

MAINE STATE LEGISLATURE

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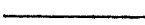
LEGISLATIVE RECORD

OF THE

Seventieth Legislature

OF THE

STATE OF MAINE.



1901.

SENATE.

Augusta, February 24th, 1901.

Senate met according to adjournment, and was called to order by the President.

Prayer by the Rev. Mr. White of Hallowell.

Journal read and approved.

Papers from the House disposed of in concurrence.

READ AND ASSIGNED.

An act to authorize the Maine and New Hampshire Granite Company to maintain a tramway across a county road in the town of Jay.

An act to amend the charter of the Portland Gaslight Company.

An act amendatory to section 20 of chapter 242 of the Special Laws of 1895 entitled, An act to incorporate the city of South Portland.

An act additional to chapter 91 of the Revised Statutes relating to liens on wharves and piers.

An act to extend the charter of the Bluehill Water Company.

An act to authorize the town of York to supply light for public uses.

Resolve in favor of Augusta City Hospital.

On motion by Mr. Weeks of Somerset this resolve was laid upon the table pending its second reading.

An act to amend section 2 of chapter 406 of the Private and Special Laws of 1850, entitled An act creating the Norway Village Corporation.

An act to amend an act to incorporate Madison Village Corporation.

An act to incorporate the Pownal and Yarmouth Railroad Company.

Resolve authorizing the compilation and publication of the insurance laws.

An act to amend chapter 123 of the Public Laws of 1899, entitled An act in relation to foreign banking associations and corporations.

An act to authorize Manly Morrison to erect and maintain booms and piers in the Sebasticook river.

Resolve in favor of a ferry boat across the Fish river to aid in building a road in Wallgrass plantation.

This resolve came from the House with House Amendment A adopted in the House; and, on motion by Mr.

Bryant of Somerset, the resolve and amendment were laid on the table.

An act to close Sandy stream and tributaries and the tributaries of Unity pond in the town of Unity.

An act to close a portion of Sandy river and certain of its tributaries against fishing.

An act to close the tributaries of Duck pond in Cumberland county.

An act to prevent the throwing of sawdust and other mill refuse into streams lying wholly, or in part, in the towns of Naples and Raymond.

An act to protect lobsters in the waters adjacent to the shores of the towns of Lubec and Trescott.

The following bills, petitions, etc., were presented and referred. (Private and special legislation under suspension of the order).

RAILROADS, TELEGRAPHS AND EXPRESSES.

By Mr. Stearns of Oxford—"An act authorizing the Fryeburg Horse Railroad Company to maintain steamboats upon the water of Upper Kezar pond."

By Mr. Burleigh of Aroostook—Bill, "An act to ratify the lease of the Pat-ten and Sherman Railroad to the Bangor and Aroostook Railroad Company."

PENOBSCOT COUNTY DELEGATION.

By Mr. Plummer of Penobscot—"An act to regulate the salary of the sheriff of Penobscot county."

Which was received under suspension of the order.

The same Senator presented remonstrance of E. E. Brown and 44 others of Dixmont;

Of Leon P. Dennett and 50 others of Etna;

Of Morse & Bridges and 31 others of Dexter;

Of Josiah Crosby and 20 others of Dexter,

Severally against Bangor and Brewer bridge bill.

On motion by Mr. Staples of Knox, it was

Ordered, That the committee on taxation be order to inquire into the expediency of taxing jewelry and silver plate and report by bill or otherwise,

Which was read and passed.

REPORTS OF COMMITTEES.

Mr. Staples, for the Knox county delegation, on bill, An act establishing a salary of clerk of courts for Knox county, reported same ought not to pass.

Also, on bill, An act to place the county commissioners on a salary, the same Senator for the same delegation, reported ought not to pass.

Mr. McFadden, for the committee on claims on petition of Matthias A. Cullinan of Belfast, to be reimbursed for expenses incurred in caring for soldiers of the civil war, reported that petitioners have leave to withdraw.

Mr. Virgin, for the committee on judiciary, on bill, An act to prevent the shooting of human beings by persons in pursuit of game and game birds, reported same ought to pass.

On motion by Mr. White of Androscoggin, the bill and accompanying report were laid upon the table.

Mr. Burleigh, for the committee on inland fisheries and game, on petition of Fred H. Bartlett and 17 others, praying for an act to close the tributaries of upper and lower Stone pond, in Stoneham, reported bill, entitled, An act to close the tributaries of Upper and Lower Stone pond in the town of Stoneham, and that it ought to pass. Bill tabled for printing under the joint rules.

Mr. Vickery, for the Kennebec county delegation on bill, An act to fix the salary for the judge of probate, Kennebec county, reported same ought to pass. Tabled for printing under joint rules.

PASSED TO BE ENGROSSED.

An act additional to and amendatory of chapter 625 of the Private and Special Acts of 1893, entitled An act to establish a board of police in the city of Biddeford, as amended by chapter 60, of the Private and Special Acts of 1895, entitled An act to amend an act entitled An act to establish a board of police in the city of Biddeford, approved March 28, 1893.

An act for the arrest and apprehension of criminals.

Resolve in favor of King's Daughters Home of Bangor.

An act to grant a charter to the Union Telephone Company.

An act amendatory of chapter 33 of the Public Laws of 1899 and section 6 of chapter 287 of the Public Laws of 1893, relating to the better protection of sheep.

Resolve in favor of Cyrenus B. Downs of Winterport in the county of Waldo.

An act to fix the salary of the judge and register of probate for the county of Oxford.

An act to provide for a board of Pan-American managers of the Pan-American exposition of 1901, and to defray the expenses thereof.

On motion by Mr. McFadden of Lincoln, this bill was laid on the table, pending its second reading.

An act to amend chapter 104 of the Revised Statutes, as it was amended by chapter 85 of the Public Laws of 1895, by adding thereto section 49, relating to the settlement of titles to real estate.

ORDERS OF THE DAY.

On motion by Mr. Burleigh of Aroostook, Senate Document No. 76, An act to amend chapter 104 of the Revised Statutes, as it was amended by chapter 85 of the Public Laws of 1895 by adding thereto section 49, relating to the settlement of titles to real estate, was taken from the table, and, on further motion of that senator, the bill took its second reading and was passed to be engrossed.

On motion by Mr. Burleigh of Aroostook, Senate Document No. 74, An act to authorize John P. Yersa, Edgar Perry, Arthur Gilpatrick and Selden R. Tracy to construct and maintain a dam across the Little Madawaska river, in Aroostook county, and build and maintain piers in said river, was taken from the table.

Mr. BURLEIGH of Aroostook: I wish to present an amendment to this bill, and I will say that all the land that is to be taken is owned by myself and my brother. We have sold to them the right to erect their mill, etc.; but by this act they have a right to take property, and I wish to offer the following amendment—Amendment A. Amend section 2 by inserting in the fifth line thereof, after the word "same," the words "not exceeding in

all one-fourth of an acre," and of adding at the end of such section, the following: "Provided that this act shall not be construed as granting an exclusive right to said parties, their heirs and assigns, to use such river, but only such reasonable and necessary use thereof for the purposes herein specified, as may be exercised consistently with the enjoyment of similar or other proper rights and privileges already existing or subsequently acquired by other parties."

The reason for that is that other parties have spoken about erecting mills on the same river. Now this will give them the same right to maintain booms, and leave a chance for lumber to pass through. If other parties wish to erect mills and have a chance to hold a boom of logs this act excludes them from the right. All I ask is that other parties shall have the same rights that they have.

The question being put, amendment A was adopted.

Mr. BURLEIGH—I have a further amendment. Under this act they take all the land water-flowed. Under this act they have exclusive right to it. We shall probably never charge anything for flowage,—probably nothing for one end of the dam which is on our land, but, in order that they may not get shore rights,—that is, own the land, so that no one else can get to the river to use it,—I offer this amendment, amendment B. Amend section 3 by striking out in the fifth and sixth lines, the words "the taking and holding of any lands for;" and by adding at the end of such section the following: Nothing in this act shall be construed as giving any shore privileges or any title in the lands flowed, to said Yerxa, Perry, Gilpatrick and Tracy, their heirs and assigns."

The question being put amendment B was adopted.

On motion by Mr. Jones of Penobscot, the bill and amendments were laid on the table.

On motion by Mr. Staples of Knox, Senate Document, No. 23. An act to tax all deposits in the savings banks and trust companies of Maine, was taken from the table.

Mr. STAPLES of Knox—I desire, Mr. President, upon that bill to make a few

remarks to this Senate. After mature deliberation, I introduced that bill for the consideration of this body. I was somewhat surprised, on account of the magnitude of the deposits in the savings banks, that the committee on taxation made the report that they did. I have ever been convinced that the only true policy of taxation was that all kinds of property, wherever situated or found, should be taxed. I find that there are, in the savings banks and trust companies of this State \$73,000,000 of property that is exempt from taxation. It is true that the banks pay three-fourths of one per cent, Mr. President, for a mill tax, but that does not affect the depositors. We are all aware that the State of Maine is in debt to the tune of some \$700,000. We have been appalled at the requests coming from the different departments and different individuals, asking appropriations from this Legislature, and we have got to have revenue somewhere or else we have got to stop making resolves and appropriating money. I believe that when this House of Representatives, or this Senate, or the Legislature of Maine have any other method of taxation but what is universal taxation of all kinds of property, then they are not doing their duty to their constituents. I do not know that there is another senator in this body that will agree with me. It makes no difference, Mr. President, to me. If I believe I am right in this matter, then I feel it my duty to defend this bill. When I consider that there are \$73,000,000,—when I find that the first appropriation that has come into this body calls for an appropriation of \$1,800,000, and the whole appropriations that will be asked for has not come in here, when I consider that there is a deficiency in our Maine State prison of \$27,000, when I consider the deficiencies in the State printing of \$15,000, when I consider that there are many other deficiencies, then I ask that all property be taxed; and I say it is right we should raise a revenue to meet the legitimate expenses of government.

At the committee hearing at which I was present, I found that no depositor appeared to object to being taxed. I found the banks here and the bank examiner opposing this bill. I found hired attorneys for the savings banks of this

State, coming in here, and urging, not only that the banks,—that deposits in the banks should not be taxed, but they ask, furthermore, that the tax be reduced upon our savings banks. Now, it is true, I apprehend, that a great many of these depositors, you will find, by looking at the bank examiner's report, are small deposits, but are you aware, Gentlemen that there are 4955 depositors in the savings banks of this State whose deposits are more than \$2000. And can you tell me any reason why those 4955 depositors of the wealthy men of this State should not pay a tax upon their deposits in those savings banks, just as much as you pay a tax upon your farm, or as another person pays a tax upon any property which he may have? Are you willing to vote that this bill should not pass, and go home to your constituents and poor taxpayers of your towns and say to them, "I voted to exempt \$12,000,000 of property from taxation?" If you do, Gentlemen, if the people in your counties feel as they do in my county, this will be the last time for a number of years that you will represent your district or your town. Why? Because the time has come, and it is opportune, now that every species of property should be taxed.

Those 4,955 depositors represent an accumulation of capital of \$12,000,000. You tax that, just the same as you tax any other property, and you will find that it will amount to \$1,280,000.

Now, I know that the plea is that the reason that the deposits in the savings banks should not be taxed, is because it is of small depositors, widows and orphans, executors and guardians, etc. But, don't you know, gentlemen of this Senate, that the origination of this bill was for that very purpose? And you furthermore know that the monied men of the State have taken advantage of that law and put their money into the savings banks and are exempt from taxation. I know of a man who has \$20,000, today, in the savings banks of this State. To be sure, he can put \$500 in one bank in in his own name, and spread it round as far as he can in his own name in the different banks, and then put as much more in the name of his wife and children; and therefore all the money

he can get goes into the savings banks of the State, and is exempt from taxation, and his neighbor, who owns a farm worth \$2,000 must pay the taxes which this man ought to pay. I ask you, in fairness, is there any justice in it? You may amend this bill, if you please, to make it apply to the depositors who have \$2,000 and upwards. I do not believe in that, because I know, —I believe that every system of taxation whether a man has \$50,000 in the savings bank or has \$2,000—that it should be taxed just the same as the poor man's farm is taxed. I know a man in my knowledge who has \$4,000 in the savings banks today, and he is simply hiring a house and pays nothing but a poll tax; and his neighbor is building his roads, paying for the education of his children, paying the running expenses of the town, and giving him a right—the same right of enjoyment of the privileges of the town that he has. I say that it is wrong from the beginning to the end. There is another reason why savings banks and deposits in savings banks should be taxed the same as all other property. It is a fact that our rural towns are growing poorer every day. It is a fact that they are becoming depopulated, as the last census will show. Now, why is it? What we want is to have industries start up in the various towns of this State. I would have the money taken out of these savings banks, and I would have it in the hands of these people in the towns that will go into enterprises and give employment to the young men and the young women. As this money is, tied up in the savings banks today, the young men and young women, when they grow to manhood and womanhood in our towns, find no business in the town, no industries are springing up there, and they have to go outside of the State of Maine for the very purpose of getting employment. I would have these depositors taxed just the same as the farmer is taxed; and if they are not content, let them take their money out of these savings banks, and put it into business in their towns, and give employment to their neighbors. Then you will have prosperity; and you cannot have prosperity in our rural towns

until you accomplish this. Now, in this bill I do not ask them to pay more than anybody else. I am willing to concede to them that the savings banks three-fourths of one per cent; and this bill says that, if in your town your rate of tax is two per cent, that that shall be deducted from what the savings banks pay, three-fourths of one per cent., so that the rate of taxation upon your \$2,000, or whatever you may have would be one and one quarter of one per cent. in your town.

The amount of revenue that you have raised by taxing the steam railroads upon their gross earnings is good, as far as it goes. I do not believe in that principle. I believe there are railroads which are better able to pay taxes than any other class of people. Property in the State of Maine should be taxed according to its value; and I say to you, while we have taxed them this year upon the gross earnings, the people of the State will demand at the next Legislature that steam railroads shall be taxed upon their value, and not upon their gross earnings. If you did so, you would get two or three hundred thousand dollars more than you are getting now. To be sure, you will get, by taxing the steam railroads, about \$90,000. Why! That \$90,000 is only a drop in the bucket. The first week of this session we passed an appropriation for the Eastern Maine Hospital of \$60,000. We thought that was an enormous appropriation. It was a large appropriation, but we all acquiesced in it cheerfully, because we believed the congested state of the asylum over the river was such that it demanded it to be done as quickly as possible; but, to my surprise, yesterday, I found that \$60,000 was not enough, that they want \$25,000 or \$30,000 more to put that hospital in running order; and I ask you, with your debt limit that you have upon you by the constitution of this State, where are you going to get the funds to pay it, unless you tax something beyond what you have taxed. I ask of you, gentlemen, each one of you, is it not fair? Can you give me any reason why your neighbor who has \$10,000 in the savings bank should pay no tax? I ask you, can you give me

any reason why it should not be taxed just the same as your other property? As for me, I believe in it. Why! They say that other states don't do it. I don't care what other states do. I must act as I see my duty, and I must do it according to my own dictation. I found, in looking at a paper the other day—and I was glad to see it, because I believe it will come in every state in New England—that New York state today which has an enormous sum of money in the savings banks of the state, has a bill before the Legislature now to tax savings banks; just the same kind of a bill that I have in my hands here. Now, I do not know what you may do. I do want anybody to think in this Senate—I have too much confidence in the integrity and honor of these senators—that I introduced this bill for political capital. I do not do it simply because I am a minority party in this Senate. I do it because I believe it to be right. Long before I came here, I have advocated, and I will advocate it, until it becomes a law, which I believe the people of this State demand shall be done. I have confidence in the depositors. I believe that out of that 4955 depositors in this State that one-half of them will be willing to pay the tax upon their property, just the same as I am paying upon my property. I know that a great many of them laugh when the State exempts those deposits from taxation; and that the poor man that has his farm and is struggling the best he can to get a living and to educate his children, has to pay a tax upon his property. Now, while there may be some excuse, while you may argue that it would tax widows and orphans, guardians and executors, I say to you that that 4955 depositors represent a capital of \$12,000,000, which, if you should tax it the same as any other property, would amount to \$1,200,000. Let us do it. An appropriation has been called for for \$1,800,000, and I say to you, by the resolves that have been coming in here, and the deficiencies of departments, that you will at least have more than \$500,000 more of appropriations than you will be asked to vote for, before the second appropriation is through with. It will make this Legislature give appropria-

tions to the tune of \$2,000,000; and for that reason and in the interests of justice, in the interest of the tax payers of the State, in the interest of the prosperity of the State, in the interest of the good, old State of Maine, let us say to the world: We are willing, down here—yea, we demand that all property shall be taxed wherever situated and wherever found.

I introduced an order here this morning. I am one of those that always believed that to give a poor man the necessities of life just as far as you could, you should tax the luxuries of life. I was told, by a prominent man—and he did not belong to the Democratic party, either—that there was, at the best calculation, in this State \$7,000,000 of jewelry and silver plate that was exempt from taxation; and that is why I put in that order. He said—while I have been standing here I have seen three men pass me who wear diamonds to the aggregate of \$1500. That is why I put in that order. In this case is there any reason—can there be any reason—take it right home to yourselves—why this \$7,000,000 should not be taxed. You know, as well as I do, that all the monies in the trust companies of the State are not taxed at all. They do not pay even three-quarters of one per cent. toward the mill tax of the State. Let us be fair. Let us be honest, let us be just. Let us say to these depositors: We will tax those deposits just the same as any other property is taxed. If a man is not content to pay a tax upon his deposit in the savings bank, let him take it out. I hope it would drive out of the savings banks of this State \$40,000,000 of dollars. Why! Because I should find that \$40,000,000 put into enterprises in this State that would give employment to our young men and women, and keep them at home. As long as you look it up, as I said to my friend who advocated it here, the other day, it is idle capital. In his reply he says, "It is not idle capital, it is disposed of, so and so." I look at the bank examiner's report, and I find \$45,000,000 of that money in bonds—in government bonds—scattered broadcast over this union of ours, and when money is in bonds, it is idle capital. Idle capital! Now, further-

more, I say to you this, that if you proceed in this way, and allow money to accumulate in the banks, then you must expect that the State of Maine will grow less in population, and less in valuation. I cannot see why it is that the savings banks of this State are so anxious to keep the accumulations there and keep the taxation down. Why! the savings banks let me say, are getting wealthy in this State. Supposing that they buy bonds at 75 cents on the dollar and they go up 100 cents on the dollar—pray tell me who gets the value of that increase of taxation?

Mr. PLUMMER of Penobscot: I would like to ask the senator a question. He says the savings banks are getting wealthy. Who constitute the savings banks

Mr. STAPLES of Knox: The savings banks are constituted by the depositors—that is true. They are constituted by the depositors; but it does not argue anything here or there. Pray tell me is it not a fact that you have got \$2000 in the savings banks of this State, and your neighbor who sits beside you has a farm worth \$2000, is there any reason in justness and fairness that you should not pay the same amount of taxation on your \$2000 as he pays on his farm? That is the purport of this bill; and I move, Mr. President, that the bill be substituted for the report.

Mr. ADAMS of Penobscot: Mr. President, the senator from Knox has made a very strong argument here for the poor man, the farmer and a class of people who have small deposits in the banks. Let us consider this matter carefully for a moment. He says it pays no tax, this immense savings bank deposit of \$73,000,000 or such a matter. He says it pay no tax. Let us see whether it does or not. There is no man that gets a dollar of profit out of a savings bank except the depositor himself. There is no capital. The people deposit their money there; and the State provides how to regulate it in regard to investments, interest and so forth. Now, as a matter of fact, whatever investments are made by savings banks in the State, of bonds, stocks or whatever, mortgages or anything that is invested here in the State pay $\frac{1}{2}$ of

1 per cent. to the State. Understand, all bonds that are bought, investments that are made outside of the State, what we call foreign investments, pay $\frac{1}{2}$ of 1 per cent.; and that goes to the State. Now, as I understand the matter about one-quarter of the whole tax of the State of Maine is paid by savings banks. Now is there any other property that, as an average, will pay any better tax than that? But, throwing that all one side, he says that these wealthy men who have got this money in the savings banks, who pay no tax, should come to the front and pay. Well, as a matter of fact, every man who has got more than \$2000 in the savings banks, according to the Statutes, cannot receive interest. He can receive interest on it up to \$2000. When it gets beyond \$2000, he is not entitled to receive interest on it. He may leave it there as long as he pleases, and let it accumulate; but, according to the Statutes, he is not entitled to any interest when his deposits exceed \$2000. Now the poor farmer that he alludes to, and the poor mechanic and the poor people through the country are the people who are the depositors in our savings banks. Look at the record, and you will see who they are; and you will find that a large portion of them will come under \$500. A very few of them will exceed a thousand dollars. Now, those people are people who put their little earnings into the savings banks simply because it is a State institution—they feel safe in having their property there, and feel that when the time comes, if they need a little money, they know where to go and get it. They get what ever it earns—it matters not whether it is 3 per cent. or 6 per cent.—the rule has been lately about $3\frac{1}{2}$ per cent. Most of the savings banks in the State are now contemplating cutting down to 3 per cent., they think they will have to cut down to three per cent. very shortly with the present condition of investing their money. Now, as I remarked there is nobody who gets any profit out of this. It all goes to the depositors; and I claim the depositor, as a rule, is a poor man, a mechanic, a farmer, the very man whom we should try to encourage to save his little earnings in just this

manner, so that in time of need he will have something when the time comes.

In regard to trust companies, I see this bill speaks of savings banks and trust companies—in regard to trust companies—I have been a members of the House and of the Legislature in one way and another most of the time since these trust companies have become general. The rule has been to tax them the same as savings banks were taxed, at least the national banks were taxed. Consequently they pay upon their stock a local, municipal tax, just the same as a national bank pays. If I have a hundred dollars of national bank stock I have to pay a municipal tax on it. If I have a hundred shares of trust company stock, I have to pay a municipal tax on that, at the same rate; so that there is no injustice there; and it seems to me that the argument made by the gentleman from Knox is more against than for the farmer and the mechanic.

Mr. MCFADDEN of Lincoln: Mr. President, I do not propose to enter into this discussion at all but I will just state that there is now pending before the committee on taxation, an act to tax interest-bearing deposits in trust and banking companies, and a hearing is assigned for Tuesday, March 5.

Mr. STAPLES of Knox: Mr. President, just a word in reply to the senator from Penobscot. I do not think that, if the depositor in the savings banks—the smaller class of depositors—if they have been prudent people and saved a certain amount of money—if that is withdrawn, I do not apprehend that it will be lost by any means; but I do say that if the senator from Penobscot is a depositor in the savings banks—I do not know whether he is or not—if he is, let me ask him a question: If he has \$2000 in that bank, I ask if he thinks he is doing right to his neighbor not to pay the same amount of tax upon that as his neighbor is paying upon his real estate or his personal property?

Mr. ADAMS of Penobscot: Mr. President, I will say that I am not aware that there is any difference, so far as I am personally concerned, whether I

deposit in that savings bank my \$2000 or whether I deposit it in a national bank. I am supposed to pay a tax on it. If I can cheat the assessors out of it—perhaps many do it, I don't do it, but perhaps many do—but if I can do it it really don't matter to the public or to the State whether it be in a national or a savings bank.

Mr. STAPLES of Knox: Mr. President, I apprehend the senator from Penobscot knows that there is not a dollar of any deposits in the savings banks assessed by any assessor in the State of Maine.

Mr. ADAMS of Penobscot: Mr. President, let me call your attention to one thing in regard to that \$2000. No matter what I pay on it, suppose I have got it there, that \$2000 pays a tax to the State of Maine.

Mr. STAPLES: A mill tax.

Mr. ADAMS: Of $\frac{5}{8}$ of $\frac{7}{8}$ per cent. They have to invest that somewhere, and they have to account for what they have whether it is invested in bonds, stocks or whatever it is. They have to account for it and pay a tax on it. It is either $\frac{5}{8}$ or $\frac{7}{8}$. So that I do not know that the State gets cheated in the matter. They get either one or the other— $\frac{5}{8}$ or $\frac{7}{8}$, and they get it on their \$2000, while I, perhaps, do not get any interest on it. Yet the savings banks have to pay it and the State gets it.

Mr. STAPLES of Knox: Mr. President, it is a fact that savings banks pay, I think it is $\frac{3}{4}$ of 1 per cent.

Mr. ADAMS: There is no $\frac{3}{4}$ about it. It is $\frac{5}{8}$ or $\frac{7}{8}$.

Mr. STAPLES of Knox: No depositor pays anything. Suppose my friend from Penobscot has \$2000 in the savings banks. That \$2000 it is true, is taxed by the State $\frac{5}{8}$ per cent., while his neighbor who has \$2000 worth of property is taxed according to the rate per cent. of the different towns or cities. If the rate of taxation is 2 per cent. in Bangor, why, they, if my friend has \$2000 in the banks he only pays $\frac{3}{4}$ or $\frac{7}{8}$ per cent., while his neighbor is paying 2 per cent. Is that fair? Is that the sense of justice that the senator from Penobscot would represent? I say that the only true way is to tax all property equal. You do not pay the same as the man who did not have his money in the

savings bank. You are cheating your neighbor out of $1\frac{1}{4}$ per cent. when you refuse to pay taxes upon the deposits in the savings banks of this State.

Mr. ADAMS of Penobscot: Mr. President, I thought I explained this matter a few minutes ago in regard to the matter of stock. Whatever the earnings are they go to the depositors. Now the $\frac{7}{8}$ of 1 per cent. comes out of the earnings—that is a tax and it is paid from the earnings. The earnings are owned by the depositors. There is no profit to anybody out of it except to the depositor. I do not see why that does not explain the whole matter. It comes out of their earnings. The money earns so much and out of that comes the tax. The tax is paid and they get the balance. I do not see that there is any further explanation needed in regard to that matter.

Mr. WEEKS of Somerset: Mr. President, this seems to be a kind of running discussion this morning in which the senator from Knox seems to be doing the most of the running. We all hope he will not run down upon the subject because he is one of the most amusing Democrats we ever met. Now it seems to me right at the very outset that this bill has a wrong title. The title of the bill as I remember it, is a bill for the taxation of deposits in savings banks. The bill should have the title of a bill for the destruction of savings banks—

A voice: Amen.

Mr. WEEKS: Because no savings banks can live in the State of Maine after this bill is passed. Let me explain a moment. The senator from Knox has, with great volubility, told us about the deficits in the State departments and the amount of money that was required to be raised to meet those deficiencies. This bill—and I challenge the senator from Knox to deny it—does not increase the revenue of the State of Maine one cent. Am I right?

Mr. STAPLES of Knox: I think not.

Mr. WEEKS of Somerset: Does it increase the revenue of the State of Maine one cent?

Mr. STAPLES: No, sir.

Mr. WEEKS of Somerset: In other words, this bill provides simply for a municipal tax and not for a State tax.

Mr. STAPLES: That is right.

Mr. WEEKS: So that the State treasurer will get no revenue if this bill passes. Now, then, if it does pass, the average dividend on the deposits in the savings banks is $3\frac{1}{2}$ or 3.48 per cent. Now we will say that the municipal tax in the town is $2\frac{1}{2}$ —I simply use these figures because they are handy—I am not used to using complex figures like the senator from Penobscot— $\frac{3}{8}$ and $\frac{7}{8}$ kind of bother me.

Mr. ADAMS of Penobscot: They are not my figures. They are made by the State:

Mr. WEEKS of Somerset: I was referring to the senator, from Penobscot, my friend, Mr. Plummer. (Laughter.) Now, then, we will say that the municipal tax is two mills and a half— $\$2.50$ on a hundred. That leaves the depositor in the savings bank with one per cent. dividend net—one per cent. Well, gentlemen, who is going to leave a deposit anywhere at one per cent?

Here you can buy government bonds which are a good deal better than deposits in savings banks and get a good deal better dividend than that. Now, the result will be that all the depositors will take their money out of the savings banks if they can get it; and I believe that the savings banks cannot turn this fund very easily—they cannot pay their depositors easily; and in the end it is my firm conviction that it means the ruination of the savings banks of Maine and it means the ruination of the depositors in the savings banks of Maine.

Mr. STAPLES of Knox: Mr. President, I am always glad to amuse the senator from Penobscot, and if I am an amusing Democrat, I hope I may be able to amuse him in the future as I have done in the past. I am not one of those who think that this State would go to the dogs if $\$40,000,000$ was withdrawn from the savings banks today. I wish they were w...drawn. I do not want any destruction of the savings banks. I am willing that they should be used for the very purpose that they were originated for, and that is for small savings for widows and orphans; but I do protest at the monied men of this State taking advantage of this thing

at the expense of the rest of the taxpayers of this State. I am willing to stand or fall upon that. If you are willing to say to the people of this state that you, in this Senate, refused to tax even the $\$12,000,000$ of capital that is in the savings banks by the wealthy men of this State, we will appeal from you to the people, and let them settle it.

Mr. WHITE of Androscoggin: Mr. President, it was not my purpose to be drawn into any discussion of this question. I certainly appreciate the efforts of the Senator from Knox to amuse the Senate and the people; but it does seem to me that a man occupying such a position would do better to instruct than to amuse. Now what is this question that is before the Senate to-day? What does it involve? It seems to me it is something more than an amusing question. It is a serious question. It is a question which appeals to the policy which this State established in relation to savings banks long years ago when it was declared by the statutes of this State that these deposits should be free from taxation. What conditions have arisen since? What conditions exist to-day that make it necessary or proper for us to seriously consider the question of the reversal of that policy which has been in existence for more than a quarter of a century? What facts have been presented to the consideration of this Senate that should induce calm, deliberative business men to pause in that course which they have so long pursued and adopt one which is so revolutionary as that pointed out by the Senator from Knox? Every man of intelligence knows,—every man who has given this subject a moment's thought knows that a tax of 2 per cent., which is the average rate of municipal taxation in the State of Maine, imposed upon the deposits of the savings banks, would destroy every savings bank in the State of Maine. They could not exist. They would have to go out of existence. I do not know but that is what the Senator from Knox desires; but is it a desirable thing to do? Is it a policy which is fair or even decent for this State to consider. The savings banks of this State, Mr. President,—the policy which was established regarding them and which has come down to the present time, it seems to me is a wise

and beneficent policy. It encourages thrift, habits of saving and industry among the poorer class of people. The wealthy people can take care of themselves. It is not true that the wealthy men of this State or of any other State resort to the savings banks to protect their deposits and to take care of their funds. They can do it elsewhere. The savings banks rest upon the broad ground that they furnish to the poor man, to the laborer throughout the State of Maine, an opportunity where he can from his weekly wages or his monthly wages, when he saves a little money,—where he can step into a savings bank and deposit it from week to week and from month to month as he receives his wages, which he could not do if it were not for the existence of these savings banks. I come from a manufacturing city where there are a large number of laborers and working people,—men who earn small wages; and I know that with our people it is a great encouragement in the habits of saving and industry among the working classes. If anybody's doubts it, let him stand at the doors of one of our savings banks on an evening after a pay day of our mill corporations and see the class of people that swarm in there to make their small deposits of money, where they save up a little money from time to time which they perhaps are compelled to draw out in case of sickness or necessity,—and that is the basis, that is the idea upon which savings banks were founded in this State. They rest upon that broad ground,—that it is the duty of the State,—one of the duties of the State to encourage habits of thrift, economy, saving and industry among our people; and I undertake to say that there has been no institution in the State of Maine which has ever done a better work than the savings banks in that respect. And it is said that they are not taxed! Every man who has ever given this subject of taxation any thought whatever, knows that it is within the province of the State to make classifications of property. I know very well that it is for the purposes of taxation. We know very well that there are certain classes of property which are not taxed by a municipality, and which are only taxed by the State,—in other words, that there are certain classes of property

upon which a municipality does not levy a tax, and the income which is received from it, for the purpose of the government; and all things of that nature are levied on by the State itself, and there is no such thing as municipal taxation. It is clearly and properly within the power of the State to make such classification as those of which I speak, and savings banks are of that number. And it seems to me entirely just and proper that it should be so, what call, what demand has ever come up to this Legislature, or has even been put forth in this State which calls upon the municipalities to assess the savings banks deposits of this State for municipal taxation? We know very well that, in other states, they are exempted entirely. Now, why? They are not ignorant—the legislators of New York and other states where they are exempt from taxation are not ignorant men. There must be a principal upon which they have done this; and that principle I apprehend is that it is the duty of the State to encourage these institutions; and it is far better for the State that this money should be aggregated in the savings banks by the poorer classes of people and these habits of thrift and industry encouraged, than that the small pittance which the State might recover by assessing a tax upon them should be received; and I believe that is the foundation upon which they rest.

I said at the outset that I did not expect to be drawn into any discussion of this question, but it seemed to me that the remarks of the senator from Knox were so unfair in their reflection upon the policy of the State in relation to savings banks, that I could not allow them to pass without some response to these suggestions which he makes. Of course he makes the outcry that if a man has \$2000 in a savings bank and his neighbor has a farm that cost \$2000, that it is unequal taxation. In one sense perhaps it is so; but it all rests, and runs right to this original proposition that it is within the power and duty—and I believe the proper duty of the State, to encourage these habits of thrift and industry by depositors of money in the

savings bank; and it is their right and duty to exempt those deposits from municipal taxation. I believe it is right and proper to do so. I do not believe that they are the resort for deposits of rick men; but they are the resorts of people of moderate means who there gather up from week to week and from month to month their small deposits.

Mr. STAPLES of Knox: Allow me to ask the senator from Androscoggin a question. Do you believe that a majority of the 4599 depositors of over \$2000, that being the wealthy men of the State would be in favor of exempting them from taxation? If you are satisfied in your own mind that a majority of those depositors, that is of the 4599, the number that have in the savings banks deposits rising \$2000, were wealthy men, would you vote to exempt them from taxation?

Mr. WHITE from Androscoggin: I do not believe such is the fact, hence I do not feel called upon to answer the question.

The PRESIDENT: The Chair will state the question. This matter comes up on the question of the acceptance of the report of the committee. This bill, an act to tax deposits in savings banks and trust companies in Maine, was presented by the senator from Knox, Mr. Staples; and referred to the committee on taxation. The committee on taxation have reported ought not to pass. The senator from Knox, now moves to substitute for the report of the committee, the bill. The Chair will read the bill. (The President here read the bill.)

The question being put, the motion to substitute the bill for the report of the committee was lost.

The question was then put upon the acceptance of the report of the committee, ought not to pass.

The report of the committee was accepted.

On motion by Mr. Plummer of Penobscot, House bill No. 114, an act to amend Chapter 208 of the Private and Special Laws of 1895, entitled an act, to enable the proprietors of the Bangor bridge to dispose of their bridge property, was taken from the table.

Mr. PLUMMER of Penobscot: Mr. President, in view of the fact that quite a number of the senators are absent on the sad errand of attending the funeral obsequies of our friend and our respected and beloved colleague who has passed from us; and in view of the further fact that the Fourth District congressional convention will require the presence of other senators and, of those interested in this measure pro and con, it is decided and agreed as I understand it to let this matter go over until Tuesday of next week. I therefore move that it be re-assigned for Tuesday of next week.

The motion prevailed.

The PRESIDENT: The Chair will inform the senator from Somerset, that the statement of facts accompany House Document No. 159, as called for by him, has been presented.

On motion by Mr. Weeks of Somerset, the statement of facts was ordered to be printed.

On motion by Mr. Plummer of Penobscot,

The Senate adjourned.