

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

*One Hundred and Third
Legislature*

OF THE

STATE OF MAINE

Volume II

May 10 to June 15, 1967

**KENNEBEC JOURNAL
AUGUSTA, MAINE**

SENATE

Thursday, June 8, 1967

Senate called to order by the President.

Prayer by the Rev. Derek L. Bugler of Hallowell.

Reading of the Journal of yesterday.

Papers From the House Non-concurrent Matters

Bill "An Act Relating to Clothing Allowance for Employees of Public Works Department of Lewiston." (H. P. 293) (L. D. 413)

In House, June 2, Passed to be Engrossed.

In Senate, June 6, Majority - Ought Not to Pass Report Accepted.

Comes from the House, that body having insisted and asked for a Committee of Conference.

On motion by Mr. Couturier of Androscoggin the Senate voted to Adhere to its former action.

Bill "An Act Relating to Retirement Benefits for Policemen and Firemen of the Lewiston Police and Fire Departments Under the State Retirement System." (S. P. 568) (L. D. 1438)

In Senate, May 31, Passed to be Engrossed. Comes from the House, Passed to be Engrossed As Amended by House Amendment "A" (H-402) in non-concurrence.

On motion by Mr. Boisvert of Androscoggin, the Senate voted to Recede and Concur with the House.

Senate Paper

Mr. Hoffses of Knox presented the following Joint Resolution and moved its Adoption.

WHEREAS, the interest in having attractive communities is reflected by the increasing community improvement and beautification throughout the State; and

WHEREAS, the Town of Appleton, through a group of civic minded women, has formed the Appleton Improvement Committee for this purpose; and

WHEREAS, the Committee with the support of the townspeople have made substantial progress in the beautification of the Town of Appleton; and

WHEREAS, this public spirited community will receive the Keep Maine Scenic Trophy and Cash award for 1966; now, therefore, be it

RESOLVED: That the Senate and House of Representatives of the 103rd Legislature extend their congratulations to the Appleton Improvement Committee and the citizens of the Town of Appleton for having attained the outstanding achievement; and be it further

RESOLVED: That a copy of this resolution, duly authenticated by the Secretary of State, be immediately transmitted by the Secretary of State to the Appleton Improvement Committee and the proper town officials. (S. P. 674)

The PRESIDENT: The Chair recognizes the Senator from Knox, Senator Hoffses.

Mr. HOFFSES of Knox: Mr. President and Members of the Senate: This is indeed a proud day for me as the Senator from Knox County representing the biggest, little county in the state, and on this occasion honoring the smallest, big town in the state. The Town of Appleton is a town of only 700 persons and they appropriated from their town funds the sum of \$200, with a \$75 donation, and have endeavored to make these various improvements in the town, ranging from improvements in the town dump to beautification of some of the various markers throughout the town, and especially a scenic drive known as Appleton Ridge consisting of seven and four-tenths miles.

Through the receipt of this reward, the Sears-Roebuck Foundation will on the 14th of June at a meeting in Rockland of the Maine Municipal Association, they will be awarded a \$200 reward from the Sears Foundation.

I extend to each of you, Members of this Senate, at your leisure time this summer to take a drive over this most scenic route known as Appleton Ridge, and I assure you that it will be well worth your time spent and the scenery is most beautiful, and I know that it will be most enjoyable to you.

Mr. President, I move the Adoption of this Resolution.

Thereupon, the Resolution was Adopted, and sent down for concurrence.

Committee Reports

House

Ought Not to Pass

The Committee on Towns and Counties on Bill, "An Act Authorizing Androscoggin County to Raise Money for the Reconstruction and Renovation of its County Buildings." (H. P. 1151) (L. D. 1643)

Reported that the same Ought Not to Pass.

Comes from the House, report Read and Accepted.

The PRESIDENT: The Chair recognizes the Senator from Androscoggin, Senator Bolsvert.

Mr. BOISVERT of Androscoggin: Mr. President and Members of the Senate: I rise to ask a question to any member of the Committee on Towns and Counties. The entire delegation of Androscoggin County composed of 17 members: 14 in the House and three in the Senate met and discussed this problem of renovation of the county building, and the great majority of them by a vote supported the measure. I would like to ask the reason why this was reported out Ought Not to Pass.

The PRESIDENT: The Senator from Androscoggin, Senator Bolsvert, has directed a question to any Senate Member of the Committee on Towns and Counties who may answer or not as he so desires.

The PRESIDENT: The Chair recognizes the Senator from Androscoggin, Senator Couturier.

Mr. COUTURIER of Androscoggin: Mr. President and Members of the Senate: As a member of the Committee on Towns and Counties and a member of the Androscoggin County Delegation, I will answer the question of Senator Boisvert, and say that there are many members of the legislative delegation who had misgivings about the bill and this was brought to the attention of the Committee.

Certainly, I think, the Committee feels there is a need for renovation at the Androscoggin

County Jail. It is felt that if this bill is not passed at this session, the delegation and the County Commissioners will get together and work out a plan whereby renovations to the County Jail and a comprehensive program for future development of the Androscoggin County Building can be worked out, and if it can be worked out in the next few months, and I have no doubt that it will, then a bill can be presented to the Special Session of the Legislature. This will be just as speedy and I believe then we will be able to have the unanimous consent of all members of the Androscoggin Delegation.

The PRESIDENT: Is it now the pleasure of the Senate to accept the Ought Not to Pass report of the Committee?

Thereupon, the Senate voted to accept the Ought Not to Pass report of the Committee in concurrence.

Divided Report

The Majority of the Committee on Taxation on Bill, "An Act to Increase Cigarette Tax Two Cents." (Emergency) (H. P. 122) (L. D. 148)

Reported that same Ought Not to Pass — Covered by Other Legislation.

Signed:

Senators:

WYMAN of Washington
YOUNG of Hancock

Representatives:

ROSS of Bath
HANSON of Gardiner
ROBINSON of Carmel
SUSI of Pittsfield

The Minority of the same Committee on the same subject matter, reported that the same Ought to Pass.

Signed:

Senator:

FARLEY of York

Representatives:

COTTRELL of Portland
DRIGOTAS of Auburn
HARRIMAN of Hollis

Comes from the House, the Majority Report Ought Not to Pass Accepted.

The PRESIDENT: The Chair recognizes the Senator from Washington, Senator Wyman.

Mr. WYMAN of Washington: Mr. President, I move we accept the Ought Not to Pass report of the Committee.

The PRESIDENT: The Senator from Washington, Senator Wyman, now moves that we accept the Majority Ought Not to Pass report of the Committee.

The Chair recognizes the Senator from York, Senator Farley.

Mr. FARLEY of York: Mr. President and Members of the Senate: We have now come to the last of the line of the Governor's taxation program relative to his appropriation. The two-cent sales tax is in his taxation program to cover the budget that he has presented to us. As a signer of the Minority Report, and you will notice it is seven members of the Majority Party and three of the Minority Party, so there does come a conflict in my mind of a little politics in the game. Has the Senator from Washington made a motion, Mr. President?

The PRESIDENT: The pending question is the motion of the Senator from Washington, Senator Wyman, that we accept the Ought Not to Pass report.

Mr. FARLEY of York: Mr. President, I move that when we take the vote, we take it by a division.

The PRESIDENT: The Senator from York, Senator Farley, has asked that the vote be taken by a division.

The Chair recognizes the Senator from Cumberland, Senator Good.

Mr. GOOD of Cumberland: Mr. President and Members of the Senate: I rise to in some measure portray the position of a responsible legislator. I have placed upon your desk this morning a resume of the Governor's program which I used in January of 1967 before the League of Women Voters in Portland. I was asked to present to them what a major tax would do, and the bottom half of that portrays what a major tax would do. In that, it made provisions for financing the repeal of the sales tax as it applies to the telephone service and I have that bill on

page eight which I will remove from the table this morning under Item 2, "An Act Repealing Application of Sales Tax to Telephone and Telegraph Service," and I proposed to finance that with the two-cent penny tax. Of course, they plan to use that for something else now, but as a responsible legislator, I will have to vote for the two-cent tax at this time. Thank you.

Thereupon, on motion by Mr. Johnson of Somerset, tabled, unassigned, pending the motion of the Senator from Washington, Senator Wyman, that the Senate accept the Majority Ought Not to Pass Report of the Committee.

Senate

Leave to Withdraw

Mr. Berry for the Committee on Appropriations and Financial Affairs on Bill "An Act Relating to Application of State Aid for School Construction." (S. P. 152) (L. D. 324)

Reported that the same should be granted Leave to Withdraw as covered by other Legislation.

Mr. Mills for the Committee on Judiciary on Bill "An Act Relating to Exemptions of Insurance Benefits from Claims of Creditors." (S. P. 379) (L. D. 992)

Reported that the same should be granted Leave to Withdraw.

Mr. Mills for the Committee on Judiciary on Bill, "An Act Revising the Laws Relating to Disclosures of Debtors." (S. P. 190) (L. D. 425)

Reported that the same should be granted Leave to Withdraw as covered by other Legislation.

Mr. Lund for the Committee on State Government on Resolve, Proposing an Amendment to the Constitution to Provide for Direct Initiative to Amend the Constitution, (S. P. 512) (L. D. 1225)

Reported that the same should be granted Leave to Withdraw.

Which reports were Read and Accepted.

Sent down for concurrence.

Ought to Pass

Mr. Harding for the Committee on Judiciary on Bill "An Act Relat-

ing to Mortgage Insurance Fund Under Maine Industrial Building Authority Act." (S. P. 471) (L. D. 1163)

Reported that the same Ought to Pass.

Mr. Mills for the Committee on Judiciary on Bill "An Act Relating to Certain Expenses in the District Court." (S. P. 474) (L. D. 1166)

Reported that the same Ought to Pass.

Mr. Stern for the Committee on State Government on Bill "An Act Providing for Paid-up Life Insurance Coverage for State Employees and Teachers." (S. P. 236) (L. D. 561)

Reported that the same Ought to Pass.

The PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator MacLeod.

Mr. MacLEOD of Penobscot: Mr. President, I would like to inquire through the Chair to any member of the State Government Committee if there is any idea what the potential future cost would be if this were enacted?

The PRESIDENT: The Senator from Penobscot, Senator MacLeod, has addressed a question to any Senate member of the Committee on State Government who may answer if he so desires.

The Chair recognizes the Senator from Washington, Senator Wyman.

Mr. WYMAN of Washington: Mr. President, as I understand it, this is a provision to allow the employees to take advantage of a group insurance situation. Now, if I am wrong, I may be corrected.

Thereupon, on motion by Mr. Wyman of Washington, the bill was tabled until later in today's session.

Mr. Wyman for the Committee on State Government on Bill, "An Act to Appropriate Money to Plan and Apply for a Rural Youth Corps for Maine." (Emergency) (S. P. 628) (L. D. 1630)

Reported that the same Ought to Pass.

Which reports were Read and Accepted and the Bills read once and tomorrow assigned for Second Reading.

Ought to Pass in New Draft

Mr. Wyman for the Committee on State Government on Bill, "An

Act Relating to Leases of Right to Take Marine Algae on Submerged Lands." (S. P. 590) (L. D. 1559)

Reported that the same Ought to Pass in New Draft under a new title: "An Act Repealing Law Relating to Leases to Right to Take Kelp on Submerged Lands." (S. P. 673) (L. D. 1704)

Mr. Wyman for the Committee on State Government on Bill, "An Act to Extend the Life of the State Transportation Commission." (Emergency) (S. P. 561) (L. D. 1433)

Reported that the same Ought to Pass in New Draft under the same title: (S. P. 672) (L. D. 1703)

Mr. Lund for the Committee on State Government on Bill, "An Act Relating to Membership of the Advisory Council of the Department of Economic Development." (S. P. 87) (L. D. 168)

Reported that the same Ought to Pass in New Draft under the same title: (S. P. 671) (L. D. 1702)

(On motion by Mr. Berry of Cumberland, tabled and specially assigned for Friday, June 9, pending Acceptance of the Committee Report)

Which reports were Read and Accepted and the Bills, in New Draft, Read Once and tomorrow assigned for Second Reading.

Divided Report

The Majority of the Committee on Judiciary on Bill, "An Act Revising the Laws Relating to Arson." (S. P. 301) (L. D. 740)

Reported that the same Ought to Pass in New Draft (S. P. 675) (L. D. 1705)

Signed:

Senators:

HILDRETH of Cumberland
HARDING of Aroostook
MILLS of Franklin

Representatives:

HEWES of Cape Elizabeth
DAREY

of Livermore Falls
FOSTER

of Mechanic Falls
QUINN of Bangor

The Minority of the same Committee on the same subject matter reported that the same Ought to

Pass As Amended by Committee Amendment "A" (S-244)

Signed:

Representatives:

BRENNAN of Portland

BERMAN of Houlton

DANTON

of Old Orchard Beach

In Senate: Ought to Pass in New Draft Report of the Committee Accepted and the bill Read Once.

The PRESIDENT: The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS of Franklin: Mr. President, I didn't want to be impolite, but I did want to interrupt that last action if I could. This bill, as is obvious from the calendar, has the support of three Senators and I am not aware of any difficulties here in the Senate in regard to it, but it is obvious that it would be a matter of debate in the other branch. In the interest of expediting the procedure where this would be a matter held up for debate, I would like to move, Mr. President, that the rules be suspended and that this be given its second reading at this time.

Thereupon, on motion by Mr. Mills of Franklin, and under suspension of the rules, the Bill was Read a Second Time and Passed to be Engrossed.

Sent down for concurrence.

Divided Report

Five members of the Committee on Judiciary on Bill "An Act Providing for Implied Consent Law for Operators of Motor Vehicles." (S. P. 11) (L. D. 17)

Reported in Report "A" that the same Ought to Pass in New Draft: (S. P. 670) (L. D. 1701)

Signed:

Senators:

HARDING of Aroostook

MILLS of Franklin

HILDRETH of Cumberland

Representatives:

DAREY

of Livermore Falls

HEWES

of Cape Elizabeth

Five members of the same Committee on the same subject

matter reported in Report "B" that the same Ought Not to Pass.

Signed:

Representatives:

BERMAN of Houlton

FOSTER

of Mechanic Falls

DANTON

of Old Orchard Beach

BRENNAN of Portland

QUINN of Bangor

In Senate: Report "A" Ought to Pass in New Draft Accepted and the Bill Read Once.

On motion by Mr. Mills of Franklin, and under suspension of the rules, the Bill was Read a Second Time.

The PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator Stern.

Mr. STERN of Penobscot: Mr. President, I would like to move that we reconsider our action whereby we voted to accept Report "A" for the purpose of argument on this particular bill. I tried to get up, but I wasn't recognized by the Chair. This is my reason for making this motion. If I can debate it without moving to reconsider, that is all right.

The PRESIDENT: The Chair would advise the Senator that we have given the bill its second reading, the pending motion is the passage to be engrossed, and you may debate the bill.

Mr. STERN of Penobscot: Mr. President and Fellow Members of the Senate: You will notice that there were five members who voted Report "A" that this Implied Consent Law which we have heard so much about should be passed, and five members voted it Ought Not to Pass in Report "B". I happen to be the eleventh member along with the members of the Judiciary Committee. My name doesn't appear on this so I feel compelled and obligated to speak my mind on this particular bill. So after hearing the other side you may or may not be able to perhaps better make up your mind whether or not we want this particular piece of legislation.

Now, I am what you call primarily a trial lawyer, and as a trial lawyer over the years I have necessarily been confronted with many so-called drunken driv-

ing cases. I have always contended, and I still contend, that the good that this bill might accomplish will be far outweighed by the harm that it will do the principles which have been laid down by the State of Maine Constitution, as well as the United States Constitution, that no person shall be compelled to give evidence against himself. Some people may debate with me as to whether or not this is constitutional or unconstitutional, and they will tell me there are some areas in some states that have declared it to be constitutional, but think, let us envision what could happen under this particular bill. Many of us who have attended a party, some social gathering, who may have had a drink or two are at the mercy of a police officer in one respect. This police officer, if he has reasonable grounds to believe that a person is under the influence of intoxicating liquor, can insist that you take this test. Now, I don't know how these police officers are going to demand or request, as the statute says, that you take the test, but somehow or other you are going to find many, many cases where you or I are going to say that we never were notified or apprised of the fact we had to take this test.

Even though you or I, in trying a charge of drunken driving, win the case, if that police officer has indicated that he had requested you to take the test, you will lose your license for sixty days regardless. And they say "Well you have some safeguard, you have your right to appeal." I don't know why I'm arguing for this. This bill would mean that I would make more money than ever. Every Tom, Dick and Harry would claim that "I wasn't notified. It wasn't plain to me. I wasn't requested to take this test. Don't you think that if I was requested that I wouldn't have taken it? Because the breatholator, or whatever it is, would have shown conclusively that I was not under the influence of intoxicating liquor." As a result of that we are going to have a lot of business for lawyers. I hate to think that those who signed this Report "A" had this in mind and I am giving them the benefit of reasonable

doubt, like anyone charged of a crime. I hate to think that these lawyers who decided on Report "A" had in mind the increased amount of business that they will derive from signing such a Report "A".

Now, I know my good friend, Senator Ross, and I have the greatest respect for him, who is the author of this bill, is trying to accomplish something that is very worthwhile, and that is to cut down on the accidents and the death rate of drunken driving. I have said it before and I say it now: We have a law on the books that is a wonderful law to cut down drunken driving. The trouble with the law is we don't enforce it properly. The only reason that I have been able to win some of these drunken driving cases is because — not because of the law — because the law says "No one can drive while he is at all under the influence of intoxicating liquor." That means that the judge will tell the jury no matter how slight, to the slightest degree, and believe me, some of the judges when they do charge the jury, you can tell by the tone in their voice that he is guilty if he is at all, no matter how slightly, under the influence of intoxicating liquor.

The trouble is we have these police officers and this is our trouble — there is nothing wrong with the present law — some police officer will arrest my client and he will come into court alone, unaided, and he will say, and he will testify, that the man was under the influence, his eyes were bloodshot, he talked thick, couldn't walk a straight line, and all the elements that spell out drunken driving as we know it, but the trouble is, the officer, all he has to do, and I have said it so many times, all he has to do, and he knows when the fellow has indicated that he is going to try his case, is to get some corroborating evidence. You don't have to take tests. Let him take him before some other police officer or several officers of the law who would come in and corroborate what this officer says, and I'm telling you there would be few if any people who are charged

with driving under the influence who would win their case.

I feel that it is a tremendous infringement of our liberties that you and I are going to be at the mercy of police officers, and I say that there is a law on the books that, if it was enforced properly, it would solve our problem. It isn't the matter of law, it is the matter of enforcement, and I don't feel that we should be subjected to the whim of the police officer. It could be anyone in any small town; any deputy sheriff could subject us to taking this test which would force us, compel us, to give evidence against ourselves.

The PRESIDENT: The Chair recognizes the Senator from Piscataquis, Senator Ross.

Mr. ROSS of Piscataquis: Mr. President and Members of the Senate: I feel kind of like the father of the prodigal son. This bill has been gone so long that I kind of forgot what it looked like, and when it did come back, it came back slightly changed. In the first place the so-called vampire clause was eliminated. There is no more taking of blood. It is a breath test only. The urine test has been eliminated, and to say that the good Senator from Penobscot, Senator Stern, surprised me by his stand is putting it mildly because he sat along side of me at the hearing on this bill and he certainly was not an opponent of the bill at that time. There were no opponents that appeared. The bill had a splendid hearing. The room was crowded. In fact there were so many who wanted to appear that they couldn't get in the door. The newspapers backed this bill, and as Senator Stern said — he said that I was the author of this bill. I am not the author of this bill. I sponsored this bill for the Maine Highway Safety Committee and for nobody else. It is the one piece of legislation that they feel will do the most good to curb drunken driving and prevent fatal accidents in the State of Maine.

I am not going to bore you with a lot of figures, but everybody knows that alcohol is involved in a lot of accidents. We are not putting in a driving while impaired bill which lowers the alcoholic con-

tent from .15 to .10. Several states have that, but I know you are not interested in what other states have, only what we have here in Maine, and when you test .15, you are inebriated. In the second place you have to be arrested before any test is made at all. You can have a few drinks or have a lot of drinks and drive all you want to. If you are not arrested for something, you've got nothing to fear. If you are under .15 you are home free if you take the test. Senator Stern proved that the other night. He went right up to the man giving the test and he said "I've had three drinks; I want to see if this machine is accurate." The machine showed nothing, because he didn't tell the truth. He hadn't had a drink and it proved it. So at that time Senator Stern said "This is a pretty good machine."

In the past Highway Conference, not the last one, but one in the past, I was privileged to speak to law enforcement officials on this bill. There were 120 officers there from all over the state and they all supported this bill one hundred per cent. I am not going to bore you with going through all those who appeared at the hearing either in favor of this bill.

All I am doing is asking you to support it as a highway safety measure.

The PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator Stern.

Mr. STERN of Penobscot: Mr. President, I only wish that at the time this hearing was held before the Committee, the Judiciary Committee, that they would have taken down my remarks. At that time I did not come out and say that I was directly opposed to the bill because I would have to study it, but among the things I did say, and repeated there what I am repeating now, that the thing that bothered me was that we have a law on our books that if enforced properly would do the job. I said that then and I say it now.

Now, my good friend, Senator Ross, said that I took the test the other night. You see I can get up and argue this bill because everyone knows that I drink very sparingly if anything at all, but I will

say that that breatholator test is the most wonderful thing in the world. It's accurate, because we had members of the Committee in various stages of being under the influence, and we felt that perhaps our own opinion, I mean, under a certain area, not under the influence, but up to .15, and I think that Senator Ross is wrong when he says that .15 means he is inebriated — to me that means intoxicated. All that means is, is that he is at all under the influence of intoxicating liquor. The machine is wonderful. I'm for it, but it has no place in the State of Maine.

My sole objection, my primary objection, is that we as citizens would be subjected by any police officer of any town, or any deputy sheriff, if they know, regardless of whether or not you are under the influence, or how much you have had to drink, if they have any feeling of dislike toward you, they can stop you. It is at their whim. They can insist that you take the test. A lot of them are going to deny that they were ever told to take the test. A lot of them are going to abuse it because they are going to have the idea "This fellow here is not going to tell me that I have been drinking. I am not going to take the test." So what we have here is whether or not you or I have our license depends upon the accusation of that police officer because you lose it whether you win your case or not. Do you know that? If you win your case before the jury, and the jury decides you are not at all under the influence of intoxicating liquor, you've lost your license for sixty days because Joe Doe a town officer in Squeedunk says that in his opinion you were under the influence — just because you refused the test. Even though you are innocent — remember that. This is my primary objection, and I don't want my liberty restrained or afflicted by some police officer who doesn't know the right time. I'm not accusing all the police officers, because if all these police officers knew what they were doing, when they arrested somebody for drunken driving, they would have corroborating evidence, and, believe me, there would be very few if any drunken

drivers who could be acquitted if the officers properly brought in the evidence.

The PRESIDENT: The Chair recognizes the Senator from Piscataquis, Senator Ross.

Mr. ROSS of Piscataquis: Mr. President, I am not a lawyer and I am not capable to compete with the oratory of the good Senator from Penobscot, but I would like to tell you that the Maine Safety Highway Committee is not convinced that the present law produces sufficient convictions. As I said before, I don't like to keep bringing other states in, but the State of New Jersey passed both the driving while impaired and the implied consent law, and their convictions went up something like 3,000 in the first three months. That's all.

The PRESIDENT: The Chair recognizes the Senator from Aroostook, Senator Harding.

Mr. HARDING of Aroostook: Mr. President and Members of the Senate: As a member of the Judiciary Committee, I feel that as one of those who signed the Ought to Pass Report that I should respond to my fellow attorney and colleague, the good Senator from Penobscot, Senator Stern. I do appreciate the concern which the Senator from Penobscot has. I think it is a concern which everyone on the Judiciary Committee had to weigh, but I would point out to you that in order for the person to be required to take this test, first of all he must have been arrested and the police officer believe that he was driving under the influence. In other words, he has to have been arrested for driving under the influence before he can be requested to take the test. Now, it is true that he does not have to take the test. If he feels that he is innocent, he can take the test and go ahead and prove that he is innocent. If he is guilty, he can refuse to take the test, and this fact that he refused to take the test cannot be used against him in the criminal trial. It is true that this matter of refusing to take the test can come up later, but this is only in relation to the keeping of his license.

He is entitled to a hearing on that before the administrative hearing officer, and he has a right of appeal from that hearing to a Superior Court and a trial, just like anyone else on this particular matter of the revocation of his license, so we feel that there are some built-in protections, in that regard.

When any of us drive on the highways of this state, we make certain — well, we have a certain responsibility, let's put it that way, and we know that the state can restrict us as to our driving. For instance, they can make us take a test after we get to be a certain age to make sure that we have the physical capabilities, the sight capabilities, and these other things, and other states have ruled that this is a reasonable requirement in order to apply for a license to be granted to you, that you do also give this consent, that you will make yourself available for this test to make sure that you are in the proper condition to operate. As I say, this has been tested in other states, and they have ruled that it would be constitutional.

The reason that I voted for this is that I was convinced that in nearly half of the fatal accidents which happen in the State of Maine, the use of intoxicating liquor was involved. Now the question is whether you are going to bite the bullet and try to do something about that. If you are satisfied that there is nothing we can do with these fatal accidents, and I can say to you that unless a person has been concerned with someone taken from your family suddenly by an automobile accident, has been killed, no one can appreciate the grief and the troubles which are involved in that, and to face up to the fact and try to do something about it, you have to eliminate one of the causes. There is no question that driving under the influence and the use of alcoholic beverages in driving, or while a person is driving, is a major cause of accidents. This is an attempt to reduce that factor. Now, whether it works or not, we don't know. We do know that it has had good results in other states and it is for this rea-

son that I feel that we have an obligation to give it a try in the State of Maine, and so I would support this bill's passage to be engrossed.

The PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator Stern.

Mr. STERN of Penobscot; Mr. President, I don't intend to make a long case out of this. I don't intend to argue much longer, but I just want to briefly say in summary what I have argued up to now. If you want the lawyers to get richer, including myself, vote for Report "A". If you want it the other way, vote for Report "B". But I do want to say that, no matter what you vote for, it isn't going to make any difference. That Report "A" is not going to cut down traffic accidents, not going to cut down drunken driving. It is just going to mean more trials and more work because when that officer arrests someone and he has arrested them, regardless when he takes them into court — when he arrests them he has to know that there is some reasonable grounds that this man is under the influence, either by the way he talks, by the way he walks, by whatever means at his command that he can determine whether or not he is under the influence. I just wanted to get across that you don't need a test to determine whether or not that man is under the influence. If he would only come in court with corroborative evidence and have the court tell that jury that he is under the influence, no matter how slight at all, you have the law, and you are not going to subject our citizens to unnecessary trials, unnecessary inconvenience, and I don't think putting this law on the books is going to make one bit of difference.

The PRESIDENT: The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS of Franklin: Mr. President, I think the merits of this matter before us have been very fairly discussed. I just don't want the record to stand with the remarks that my brother has just made uncontradicted. I think he knows better than what he has said. I think he knows that the motiva-

tion of the Judiciary Committee, the members who support this legislation, is not that of people supporting something that they think is going to benefit themselves, and I think you know that, Brother Stern. I think you know me better than that. I think you know the rest of the members of the Committee that, we are not motivated in asking for this legislation by personal mercenary motives, and I think you rather unintentionally insult the bar when you indicate that that was the intention of some of us in voting this way.

I would like to just invite your attention to some of those who appeared at the Committee, the Maine Highway Safety Committee, Mr. Herbert Bennett of the Maine Trial Lawyers Association, the Governor of that body, with Mr. Norman Reed, also an associate of the Maine — American Trial Lawyers Association. I noted that Brother Stern did identify himself, as he has wanted to do on other occasions, as an active trial lawyer, which he certainly is and a very capable one, but here is the American Trial Lawyers Association's representatives coming out strongly for this bill, not this bill, but a bill much stronger than this, with a four-way test, all the tests, the blood, the sputum, the urine and the breath as well. This is a much modified bill over the original introduction.

Judge Lewis Naiman of the Probate Court of Kennebec County, Chief Hennessey of the State Police, Mr. Robert G. MacBride of Lubec, a gentleman from Washington County — I think perhaps my notes aren't quite right — but he is from Lubec — It is a lady rather from the Maine Federation of Women's Clubs, representing them; Ashley Walter of the Maine State Grange, and Milton Huntington of the Maine State Highway Commission, the Maine State Highway Safety Committee, later the Maine State Highway Safety Board; Robert Marden, well-known to all of us, of course, representing the Maine Bonding Insurance Company; Mr. Murray Swartz of the Industrial Insurance Association of Maine, Miss Leone Albee of the Insurance Women of

the State of Maine, Richard Jones of Maine Association of Student Councils of the Waterville High School, a sixteen year-old boy; Miss Valerie Morin, a seventeen year-old girl from Cony High School; and a police officer from Bangor; Mrs. Warren, wife of the publisher of the Bangor Daily Newspaper; Mr. Richardson of the Mt. Desert Highway Council, and the list goes on and on. The room was so crowded that we sent out — it was very early in the legislative session as it has been pointed out, January 31 — and we were concerned and we wanted to get a larger room, but we finally made out and the people jammed the doors and the demand for this legislation was very, very emphatic, so much so, Brother Stern, that I reacted the other way. I felt that we didn't want to be stampeded into something. I felt that there was another side to anything like this that seemed to have infected so many people, and seemed to have scared so many people, and I thought that we ought to be awfully careful before we jumped in. I think we would have made a horrible mistake, Senator Stern, if we had grabbed that whole bill with all of those provisions in it and with the provision that is so obnoxious to you, I am sure, where the police officer himself on this report to the Secretary of State could cause the license to be revoked. We cut that out, as you know, and we provided that there should be a hearing. Not only that, but that there should be an appeal from that hearing, appeal to the court from the Secretary of State. We wrapped this bill up in as many safeguards as we could think of and we feel that it is constitutional. We feel that it will have a very strong deterrent effect upon people who are driving automobiles and drinking liquor.

I have been informed by Doctor Goodoff of this County, who is conducting some scientific experiments, hardly a day or two ago that of the last nine fatalities in automobile accidents, every one of them showed appreciable blood alcohol content, every one of those last nine highway fatalities.

The point has been reached in this state where not only the public demand, but the demand on the part of the lawyers ought to be emphatic and clear, that further measures be allowed through the police to curb this thing before the death toll goes any further, and that we make some attempt to strike down this scourge on the highways, the liquor menace that we have. And I am sure that Senator Stern doesn't feel that his brethren on the Committee were motivated by anything other than interest in the public welfare.

The PRESIDENT: The Chair recognizes the Senator from Piscataquis, Senator Ross.

Mr. ROSS of Piscataquis: Mr. President, I believe the motion before the Senate is passage to be engrossed, and I would request a division when the vote is taken.

Mr. Stern of Penobscot was granted unanimous consent to address the Senate the fourth time.

Mr. STERN of Penobscot: Mr. President, I will be brief, I just want to reply to my good friend, the Chairman of our Judiciary Committee, Mr. Mills, that if he had the idea that I was other than trying to be facetious when I indicated there might be a motivation on the part of the Judiciary Committee, that there might be a profit motive, I want to dispel that idea. Of course, it's ridiculous and he knows it, and I was hoping the others would because they know me a little better perhaps than Senator Mills. But I do want to say, of course, there is no motivation, but whether we have the motivation or whether we like it or not, we are going to have a tremendous amount of increased business just by that one particular aspect of this bill that bothers me tremendously.

When a police officer, and I don't know, I suppose a police officer would include most any officer, State, town, municipal — I don't know if it would include a constable or not, but I would hope not, but I am trying to point out that when a police officer, according to this bill, had reasonable grounds to believe the arrested person might have been operating under the influence — you know

when you start thinking about this it has you worried. This police officer knows that there is a party going on and, to get reasonable grounds, he stops everyone that comes out of the party because he says he had reasonable grounds. They say ignorance of the law is no excuse but nine out of ten don't know the law. They don't know. They probably won't know for years that this law is passed. The officer is going to say, "I demand that you take this test." The fellow might be apparently sober or not had enough to be under the influence and he doesn't like the tone of his voice and he says, "I refuse." I am sure the police officer is not going to give him a dissertation on the law. He's going to say "This is all I want. You've had it. I'm arresting you for drunken driving. I'm reporting that you refused to take the test." Then we are going through a series of hearings. Even though we are found innocent of the drunken driving charge, he has lost his license for sixty days because there would be a hearing, perhaps before the Secretary of State—I'm not too familiar with the Section 2241—then if that appeal is not upheld there, there would be grounds for further appeal. Just think of the time and the money involved, and whether the lawyers are motivated or not, the increased business they will have by this, and let me tell you—I don't know where you get the idea that these drunken drivers are having a field day. When they are arrested, how many of them get acquitted? One out of a hundred if they are smart enough to come to me. So I want you to bear that in mind. We have a law on the books. It is enforceable, and I did not mean to insult my good brothers of the Judiciary Committee.

The PRESIDENT: The Chair recognizes the Senator from Androscoggin, Senator Couturier.

Mr. COUTURIER of Androscoggin: Mr. President, I have a question now. I have heard conflicting reports on this, and I am wondering whether this test is administered before or after a person is arrested.

The PRESIDENT: The Senator from Androscoggin, Senator

Couturier, has posed a question through the Chair to any Senator who may answer or not, as he so desires.

The Chair recognizes the Senator from Aroostook, Senator Harding.

Mr. HARDING of Aroostook: Mr. President and Members of the Senate: The test is administered after the person is arrested, and the test must be administered by a person who is certified and qualified to administer that test by the Commissioner of Health and Welfare.

The PRESIDENT: Is the Senate ready for the question? The pending question is on the passage of the bill to be engrossed.

As many as are in favor of passage of the bill to be engrossed will stand and remain standing until counted. Those opposed to the passage of the bill to be engrossed?

A division was had. 27 Senators having voted in the affirmative, and six Senators having voted in the negative, the motion prevailed and the Bill was Passed to be Engrossed.

Sent down for concurrence.

Divided Report

Five members of the Committee on State Government on Bill, "An Act Relating to Executive Reorganization." (S. P. 384) (L. D. 996)

Reported, in Report "A", that the same Ought to Pass.

Signed:

Senators:

WYMAN of Washington
LUND of Kennebec
STERN of Penobscot

Representatives:

MARTIN of Eagle Lake
STARBIRD, Jr.
of Kingman Township

Five members of the same Committee on the same subject matter reported, in Report "B", that the same Ought Not to Pass.

Signed:

Representatives:

DENNETT of Kittery
WATTS of Machias
RIDEOUT, Jr.
of Manchester
CORNELL of Orono
PHILBROOK
of So. Portland

In Senate: Voted to Accept the Report "A" Ought to Pass, and the Bill was Read Once, and tomorrow assigned for Second Reading.

Divided Report

The Majority of the Committee on State Government on Bill, "An Act Creating a Department of Transportation." (S. P. 562) (L. D. 1487)

Reported that the same Ought Not to Pass.

Signed:

Senators:

WYMAN of Washington
LUND of Kennebec

Representatives:

DENNETT of Kittery
WATTS of Machias
CORNELL of Orono
RIDEOUT, Jr.
of Manchester
PHILBROOK

of So. Portland

The Minority of the same Committee on the same subject matter reported that the same Ought to Pass.

Signed:

Senator:

STERN of Penobscot

Representatives:

MARTIN of Eagle Lake
STARBIRD, Jr.

of Kingman Township

The PRESIDENT: The Chair recognizes the Senator from Washington, Senator Wyman.

Mr. WYMAN of Washington: Mr. President, I move we accept the Ought Not to Pass Report of the Committee.

The PRESIDENT: The Senator from Washington, Senator Wyman, moves that we now accept the Ought Not to Pass Report of the Committee.

The Chair recognizes the Senator from Cumberland, Senator Snow.

Mr. SNOW of Cumberland: Mr. President and Members of the Senate: I rise to ask that when the vote is taken on this that it be taken by division, and I hope that you will vote against the motion of the Senator from Washington, Senator Wyman.

Several weeks ago a number of the Governor's reform bills were turned down by the Senate. At that time the Minority Leader of the

Senate referred to the weather, and looked out the window at the weather and referred to the occasion as "Black Friday." I am not sure that I would endorse this language, but I felt that since this bill was not among those which were turned down on that day that perhaps the sun would be shining when the report emerged from the Committee. I look out the window and I find that this is not the case. This is indeed one of the Governor's reform bills — the whole purpose of this legislation, its main thrust, if you will, is to provide a simple yet effective apparatus to coordinate highway, air and water transportation systems, so that they may serve Maine as effectively and economically as possible. I say that this is its whole purpose because it does not purport to change anything within the agencies of our state government which would be combined into a Department of Transportation, and these would be the Aeronautics Commission, the Port Authority and Highway Commission.

You may well observe that there is nothing in our statutes today which impedes these three groups from cooperating in any way they wish. You may also observe that they, like other state agencies, are tied together by the Executive Branch of the government. I think these will be accurate observations, but I would like to suggest to you that while they may advise together to put out brush fires, they do not counsel together to see broad areas in which there might be growing cooperation and joint planning, and I would also suggest to you that the Executive Branch of the government is concerned with this responsibility with respect to some forty state agencies and some 140 commissions. Therefore, I wonder how effective the coordination it can supply might be.

In short, I would say that if the activities of these three departments are to be effectively and economically coordinated, then we must consider a bringing together, such as is suggested in this document. I would note that this document sets up a commissioner, a deputy commissioner, and an ad-

visory commission of twenty-one people. It would have three bureaus under it which would represent the three departments which would be combined into it. It is a simple document. When I first read it, it was so simple that I thought there must be something wrong with it. Evidently there is because it has received an Ought Not to Pass report, but I fear it is not based on the simplicity of the document.

I would note to you that the idea of a Department of Transportation has been endorsed and motivated at the national level, and has been recommended by our own Transportation Commission, which we continued in effect a few minutes ago. Maine is large or nearly as large as the other five states in New England combined. If my memory is correct, it supports better than 20,000 miles of highway, and it must do so from a relatively limited financial base.

Now in closing, and perhaps to emphasize my point for coordination, I would like to tell you the story about the President of Colby who invited a member of the National Cabinet to speak at Colby. He received the reply that he would love to come to Colby, but that he was such a busy man when he went speaking he had to combine his engagements and he wondered where Maine was on the way to so that he could have another engagement following.

When you vote, I urge that you oppose the motion of the Senator from Washington, Senator Wyman.

The PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Katz.

Mr. KATZ of Kennebec: Mr. President, Ladies and Gentlemen: I have here a real gem and it has never seen the light of day. I worked on it for weeks and weeks and weeks, and really it's a shame that we never got to see it. It is called "An Act to Create the State Transportation Commission," and I literally did work on it for weeks. Now, this is about the fifth draft and I realize this is not something that one can sit down and whip out. I was on the State Transportation Commission until my

election to the Senate, and this was to me of deep interest, but I threw my hands up in the air and I said, "This is not something that you can just sit down and write as legislation."

Senator Snow was one of my colleagues on Transportation. We were both very, very interested. I call to your attention that on page 3, when we extended the life of the Transportation Commission, under an emergency, this is what we did: we said, "In addition to the duties previously established, the Commission shall study the feasibility of the creation of a State Department of Transportation." This is what we did this morning, and we gave \$35,000 additional to this group to do it. In all honesty, in an area so tremendously complicated where action is needed, I feel that our original action this morning in continuing the present State Transportation Commission, and urging them to look into the feasibility of the creation of an independent department, was the wiser action of the two, and this is why I shall support the motion for the indefinite postponement of this bill.

The PRESIDENT: Is the Senate ready for the question? The pending question is on the motion of the Senator from Washington, Senator Wyman, that we accept the Majority Ought Not to Pass report. The Senator from Cumberland, Senator Snow, has asked that the vote be taken by a division.

As many as are in favor of accepting the Ought to Pass report will stand and remain standing until counted. Those opposed will stand and remain standing until counted.

A division was had. 21 Senators having voted in the affirmative, and 10 Senators having voted in the negative, the motion to accept the Ought Not to Pass report prevailed.

Sent down for concurrence.

Final Report

The Committee on Liquor Control submitted its final report.

Which was Read and Accepted.
Sent down for concurrence.

Second Readers

House

Bill, "An Act Regulating Firearms in Active Lumbering Operations in Unorganized Territory." (H. P. 1167) (L. D. 1668).

Which was Read a Second Time.
(On motion by Mr. Johnson of Somerset, tabled and specially assigned for Monday, June 12, pending Passage to be Engrossed.)

House — As Amended

Bill, "An Act Relating to Municipal Regulation of Community Antennae Television Systems." (H. P. 632) (L. D. 888)

(On motion by Mr. Harding of Aroostook, tabled and specially assigned for Friday, June 9, pending Passage to be Engrossed.)

Bill, "An Act Relating to Compensation for Certain Municipal Officers Who Appear in District Court." (H. P. 896) (L. D. 1309)

Which was Read a Second Time and Passed to be Engrossed, As Amended, in concurrence.

Bill, "An Act Creating County Commissioner Districts." (H. P. 457) (L. D. 631)

Which was Read a Second Time.
Mr. Hoffses of Knox presented Senate Amendment "A" and moved its adoption.

Senate Amendment "A," Filing S-167, was read by the Secretary as follows:

SENATE AMENDMENT "A" to H. P. 457, L. D. 631, Bill "An Act Creating County Commissioner Districts."

Amend said Bill in that part of section 2 designated "§105-B." by striking out all of the 26th, 27th and 28th underlined paragraphs (same in L. D. 631), which paragraphs relate to Knox County, and inserting place thereof the following underlined paragraphs:

'Commissioner District number one consisting of the municipalities of Appleton, Camden, Hibberts Gore, Hope, Isle Au Haut, North Haven, Rockport, Vinalhaven and Washington.

Commissioner District number 2 consisting of the municipalities of Owl's Head and Rockland.

Commissioner District number 3 consisting of the municipalities of Cushing, Friendship, Matineus Isle

Plt., St. George, South Thomaston, Thomaston, Union and Warren.'

Senate Amendment "A" was Adopted, and the Bill, As Amended, Passed to be Engrossed in non-concurrence.

Sent down for concurrence.

Senate — As Amended

Bill, "An Act Relating to Recount and Other Election Procedures and Changing the Primary Election Date." (S. P. 649) (L. D. 1657)

Which was Read a Second Time and Passed to be Engrossed, As Amended.

Sent down for concurrence.

Enactors

The Committee on Engrossed Bills reported as truly and strictly engrossed the following:

An Act Relating to Appointment of the Deputy Secretary of State. (S. P. 142) (L. D. 270)

An Act to Permit State Employees and Teachers to Insure Spouse and Children Under the Group Life Insurance Program. (S. P. 257) (L. D. 637)

(On motion by Mr. Mills of Franklin, temporarily set aside.)

An Act Relating to Wages Paid for Benefits and Eligibility Under Employment Security Law. (H. P. 515) (L. D. 728)

An Act Relating to Minimum Wages for Firemen. (H. P. 516) (L. D. 729)

An Act Relating to Appeals from Juvenile Court Proceedings. (S. P. 319) (L. D. 842)

An Act Relating to Joint Accounts in Banks and Loan and Building Associations. (H. P. 1001) (L. D. 1463)

An Act Relating to Powers of Administrative Hearing Commissioner Concerning Minors Under the Liquor Laws. (H. P. 1159) (L. D. 1656)

An Act Relating to Realty Subdivisions and Dilapidated Buildings in Municipalities. (H. P. 1162) (L. D. 1663)

(On motion by Mr. Johnson of Somerset, tabled, unassigned, pending Enactment.)

An Act Revising the Drug, Narcotic and Pharmacy Laws. (H. P. 1176) (L. D. 1674)

An Act Relating to Emergency

Admittance of Paupers to Hospitals. (S. P. 659) (L. D. 1676)

An Act Providing Funds for Rebuilding the Dam on Ebeeme Lake in Piscataquis County. (S. P. 661) (L. D. 1679)

(On motion by Mr. Berry of Cumberland, placed on the Special Appropriations Table.)

An Act Placing State Highway Department Employees on the Merit Service Step System. (S. P. 662) (L. D. 1680)

(On motion by Mr. Ferguson of Oxford, placed on the Special Highway Appropriations Table.)

Which were Passed to be Enacted, and, having been signed by the President, were by the Secretary presented to the Governor for his approval.

The PRESIDENT: The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS of Franklin: Mr. President, in regard to Item 8-2, An Act To Permit State Employees and Teachers to Insure Spouse and Children Under the Group Life Insurance Program, I am going to make the motion to reconsider engrossment, and I want to explain why, and then when I'm through and having disqualified myself to table, I am going to ask someone to table it for me. I would like the Senate to know why I am doing it. It has been suggested that a proposed amendment, which I hold in my hand, which hasn't been reproduced and distributed, is very appropriate, not one going to the merits of the bill, but one going to the rules and regulations that might be adopted thereunder. I would like to make the motion, Mr. President, that the engrossment of this matter be reconsidered, but that my motion not be carried but be put on the table so that we won't have to go back over the engrossment if it is determined later that this amendment shouldn't go on. So I move, Mr. President, that the engrossment of this measure be reconsidered at this time.

The PRESIDENT: The Senator from Franklin, Senator Mills, moves that we now suspend the rules and reconsider our action whereby Item 8-2, An Act To Per-

mit State Employees and Teachers to Insure Spouse and Children Under the Group Life Insurance Program, was passed to be engrossed.

Thereupon, on motion by Mr. Katz of Kennebec, tabled and specially assigned for Friday, June 9, pending the motion of the Senator from Franklin, Senator Mills, that the Senate reconsider its action whereby it Passed this Bill to be Engrossed.

Emergency

An Act to Allocate Moneys for the Administrative Expenses of the Liquor Commission for the Fiscal Years Ending June 30, 1968 and June 30, 1969. (H. P. 82) (L. D. 112)

(On motion by Mr. Berry of Cumberland, placed on the Special Appropriations Table)

Bond Issue

An Act to Authorize the Reconstruction and Elimination of Hazardous Locations on Portions of State Route 6. (H. P. 404) (L. D. 570)

(On motion by Mr. Ferguson of Oxford, placed on the Special Highway Appropriations Table)

Bond Issue

An Act to Authorize Construction of Self-Liquidating Student Housing and Dining Facilities for the State Colleges and Southern Maine Vocational Technical Institute and Eastern Maine Vocational Technical Institute and the Issuance of Not Exceeding \$6,712,000 Bonds of the State of Maine for the Financing Thereof. (H. P. 1160) (L. D. 1659)

(On motion by Mr. Berry of Cumberland, tabled and specially assigned for Friday, June 9, pending Enactment.)

On motion by Mr. Johnson of Somerset, the Senate voted to reconsider its action of earlier in today's session whereby Item 7-5 "An Act Relating to Recount and Other Election Procedures and Changing the Primary Election Date" was given its second reading.

The PRESIDENT: The Chair

recognizes the Senator from Somerset, Senator Johnson.

Mr. JOHNSON of Somerset: Mr. President, I now move that this item be indefinitely postponed.

The PRESIDENT: The Senator from Somerset, Senator Johnson, now moves that Item 7-5 be indefinitely postponed.

The Chair recognizes the Senator from Cumberland, Senator Berry.

Mr. BERRY of Cumberland: Mr. President and Members of the Senate: I had sort of hoped that my leader would be a little more merciful. I think the passage by the Senate would be more a pat on the head or something like that. Anyway, I would hope that you would not vote for indefinite postponement of the bill. We debated it fully yesterday. I urge your support for this progressive measure sincerely, and I would request a division when the vote is taken.

The PRESIDENT: The pending question is on the motion of the Senator from Somerset, Senator Johnson, that this bill be indefinitely postponed.

The Chair recognizes the Senator from Hancock, Senator Anderson.

Mr. ANDERSON of Hancock: Mr. President, I move that the vote be taken by the "Yeas" and "Nays".

The PRESIDENT: Is the Senate ready for the question?

The Chair recognizes the Senator from York, Senator Farley.

Mr. FARLEY of York: Mr. President and Members of the Senate: I rise to support the Senator from Cumberland County, Senator Berry. I still think in all honesty it is a good bill. I had a pamphlet with some description this morning here on the desk that I have read through, and I guess you could take them all and kick a hole through the whole of them. I don't know where this is going to be any hard work, any laborious work upon any town clerk or city clerk. In my home town the City Clerk is paid in the vicinity of \$9,000 or \$10,000, and I think that is pretty good money, besides his vacation time and all. We are not talking here this morning about what's going to happen about recounts and this and that. That is the election in itself that does have

a long process. These are the primaries, and there are not as many votes cast in the primaries as there are in the election and we all know that. We all know that the principal gatherer of the nomination papers in any county in the State of Maine is the Sheriff's Department, and if you are all set with the Sheriff's Department, it only takes about two hours to get the nomination, and you get your names. A fellow who is on the outside, why naturally it takes him a little while. During or from the time for the primaries until November, it is a long, long while for anybody to be campaigning. They talk about the radio, I think you can get on a radio anytime. I don't think we need any billboards or politically speaking, you want to follow the system that I do, and it is to keep going now and then. Sometimes you are an unknown horse. When the day comes, you are a known horse. I think this is a good bill. I think there must be something behind this bill that possibly shouldn't be here probably, from what I have heard. I think that Senator Berry is trying to do something. It is a forward step in the political game. He had a bill here quite a while ago that I wanted badly to support. I still think it had a lot of merit. It was on the bond issues, and I think when we go home, if we stand here and vote for a referendum on bond issues we should be capable enough of telling our people what they are for, and we wouldn't probably be defeated as we were in the last bond issue that we had a year or so ago.

I am heartily in support of the bill. I think it is progressible, and I am happy to vote with the Senator from Cumberland, Senator Berry, whether it be a division or a roll call.

The PRESIDENT: The Chair recognizes the Senator from Androscoggin, Senator Couturier.

Mr. COUTURIER of Androscoggin: Mr. President, one of the arguments that I have heard against this bill is that passage of the bill would give unfair, if I may use the word, advantage to the incumbent in many of the races. I don't feel that this is

true, and I will give my reasons for that, I feel that the incumbent in any campaign can last much longer and look much better the longer the campaign lasts because with his experience and his knowing what the position is all about, the incumbent can give reason after reason, can point to issue after issue why he should be elected, whereby the individual who may be seeking the office and who is not the incumbent will as time goes on find that his arguments become less and less appealing, and that he has less and less to talk about. I feel that if we pass the bill, we will guarantee good, lively, sufficiently lengthy campaigns. I also feel that we will maintain more interest on the part of the candidates and more interest on the part of the voters, what the issues are, the discussion of the issues, and finally the election.

I do not share the belief that a shorter campaign will be more costly. I think, among other things, that it will cost less because first of all, one will not have to hire the services of a campaign manager for as long a period of time, and I think that less materials will be used.

I strongly support this bill. I think it is for the good of the people of this state, and I certainly hope that we do this morning defeat the pending motion which is the motion to indefinitely postpone.

The PRESIDENT: Is the Senate ready for the question? The pending question is the motion of the Senator from Somerset, Senator Johnson, that his bill be indefinitely postponed.

A Roll Call has been requested. In order for the "Yeas" and "Nays" to be entertained, there must be the expressed desire of at least one-fifth of the members present.

Those favoring the taking of the vote by the "Yeas" and "Nays" will stand and remain standing until counted. Obviously a sufficient number having arisen, a Roll Call is ordered.

ROLL CALL

"YEAS": Senators Anderson, Barnes, Beckett, Brewer, Curtis,

Ferguson, Good, Greeley, Hildreth, Hoffses, Johnson, Lund, MacLeod, Ross, Sewall, Sproul, Viles, Wyman, Young, and President Campbell.

“NAYS”: Senators Albair, Berry, Boisvert, Couturier, Duquette, Farley, Girard, Harding, Katz, Mills, Norris, Remy, Snow, Stern.

A Roll Call was had. 20 Senators having voted in the affirmative, and 14 Senators having voted in the negative, the motion to Indefinitely Postpone the Bill prevailed.

Orders of the Day

The President laid before the Senate the first tabled and assigned matter of Unfinished Business, (H. P. 468) (L. D. 681) Bill, “An Act Revising Laws Relating to Licensed Small Loan Agencies.”

Tabled—June 6, 1967 by Senator Johnson of Somerset.

Pending — Motion by Senator MacLeod of Penobscot to Indefinitely Postpone Senate Amendment “A” Filing S-318.

Mr. Mills of Franklin presented Senate Amendment “A” to Senate Amendment “A” and moved its adoption.

Senate Amendment “A”, Filing No. S-238, to Senate Amendment “A” was read by the Secretary as follows:

SENATE AMENDMENT “A” to SENATE AMENDMENT “A” to H. P. 468, L. D. 681, Bill, “An Act Revising Laws Relating to Licensed Small Loan Agencies.”

Amend said Amendment by striking out everything after the first 2 lines and inserting in place thereof the following:

‘Amend said Bill in section 1 by inserting after the underlined word “**business**” in the 5th line (4th line in L. D. 681) the underlined words ‘**to another municipality**’

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

‘**Sec. 4. R. S., T. 9, § 3082, amended.** The last 2 sentences of section 3082 of Title 9 of the Revised Statutes are repealed and the following enacted in place thereof:

In addition to the interest provided for, no further or other

charge or amount whatsoever for any examination, service, brokerage, commission, insurance or other thing, or otherwise, shall be directly or indirectly charged, contracted for or received, except insurance premiums for credit life insurance and lawful fees, if any, actually and necessarily paid out by the licensee to any public officer for filing or recording in any public office any instrument securing the loan, which fees may be collected when the loan is made, or at any time thereafter. If interest or charges in excess of those permitted by this section and section 3081, including insurance premiums and filing fees, shall be charged, contracted for or received, the contract of loan shall be void and the licensee shall have no right to collect or receive any principal, interest or charges whatsoever. Upon a finding by any court that interest or charges in excess of those permitted by this section and section 3081 have been charged, contracted for or received, the licensee shall forfeit to the borrower the amount of all payments made as principal and interest payments, and he shall mark and return the note and other papers as provided in section 3083, subsection 3. Reasonable attorneys’ fees and costs shall be awarded to the borrower if he is the prevailing party in any action.’

Further amend said Bill in section 5 by adding after the underlined word “**licensee**” in the last line (same in L. D. 681) the underlined punctuation and words ‘**and properly record said discharge or release of any mortgage or security interest, the borrower to pay the statutory fee for the same**’

The PRESIDENT: Is it now the pleasure of the Senate that we adopt Senate Amendment “A” to Senate Amendment “A”? As many as are in favor of adopting Senate Amendment “A” to Senate Amendment “A” will say “Yes.”

The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS of Franklin: Mr. President and Members of the Senate: I do have some rather extended remarks and I didn’t want to make them unless the issue was precipitated.

This issue that is precipitated by this motion brings into close focus the difference of opinion that has existed and has developed at this point between certain members of the Committee and those who have sponsored the small loan legislation in this Legislature pertaining at this point only to the issue of insurance and the practice on the part of the small loan companies in writing insurance on the loans which they make.

There is a very real reason why those of us who believe that corrective action of a rather strong nature should be taken at this point do so. In the last six years over 100,000 Maine people have been bilked out of between three to five million dollars in the small loan industry through the unconscionable overcharges for credit insurance. Now, credit insurance was devised primarily to protect the lender, to give him additional security for the loan. The lender is the chief beneficiary under all credit insurance policies, and he is paid the unpaid balance of the loan upon the death of the borrower, or the monthly payments if the borrower is disabled.

In the past, that is, back before this legislation came in which allowed them to do this in 1961, before the enactment of the present credit insurance law, the loan companies absorbed the entire cost, just as the banks do today, in most instances, under their blanket policies. They pass on no charge to the borrower. That was the prevailing practice prior to 1961; the loan companies absorbing the entire cost, and being well able to do so because of the very high rates of interest which were allowed by statute and which were charged. But, ironically, this insurance is not only now paid entirely by borrowers, but also, as a result of devious schemes, the small loan industry is using credit insurance as a racket for profiteering at the expense of the poor people of this State. This is bad for the Maine economy and it results in a great social injustice because we can ill afford to have such large sums of money unnecessarily diverted from pressing family needs into the non-productive commercial channels.

The history of the use of credit insurance by the small loan industry is marked by fraud. In order to protect the public against unscrupulous and pernicious practices it finally became necessary in 1958 for the National Association of Insurance Commissioners to prepare a model bill. In this bill the matter of whether small loan companies would be permitted to charge for such insurance was left to the individual states for decision. Maine hesitated to adopt the model bill, that is in 1958. It first authorized the Legislative Research Committee Study, which recognized the urgent need for effective State regulation of credit insurance, particularly to eliminate overcharging. Finally in 1961 Maine followed many other states in seeking such objectives by enacting a version of the model bill, which by now was redrafted by the small loan industry to compel coverage with the entire cost being borne by the borrower. Now, the enactment of this law has been a cruel hoax on the public because, as interpreted and as followed by the small loan industry, it codifies the fraudulent practices of the past, which was just the opposite of what the Maine Legislature intended to accomplish in 1961. On the basis of incontrovertible facts which we have, it is beyond any doubt that credit insurance is not being used as additional security, but principally for additional profit, and profit from those who can least afford to pay it, through tricky schemes devised to evade the maximum charges for interest permitted under our small loan laws.

Indeed, simply through the sale of credit insurance, the small loan companies have been able to more than double their already steep profits. How has this been accomplished? It is very simple. It is done through high premiums, high interest on those premiums, and exceedingly low claims made for losses covered under the insurance contracts.

Under our present law nearly every borrower is compelled to buy credit insurance: credit life accident and health, or casualty, and sometimes all three of them, and these at the highest possible rates.

This is because the borrower constitutes a captive market and can be forced to buy the insurance at any price.

I would like to divert at this point and have you, particularly the lawyers among you, recall the laws in regard to the savings banks and other banks in real estate loans. You will remember that 15 or 20 years ago we absolutely forbade a lending institution from dictating the insurance to be placed on any mortgaged property. But that does not exist in regard to these loans. They may be required or they may be refused the loan from the small loan company.

The premium for this insurance is included in the principal of the loan on which the interest is as high, as you know, as 36% annually, and that is charged by the lender, of course. The premiums are inflated by as much as three to four times the amount charged in legitimate credit insurance transactions because they include illegal and exorbitant profits to the lenders. In every transaction about 35% to 50% of the total premium is retained by the lender as a holdback or a kickback. These are disguised in financial reports as commissions and premium refunds, retrospective credits or dividends. It may interest you to learn that none of the managers of the offices of the national small loan companies in Maine, no one of them is licensed as an agent to sell insurance. I said the national companies. So it is difficult to see how they could properly receive any commissions. Moreover, the dividends or retrospective credits is highly fictitious, since the amount of the holdbacks or kickbacks is determined arbitrarily in advance between the lender and the insurance company in closely guarded negotiations.

Let me cite a few typical examples taken from actual case histories to show just how expensive this insurance is when it is sold by the small loan companies. This is a man from Oxford County. On a loan of \$1,555.91 for 30 months the borrower had to pay \$38.40 for credit life insurance, \$120 for credit disability insurance, and \$120 for casualty insurance on his household goods.

This is on a loan of \$1,555. He paid \$278.40 for the insurance over a 30-month period. That represented 18% of the loan. In addition he was charged interest on that, interest of \$100.86 on those premiums, thus making a total cost of insurance of \$379.26 on coverage of just over \$1,500. Obviously the small loan industry is anxious to hold this business. It is anxious to sell this insurance because it can retain nearly half of this amount as profit.

One of the worst illustrations we have is that of a gentleman from Portland who was given a loan for \$531.22 — and this also brings into observation the sale of automobiles in the State, which we might take a look at now and then — this fellow was going to buy an automobile, he was going to buy a 1959 Oldsmobile — he was given a loan of \$531.22. Now, that was in 1966, that was last year, and I am sure many of you are familiar with the trade-in books, the books of the industry, and you don't have to reflect very long over a 1959 Oldsmobile in the year 1966 to realize the plight this man was in when he was borrowing \$531.22 to buy it. This was to be paid over a period of 24 months. To get this loan he had to pay \$39.55 for credit life and disability insurance, he had to pay \$44 for fire and theft insurance, and, of all things, \$120 for collision insurance on that old clunker, that 1959 Oldsmobile. \$120 collision insurance. It probably wasn't worth any more than that. A total cost of \$203.55, or 38% of the entire loan. In addition, interest of \$225.23 was charged, making the total cost — I submit this as almost unbelievable, but it is a fact, and we can show you the figures on it — making the total cost \$428.78 for a loan of just over \$500, because of the packing in that loan of all those insurance charges.

Further examples of the burdensome cost of credit insurance to borrowers may be selected at random from the many charts used by the small loan companies for computing insurance premiums. One example is on a loan — this is the chart of the Liberty Loan Company, which I received from one of their former employees, and

it was explained to me to some extent — this is the favorite loan of Liberty which they like to push, and you can see why after you hear the figures. This is a \$2,500. loan. Imagine yourself going into a loan office to sign up for this loan of \$2,500., and I would like to have you see what you come out with when you are through, and what you are going to be saddled with for cost. You are borrowing \$2,500., that is what you are going in to ask for. Well, first of all, they are going to have to have a mortgage on your personal property, and you may be a rather poor wage earner and not have very much personal property but, regardless of that, they are going to insure that on a casualty basis for the full amount of all of the payments that you would be obligated to make during the entire period. In other words, they are going to insure it for \$3,385.44. And they are going to charge you, according to this Liberty Loan chart, \$203.13 for that three year period for that insurance.

Now, the concept of insurance, as Senator MacLeod, of course, knows, and other insurance people knows, is a service agency, it is a service being performed for the public. It is not a bilking operation. Here they are, these people that are doing this at our grace, through the grace of the Maine Legislature in 1961, through our permission, charging today \$203.13 for this 36 months on the \$2,500 loan. That is just on the furniture, which may be just a bunch of sticks and rags, as they say in the trade, worth very little in a poor man's home, that is, on a resale basis. They not only tack that onto him, but they say his life insurance will cost him \$65 for that 36 months, and his disability insurance \$169.27, for a total of over \$400 insurance. So, he goes out of there with cash of \$2,062.60, after having borrowed \$2,500. And he will pay them back at the rate of \$94.04 a month for 36 months, a total of over \$1,300. He actually walks out with \$2,062., and in 36 months he is going to pay them over \$1,300, mainly because of this great big bundle of insurance that

we in 1961 allowed these companies to impose on these people.

It may interest you to know that in many of these instances the cost of this personal property floater, which was that big premium there of \$203, is often greater than the value of the property that is being insured.

Now, we have got legitimate people in the insurance business, and our members of the Legislature, who so well represent them here, are representatives of that legitimate industry, of course. But these people in the small loan business are not promoting their best interests, of course, when they are putting such things over on the public as this. And it is our duty, I say, to correct it.

In comparison with what other lending institutions charge for policies of comparable terms and coverage on a loan of \$1,555, a prominent national financial institution would charge a total of \$35.30 for credit life and disability insurance, and not \$158.40 as charged by the small loan company in the first illustration given. Likewise, in the second case, this same national company would charge \$10.38 for such insurance, and not \$39.55. Yet, even at these greatly lower rates the reports of the insurance company selling insurance to this national financial institution disclosed astronomical profits. In 1963 the Prudential Insurance Company reported profits of \$27,000,000 from the sale of credit life insurance at rates nearly half of those being charged by small loan companies, and despite the fact that loss ratios were experienced of a higher nature.

Obviously, by charging higher premiums, and paying out little on claims, exorbitant profits are realized in the credit insurance transactions handled by this small loan industry. I don't like to call them an industry. I think of an industry as something like the Oxford Paper Company or the Great Northern, or some of our great shoe companies, that are producing something for the economy. Anything that constitutes a business today can take on the designation of "industry," but it

really shocks me to hear them called an industry.

As one example of a lucrative operation, let me cite from a report submitted to the Maine Bank Commission in 1964 by one of the largest small loan companies operating in this State. On credit life insurance in 1964 this company sold 7,039 policies covering loans of four million and a half. It collected net premiums of \$43,827.36, almost \$44,000, but paid out only \$12,742.41, resulting in a loss of nearly 29.1%. In other words, 71c out of every premium dollar collected was retained as income. In credit accident and health insurance, 6,738 policies were sold covering loans of \$4,300,000. The net premiums were \$143,884.50. But only \$20,360 was paid out on nearly 600 claims, resulting in an incredibly low loss of 14.2%. This means that 86c out of every dollar collected was retained as income. Now on casualty insurance on household goods—this you will really find hard to believe—785 policies were sold on property supposedly having a value of \$1,600,000. Net premiums of \$29,122 were collected, but only a single claim was paid out of 785 policies written. This claim was for \$1,349, with a loss of only 4.6%. More than 94c out of every single dollar collected was retained. In summary, this company in a single year collected net premiums on all policies of \$216,833.86, but had to pay out on claims only \$34,352, a loss ratio of 15.9%. This same company is profiting just as handsomely today. According to its profit and loss statement for the first 11 months of 1966—and no more accurate and current information can be obtained than that—nearly half of this company's net profit was derived through the simple process of including credit insurance in nearly every small loan transaction. Reference to this report shows that out of a net profit of \$94,362, \$46,886 was derived from the sale of credit life, accident and health and personal property insurance.

It should be obvious that in one way or another every small loan company profits from the sale of

credit insurance, although many do not admit it. It is difficult to determine this because, in most instances, the loan company owns or controls the insurance company. Indeed, one of the largest national small loans companies operating in Maine is so organized that the lender is also the insurer, the co-insured, the chief beneficiary, the insurance agent, and the adjuster.

In many events reports submitted by some of the small loan companies to the Maine Bank Commissioner disclosed that over 1.5 million in profits have been received from the sale of credit insurance over the last six years. If the profits of many of the largest companies were reported the amount of profit would exceed 2.5 million. Then interest on this sum for the period involved would swell the illegal profits to three to five million dollars we say.

Maine, however, is only part of this national scheme. I don't know as many of you noticed it, but on May 16, 1967 hearings were conducted by the United States Senate Subcommittee of Antitrust and Monopoly Legislation, and in those hearings it was disclosed that 50,000,000 Americans were being overcharged \$175,000,000 annually for credit life and credit accident and health insurance issued in connection with credit transactions. Various state insurance commissioners testified to fantastic profits from excessive premiums, and they urged the necessity for government protection of debtors. Commissioner Hunt from over in Vermont stated at that hearing "This protection must come from government, but state governments have been slow to act. This is not necessarily the fault of the insurance commissioner, because he may be unable to secure legislation due to pressure exerted by creditors."

Definite remedial legislation to correct the unconscionable abuses in the credit insurance field is now pending before this Legislature and is before you today. In view of the fact that Section 4 of Legislative Document 681 deals with this problem, I have submitted this amendment. While this does not necessarily eliminate all the abuses in this field, it does

minimize the cost to borrowers and lessens the opportunity for fraudulent practices by prohibiting any charge for credit accident and health insurance and personal property insurance types of coverage in which the most flagrant abuses exist.

In my opinion, the small loan industry should be completely barred from charging for all forms of insurance, the same as they were prior to 1961. That does not mean that they should not have insurance on their loans. They could do and should do the same as they did before 1961, and that is, as a service to the borrower, out of their cost of doing business have their group policies and give that protection, such as most of our banks do today. In the installment loan area, where the interest is higher, the banks provide that at no cost, in most instances, at no cost to the borrower. It is a service, it is a selling point, and it is a type of peace-of-mind insurance. Certainly the banks and others in the other lending field of this State are not in it, as these loan companies are, to turn it to a profit which approximates half of all the profits they have. They should be completely barred. My reasons are that this should be paid exclusively by the lender and, when it is done so, it is obtained at a much lower cost by him. The rate of interest has been set sufficiently high to cover his cost, and experience has shown that banks and financial institutions, which charge substantially lower rates of interest, of course, than the small loan companies, do provide this at no additional cost to borrowers. And they don't subject the economy of this State to the scandalous situation which has arisen in regard to the small loan sale of this insurance.

Before the enactment of the model credit insurance law, this is exactly what the small loan industry did, just as the banks do today in most instances. However, in order to assure the passage of some remedial legislation, because I understand the pressures have been very great here, there seems to be a feeling that they must be thrown a bone of some kind—and

I do understand it is critical that they have some concessions given to them or we can't get the support of this Legislature—and although I am not in favor of it, I will say that, in order to assure the passage of some remedial legislation at this session. I have been advised that a middle position must be taken, and, accordingly, I am willing to abide, and my friends who agree with me are willing to abide, to this simple and uncomplicated amendment.

It should be emphasized that this amendment in no way affects the manner of handling credit insurance by other lending institutions. Specifically, this Senate Amendment "A" to Senate Amendment "A" chops off what was in there formerly which was interpreted, we think erroneously, as applying to other lending institutions. But we have made it crystal clear by taking it completely out so that there is no infringement upon the sale of credit insurance by any other than the small loan industry, where the abuses and where the scandals have been. It merely is designed to regulate the involvement of the the small loan industry in the field of credit insurance.

In view of the national attention directed on this problem, Maine does have a golden opportunity to lead the nation in correcting some of the flagrant abuses in the credit insurance field by enacting a bipartisan program for the protection of debtors and the public generally. This is in line with the endorsements of the platform of both the Republican and the Democratic Parties. It would be a fitting tribute to the memory of our late Insurance Commissioner, George F. Mahoney, who recognized the serious problems existing in this field of the insurance business, and who sought to correct them by enacting such remedial legislation.

We don't need to shrink from our responsibility to enact such legislation, it seems to me, to protect the debtors and the public. What do you gentlemen care for a few lobbyists who put the pressure on you in this area? Even in the fact of these enormous pres-

tures which, I understand, do exist, which are being brought to bear in the legislative corridors by the paid spokesmen of these small loan industries, they are fine gentlemen, of course, they are representative citizens of the State of Maine, but you only have to go over the line into Massachusetts to see how their employers are behaving. You know that Beneficial, Liberty Loan, and Household have all been convicted in Massachusetts, stand convicted, with heavy fines imposed for their bribery down there. You know that their individual officers of their companies are facing jail sentences of numbers of years, anywhere from one to seven years, because of their actions. Now, those same people are operating in Maine. Those are the people who are putting the pressure on this Legislature to do nothing. I can't understand it. I can't understand why our members feel under pressure, when they really are a bunch of scoundrels who are operating in here, and there seems to be so much timidity about stepping on their toes. I say again, Beneficial, Liberty and Household. Public Finance was the squealer in the bunch. Public Finance didn't get convicted because it squealed on the others.

I have been criticized for being strong in my feelings, but I think you would too if you had seen so many of the people who are bilked by these companies, if you had seen so many people taken advantage of as they are, and if you had seen the ruthless treatment that they give citizens of our State. I hold in my hand a letter which I received a couple of years ago. And I have seen others, although not quite as strong. And these are the kind of people that they hire to run their big offices in this State, men that write letters like this. I am going to read it to you, but I want to give you a little background about it.

This man lived up in Stratton, and he had been in and out of Togus quite a few times. He wasn't as stable as he might have been because of shellshock and so on. He was under heavy financial pressure and he was heavily indebted to Seaboard Finance Company. He

also had a considerable amount of money owed to other creditors, and he was being threatened by various of my brothers. His mother came to me and asked if something could be done because he was close to another nervous breakdown and would have to go back to Togus. He got served with some papers and we went to the poor debtor court and he got the poor debtor's oath. When we got through she was told to see to it that any other papers that got served on him to bring them around and perhaps we could look after them. So, in another week this is what I had delivered to me. This is from Seaboard's Waterville office:

"June 11, 1965. I have just come across your account," the manager says to this man. "I and the company will not stand for this. We are no longer going to take care to be careful with you. We have a corporation lawyer who at this time is getting ready to have you confined in the county jail until such time as someone pays the entire balance of this loan. I do not see why the company has let you get away with this so long. I would like nothing better than to see everyone like you behind bars until they paid off all of their delinquent bills. People who do not pay their obligations are nothing but no good, and that is my opinion. I hope you will enjoy sitting behind bars all summer long if you don't pay. I hope you will enjoy spending year after year in jail, because I will see that you are never let out. The only reason why you won't go to jail is because you start sending in payments to us and continue to send them every month. I don't expect a person like you could afford to make a full payment, but I would expect to see \$15 every month and we will not charge you interest. I expect to see either a payment this week or you in jail as soon as possible."

That is one of the managers of one of the largest offices of Seaboard Finance in this State. It is hard for me to understand how our strong and stalwart members of this Legislature in any way cringe about putting them back in the

position where they were in 1961 before the Legislature made a mistake and opened up the door for these gross frauds in the credit insurance field. I hope the amendment to Senate Amendment "A" will prevail, Mr. President.

The PRESIDENT: The pending question is the motion of the Senator from Franklin, Senator Mills, that the Senate adopt Senate Amendment "A" to Senate Amendment "A".

The Chair recognizes the Senator from Penobscot, Senator MacLeod.

Mr. MacLEOD of Penobscot: Mr. President and Members of the Senate: First I would like to apologize to the distinguished Senator from Franklin, Senator Mills, for the tabling and retabbling and tabling again of these small loan bills, because he told me he had quite a speech ready and I was sorry to have to have delayed the Senate hearing this speech for so long, but I am glad the day has finally arrived that he has been able to make it.

The Committee on Business Legislation this year still has three bills in committee. Normally this Committee is through by the middle of April, its business is done and the bills are on the floor. This year we have been faced by a plethora of small loan legislation, abuses in the credit life insurance field, plus the regular routine bills that generally come before our committee. We have spent many hours at hearings, in part listening to the speech which you have just heard, plus several others along this same line, and we have heard people who are opposing these changes in the law. The Committee reported out these three bills, all with amendments.

The amendment that I am going to propose, after I kill off Senator Mills' amendments—he said in the first part of his speech that certain members of the Committee took issue with his amendment—I would like to inform the Senator from Franklin, Senator Mills, that the amendment that I am going to propose is approved by all members of the Committee, all ten. He has Senate Amendment "A", which

is the one under consideration, to Senate Amendment "A", and he said this was a simple and uncomplicated amendment. Senate Amendment "A" to the document, in Section 8, which he is now attempting to repeal or to take out in his Senate Amendment "A" to Senate Amendment "A", goes into Title 24 of the Banking Laws. It has nothing to do with small loan companies. To delete this section in Title 24 would take away the authority of any bank, or any other financial institution, to sell credit life or accident and health insurance to borrowers. Certainly the desire to regulate abuses, or alleged abuses, in the small loan field does not warrant such drastic action in regard to any other financial institution. Now he is proposing in Senate Amendment "A" to delete this part and just leave the section that rewrites 3082.

Well, we have heard a lot of talk this morning about how the Maine public has been bilked out of three to five million dollars over the last few years. We have heard talk of fraud. We have heard talk of deceitful practices and illegal practices. If these many violations occur as to fraud and illegal practices, then certainly the law enforcement in this State must be pretty poor that nothing has been done about it so far.

I move the indefinite postponement, if that is proper, Mr. President, of Senate Amendment "A" to Senate Amendment "A". If that is done, I will then submit Senate Amendment "C" to this bill, which deals with this same field.

Much of what Senator Mills said here this morning, he should realize, is taken care of in the Committee Amendment, in the amendment which I am going to offer, because he has a copy before him. For example, property insurance, in which there have been abuses—there is no question about it—the sale of property insurance in the small loan field is being eliminated. They no longer can sell property insurance under the Committee's Amendment. The sale of accident and health insurance is going to be very severely curtailed. And he is also well aware that in

the Committee Amendment that came out on the interest rates the maximum amount has been lowered from \$2,500 to \$2,000 as the maximum amount, and the interest rates are going to take about a million and a quarter away from the small loan companies in gross income, if it passes, a reduction in interest rates. The Committee felt that this was as far as we should go without more study and more knowledge of what we were doing in the whole consumer credit field, because you are dealing with a pretty delicate area here. If you take too drastic action in this field, then it reverberates and goes back and forth through the whole economic field.

The small loan industry has served and is serving a useful function in this State. The bills which our Committee has come out with, I feel, will correct some of the alleged abuses that Senator Mills and his friends are referring to, and will be a step in the right direction. But we weren't willing to go any further than that. I have moved that Senate Amendment "A" to Senate Amendment "A" be indefinitely postponed. I assume my pending motion then would be to indefinitely postpone Senate Amendment "A".

The PRESIDENT: The Senator from Penobscot, Senator MacLeod, moves that Senate Amendment "A" to Senate Amendment "A" be indefinitely postponed.

The Chair recognizes the Senator from Aroostook, Senator Harding.

Mr. HARDING of Aroostook: Mr. President and Members of the Senate: I find myself in a very difficult position at this time. When I came down here it was known that I would be a minority member, and it was told to me that when I spoke there would be a very few people that would pay attention to what I said and vote with me. I found that to be generally true. I was also told that I would be given a very difficult time by the Committee Chairmen. This I found to be completely untrue. I have enjoyed immensely serving with the Chairman of the Judiciary Committee, the Senator from Franklin, Senator Mills, and the Chairman of

Business Legislation, the Senator from Penobscot, Senator MacLeod. I want to tell each of them, and make this as a statement on the record, that they have been entirely fair, completely courteous, and there has been no partisanship insofar as the discussion of these matters is concerned.

I subscribe to what Senator Mills has said in regard to these abuses. There is no question that they have existed, and there is no question but something should be done about them. But I think I should commend the Committee on Business Legislation for the courage which they have had to face this very complicated legislation in an attempt to do something about it.

I feel a little badly that we can't accomplish as much as I would wish we could, but if these bills pass, which we have substantial agreement on, we are going to reduce the interest rate which is being charged by the small loan companies, we are going to reduce the amount of the loans which they can make from \$2,500 to \$2,000, we are going to prohibit them from writing any insurance at all, except for credit life and except for a very limited health and accident insurance. And this will be for the major loans only under the compromise which I have agreed to. In other words, there must be a waiting period of 30 days, the monthly payments must be at least \$40 a month and for a loan length of 18 months. So there is going to be no health and accident policies sold in probably over three-quarters of all the loans written. It will affect about a quarter of the loans, and it will affect what we call the major catastrophe type of thing which can overtake a lender.

We also, I am very hopeful, will accomplish something which I think is a major advance in the small loans field. I have seen this abused time after time where the small loan companies made loans to an individual which they knew the fellow would never be able to pay off. They would go for 15 years or 20 years and they would just be paying the interest. We, I believe, will correct that abuse this

time in reducing the length of the loan to 36 months. After that the interest will drop to 8%, so that the person will at least have a chance to repay the loan.

So, on that basis — and I realize that you can't get everything done here that you would like to do — but if we can do these things, this will be the greatest progress we have been able to make in the small loans field to protect individuals for many, many years. So, I am hopeful, and what I am struggling for is this progress, and not to lose it all because we can't agree completely along the way. It is on this basis, and with some reluctance that we can't do more, that I do support the motion of the Senator from Penobscot, Senator MacLeod, for the indefinite postponement, and he will offer then some amendments, which I have agreed to, and the Committee on Business Legislation has unanimously agreed to, as a compromise on the matter.

The PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Katz.

Mr. KATZ of Kennebec: Mr. President and Members of the Senate: I shall be very brief because I am the third signer of the unanimous report in the Senate. I just want to express my admiration for the job the Chairman has done. Every time I have looked at Senator MacLeod wrestling with this tremendously difficult and complicated problem, with two sides buzzing around him, I think of old Zeke who was asked to start up the airplane that landed in his pasture. He pulled the propeller and he gave it a whirl and it started up, but old Zeke forgot to let go. And there he was faced with the horrible dilemma; if he held on he would be whirled to death, and if he let go he would be chopped to death. So, somehow Senator MacLeod has worked long and hard to get, I think, some good sensible, moderate legislation, and I think the Senate should adopt his position.

The PRESIDENT: The Chair recognizes the Senator from York, Senator Farley.

Mr. FARLEY of York: Mr. President and Members of the

Senate: In my previous terms here in the State Senate from my constituents I had four who had entered into the loan companies and borrowed the only thing they sold, which was money. Like you all, you get letters and this and that, and we are supposed to vote for everybody that speaks to us on any bill, it doesn't make any difference. I had four of them who had made loans from a loan company. I didn't do anything until I asked them to bring their cards to me so that I could see and know what I would be talking about here in that session. I brought four of the books — and I am not lying to you at all — of the four, they were all in arrears four and five months, and three of the four were single men. So I absolutely refused to go along with them, and I had been lobbied by nobody on this bill one way or the other. We had one in there at the time that I spoke about. It was finally left to the Senator from Knox County, Senator Lowe, who wrote the bill up, if I remember correctly, and put the Bank Commissioner of the State of Maine with some authority over it.

There has been some talk about the interest. If you borrow from a bank today by monthly payments, at the top of the card is the monthly payment, you are also given an insurance certificate so in case anything happens to you the bank doesn't lose. But that is all in the amount that you pay monthly, or whenever it is due.

I talked to a banker a short while ago, and I was given the strong impression that they do themselves have some loans that go over the mark, loans that they are a little skittish of, but at the same time they are in the business of selling money. In my line of business many, many times do we go and repossess furniture that belongs to furniture companies on account of the contract between the individual and the company, they take it back. I don't know just what the procedure is with the loan companies. I have never had the opportunity to perform any work in that line.

Senator Mills has spoken about the Massachusetts case. I myself followed that all the way during the hearings, this and that, and the convictions of the men. But at that time, it was far different than what we have been hearing this morning. The \$25,000 that was given to the gentleman in New York City in the hotel room was a pay-off in reference to a bill that never got through.

I am not championing the loan companies, but I do think they have a right to run their business the same as the man that is in the furniture business. If anybody goes in to borrow money, it is very easy to hire a lawyer, give him \$25 and let him read the fine print, and they will come out of it safe. There is not a loan company that bothers me. Listening to the attorneys this morning, I know they will do that for \$25, because they will take anybody, if they only owe \$1,500., and put them into federal bankruptcy and wage and earners plan for \$100. So I think the loan companies are fair. I think they try to do it and do it right. I am going to support Senator MacLeod.

The PRESIDENT: The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS of Franklin: Mr. President and Members of the Senate; There are a few matters which perhaps ought to be cleared up a little. The issue is intended to be complicated, if possible, by the small loan industry. The pitch has been, up to quite recently, that this matter is so beclouded and there are so many diverse measures before you that it is just impossible to do any thing now, and let's have a study, which is recognized by all veteran legislators, of course, as "Let's kill the bill in an easy way. Let's let them off easy by having a study." But not being able to prevail with that position, thanks to the fortitude of the Committee, they have proposed and they have put to the Committee this series of changes, trying to kill them off by way of an amendment.

Now, the issue is very clear on this amendment to Senate Amend-

ment "A" that is before you. My amendment would take them out of the disability insurance field, would take them out of the personal property floater, the inland marine field, and would leave them merely in the life field. I would like to go all the way, but I have been given to understand that you just can't expect this much. I don't know why there is this great reluctance to strike a blow for liberty in this area and put them back where they were in 1961. And I do understand from the very patronizing statement of the Chairman that he has the amendment already killed. I am sure he has had plenty of help and the lobby to do it. And when I see the good Minority Leader leaving the ship, I feel that perhaps he is right. But the cause is just and the cause is right, and you should vote for this Senate Amendment "A" to Senate Amendment "A" unless you have got some of the same timidity that exists here about doing something to correct the real evil in this State.

Now, it has been mentioned that if there was criminality involved it would have come out and it would have been known. Well, Members of the Senate: It has come out, and it is known. Hundreds of violations of the criminal laws of this State have been known to the enforcement officials of this State for months and months and nothing has been done. I hold in my hand the report of these violations. There is a criminal statute, a misdemeanor—something termed a misdemeanor the other day as not being a crime, but it is just one of those minor league crimes, as you know, but anyway it is a crime, nevertheless, for the loan companies to violate the loan laws. And in 50 years, since 1917, they have never been prosecuted. And in 50 years the reports concerning their activities have either mentioned them not at all, or given out compliments in regard to the increase in numbers that we have throughout the State. As I said a while ago, you would think that they were manufacturing shoes or producing something

good for the economy, if you read the official reports, in regard to their expansion over this State. I don't think it is a good thing for the State to have eight or ten of them in Augusta, or five or six in Skowhegan, and I will explain why. They are not like banks. They are not doing a banking business. They are not in there providing a service to people who need money in trouble. They are pandering these loans. They are pushing these loans onto people who shouldn't have them. They are putting money on the kitchen tables and urging additional loans, urging new rewrites.

A typical example of one of the large companies operating in this State is the following: Right after Thanksgiving a call would come in from the district supervisor and you can recognize this as coming directly from one who knew it and had participated in it—a call would come in from the district supervisor and he would say "You have got 400 accounts. Every one of those 400 accounts is good for an additional \$100; now get it out." The banks don't do that. The banks don't send out a letter asking "Can't you use an additional \$100 before Christmas?" Then, if the letter fails, a telephone call to the wife at home, "Couldn't you and your husband use an additional \$100 before Christmas?" And then, if that doesn't work, one of the employees in the office drops around, and the \$100 is put on the kitchen table. Now, if that is something we want to sponsor and encourage, go along and cater to this small loan lobby, give them what they want, throw them the bone, throw them three or four bones, but I say they should be put back where they were in 1961. And, I recognize, Senator MacLeod, you have probably got the votes to beat us. I am sorry.

The PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator Stern:

Mr. STERN of Penobscot: Mr. President, a point of information. I am getting confused. Does Senator MacLeod's amendment propose to permit these licensees, the loan companies, to sell group and

disability insurance and health and accident insurance?

The PRESIDENT: The Chair would suggest that the amendment which the Senator may or may not introduce is not the subject of debate. I assume that he would call to your attention the filing number and you perhaps could read it.

The Chair recognizes the Senator from Aroostook, Senator Harding.

Mr. HARDING of Aroostook: Mr. President and Members of the Senate: I fully appreciate how deeply Senator Mills feels on this issue. I share his feelings in regard to the things that need to be done. But I do feel that he has been unkind and unfair when he suggests that I have left the ship. I have spent many hours with the Business Legislation Committee in an attempt to work out something which was passable and acceptable.

It is my considered judgement that we will attain about 80% of our objective this time. In the legislative field I feel that is a pretty good measure of success. I would rather have 80% of the objective and be sure of it than to try for 100% and get nothing.

I would also mention something which we have fought at some length, and it is included in these acts, which is where the borrower has been wronged, or overcharged, and there is a court action on it, he may have his attorney paid his reasonable attorney fees by the small loan companies. This is an attempt to protect the small borrower, so I feel that we have made some progress and real progress. I regret that we can't do everything that we would like to do, but I feel that we still ought to be grateful to our friends who have fought so hard to gain what we can gain here.

The PRESIDENT: The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS of Franklin: Mr. President and Members of the Senate: Of course I am grateful to my good friend, Senator Harding, for his cooperation in many areas, and particularly in this, and the association with him this winter has been most pleasant and

fruitful to me because of his keen knowledge and fairness in the Judiciary Committee.

I get a little exuberant, as you know, Senator Harding, and I don't mean that you are a complete deserter; you just put one step on the beach from the ship, and you are with us most of the way, I know. And I know we have many things to be thankful for here. But it is awfully puzzling to me to know why you don't stay wholly on the ship, you know, and why you don't see the logic of taking these people out of this business and putting them back where they were in 1961.

I don't know how Brooks Brown and those boys can be so successful in their lobbying activities as to convince you against all logic and reason. I don't mean to be dogmatic, but I just can't see where there is any place in the small loan industry for profiteering in insurance. I can see where they should be there, and to carve up a group policy and to give it out the way the great banks of this State do at no charge, but why do you want to legislate them into a profit area? Why not take them out and put them back where they were in 1961? They are not going to be hurt materially by it; they are just going to be deprived of this great temptation that they have succumbed to for so long.

As far as their motives are concerned, I would be a little remiss if I didn't at this juncture recite the case of Henry Butterfield who, I am sure, Senator MacLeod may recall. Henry Butterfield was a resident of Portland. On June 9, 1956 he went into his friendly loan office and borrowed \$250. That was June 9, 1956. I will say that this is one of those abuses that the Committee is helping us to correct. On June 9, 1956 he borrowed \$250. In October, 1966, ten years and three months later, he had reduced that loan by \$90, to \$160. He had reduced the principal by \$90 in ten years and three months. During that time he had paid them \$791 interest. Now, you can't classify these people with the banks. You can't say that they should have the same privileges that the banks do. Their motives

are wrong. They are panderers of debt. They are merchants of debt. It is just as obvious as it can be, and I don't know where you get your sympathy for them. Why not put them back where they were in 1961, or most of the way.

The PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator MacLeod.

Mr. MacLEOD of Penobscot: Mr. President and Members of the Senate: I am pleased that the Senator from Franklin, Senator Mills, has said that we are doing something in the area of cutting off these 11 year old debts, which is being done in Legislative Document 986, where the limit will be set at 36 months, and at that time the interest will revert to an 8% simple interest.

Mention has been made here today of Brooks Brown and the effective lobbying he does. Mention was also made earlier of the bribery in Massachusetts. So, to clear the record, I think I should say that one noon Representative Scott, who is sitting inside the Senate Chamber, who is House Chairman of this Committee, and myself were taken out to lunch by Brooks Brown. We sat around the corner in the dining room of the Senator, and I had a Southern, that is a BLT toasted—and Brooks picked up the check. Bill Hood was there also. I don't know who actually paid, whether it was Brooks or Bill. That is the extent, as far as I know, in the Business Legislation Committee. I have checked my pillow, underneath it each night since we have had these bills in, and I haven't found anything yet, and I don't think any other member of the Committee has.

Senator Mills mentions timidity on the part of this Senate to do something in this area. We are doing something in this area. We are doing something on a pretty broad front in this area. When I said I was going to kill these amendments off, I didn't mean that I had lobbied the Senate. I haven't lobbied the Senate this morning or any other time to find out where the votes were on Senator Mills' amendments. But I trust in the good judgment of the Senate that the motion would

be indefinitely postponed on merit, or lack of merit. That is why I made the statement. When the vote is taken I request it be taken by division please.

The PRESIDENT: Is the Senate ready for the question? The pending question is the motion of the Senator from Penobscot, Senator MacLeod, that Senate Amendment "A" to Senate Amendment "A" be indefinitely postponed.

The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS: I request the "Yeas" and "Nays", Mr. President.

The PRESIDENT: The Senator from Franklin, Senator Mills, has requested that the vote be taken by the "Yeas" and "Nays." In order for the "Yeas" and "Nays" to be entertained it must be the expressed desire of at least one-fifth of the members present. Those in favor of the vote being taken by the "Yeas" and "Nays" will stand and remain standing until counted.

A sufficient number having arisen, the vote will be taken by the "Yeas" and "Nays." Again the pending question is the motion of the Senator from Penobscot, Senator MacLeod, that the Senate indefinitely postpone Senate Amendment "A" to Senate Amendment "A". Those in favor of indefinite postponement will say "Yes" when their name is called; those opposed, "No." The Secretary will call the roll.

ROLL CALL

YEAS: Senators Albair, Anderson, Barnes, Beckett, Berry, Boisvert, Curtis, Farley, Girard, Good, Greeley, Harding, Hildreth, Hoffses, Johnson, Katz, MacLeod, Sewall, Snow, Sproul, Viles, Wyman, Young, and President Campbell.

NAYS: Senators Couturier, Duquette, Ferguson, Lund, Mills, Norris, Remy, Ross and Stern.

24 Senators having voted in the affirmative, and nine Senators having voted in the negative, the motion to indefinitely postpone prevailed.

Thereupon, Senate Amendment "A" was Indefinitely Postponed.

On motion by Mr. Ross of Piscataquis,

Recessed until two-thirty o'clock this afternoon.

After Recess

Called to Order by the President

The President laid before the Senate the item of unfinished business being debated before recess, H. P. 468, L. D. 681, Bill, "An Act Revising Laws Relating to Licensed Small Loan Agencies."

Thereupon, on motion by Mr. MacLeod, and under suspension of the rules, the Senate voted to reconsider its action whereby Committee Amendment "A" was adopted.

The same Senator presented Senate Amendment "B" to Committee Amendment "A" and moved its adoption.

Senate Amendment "B," Filing No. S-246, was read by the Secretary as follows:

SENATE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to H. P. 468, L. D. 681, Bill, "An Act Revising Laws Relating to Licensed Small Loan Agencies."

Amend said Amendment by inserting at the end before the single quotation mark the following:

" , the borrower to pay the statutory fee for the same"

Senate Amendment "B" to Committee Amendment "A" was adopted, and Committee Amendment "A" as amended by Senate Amendment "B" was adopted.

Mr. MacLeod of Penobscot then presented Senate Amendment "C" and moved its adoption.

Senate Amendment "C", Filing No. S-247, was read by the Secretary as follows:

SENATE AMENDMENT "C" to H. P. 468, L. D. 681, Bill, "An Act Revising Laws Relating to Licensed Small Loan Agencies."

Amend said Bill in section 4 by striking out all of the first sentence and inserting in place thereof the following:

'In addition to the interest provided for, no further or other charge or amount whatsoever for any examination, service, brokerage, commission or other thing, or otherwise, shall be directly or indirectly charged, contracted for or

received, except insurance premiums for **group life insurance and group disability income insurance at rates as approved by the Insurance Commissioner** and any gain or return to the licensee therefrom, and lawful fees, if any, actually and necessarily paid out by the licensee to any public officer for filing or recording in any public office any instrument securing the loan, which fees may be collected when the loan is made, or at any time thereafter. **No accident and health insurance shall be sold unless there is a waiting period of 30 days or more, a minimum payment of \$40 per month and the loan must be for at least 18 months.'**

Further amend said Bill in section 4 by adding at the end the following underlined sentence: **'Each licensee shall annually report to the Commissioner of Banks and Banking the amount of insurance sold, premiums charged therefor, and claims paid on a form prescribed by the commissioner and a summary of these reports will be included in the annual report of the commissioner.'**

Further amend said Bill in section 6 by adding at the end the following underlined sentence: **'In connection with such investigations and examinations he, and any person designated by him, shall examine the loans, business and records of all such persons, copartnerships and corporations to determine whether the laws with reference to credit life and credit accident and health insurance are being complied with and upon discovery of any violation or supposed violations thereof shall forthwith report the same to the Insurance Commissioner and any other appropriate enforcement agency for prosecution.'**

Further amend said Bill by adding at the end the following:

'Sec. 7. R. S., T. 9, § 3122, amended. The last paragraph of section 3122 of Title 9 of the Revised Statutes is amended to read as follows:

Each licensee shall keep such books and records as may be prescribed by the commissioner and shall preserve books and records used in such business for a

period of at least 4 years after making the final entry of, or relative to any loan recorded therein.'

The PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator MacLeod.

Mr. MacLEOD of Penobscot; Mr. President and Members of the Senate: I feel I should briefly explain to the Senate what Senate Amendment "C" does to L. D. 681. This amendment eliminates the right to sell any property insurance by the small loan companies. It also strictly limits the amounts and the way accident and health insurance can be sold, that there must be a waiting period of at least 30 days, which will reduce the cost substantially to the borrower. It must have a minimum monthly payment on at least \$40, and the loan must be for at least 18 months before accident and health insurance may be sold.

It also provides that each small loan licensee shall report annually to the Commissioner of Banks and Banking the amount of insurance sold, the premiums charged therefore, and the claims to be prescribed by that Department.

It further provides that when the Banking Commissioner makes his audits or inspections of the small loan licensees, he shall also look over the insurance that has been written and the insurance procedures that are being followed by the small loan agencies and, when he finds any violations, he is to report them immediately to the Insurance Commissioner and any other appropriate enforcement agencies for prosecution, which I would interpret it to mean the Attorney General's office.

Also, Section 7 provides that the small loan licensee must preserve records of transactions or loans made for four years, which be in keeping with L. D. 986, which requires that after three years maximum duration of a loan, or renewals thereof, the interest rate will revert to an 8% simple annual interest rate. The present statute only provides for two years' record-keeping. This will extend that to four so these records will be available when the inspections are being made.

Mr. President, I move the adoption of Senate Amendment "C".

The PRESIDENT: The Senator from Penobscot, Senator MacLeod, now moves that the Senate adopt Senate Amendment "C".

The Chair recognizes the Senator from Oxford, Senator Ferguson.

Mr. FERGUSON of Oxford: Mr. President and Members of the Senate: I would like to inquire of the Senator from Penobscot, Senator MacLeod, will this be a direct issue of insurance policies by the small loan companies, or would they have to write the insurance through an agent or a broker?

The PRESIDENT: The Senator from Oxford, Senator Ferguson, has posed a question to the Senator from Penobscot, Senator MacLeod, who may answer or not, as he so desires.

The Chair recognizes the Senator from Penobscot, Senator MacLeod.

Mr. MacLEOD: Mr. President, on any group insurance plan, whether it is life or accident and health, there must be a master policy held by whoever is the master policy holder. Commissions can be paid, and must be paid, as I understand the insurance laws, to a licensed agent. Does this answer your question, sir?

The PRESIDENT: Is the Senate ready for the question? The pending question is on the motion of the Senator from Penobscot, Senator MacLeod, that the Senate now accept Senate Amendment "C". As many as are in favor, say Yes; those opposed, No.

A viva voce vote being taken, the motion to adopt Senate Amendment "C" prevailed.

Thereupon, the Bill was passed to be Engrossed as Amended by Committee Amendment "A" and Senate Amendment "C" in non-concurrence.

Sent down for concurrence.

The President laid before the Senate the second tabled and assigned matter of unfinished business, (H. P. 345) (L. D. 493) Bill, "An Act Establishing Maximum Legal Interest Rate on Personal Loans in Excess of One Thousand Dollars."

Tabled—June 6, 1967 by Senator Johnson of Somerset.

Pending — Motion by Senator MacLeod of Penobscot to reconsider Adoption of Committee Amendment "A" Filing H-317.

On motion by Mr. MacLeod of Penobscot, retabled until later in today's session.

The President laid before the Senate the third tabled and today assigned matter of unfinished business, (S. P. 373) (L. D. 986) Bill, "An Act Reducing Maximum Amount and Duration of Small Loans and Establishing Equitable Rates for Small Loan Agencies."

Tabled—June 6, 1967 by Senator MacLeod of Penobscot.

Pending — Passage to be engrossed.

On motion by Mr. MacLeod of Penobscot, the Bill was Passed to be Engrossed, as amended.

Sent down for concurrence.

The President laid before the Senate the fourth tabled and assigned matter of Unfinished Business (H. P. 75) (L. D. 100) House Report Ought to Pass from the Committee on State Government on Bill, "An Act to Create a Maine State Board of Human Research and Development." Tabled June 7 by Senator Johnson of Somerset, Pending Acceptance of Report.

On motion by Mr. Johnson of Somerset, the Senate voted to accept the Ought to Pass Report of the Committee and the Bill was read once. Committee Amendment "A" was read by the Secretary. House Amendment "A" to Committee Amendment "A" was read by the Secretary. House Amendment "A" to Committee Amendment "A" was Adopted. Committee Amendment "A" as amended by House Amendment "A" was Adopted, and the Bill, As Amended, tomorrow assigned for Second Reading.

The President laid before the Senate the first tabled and today assigned matter, (S. P. 514) (L. D. 1227) Senate Report — Ought Not to Pass from the Committee on Towns and Counties on Bill, "An

Act Relating to Penalty for Exceeding Appropriation for Economic and Recreational Development in Oxford County."

Tabled — June 2, 1967 by Senator Norris of Oxford.

Pending — Acceptance of Report.

On motion by Mr. Johnson of Somerset, retabled and specially assigned for Tuesday, June 13, pending Acceptance of Report.

The President laid before the Senate the second tabled and today assigned matter, (S. P. 126) (L. D. 255) Senate Report — Ought Not to Pass from the Committee on Taxation on Bill, "An Act Repealing Application of Sales Tax to Telephone and Telegraph Service."

Tabled — June 5, 1967 by Senator Good of Cumberland.

Pending — Acceptance of Report.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Good.

Mr. GOOD of Cumberland: Mr. President and Members of the Senate: If you are wondering about the jacket, it belongs to the Senator from Cumberland, Senator Berry. He let me wear it this afternoon, but he said I had to return it by midnight.

I made mention of this sales tax applied to telephones early this morning, and placed upon your desks a sheet where I had shown a method of financing it, being a two cent tax on cigarettes. That is a bill I said I would vote for, taxing two cents on the cigarettes, but it has been tabled.

There is an adverse Committee Report here, and apparently the two cents tax on the cigarettes is going to be used for other purposes, although I laid my program on your desks earlier in the session, so apparently there isn't money around to finance this repeal of the sales tax which has been applied to the telephones. And that is something that is costing the telephone subscribers in this State approximately \$3,000,000 a year.

Before we bury this bill I would like to say a few words at the

grave side so you can see what we are doing to our public utilities in some instances. Now a public utility is given a franchise in order that they can better serve the public at a low rate so they would not be in competition with others. Then, of course, we turn around and tax them to death so that their service has become more expensive perhaps than if they had competition.

The total federal and sales tax being paid by our telephone subscribers in this State amounts to almost \$5,000,000 a year. This is in addition to the amount of money that they pay for their subscription, and in addition to the amount of money they pay for their toll calls.

I am going to make this brief, but I would like to give you an example of what we are doing to our public utilities. Let's take the Standish Telephone Company — I happen to be familiar with that. They have a little band of subscribers in the Standish Telephone Company, 1531 subscribers. Now, how much money do you think that this little band of 1531 people pay in taxes during the year in addition to their subscription rates and in addition to what they are paying for their toll calls? I realize that when this sales tax was applied to the telephones there was every indication that the Federal Government, which was taxing interstate calls at 10%, was going to step out of the field. So there was justification for the Legislature to apply the sales tax for the first time to telephone service. So they stepped into what they thought was going to be a void and applied the sales tax to telephone service for in-state calls. But the Federal Government, although they did step out for a while, are back now with a 10% tax on your toll calls and also on your local calls. So, when you make an interstate call now you are paying a 10% federal tax. And when you make a local call, that is, a local toll call within the State, you are paying a 10% federal tax, plus a 4% sales tax, for a total of 14% on your toll calls. And, of course, you are always paying 14% on the rental of

the equipment that hangs on the wall, and 10% on the service.

As I said, the Legislature had every justification for stepping into what they thought was going to be a void, but it turned out that the Federal Government decided they were going to hang onto the 10%, so we are paying 14% now.

Well, this little band, as an example, of 1531 subscribers in Sebago of the Standish Telephone Company—and this is happening all over the State—and you are wondering why your telephone bill is high. Incidentally, I put this bill in on my. I wasn't asked by anyone to put it in. Well, they pay a real estate tax. That is a tax, of course, of \$866. They pay unemployment compensation of \$443, that is a tax. They pay the social security tax on their employees of \$1,480. They pay a State Gross Receipts Tax, which has always been on the books. That would have been enough, had we known the Federal Government was going to come back in. That tax we are paying to the State; this band of 1531 people are paying this tax of \$7,698. They are paying a federal income tax of \$11,530. This is only 1531 people. Besides the subscriptions they are paying and besides what they are paying for their toll calls. They are paying a 10% federal excise tax of \$6,937. They are paying a federal excise tax on toll calls of \$9,358, and a 3% sales tax in the amount of \$5,865. So this little band of 1531 people are paying a total tax during the year, besides what they are paying for their subscriptions, of \$43,167.

Thereupon, on motion by Mr. Farley of York, retabled and specially assigned for Friday, June 9, pending Acceptance of Report.

The President laid before the Senate the third tabled and today assigned matter (S. P. 550) (L. D. 1447) Senate Reports—from the Committee on Legal Affairs on Bill, "An Act Providing for the Registration of Land Surveyors." Majority Report, Ought Not to Pass; Minority Report, Ought to Pass, as Amended by Committee Amendment "A" Filing S-205.

Tabled—June 5, 1967 by Senator Sewall of Penobscot.

Pending — Motion by Senator Good of Cumberland to Accept the Minority Report Ought to Pass as Amended by Committee Amendment "A". Filing S-205.

On motion by Mr. Sewall of Penobscot, retabled and specially assigned for Friday, June 9, pending the motion by Senator Good of Cumberland to Accept the Minority Report to Pass, As Amended, Report of the Committee.

The President laid before the Senate the fourth tabled and today assigned matter (S. P. 654) (L. D. 1666) Bill, "An Act Regulating Snow Traveling Vehicles."

Tabled—June 8, 1967 by Senator Good of Cumberland.

Pending Consideration.

(In Senate—May 24, 1967 Passed to be Engrossed as Amended by Senate Amendment "A" Filing S-171.)

(In House — June 5, 1967 Passed to be Engrossed as Amended by Senate Amendment "A" and as Amended by House Amendment "A" as Amended by House Amendment "A" thereto in Non-concurrence.)

On motion by Mr. Hoffses of Knox, retabled and specially assigned for Friday, June 9, pending consideration.

The President laid before the Senate the fifth tabled and today assigned matter (H. P. 1166) (L. D. 1667) Bill, "An Act to Authorize General Fund Bond Issue in Amount of Two Million Eight Hundred and Fifteen Thousand Dollars and to Appropriate Moneys for Construction, Extension and Improvement for Airports."

Tabled—June 6, 1967 by Senator Berry of Cumberland.

Pending — Passage to be Engrossed.

On motion by Mr. Berry of Cumberland, and under suspension of the rules, the Senate voted to reconsider its action whereby the Senate adopted House Amendment "B".

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Berry.

Mr. BERRY of Cumberland: Mr. President, I now move indefinite postponement of House Amendment "B" and would explain that upon rejection of this amendment, a subsequent one, and the adoption of a Senate Amendment I shall offer, will merely make technical changes to put the bill in the form it should be in to implement the action of the several houses of the Legislature.

On further motion by Mr. Berry of Cumberland, the Senate voted to indefinitely postpone House Amendment "B".

On further motion by the same Senator, the Senate voted to reconsider its action whereby it adopted House Amendment "E".

Then, on further motion by the same Senator, the Senate voted to indefinitely postpone House Amendment "E."

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Berry.

Mr. BERRY of Cumberland: Mr. President, I present Senate Amendment "A" and move its adoption.

Senate Amendment "A", Filing S-237, was read by the Secretary as follows:

SENATE AMENDMENT "A" to H. P. 1166, L. D. 1667, Bill, "An Act to Authorize General Fund Bond Issue in Amount of Two Million Eight Hundred and Fifteen Thousand Dollars and to Appropriate Moneys for Construction, Extension and Improvement for Airports."

Amend said Bill in the Title by striking out the words "Two Million Eight Hundred and Fifteen Thousand Dollars" and inserting in place thereof the words "Two Million Eight Hundred and Thirty-Seven Thousand Five Hundred Dollars"

Further amend said Bill by striking out in the 5th line of section 1 (4th line of L. D. 1667) the figure "\$2,815,000" and inserting in place thereof the figure "\$2,837,500"

Further amend said Bill in section 6 by striking out in that part that relates to Waterville Airport

the Figure "30,000" and inserting in place thereof the figure '40,000'

Further amend said Bill in section 6 by inserting after the paragraph designated "Augusta" the following:
'Houlton

Resurfacing runway 12,500' and by striking out the figure "\$2,815,000" in the 7th line from the end (6th line in L. D. 1667) and inserting in place thereof the figure '2,837,500'

Further amend said Bill in section 8 by striking out in the 2nd and 3rd lines of the 2nd paragraph (same in L. D. 1667) the words "Eight Hundred and Fifteen Thousand" and inserting in place thereof the words 'Eight Hundred and Thirty-seven Thousand Five Hundred'

Senate Amendment "A" was Adopted, and the Bill, As Amended, was Passed to be Engrossed in non-concurrence.

Sent down for concurrence.

The President laid before the Senate the sixth tabled and today assigned matter (S. P. 456) (L. D. 1133) Bill, "An Act Relating to Coverage Under Employment Security Law."

Tabled—June 6, 1967 by Senator Good of Cumberland.

Pending—Enactment.

On motion by Mr. Johnson of Somerset, retabled and specially assigned for Tuesday, June 13, pending Enactment.

The President laid before the Senate the seventh tabled and today assigned matter (S. P. 652) (L. D. 1660) Bill, "An Act Relating to Fair Minimum Wages for Construction of Public Improvements by State of Maine."

Tabled—June 7, 1967 by Senator Good of Cumberland.

Pending—Consideration.

(In Senate—May 18, 1967 Passed to be Engrossed.)

(In House—June 6, 1967 Passed to be Engrossed as Amended by House Amendment "B" in Non-Concurrence.)

On motion by Mr. Good of Cumberland, the Senate voted to Re-

cede from its former action and Concur with the House.

The President laid before the Senate the eighth tabled and today assigned matter (H. P. 666) (L. D. 921) House Report—Ought to Pass in New Draft under New Title (H. P. 1186) (L. D. 1687) Bill, "An Act to Increase the Term of Office of Mayor, City Council, Board of Police and Board of Education, Wardens and Ward Clerks of the City of Biddeford and Change Date of Election." From the Committee on Legal Affairs.

Tabled—June 7, 1967 by Senator Duquette of York.

Pending—Acceptance of Report.

On motion by Mr. Duquette of York, the Senate voted to accept the Ought to Pass in New Draft Report of the Committee and the Bill was read once. House Amendment "A" was Read and Adopted.

The PRESIDENT: The Chair recognizes the Senator from York, Senator Duquette.

Mr. DUQUETTE of York: Mr. President, I offer Senate Amendment "A" and move its adoption.

Senate Amendment "A", Filing S-242, was read by the Secretary as follows:

SENATE AMENDMENT "A" to H. P. 1186, L. D. 1687, Bill, "An Act Increasing Salary of Mayor and Councilmen, Reducing the Number of Members on the City Council, Increasing the Term of Office of Mayor, City Council, Board of Police and Board of Education, Wardens and Ward Clerks of the City of Biddeford, Changing Date of Election and Providing for Electing Civil Service Commission for the Fire Department of the City of Biddeford."

Amend said Bill in section 3 by striking out in the last line (same in L. D. 1687) the underlined word "fiscal" and inserting in place thereof the word "calendar"

Senate Amendment "A" was Adopted, and, under suspension of the rules, the Bill was read a second time and Passed to be Engrossed in non-concurrence.

Sent down for concurrence.

The President laid before the Senate the ninth tabled and today

assigned matter (H. P. 658) (L. D. 913) House Reports — from Committee on Appropriation and Financial Affairs on Bill, "An Act Appropriating Funds for Construction of a Span on the Westport-Wiscasset Bridge." Majority Report, Ought to Pass in New Draft (H. P. 1181) (L. D. 1683) Minority Report, Ought Not to Pass.

Tabled—June 7, 1967 by Senator Albair of Aroostook.

Pending—Motion by Senator Albair of Aroostook to Accept the Majority Ought to Pass in New Draft Report.

On motion by Mr. Albair of Aroostook, the Senate voted to accept the Ought to Pass in New Draft Report of the Committee and the Bill was Read Once.

House Amendment "C" was Read and Adopted, and the Bill, As Amended, tomorrow assigned for Second Reading.

The President laid before the Senate the tenth tabled and today assigned matter.

(H. P. 1164) (L. D. 1665) Bill, "An Act Revising the Motor Vehicle Dealer Registration Law."

Tabled—June 7, 1967 by Senator Johnson of Somerset.

Pending—1st Reading.

The PRESIDENT: The Chair recognizes the Senator from Aroostook, Senator Barnes.

Mr. BARNES of Aroostook: Mr. President and Members of the Senate: This bill currently has three House Amendments: House Amendment "A", House Amendment "B" and House Amendment "C". We have no objection to House Amendment "B" or House Amendment "C" because they do not significantly change the meaning or the provisions of this bill. However, House Amendment "A", which is three-and-a-half pages, would cut the heart out of this bill. It would change the whole complexion of the bill. It would render it useless. Our Committee studied this bill for months. The State Division of Motor Vehicles studies this for six months, and they came up with this bill and we came up with a new draft. We think it is good. This House Amendment "A", as I say, would

completely ruin the bill. I therefore move that House Amendment "A" be indefinitely postponed.

Thereupon, the bill was given its First Reading, and House Amendment "A" was read by the Secretary.

The PRESIDENT: The Senator from Aroostook, Senator Barnes, now moves that House Amendment "A" be indefinitely postponed.

The Chair recognizes the Senator from Penobscot, Senator Stern.

Mr. STERN of Penobscot: Mr. President, a point of information. I would like to ask Senator Barnes if we indefinitely postpone House Amendment "A", I would like to know if I brought my car into a dealer because it has broken down, which it does quite frequently, is there anything in the bill that would prevent the dealer from loaning me his car while mine was being repaired? This is what I am primarily concerned with.

The PRESIDENT: The Senator from Penobscot, Senator Stern, has addressed a question to the Senator from Aroostook, Senator Barnes, who may answer or not, as he chooses.

The Chair recognizes the Senator from Aroostook, Senator Barnes.

Mr. BARNES of Aroostook: Mr. President, in answer to the good Senator's question, Senator Stern of Penobscot, no, it would not prevent that in case you brought your car in for repairs. The dealer would have authority to loan you a car and he would have the authority, I believe, to charge a nominal fee for the use of that car.

The PRESIDENT: The Chair recognizes the Senator from Aroostook, Senator Harding.

Mr. HARDING of Aroostook: Mr. President and Members of the Senate: I am speaking on this as a State Senator from Aroostook. It has been called to my attention that there are certain inequities under the existing law, and that this House Amendment 342 perhaps has some merit in it. I will mention first of all that the composition of the Board, the Maine Motor Vehicle Registration Board, is changed so that you may have

other people who have plates other than new car dealers to be on the board. It seems to me that that might be a fair way to have it, so that all of the people who participate with these plates, the used car dealers, the heavy equipment dealers, and so on, would be represented on the board.

There is another area that has had wide abuse in the use of the dealer plates and that is that the employees of the dealer have extra plates passed out and they do use these plates. Now, they get the benefit of driving a car without having paid a registration fee or an excise tax or any of the other things that most of us have to do, and this amendment would restrict it so that these cars could only be used for the personal use of such dealer or the immediate members of his family, provided they are members of the household.

There is another section on these transporter plates where this would permit the small garage owner to be in a little better position to use these plates, rather than to have to pay the fee that the used car dealer would have to do.

There is another section which is of particular interest to me as a lawyer in regard to the insurance which is required for these dealers to carry. This is up to \$50,000 for one incident and \$100,000 for one accident and \$10,000 for property damage. I would mention that there was one incident in Aroostook County where a person used a dealer's car for demonstration purposes, and there was an accident in which there was a \$60,000 damage total liability. Now, if this dealer hadn't had on his own \$100,000 policy, it would have wiped him out, what small equity that he had. It seems to me that this is good protection for the public. I find much in this amendment which is worthy of your consideration, so when the vote is taken, I would ask that it be taken by a division.

The PRESIDENT: Is the Senate ready for the question? The pending question is the motion of the Senator from Aroostook, Senator Barnes, that House Amendment "A" be indefinitely postponed. The

Senator from Aroostook, Senator Harding, has requested that the vote be taken by a division.

As many as are in favor of the indefinite postponement of House Amendment "A" will stand and remain standing until counted. Those opposed to the motion will stand and remain standing until counted.

A division was had. 22 Senators having voted in the affirmative, and five Senators having voted in the negative, the motion to indefinitely postpone House Amendment "A" prevailed.

Thereupon, House Amendments "B" and "C" were Read and Adopted, and the Bill, as Amended, tomorrow assigned for Second Reading.

The President laid before the Senate the eleventh tabled and today assigned matter (H. P. 99) (L. D. 126) House Reports—from the Committee on Highways on Bill, "An Act to Make Allocations from the General Highway Fund for the Fiscal Years Ending June 30, 1968 and June 30, 1969." Majority Report, Ought to Pass in New Draft under same Title (H. P. 1173) (L. D. 1672); Minority Report, Ought Not to Pass.

Tabled — June 7, 1967 by Senator Viles of Somerset.

Pending — Motion by Senator Ferguson of Oxford to Accept the Majority Ought to Pass in New Draft Report.

On motion by Mr. Viles of Somerset, the Senate voted to accept the Ought to Pass in New Draft Report of the Committee and the bill in new draft was read once. House Amendment "A" was read by the Secretary.

On motion by the Senator from Oxford, Senator Ferguson, the Senate voted to indefinitely postpone House Amendment "A", and the Bill was tomorrow assigned for Second Reading.

The President laid before the Senate the twelfth tabled and today assigned matter. (H. P. 691) L. D. 972) House Reports — from the Committee on Highways on Bill, "An Act to Authorize the Issuance of Bonds in the Amount of Ten Million Dollars on

Behalf of the State of Maine to Build State Highways." Majority Report, Ought to Pass in New Draft (H. P. 1174) (L. D. 1673); Minority Report, Ought Not to Pass.

Tabled — June 7, 1967 by Senator Johnson of Somerset.

Pending — Motion by Senator Ferguson of Oxford to Accept the Majority Ought to Pass in New Draft Report.

The PRESIDENT: The Chair recognizes the Senator from Somerset, Senator Johnson.

Mr. JOHNSON of Somerset: Mr. President, I now move the pending question.

The PRESIDENT: The Senator from Somerset, Senator Johnson, now moves that the Senate accept the Majority Ought to Pass in New Draft Report of the Committee.

The Chair recognizes the Senator from Oxford, Senator Ferguson.

Mr. FERGUSON of Oxford: Mr. President, is that for 10 million or 16 million and eight?

The PRESIDENT: On Page 9 of the Journal it says \$10,000,000. The new draft may be for a different amount. Read the title of the new draft Mr. Secretary.

The SECRETARY: Bill, "An Act to Authorize the Issuance of Bonds in the Amount of \$16,800,000 in Behalf of the State of Maine to Build State Highways."

Thereupon, the Senate voted to accept the Ought to Pass in New Draft Report of the Committee.

The Bill was Read Once and tomorrow assigned for Second Reading.

The President laid before the Senate the thirteenth tabled and today assigned matter (H. P. 645) (L. D. 900) House Report — Ought to Pass in New Draft under same Title (H. P. 1143) (L. D. 1627) from the Committee on Taxation on Bill, "An Act Providing for a Tax on Real Estate Transfers."

Tabled — June 7, 1967 by Senator Johnson of Somerset.

Pending — Acceptance of Report.

On motion by Mr. Johnson of Somerset, retabled and specially

assigned for Friday, June 9, pending Acceptance of the Report.

The President laid before the Senate the 11th tabled and unassigned matter, (H. P. 588) (L. D. 819) House Report — Ought to Pass in New Draft under New Title (H. P. 1182) (L. D. 1684) Bill, "An Act Relating to Publication of Legal Notices." Tabled June 6 by Senator Johnson of Somerset, pending Acceptance of Report.

Mr. Mills of Franklin presented Senate Amendment "A" and moved its adoption.

Thereupon, the Senate voted to accept the Ought to Pass in New Draft Report of the Committee, and the Bill was read once.

Senate Amendment "A", Filing No. S-239, was read by the Secretary as follows:

SENATE AMENDMENT "A" to H. P. 1182, L. D. 1684, Bill, "An Act Relating to Publication of Legal Notices."

Amend said Bill in section 1 by striking out in the 3rd line from the end (2nd line in L. D. 1684) the underlined words "or third"; and by adding after the word "publication" in the last line (same in L. D. 1684) the underlined punctuation and words **'provided the Coastal Journal of Bath shall be deemed to be a newspaper under this section'**

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Snow.

Mr. SNOW of Cumberland: Mr. President, I would move for the indefinite postponement of Senate Amendment "A", and I would speak to my motion.

The PRESIDENT: The Senator from Cumberland, Senator Snow, now moves that the Senate indefinitely postpone Senate Amendment "A".

The Chair recognizes the Senator from Cumberland, Senator Snow.

Mr. SNOW of Cumberland: Mr. President and Members of the Senate: Senate Amendment "A" to this document would change the effect of the redraft so that in effect all that is accomplished by this document is the permission for a third class publication in Sagadahoc County to accept legal notices.

It has long been the custom in this State to publish legal notices in second-class publications, as opposed to third-class publications. I feel that Senate Amendment "A" makes an unnecessary exception to the practices of the past. Now, I should explain, for the benefit of members of the Senate, that a second-class publication is a newspaper as we know it. It must contain a certain amount of editorial material. This is required by postal regulations. It must have a list of subscribers which can be inspected by the Post Office Department at any time.

A third-class publication is not a newspaper at all necessarily. In the case of the Coastal Journal in Sagadahoc County, this does have the appearances of a newspaper, but it is still not a newspaper. It has no list of subscribers. It sends the paper to a mailing list of its own selection.

I would propose as a substitute, if this amendment is indefinitely postponed, a n o t h e r amendment which would permit the publication of legal notices in counties which have no newspaper, no second-class publication of their own, publication of these notices in a newspaper or a second-class publication in an adjoining county.

The PRESIDENT: The pending question is the motion of the Senator from Cumberland, Senator Snow, that Senate Amendment "A" be indefinitely postponed.

The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS of Franklin: Mr. President, I am not from Sagadahoc County, and the good Senator from Sagadahoc County does appear to be absent. I am not asking, however, that this be tabled. I have not discussed it with him, but it does pertain to his business a great deal more than it does mine. I am quite far removed from Sagadahoc County, and what they publish in Sagadahoc County for legal notices is of no concern to me personally. However, as a member of the Committee that considered the bill, I have a responsibility.

The bill, as it came in to us, was to make a certain publication published and printed outside of

Sagadahoc County a proper medium for the publication of those legal notices required now and then to be published in a newspaper in Sagadahoc County, attempting to take over the field of legal advertising from the Coastal Journal which was then publishing those advertisements, and which has been doing so for some time in the past.

The Coastal Journal appeared in its own defense, through competent counsel, and presented its argument. I have forgotten now just how we stood; I think we were unanimous on the Committee in feeling that its case was a good one and that we should endeavor to provide proper legal notices emanating from Sagadahoc County, that it was our responsibility on the Judiciary Committee to do it, having this problem placed before us. The problem then developed that probably the legal notices that had been run in a bona fide way out of Sagadahoc County were questionable, and they had been run in this Coastal Journal for some period of time for various things, you know, the probate notices, giving notices of the probate of estates, the adoption of children, and the other notices such as pardon petitions that are required to be published and printed in the county. So, we have had quite a bit of travail over this situation in an attempt on our part to do the right thing.

First we put out an amendment, which is gone now, a proposition from us which would have made third-class publications an appropriate medium. As I said to you the other day, you get into a difference with the newspapers and really the fat hits the fire. I got telephone calls from around several parts of the State, personal calls, and you would have thought that the Committee on Judiciary was about to commit some sort of atrocity. We retreated from that position and we put our heads together in an attempt to do the right thing for this Coastal Journal and for the people that lived in Sagadahoc County.

We have seen this newspaper, the Coastal Journal, as many of

you have, and I am sure you will agree that it is far superior to many of those who have the attributes, which the good Senator from Cumberland has just mentioned, other newspapers have. It is a finely printed paper, carries a large bulk of news, and is attractively printed in an offset fashion, very good quality paper, and has very, very general distribution, we understand. We think, as lawyers on the Judiciary Committee, at least the last time we thought together, we thought that it was a proper and appropriate medium to carry out the purposes of legal notices within Sagadahoc County. So we developed this amendment. We didn't want to disturb the Gannett Publishing Company, which was disturbed, and we didn't want to disturb the weekly association of newspapers, which was disturbed; we just wanted to get this thing back into focus and back into Sagadahoc County, and we thought everybody would leave us alone and it could go along and things could be corrected. So we provided this amendment, which is now under attack, which adds at the end of the general provisions for the definition of a newspaper this exception: "Provided the Coastal Journal of Bath shall be deemed a newspaper under this section." Now, if you don't like it, if you want to turn it down, you haven't hurt me any, but I think you have done some damage to the publication situation in Bath, and you may have damaged the property situations that have transpired under the notices which already have been published.

You will note that the emergency nature of this is an attempt at least to validate the notices that already have been run.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Snow.

Mr. SNOW of Cumberland: Mr. President and Members of the Senate: I have no quarrel with the quality of the Coastal Journal. I think, however, that I should point out to the Senate that the City of Bath, which is the largest community in Sagadahoc County, has

been served, as I recall it, for close to 100 years by a paper called the Bath Times. The Bath Times was recently merged with the Brunswick Record and is now published as a daily paper, with its main office in the Town of Brunswick, and it serves both the Town of Brunswick and the City of Bath, and much of Sagadahoc County.

Our present law provides that legal notices must be printed in a newspaper or second-class publication having its principal place of business in the county. Now, because the printing plant, in other words, the principal place of business, of the Bath-Brunswick Times Record is in Cumberland County in the Town of Brunswick, it is not now under the law eligible to print legal notices. This bill would make it legal for the Brunswick-Bath Times Record, or any newspaper in any adjoining county, to print these legal notices.

The Coastal Journal is a relatively new publication. As I have said before, I have no quarrel with its management or its contents, but it seems to me that its stability to carry information of this sort is not assured, that it does not have the guarantees provided by the postal regulations as to prior delivery of second-class mail. Third-class mail, as many of you know, may be delivered later, at the pleasure of the Post Office Department if it has more pressing mail in front of it.

I would also point out to you that this bill, with the amendment which I propose, will legalize the past action of the Coastal Journal in accepting legal advertising. So the advertising which has been run in it already should be legal. The amendment has been prepared by legal counsel and, as far as I know, it and the documents and the remainder of the document are perfectly in order.

Mr. President, I would note also that this amendment is supported by the Maine Weekly Press Association, and by the Maine Newspaper Association. I would move that when the vote is taken that it be taken by division.

The PRESIDENT: The Chair recognizes the Senator from Knox, Senator Hoffses.

Mr. HOFFSES of Knox: Mr. President and Members of the Senate: I feel that I am very much out of my element when I am discussing matters of this nature. However, this matter has been brought to my attention by the weekly paper in Rockland, which has a very enviable record over a great many years of providing unquestionable service to the people in my county. And they expressed to me considerable concern over this matter. They pointed out to me the rules and regulations which govern a daily paper which is entered as second-class matter, and they also pointed out to me the duties and responsibilities of a paper which is recognized and publishes legal notices, and also pointed out to me the considerable expense involved in maintaining the records for all times; that the members of the legal profession and any others may go to their records and refer to them for any matters of business which have been in the past, regardless of the time lapse, to verify any of these notices. And it was their wish and desire at the Rockland Courier Gazette that I speak in opposition to this matter; that this particular paper in question was, as they spoke of it, classified as a "Shopper."

Now, I am not familiar with all of the technicalities under which this title is referred to, but they referred to it as a "Shopper."

The amendment which the good Senator from Cumberland County offers, I think, perhaps would undoubtedly satisfy my constituents. I am, as I say, not familiar with all of the technicalities, but I would presume that the amendment which the good Senator from Cumberland proposes to offer will meet the necessary requirements for a paper to publish these legal notices. And I would like to go on record as favoring the motion of the good Senator from Cumberland that Senate Amendment "A" be indefinitely postponed.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Hildreth.

Mr. HILDRETH of Cumberland: Mr. President and Members of the Senate: As a member of the Judiciary Committee, I would like to say that I wish we had thought of the amendment which Senator Snow is planning to offer. I believe that it is a better solution to the problem than the new draft or the other amendments that have been reproduced. I would, therefore, support the motion of Senator Snow.

The PRESIDENT: The Chair recognizes the Senator from Aroostook, Senator Harding.

Mr. HARDING of Aroostook: Mr. President and Members of the Senate: A question directed to the Senator from Cumberland, Senator Snow: Would you relate wherein in your amendment the legal notices that have already been published in this Coastal Journal would be legalized?

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Snow.

Mr. SNOW of Cumberland: Mr. President, the section of the bill or redraft which legalizes these notices, as I understand it, remains in the document, Senator Harding.

Mr. President, I would like to make one more comment, if I may. The history of third-class publications in this State has not always been a happy one. Within the past several months one which was printed for a number of years in the greater Portland area was forced to cease publication. Prior to that two other shopper-type third-class publications ceased publication. One that I know of which served the Brunswick area was forced to go out of business. Shoppers have been operated in the Norway-South Paris area, the Rumford area, the Berlin, New Hampshire area, and in York County which have not survived. The second - class publications, papers for which you and I pay, to which we subscribe, generally seem to remain in business. I think the stability is important. I believe that if we adopt this amendment we will be placing

these legal advertisements in publications that have stability.

The PRESIDENT: Is the Senate ready for the question? The pending question is on the motion of the Senator from Cumberland, Senator Snow, that Senate Amendment "A" be indefinitely postponed.

As many as are in favor of the indefinite postponement of Senate Amendment "A" will stand and remain standing until counted. Those opposed will stand and remain standing until counted.

A division was had. 26 Senators having voted in the affirmative, and four Senators in the negative, the motion to indefinitely postpone Senate Amendment "A" prevailed.

Mr. Snow of Cumberland then offered Senate Amendment "C" and moved its adoption.

Senate Amendment "C", Filing No. S-249, was read by the Secretary as follows:

SENATE AMENDMENT "C" to H. P. 1182, L. D. 1684, Bill, "An Act Relating to Publication of Legal Notices."

Amend said Bill by striking out all of section 1 and inserting in place thereof the following:

'Sec. 1. R. S., T. 1, §601, amended. Section 601 of Title 1 of the Revised Statutes is amended by adding after the first sentence the following new sentence:

In the event in a county no newspaper entered as second class postal matter and satisfying the requirements of this section is published and printed or has its principal place of business in such county, any legal notices, legal advertising or other matter required by law to be published in a newspaper in said county may be published in a newspaper satisfying such requirements except that it is published and printed or has its principal place of business in an adjoining county.'

Senate Amendment "C" was adopted, and the Bill, as amended, tomorrow assigned for Second Reading.

The President laid before the Senate the 14th tabled and unassigned matter, (S. P. 34) (L. D. 33) Bill, "An Act Defining Industrial Project Under Industrial Building

Authority Law." Tabled June 7 by Senator Johnson of Somerset, pending passage to be engrossed.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Hildreth.

Mr. HILDRETH of Cumberland: Mr. President, we are still awaiting the answers to questions from the Law Court.

Thereupon, on motion by Mr. Johnson of Somerset, retabled unassigned pending Passage to be Engrossed.

The President laid before the Senate the 16th tabled and unassigned matter, (S. P. 347) (L. D. 931) Bill, "An Act Relating to Notice of Legislative Hearings." Tabled June 7 by Senator Berry of Cumberland, pending enactment.

On motion by Mr. Berry of Cumberland, retabled and specially assigned for Tuesday, June 13, pending Enactment.

On motion by Mr. Berry of Cumberland, the Senate voted to take from the Special Appropriations Table (H. P. 723) (L. D. 1018) Bill, "An Act Providing for the Official Observance of the 150th Anniversary of the Formation of the State of Maine."

On further motion by the same Senator, and under suspension of the rules, the Senate voted to reconsider its action whereby the Bill was passed to be engrossed.

The same Senator then presented Senate Amendment "A" and moved its adoption.

Senate Amendment "A". Filing No. S-230, was read by the Secretary as follows:

SENATE AMENDMENT "A" to H. P. 723, L. D. 1018, Bill, "An Act Providing for the Official Observance of the 150th Anniversary of the Formation of the State of Maine."

Amend said Bill by striking out all of section 5 and inserting in place thereof the following:

'Sec. 5. Appropriations. There is appropriated from the Unappropriated Surplus of the General Fund to the Maine State Sesquicentennial Commission the sum of \$10,000 for the fiscal year ending June

30, 1968 to carry out the purposes of this Act; such sum shall not lapse but shall remain a continuing carrying account until the purposes of this Act have been accomplished.'

Senate Amendment "A" was adopted and the Bill, as Amended, Passed to be Engrossed in non-concurrence.

Sent down for concurrence.

On motion by Mr. Berry of Cumberland, the Senate voted to take from the Special Appropriations Table (H. P. 1124) (L. D. 1601) Bill, "An Act Providing Appropriations for Payment of School Construction Aid to the Cities of Westbrook and South Portland."

On further motion by the same Senator, and under suspension of the rules, the Senate voted to reconsider its action whereby the Bill was passed to be engrossed, and, on further motion by the same Senator, voted to reconsider its action whereby it adopted Committee Amendment "A".

On motion by the same Senator, Committee Amendment "A" was then Indefinitely Postponed.

The same Senator presented Senate Amendment "A" and moved its adoption.

Senate Amendment "A", Filing S-236, was read by the Secretary as follows:

SENATE AMENDMENT "A" to H. P. 1124, L. D. 1601, Bill, "An Act Providing Appropriations for Payment of School Construction Aid to the Cities of Westbrook and South Portland."

Amend said Bill in the Emergency Preamble by striking out all of the 5th and 6th paragraphs.

Further amend said Bill by striking out all of sections 1, 2 and 3 and inserting in place thereof the following:

'Sec. 1. Appropriation. There is appropriated from the Unappropriated Surplus of the General Fund for the fiscal year ending June 30, 1967 the sum of \$61,368.60 which shall be expended under the direction of the Department of Education in accordance with the following breakdown. Any balance on June 30, 1967 shall not lapse but

shall be a continuing carrying account until June 30, 1968.

1966-67

EDUCATION,
DEPARTMENT OF
General purpose subsidies
to Cities and Towns
All Other \$61,368.60

Sec. 2. Allotments and work programs. Upon receipt of allotments duly approved by the Governor and Council based upon work programs submitted to the State Budget Officer, the State Controller shall authorize expenditures of the appropriations provided under section 1 of this Act on the basis of such allotments and not otherwise.'

Senate Amendment "A" was Adopted and the Bill, As Amended Passed to be Engrossed in non-concurrence.

Sent down for concurrence.

The President laid before the Senate the second item of unfinished business, tabled earlier in today's session by Mr. MacLeod of Penobscot, (H. P. 345) (L. D. 493) Bill, "An Act Establishing Maximum Legal Interest Rate on Personal Loans in Excess of One Thousand Dollars."

On motion by Mr. MacLeod of Penobscot, retabled and specially assigned for Monday, June 12, pending motion by the same Senator to reconsider adoption of Committee Amendment "A", Filing H-317.

On motion by Mr. Ross of Piscataquis,

Adjourned until nine-thirty o'clock tomorrow morning.