

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

Thursday, April 17, 1947

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

Prayer by the Rev. Robert Heigham of Wiscasset.

Journal of yesterday read and approved.

The gentleman from Farmington, Mr. Mills, was given unanimous consent to address the House.

Mr. MILLS: Mr. Speaker, due to the fact that at 12:30 this noon it is planned that we will take a re-take of that picture which was tried the other day, I would like to now ask unanimous consent that the House recess at 12:30 o'clock today, until four o'clock today, that is, regardless of the stage that the debate may be in. I would like to have it understood in advance that when 12:30 is reached, we will recess so that the picture may then be taken, and come back again at four o'clock, and I put this request in this form, Mr. Speaker, and ask unanimous consent that at 12:30 P. M. the House recess until 4:00 P. M. today and that immediately after the House recesses, the Hall of the House and the Gallery be cleared of all except the members and officers of the House, for the purpose of taking the official picture of the House, and I so move.

The SPEAKER: The gentleman from Farmington, Mr. Mills, asks unanimous consent that at 12:30 P. M. the House recess until 4:00 P. M. today, and that immediately after the House recesses, the Hall of the House and gallery be cleared of all except members and officers of the House, for the purpose of taking the official picture of the House. Is there objection? The Chair hears none, and unanimous consent has been granted.

The gentleman from Limestone, Mr. Burgess, was granted unanimous consent to address the House.

Mr. BURGESS: Mr. Speaker and Ladies and Gentlemen of the House: I simply wish to call your attention to the little bags of potatoes on your desks and to tell you that they are presented to you by a well-known farmer in my own home town, Mr. Noyes, with his

compliments, and he hopes that you enjoy them. Thank you. (Applause)

**Papers from the Senate
Order Tabled**

From the Senate: The following Order:

ORDERED, the House concurring, that the Committee on Appropriations and Financial Affairs be requested to include in its general appropriation bill an appropriation of \$115,000 for the fiscal year 1947-48, and \$115,000 for the fiscal year 1948-49 for the Maine Maritime Academy at Castine, in order that that institution may continue in operation (S. P. 518)

Came from the Senate read and passed.

(In the House, on motion by Mr. Robbins of Houlton, tabled pending passage in concurrence)

**Senate Reports of Committees
Ought to Pass in New Draft**

Report of the Committee on Inland Fisheries and Game on Bill "An Act relating to Trapping of Beaver" (S. P. 278) (L. D. 820) reporting same in a new draft (S. P. 508) (L. D. 1398) under same title and that it "Ought to pass"

Report of the Committee on Judiciary on Bill "An Act Prohibiting Speeding and Racing on the Great Ponds" (S. P. 124) (L. D. 288) reporting same in a new draft (S. P. 513) (L. D. 1403) under title of "An Act relative to Operation of Boats" and that it "Ought to pass"

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

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

Ought to Pass

Report of the Committee on Salaries and Fees reporting "Ought to pass" on Bill "An Act to Increase the Salaries of Members of the State Police" (S. P. 297) (L. D. 796)

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 and the Bill read twice and tomorrow assigned.

Ought to Pass in New Draft Amended

Report of the Committee on Motor Vehicles on Bill "An Act relating to Fees for Registration of Motor Trucks and Basis Therefor" (S. P. 406) (L. D. 1155) reporting same in a new draft (S. P. 509) (L. D. 1397) under same title and that it "Ought to pass"

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

In the House, Report was read and accepted in concurrence, and the Bill had its two several readings.

Senate Amendment "A" read by the Clerk as follows:

Senate Amendment "A" to S. P. 509, L. D. 1397, Bill "An Act Relating to Fees for Registration of Motor Trucks and Basis Therefor."

Amend said Bill by drawing a line through the figures "40,000" in the 9th line of section 2 thereof and adding after said figures the underlined figures "50,000"

Further amend said Bill by striking out all of section 4 thereof and inserting in place thereof the following:

"Sec. 4. R. S., c. 19, § 18, amended. The last sentence of the 3rd paragraph of section 18 of chapter 19 of the revised statutes is hereby repealed."

Senate Amendment "A" was adopted in concurrence and the Bill was assigned for third reading tomorrow morning.

Report of the Committee on Sea and Shore Fisheries on Bill "An Act Creating an Agency to Rehabilitate the Atlantic Sea Run Salmon" (S. P. 408) (L. D. 1157) reporting same in a new draft (S. P. 510) (L. D. 1396) under same title and that it "Ought to pass"

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

In the House, Report was read and accepted in concurrence, and the Bill was given its two several readings.

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

Senate Amendment "A" to S. P. 510, L. D. 1396, Bill "An Act Creating an Agency to Rehabilitate the Atlantic Sea Run Salmon."

Amend said Bill by inserting in the 1st line of the 3rd paragraph of that part designated "Sec. 47-A", after the underlined word "conditions", the following underlined words: 'except those which are or may be or become within the jurisdiction of the sanitary water board under the provisions of chapter 72 of the revised statutes of 1944.'

Thereupon, Senate Amendment "A" was adopted in concurrence, and the Bill was assigned for third reading tomorrow morning.

Tabled and Assigned

Report of the Committee on Banks and Banking reporting "Ought to pass" on Bill "An Act Permitting the Declaration of Graduated Dividends by Savings Banks" (S. P. 167) (L. D. 426)

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

In the House, Report read and Committee accepted in concurrence, and the Bill was given its two several readings.

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

Senate Amendment "A" to S. P. 167, L. D. 426, Bill "An Act Permitting the Declaration of Graduated Dividends by Savings Banks."

Amend said Bill by striking out all of the underlined sentence at the end thereof and inserting in place thereof the following underlined sentence:

"In determining dividends to be paid under the foregoing provisions, nothing herein contained shall affect the validity of by-laws providing that deposits below a prescribed minimum or above a prescribed maximum shall not be entitled to any dividend."

(On motion by Mr. Wight of Bangor, the matter was tabled, pending adoption of Senate Amendment "A" in concurrence, and specially assigned for Tuesday, April 22nd.)

Recommended

Report of the Committee on Legal Affairs on Bill "An Act to Change the Charter of the city of Calais" (S. P. 490) (L. D. 1356) reporting "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

Came from the Senate with the

Report read and accepted and the Bill recommitted to the Committee on Legal Affairs.

In the House, Report was read and accepted in concurrence, the matter was recommitted to the Committee on Legal Affairs in concurrence.

Non-Concurrent Matter

From the Senate: An Act relating to Fees in the Small Claims Law (H. P. 1299) (L. D. 906) which was passed to be enacted in the House on March 26th and passed to be engrossed on March 14th.

Came from the Senate passed to be engrossed as amended by Senate Amendment "A" in non-concurrence.

In the House: The House voted to recede and concur with the Senate.

Senate Adhered

From the Senate: Bill "An Act Prohibiting Erection of Billboards Adjacent to Turnpikes" (S. P. 349) (L. D. 1161) which was passed to be engrossed in the House on April 8th as amended by Committee Amendment "A" and as amended by House Amendment "A" in non-concurrence.

Came from the Senate that body voting to adhere to its former action whereby the Bill was passed to be engrossed as amended by Committee Amendment "A".

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

Mr. CHASE: Mr. Speaker, further insistence at this Legislature upon this amendment would appear to be futile. I thank the many Members of the House who joined with us in supporting this amendment. I now move that the House recede and concur with the Senate.

The motion prevailed and the House voted to recede and concur with the Senate.

Orders

On motion by Mr. Elliott of Corinna, it was

ORDERED, that Councilor Lee Good be invited to act as Chaplain of the House tomorrow morning.

House Reports of Committees Ought Not to Pass Tabled and Assigned

Mr. Lacharite from the Committee on Aeronautics reported "Ought

not to pass" on Bill "An Act to Authorize the Maine Aeronautics Commission to Match Federal Airport Funds in Conjunction with Municipalities to Construct Airports Within the State" (H. P. 1598) (L. D. 1266) as legislation is inexpedient.

(On motion by Mr. Stearns of Hiram, tabled pending acceptance of Committee Report and specially assigned for Wednesday, April 23rd)

Tabled

Mr. DeSanctis from the Committee on Claims reported same on Resolve in favor of Arthur Kyes of Jay (H. P. 589) (L. D. 407)

(On motion by Mr. Morison of Wilton, tabled pending acceptance of Committee Report)

Tabled

Mr. DeSanctis from the Committee on Claims reported "Ought not to pass" on Resolve in favor of Carl Deering, of Buxton (H. P. 41) (L. D. 40)

(On motion by Mr. Byron of Hollis, tabled pending acceptance of Committee Report)

Mr. Dufour from the Committee on Claims reported "Ought not to pass" on Resolve of Charles H. Buck, of Naples (H. P. 415) (L. D. 245)

Mr. Hammond from same Committee reported same on Resolve in favor of George P. Duffy, of Benedicta (H. P. 1610) (L. D. 1276)

Mr. Judkins from same Committee reported same on Resolve in favor of J. Austin Gott, of Tremont (H. P. 817) (L. D. 473)

Mr. Laughton from same Committee reported same on Resolve in favor of Ralph and Robert Craig, of Westfield (H. P. 419) (L. D. 249)

Mr. Campbell from the Committee on Salaries and Fees reported same on Bill "An Act to Increase the Salary of the Sheriff of Somerset County" (H. P. 1314) (L. D. 911)

Mr. Kent from same Committee reported same on Bill "An Act relating to Fees and Expenses of State Humane Agents" (H. P. 1316) (L. D. 913)

Mr. Palmer from same Committee reported same on Bill "An Act to Increase the Salary of the Sheriff of York County" (H. P. 1028) (L. D. 656)

Mr. Berryman from same Com-

mittee reported same on Resolve Authorizing the County Commissioners of Somerset County to Increase Certain Salaries (H. P. 1030) (L. D. 658)

Mr. Moulton from the Committee on Towns reported same on Bill "An Act to Institute a Land Use Survey (H. P. 832) (L. D. 481) as legislation is inexpedient at this time.

Reports were read and accepted.

Ought to Pass in New Draft

Mr. Rankin from the Committee on Legal Affairs on Bill "An Act to Incorporate the Town of Lebanon School District" (H. P. 860) (L. D. 516) reported same in a new draft (H. P. 1693) (L. D. 1419) under same title and that it "Ought to pass"

Same gentleman from same Committee on Bill "An Act Permitting Bowling on Sunday (H. P. 1190) (L. D. 757) reported same in a new draft (H. P. 1694) (L. D. 1414) under same title and that it "Ought to pass"

Mr. Woodworth from same Committee on Bill "An Act Governing the Regulations for Traveling Amusement Shows and Circuses" (H. P. 452) (L. D. 268) reported same in a new draft (H. P. 1695) (L. D. 1413) under same title and that it "Ought to pass"

Mr. Collins from the Committee on Public Utilities on Bill "An Act Creating the Fort Fairfield Utilities District" (H. P. 1164) (L. D. 951) reported same in a new draft (H. P. 1696) (L. D. 1420) under same title and that it "Ought to pass"

Mr. Wight from same Committee on Bill "An Act to Create the Penobscot Valley Water Commission" (H. P. 1588) (L. D. 1241) reported same in a new draft (H. P. 1697) (L. D. 1421) under same title and that it "Ought to pass"

Reports were read and accepted and the new drafts, having already been printed, were read twice under suspension of the rules and tomorrow assigned.

Tabled

Mr. Collins from the Committee on Salaries and Fees on Bill "An Act relating to the Salaries of Various Officers of Franklin County" (H. P. 876) (L. D. 488) reported same in a new draft (H. P. 1698) (L. D. 1415) under same title and that it "Ought to pass"

The SPEAKER: The Chair recog-

nizes the gentleman from Wilton, Mr. Morison.

Mr. MORISON: Mr. Speaker, I move the indefinite postponement of this bill.

(On motion by Mr. Mills of Farmington, the report, with accompanying papers, was tabled pending the motion of the gentleman from Wilton, Mr. Morison, for indefinite postponement of the bill.)

Mr. Collins from the Committee on Salaries and Fees on Bill "An Act relating to Fees of Registers of Deeds" (H. P. 1560) (L. D. 1189) reported same in a new draft (H. P. 1699) (L. D. 1416) under same title and that it "Ought to pass"

Mr. Martin from same Committee on Bill "An Act relating to Clerk Hire in County Offices in Somerset County" (H. P. 1029) (L. D. 657) reported same in a new draft (H. P. 1700) (L. D. 1417) under same title and that it "Ought to pass"

Reports were read and accepted, and the new drafts, having already been printed, were read twice under suspension of the rules and tomorrow assigned.

Tabled

Mr. Bell from the Committee on Towns on Bill "An Act Authorizing Towns to Expend Money on Cottage Roads" (H. P. 1526) (L. D. 1119) which was recommitted, reported same in a new draft (H. P. 1701) (L. D. 1418) under same title and that it "Ought to pass"

(On motion by Mr. Webber of Bangor, tabled pending acceptance of Committee Report)

On motion by Mrs. Hatch of Minot, House Rule 25 was suspended for the remainder of today's session, in order to permit smoking.

Ought to Pass Printed Bills

Mr. Berryman from the Committee on Salaries and Fees reported "Ought to pass" on Bill "An Act relating to Complainant and Witness Fees and Costs of Police Officers and Constables" (H. P. 1357) (L. D. 958)

Same gentleman from same Committee reported same on Bill "An Act relating to Fees of Sheriffs and their Deputies" (H. P. 1297) (L. D. 853)

Mr. Campbell from same Com-

mittee reported same on Bill "An Act to Increase the Salary of the Judge of the Norway Municipal Court" (H. P. 629) (L. D. 389)

Same gentleman from same Committee reported same on Bill "An Act relating to Duties of Governor-Elect with Advisory Committee on Budget" (H. P. 1318) (L. D. 915)

Same gentleman from same Committee reported same on Bill "An Act to Increase the Salary of the Register of Deeds of Piscataquis County" (H. P. 1087) (L. D. 807)

Mr. Collins from same Committee reported same on Bill "An Act relating to Clerk Hire in the Office of the County Treasurer and County Commissioners in Androscoggin County" (H. P. 1407) (L. D. 1022)

Same gentleman from same Committee reported same on Bill "An Act relating to Assistant Probation Officer and Clerk Hire for Probation Office in Androscoggin County" (H. P. 690) (L. D. 446)

Same gentleman from same Committee reported same on Bill "An Act relating to the Salary of the Adjutant-General" (H. P. 688) (L. D. 444)

Same gentleman from same Committee reported same on Bill "An Act to Increase the Salaries of the Judge and Clerk and the Clerk Hire of the Auburn Municipal Court" (H. P. 953) (L. D. 557)

Mr. Kent from same Committee reported same on Bill "An Act relating to Clerk Hire in the office of Clerk of Courts in Androscoggin County" (H. P. 1406) (L. D. 1021)

Mr. Martin from same Committee reported same on Bill "An Act relating to Clerk Hire in the Office of Register of Probate in Androscoggin County" (H. P. 691) (L. D. 447)

Same gentleman from same Committee reported same on Bill "An Act to Increase the Salary of the County Treasurer of Kennebec County" (H. P. 1085) (L. D. 703)

Mr. Palmer from same Committee reported same on Bill "An Act relating to Clerk Hire in Office of Register of Deeds in Androscoggin County" (H. P. 1405) (L. D. 1020)

Same gentleman from same Committee reported same on Bill "An Act relating to Compensation of Stenographers in Probate Courts" (H. P. 1209) (L. D. 827)

Same gentleman from same Committee reported same on Bill "An Act relating to the Salary of the

Insurance Commissioner" (H. P. 1317) (L. D. 914)

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

Recommended

Mr. Sleeper from the Committee on Salaries and Fees reported "Ought to pass" on Bill "An Act Increasing the Salaries of the Clerk of Courts and the Clerks in the Office of Clerk of Courts in Oxford County" (H. P. 630) (L. D. 390)

The SPEAKER: The Chair recognizes the gentleman from Sidney, Mr. Berryman.

Mr. BERRYMAN: Mr. Speaker, due to an error in reporting this bill out, I now move that it be re-committed to the Committee on Salaries and Fees.

The motion prevailed, and the matter was recommitted to the Committee on Salaries and Fees and sent up for concurrence.

Mr. Sleeper from the Committee on Salaries and Fees reported "Ought to pass" on Bill "An Act Increasing the Salary of the Sheriff of Cumberland County" (H. P. 948) (L. D. 553)

Same gentleman from same Committee reported same on Bill "An Act relating to Compensation of Members of the Maine-New Hampshire Interstate Bridge Authority" (H. P. 1452) (L. D. 1049)

Same gentleman from same Committee reported same on Bill "An Act relative to the Salary of the Recorder of the Yorkshire Municipal Court" (H. P. 952) (L. D. 624)

Same gentleman from same Committee reported same on Bill "An Act to Increase the Salary of the Judge of Probate in Penobscot County" (H. P. 1204) (L. D. 824)

Same gentleman from same Committee reported same on Bill "An Act Increasing the Salary of the Deputy Clerk of Courts in Penobscot County" (H. P. 983) (L. D. 634)

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

Mr. Sleeper from the Committee on Salaries and Fees reported "Ought to pass" on Bill "An Act relating to the Salary of the

Recorder of the Augusta Municipal Court" (H. P. 877) (L. D. 489)

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

Mr. SLEEPER: Mr. Speaker and Members of the House: Before urging the acceptance of the "Ought to pass" report on this bill, I think that the Salaries and Fees Committee owes an explanation to the Members of this House and we wish to thank you for the way you have responded and have not objected to all of these "Ought to pass" reports many of which are calling for an increase in salaries. The Salaries and Fees Committee have attempted to be quite sincere, quite honest, about these bills and I assure the Members of the House that none of these bills will cost the taxpayers of the State one additional penny. In most cases, these adjustments of salaries have been made on salaries that were set in 1909, 1920, and perhaps even earlier. All of the salaries approved are resulting from greatly increased fees and greatly increased activities of the Courts, the Probate Courts and the recorders of the different Registers of Deeds, and so forth. All of these bills which call for an increase are not really additional costs to the taxpayers of the State and that is the reason we have acted on them as we have. And we again thank the Members of this House for not objecting to our apparent haste in increasing all of these salaries. All of them are justified and in many cases these office holders were not getting as much salary as the people who washed the windows and swept the corridors in the buildings in which these offices were located. Again we thank the Members of the House and, Mr. Speaker, I move the acceptance of the "Ought to pass" report on this particular Bill.

The SPEAKER: The gentleman from Rockland, Mr. Sleeper, moves the acceptance of the "Ought to pass" report of the committee. Is this the pleasure of the House?

The motion prevailed, and the Bill, having already been printed, was given its two several readings under suspension of the rules and assigned for third reading tomorrow morning.

Tabled

Mr. Woodbury from the Committee on Towns reported "Ought to pass" on Bill "An Act relating

to Election of Town Auditors" (H. P. 513) (L. D. 308)

(On motion by Mr. Chase of Cape Elizabeth, tabled pending acceptance of Committee Report)

Ought to Pass with Committee Amendment

Mr. Brewer from the Committee on Appropriations and Financial Affairs on Resolve relating to Impounded Bank Accounts of the Permanent School Fund (H. P. 1480) (L. D. 1081) reported "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

Report was read and accepted, and the Resolve having already been printed, was read once under suspension of the Rules.

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

Committee Amendment "A" to H. P. 1480, L. D. 1081, Bill "An Act Relating to Impounded Bank Accounts of the Permanent School Fund."

Amend said Bill by striking out the underlined paragraph at the end and inserting in place thereof the following underlined paragraph:

The treasurer of state and the state controller are hereby authorized to apply in full restoration of losses sustained on impounded bank accounts of the "Permanent School Fund" from profits available on sale of capital assets of said fund and they are further authorized to set up an account "Reserve Against Future Losses" in such amount as is and shall be available from capital gains after restoration of losses on impounded bank accounts, and all future capital gains or losses of this fund shall be charged to this account. All income received from investments of the "Reserve Against Future Losses" account shall be distributed in the same manner as the income received from investments of the principal of the fund, and the said treasurer of state and the state controller are further authorized to charge off impounded income in the amount of \$374.17.

Committee Amendment "A" was adopted, and the Resolve was assigned for second reading tomorrow morning.

Mr. Brewer from the Committee on Appropriations and Financial Affairs on Resolve relating to Lands

Reserved for Public Uses Trusts (H. P. 1482) (L. D. 1083) reported "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

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

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

Committee Amendment "A" to H. P. 1482, L. D. 1083, "Resolve Relating to Lands Reserved for Public Uses Trust."

Amend said Bill by striking out the period at the end of the last line thereof and insert in place thereof, the following:

; and be it further

Resolved: That the treasurer of state and the state controller are hereby authorized to charge off impounded income in the amount of \$1,461.86.

Committee Amendment "A" was adopted and the Resolve was assigned for second reading tomorrow morning.

Mr. Dufour from the Committee on Claims on Resolve in favor of Wendell Boutillier of Oakfield (H. P. 1146) (L. D. 762) reported "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

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

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

Committee Amendment "A" to H. P. 1146, L. D. 762, "Resolve in Favor of Wendell Boutillier of Oakfield."

Amend said Resolve by striking out the figures "\$300" in the 2nd line thereof and inserting in place thereof the figures "\$150"

Thereupon, Committee Amendment "A" was adopted, and the Resolve was assigned for second reading tomorrow morning.

Tabled

Mr. Dufour from the Committee on Claims on Resolve in favor of Maurice Watton of Monticello (H. P. 42) (L. D. 41) reported "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

(On motion by Mr. Day of Monticello, tabled pending acceptance of committee report)

Tabled

Mr. Gray from the Committee on Claims on Resolve in favor of David Peirce of Hudson (H. P. 638) (L. D. 429) reported "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

Report of the Committee was read and accepted and the Resolve, having already been printed, was read once under suspension of the rules.

(On motion by Mr. Elliott of Corinth, tabled pending assignment for second reading)

Tabled

Mr. Atherton from the Committee on Legal Affairs on Bill "An Act to Incorporate the Lincoln-Chester Bridge District" (H. P. 499) (L. D. 354) reported "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

(On motion by Mr. Webber of Bangor, tabled pending acceptance of Committee Report)

Mr. Collins from the Committee on Public Utilities on Bill "An Act to Incorporate the New Gloucester Water Company" (H. P. 1614) (L. D. 1280) 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" read by the Clerk as follows:

Committee Amendment "A" to H. P. 1614, L. D. 1280, Bill "An Act to Incorporate the New Gloucester Water Company."

Amend said bill by striking out all of Sec. 8 thereof and inserting in place thereof the following:

"Sec. 8. Procedure in crossing public utility. In case of any crossing of any public utility, unless consent is given by the company owning or operating such public utility as to place, manner and conditions of the crossing within 30 days after such consent is requested by the corporation, the public utilities commission shall determine the place, manner and conditions of such crossing; and all work on the property of such public utility shall be done under the supervision and to the satisfaction of such public utility, but at the expense of the corporation.

Provided, however, nothing herein contained shall be construed as au-

thorizing said corporation to take by right of eminent domain any of the property or facilities of any other public service corporation or district used or acquired for future use by the owner thereof in the performance of a public duty unless expressly authorized herein or by subsequent act of the legislature.

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

Mr. Palmeter from the Committee on Public Utilities on Bill "An Act to Incorporate the North Jay Water District" (H. P. 1471) (L. D. 1075) 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" read by the Clerk as follows:

Committee Amendment "A" to H. P. 1471, L. D. 1075, Bill "An Act to Incorporate the North Jay Water District."

Amend said bill by inserting after the words "time to time," which appear in the 3rd line of Sec. 8 thereof the following: 'not exceeding \$100,000.'

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

Tabled

Mr. Campbell from the Committee on Salaries and Fees on Bill "An Act relating to the Payment of Fines and Costs and the Salary of the Judge of the Municipal Court in the town of East Livermore, now Livermore Falls" (H. P. 950) (L. D. 555) 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" read by the Clerk as follows:

Committee Amendment "A" to H. P. 950, L. D. 555, Bill "An Act Relating to the Payment of Fines and Costs and the Salary of the Judge of the Municipal Court in the Town of East Livermore, now Livermore Falls."

Amend said Bill by striking out in the 11th line thereof the underlined figure "\$1,200," and inserting in place thereof the underlined figure '\$900.'

(On motion by Mr. Moulton of North Livermore, the matter was tabled pending adoption of Committee Amendment "A".)

Mr. Collins from the Committee on Salaries and Fees on Bill "An Act to Increase the Salary of the Register of Probate in Penobscot County" (H. P. 1205) (L. D. 825) 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" read by the Clerk as follows:

Committee Amendment "A" to H. P. 1205 L. D. 825, Bill, "An Act to Increase the Salary of the Register of Probate in Penobscot County."

Amend said Bill by striking out at the end thereof the underlined figure "\$2,600," and inserting in place thereof the underlined figure '\$2,500.'

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

Mr. Kent from the Committee on Salaries and Fees on Bill "An Act to Increase the Salary of the County Treasurer in Penobscot County" (H. P. 1404) (L. D. 1019) 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" read by the Clerk as follows:

Committee Amendment "A" to H. P. 1404, L. D. 1019, Bill "An Act to Increase the Salary of the County Treasurer in Penobscot County."

Amend said Bill by striking out at the end thereof the underlined figures "\$2,400," and inserting in place thereof the underlined figures '\$2,200.'

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

Mr. Kent from the Committee on

Salaries and Fees on Bill "An Act Increasing the Salary of the County Commissioners in Penobscot County" (H. P. 1088) (L. D. 706) 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" read by the Clerk as follows:

Committee Amendment "A" to H. P. 1088, L. D. 706, Bill "An Act Increasing the Salary of the County Commissioners in Penobscot County."

Amend said Bill by striking out at the end thereof the underlined figure "\$2,250" and inserting in place thereof the underlined figure "\$2,000."

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

Mr. Martin from the Committee on Salaries and Fees on Bill "An Act relating to Fees of the Sealers of Weights and Measures" (H. P. 624) (L. D. 384) 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" read by the Clerk as follows:

Committee Amendment "A" to H. P. 624, L. D. 384, Bill "An Act Relating to Fees of the Sealers of Weights and Measures."

Amend said Bill by adding in the 21st line of that part designated "Sec. 193" after the words "part thereof" the following underlined words, **provided, however, that no testing of such vehicle tanks shall be made by less than a 100-gallon test measure**

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

Mr. Palmer from the Committee on Salaries and Fees on Bill "An Act to Amend the Charter of the City of Augusta" (H. P. 951) (L. D. 556) 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" read by the Clerk as follows:

Committee Amendment "A" to H. P. 951, L. D. 556, Bill, "An Act to Amend the Charter of the City of Augusta."

Amend said Bill by striking out in the 6th line thereof the underlined figures "\$2,800" and inserting in place thereof the underlined figures '\$2,500'.

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

Passed to be Engrossed

Bill "An Act relating to Local Option Provisions" (S. P. 503) (L. D. 1382)

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

Amended

Bill "An Act Providing Additional Highway Funds" (H. P. 1678) (L. D. 1394)

Was reported by the Committee on Bills in the Third Reading.

Mr. Campbell from Garland, offered House Amendment "A" and moved its adoption.

House Amendment "A" read by the Clerk as follows:

House Amendment "A" to H. P. 1678, L. D. 1394, Bill "An Act Providing Additional Highway Funds."

Amend said Bill by striking out in the 7th line of section 7 thereof, the underlined figure "4" and inserting in place thereof the underlined figure '2'

Further amend said Bill by striking out all of subsection III and IV of section 7.

The SPEAKER: Is it the pleasure of the House to adopt House Amendment "A"?

On motion by Mr. Bowker of Portland, the matter was tabled pending adoption of House Amendment "A"

Passed to be Engrossed

Bill "An Act relating to Conveyance of Elementary School Pupils" (H. P. 1681) (L. D. 1392)

Bill "An Act to Provide Revenue for the Construction and Extension of Airports, and to Regulate and Control the Expenditures Thereof" (H. P. 1690) (L. D. 1408)

Resolve in favor of the University of Maine for General Operations (H. P. 79) (L. D. 67)

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

Amended Bill

Bill "An Act relating to Reimbursing Towns for Tuition for Pupils Attending Secondary Schools" (S. P. 501) (L. D. 1369)

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

Passed to be Enacted

An Act to Clarify the Military Law (S. P. 440) (L. D. 1233)

An Act Defining a Fish Weir (S. P. 500) (L. D. 1370)

An Act to Increase the Clerk Hire in the Office of Recorder of the Portland Municipal Court (H. P. 178) (L. D. 126)

An Act Permitting Towns to Appropriate Money in Anticipation of State Appropriations (H. P. 195) (L. D. 140)

An Act relating to Bonds of State Officials and Employees (H. P. 440) (L. D. 259)

An Act relating to Payment of Expenses of Wife Pending Libel for Divorce (H. P. 918) (L. D. 615)

An Act to Incorporate the "Willco Finance Co." (H. P. 1295) (L. D. 902)

An Act Giving Commissioner of Agriculture Authority to Establish Quarantines (H. P. 1365) (L. D. 987)

An Act Setting Aside Certain Lands for Settlement by Displaced Persons of Baltic Origin (H. P. 1543) (L. D. 1173)

An Act to Incorporate the Fort Kent School District (H. P. 1612) (L. D. 1278)

An Act to Incorporate the Farmingdale School District (H. P. 1617) (L. D. 1290)

An Act to Incorporate the Chelsea School District (H. P. 1618) (L. D. 1291)

Finally Passed

Resolve Authorizing the Forest Commissioner to Convey Certain Interest of the State in Lot and Building in Somerset County to H. S. Lorenz, of Seboomook (S. P. 236) (L. D. 646)

Resolve relating to a State-Wide Highway Planning Survey by the

State Highway Commission (S. P. 353) (L. D. 985)

Resolve Appropriating Money to Repair Fish Screen at Meduxnekeag Lake (H. P. 1159) (L. D. 768)

Were reported by the Committee on Engrossed Bills as truly and strictly engrossed, Bills passed to be enacted, Resolves finally passed, all signed by the Speaker and sent to the Senate.

Orders of the Day

The SPEAKER: Under Orders of the Day the Chair lays before the House the Special Order for today, House Majority Report "Ought to Pass in New Draft" (H. P. 1686) (L. D. 1395) and House Minority Report "Ought not to pass" of the Committee on Taxation on Bill "An Act Imposing a Personal Income Tax and a Sales and Use Tax to Raise Additional Revenue and Equalize the Tax Burden" (H. P. 1596) (L. D. 1252) by unanimous consent made a special order on April 14th by the gentleman from Corinth, Mr. Elliott, the pending question being acceptance of either report; and the Chair recognizes that gentleman.

Mr. ELLIOTT: Mr. Speaker and Ladies and Gentlemen of the House: This Legislative Document 1395 is a new draft with just a few minor changes from the original bill.

Now I think I am safe in saying that while it is a divided report of the committee, that the committee was pretty much unanimous in their thought that if the State was to retire from the property tax field, this was the only tax bill which would provide revenue enough for that and for what we have been led to believe by the report of the Appropriations Committee would be needed.

I think the question before us here today is to decide whether we, as members of the Legislature, wish to have the State retire from the property tax field and leave that to the individual towns. In other words: do we wish to revise our antiquated tax system? If we do not, the Committee on Taxation has plenty of bills now before them, and every one who has been able to think in their minds of any scheme whereby they could raise money without having to pay the tax themselves have made that proposal in bills placed before our Committee.

We have had bills to tax about everything there was, even to taxing

maiden ladies and some that were not maiden ladies, to provide extra revenue for the towns. The only thing I can think of that we haven't advocated yet is to have it necessary for husbands to put a revenue stamp on their wife's nose before they could kiss her, and possibly, if you made them put on two revenue stamps on somebody else's wife before they could kiss her, they would get that much more revenue.

At the conclusion of my remarks concerning this combination sales and income tax measure, I shall move the adoption of the majority "Ought to pass" report. I don't like to read a speech and I don't like to listen to a prepared speech, but this bill is one of the biggest revenue bills ever to be presented to this House and for this reason I've prepared these notes, for I want to be sure that my arguments are accurately recited, particularly wherever figures are referred to.

Now I don't like taxes. None of us like taxes, and all of us ought to vote against new taxes until we are convinced beyond any reasonable doubt that new taxes are needed. I also hate debt as much or more than I hate taxes, so if we are going to spend more than we are taking in, I'm for new taxes because it is all too easy to spend debt money and all too hard to pay for the dead horse. That I know for I've paid for my share of dead horses.

General Fund Needs

Now let us look at what we think we need. We have had four estimates presented to us. First, the Research Committee estimated that the General Fund would be short by about \$9,000,000 for the biennium. I wasn't too worried by that report. Next the governor had some out-of-state experts look over the situation and they said about what the Research Committee had said and recommended a sales or income tax or combination of both. Then I began to wonder about the thing. Next the governor gave us his Budget message. I commend him for budgeting not one cent more than present tax laws provide and I also commend him for his honest frankness in saying, and I quote, "The income in sight from existing sources of revenue for the next biennium is clearly inadequate, in my opinion, to provide for the maintenance of governmental functions even at their present levels. I have been unable to provide for the

demand for shorter working hours in our institutions where 24 hour service 7 days per week is necessary, nor for the many deferred maintenance items or capital expenditures, to say nothing of the expansion in State government services demanded by the people of the state. During the war years, much of our normal upkeep and repair of State property had to be deferred. Many of these essentials must be provided if only to preserve our plants, and prevent much larger expenditures later when we may be less able to provide means of meeting the bill.

"Therefore, I would not be realistic should I deny that provision for some of these expenditures, which I have not found sufficient funds to finance, should be made by you." That ends the direct quotation.

Now the next piece of news that we received on this General Fund problem was the report given to us here in this House by the House Chairman of the Committee on Appropriations and Financial Affairs. As I interpreted the statement of the gentleman from Presque Isle, Mr. Brewer, he told us that as near as his committee could figure it out we needed at least \$8,500,000 more than present taxes would raise in the next two years. I realize that his committee had to do a lot of estimating. They, too, had heard all of the department requests and they had heard nearly all of the bills requesting new appropriation measures. When their \$8,500,000 figure tied in with all of these other estimates I was one who was ready to believe that after all of the estimating and all of the voting had been finished, we really had a problem just about the size that they told us about. I realize, of course, that in this \$8,500,000 are some items that some members of this House think can be cut out, but I also believe that there are many other items that the Appropriations Committee ruled out that many members of this House think ought to be put back into the budget. I am willing to say that these items offset each other and the problem boils itself down to \$8,000,000 or \$9,000,000 in General Fund deficiency to run the General Fund for the next two years.

The State Property Tax

Now the second major problem that we are faced with is whether

or not the State is going to retire from its present state tax on local real estate. Here again the Research Committee, the Governor's tax experts, and, I think, the Governor himself believes that there is great need for this local real estate relief. I would like to remind you what Governor Hildreth in his Budget message said to us on this subject, and I quote, "No one can actually tell in advance what the Legislature is going to do by way of adding new expenditures. If the Legislature concludes that very substantial new revenues must be raised, then the Legislature should consider revising our whole tax structure and give municipalities the relief that they undoubtedly need and for which they have long waited. On the whole, our municipalities face worse financial problems than the state. The towns and cities, dependent as they are upon real estate taxes for their principal source of income, find also that revenues are not keeping pace with increased expenses. They share with the state the property tax field. The state levy for the past fourteen years has been $7\frac{1}{4}$ mills per \$1.00 of the state valuation, yielding the state about \$4,750,000. This is one tax that can be readily administered on the city and town level. You may well consider the advisability of the state withdrawing from this field provided new sources of revenue can be found to replace the amount which would be lost to the state should it vacate this field." Thus did Governor Hildreth recognize the serious financial troubles of our towns and cities.

Trend in State Property Taxes

Since the date of his Budget message we have seen summaries that show average tax rate increases of 6 or 7 mills last year, and the town meetings that were held during the last sixty days have boosted these local tax rates another 6 or 7 mills, and the state-wide average is likely to be 60 mills, a 50% increase in just a few years. You might well argue that all of this is a problem of the cities and towns, but if you grant that they have a problem. I think we should look at what other states in the Union have done with the same problem. Twenty, thirty or forty years ago the property tax took care of the cities and towns and a large part of the needs of the states, but in recent years there has

been a sharp trend away from the use of this property tax by the states. They are leaving this tax to the cities and towns. Last year, comparing Maine with all of the other states, I find that while we were taking nearly 18% of our General Fund needs out of local real estate, the 48 states as a whole took only about $2\frac{3}{4}$ %. I don't want to bore you with a lot of figures but right here in New England, while Maine was taking 17.7% from property, New Hampshire took nothing, Vermont took less than .2 of 1%, Massachusetts took less than $4\frac{1}{2}$ %, Connecticut took less than 2%, and Rhode Island took about 5%. Yet here in Maine, with our inadequate tax structure, we reached into the hands of the local tax collectors in the cities and towns of Maine and hauled back into Augusta more than $17\frac{1}{2}$ % to help us run our affairs here at Augusta. This may all be fine during the periods of high prosperity, but if we keep on dragging tax money out of the towns and cities to pay our bills here in Augusta the next downward move is going to find the Legislature flooded with the pleas of bankrupt cities and towns, and I think it is about time that we recognized the rights of Maine cities and towns to have the property tax to themselves by getting out of that tax ourselves.

Summary of All General Fund Needs

Now in summary of what our needs really are, I am willing to believe that the Appropriations Committee has given us just about a minimum figure that will make good, common sense, especially after the vote of yesterday on State Highways and the University of Maine. Of course we can cut the teachers back to \$600 or \$800 per year and we can do away with Old Age Assistance, and World War Assistance and all of our other Welfare programs, and start filling up the poor farms again all over the state, but I don't believe the State of Maine people want to do that. You have just seen what a cut in the institutions request has meant. You have seen boys paroled from our State schools long before they should be paroled, and you have seen patients turned out of our institutions, and you have seen the courageous action of the Governor and Council in recognizing that we

went too far when they made a stop-gap appropriation in the Council Chamber that will keep these institutions going. It is all right for us to be over here telling these people we are going to be strong and brave and put through a drastic economy measure, but I don't believe that the people in my town want me to come over here and do the things that will make it hard for hundreds and thousands of less fortunate people in the State of Maine, and they have told me that up in Corinth, too. So, for all of these reasons, I think I am going to vote for somewhere near what the Appropriations Committee tell us we need for minimum spending, and I am also going to vote for measures that will turn back to the cities and towns the property tax money that we are taking away from them. And now that I have made up my mind to do that, I have to support tax measures that will raise about \$8,500,000 for the basic needs, plus about \$9,500,000 for the property tax, and that adds up to \$18,000,000 and the only tax measure before this Legislature that will raise any such sum as \$18,000,000 for the next biennium is this combination sales and income tax.

What Other States are Doing

If we were the only state with this problem with any such broad tax measure, I would be the first one to question the wisdom of it, but as I look at the record we are just about the last state to recognize that the needs demanded in the state must be supported by some pretty broad state tax measures. Thirty-two of the states impose an income tax, 23 of them have a sales tax, and only 8 other states have so far kept clear of one or both of these taxes. I cannot tell you the legislative actions in other states but I can tell you that none of them that have the tax is giving it up and that when the final score is all in, it looks as though these taxes would be just about universally imposed by all of the states. It seems sensible to me that all of these other states can't be out of step and I hope that it makes sense to the Members of this House.

Description of Income Tax

Now to describe this combination sales and income tax, and I will try to do it briefly. The income tax starts at 1% on the first \$1,000 and goes up to 6% on personal incomes

above \$15,000. That means to me that we are taxing those people that have the best ability to pay taxes. As I figure it out, a married man with one child earning \$2,000 per year, or about \$40 per week, would pay an annual state income tax of \$3.00. That same man with the same wife and child earning \$3,000 a year would pay an annual state income tax of \$15.00. Suppose he earns \$5,000 per year, his income tax is only \$47.00. Now I don't think that is a very stiff tax to impose on individual incomes in the State of Maine when you consider that every cent he sends over to Augusta can be taken out of his taxable income when he comes to make out his Federal income tax. I have studied into the figures a little bit and the tax experts tell me that this tax will add about \$4,500,000 per year to our General Fund revenues and of this \$4,500,000 at least \$1,500,000 will be paid for by the Federal Government because of the tax savings the State income tax payers will make on their Federal tax returns. That is one of the things I like about the income tax part of this bill.

Income From Intangibles

You all know that the State valuation is about \$700,000,000 and that property pays thirty-five or forty million dollars a year in taxes. At the same time the Taxation Committee has been told that there is another \$700,000,000 of intangible property in the State and what we get from that you could put into your eye. If we pass this income tax, those people who own these intangibles are going to pay a small tax on the income from their stocks and bonds, and I think that's right, and in just this way the state will get some of the income it needs. Unless we do this, we will still be listening to the old argument that the owner of intangible property in Maine just about escapes taxation. I don't know just how much we will collect but just figure there are \$600,000,000 of taxable intangibles in Maine. Suppose the average return is 3%. That makes around \$18,000,000 per year of income. Now let us guess that the average state income tax rate for these people would be around 4%, the 4% of \$18,000,000 is around \$700,000 a year and every cent of it is income we ought to be getting today.

Inheritance Tax Payments

Now some of you may have heard that an income tax will drive a lot

of summer people out of the State of Maine, but let's look at the facts. Since 1940 we have just about doubled our inheritance and estate tax rates and we now get about \$900,000 per year from this tax. Remember that compares with about \$4,500,000 per year from the income tax. Now let us see about how much of this \$900,000 we are likely to lose. In the first place, don't believe that every person who pays an inheritance tax here in Maine is an out-of-stater. I have checked around a few of the probate offices myself and they have told me that at least 90% of the estates probated and taxable are estates that have their roots right here in the State of Maine. Let us question that one and say, for the sake of argument, that 20% of them, or even call it \$200,000 per year, comes from the estates of those who settled here from out of the state. Suppose we impose a small state income tax on these people. Now where are they going if they want to get rid of paying this tax? There are not many states left that they can go to but even if they found a state that hasn't yet voted a state income tax, what do they gain? Most of these people are very wealthy persons. For example, a man who has an income of \$50,000 a year and has moved up to Maine to get rid of state income taxes, how much is he saving? To make it easy figuring, say a state income tax of 6% on his whole \$50,000 of yearly income. That makes a state tax of \$3,000, and that is quite a lot of money, but remember that when that same fellow gets around to paying his Federal tax he deducts the \$3,000 that he has sent over here to Augusta and if his income is \$50,000 he is going to reduce his Federal tax by at least \$2,400 so what is it really costing him to live in the State of Maine? So far as a state income tax is concerned, it is only about \$600. Now if he is up here in our state to save some money for himself, he should have moved out in 1941 when we boosted our inheritance tax. If he didn't move then, he should have moved last year when we put another boost in our inheritance tax rates, because he can live in any number of states where it is a lot less expensive to die than it is in the State of Maine. I didn't hear a word from these people when we boosted the inheritance taxes. This argument

may have been a good one when Federal income tax rates were way down, but today, or next year or ten years from now, Federal income taxes, from which state income taxes produce big savings, are going to make a state income tax cost a wealthy man very, very little.

Summary of Income Tax

I don't intend to tire you out by going over this bill, word for word. On the other hand, I don't claim that it is a perfect bill, but if there are things in it that are wrong, I will be the first to want to have it amended. In committee, we did some amending, but all in all I think it is about the best type of bill that we can write with the long and careful study of all the income taxes that are now in effect in 32 other states. As you see, the bill repeals certain taxes that the state now collects, and these are mainly the bank taxes. The reason for this is that if we are going to collect a tax from those people receiving savings bank interest or from those receiving dividends on bank stocks, we should not have double taxation by taxing them twice. On the other hand, we removed by this bill the exemption on dividends on telephone stock, bank stock and other similar stock, so that they will have to contribute an income tax on the dividends they receive.

Sales Tax Exemptions

Now let's turn to the sales tax. As you know, this bill proposes a 2% sales tax, and I can truthfully say that it is a 2% retail tax without exemptions. Now some people have told me that they objected to this sales tax because of the exemptions, and I'd like to tell you just what the exemptions are. In the first place, the meals served in public or private schools are exempt, and that's reasonable. The meals you pay for down at the Augusta House you pay a tax on. As you see, containers are exempt. That means that when you buy a bottle of milk you don't pay a tax on the bottle. As far as the farmers' exemptions are concerned, all these exemptions are for seed, feed, fertilizer, machinery and implements, and the reason for this is that these are the things the farmer must buy to produce goods that will later be taxed. I know all of you will agree that it isn't fair to tax me for potato seeds and then after I had raised the potatoes and had taken them down to the store I

have to have them taxed all over again. That same thing is true of industry. Take cedar logs, for instance, if I am running a shingle mill up in East Corinth, sawing out shingles, I don't pay a sales tax on the cedar I buy to make shingles, I don't pay a sales tax on the electricity I buy to saw out the shingles, because when the shingles are sold for use, they get taxed. It is just the same with pulpwood. If I sell some pulpwood to the pulpmill, that sale is not taxable, but when the paper company makes the paper and sells it to the printer and the printer makes some letterheads out of it, I pay a sales tax on the letterheads. The retail sale of shingles, or paper, or electricity, is taxable.

In summary, therefore, this sales tax is a retail sales tax and not a transaction tax. Another example might be the blueberry business. If I raise some blueberries and sell them to the blueberry factory, there is no sales tax because that isn't a retail sale. If the blueberry factory cans the blueberries and sells them to the wholesaler, that isn't taxable because that is not a retail sale. When the wholesaler sells them to the retail store, that transaction isn't taxable because that is not a retail sale, but when some grocer sells the can of blueberries to you or to me, we pay a 2% retail sales tax on the sale.

Now those of this House who have talked to me about too many exemptions are talking about a transaction tax, and this is not a transaction tax. Everything is taxed at the retail level and this type of tax is the thing that has been successfully operated in most all of the States that have used the sales tax.

I looked up the exemptions in the other twenty-three states, and I found that almost all of them exempted gasoline because gasoline is already taxed. This bill makes the same exemptions. I also looked up the exemption given to fertilizer and seeds and I find most of the states think this is a fair exemption. So, all in all, I think the sales tax bill we have now before us today, while maybe not perfect, is about the best sales tax law that we can have to work on.

Collections

Now, when it gets down to the method of collection, we have tried to use the system that has been found to be simplest in the other

states — that is, the bracket system. There are no tokens or other balled-up schemes but the bill says that the state tax assessor shall use a bracket system so as to eliminate the fractions of 1c and have the total collections equal 2% of the total receipts. This simply means that based on the experience of the other states that are successfully using this system, the state tax assessor sets up a schedule that might be something like this:

From 1c to maybe 11c — no tax will be collected.

From 11c up to maybe 43c — 1c will be collected.

From 43c to say \$1.05 or \$1.10, the retailer will collect 2c, and so forth at the 2% rate.

And with this kind of a scheme the tax at the end of the month will show that the retailer has collected just about the 2%.

The bill provides that the tax be a retail tax paid for by the customer. It thus prevents the unfair competition where the retailer on one side of the street pays the tax and the retailer on the other side of the street adds the tax onto the bill. Under this bill every customer and every retailer is treated fairly and alike.

Now there are other provisions in both the sales tax and the income tax that I could explain here today but I think I have covered the high spots of both measures and I would like to summarize the whole problem for you and do it very briefly.

Summary

As I see it, the income tax will yield about \$4,500,000 a year. The sales tax will yield about \$6,000,000 a year. How much of this \$6,000,000 will come from out-of-state visitors I don't know but it probably is between \$500,000 and \$1,000,000. Now all of us have been told that the basic needs of the General Fund are about \$8,500,000 for the next two years and the retirement from property tax is about \$9,500,000. That means \$18,000,000 for the biennium. It looks to me as though these two tax measures would yield about \$20,000,000 for the biennium. That is about \$2,000,000 more than these present forecasts indicate we need. I am perfectly willing to vote for the measure that gives us a little leeway because in the next two years I don't know what is going to happen. If Budget estimates are 10% off in the matter of liquor

revenues, they are off by about \$1,500,000, and that could happen. On the other hand, I am perfectly willing to see the unappropriated surplus of the General Fund get into a little better shape. We came down here in special session and did quite a job on both the unappropriated surplus of the General Fund and the Post War Reserve and what was left of both of them is going like dew before the sun in this session. I am told that there isn't much chance that we will have anything left in the Post War Reserve when we adjourn from this session and I am also told that the General Fund surplus is going to be dangerously near the \$1,000,000 working capital minimum. So, if there is a little leeway over and above bare needs, I will still be one anxious to kill the unnecessary appropriation bills and give us a chance to get a reasonable surplus built up again.

I think the issue can be fairly summarized by putting it this way. Maine legislatures have pattered around with this tax problem about long enough. We have had the windfall from cigarette and rum taxes now yielding about \$9,000,000 a year, and the income from those two taxes have let us adjourn here for the last ten years without doing much on basic tax reform. I think we ought to face this thing right now and pass this combination sales and income tax and insure the sound financial condition of the state now and for many years to come. If we don't do it now, we will have to do it later.

I still don't like taxes any more than anyone else in this House but I am willing to stand up here today and vote for them instead of killing all of these things that I'm convinced our people want. I was sent down here to do what I thought was the right thing. This is the right thing to do and my chin will be right up in the air when I go back to my towns and tell them that young Ross Elliott introduced and support a \$10,000,000 a year tax bill and I will tell them that I did it because it was for the good of the State of Maine, and if all of us vote our convictions and forget our politics, we will soon have a sound tax measure worked out so we can close this thing up and go home and get our potatoes planted.

I now move Mr. Speaker, the ac-

ceptance of the majority "Ought to pass" report of the committee, and I further move that when the vote is taken it be taken by a ye and nay vote.

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

Mr. McGLAUFFLIN: Mr. Speaker and Ladies and Gentlemen of the House: I wish at this time to make a few remarks which I think are important at this time, and before I touch upon this tax question at all, I want to call your attention to the fact that we were sent down here to do a job. The problems before us are difficult, but it is up to us to do the job.

Now in every Legislature in which I have served—and I have been here quite a little time—there has always been somebody got up here and argued: "Let's find out what the people want." I would tell you that the people do not know what they want; that is why they chose us to find out and tell them. There are so many men who come to this Legislature that want to be "tailed" to the dog instead of leading, and I am pointing out to you that we are the ones to tell the people what they want; not to have them tell us. They chose us because they thought we had some brains, because they thought we had some judgment, because they thought we had sand enough to do what we thought ought to be done. Now I hope I have got that thought across.

The next point I want to make is that we cannot do any job unless we all pull together. Now I am against a gas tax; I am against all of these taxes; but I am going to vote for some of them, and why? It is very apparent that we have to get some money if we solve the problems before us. I need to mention only one, and that is the matter of increase in the teachers' salaries. Our schools are of exceedingly great importance. The school in this State is the life blood of the State; it is where we train our children for life; it is where we train them to be good citizens; it is where we teach them to try to grow up and amount to something. But you cannot successfully do that unless you can have some good teachers, and we are losing the best teachers, or many of them in the State, because they are not adequately taken care of. I have had—

I was going to say cartloads—a small cartload of letters—urging the passage of increase of salaries for teachers, and I say now that I am in favor of it. I want our teachers to have enough pay so they can afford to stay in the State of Maine and teach our children what they ought to be taught.

All right. Let us concede that we need some money. Now we cannot get it unless we pull together. One member of this Legislature said to me: "I won't vote for an income tax under any circumstances." Somebody else won't vote for a gas tax under any circumstances and somebody else won't vote for a sales tax under any circumstances. Where are we going to get with such an attitude?

We have to vote again, and I for one, as much as I hate these taxes, will vote for an income tax; I will vote for a sales tax, if I have to.

Now the attitude that I feel at the present moment is this: If we can get enough money to solve the problems by one of these taxes, let us only have one; but if to solve our problems we have to have both, then let us have both.

I want to say a word on this real estate tax that will be eliminated. The State has a $7\frac{1}{4}$ mill tax, and under the provisions of the act before us, that would be eliminated. Now don't think for a minute that your taxes are going to be any less on account of the elimination of that $7\frac{1}{4}$ mills. Your taxes are going to be, in most cases, just exactly the same, but note this: It gives your towns and cities an opportunity to increase their real estate tax to the amount of 7 1-4 mills, and if I am correctly informed, your towns and cities greatly need that relief.

Limited to five percent borrowing capacity the towns and cities are rendered pretty helpless. Now I am in favor of giving the towns and cities that much relief. Most every other bill that has been introduced to help the towns and cities has been killed. I am not at this moment prepared to say whether I will go the whole way with the tax that is presented, but I am telling you now that I am going if it is necessary.

The gentleman from Lewiston, Mr. Jalbert, put up a strong argument here yesterday that he did not propose to vote for additional taxes,

to put it briefly, unless he saw that it was necessary. That is a good argument, but it is apparent to me that the towns and cities need relief, and it is apparent to me that we have to have additional taxes to take care of the problems before us, and even if it does show by the report of the Investigating Committee that there are some loose ends, some slackness, and some loss by mis-management, that doesn't solve this problem.

Therefore, I, for one, am ready to go along with a sales tax, with a sales and income tax if it is necessary. Members of this House: Let's forget our prejudices. Let's forget our party politics, and see if we cannot pull together and do the job now, and not go home and have to be sent back here again next summer.

And one thing more: We have a referendum. I for one, will not vote to refer anything to the people. If we cannot get funds enough to pass a two-thirds vote under an emergency, then let us pass it anyway, and if the people, in spite of our best judgement, see fit to upset it, then it is up to them, but let us not refer it to them because they want us to solve these problems.

Let me make that clear. You do not go to a doctor and expect him to tell you: "Perhaps we can do this and perhaps we can do that, what do you think?" Great God! You employ the doctor because you think he knows something. The same thing is true of a lawyer. You go to a lawyer because he is an expert in law. They sent us up here because we know more about these problems than they do at home, vastly more. We have discussed these problems; we know what we are talking about and they do not. Let us vote together and pass some measure and do it soon.

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

Mr. JORDAN: Mr. Speaker and Members of the House:

You have just heard the case for the signers of the majority "Ought to pass" report on L. D. 1252 presented to you by my good friend Representative Elliott. I can assure you that I am fully aware of the fact that he is a sincere and respected citizen of Maine and that, in presenting this measure, he is earnestly striving for its best interests. This act is logical and in one

fell swoop would reorganize the tax system of the State on the broadest possible scale, and it would be foolish and unfair of me to say anything but that it is an honest bill honestly presented.

I am sure that Mr. Elliott also realizes that the four of us who signed the Minority "Ought not to pass" report are also inspired by that same desire to benefit our State, and that our differences result from our different interpretation of what the result would be if this bill should pass.

As Mr. Elliott has said, this is the only bill we hold in the Taxation Committee which will allow us to take the State wholly out of the Property Tax field. We agree that if this Legislature is in favor of that retirement then this is the bill you will have to vote for considering that you will have to balance the budget at the same time. The budget, according to the best judgment of the Appropriation Committee, calls for 9,000,000 extra dollars for the biennium.

It is in this part of the bill where the minority disagrees with the majority. We four are in favor of a tax measure which appropriates the budget requirements, and we favor retaining the 7¼ mill property tax. As Mr. Elliott told you we are holding measures in the Committee which can do this, and that is what we want to do.

I have been on the Taxation Committee four sessions, and, during that time, I have gathered knowledge not only of taxes but of human nature also. I have had the fact finally forced upon me that truth is a combination of knowledge and experience. The bill before you represents knowledge to me; but experience tells me that, when you make this radical change in one fell swoop, you will encounter one or more dangers. One danger we see is that the bill raises too much money, \$21,000,000.00 for the biennium approximately; and that, as the budget calls for only \$9,000,000.00 you will allow \$12,000,000.00 to come into the hands of governing bodies subject to little if any control.

We believe that the Property Tax is a control on the unnecessary expenditures by towns. I am sure you realize that I firmly believe this, for I would myself be benefited more than the average if the result of this bill should be what the proponents of this bill predict, a reduction in real estate taxes. It is

our conviction that, in a very short time after the passage of this measure, we would find ourselves paying an Income Tax, a Sales Tax, and the same old Real Estate Tax.

We who have been in the Legislature four sessions know that for the most part the first three were fun, because we then had the money and we did not have to refuse any one, but that this session was tough because we did not have the money. We have hated to refuse requests that in other years we would have granted. That is human nature. We all like to buy things, whether we need them or not, and we do so if we have the money.

We therefore claim that the closer we can approximate the actual money needed the more economical our government will be run. We believe that we here in Maine should first decide on what is essential for the prosperity of our State and the happiness of our citizens, and then raise the money to cover that expense; rather than raise a sum of money, allocate it to some agency, and then say "you spend it."

You will recall back in 1937, I believe, the legislature had an interim committee which studied the Tax system of the State and recommended certain measures to broaden its base. I remember that one member of the committee came to Biddeford and spoke before our Rotary Club. And I remember I was quite impressed by his talk, so much so, in fact, that I mentioned to one of our members that I thought I would vote for it if I got a chance on referendum. He said then just as I am saying today "Don't do it. It raises too much money, and they will spend all the money you give them". The next legislature did not accept the report of the committee, but I have been here four sessions, and I can see that my friend spoke truly, for we have managed to spend every free and footloose dollar that we could lay our hands on. Perhaps the State is better off for our having done so; but I notice that we are not quite satisfied with the work of one department on which we lavished a good proportion of that money.

Are we going to make it easy for the governing bodies of our several towns to spend approximately \$5,000,000.00 per year of our money by taking the State out of the Property

Tax Field? I hope the answer is "No".

Of course, the municipal officers of our towns were mostly for this bill. Why shouldn't they be? Vested interest, as Mr. Sleeper would say. It would undoubtedly put them on easy street for a time, but that does not mean that the Taxpayer would ever see that reduction, or, if some did, it would not last long.

The Retail Merchant Association, however, opposed it, while at the same time telling us that the Sales tax was satisfactory. It is my private opinion that the merchant would prefer a Sales Tax to an Income Tax. They offered the following as one reason for their objections.

The individual alone pays both the Sales and the Income Tax, therefore any refund by the State should benefit the individual alone. But a refund through the Property Tax would be a distinct advantage, theoretically, to Corporations, Public Utilities, and Manufacturers as well as individuals, although they do not bear their full burden through the combined tax before you. Whether this saving in taxes would react in lower rates or prices is for you to decide. Certainly however, if as the minority of this committee feels, the towns do not reduce taxes but spend this sum for additional services, it would certainly be true that the individual alone would be paying for this added expense without any aid from industry, for that money would come from the tax you have before you.

These are the reasons the minority voted as they did and why they hope the motion of Mr. Elliott does not prevail.

The SPEAKER: The Chair recognizes the gentleman from Boothbay Harbor, Mr. Perkins.

Mr. PERKINS: Mr. Speaker and Members of the House: I rise in opposition to the Bill now before us. I realize fully that it is necessary for us to raise sufficient money by taxation that may be necessary to run our State. But first I think we ought to determine what the necessary amounts may be and then only raise as much money by taxation as is absolutely necessary to take care of the moneys that we appropriate here. I am opposed to a bill that raises too much money by taxation because I do not think it is sound business or sound administration to raise more than we need and then

leave it to some State department to spend without any particular strings on it.

I am opposed to this Bill and principally to the Income Tax part of it and I want to say right here that I am prepared to vote and go the limit on a proper tax bill. I am unable to vote for this Bill now before the House because it would inflict, to my mind, irreparable injury upon that part of the State which I represent. We have, as you know, along the coast of Maine a great many, we call them summer people. Possibly during the last 25 or 30 years I have had considerable to do with inducing perhaps 150 to 200 of these folks to become residents of Maine.

And one of the reasons why they settled here and became voters and residents was because we did not have an income tax. Now recently in my county, in an adjoining town, one of these men died and left an estate of a million and a half. His estate will pay a very substantial inheritance tax.

But that is not the real thing. The thing is that we induce these people and they settle here with us because they do not have to pay an income tax. Of course all of them are not going to leave us but it is one of those things that is an inducement to these people to settle here and become part of our community. For instance, one of these new people in our town fixed up our town office at a cost of several thousand dollars, a very fine rest room and equipment. Another one, when we built our new high school annex, bought and equipped the domestic science room and did a lot of other things. They do that because they are residents of Maine; they like our State. They are one of the greatest assets we have, these people that come here, and I am satisfied that if we pass the Income Tax law some of them will move away and no more will come. The estate I alluded to, I know if we had an income tax at that time he would have been a resident of Florida at the time of his death.

I am a little bit interested in the proposition of relieving the towns from the State tax. It sounds all right, but I submit to you that in two years all the towns, or most of them, at any rate, would have spent additional money and be right up where they are now.

But my real objection to that is

this: This, you will notice, is a personal income tax, and when you relieve the towns of the State tax you are relieving every corporation in this State from its share of the State tax.

On page 13 of this bill, in the definition for "Taxpayer," it says: "The word 'taxpayer' includes every person, trust, estate, fiduciary, partnership, or unincorporated association." Corporations are not included, and they do not, of course, pay what we call a personal income tax.

I went to the tax assessor's office, yesterday, and tried to get a breakdown and find how much that would be but I was unable to get the information. But I do have information that the largest corporate taxpayer in the State of Maine paid last year \$1,392,016.91. That was their property tax that they paid the various cities, towns, and municipalities.

Now let us assume, let us make it low, that the average tax rate here in Maine is 50 mills. That is low. 7¼ mills is about one-seventh of 50 mills, so that if we take one-seventh of approximately \$1,392,000 odd, that corporation alone would be relieved from State taxation by the amount of \$200,000. And that is true of every corporation, every grocery business, anyone in a corporation that owns property.

I say to you, Mr. Speaker and Members of the House: that that is discriminatory; it is unfair competition, for instance, for these chain stores we have here not to pay their share of our State tax. They would be exempt under this bill.

Any corporation in the grocery business or any other business that is running under a corporate name, organized as a corporation, would be exempt from this State tax. I oppose the bill on that ground.

Furthermore, this bill does not contain a reciprocal provision. If I understand correctly, if a man had an income of \$15,000, let us assume his federal tax was \$4,000, he could not deduct that under this bill. That would be \$4,000 he would be taxed on that which he never had.

Mr. Speaker and Members of the House: I am opposed to this bill because I think it would inflict injury to the coast counties and other resort sections of our State; because it is not sound to do that

when we can raise money by some other method and not inflict this.

In the second place, we are relieving corporations from their share of the State tax. I do not have to argue that that is discriminatory.

For these reasons, Mr. Speaker and Members of the House, I am opposed to this bill, although I am prepared at the proper time to vote for a proper bill that will give the State the necessary money that it needs.

The SPEAKER: The Chair recognizes the gentleman from Wilton, Mr. MORISON.

Mr. MORISON: Mr. Speaker and Members of the House: As one of the signers of the minority report, I feel that perhaps I should explain my position to the members of the House, but in reality it has been pretty well covered by the gentleman from Boothbay Harbor (Mr. Perkins). He has expressed practically all of the objections that I had to the bill.

First, I have not yet been convinced beyond a reasonable doubt that the State needs or wishes to raise as much money as this combination bill would produce; neither have I been convinced fully that the State wishes to retire from the property tax field. I will admit that this is the only bill that I have seen that would raise enough revenue so that could be done.

One of the main reasons for my objection to that bill, as has just been stated, is the fact that it relieves corporations from paying any part of the State taxes. They are now paying seven and a quarter mills under the property tax, but would be entirely relieved from that much under this section of the income tax bill, which is a bill that taxes individuals only.

If and when a proper bill that will raise what money the State needs can be presented and can meet with the approval of the majority of this House, I will be only too glad to go along with it. I would go along with this one if I believed it was the one that these people wanted and the one that this Legislature wanted. I am most heartily in favor of passing a tax bill as an emergency measure when we know how much money we need to raise.

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

Mr. CHASE: Mr. Speaker, I am

sure that we will sympathize with the problem of the taxation committee. Mr. Elliott made an excellent presentation. With many of the things he said I am in complete agreement. Since I am not in favor of this particular bill, I believe I should say what I am for.

I am for a sales tax with an emergency clause, because I believe the emergency is clear and unmistakable. The sales tax alone will raise the money which the State needs and it will begin to raise it immediately. I am further in favor of an income tax with a referendum clause, to be submitted to the people as an alternative to the State property tax which they now pay.

The income tax is estimated to raise four and a half million dollars, which is roughly equivalent to the amount which the State now receives from the State property tax. If that bill is submitted to the people, the people can themselves decide which form of taxation they prefer, whether to stay with the property tax, with which they are familiar, or to embark upon a new field of the income tax. The decision of the people would not upset the finances of the State because they would be taken care of by the sales tax alone. The people would be given a clear-cut issue; they could vote for the income tax, knowing that to some great extent, and perhaps feel they would be relieved from the State property tax when they passed it.

The point has been raised that the income tax as it appears in this bill does not apply to corporations. That is a great objection, for two reasons. One reason is that it will drive individuals doing business in their own name to incorporate and thereby escape the tax. In the larger field of wealth the larger corporations can be relieved. If that is too great an objection, I believe a very simple bill can be drawn which will tax corporations on their net worth based on their own balance sheets, eliminating from the assets their plant account and personal property upon which they will be taxed, and deducting from their liabilities the debts which they owe. It is not a complicated process of assessment, and a bill providing a very low rate, so that the tax would not actually be reduced, could, in my opinion be drawn in an hour.

This is the program which I am for, and if you do not like it I am

willing to change it to a certain extent, because I certainly think that we do need new tax measures.

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

Mr. WEBBER: Mr. Speaker and Members of the House: I rise to speak in favor of a combination sales and income tax. For some time the State of Maine has been coasting along by means of passing small taxes on liquor and cigarettes. The time has now come when the State needs a substantial revenue. We have heard expressed on every side the present needs of our cities and towns. The passage of this sales and income tax will help relieve the towns and cities. It has been proposed that the State of Maine should return to the cities and towns the property tax. As a matter of fact, the State of Maine is third from the top in percentage of money which it takes away from the towns and cities and third from the bottom in percentage of money returned to the towns and cities. I ask you if this is fair? I believe a combination sales and income tax would restore a better balance to the situation.

It is also a matter of record that taxes on farm land in the State of Maine are the highest of any State in the Union. At the present time we have a tax on intangibles. I have been told by the Tax Assessor that a small amount of money is collected in the city of Portland and some in the city of Bangor. Other than that, the return is negligible. The passage of this tax measure would eliminate that almost entirely.

Yesterday the Legislature went on record as favoring an increased appropriation to the University of Maine. Now this additional money is contingent upon the passage of some major tax measure. We also have pending some important legislation that will help our teachers, and we also have very important bills which will mean an increase in the capital expenditures of some of our institutions, and other measures.

Last summer we called into the service of the State some tax experts, and I would like to point out that their definite recommendation to solve our financial problems was a combination sales and income tax. I believe the time is ripe to revise our tax structure. I am willing to

go along with those tax experts. I hope that the motion prevails.

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

Mr. ALLEN: Mr. Speaker and Members of the House: I merely wish to make a few remarks on the generalities of our tax structure. My remarks today are not as a representative necessarily, but as State Chairman of the Young Republicans of Maine.

The reason I speak so freely as State Chairman of your Young Republicans is because at our State Convention last summer on August 17th at Waterville we passed a resolution which reads as follows, and I quote:

"We believe that the Republican Party has maintained an economical and efficient management of state affairs, but we believe that if our people want and need more extensive public service our tax structure should be modernized so that the burden and benefits may be fairly distributed."

Ladies and Gentlemen: Whether this bill before us is the one we want, whether a straight sales tax or a straight income tax is the bill that we want, I think that our duty is clear.

Legislatures of the past have ducked the issue very cleverly and very consistently. We have passed the buck; we have passed hit-or-miss taxes of one kind or another. We have not had the courage to face the issue. It has been clearly brought out in this Legislature that obviously the people want more services; it has been brought out also in this Legislature that the people need more services. Is the answer again to pass the buck and put taxes on cigarettes and other miscellaneous things, or is it time that we, for the first time in one hundred years, decided that the time was ripe to modernize our tax system completely? Have we the courage to pass a tax that will hit every Maine citizen alike? Have we the courage of our convictions, or are we going to play politics and again, as I said in July, duck behind the bushes?

Our young people of the Republican Party feel that this is the time for Maine to step progressively ahead and not to stay in the mass and the maze of small taxes. This is the time to modernize, not two, four or six years hence. Our party

has a responsibility to the people.

According to the newspapers, the minority party has signed an agreement against all taxation.

Their reasons are their own but I say that it is a politician's pact; let the Republicans have the courage of their convictions and whether it is this bill you want or whether it is another, let us start right now in modernizing our tax systems which will be for the benefit of all Maine citizens.

The SPEAKER: With no intention of stopping further debate, the Chair will state that we are within one minute of our fixed hour for recess.

The Chair at this time notes in the balcony the presence of the eighth grade from Hampden, with Superintendent McGrath, and on behalf of the Members of the House, the Chair bids you welcome here this morning. (Applause)

At the opening of this morning's session, by unanimous consent, it was agreed that the House would recess at 12:30 until 4 p.m. this afternoon, and that immediately after the recess the House and gallery would be cleared of all except Members and Officers of the House, for the purpose of taking the official picture of the House.

The House now stands at recess.

After Recess—4:00 P.M.

Called to order by the Speaker.

The SPEAKER: The question before the House is upon the motion of the gentleman from Corinth, Mr. Elliott, that the House accept the majority "Ought to pass" report of the Committee on Taxation on Bill "An Act Imposing a Personal Income Tax and a Sales and Use Tax to Raise Additional Revenue and Equalize the Tax Burden." (H. P. 1596) (L. D. 1252) and the same gentleman has requested a ye and nay vote.

The Chair recognizes the gentleman from Lewiston, Mr. Malenfant. Mr. MALENFANT: Mr. Speaker and Members of the House: The city that I represent is 95% working people. They need every penny that they earn. At the present time the Federal Government takes one-half of their pay. If the House passes this bill, the State is going to take the other half, and you know it is too early yet to go into the pasture to live on green apples and corn. (Laughter)

The working people need every penny that they earn, so I am obliged to vote against this bill. A good many people at the present time find it hard to make both ends meet. If this bill passes, they are going to be obliged to beg certain municipalities for help, so the hardship is going to fall on many municipalities. Therefore I hope that the motion of the gentleman from Corinth (Mr. Elliott) does not prevail.

The SPEAKER: Is the House ready for the question?

The Chair recognizes the gentleman from Pittsfield, Mr. Stetson.

Mr. STETSON: Mr. Speaker, I should like in a few words to make clear my position on this tax appropriation matter. Now we have a very able Appropriations Committee in this Legislature and they have worked long and hard to hear the various requests for money for many different purposes and they, by their reports, have indicated their opinion of what disposition should be made of these various requests. We can obtain no better base for the needs of this State than to follow their lead rather closely. The various forms of taxes which may be laid to produce the necessary revenue should have very careful consideration. If this L. D. 1395 is to be used as an instrument to produce this revenue, in my opinion it should be changed to include corporations. I understand that the gentleman from Corinth has no objection to this. I suggest to the gentlemen of this House who are worried about the amount of money that would be raised needlessly that this can be very easily reduced by changing the rates set up in this bill, which would seem to be a simple matter.

I am impressed by the suggestions of the gentleman from Cape Elizabeth (Mr. Chase) and think they have much merit and that they should have careful consideration. As far as this bill is concerned, my mind is open. I do not believe that it should be killed at this time, as it may be, by Amendment, made into what we want.

I agree with the gentleman from Portland, my friend Judge McLaughlin, that we are sent here to do a job; that we have facilities to give us knowledge that they can not have and that we should act in a manner that we believe serves the best interests of our State, and I

believe that if we do that then our home folks will respect us whether or not they entirely agree with us. Personally, I had much rather go home to my people with a definite answer to this tax question than to go home and say: "We didn't know what to do. We are leaving that up to you." When this House decides what it wants to pass for a tax measure, I shall vote for it and I hope that the voters in Maine may not have a chance to say that the predominant party in this Legislature did not have ability enough to produce—did not have the practical experience and courage enough—to pass the tax bill that they believe will fill the needs of this State.

The SPEAKER: The Chair recognizes the gentleman from Augusta, Mr. Peirce.

Mr. PEIRCE: Mr. Speaker and Members of the House: A hundred years ago there was a very thriving industry in the State of Maine devoted to making horse-drawn carriages. Today that industry has entirely disappeared. Our tax base was set up over a hundred years ago. A great many changes have taken place in our economy since it was first set up. It is the opinion of experts, on whose opinion we should rely to a great extent, that it is wise and necessary at this time for the State to broaden its tax structure. I am in support of this particular piece of tax legislation because I believe that it is the fairest type of legislation which we can enact at this time. It seems to me that it is also the most expedient. Time and time again prior legislators have sent to the people of the State of Maine on referenda this sales tax proposal. You will recall that last summer I did my best to defeat the original sales tax proposal which was tacked on to the bonus bill. I am still opposed to the principle of a sales tax alone. However, I am willing to compromise my objections to a sales tax and go along with this combination. I believe that the income tax will offset some objections in the sales tax. I think that the people of the State of Maine, if they vote on such a proposal, will take into consideration both types of measures. I would guess that a combination would have a much better chance for favorable treatment by the people than any other type. Therefore, I urge the adoption

of the motion of the gentleman from Corinth, Mr. Elliott.

The SPEAKER: The Chair recognizes the gentleman from Baileyville, Mr. Brown.

Mr. BROWN: Mr. Speaker and Members of the House: I rise to speak in opposition to this measure for the reason that I think we have approached the time in this country when we should start lopping off taxes instead of placing more tax burdens on our people.

When I picked up this bill this morning and noticed the size of it, I found out just why there was a shortage of paper in this country at the present time. I think when we notice the size of this bill and the immensity and scope that it covers, we can see why there is a shortage of paper in this country.

As I have been sitting here, today, and thinking, while I have heard the discussion on this tax measure, I can see that if this bill is passed a whole lot of our troubles will be dispensed with.

In the first place, we have an "Unemployment Compensation Fund" in this State and we will not need that fund any longer if we pass this piece of legislation, because I think that all of the unemployed people in the State of Maine will be employed in time to effectuate the operation of this bill, because I think it is an immense piece of legislation. I think we shall have to launch out on a building program here in Augusta to build a building large enough to house the force that will be employed to manage a bill of this type, so I think that we should take all of these things into consideration.

It was only a few years ago that the State of Maine was criticizing our National Government for the amount of taxes they were putting on and for the way that they were going in the form of taxation. And I think it was the one thing that drove the State of Maine and our sister state, the State of Vermont, out of the Union. You will all recall that we were out of the Union there for several years, yet you will recall that when the rest of our States are becoming entrenched, trying to cut corners here and there, we find the old Pine Tree State of Maine launching out on a program of taxation which is the broadest of anything which we have ever dared to approach in the State of

Maine. It is so broad that we do not dare to submit it back to our people and I think, and I want to stand on that, that a measure as broad as this that is going to tax the food, the very life blood of the people of the State of Maine, — I don't want the responsibility of passing legislation of that type resting on my shoulders and I don't think any member of this House wants to assume that responsibility. I think it is a measure that, if it is necessary to pass it, the people of the State of Maine, each and every voter of the State of Maine, should have the right to express themselves on legislation of this type.

So, Ladies and Gentlemen and Mr. Speaker, I hope that the motion of the gentleman from Corinth does not prevail because it is a piece of legislation that, when once enacted and on the statute-books of the State of Maine, it never will come off because they will always find ways whereby they can spend this money. So I think it is the duty of us here, if we have to find taxes for the State of Maine, we can find it in other ways than resorting to taxing the very food and the life blood that the people have to have here in the State of Maine.

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

Mr. FINNEGAN: Mr. Speaker, I should like to rise in objection to this combination sales and income tax bill. In the first place, I do not believe the administrative power of the State of Maine is in order to administer a major sales tax such as this proposal. We are administering at the present time a \$75,000,000 business and the top pay of any executive in any of these spending departments being paid under present regulations is \$6,000. Now I ask you in the name of all that's good and holy, what do you expect to get in an administrative way for \$6,000? That's your top salary. Now you have some excellent men at that price. They are underpaid, I'll grant you that; but if I am going to vote for another tax measure to elevate this spending orgy that we're in to another plateau I should like to know where the money is going to be spent, how it is going to be spent, and who is going to spend it. I should just like to call your attention here to some figures of just one

department and I am starting with Health and Welfare beginning in 1935 and 1936. Now these figures I am giving you are budget recommendations; they are not something somebody has asked, just budget recommendations. In 1935 and 1936 the total money recommended in that year was \$2,885,000. And in the year of 1937 and 1938 that became \$4,392,000. In the year 1938 and 1939, it became \$6,352,000. In 1939 and 1940, it became \$7,458,000; and that figure continued until 1943 and 1944, approximately that figure, when it became \$8,506,000. That figure remained for those two years and in 1945 and 1946, it became \$9,441,000. In the following year, it became \$10,000,000. The year after that, it became \$11,882,000. And for 1948 to 1949, the budget recommendation is \$11,986,000 and in the budget request the department requested a million dollars more than that. Now in regard to the administration of this thing: In 1935-1936 it was \$157,000. At the present time, in 1948-1949, I believe that figure is \$1,200,000, and, mind you, the top executives administering this get the magnificent salary of \$6,000. That is the highest administrative authority that you have got to do business with and that is the type of employee you must have at your disposal. Now I say that is no reflection on the present men; we have some excellent men. Those who are excellent are underpaid. There are some departments that should be taken in hand. This Health and Welfare investigation, which I was not a party to, I have had some conversation about it but I am not on the Welfare Board, so that is another group's affair, as disclosed in a very brief check of some of the startling things which were found in that Department. You have the sophistry presented to you in this bill of relief from state property tax, that 7 mill tax, for which you have to go out and raise from a sales and income tax approximately \$5,000,000. Now, that \$5,000,000 as now collected and paid is represented by a 7-1-4 mill tax and, reducing that to dollars and cents, a man having a taxable property of \$5,000 pays to the State \$35. In other words, if the tax rate is 7%, he pays \$337, whatever that amounts to. So on this red herring that has been drawn across the track the relief of

this poor property tax fellow, who is now in the 7% bracket or 8% bracket, just keep in mind that all but just 7 mills are the local appropriations, and when they take those in hand, if they can, that burden is released. It is not going to be accomplished by eliminating this mill tax.

So I say on the matter of that 7 mill tax don't let anybody be deluded by that. You will never know in your local towns, at least if you live in a town like I do—I'm sure I live in one over there—whether that tax has been absorbed by the State or has been returned to it. The city of Bangor will probably recover about \$200,000, or something less than that, and I'll guarantee that we'll have the same tax rate in 1948 that we've got now, there may be some new gadgets, someone will think of a new way of spending but you'll never get any relief so let no taxpayer feel that he is going to get any permanent relief by the State's relieving the towns of that 7 mill tax. Now that's my contention.

Now I believe that there is a lot of clamor, a lot of pressure, a lot of noise, and a lot of build-up for the great services that are being demanded by the people. I don't know who those people are unless they are the interested groups. There is certainly nobody pressuring me that they want a lot of this tax to provide services they are now without. So I say let us resolve that into the proper sphere and see where this pressure is being applied and who is applying it. This little Health and Welfare thing gives you a rough idea where uncanceled appropriations can go. Now we have a teachers' bill here which we are considering, and, not discussing the merits of it or intending to, when that bill was first considered earlier in this Legislature it was \$1,500,000. The towns since that time have had their town meetings and they have increased their teachers' salaries. Now in order to meet that increase, to carry out the estimated provisions of this new taxation, that million and a half becomes two million for 1948-1949. Now I say I am not discussing the merits of it, I am just giving you a little idea that once you have opened the flood gates, you have another one of these accelerated programs and there is no end to where it stops.

Now I declared myself very early

before the Appropriations Committee and other committees with which we met and I certainly will not be a party to an emergency tax bill in this House. I am representing no block—I am representing nobody but myself—but I say before we embark on a major taxation program the voters back home have a right to look it over if they are going to pay the bill. And I should just like to add another little word in here—I should like to strike a blow for freedom for the little fellow who is unrepresented—the forgotten little taxpayer, who has been briefly referred to here today. And that is the little fellow who is maintaining a little family, having an awful time trying to do it, and he has to pay these taxes. Certainly he will be affected by this sales tax. Yet that seems to be the most feasible one if we have to have one so when we are talking about the income and sales tax just remember that the major part of all this income and sales tax is paid by the little fellow from \$3,000 to \$5,000. I think the national figure will show that about 85% of the total federal revenue comes from that class of income. So let's not figure that we are going to escape it here and this also keep in mind that whatever tax is placed on the books at this time is the lowest tax you will ever know. From that time on it will go to greater heights depending upon the legislation that somebody who pays less than somebody else will put upon your books.

Now I say, in the first place, I think with a little adjustment of the mill tax and there will probably be a little one there that would not affect the little fellow very much—it might affect the larger property owners more, who can pay it better—and I include myself—my property is subject to that sort of a tax—so I feel perfectly free to suggest it—I believe with a little adjustment of the mill tax—I believe that from the long range of the capital expenditures—and there are some desperately needed in this State—I refer to the Insane Hospitals in Augusta, Bangor, Pownal, and in some other places—I believe that those are capital expenditures that should not be taken out of current income if they are going to precipitate a monstrosity like this sales and income tax with which we are now concerned. On that basis I say let us fund those things

just like any other corporation would do. If we have a building program don't try to work it out of one year's operations or current expenses; you fund that, you borrow the money and it is not going to cost—I think that probably a couple of million dollars could be serviced probably for 1½% and could be retired in the next five or six or ten years without adding a penny to anybody's tax burden. It could be saved and should be saved and I don't think that this Health and Welfare is the only place that money can be saved. I say let us get some administration here before we start to pile up additional revenues to create more rathole money, because that is what will happen whenever you get through spending. Nobody will deny that and the demands will become grim. Now I have sat on that Appropriations Committee and we've passed bills "Ought not to pass" and the only reason they ought not to pass is that the money was not available and I was reluctant to pass them out that way. But I think with a little adjustment of our mill tax—and I think this is so contrary to what has been suggested—that we can really finance the job and go home and not ask the people that we have done, how we have done it, but let's do it and let's eliminate these two monstrosities. So I am very much against the "Ought to pass" report.

The SPEAKER: The Chair recognizes the gentleman from Milo, Mr. Burton.

Mr. BURTON: Mr. Speaker and Ladies and Gentlemen of the House: I am very much in favor of what the gentleman from Portland, Mr. Allen, has said this morning. He said, "Face the issue." I think this is an issue. I think that we can cope with it here in this House if we use moderation and good sense along with it. I know that these gentlemen are competent men, all of them.

I also recall, back along, I think it was some time in the thirties, when the income tax was very much in the fore, that some of the same arguments that we used in those yesterdays are being used again here today. It might have been very possible, if something of that kind had taken effect way back at that time, that we would not be in the position we are in now, or which some of us believe

we are in. Then, again, others do not think, from their conversation, that if we get in too much money that we will have capable people here to look after it and pay out that money. Now I do not have that idea. I am not a native of the State of Maine, but I have been here for thirty years, and I have great confidence in the ability of the people of the State of Maine, and all the people. If it goes to the people, I think they will act in a worthwhile manner towards these two problems of a sales and income tax. I do not think that the State House will be cluttered up with a whole lot of paper so that we will have to start building an addition or annexes to this State House.

Therefore I think that it is a very worthwhile proposition to at least support the bill which has been presented by Mr. Elliott.

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

Mr. **SLEEPER**: Mr. Speaker and Members of the House: I would say that this present tax bill has been pretty well talked over and the pros and cons have been delved in and discussed so much that you are doubtless reluctant to hear any more from it. "I did not intend"—we always say that—"we did not intend," that is the first thing that we do say, "I did not intend to speak on this question." I did intend to speak on the question and I have been waiting to see just what I wanted to say, because I came in here with an open mind, and I wanted to see how the other Members of the House felt. The real reason that I am speaking right now is that I want to pay tribute to a man who has some courage, that is the man from Bangor, Mr. Finnegan, the man who has just spoken. That is the sanest and most sensible approach to this measure that I have ever heard. It is the only logical, American, Maine way that I have ever heard. He is a realist and not an idealist. He tries to protect the little man. You may talk all you want to about broadening the tax burden, and make the little man pay, but you all know that the only logical, sane, decent tax is based upon a man's ability to pay. When you pass a tax in which there are no exemptions, you are not passing a sane and just tax. Any sales tax is not a just tax. The

fairest sort of tax there is is the income tax, which is based upon a man's ability to pay and which has exemptions for a man with a family.

I have heard sensible members of this House say, "The sales tax does not cost anything. If a man has a small income, it only costs him \$25 or \$30 a year." Don't you people realize what \$25 or \$30 a year means to some people? Haven't you ever had your budget so out of balance that \$25 or \$30 threw it out, and you had to go to a small loan company and borrow \$25 to square yourself, hold your head up, and keep your creditors from knocking at the door? Don't you realize that to many people in this State \$25 or \$30 is a big sum of money, and they can not pay it and should not be made to pay it?

The gentleman from Portland, Mr. Allen, said this morning that we must have the courage to pass a tax bill. If these telegrams keep coming in, it may take courage not to pass a tax bill. I have never seen so much useless waste of money, so much pressure brought on a foolish bill, as these telegrams. They are not worth the paper they are written on. They are sent by people who have a selfish motive, who want their own pay raised. They say, "Urge you to vote for legislation to pass teachers' bill," "Urgent to vote for sales tax,"—or any measure to pass the teachers' salary bill. In other words, "to hell with the rest of the State, raise my pay!"

I do not think that is right; I do not think it is just. I am very much in favor of raising the teachers' pay, but I do not think that we should be forced to raise it, and if this keeps on I shall not be in favor of raising the teachers' pay. Undoubtedly, the teachers' pay will be raised, and, as Mr. Finnegan said, we can do it by adjusting the present income, we can raise the cigarette tax a little, even adjust the mill tax a little, if necessary, and then let us cut our cloth to fit our suit.

There is no problem. We are not sent here to raise taxes; we are sent here to represent the people, not govern the people. Our very title shows that we are representatives and not the masters or the brains of the people. One gentleman said that the people do not know what they want. If they do

not know, then we do not know, because we are certainly the representatives of some of the people back home.

So, Members of the House, do not think that the whole world depends on passing this ridiculous bill. If we can not pass this measure, or any one like it, we can balance the budget, take care of the aged, and raise the teachers' pay. There are other ways to do it. We do not have to embark on some tax measure to outdeal the New Deal. Why not deal with things the way we want to deal with them? I certainly hope that the motion of the gentleman from Corinth, (Mr. Elliott) does not prevail.

The SPEAKER: Is the House ready for the question?

The Chair recognizes the gentleman from Corinth, Mr. Elliott.

Mr. ELLIOTT: Mr. Speaker and Ladies and Gentlemen: I assure you that I will not attempt, even if I were able, to carry out all the advice that I have had given me during the Recess. There have been many arguments here. I have had a reasonably good lambasting and I expected it and I don't feel too bad about it.

Nothing has been said in the arguments against this combination tax bill to relieve business industry. I don't feel too bad about that. The reason I don't feel too bad about it is that I appreciate that Maine industry, with an annual pay roll of three or four hundred million dollars is a pretty important thing for the State of Maine, and I don't feel too bad in giving business and industry a little real estate tax relief. Now, Maine industry has to compete with the industry of every other state in this Union. We are a long way from the large consumer markets, and we are a long way from many of the essential raw material markets, particularly coal and steel. Now, we want Maine industry to prosper and what are we arguing about? We are trying to argue ourselves into believing that this real estate tax relief is no good because industry picks up a little bit of it. How can we expect Maine industry to prosper and make more payrolls under conditions that are unfair? Do we want to insist on keeping real estate tax such as industry as in no other state in this Union has to pay? If I run a business in New Hampshire, I don't have to pay any real estate tax to the state and, if I live in Massa-

chusetts, the real estate tax imposed by that state is very, very small, and so on through all the other industrial states of the East. We spent a lot of money trying to attract industry up here and get the benefit of good, sound, prosperous pay rolls, and instead of having this as an argument against the bill, I ought to be using it as one of the many sound reasons why the bill should have passage. I am not a bit ashamed if it does offer some relief to industry, and I'm glad that it does. There is nothing complicated or difficult in this bill so far as it relates to real estate tax relief. The home to the factory gets used just alike, and that is a provision that is basic in our Constitution. I am glad it is there and I am glad that this bill does not spread that relief around without discrimination among the various classes of real estate tax payers in this State.

Someone has said, "Why not tax the corporations?" This bill taxes corporation earnings, by taxing corporation dividends and the salaries of the officers. Over any reasonable length of time corporation earnings are either paid out as dividends or used to build new plants. If you have some stock in a company and if the company earns, say a dollar a share, likely you get 75c as a dividend. Now that 75c is taxed and I don't see much sense or fairness in taxing it twice, once before you get it and again after you receive it. Maybe a small amount is retained by the corporation for a rainy day. I don't feel too bad about that because it is these reserves that expand our industry and pay our dividends when times are bad. Don't forget, either, that this bill taxes the income received in Maine from all corporations. As it is written we collect a tax on the dividends paid in Maine by all of the big out of state corporations. That makes more sense to me than thinking of another tax on Maine Industry.

It seems to me that if we attempted to broaden or raise the State property tax from 7½ mills which now produces a little less than \$5,000,000 and we have to have \$4,500,000 per annum according to the Appropriations Committee as my friend from Bangor, a member of that committee, has told us, we would have to pretty near double our present State property tax to get it. Now if that is what

the citizens of Maine want, that is all right with me, but I don't believe it is.

At our hearing before the Taxation Committee on these three tax measures: sales tax, the income tax, and the combination tax, we had, if my memory serves me correctly, town managers from Fort Fairfield, the town manager from Presque Isle, a representative here from Houlton, a town manager of the city of Old Town, the town manager from the city of Bangor, Maine, a town manager from Auburn, a representative from Lewiston, and the treasurer of the city of Lewiston, the secretary of Maine Civic Association, the assistant attorney for the city of Portland, and every last one of them plead for the combination income and sales tax bill which would take the State of Maine out of the real estate tax field. Now these men may be all wrong, possibly the gentleman from Bangor, the town manager, didn't represent the feelings of the city of Bangor but we on the Taxation Committee were led to believe that he did. Now, this bill was not written by me. As I understand it, it was written by a group that called themselves the Finance Group of the State of Maine. They wrote the bill and, as far as I know, they disappeared. We have the bill before us. I personally believe it is a good bill as some others here do, but we, as legislators, any one of us, has the right to offer amendments to this bill. I understand, you can amend everything, even the title, as long as you leave the number. I believe that it is a good bill for us to work on from here. We certainly will not get anywhere if we do not have something to work with; and I am very sure, personally, that if the majority of this group want any amendments adopted they would be perfectly agreeable to me — even if I did not like them as long as the majority wanted them. Therefore, I hope that you see fit to vote for the acceptance of the majority "Ought to pass" report and have a tax bill which we can continue to work on when we find out how much money we, as legislators, are going to vote for.

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

Mr. FINNEGAN: Mr. Speaker, I rise to correct just one or two statements. The figure arrived at

by the Appropriations Committee of \$4,000,000, whatever that figure is, was not a definite figure; that was an estimated figure that includes many things which have not transpired yet and some that may, so that can not be taken as a final figure and I think the Appropriations Committee will bear me out on that.

My good friend, Mr. Elliott, has presented to you that list of town executives, those are the very people who are promoting this "get away from the State so that they will have more money to play with crowd"; and if they represent the thinking people of the State of Maine they are certainly not among the people that I have talked with and they have certainly never thought this thing through. Give them a little more money to play with, they will find a new excuse for spending it, and it just gives them an opportunity of getting a little more money without attracting the attention of the voters that they have to pay more taxes. So let us not be too much concerned with the town managers. I think they are not altogether the top executives of the State of Maine, although they may be in their respective fields.

The SPEAKER: The Chair recognizes the gentleman from Aurora, Mr. Silsby.

Mr. SILSBY: Mr. Speaker and Members of the House: Without going into the merits of this bill, at all, I want to state that I am opposed to it because of this reason. We do not know yet how much money we need for the next biennium. We have not been told that yet and with this high cost of living and high taxes the citizens of this State are now paying we are under a duty to cut the cloth according to the pattern. We can not afford to have any surplus money floating around. Now this bill which is under consideration is nothing but a sounding board pure and simple, to ascertain the minds of this House, whether or not we feel so disposed that we will appropriate or raise the money according to the Appropriations Committee. Now if we pass this bill, today, we have indicated our intentions to the Appropriations Committee that whatever moneys are requested we are perfectly willing to raise them. And I agree with the gentleman from Portland, my

good friend, Mr. McGlauffin, that we must have the courage to tell the people what they need. They sent us here to do that job and let us do it. And let us serve notice on the people that the State of Maine is going to live within its income and also that we are not raising any new money to spend for purposes which we do not know anything about. I hope that the motion does not prevail.

The SPEAKER: Is the House ready for the question?

The gentleman from Corinth, Mr. Elliott, requests a yea and nay vote. Under the Constitution the yeas and nays are in order when one-fifth of the Members present indicate their desire. All those in favor of the vote being taken by the yeas and nays will please rise.

Obviously more than one-fifth of the Members present having arisen, the yeas and nays are ordered.

The chair recognizes the gentleman from Auburn, Mr. Williams.

Mr. WILLIAMS: Mr. Speaker, I just want to comment very briefly on the fact that we have already approved bills that require nearly \$4,000,000 a year. We must be consistent in our actions here in this House. Before we leave, we must either take action that will nullify that which we have already taken or we must pass some revenue measure. We require three and a half million dollars the next two years to pay what is necessary to increase the teachers' salaries; about \$450,000 during the next two years on the pension bill, and it is not necessary for me to go through the list. The total would certainly be approximately \$4,000,000 in new taxes, unless we have money available from current revenue. To date I have not heard anyone, anywhere, or seen anyone at any time present any evidence that indicated that current revenues would do more than mention the present functions at approximately the present levels. It may be that this present tax bill is not all that could be desired; perhaps some of us would like it better if the income tax included a tax upon corporations. But, in voting to accept the report, we are not necessarily passing the bill in its present form. It may be that the Members of this House prefer some other type of tax measure. I have just looked at a few figures. This bill would require a return, you might say to the

municipalities, of the amount of the State tax. Actually, it would not be taken from them. In the city of Auburn, for example, that would amount to \$136,000. The amount which the city would receive under the teachers' salary increase bill would be approximately \$30,000 and under the proposed gas tax bill about \$20,000. That would be very close to \$200,000. I don't know that it makes, perhaps, too much difference which way you raise this money. The people will pay it eventually, but it seems to me that we will have to consider some major tax bill unless we are ready to retrace our steps and vote against the bill to increase teachers' salaries, vote against Legislative Document 837 in regard to pensions, and all of the other new bills that raise revenue. At the present time, I shall vote to accept this report although I believe that there should be some changes made in the income tax part of it.

The SPEAKER: Is the House ready for the question?

The question before the House is upon the motion of the gentleman from Corinth, Mr. Elliott, that the House accept the Majority "Ought to Pass" Report of the Committee on Taxation on Bill "An Act Imposing a Personal Income Tax and a Sales and Use Tax to Raise Additional Revenue and equalize the Tax Burden." (H. P. 1686) (L. D. 1395)

All those in favor of the acceptance of the majority "Ought to pass" report will say "yes" when their names are called; those who are opposed will say "no".

The Clerk will call the roll.

YEA—Allen, Ames, Bell, Benn, Bickford, Boulter, Brown, Unity; Burgess, Burton, Byron, Campbell, Carville, Christensen, Clements, Collins, Day, Ellis, Fuller, Buckfield; Hanson, Harris, Haskell, Hatch, Hayward, Jennings, Lee, Lombard, Lord, MacPherson, Mills, Nichols, Palmeter, Patterson, Payson, Peirce, Plummer, Prout, Randall, Rankin, Robbins, Ross, Russell, Stetson, Sweetser, Thomas, Thompson, Torrey, Webber, Williams, Auburn; Woodbury.

NAY—Adams, Anderson, Atherton, Berry, Berryman, Bove, Bowker, Brewer, Broggi, Brown, Baileyville; Brown, Wayne; Cadorette, Carey, Chase, Cape Elizabeth; Chase, Limington; Cole, Cormier, Cousins, Curtis, Daniels, DeSanctis, Dostie, Lewiston; Dostie, Winslow; Doucette, Dufour, Elliott, Finnegan, Fitch, Foley, Fowler, Fuller, Hallowell; Gallant, Gray, Hammond,

Heansler, Hobbs, Holt, House, Jalbert, Johnston, Jordan, Saco; Jordan, South Portland; Judkins, Kent, Labbe, Lacharitie, Laughton, Leavitt, Legend, Lessard, Longstaff, Malenfant, Marsans, Marshall, Martin, McGlaufflin, McGown, McKeen, Meloon, Moreau, Moulton, Muskie, Nadeau, Palmer, Perkins, Poulin, Rich, Rollins, Sargent, Savage, Seeger, Sharpe, Silsby, Sleeper, Smart, Smith, Exeter; Smith, Westbrook; Stearns, Sterling, St. Pierre, Tabb, Tremblay, Turner, Violette, Wight, Williams, Topsham; Woodworth.

ABSENT—Bird, Brown, Milford; Dean, Dicker, Dorsey, Emerson, Hall, Kelly, McClure, Morison, Snow, Weeks. Yes 49, No 87, Absent 12.

Mr. ELLIOTT, of Corinth; Mr. Speaker—

The SPEAKER: For what purpose does the gentleman rise?

Mr. ELLIOTT: I should like to change my vote, Mr. Speaker.

The SPEAKER: The Clerk will call the name of the gentleman from Corinth, Mr. Elliott.

Mr. Elliott then changed his vote from "yes" to "no".

The SPEAKER: Forty-nine having voted in the affirmative and eighty-seven in the negative, twelve being absent, the motion to accept the "Ought to pass" report does not prevail.

The Chair recognizes the gentleman from Corinth, Mr. Elliott.

Mr. ELLIOTT: Mr. Speaker, I move that we reconsider our action whereby we voted not to accept the "Ought to pass" report, and I would further move that this motion lie on the table.

The SPEAKER: The gentleman must assign a time within six calendar days.

The gentleman from Corinth, Mr. Elliott, moves that the House reconsider its action whereby it failed to accept the "Ought to pass" report of the committee, and the same gentleman further moves that the motion be laid on the table and be specially assigned for Wednesday, April 23rd.

All those in favor of the motion of the gentleman from Corinth, Mr. Elliott, to lay on the table his motion for reconsideration will please say aye; those opposed, no.

A viva voce vote being doubted,

A division of the House was had.

The SPEAKER: Seventy-four having voted in the affirmative and forty-six in the negative, the motion to lay the motion for reconsideration on the table prevails.

Mr. Bowker of Portland was granted unanimous consent to address the House.

Mr. BOWKER: Mr. Speaker and Members of the House: To help facilitate the business that is to come before the House on the gasoline tax measure, I am going to ask unanimous consent to take from the table the amendment that was tabled by me earlier in today's session. I so move, Mr. Speaker.

The SPEAKER: The gentleman from Portland, Mr. Bowker, requests unanimous consent to take from the table "House Amendment 'A' to L. D. 1394," which was tabled by that gentleman earlier in today's session. Is there objection? The Chair hears no objection and the matter has been taken from the table.

The Chair recognizes the gentleman from Garland, Mr. Campbell.

Mr. CAMPBELL: Mr. Speaker, I ask leave to withdraw House Amendment "A."

The SPEAKER: The gentleman from Garland, Mr. Campbell, requests leave to withdraw House Amendment "A." Is this the pleasure of the House?

Mr. Campbell was granted permission to withdraw House Amendment "A."

Mr. Bowker of Portland presented House Amendment "B" and I move its adoption.

House Amendment "B" was read by the Clerk as follows:

House Amendment "B" to H. P. 1678, L. D. 1394, Bill "An Act Providing Additional Highway Funds."

Amend said Bill by striking out in the 7th line of section 7 thereof, the underlined figure "4" and inserting in place thereof the underlined figure "3".

Further amend said bill by striking out all of subsection III of section 7.

The SPEAKER: The Chair recognizes the gentleman from Limestone, Mr. Burgess.

Mr. BURGESS: Mr. Speaker, I wish at this time, to express my thanks and appreciation to the two gentlemen who have preceded me for their cooperation in trying to get this major tax bill on its way.

Now this bill allocating funds to the towns and cities of the State is based on a four-factor system, namely, road mileage, automobile registration fees, population and valuation. There seems to prevail

in the House and justly so, perhaps, a feeling by those who represent the smaller towns that the four-factor basis is perhaps slightly unfair to their smaller towns. I have asked the Highway Department of the State to prepare a schedule for you which will show the break-down for every municipality of the State based upon this proposed amendment of the three-factor distribution. That will not be available for our desks until next Wednesday. So, Ladies and Gentlemen of the House, I would like to have you, if you will—and I assure you that it will not deprive you of any opportunity to discuss this or amend it again if you find that this is not a fair compromise when the bill is again before us, and with the assurance that you will have accurate details on your desks next week, when the bill is again available,—I hope that you will vote in favor of the motion of the gentleman from Portland, Mr. Bowker, and accept this amendment and allow this bill to proceed on its way in order to save us time.

The SPEAKER: Is it the pleasure of the House to adopt House Amendment "B"?

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

Mr. Byron, of Hollis, was granted

unanimous consent to address the House.

Mr. BYRON: Mr. Speaker, with the approval of the gentleman from Fort Kent, Mr. Cousins, I move that we reconsider our action whereby we indefinitely postponed Bill "An Act Relating to Veterans' Permit to Hunt and Fish Free," and this is for the purpose of offering an amendment.

The SPEAKER: Is it the pleasure of the House to reconsider its action of yesterday whereby it indefinitely postponed in non-concurrence Bill "An Act Relating to Veterans' Permit to Hunt and Fish Free" (S. P. 178) (L. D. 523)?

All those in favor of the motion of the gentleman from Hollis, Mr. Byron, that the House reconsider its action will say aye; those opposed, no.

A viva voce vote being doubted,

A division of the House was had.

The SPEAKER: Seventy-six having voted in the affirmative and eleven in the negative, the motion to reconsider prevails.

Thereupon the bill was given its third reading.

On further motion by Mr. Byron, the bill was tabled and specially assigned for Tuesday, April 22, pending passage to be engrossed.

On motion by Mr. Mills, of Farmington,

Adjourned until ten o'clock tomorrow morning.