

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

Ninety-Sixth Legislature

OF THE

STATE OF MAINE

1953

DAILY KENNEBEC JOURNAL
AUGUSTA, MAINE

SENATE

Tuesday, April 7, 1953.

The Senate was called to order by the President.

Prayer by the Rev. Edwin C. Barton of Augusta.

Journal of Thursday, April 2, 1953 read and approved.

The PRESIDENT: The Senator from Knox, Senator Harding has called the attention of the Chair to the fact that the group of students at the rear of the Senate Chamber are senior students from the St. George High School, and students from the eighth grade. In behalf of the Senate we bid you welcome this morning and hope that you have a most enjoyable and instructive day.

House Papers

Petitions in Favor of 100% payment by the State of the sum determined in accordance with General Purpose Educational Aid. (H. P. 1222 to 1224 incl.)

Which were severally referred to the Committee on Appropriations and Financial Affairs in concurrence.

House Committee Reports

The Committee on Judiciary on Bill "An Act Relating to Residence Requirements for Divorce," (H. P. 970) (L. D. 1058) report that the same ought to pass.

Which report was read and accepted in concurrence, the bill read once, and tomorrow assigned for second reading.

Bill "An Act Amending the Charter of the Municipal Court of the City of Auburn re Payment of Expenses of the Court," (H. P. 196) (L. D. 207) reported that the same ought to pass as amended by Committee Amendment "A".

(Amendment Filing No. 191) (Amendment changes title.)

Which report was read and accepted in concurrence and the bill read once; Committee Amendment "A" was read and adopted in concurrence, and the bill as amended was tomorrow assigned for second reading.

The Committee on Business Legislation on Bill "An Act Relating to

Examination of Domestic Insurance Companies," (H. P. 315) (L. D. 387) reported the same in a new draft (H. P. 1221) (L. D. 1408) under the same title and that it ought to pass.

Comes from the House, recommitted to the Committee on Business Legislation.

In the Senate, recommitted to the Committee on Business Legislation in concurrence.

The Committee on Sea and Shore Fisheries on Bill "An Act Relating to Taking of Blood-Worms in Georgetown," (H. P. 1174) (L. D. 1328) reported the same in a new draft, (H. P. 1219) (L. D. 1404) under a new title, Bill "An Act Relating to the Taking of Marine Worms in Georgetown," and that it ought to pass.

Which report was read and accepted in concurrence, and the bill in new draft and under a new title was read once and tomorrow assigned for second reading.

The same Committee on Bill "An Act Relating to Digging Clams and Marine Worms in Edgecomb, County of Lincoln," (H. P. 542) (L. D. 523) reported the same in a new draft (H. P. 1218) (L. D. 1403) under a new title, Bill "An Act Relating to the Digging of Marine Worms in Alna, Edgecomb, Newcastle, and Wiscasset," and that it ought to pass.

Which report was read and accepted in concurrence, and the bill in new draft, and under a new title, was read once, and tomorrow assigned for second reading.

The Majority of the Committee on Liquor Control on Bill "An Act Relating to Self-Service of Liquor," (H. P. 981) (L. D. 1069) reported that the same ought not to pass.

(Signed)

Senators:

DENNETT of York
BOUCHER of Andros-
coggin

TABB of Kennebec

Representatives:

DOSTIE of Winslow
ANDERSON of Greenville
LARRABEE of Westbrook
CHASE of Whitefield
ALBERT of Augusta

The Minority of the Same Committee on the same subject matter reported that the same ought to pass.

(Signed)

Representatives:

BROWN of Robbinston
CHRISTIE of Presque Isle

Comes from the House, the Majority Report read and accepted.

In the Senate, the Majority "Ought Not to Pass" report was accepted in concurrence.

The Majority of the Committee on Liquor Control on Bill "An Act Relating to Age of Employees on Licensed Liquor Premises," (H. P. 986) (L. D. 1074) reported that the same ought not to pass.

(Signed)

Senators:

TABB of Kennebec
BOUCHER of Androscoggin
DENNETT of York

Representatives:

LARRABEE of Westbrook
CHASE of Whitefield
BROWN of Robbinston
ANDERSON of Greenville
DOSTIE of Winslow
ALBERT of Augusta

The Minority of the same Committee on the same subject matter reported that the same ought to pass.

(Signed)

Representative:

CHRISTIE of Presque Isle

Comes from the House, the Majority Report read and accepted.

In the Senate, the Majority "Ought Not to Pass" report was accepted in concurrence.

The Majority of the Committee on Liquor Control on Bill "An Act relating to Liquor Advertising" (H. P. 1026) (L. D. 1147) reported that the same ought not to pass.

(signed)

Senators:

TABB of Kennebec
BOUCHER of Androscoggin
DENNETT of York

Representatives:

LARRABEE of Westbrook
CHASE of Whitefield
BROWN of Robbinston
ANDERSON of Greenville
DOSTIE of Winslow
ALBERT of Augusta

The Minority of the same Committee on the same subject matter reported that the same ought to pass.

(signed)

Representative:

CHRISTIE of Presque Isle

Comes from the House, the Majority Report read and accepted.

In the Senate, the Majority "Ought Not to Pass" report was accepted in concurrence.

The Majority of the Committee on Liquor Control on Bill "An Act Prohibiting the Sale of Malt Beverages in Unincorporated Places," (H. P. 1172) (L. D. 1327) reported that the same ought not to pass.

(signed)

Senators:

TABB of Kennebec
BOUCHER of Androscoggin
DENNETT of York

Representatives:

LARRABEE of Westbrook
CHASE of Whitefield
BROWN of Robbinston
ANDERSON of Greenville
DOSTIE of Winslow
ALBERT of Augusta

The Minority of the same Committee on the same subject matter reported that the same ought to pass.

(signed)

Representative

CHRISTIE of Presque Isle

Comes from the House, the Majority Report read and accepted.

In the Senate, the Majority "Ought Not to Pass" report was accepted in concurrence.

The Majority of the Committee on Liquor Control on Bill "An Act Prohibiting Sale of Liquor in Connection with Pari Mutuel Betting," (H. P. 983) (L. D. 1071) reported that the same ought not to pass.

(signed)

Senators:

TABB of Kennebec
BOUCHER of Androscoggin
DENNETT of York

Representatives:

CHASE of Whitefield
DOSTIE of Winslow
ANDERSON of Greenville
ALBERT of Augusta

The Minority of the same Committee on the same subject mat-

ter reported that the same ought to pass.

(signed)
Representatives:

CHRISTIE of Presque Isle
LARRABEE of Westbrook
BROWN of Robbinston

Comes from the House, both reports indefinitely postponed.

In the Senate, on motion by Mr. Brown of Washington, the bill and reports were laid upon the table pending consideration of the reports; and were especially assigned for Wednesday, April 8.

Senate Papers

The following Bill was transmitted by the Director of Legislative Research pursuant to Joint Order (S. P. 29) and on recommendation by the Committee on Reference of Bills was referred to the following committee:

Judiciary

Mr. Chapman of Cumberland presented Bill "An Act Creating a State Crime Commission." (S. P. 521)

(Ordered printed.)

Sent down for concurrence.

Mr. COLLINS of Aroostook: Mr. President and members of the Senate, at the conclusion of a few brief remarks, I am going to introduce An Act Regulating the Marketing of Irish Potatoes Grown in the State of Maine. This would have to be accepted of course, by unanimous consent. I fully realize that it is very late in the session for bills of this nature to be introduced. I realize too that the bill does not have unanimous sponsorship in Aroostook County but I would like to tell you in a few words why I have asked for consideration of it at this time.

The potato industry in the last two or three months has suffered a severe slump in prices. That is neither here nor there in itself. Whether or not a marketing act would be an answer or a partial answer is a question. We have had marketing acts in Maine before. We had it under federal price support and after that program was thrown out the marketing agreements were also thrown out.

At the same time the members of the potato industry council have

had several meetings and have tried to determine what is the best thing for the industry in its marketing program. They feel that a marketing agreement might be a partial solution to the problem. If such a bill is not introduced at this session of the legislature no bill could be introduced for a period of two years. For that reason they feel it is important that even though it is late in the session, it should have consideration. I have talked with the chairman of the Committee on Agriculture, to whom this bill would undoubtedly be referred, and to other members of the committee, and I feel that they will do all it is possible to do to hold a good hearing on the bill in the event that it is accepted for introduction.

Knowing that they would give it a full hearing, I think it would be a fair thing that this bill be allowed to be introduced. I would say just one thing, that there is a provision in the act that before the bill can be accepted, it has to have the approval of two-thirds of the growers and fifty percent of the handlers of potatoes so the bill does have safety. With those few remarks, Mr. President, I now offer this document and if it is accepted, I will make a motion regarding printing.

Thereupon, bill, An Act Regulating the Growing of Irish Potatoes Grown in the State of Maine, was received by unanimous consent and referred to the Committee on Agriculture.

On motion by Mr. Collins of Aroostook, one thousand copies ordered printed.

Sent down for concurrence.

Mr. DOW of Lincoln: Mr. President and members of the Senate, after having enjoyed with some amusement, these late bills that some Senators have had, I now find myself with one. I would like to introduce this bill and ask unanimous consent of the Senate for its acceptance. It seems that a gentleman for his health, went to Florida this winter, and left this matter in the hands of his lawyer to get the bill introduced in time. He has now returned home to find that the

lawyer has been sick all winter and the job was not done. If unanimous consent is granted, I shall make a motion with reference to a committee.

Thereupon, Resolve in Favor of Joseph T. Sewall of Wiscasset was received by unanimous consent.

On motion by Mr. Dow of Lincoln, the Resolve was referred to the Committee on Highways, ordered printed and sent down for concurrence.

First Reading of a Printed Bill

Bill "An Act Relating to the Digging of Marine Worms in Bremen, Damariscotta, Bristol, South Bristol and Waldoboro." (S. P. 516) (L. D. 1405)

Which was read once, and tomorrow assigned for second reading.

Senate Committee Reports

Mr. Carter from the Committee on Taxation on Bill "An Act Relating to Tax Exemptions of Unremarried Widows of Veterans," (S. P. 330) (L. D. 836) reported that the same ought not to pass, as it is covered by other legislation.

Which report was read and accepted.

Sent down for concurrence.

Mr. Reid from the Committee on Judiciary on Bill "An Act Relating to Driving a Motor Vehicle While License Suspended or Revoked," (S. P. 113) (L. D. 311) reported the same in a new draft, (S. P. 522) under the same title, and that it ought to pass.

Which report was read and accepted, and the bill in new draft and under same title, was laid upon the table for printing under Joint Rule No. 10.

Mr. Butler from the Committee on Natural Resources on "Resolve Authorizing Commissioner of Institutional Service to Grant Pole Line Easements on the Property of the State Hospital in Bangor," (S. P. 504) (L. D. 1379) reported that the same ought to pass.

Mr. Squire from the Committee on Public Utilities on Bill "An Act to Amend the Charter of Aroostook Valley Railroad Company," (S. P.

328) (L. D. 816) reported that the same ought to pass.

Mr. Harding from the same Committee on Bill "An Act Amending the Charter of the Sewer District in the Town of Sanford," (S. P. 327) (L. D. 817) reported that the same ought to pass.

Mr. Wight from the Committee on Taxation on Bill "An Act Repealing Tax on Oleomargarine," (S. P. 379) (L. D. 1042) reported that the same ought to pass.

Which reports were severally read and accepted, the bills and resolve read once and tomorrow assigned for second reading.

Mrs. Kavanagh from the Committee on Claims on "Resolve in Favor of Wesley Ramsey, of South Portland," (S. P. 245) reported that the same ought to pass as amended by Committee Amendment "A".

(On motion by Mr. Weeks of Cumberland, tabled pending consideration of the report.)

Mr. Reid from the Committee on Judiciary on "Resolve Providing for the Revision of the Statutes," (S. P. 170) (L. D. 419) reported that the same ought to pass as amended by Committee Amendment "A".

The same Senator from the same Committee on Bill "An Act Relating to Dogs Attacking Domestic Animals or Fowl," (S. P. 69) (L. D. 153) reported that the same ought to pass as amended by Committee Amendment "A".

The same Senator from the same Committee on Bill "An Act Relating to the Powers of the Maine Turnpike Authority," (S. P. 127) (L. D. 336) reported that the same ought to pass as amended by Committee Amendment "A".

Mr. Harding from the same Committee on Bill "An Act Relating to Court Records and Official Court Reporters," (S. P. 219) (L. D. 585) reported that the same ought to pass as amended by Committee Amendment "A".

Mr. Butler from the Committee on Natural Resources on "Resolve Authorizing Forest Commissioner to Convey Certain Land in Hancock County, Maine," (S. P. 480) (L. D. 1334) reported that the same ought to pass as amended by Committee Amendment "A".

Mr. Squire from the Committee on Public Utilities on Bill "An Act Relating to Regulation of Posts and Wires," (S. P. 325) (L. D. 815) reported that the same ought to pass as amended by Committee Amendment "A".

Mr. Harding from the same Committee on Bill "An Act Amending the Charter of the Waterville Sewerage District," (S. P. 326) (L. D. 927) reported that the same ought to pass as amended by Committee Amendment "A".

Which reports were severally read and accepted, and the bills and resolves read once; Committee Amendments "A" were severally adopted without reading, and the bills and resolves as amended were tomorrow assigned for second reading.

Mr. Weeks from the Committee on Towns and Counties on Bill "An Act to Increase the Salary of the Register of Probate of Hancock County," (S. P. 230) (L. D. 602) reported that leave be granted to withdraw the same as it is covered by other legislation.

The same Senator from the same Committee on Bill "An Act Relating to Fees of Sheriffs and Their Deputies," (S. P. 422) (L. D. 1130) reported that leave be granted to withdraw the same.

Mr. Broggi from the same Committee on Bill "An Act Relating to Nomination for State Senators from Cumberland County," (S. P. 487) (L. D. 1344) reported that the same ought not to pass.

(On motion by Mr. Chapman of Cumberland, tabled pending consideration of the report.)

The same Senator from the same Committee on Bill "An Act Relating to Employment of Prisoners in County Jails," (S. P. 380) (L. D. 1044) reported that the same ought not to pass.

Mr. Ward from the same Committee on Bill "An Act Relating to Emergency Municipal Finance Board," (S. P. 360) (L. D. 970) reported that the same ought not to pass.

Which reports were severally read and accepted.

Sent down for concurrence.

Mr. Ward from the same Committee on Bill "An Act Relating to

Collection of Excise Taxes in Unorganized Territory," (S. P. 459) (L. D. 1272) reported the same in a new draft (S. P. 523) under the same title, and that it ought to pass.

Which report was read and accepted, and the bill in new draft laid upon the table for printing under Joint Rule No. 10.

The same Senator from the same Committee on Bill "An Act Relating to the Salary of Register of Probate of Hancock County," (S. P. 236) (L. D. 596) reported that the same ought to pass.

Mr. Weeks from the same Committee on Bill "An Act Relating to Expending Aroostook County Funds for Ricker College," (S. P. 458) (L. D. 1273) reported that the same ought to pass.

(On motion by Mr. Jamieson of Aroostook, tabled pending consideration of the report.)

The same Senator from the same Committee on Bill "An Act Repealing Certain Laws relating to County Commissioners' Duties re Ferries and Toll-Bridges," (S. P. 424) (L. D. 1128) reported that the same ought to pass.

Mr. Broggi from the same Committee on Bill "An Act Relating to Additional Probation Officer for Cumberland County," (S. P. 472) (L. D. 1315) reported that the same ought to pass.

Which reports were severally read and accepted, and the bills read once and tomorrow assigned for second reading.

Passed to be Engrossed

Bill "An Act Relating to Korean Campaign Veterans' Preference in State Employment." (S. P. 56) (L. D. 84)

Bill "An Act Extending the Powers of the Maine-New Hampshire Interstate Bridge Authority." (S. P. 203) (L. D. 543)

Bill "An Act Relating to Voting at Cliff Island." (S. P. 314) (L. D. 911)

Bill "An Act Relating to Banks Renting Safe Deposit Boxes Adjudged Trustees." (S. P. 373) (L. D. 1108)

"Resolve in Favor of the City of Belfast." (S. P. 397) (L. D. 1105)

Bill "An Act Relating to Sales of Estates of Non-Resident Owners." (S. P. 404) (L. D. 1398)

Bill "An Act Suspending Sardine Tax on Certain Cases of Sardines." (S. P. 512) (L. D. 1400)

Bill "An Act Relating to Disposition of Liquor Seized or Forfeited." (S. P. 513) (L. D. 1399)

Which were severally read a second time and passed to be engrossed.

Sent down for concurrence.

Bill "An Act Relating to Real Estate Brokers and Salesmen." (S. P. 26) (L. D. 14)

Bill "An Act Relating to Uniform Code of Military Justice." (S. P. 194) (L. D. 442)

Bill "An Act Providing for Maintenance of a Road on the North End of Baxter State Park." (S. P. 202) (L. D. 538)

Bill "An Act Relating to Court Holidays." (S. P. 253) (L. D. 676)

Bill "An Act Clarifying the Law Relating to Registration of Voters." (S. P. 408) (L. D. 1111)

Bill "An Act Relating to Regrouping of Towns in Supervisory Unions." (S. P. 436) (L. D. 1204)

Which were severally read a second time and passed to be engrossed, as amended.

Sent down for concurrence.

Bill "An Act Relating to Education in Unorganized Territory" (S. P. 448) (L. D. 1262)

Mr. Fuller of Oxford presented Senate Amendment A to Committee Amendment A and moved its adoption.

Thereupon, on motion by Mr. Reid of Kennebec, the bill and accompanying papers were laid upon the table pending consideration.

Orders of the Day

The President laid before the Senate, House Report "Ought to Pass" from the Committee on Taxation on bill, An Act Relating to Sales Tax on Isolated Sales of Motor Vehicles (D. P. 282) (L. D. 279), tabled by the Senator from Penobscot, Senator Ward, on April 1st, pending consideration of the report.

Mr. WARD of Penobscot: Mr. President and members of the Senate, I move that this bill and the accompanying report be indefinitely postponed. The bill is "An Act Relating to Sales Tax on Isolated Sales of Motor Vehicles." It is a

short bill and I will read its provision: "The tax imposed by the provisions of this chapter shall be levied upon all isolated transactions involving the sale of motor vehicles excepting those sold for resale." The committee amendment provides that "motor vehicles" means any motor vehicle operating on land not designed to run on rails.

In making this motion I am fully aware that the report was an unanimous report of the Committee on Taxation, the members of which I hold in high esteem. I am also fully aware that this bill has the backing of a very powerful lobby which apparently is making every effort to see it enacted into law. And I make the motion completely confident that in the event you do enact it Ernest Johnson will do his utmost to carry out the directive that the bill contains. And in order that there may be no misunderstanding with respect to my attitude toward Mr. Johnson let me say that I believe he is an ideal state official. I know of no one who could have equalled him in tackling the unpleasant task of putting the unpopular 1951 sales tax into operation and doing it as efficiently and as smoothly as he did, and heading one of the most powerful units of our state government in the quiet and unassuming manner that he does, makes it a pleasure to do business with him.

I want to say that apparently this bill is intended as a companion measure to the bill which would impose a sales tax on the net sales price that we pay for an automobile and is intended to cushion, on paper, the loss of revenue which would result should the other bill become a law. In my opinion the bill under discussion should be entirely dissociated from the other and should be decided entirely on its own merits. I have several objections to the bill and I will state two of them, either one of which in my opinion should be sufficient to defeat it.

First, I have neighbor who owns a buffet style piece of property which happens to be an original Chippendale for which he has been offered and has refused two thousand dollars. I do legal work for a chap

in my town who owns and maintains a flying service and he has several planes which range in price from three thousand to eight thousand dollars and near my town is a chap who owns a motor boat which is worth approximately thirty thousand dollars. In the vicinity of my town there are a set of sporting camps which are up for sale at twenty thousand dollars and as those camps are constructed on leased land all he has to offer at that price is personal property. I happen to know a person who owns a music box made in Switzerland which is worth several thousand dollars. I know a lady who has a Hammond organ, another lady who has a famous make piano. In my town there have recently been a number of television sets which have sold about seven hundred dollars apiece. All of these people may sell their personal property at isolated sales without the benefit of a sales tax and yet this bill, if you enact it, would place a sales tax on the isolated sales of a one hundred dollar jalopy.

I fail to see justice and equity there. In the course of a years time I make out a number of bills of sale involving several thousands of dollars. All of these are isolated sales and no sales tax is involved. I fail to see why in all of the many items of personal property we have, that the motor vehicle should be singled out and taxed on isolated sales and other items not be.

Secondly a tax measure is a revenue measure. It is not an unemployment measure and it is not a measure to be disregarded if it is enacted. There must be sufficient net revenue over and above the cost of collecting in order to justify the tax and when the measure fails to do that in my opinion, it loses its character as a tax. If you pass this bill, one of the new duties of the State Tax Assessor regardless of cost, will be to ferret out all of the isolated sales of items mentioned in this bill and collect the tax on them. The tax would apply to every self propelled vehicle which does not travel on rails. This apparently covers automobiles, trucks, tractors, buses, motorcycles, motor bikes, motor scooters, all types of self propelled farm

machinery, all types of earth moving equipment, and I assume it covers the new fangled self propelled lawn mowers, the one-man garden tractors and all the various and sundry types of self propelled vehicles used around mills and factories, freight offices and so forth.

It is not only going to be the duty of the State Tax Assessor to go out and collect the tax from those people whom he knows about, but he must seek out all of these sales and collect a tax on them. If one person pays this particular tax, he has the right to expect and have that same tax collected from all like transactions. Last Thursday, Mr. Johnson informed me that this bill would produce approximately \$125,000. Almost without exception, the tax would be collected on used equipment, on motor vehicles which would sell for one, two, or three hundred dollars. It would be a rare exception in these isolated sales that the value would exceed one thousand dollars. In other words the revenue is going to accrue at the rate of one dollar here two here, three there and so on. It may average over all, five dollars a transaction.

We have 491 organized municipalities in the state in addition to a large number of people who are living in de-organized townships, and we have quite a number of people living in unorganized townships. It would almost seem that if we are going to realize up to ninety percent of this tax we would have to have one detective in each town. If you had one in each town and you could hire that person for fifty dollars to cover all salary, travel and so forth, it would run into the fantastic figure of one million, two hundred thousand dollars.

I think you have got to bear in mind in connection with this particular matter, that the tax is not collected from a regular retailer who has a regular and fixed place of business. In order to collect on the isolated sales it would seem that the collector would have to be Johnny-on-the-spot in order to collect the tax before the money has been spent or the person moved elsewhere. If you should figure that perhaps two field men per

county could do somewhat of a good job on this proposition, then that would run into something like \$83,200 a year. If you assume that perhaps these two men might be able to realize 80% of the taxable sales, they would bring into the state treasury about \$90,000. With additional expense over here in Augusta to take care of that, the state could not break even.

The proponents of this measure may say that we will take off the amendment and make the bill more limited in scope and it will be an easy matter to collect the tax. Let's see whether it will or not. Apart from the cars and trucks which are registered in the motor vehicle department, we all know there are a large number throughout the state which are used on private roads, on farms, throughout sporting camps, on private land and are never registered. Either you will have to ignore these transactions or you will have to have men to dig out those transactions.

If I want to register my automobile today I have to present to the motor vehicles department an excise tax receipt. I have to pay the prescribed fee, of course, and if it is not a re-registration I have to present a motor vehicle purchaser's certificate and in that certificate, I have to certify that I purchased an automobile from so and so who lived in such and such a city or town and I pay the amount of the tax to him. It is very proper under this act that I pay the tax to the man who sells to me. The title of the act and the act itself tells you that it is a sales tax. We are not talking about a use tax. According to the definition contained in the act in Section 2, a retailer means every person engaged in the business of making sales at retail. The bill makes every isolated sale of motor vehicle a retail sale and this is exemplified by Section 8 of the act which goes on the presumption that every sale is a sale at retail. Section 5 says that every retailer shall collect the sales tax when he makes the sale. The tax is on the sale and not on the use. As the casual sale becomes taxable under this bill it is perhaps beside the point that apparently under Section 6 all of these casual

sellers are obligated to register with the Bureau of Taxation and under Section 33 of the act, they become criminally liable if they fail to do so.

But to get back to registration when I present my purchaser's certificate to the Bureau of Motor Vehicles, I have complied with Section 4 and I am entitled to my registration. I presume the Motor Vehicle Department would forward this certificate to the Bureau of Taxation and by the time they had received the purchaser's certificate, the person that I purchased the car from may still be in that town, or he may be in Korea or he may be in Timbuctoo. I presume that in the first place the Bureau of Taxation is going to have some difficulty when they receive the certificate, in going through the records to see whether payment has already been received. When they find it has not been received, I would assume that notice would go out for payment. When that notice comes back with a notation that the person has moved, or it unknown or has died, I wonder how much money it will cost the Bureau of Taxation to collect that two dollars.

If a person wants to get around this tax, it can be done. If he has a friend about to leave the state, he can easily use this friend by selling him the car for resale and not be liable to a tax and then his friend can sell the car for him and how much is it going to cost the state to collect that tax.

I think enacting this bill will mean that there will be all kinds of situations where it is going to be absolutely imperative if we enact the bill and have it enforced, whereby the state tax assessor is going to be obligated to have a large force out attending to collections. If you enact the bill and do not vigilantly seek to enforce it, then it is going to bring the entire sales tax law into disrepute.

I have some figures here from Mr. Johnson whereby he indicates that perhaps there would be six thousand transactions involved. I have estimated that if you are going to pass this bill and allow it to stand as it is, taxing every possible self propelled vehicle on wheels,

you are going to run into twenty-five thousand or more transactions a year, rather than six thousand. You are going to be dealing with a number of transactions which are going to involve twenty-five, fifty, seventy-five, or a hundred dollars. If you expect a \$125,000 revenue and if you figure the sales will average five dollars, then you are talking about twenty-five thousand transactions.

If Mr. Johnson in his six thousand figure is simply talking about the number of automobiles, then if these automobiles over all would average \$500 per sale and I think a \$500 average is high because a large percentage of these are old jalopies, if you average \$500 a sale then that would bring in about \$60,000 on the automobiles. That would leave about \$80,000 to gather up on these other transactions and you are not going to gather them up unless you have a number of field men out in the field to collect.

When the sales tax was set up two years ago, the matter of isolated sales were taken care of and were eliminated because of collection is prohibitive. It is somewhat like pouring money down the drain. In my opinion it was a wise decision two years ago to exclude the casual sales and it is my opinion that it is a wise decision to do so today.

Mr. CHASE of Cumberland: Mr. President, it may be, as the Senator from Penobscot, Senator Ward, has said that this bill should not be associated or considered a companion bill to the other which changes the tax on automobiles to the net purchase price. They have, however, been so regarded by the committee and they are both involved in the financial picture of this legislature. That financial picture has not yet been clarified so that tax measures can be regarded in association with appropriation measures. It appears likely that it will be some time before the appropriation situation does clarify to that point.

I think very good arguments could be made that the definition of motor vehicles or passenger automobiles should be the same on the one bill as on the other. This is the first time, however, that this par-

ticular bill has come before the Senate. The bills were reported from Taxation in the form which a majority of the committee thought was the best form. The Committee was united on the principle idea of both bills, but not on how far the definition should extend.

The automobile bill has been amended in the Senate and is now on the table and I had hoped that the House might have an opportunity to vote on it so that we would have more information regarding the disposition of the legislature to take any action on these measures.

I dislike to see this bill indefinitely postponed until the House has had an opportunity to vote upon the other. When the issue is finally raised and we know how much money we have to have and what we can do about taxes, it will be possible to decide more intelligently regarding a number of bills, including this one, than it is now. While I eventually may find myself in a position where I shall have to vote against this bill and the net purchase price bill by reason of a demonstrated need for money, I do not believe that this bill should be indefinitely postponed at this time.

Mr. HASKELL of Penobscot: Mr. President and members of the Senate, we are now facing I think, for the first time in this session, a problem that has been before each Legislature that I have had a part in, and we often refer to it as which comes first, the egg or the hen.

I agree with the Senator from Cumberland, Senator Chase, that a break must be made either on the spending side of the operating sheet or on the income side of the operating sheet, and I don't believe, however, the decision on this measure will be a final decision on the issue. It seems to me that this particular bill is one that is so difficult to accept that we may well decide to settle the question on income or expense on the other dealers' bill. I should vote for the indefinite postponement motion, not particularly for the well thought of reasons that the Senator from Penobscot, my colleague, Senator Ward, but rather on two general principles.

The first general principle is that which I find in the platform of the majority party, and I suspect the intent is in the platform of the minority party, but the platform of the Republican party is principally adaptable to this issue. The platform used a lot of nice but unnecessary words, but it finally gets down to a firm belief that the Legislature should enact such amendments as experience may indicate to be desirable for ease of administration and collection. When this Legislature hit the people of the State of Maine with a sales tax two years ago, we had 20,000 people hit by that tax, namely the collectors. Now I am not sure how far I follow the set-up of Penobscot Senator Ward's mathematics, but if we blow up the income to \$150,000 and if we accept the average sales as \$250, you have as collectors not the 20,000 which you now have, but you blow that figure to 50,000, because it takes 30,000 transactions at \$250 per transaction to get \$150,000 income. Now suppose we be a little pessimistic and suppose it is \$500 per transaction and we are going to gross \$150,000, you picked up 15,000 people added to the 20,000 who will become involved in the tax. I don't believe that is the intent of our platform and I don't think it would meet the pleasure of many people in this State to impose whatever are the difficulties of the sales tax on another, 5, 10, 15, 20, 30 or 40,000 people. I believe the thousands of jalopy sales, and I am speaking from my own experience in having an active responsibility in the Time Sales Department of one of the larger banks, and I know that veterans and others do sell their cars as an individual transaction.

The whole concept of this sales tax when we accepted it, was at least holding it down to a dealer proposition, a retailer proposition. I can visualize with all the firmness that I had that if we accept this as the principle, we have almost no defense come another session to giving that same concession to the other retailers who are still paying on the gross basis, and if we accept that, we add another 10 or 20,000 people who may make isolated transactions.

I came around to still another viewpoint. If it is as the dealers say a component part of their tactics, and a dealer means of aiding them and getting the tactics passed, your next Governor, parenthetically Governor Cross, will have another budget problem, and he is going to be faced with some pretty serious problems.

We have got a Statute that provides the State shall pick up a certain percentage of the operational costs of schools. We are urging those towns to spend more money by improved teachers salaries. It is pretty evident to me that if the State tab went up \$750,000 a year this biennium, the education people quite properly are going to improve local education so that the State costs come the next budget hearing is going to be up another three-quarters of a million or another million and yet this as part of another package seeks to reduce that.

I honestly don't believe Senators that we ought to embark, even at this time, on measures that perhaps will multiply by two at least persons in this State suffering from tax. I don't think they will be at all happy about it, and those of you who were in the Legislature the last session know not all the 20,000 dealers who were making tax collections were too happy.

I believe that it would be one of the most expensive taxes that we could impose with respect to collection, and with respect to procedure I don't think an orderly disposition of the major question of income vs. expense would be too thoroughly confused by taking this package out of the picture, and that's why I feel that the motion of the Senator from Penobscot, Senator Ward's motion, should prevail.

Mr. CARTER of Oxford: Mr. President and members of the Senate, I would just like to make the observation that in the hearing the Tax Commissioner, Mr. Johnson, made no mention of any particular difficulty in collecting this tax.

Mr. BOUCHER of Androscoggin: Mr. President and members of the Senate, as long as the Majority Floor Leader has seen fit to draw the democratic party into this argument, I accept gladly the challenge,

and I want to tell you how I feel and I think my partners feel about this bill.

First of all, I think we are on record as opposing the sales tax, period. Secondly, we are certainly opposed to any new sales tax being added to the present sales tax. I have heard about this 20,000 collectors; I am one of those collectors, I think my number if I recollect right is 16887. I am also one of those taxpayers. For my money I would rather see this whole set-up changed to a wholesale tax on the wholesale issue and let them do the worrying about the returns and the paying of the monthly sales tax. I don't want to create any more collectors in the State. I think 20,000 tax collectors in the State of Maine is enough. I certainly don't want to increase it to 30,000 or 40,000 or 50,000 tax collectors. I think we have got enough tax collectors now. I think we should reduce the number to a very simple number of the wholesalers of the State.

At the time the law took effect I appeared before Mr. Johnson and asked not to register but I would pay a sales tax for all the materials that I bought directly from the wholesaler whom I bought from, and the answer was very nice and very definite that I could not do that, and I asked him why, just as long as the State received the sales tax, what difference does it make whether it is received from me or the wholesaler, and again the answer was very nice and very efficient, good republican efficiency, that I bought certain materials and did I sell them at the same price, and of course the answer was no. All I could say was I did charge a profit on the materials I bought. Well he says, we want the sales tax on the amount that you sell for and not the amount that you buy for. So very reluctantly I had to register as a sales tax collector and I became that sales tax collector number 16887 if my recollection is right and I have been that ever since, but I don't want to put any more citizens in the State of Maine onto that system of collecting taxes on isolated sales.

I will go along with the Senator from Penobscot, Senator Ward, in

his motion to indefinitely postpone the bill.

Mr. WARD: Mr. President I request that when the vote be taken it be by division.

Mr. CUMMINGS of Sagadahoc: Mr. President and members of the Senate, it would seem that when the word "automobile" is mentioned I have to get up on my feet. I have listened to the logic of the Senator from Penobscot, Senator Ward and I am like his colleague from Penobscot, Senator Haskell, in that I am a bit bewildered by the logic he expresses. The conclusion I have drawn, however illogical it may be, is that the honorable Senator from Penobscot, Senator Ward, if opposed to taxes, especially the sales tax. If that is the issue this morning and if it is possible for the state to function without taxes I would go along with his motion and move that the State of Maine become the ideal democracy where we would have no taxes but would have all services. I had reached that conclusion when another friend, another honorable Senator from Penobscot, arises, and I am thinking in my mind of the appropriation bill and the rise in appropriations, the large amount of money that the Appropriations Committee has said is necessary for the functioning of our State, when lo and behold, the honorable Senator from Penobscot, Senator Haskell, amazes me by saying that we don't need additional taxes, that we have too much money already and we don't want to infringe upon another twenty thousand people of the State of Maine by asking them to pay because it isn't necessary or it would be illogical. I stand before you completely bewildered.

The automobile dealer has been mentioned many times in this Body and I would like to call to your attention a fact about the automobile dealers of Maine. I wonder if we realize what an open door the legislature of Maine has given the automobile dealers if they were low enough in thought to take advantage of this good legislature by allowing the casual sales bill to be put on the books for the past two years. How simple it would be for an automobile dealer to simply say,

"I won't take that car in trade but I can sell you the new one and I can suggest a customer for you, you go down the street and see Mr. Jones and tell him I sent you, tell him Johnnie sent you, and you can sell Mr. Jones your car direct and you will have to pay no sales tax and Mr. Jones will have to pay no sales tax". And the automobile dealer will be free from a large part of this tax collector's duty. That is being done, lady and gentlemen of the Senate. It is being done in certain parts of the state promiscuously. Say that car came from Mr. Jones in New Hampshire, it is registered in Maine and no tax paid on it, a casual sale.

Now if you insist that this casual sales bill remain on the books and if you tell our automobile dealers that they are exempt from taxes on those sales they will say, "We get the hint, you are winking at that practice, you are saying, 'go ahead, there is a way around this thing, only don't embarrass the Senate by making us decide these things, shift for yourselves.'" Well, it may be said that the automobile dealer can shift for himself but I want to defend the automobile dealer. The vast majority of dealers for the past two years have been very exemplary in their manner of collecting this sales tax and they have come to you in this legislature in good faith and with clean hands in a vast majority of cases and said to you, "We ask for two things. We ask that a man pay a sales tax on what he actually pays for his car but specifically in this bill we ask that regardless from whom you buy an automobile you should pay the same tax, not that you should pay a tax if you buy from a dealer but if you buy from individuals you pay no tax." We maintain that is discriminatory and illogical. We maintain that the state needs additional revenue if we are going to adopt the Appropriations Committee report. We believe this is a way of getting it.

So I am going to oppose the motion to indefinitely postpone on the ground that it is discriminatory against the automobile dealer, on the ground that the state needs the additional revenue and on the ground that we should place all

people in the same category as the person who buys an automobile from a legitimate retail dealer, and I think no exemptions should be made. If it is good for the goose it is good for the gander. Let the chips fall where they may, we should all be taxed in the same category and under the same law, and I shall oppose the motion to indefinitely postpone.

Mr. REID of Kennebec: Mr. President and members of the Senate, I fail to see why the Senator from Sagadahoc, Senator Cummings, should be bewildered on this particular point. Two years ago the legislature passed the sales tax law. At that time it was estimated, if I recall correctly, that the revenue from it would be somewhere between eleven and twelve million dollars. It turned out that the revenue was in excess of that by some two million dollars. At the time we passed the tax it was widely known as a retail sales tax. I think the public generally accepted the idea that that meant a tax on the retail sales of persons in the business of retail selling. Also, at the time this tax was passed it was known that there were some inequities but in order to get the tax across those could be overlooked temporarily and corrected later. Among the major inequities was the tax on automobiles sold without trade-ins. For that reason, when that issue comes up I could go along with the opinion of the Senator from Sagadahoc, Senator Cummings, that it is an inequity that ought to be removed, regardless of the amount of revenue. But on this matter of casual sales, I say this. I do not believe that we ought to legislate a change in the complexion of the retail tax law which is exactly what this would be doing. In all fairness to the public of the State of Maine let us not create something of a mongrel out of the sales tax we already have on the books. If we are forced to produce more revenue—I don't believe we will be but if we are—let us face up to a new type of tax bill.

Mr. CUMMINGS of Sagadahoc: Mr. President, I would like to simply say that in opposing this motion to indefinitely postpone, if the motion does not prevail and if this

bill is subsequently accepted I will offer an amendment in regard to the definition of the term to perhaps confine it more to the automobile field and somewhat narrow the definition.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Penobscot, Senator Ward, that the bill and report be indefinitely postponed and the same Senator has requested that when the vote is taken it be by division. Is the Senate ready for the question?

A division of the Senate was had.

Eighteen having voted in the affirmative and eleven opposed.

The motion to indefinitely postpone prevailed, in non-concurrence. Sent down for concurrence.

On motion by Mr. Reid of Kennebec the Senate voted to take from the table bill, An Act Relating to Education in Unorganized Territory (S. P. 448) (L. D. 1262) tabled by that Senator earlier in today's session pending consideration.

Mr. REID of Kennebec: Mr. President, my reason for tabling this measure earlier today was because I did not quite understand the amendment. I also understand that Senator Broggi has a definite interest in this bill and he is not here. I therefore move that the bill and accompanying papers be retabled.

Thereupon the bill and accompanying papers were retabled pending consideration.

On motion by Mr. Dunham of Hancock the Senate voted to take from the table House Report "Ought not to pass" from the Committee on Inland Fisheries and Game on, Resolve Regulating Ice Fishing in Hopkins Pond, Penobscot County, (H. P. 99) (L. D. 101) tabled by that Senator on March 17 pending consideration.

Mr. DUNHAM of Hancock: Mr. President and members of the Senate, I want to apologize to the members of the Inland Fisheries and Game that I was unable to attend the hearing on this particular bill. In the absence of my colleague, Senator Silsby, I have been extremely busy, that's why I

tabled the matter and wish to speak about it at this time.

This particular pond is a pond about 17 miles from Bangor; about 30 odd miles from the City of Ellsworth, a pond which is quite isolated, no accessible road, only the hardy souls would put a pack on their back and walk into this pond. This is a natural pond for the propagation of trout. It doesn't need stocking in my opinion. This particular pond is accessible only to those who wish to take that walk.

I think the original closing of this pond was a difference of opinion between those that like to fish in the summer time and those who like to go ice fishing. It used to be my habit to do a good deal of ice fishing and until I found out it was quite a futile effort I have given it up, and I confine my endeavors now to just an annual trip into Hopkins Pond with a group of Boy Scouts and I would like to make it lawful at least to have the pleasure of cutting a hole in the ice.

Now we don't say down in Hancock County that you can't fish Graham Lake in the winter time, we don't say you can't fish Branch Pond which has some nice Brown Trout in it and Salmon, we don't say you can't fish Tunk Pond or Molasses Pond or Dunham's Pond. All of these ponds are readily accessible by automobile, but we have said that you can't go into this little pond back in the woods two or three miles and fish this particular pond.

It is my opinion that the people in Hancock County through our local clubs are very interested in conservation, and I believe that they themselves if they thought for one moment that opening this pond up to ice fishing would take any particular amount of fish out of this pond they would say no, but I don't believe in any of our ponds in Hancock County or Penobscot County that the winter fishing does as much harm in a week's time in the spring and the summer as much as they take out all during the summer.

Therefore I would like to move Mr. President, that we concur with the House and accept an Ought to

pass report on this bill.

Mr. WIGHT of Penobscot: Mr. President and members of the Senate, Hopkins Pond is a pond about 2½ miles in length, contains about two square miles of water, about 15 miles from Bangor, it is well in the woods, about 2½ miles walk through the woods. It has been closed for some years to ice fishing. This bill would open the pond to ice fishing.

The pond has been stocked in 1951 they put in 5,000 4" trout in the pond, it is a natural trout pond. In 1952 they put in 700 10" to 11" trout, catchable trout. It is planned to put in 700 more trout this year, this fall, 1953. I talked with Gerry Wade and he informs me that if the pond were opened to ice fishing they will not continue to stock the pond. It has been said by some that there is no chance for people to go ice fishing in that vicinity. I checked up and I find that there are in Penobscot County 93 ponds open to ice fishing, only 26 closed, and 4 of those ponds are nearby ponds, near Hopkins Pond. In Hancock County there are 36 ponds open to ice fishing, 29 closed, and 17 of those ponds are near Hopkins Pond, a reasonable distance.

There are three cottages on the pond. I have a letter from one of those cottage owners protesting against the opening of the pond to ice fishing. Also the Penobscot County Conservation Association is opposed to the opening of the pond for ice fishing, I have a telegram from the President of the Association and also a long letter from the Association itself protesting against the opening of the pond. This was a unanimous report by the Committee on Inland Fish and Game that the pond should not be opened to ice fishing, so I hope the motion will not prevail.

Mr. DUNHAM: Mr. President and members of the Senate, as I said before this is just a question, it is a difference of opinion between those that like to fish in the summer and those who like to do a little ice fishing.

I have also letters from the City of Bangor, some of the citizens who would like to see the pond open. As to the stocking of this pond, we don't care whether it is stocked

or not. I think that it is a natural habitat for trout, and I think the trout will take care of themselves, and I certainly do not believe that the little ice fishing that is done in this particular pond will ever hurt the resources of that pond, and I can't understand why we should single out this little pond among the many and say no, you can't fish this pond.

Mr. HASKELL of Penobscot: Mr. President, I haven't the least idea whether the Senator from Hancock, Senator Dunham is correct, or the Senator from Penobscot, Senator Wight is correct, but excluding members of the Legislature, I have kept a record of those who have lobbied on the thing, namely Bangor citizens, and the score is 7 to 1 in favor of the position of the Senator from Penobscot, Senator Wight.

Mr. DUNHAM of Hancock: Mr. President, I would like to ask a question through the Chair, of the Senator from Penobscot, Senator Haskell. May I inquire whether these gentlemen are in a position to get out in the outdoors in the winter time. Whether they are people who are interested in meandering through the woods, or whether they take a two or three weeks vacation in the summer, or just those who get a holiday once in a while. Would you care to answer that?

The PRESIDENT: The Senator from Hancock, Senator Dunham, has asked a question of the Senator from Penobscot, Senator Haskell, through the Chair, and that Senator may answer if he cares to.

Mr. HASKELL of Penobscot: Mr. President, great as is my regret, I just did not keep a qualification list on each of the individuals who contacted me. I might say that they all looked like outdoor types of people and of course, being from Penobscot County, they were all honorable gentlemen.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Hancock, Senator Dunham, that the resolve be substituted for the ought not to pass report of the committee in concurrence.

A viva voce vote being doubted by the Chair

A division of the Senate was had. Nine having voted in the affirmative and fifteen opposed, the motion did not prevail.

Thereupon, the "Ought Not to Pass" report of the committee was accepted in non-concurrence.

Sent down for concurrence.

On motion by Mr. Carter of Oxford, the Senate voted to take from the table House Reports from the Committee on Inland Fisheries and Game on Resolve Relating to Ice Fishing in Peabody Pond, Cumberland County (H. P. 66) (L. D. 62); Majority Report "Ought Not to Pass"; Minority Report "Ought to Pass with Committee Amendment A"; tabled by that Senator on March 24 pending consideration of the reports.

Mr. CARTER of Oxford: Mr. President and members of the Senate, this is another one of those ponds in question and I think it involves a matter of local option on the closing or opening of a pond like this to ice fishing. I understand there are quite a few pickerel in the pond and where there are other fish in these ponds, I do not believe there should be any objection in opening it to ice fishing.

A lot of local residents felt that this pond should be opened to catch the pickerel out of the pond and for that reason I would move acceptance of the Minority Ought to Pass as amended report of the committee.

Mr. WEEKS of Cumberland: Mr. President and members of the Senate, this Peabody Pond is in Cumberland County and because of that I have contacted a good number of individuals who are vitally concerned with it. The entire Fish and Game Committee met with the Fish and Game Committee of our Association in Cumberland County and discussed the measure. I will mention simply as a matter of record that the Fish and Game Association of Cumberland County is opposed to opening this pond to ice fishing, at least a great majority of them.

This brings up the general problem of what we are going to do about fish and game. In case you gentlemen have not familiarized yourselves with the budget clause, it calls for one million, four hun-

dred thousand each year. They are spending a lot of money to make a biological study and in research to try and find out just what constructive measures should be taken and I believe we should do everything we can to further their efforts. I believe we should back up the department wherever they make a report based upon study. They advocate this pond remain closed. They have a conservation program, they have studied the matter and I think it would be unwise to spend a good deal of money in study and research and then when the facts are known and the recommendations submitted to us, fail to recognize the merits when we ourselves are unfamiliar with the subject. I therefore move the acceptance of the Majority "Ought Not to Pass" report of the Committee.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Oxford, Senator Carter, that the Senate accept the Minority Ought to Pass as amended report of the committee.

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

A division of the Senate was had.

Two having voted in the affirmative and twenty-three opposed, the motion did not prevail.

Thereupon, on motion by Mr. Weeks of Cumberland, the Majority "Ought Not to Pass" report of the committee was accepted in non-concurrence.

Sent down for concurrence.

On motion by Mr. Fuller of Oxford, the Senate voted to take from the table House Report "Ought Not to Pass" from Committee on Inland Fish & Game Resolve Opening Pleasant Pond, Oxford County, to Ice Fishing (H. P. 411) (L. D. 460) tabled by that Senator on March 17 pending consideration.

Mr. FULLER of Oxford: Mr. President and members of the Senate, at long last being convinced that the people of Sumner do not wish to have this lake opened to ice fishing and being thoroughly confident in the ability of the hard working committee on Inland Fisheries and Game, I now move that the Senate accept the ought not to pass report of the committee.

The motion prevailed and the ought not to pass report of the committee was accepted in concurrence.

On motion by Mr. Haskell of Penobscot,

Recessed for five minutes.

After Recess

The Senate was called to order by the President.

On motion by Mr. Chase of Cumberland the Senate voted to take from the table bill, An Act Relating to Taxation of Personal Property Held in Trust (H. P. 417) (L. D. 465) tabled by that Senator on April 2nd pending passage to be engrossed.

Mr. CHASE of Cumberland: Mr. President and members of the Senate, I hope no one will suppose that my speaking on this matter at this time on the bill reported by the Judiciary Committee has any relation in time to the action just taken on the motion of a member of that committee on the report of the Committee on Taxation. But in the event that any suspicious soul should make any such surmise, let me augment the compliment paid by the Senator from Penobscot, Senator Ward, to the Committee on Taxation and say that my opinion of the Judiciary Committee is at least twenty-five percent higher than his opinion of the Committee on Taxation.

Section five of Chapter 81 of the Revised Statutes provides that "personal estate for the purpose of taxation included all goods, chattels, money and effects, wheresoever they are; all vessels at home or abroad; all obligations for money or other property; money at interest and debts due the persons to be taxed more than they are owing; all public stocks and securities, all shares in moneyed and other corporations within and without the state, except as otherwise provided by law; all annuities payable to the person to be taxed when the capital of such annuity is not taxed in this state; and all other property included in the last preceding state valuation for purposes of taxation."

Following Section Five are certain exemptions. All of these exemptions relate to kinds of property and are

not to the ownership of it. These are general exemptions applicable to everyone, statewide, and therefore constitutional. Section 12 of Chapter 81 provides that all personal property within and without the state shall be assessed to the owner in the town where he lives on the first day of April, subject to certain exceptions. All of those exceptions relate to the place where the tax shall be paid. None excuses payment of the tax if the property is in Maine and not exempted by kind.

Now under existing law, when an administrator, executor or trustee — which for purposes of brevity I shall hereafter call fiduciaries — hold personal property in trust for the benefit of another, the tax is paid where the beneficiary lives if he lives in Maine, but if the beneficiary lives outside the state the tax is paid where the fiduciary lives. A trustee in Bangor, administering a trust for the benefit of a citizen of Augusta, pays the tax in Augusta. If the beneficiary lives in Boston the tax is paid in Bangor. In any event the tax is paid in Maine. The property does not now escape taxation. If this bill should become a law it could escape and much of it would, for if the beneficiary lived outside the state no tax on the property would be due anywhere in Maine. The bill says that the fiduciary can not be assessed at all. A resident beneficiary can be assessed where he lives. A non-resident beneficiary would not be assessed anywhere.

Now such an exemption of property from taxation, based on the residence of the beneficiary, in my opinion is not in compliance with Section 8 of Article IX of the Constitution which says that all taxes upon real and personal estate shall be apportioned and assessed equally. Neither is it consistent with Section 5 of Chapter 81, which this bill does not seek to amend.

Now who is behind this bill? As I understand it, the bill was drawn by a Bangor law firm in the interest of certain fiduciaries, mainly trustees. These fiduciaries say that they are at a disadvantage in competing for Maine fiduciary business, because lawyers are advising clients to select corporate fiduciaries

ies outside the state, in order to avoid the risk that the existing Maine law may be enforced and that intangible personal property in Maine may be taxed heavily. It is true that such advice is being given by leading Maine law firms. It is true that this risk exists, and that it will exist so long as our silly personal property tax remains as it now is.

The risk now appears greatest in Penobscot, Cumberland, and Sagadahoc Counties, where taxes on stocks and bonds and on money at interest are now being collected to some extent. There have been a number of large trust estates in Maine, the beneficiaries of which live outside the state. I suppose that Bangor, Portland, and Bath may now be collecting some taxes from such estates. I suppose too that out-of-state beneficiaries would like to be relieved of this tax burden.

Having no evidence regarding the attitude of the assessors of these cities, except the fact that such taxes are now being assessed and collected contrary to the prevailing illegal practice in the state, I do not suppose that these cities want to lose such tax revenues.

Now I ask you to remember that this bill relates to all personal property in estates and trusts, not to stocks and bonds and money at interest only. Later I shall come back to that. But since the sponsors of the bill seem to be concerned mainly about securities, these facts are pertinent. The total value of stocks and bonds held in Maine, which are taxable under existing law at the local tax rate assessed on a valuation equal to all other taxable property, has been variously estimated at amounts ranging from \$100,000,000 to \$1,000,000,000. It is more than \$2,000,000 in American Tel. & Tel. alone. In 1951 the total assessment of all towns on all stocks and bonds was \$1,212,010. More than half of this was in Penobscot County, and more than 30% in Sagadahoc. The total assessment on money at interest, which apparently includes some securities was \$1,201,605, of which well over half was in Cumberland County. Elsewhere the law appears to be nullified. Five counties as-

essed nothing on stocks and bonds, and five nothing on money at interest.

Now I sympathize with these fiduciaries in their peculiar predicament. Legally they don't have a leg to stand on. There is the law and behind the law is the constitution. They should meet the issue squarely, and try one of three possible remedies, which are:

1. Enact a law exempting all intangibles from taxation.

The Court has recently advised the legislature that this would be constitutional.

2. Enact a law taxing intangibles at a tolerable rate. The Constitution expressly provides for this.

3. Amend or repeal Section 8 of Article IX of the Constitution so that the legislature will have some power of discretion to classify property according to its capacity to bear taxes.

There is a resolve before this legislature by which this can be accomplished.

Now I am aware there are some who don't hold the Constitution in very high regard and they exist in every locality and every profession, but for the ears of those that don't agree with me on the point of unconstitutionality and of those who don't care about such little technicalities as much as they care about helping somebody avoid paying taxes, I want to present some very practical considerations.

This bill, if it became a law, would reduce tax revenue notably in the counties which I have named, for the immediate benefit of persons not resident in Maine. It might help Maine fiduciaries to obtain more trust business in competition with corporate fiduciaries out-of-state. As between the assessors and the Maine fiduciaries, I lean to the latter. The advantage to either, in the matter of taxation of stocks and bonds, would not be great; a few thousand dollars a year perhaps.

But this bill creates other incentives which are of far greater importance than a local dispute about a few stocks and bonds, now assessed in the state at a very low figure. It embraces all taxable personal property of every kind, assessed in 1951, at \$102,000,000 resi-

dent and \$46,000,000 non-resident and probably worth three times that figure. While non-resident here means non-resident in the town, much of it is owned by non-residents of the state. A large part of this personal property is always in the hands of executors, administrators and trustees. We know very well how often Maine people die, leaving their property to heirs who live out of Maine. This bill would remove all such personal property from taxation while in the hands of executors, administrators, and trustees, and that time may be long. There would be incentives for everyone concerned to keep this property in this happy state of exemption for as long as possible.

This bill creates an incentive for resident beneficiaries of trusts and estates to move out of the state and take residence elsewhere, especially if the amount of property is large. If this happens, the state will lose a large amount of revenue which it now collects in inheritance taxes.

This bill creates an incentive and an opportunity for establishing a tax-exemption racket which could include vast amounts of personal property now taxed. Remember, this embraces all personal property. A fishing fleet owned in Maine could be put in trust for a Massachusetts resident, and thereby become tax-exempt. All the machinery in a mill could be made exempt in the same manner. So could any amount of livestock or any other kind of personal property.

Mr. President, I could go on at length to show the effect that such a law might have in loss of revenue through tax avoidance, but I have said enough to show that its disadvantage far exceeds any slight gain the fiduciaries would maybe derive from its enactment. It is possible that by amendment, its range may be confined to the target, I don't know how. As to its constitutionality, there may be cases which give it some tinge of validity. I have not found them.

I am obliged to move that the bill be indefinitely postponed. If there be those who believe that the bill can be corrected so as to secure the small minor objectives which apparently these fiduciaries have

in view, I will not oppose a motion to postpone consideration for a day certain in order that the sponsors of the measure may have an opportunity to see what they can do with it, but in the present form I am opposed to the measure. I move that it be indefinitely postponed realizing that if another motion should be made it will have precedence.

Mr. REID of Kennebec: Mr. President, for the first time it has been divulged to me at least that this bill is directly concerned with about everything except reapportionment and indirectly concerned with that. The bill had a hearing and I recollect, but my recollection may be faulty, that at the hearing the proponents of the measure indicated that if there were a non resident trustee although the property was located in Maine he could escape taxation and that the local trustees wanted this measure because they thought they were obliged to advise their clients that it would be better to have a non-resident trustee for the purpose of avoiding taxation.

The detailed arguments of the Senator from Cumberland, Senator Chase, may have been presented to the committee but I don't recall that they were and inasmuch as I had no idea there would be a debate on this, I would like to take advantage of the Senator's suggestion that this bill be tabled until Thursday of this week so that the committee may digest the Senator's remarks, and certainly if they are found to be valid the committee will go along with the Senator either by amendment or by indefinite postponement.

The PRESIDENT: The Senator from Kennebec, Senator Reid, moves that the bill lie upon the table pending the motion of the Senator from Cumberland, Senator Chase, that the bill be indefinitely postponed and further moves that it be especially assigned for Thursday, April 9. Is this the pleasure of the Senate?

The motion to table and assign prevailed.

On motion by Mr. Haskell of Penobscot

Adjourned until tomorrow morning at ten o'clock.