

MAINE STATE LEGISLATURE

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E I G H T Y - S I X T H L E G I S L A T U R E

Legislative Document

No. 61

H. P. 1111

House of Representatives, Jan. 24, 1933.

Both reports accepted and placed on file. 500 copies ordered printed.
Sent up for concurrence.

HARVEY R. PEASE, Clerk.

S T A T E O F M A I N E

IN THE YEAR OF OUR LORD ONE THOUSAND NINE HUNDRED
AND THIRTY-THREE

To the
Members of the Eighty-sixth Legislature,
State House, Augusta, Maine.

Gentlemen:

We the "Committee on Old Age Pensions" wish to submit a divided report. The majority and minority reports, as well as the survey based upon the figures obtained through the co-operation of the State Tax Assessors are attached.

In submitting our report, we wish to express our sincere thanks to the Honorable Governor and Council for their advice and support, to the State Tax Assessors for their co-operation and support, and to the municipal officers throughout the state for their splendid co-operation.

Respectfully submitted,

Signed A. M. SMALL
 H. W. KITCHEN
 N. GRATZ JACKSON
 BENJAMIN S. STERN
 MARION E. MARTIN

MAJORITY REPORT

To the
Members of the Eighty-sixth Legislature,
State House, Augusta, Maine.

Gentlemen:

Your committee felt that it must have, so far as possible, the number of aged dependents in this state at the present time, if we were to carry out the first part of our commission which is that "Such committee shall consider the necessity and feasibility of such legislation for this State". Through the co-operation of the State Tax Assessors and the municipal officers, we have obtained as accurate information as to the number of aged dependents in each city, town and plantation as is possible under the circumstances. Since a small number of towns and cities made no response to the request for information, we used the "1929 Old Age Survey" as a basis of comparison. Finding the percentage of difference in the towns which did report, we assumed the same average of difference would hold true in the towns which did not report. By Computation we found that there had been an increase of 184.93% of aged dependents or that there are 4759 aged in need of assistance at the present time. This increase may be accounted for by the fact that we used 65 years as the basis for our calculations while the "1929 Old Age Survey" used 70 years as the basis for theirs. However, adding together the "number of persons in need of pension" (1929 Old Age Survey) which was 1670, and the "number of persons likely to need pension in near future" (1929 Old Age Survey) which was 2524, gives a total of 4194 which nearly approaches the figures we obtained which were 4759 in need of assistance.

Since there is such a similarity in the figures, we, the majority, feel that these figures can be relied upon to a great extent. Using the average cost of the pension in nine states for the year 1930 (Nevada, Montana, Wisconsin, Kentucky, Colorado, Maryland, California, Utah and Wyoming) which was \$171.84 per year per pensioner as a basis, we found that it would cost the State of Maine \$817,776.56/100 per year to support an old age pension law.

The second part of our commission was to "consult the pension laws of other states, and determine, so far as possible, the success other states are experiencing with similar laws." We have consulted the laws of other states, and through articles published by The United States Department of Labor in the "Monthly Labor Review" of July 1929, Vol. 29 No. 1, April 1930 Vol. 30 No. 4, June 1931 Vol. 32 No. 6, April 1932 Vol. 34 No. 4, and Bulletin of the United States, Bureau of Labor Statistics No. 561 we have

learned that the states are meeting with varied degrees of success and satisfaction in administration of old age pension laws.

We, the majority, therefore, feel that the old age pension movement is one that is in the process of evolution, and that it is not necessary or feasible for the State of Maine to adopt such legislation at the present time. We feel that it is not necessary or practical to add the expense of administering such a law, estimated at \$817,776.56 per year to the already overburdened tax payer. We would, therefore, recommend that such legislation is inexpedient.

Respectfully submitted,

Signed A. M. SMALL
H. W. KITCHEN
MARION E. MARTIN

MINORITY REPORT
OF
OLD AGE PENSION RECESS COMMITTEE

It seems but fair to all who may read this report to state that of the five members of this committee, appointed by Governor Gardiner, two, Senator Small and Senator Kitchen, were avowedly opposed to any form of legislation leading to Old Age Compensation, as was the Governor. Two, Representative Stern and Representative Jackson, were avowedly in favor of such legislation, while the fifth member, Miss Representative Martin was neutral.

After careful and exhaustive discussion in committee of the various phases of the problem, it was unanimously decided by the committee that the best way of obtaining the data and information upon which fair and intelligent action could be based was by requiring each person desiring to avail themselves of Old Age Compensation, to file with the committee their answers to a series of questions, such questionnaire to be made available to them through their municipal officers.

The estimate of the committee as to entire cost of printing and circulating such questionnaire, together with cost of compiling the data and subsequent meetings of the committee, would be Fifteen Hundred Dollars; and this amount was requested of the Governor and Council.

The Governor and Council appropriated One Thousand Dollars to the committee for all expenses and suggested that we submit two questions to the municipal officers of the towns and cities: these two questions, here appended, to be sent out with the bills for state tax, through the Tax Commissioner's office.

Question 1—How many in your municipality between the ages of 65 and

70 years, who are dependent on assistance other than from relatives, and who do not receive a pension, either state or federal?

Question 2—How many in your municipality 70 years of age who are dependent on assistance other than from relatives, and who do not receive a pension either state or federal?

While the information received in response to these two questions may be of some value, we consider it entirely unreliable and inadequate for the purposes of the legislature in enacting Old Age Compensation legislation.

Of the 4,759 estimated by the majority report as available for Old Age assistance, there are many already cared for in private and endowed homes, and in no immediate need of further assistance. Those included in this number we estimate would reduce the above figure by approximately 2000.

We believe the principle of Old Age Assistance to be not only morally right, but economically sound, in as much as there is abundant data obtainable from the U. S. Department of Labor, and from the experience of seventeen states now enjoying the benefits of Old Age Legislation, that the average cost of maintenance per person under such a law, by granting to them a little financial assistance; enabling them to remain in their own home, or in the home of a relative or friend, is approximately one third less than the average cost of maintenance per person in our Alms Houses; to say nothing of their contentment and peace of mind.

While we are regretably aware of the abuses which have been allowed to creep into pension and compensation legislation, whereby those who are neither in need of, or morally entitled to federal, state or municipal assistance, are enjoying the benefits of governmental help, we strongly recommend that whatever legislation may be enacted by the Eighty-Sixth Legislature, there be required of each applicant the filing of their answers to a questionnaire similar to the one compiled by this committee, a copy of which is attached to this report; the veracity of the applicant's answer thereto, being attested by at least three of the municipal officers of the town or city where the applicant resides. We believe this would go far toward minimizing, if not entirely eliminating abuses.

We greatly appreciate the assistance of the State Tax Commissioner's office, and all others who have in any way assisted in the work of the committee, the unfeigned courtesy and painstaking labors of our secretary, Miss Martin, and the friendly spirit of the individual members of the committee.

While we conscientiously differed in our views in the particular matter in hand, we dissolved with the same friendly spirit and regard for each others views in which we first met.

BENJAMIN S. STERN, Representative
N. GRATZ JACKSON, Representative
Members of Old Age Recess Committee.