consistent with good investment purchasing.

At the present time it is not clear in the minds of the trustees whether or not they will be held accountable for their failure to amortize premiums on bonds, and as such I think they would like to know and have the Legislature define their responsibility in this matter.

Now the fact of the matter is that the amortization of these bonds is not so tremendous as it would appear, except to get the matter clarified. The beneficiary of a trust receives the maximum amount of income, which is the intent of the person who sets up the trust: the remaindermen are the ones affected by this decision of whether we should amortize or not amortize. The remaindermen may be institutions or they may be individuals of any type. The process of liquidating a trust is such, ordinarily, that when the income to the fiduciary stops the interest still goes on, and it is perfectly possible that the deficiency from the failure to amortize the principal of that fund will be made up in the interest

which will accrue. On the other hand, there are discount bonds bought; there are people who buy bonds at less than face value. They get all the increment from the bond maturing at par, while some poor widow, orphan, or some child is forced to part with part of their income in order to amortize this thing down so that the bond will work out at par value by absorbing these premiums.

Now it is very easy to amortize a bond if you know what the maturity of it is, but no one can amortize beneficiaries. The bond may go on for twenty years and the beneficiary may die in five years.

I am very much in favor of Mr. McGlauffin's recommendation that this bill should pass as written.

The SPEAKER: The Chair recognizes the gentleman from Cape Elizabeth, Mr. Chase.

Mr. CHASE: Mr. Speaker, just one more word.

The examples cited by the member from Portland (Mr. McGlauffin) and the member from Bangor (Mr. Finnegan) come back to this type of testamentary trust with the life tenant and the fiduciary the ultimate beneficiaries. I am perfectly willing that that type of trust should have this provision, but, in seeking to get it, they have spread it over everything.

The University of Maine has an endowment fund which is supposed theoretically to endure forever. It is not going to be turned over to someone sometime. In a fund like that the principal wants to be protected in good faith to the creator of the trust. You have got to preserve the principal of a fund like that. A gradual wasting process washes it out.

Those are the type of trust funds I am trying to prevent from coming under this bill. I have no objection whatever to changing the law to take care of the type of cases cited by the two members who have spoken.

The SPEAKER: Is the House ready for the question? The Chair recognizes the gentleman from Auburn, Mr. Williams.

Mr. WILLIAMS: Mr. Speaker and Members of the House: It was not my intention to speak on the question of recommitting this bill until the gentlemen from South Portland (Mr. Chase) said he wanted the House to vote on the merits of the bill; in other words, he wanted the

members to vote to recommit if they wanted the bill changed. If the members want it to pass as it is, they will vote "No" on his motion.

Now this bill merely makes it possible for trustees handling funds to know what they ought to do. There are two sides to the question, as I see it, and you have been given only one. If a trustee makes a prudent investment and in some cases pays \$1,050 for a bond, he may sell it for \$1,050 or he may sell it for \$1,000. If he sells it for less, there will be a loss. But, on the other hand, many of these bonds are bought, and, during the time the trustee holds them, they increase in value, and this increase under this bill will inure to the principal, so that in most cases, it seems to me, it should offset the other so there should be no depletion of the trust itself. If you are forced to take money from income to amortize this premium that may be paid, you will cut down the current income, in many cases, to the beneficiaries whom it was intended to help. For that reason, I would be opposed to recommitment.

The SPEAKER: The question before the House is on the motion of the gentleman from Cape Elizabeth, Mr. Chase, that the "Ought to pass" report of the Committee on Judiciary on (S. P. 85) (L. D. 111) Bill "An Act relating to the Amortization of Premiums and the Accumulation of Discounts on Bonds or Other Obligations Held in Trust" together with the bill be recommended to the Committee on Judiciary in non-concurrence.

All those in favor of the motion of the gentleman from Cape Elizabeth, Mr. Chase, will say aye; those opposed no.

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

Thereupon the House voted to accept the "Ought to pass" report of the committee, and the bill was given its first two readings and tomorrow assigned.

#### Senate Reports of Committees (Continued) Ought To Pass

Report of the Committee on Legal Affairs reporting "Ought to Pass" on Bill "An Act relating to Regulation of Employment Agencies" (S. P. 128) (L. D. 285)

Report of the Committee on Motor Vehicles reporting same on Bill "An

Act relating to Inspection of Motor Vehicles" (S. P. 219) (L. D. 570)

Report of same Committee reporting same on Bill "An Act relating to the Issuance of Dealer's Registration" (S. P. 218) (L. D. 571)

Report of the Committee on Sea and Shore Fisheries reporting same on Bill "An Act relating to the Canning and Shipping of Clams" (S. P. 235) (L. D. 645)

Report of the Committee on Towns reporting same on Bill "An Act relating to Expenses of Town Collectors and Treasurers in Attending Meetings" (S. P. 103) (L. D. 202)

Report of same Committee reporting same on Resolve in favor of the town of Sullivan (S. P. 64) (L. D. 39)

Came from the Senate with the Reports read and accepted and the Bills and Resolve passed to be engrossed.

In the House, Reports were read and accepted in concurrence, the Bills read twice, the Resolve read once, and tomorrow assigned.

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

The following Communication:

#### STATE OF MAINE DEPARTMENT OF STATE

To the Speaker of the House of Representatives of the Ninety-third Legislature:

I have the honor to herewith transmit copies of the estimate of expenses of the sixteen counties within the State for the years 1947 and 1948, the same having been filed in this office according to the provisions of Sections 13 and 14 of Chapter 79 of the Revised Statutes of 1944.

(Signed) HAROLD I. GOSS  
Secretary of State

February 24, 1947

Was read and the communication and accompanying papers were referred to the House Committee on County Estimates.

The following Bills and Resolves, transmitted by the Revisor of Statutes, were received, and upon recommendation of the Committee on Reference of Bills, were referred to the following Committees:

**Appropriations and Financial Affairs**

Bill "An Act relating to Permanent State Trust Funds (H. P. 1479) (Presented by Mr. Peirce of Augusta)

(Ordered printed)

Bill "An Act relating to Impounded Bank Accounts of the Permanent School Fund" (H. P. 1480) (Presented by same gentleman)

(Ordered printed)

Resolve in favor of the town of Springfield (H. P. 1481) (Presented by Mr. Dicker of Lakeville Pl.)

(Ordered printed)

Resolve relating to Lands Reserved for Public Uses Trusts (H. P. 1482) (Presented by Mr. Peirce of Augusta)

(Ordered printed)

Resolve relating to Impounded Bank Accounts of Kennebec Bridge Fund (H. P. 1483) (Presented by same gentleman)

(Ordered printed)

Sent up for concurrence.

**Claims**

Resolve in favor of the town of Springfield (H. P. 1484) (Presented by Mr. Dicker of Lakeville Pl.)

(Ordered printed)

Sent up for concurrence.

**Judiciary**

Bill "An Act Amending the Uniform Veterans' Guardianship Act" (H. P. 1485) (Presented by Mr. Haskell of Portland)

(Ordered printed)

Bill "An Act Concerning Medical Examiners" (H. P. 1486) (Presented by Mr. Mills of Farmington)

(Ordered printed)

Sent up for concurrence.

**Legal Affairs**

Bill "An Act to Incorporate the Presque Isle School District" (H. P. 1487) (Presented by Mr. Brewer of Presque Isle)

(Ordered printed)

Sent up for concurrence.

**Sea and Shore Fisheries**

Resolve Directing Commissioner of Sea and Shore Fisheries to Close Lobster Hatchery (H. P. 1488) (Presented by Mr. Emerson of North Haven by request)

(Ordered printed)

Sent up for concurrence.

**Taxation**

Resolve Proposing an Amendment to the Constitution to Limit the

Rate of Income Tax to Not More than Five Percent (H. P. 1489) (Presented by Mr. Burgess of Limestone)

(Ordered printed)

Sent up for concurrence.

**Ways and Bridges**

Resolve in favor of the town of Chesterville (H. P. 1490) (Presented by Mr. Mills of Farmington)

Resolve in favor of the town of Meddybemps (H. P. 1491) (Presented by Mr. Palmetoer of Charlotte)

Resolve in favor of the town of Dennysville (H. P. 1492) (Presented by same gentleman)

Resolve in favor of the town of Crawford (H. P. 1493) (Presented by same gentleman)

Resolve in favor of the town of Alexander (H. P. 1494) (Presented by same gentleman)

Sent up for concurrence.

On motion by Mr. Lacharite of Brunswick, it was

ORDERED, that Mr. Leavitt of Old Town be excused from attendance because of the death of his son.

On motion by Mr. Cole of Portland, it was

ORDERED, that there be printed 1000 additional copies of H. P. 1184, L. D. 754, An Act to Protect the Right to Work and to Prohibit Secondary Boycotts, Sympathetic Strikes and Jurisdictional Strikes.

**House Reports of Committees**

**Divided Report**

**Tabled and Assigned**

Majority Report of the Committee on Judiciary reporting "Ought not to pass" on Bill "An Act relating to Representation of Political Parties on Committees of House of Representatives" (H. P. 442) (L. D. 261)

Report was signed by the following members:

- Mr. Dunbar of Washington
- Mr. Clough of Penobscot
- Mr. Barnes of Arcostook

—of the Senate.

- Messrs. Perkins of Boothbay Harbor
- McGlauffin of Portland
- Williams of Auburn
- Haskell of Portland
- Silsby of Aurcra
- Mills of Farmington

—of the House.

Minority Report of same Committee reporting "Ought to pass" on same Bill.



Report was signed by the following member:

Mr. PEIRCE of Augusta  
—of the House.

(On motion by Mr. Muskie of Waterville, the Reports, with accompanying papers, were tabled pending acceptance of either Report, and specially assigned for Thursday, March 6th)

#### Ought to Pass in New Draft

Mr. Haskell from the Committee on Judiciary on Bill "An Act to Amend the Law relating to Prior Convictions in Offenses Against the Liquor Law" (H. P. 662) (L. D. 459) reported same in a new draft (H. P. 1477) under title of "An Act Repealing the Law relating to Prior Convictions in Offenses Against the Liquor Law" and that it "Ought to pass"

Mr. Brewer from the Committee on Appropriations and Financial Affairs on Bill "An Act relating to Income Accruing to the State" (H. P. 219) (L. D. 157) reported same in a new draft (H. P. 1478) under same title and that it "Ought to pass"

Reports were read and accepted and the new drafts ordered printed under the Joint Rules.

#### Ought to Pass Printed Bills

Mr. McGlauffin from the Committee on Judiciary reported "Ought to pass" on Bill "An Act Defining and Authorizing the Use of a System of Plane Coordinates for Designating and Stating Positions of Points on the Surface of the Earth Within the State of Maine" (H. P. 170) (L. D. 150)

Mr. Mills from same Committee reported same on Resolve Designating an Expiration Date for the Civilian Defense Act (H. P. 843) (L. D. 538)

Mr. Perkins from same Committee reported same on Bill "An Act relating to System of Records and Accounting by Maine Teachers' Retirement Board" (H. P. 497) (L. D. 319)

Same gentleman from same Committee reported same on Bill "An Act to Change the Name of the Maine Universalist Convention" (H. P. 495) (L. D. 317)

Same gentleman from same Committee reported same on Bill "An Act Validating Certain Divorces" (H. P. 920) (L. D. 544)

Mr. Silsby from same Committee reported same on Bill "An Act relating to Duties of the Deputy Treasurer of State" (H. P. 498) (L. D. 320)

Mr. Williams from same Committee reported same on Bill "An Act to Authorize the town of York to Construct Tide Water Gates" (H. P. 609) (L. D. 374)

Reports were read and accepted, and the Bills and Resolve, having already been printed, the Bills were read twice under suspension of the rules, the Resolve read once under suspension of the rules, and tomorrow assigned.

#### Ought to Pass With Committee Amendment

Mr. Brewer from the Committee on Appropriations and Financial Affairs on Bill "An Act relating to Disposition of Uncollectible Accounts Due the State" (H. P. 220) (L. D. 158) reported "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

Report was read and accepted, and the Bill, having already been printed, was read twice under suspension of the rules.

Committee Amendment "A" was read by the Clerk as follows:

Committee Amendment "A" to H. P. 220, L. D. 158, Bill "An Act Relating to Disposition of Uncollectible Accounts Due the State."

Amend said bill by inserting in the eighth line thereof, after the crossed-out words "and state auditor", the underlined words 'and treasurer of state'.

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

#### Conference Committee Reports

Mr. Judkins of Woodstock presented Report of the Committee of Conference on the disagreeing action of the two branches of the Legislature, on Bill "An Act relating to Superintendence of Schools Through Union Towns" (H. P. 1191) (L. D. 779) reporting that the House recede and concur with the Senate in referring the Bill to the Committee on Education.

(Signed)

Messrs. Judkins of Woodstock  
Palmer of Nob'eboro  
Stetson of Dixfield

—Committee on part of House.  
Bishop of Sagadahoc

McKusick of Piscataquis  
Davis of York

—Committee on part of Senate.

The same gentleman presented Report of the Committee on Conference on the disagreeing action of the two branches of the Legislature on Bill "An Act relating to Union Schools" (H. P. 1192) (L. D. 780) reporting that the House recede and concur with the Senate in referring the Bill to the Committee on Education.

(Signed)

Messrs. Judkins of Woodstock  
Palmer of Nobleboro  
Stetson of Dixfield

—Committee on part of House.  
Bishop of Sagadahoc  
McKusick of Piscataquis  
quis

Davis of York

—Committee on part of Senate.

Reports were read and accepted and sent up for concurrence, and the House voted to recede and concur in referring the Bills to the Committee on Education.

#### First Reading of a Printed Bill

Bill "An Act relating to the Packing of Sardines" (H. P. 1475) (L. D. 1058)

Bill was read twice, and on motion by Mr. Prout of Lubec, under suspension of the rules the Bill was read the third time, passed to be engrossed and sent to the Senate.

#### Passed to be Engrossed

Resolve in favor of Maine Maritime Academy (H. P. 888) (L. D. 595)

Resolve Authorizing the State Tax Assessor to Convey Certain Interest of the State in Lands in Oxford County to John Westleigh, of Masco (H. P. 1032) (L. D. 638)

Resolve Authorizing the State Tax Assessor to Convey Certain Interest of the State in Lands in Aroostook County to Wilfred Rossignol, of Guerette, (P. O. Stockholm) (H. P. 1093) (L. D. 735)

Resolve Authorizing the State Tax Assessor to Convey Certain Interest of the State in Lands in Oxford County to Dr. W. B. Twaddle, of Bethel (H. P. 1091) (L. D. 736)

Resolve Authorizing the State Tax Assessor to Convey Certain Interest of the State in Lands in Aroostook County to Fred Marquis, of Sinclair (H. P. 1092) (L. D. 737)

Resolve Authorizing the State Tax Assessor to Convey Certain Interest of the State in Lands in Aroostook County to Fred B. Simpson of Bangor (H. P. 1094) (L. D. 739)

Bill "An Act relating to Proceedings to Bar Action on Undischarged Real Estate Mortgage" (H. P. 1457) (L. D. 1041)

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

#### Amended Resolves

Resolve Authorizing the State Tax Assessor to Convey Certain Interest of the State in Lands in Oxford County to Verne E. Mills of Bethel (H. P. 353) (L. D. 223)

Resolve Authorizing the State Tax Assessor to Convey Certain Interest of the State in Lands in Aroostook County to Wilfred Rossignol (Night-ingle) of Stockholm (Guerette RFD) (H. P. 985) (L. D. 640)

Resolve Authorizing the State Tax Assessor to Convey Certain Interest of the State in Lands in Oxford County to Dr. W. B. Twaddle, of Bethel (H. P. 1099) (L. D. 734)

Resolve Authorizing the State Tax Assessor to Convey Certain Interest of the State in Lands in Aroostook County to Jules St. Peter, of Guerette (H. P. 1093) (L. D. 738)

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

#### Orders of the Day

The SPEAKER: The Chair lays before the House the first tabled and today assigned matter, Bill "An Act to Provide for the Incorporation, Supervision, Regulation and Dissolution of Medical Service Plan Corporations, and to Prescribe Penalties for Violations." (S. P. 335) (L. D. 968), in the Senate, on February 18th, referred to the Committee on Judiciary, in the House tabled February 20th by the gentleman from Portland, Mr. Bowker, pending reference.

The Chair recognizes the gentleman from Sebago, Mr. Fitch.

Mr. FITCH: Mr. Speaker, this is the first time I have had reason to disagree with the Committee on Reference of Bills. If you delve into the title of this bill, you will find that it is an insurance measure. If

and when enacted, it will come under the regulation of the Insurance Commissioner. With this in mind, I move that this bill be referred to the Committee on Mercantile Affairs and Insurance in non-concurrence.

The SPEAKER: The gentleman from Sebago, Mr. Fitch, moves that L. D. 968 be referred to the Committee on Mercantile Affairs and Insurance in non-concurrence.

The Chair recognizes the gentleman from Farmington, Mr. Mills.

Mr. MILLS: Mr. Speaker, as a member of the Committee on Reference of Bills, I merely wish to point out the reasons we had in making the suggestion that this bill be referred to the Committee on Judiciary.

This bill is an enabling act, allowing certain groups to incorporate under the laws of the State of Maine, for carrying on a non-profit business of health plans. It does savor very much of insurance in that respect. I would like to say that in the last few months I have had occasion to look at the record, and I find in 1937, when the Associated Hospital Plan was first before the Legislature, that is, the enabling act for it, the act incorporating it, it was referred to the Committee on Mercantile Affairs and Insurance. However, I think precedents are sometimes in error. I think in such a case, a bill setting up corporations dealing largely with contracts, and the by-laws of these corporations containing penalty provisions, and also relieving the doctors who operate under such plans from civil liabilities, relieving them from any claims which may be made against them for malpractice, or malfeas-

ance, I believe it goes very deeply into civil rights and liabilities of persons under the laws of the State, and I think it is a matter which deals very strongly with legal rights and remedies, corporate liabilities and penalties and that sort of thing, and I think it sounds throughout a Judiciary matter.

However, I have no personal feeling in the matter, and I just as soon be relieved of as much work as possible in the Judiciary Committee. I do think the Committee on Reference of Bills was correct in making that reference. Also it comes to my mind that the insurance agents of the State—and I happen to be one of them—are strongly against such propositions, and I do not think that by means of a reference we should give a bill a death sentence before it gets to a committee.

The SPEAKER: The question before the House is on the motion of the gentleman from Sebago, Mr. Fitch, that L. D. 968 be referred to the Committee on Mercantile Affairs and Insurance in non-concurrence. All those in favor will say aye; those opposed no.

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

Thereupon the bill was referred to the Committee on Judiciary in concurrence.

The SPEAKER: The House is proceeding under Orders of the Day.

If there is no further business, the Clerk will read the notices.

On motion by Mr. Ellis of Castle Hill,

Adjourned to ten o'clock tomorrow morning.