

# MAINE STATE LEGISLATURE

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Legislative Record

OF THE

Eighty-Eighth Legislature

OF THE

STATE OF MAINE

1937

KENNEBEC JOURNAL COMPANY  
AUGUSTA, MAINE

## HOUSE

Wednesday, April 14, 1937.

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

Prayer by the Rev. Mr. Pressey of Augusta.

Journal of the previous session read and approved.

Mr. PHILBRICK of Cape Elizabeth: Mr. Speaker, I rise to a point of personal privilege.

The SPEAKER: The gentleman may state his point.

Mr. PHILBRICK: It relates to my position as a member of this House, Mr. Speaker, on one of the bills before us yesterday.

The SPEAKER: Is the gentleman defending himself in his action as a member of this body?

Mr. PHILBRICK: I wish to explain my action to the members of this body, Mr. Speaker.

The SPEAKER: Has the gentleman's action been questioned or discussed?

Mr. PHILBRICK: My impression is that that is the case.

The SPEAKER: The gentleman states a point of personal privilege and may proceed.

Mr. PHILBRICK: Yesterday, Mr. Speaker, when we had before us for action the unanimous report of the committee on Judiciary favoring Legislative Document 494, which forbade liquor advertising on billboards, I stated in my remarks, when this report came up for action, that the committee, of which I was one, unanimously favored the bill. I also stated that I, as a member of this House, favored the bill. Unfortunately, the impression created by the report of the debate in yesterday afternoon's papers was that I killed the bill. In order to correct that impression, I now move, under suspension of the rules, that our action be reconsidered.

The SPEAKER: The gentleman from Cape Elizabeth, Mr. Philbrick, moves that the House reconsider its action taken at yesterday's session whereby the House indefinitely postponed the bill and the ought to pass report of the committee on Judiciary on bill an act relating to outdoor advertising, S. P. 277, L. D. 494. Is this the pleasure of the House?

The motion prevailed.

Mr. PHILBRICK: Mr. Speaker, I now renew my first motion, which I believe will be binding, that that ought to pass report of the committee be accepted.

The motion prevailed and the ought to pass report of the committee was accepted in non-concurrence.

Thereupon the bill had its two several readings and tomorrow assigned.

At this point Mr. Noyes of Franklin, assumed the Chair as Speaker pro tem, amid the applause of the House, Speaker Hill retiring.

From the Senate: Majority report of the Committee on Judiciary reporting ought not to pass on bill an act requiring owners of certain motor vehicles and trailers to furnish security for their civil liability on account of personal injuries caused by their motor vehicles and trailers (S. P. No. 302) (L. D. No. 496)

Report was signed by the following members:

Mr. Fernald of Waldo  
—of the Senate.  
Messrs. Philbrick of Cape Elizabeth  
Bird of Rockland  
Weatherbee of Lincoln  
Varney of Berwick  
McGlaflin of Portland  
—of the House.

Minority report of same Committee reporting same in a new draft (S. P. No. 498) (L. D. No. 1013) under title of bill an act requiring owners of certain motor vehicles and trailers to furnish security for their civil liability on account of personal injuries and property damage caused by their motor vehicles and trailers and that it ought to pass

Report was signed by the following members:

Miss Laughlin of Cumberland  
Mr. Willey of Cumberland  
—of the Senate.  
Messrs. Thorne of Madison  
Hinckley of So. Portland  
—of the House.

Comes from the Senate with the majority report read and accepted.

In the House, on motion by Mr. Thorne of Madison, the bill and accompanying reports were tabled pending acceptance of either report and specially assigned for tomorrow morning.

From the Senate: Majority report of the Committee on Public Utilities reporting ought to pass on bill an act to ratify, confirm, and make valid the acts and doings of the Guilford and Sangerville Water District (S. P. No. 208) (L. D. No. 294)

Report was signed by the following members:

Messrs. Webber of Auburn  
Martin of Oakland  
Batchelder of Parsonsfield  
Noyes of Franklin  
Parsons of Hartford  
Tabbutt of Columbia Falls  
Packard of Houlton

—of the House.

Minority report of same Committee reporting ought not to pass on same bill.

Report was signed by the following members:

Messrs. Willey of Cumberland  
Goudy of Cumberland  
Graves of Hancock

—of the Senate.

Comes from the Senate with the majority report read and accepted and the bill passed to be engrossed.

In the House, on motion by Mr. Packard of Houlton, the majority report ought to pass was accepted in concurrence.

Thereupon, the bill had its two several readings and tomorrow assigned.

Papers from the Senate disposed of in concurrence.

### **Senate Bill and Resolves in First Reading**

S. P. 504, L. D. 1024: Resolve for repairs on the Kingman Bridge.

S. P. 499, L. D. 1010: Resolve compensating a bidder on the General Howard Memorial.

S. P. 491, L. D. 1011: An act to amend the charter of Lucerne-in-Maine Village Corporation.

From the Senate: Report of the committee on Aeronautics and Radio Control, reporting ought not to pass on bill an act to create the State Aeronautical Commission. S. P. 217, L. D. 390. The report was accepted in the House April 10th in concurrence.

Comes from the Senate with the bill substituted for the report in non-concurrence, and passed to be engrossed as amended by Senate Amendment A.

In the House, on motion by Mr. Paul of Portland, the bill and report were tabled pending further consideration and specially assigned for Friday, April 16th.

From the Senate: Report of the committee on Claims, reporting ought not to pass on resolve in favor of R. Earl Haley of Rangeley, H. P. 68, which was accepted in the House on April 6th.

Comes from the Senate with the report and resolve recommitted to the committee on Claims in non-concurrence.

In the House, on motion by Mr. Mosher of Farmington, that body voted to recede and concur with the Senate in the recommitment of this resolve and report to the committee on Claims.

From the Senate: Report of the committee on Claims, reporting ought not to pass on resolve in favor of Anton R. Jordan of Osborne Plantation, S. P. 41.

Comes from the Senate with the report and resolve recommitted to the committee on Claims.

In the House, on motion by Mr. Palmer of Island Falls, that body voted to recede and concur with the Senate in the recommitment of the resolve and report to the committee on Claims.

From the Senate: Report of the committee on Indian Affairs on bill an act relating to Indians, S. P. 24, which was referred to the Eighty-eighth Legislature by the Eighty-seventh Legislature, reporting same in a new draft, S. P. 495, L. D. 978, under same title and that it ought to pass.

Comes from the Senate, the report read and accepted and the new draft as amended by Senate Amendment A passed to be engrossed.

In the House, report read and accepted and the bill had its two several readings.

Senate Amendment A read by the Clerk, adopted in concurrence, and tomorrow assigned for the third reading of the bill as amended by Senate Amendment A.

From the Senate: Report of the committee on Temperance on bill an act to clarify the administration of the liquor laws, S. P. 403, L. D. 768, reporting same in a new draft, S.

P. 510, under same title and that it ought to pass.

Comes from the Senate, the report read and accepted and the bill recommitted to the committee on Temperance.

In the House, the report of the committee was read and accepted in concurrence, and on motion by Mr. Ellis of Rangeley, it was voted to concur with the Senate in the recommitment of this bill to the committee on Temperance.

From the Senate: Report of the committee on Judiciary on bill an act to provide for a system of personnel administration in State employment; to create a State Personnel Board and a Director of Personnel; and to define the powers, duties and proceedings of such Board and Director, S. P. 279, L. D. 505, reporting same in a new draft, S. P. 485, L. D. 970, under same title and that it ought to pass.

Comes from the Senate with the report read and accepted in that body and the bill passed to be engrossed as amended by Senate Amendment A, as amended by Senate Amendment A thereto, and by Senate Amendments B and C.

In the House, on motion by Mr. Philbrick of Cape Elizabeth, the report of the committee was accepted in concurrence, and the bill had its two several readings.

Senate Amendment A was read by the Clerk, also Senate Amendment A to Senate Amendment A.

The SPEAKER pro tem: The question is on the adoption of Senate Amendment A to Senate Amendment A. Is it the pleasure of the House that Senate Amendment A be adopted in concurrence?

The motion prevailed and the amendment was so adopted in concurrence.

The SPEAKER pro tem: The question now is on the adoption of Senate Amendment A as amended by Senate Amendment A. Is it the pleasure of the House that Senate Amendment A as amended by Senate Amendment A be adopted in concurrence?

The motion prevailed and that amendment was so adopted in concurrence.

Senate Amendment B read by the Clerk.

The SPEAKER pro tem: The question now is on the adoption of

Senate Amendment B. Is it the pleasure of the House that Senate Amendment B be adopted in concurrence.

The motion prevailed and that amendment was so adopted in concurrence.

Senate Amendment C was then read by the Clerk.

The SPEAKER pro tem: The question now is on the adoption of Senate Amendment C. Is it the pleasure of the House that Senate Amendment C be adopted in concurrence?

The motion prevailed and that amendment was adopted in concurrence.

Mr. PHILBRICK of Cape Elizabeth: Mr. Speaker, I offer House Amendment A and move its adoption, as follows:

House Amendment A to S. P. No. 485, L. D. No. 970, bill, an act to provide for a system of personnel administration in State employment; to create a State Personnel Board, and a Director of Personnel; and to define the powers, duties and proceedings of such Board and Director.

Amend said bill by adding at the end of Section 7 a new paragraph, properly numbered, as follows:

'(—) Deputy, assistants, secretaries and employees of the attorney general's department.'

Thereupon, House Amendment A was adopted, and tomorrow assigned for the third reading of the bill as amended.

From the Senate: Resolve creating a Recess Committee on a State Fund for Workmen's Compensation, S. P. 503 (not printed)

Comes from the Senate, received by unanimous consent, given its several readings under suspension of the rules, and passed to be engrossed as amended by Senate Amendment A without reference to a committee.

In the House:

The SPEAKER pro tem: Are there objections to receiving the resolve? The Chair hears no objection and declares the resolve received.

Thereupon, the rules were suspended and the resolve was given its first reading without reference to a committee and Senate Amendment A was read by the Clerk.

Thereupon, Senate Amendment A was adopted in concurrence, and to-

morrow assigned for the second reading of the resolve, as amended.

From the Senate: Final report of the committee on Aeronautics and Radio Control.

Comes from the Senate, the report read and accepted.

In the House, on motion by Mr. Ellis of Rangeley, tabled pending acceptance of the report in concurrence.

### Reports of Committees

Majority report of the Committee on Temperance on bill an act relating to liquor licenses (H. P. No. 1597) (L. D. No. 659) reporting same in a new draft (H. P. No. 1867) under same title and that it ought to pass.

Report was signed by the following members:

Messrs. Tompkins of Aroostook,  
Marden of Kennebec,  
Littlefield of York,

—of the Senate.

Meserve of Sebago,

Stilphen of Dresden,

Maxell of Orient,

—of the House.

Minority report of same Committee reporting ought not to pass on same bill.

Messrs. Dow of Kennebunkport,  
Wyman of Benton,  
Sleeper of Rockland.

Mr. STILPHEN of Dresden: Mr. Speaker, I move the acceptance of the majority report.

Mr. SLEEPER: Mr. Speaker, I move that the bill and reports be tabled.

A viva voce vote being taken, the motion prevailed and the bill and reports were tabled pending the motion of Mr. Stilphen of Dresden, that the majority report be accepted, and 500 copies of the new draft ordered printed.

Majority report of the Committee on Temperance on bill an act relating to the consumption of liquor on the premises (H. P. No. 1323) (L. D. No. 487) reporting same in a new draft (H. P. No. 1868) under same title and that it ought to pass.

Report was signed by the following members:

Messrs. Tompkins of Aroostook,  
Marden of Kennebec,  
Littlefield of York

—of the Senate.

Meserve of Sebago,

Maxell of Orient,

Stilphen of Dresden,

—of the House.

Minority report of same Committee reporting ought not to pass on same bill.

Report was signed by the following members:

Messrs. Dow of Kennebunkport,  
Wyman of Benton,  
Sleeper of Rockland,

—of the House.

Mr. MAXELL of Orient: Mr. Speaker, I move that the majority report be accepted.

Mr. SLEEPER of Rockland: Mr. Speaker, as this is a companion measure to the one last acted upon, I move that the bill and reports lie on the table pending the acceptance of either report.

The motion prevailed, and the bill and reports were tabled pending the motion of Mr. Maxell of Orient, that the majority report be accepted, and 500 copies of the new draft ordered printed.

Majority report of the Committee on Judiciary on bill an act amending the law relating to unemployment compensation (H. P. No. 1519) (L. D. No. 729) reporting same in a new draft (H. P. No. 1869) under same title and that it ought to pass.

Report was signed by the following members:

Mr. Willey of Cumberland,

Miss Laughlin of Cumberland,

—of the Senate.

Messrs. Philbrick of Cape Elizabeth,  
Hinckley of So. Portland,  
McGlaulin of Portland,  
Weatherbee of Lincoln,  
Thorne of Madison,  
Varney of Berwick,  
Bird of Rockland,

—of the House.

Minority report of same Committee reporting ought not to pass on same bill.

Report was signed by the following member:

Mr. Fernald of Waldo,

—of the Senate.

On motion by Mr. Varney of Berwick, the majority report ought to pass was read and accepted and the bill was tabled for printing under the Joint Rules.

At this point Mr. Noyes of Franklin, resumed his seat amid the applause of the House, Speaker Hill resuming the Chair.

Mr. Mack from the Committee on University of Maine on remonstrance of Rev. Mary A. Hurd and

16 others of Sangerville against compulsory military training at the University of Maine (H. P. No. 1737) reported that same be placed on file.

Mr. Fellows from the Committee on Taxation reported ought not to pass on bill an act to impose a tax on the sale of cosmetics (H. P. No. 1321) (L. D. No. 486)

Reports read and accepted and sent up for concurrence.

Mr. Philbrick from the Committee on Judiciary on bill an act relating to support of dependents of soldiers, sailors and marines of the World War (H. P. No. 1286) (L. D. No. 466) reported same in a new draft (H. P. No. 1822) under same title and that it ought to pass.

Report read and accepted and the new draft was ordered printed under the Joint Rules.

Mr. Cushing from the Committee on Claims reported ought to pass on resolve to reimburse the town of Rome for burial expenses of Lester A. Brown, a veteran of the Spanish War (H. P. No. 653)

Report read and accepted and the resolve was ordered printed under the Joint Rules.

#### Passed to Be Engrossed

(H. P. No. 1840) (L. D. No. 991)  
An act relative to termination of registrations of motor vehicles

(H. P. No. 1847) (L. D. No. 998)  
An act as to the importation of intoxicating liquors other than those consigned to wholesale malt liquor licensees; emergency (H. P. No. 1847) (L. D. No. 998)

Tabled by Mr. Varney of Berwick, pending third reading)

(H. P. No. 1863) (L. D. No. 1029)  
An act to provide for old age assistance

(Tabled by Mr. Sleeper of Rockland, pending third reading)

(H. P. No. 1697) (L. D. No. 989)  
An act relative to the Knox Arboretum as amended by House Amendment B

#### Passed to Be Enacted

(S. P. No. 345) (L. D. No. 614)  
An act to provide for the perambulation of the Maine and New Hampshire Boundary Line

(H. P. No. 659) (L. D. No. 228)  
An act relating to conventions of Municipal Assessors

(H. P. No. 1656) (L. D. No. 794)  
An act to provide for aid to dependent children

(H. P. No. 1744) (L. D. No. 859)  
An act relating to the salary of the

Judge of the Old Town Municipal Court

(H. P. No. 1799) (L. D. No. 917)  
An act relating to the taking of crabs

(H. P. No. 1827) (L. D. No. 971)  
An act relating to the gasoline tax

(H. P. No. 1828) (L. D. No. 973)  
An act relating to the gasoline tax

(H. P. No. 1831) (L. D. No. 981)  
An act to provide a Town Council and Manager form of government for the town of Norway, in the county of Oxford

#### Finally Passed

(H. P. No. 1629) (L. D. No. 773)  
Resolve for the construction of bunters along Austin Stream

(H. P. No. 1774) (L. D. No. 898)  
Resolve relating to smelt fishing in Hancock County

(Tabled by Mr. Noyes of Franklin, pending final passage)

#### Orders of the Day

Mr. SEABURY of Yarmouth: Mr. Speaker, I move that we reconsider our action of yesterday whereby we indefinitely postponed L. D. 992, an act in relation to the establishment of a State Police Retirement System, on page 9 of yesterday's calendar.

The SPEAKER: For the gentleman's motion to be in order, the gentleman must have voted with the majority on the motion to indefinitely postpone the bill. The Chair will inquire which way the gentleman voted.

Mr. SEABURY: I did so vote, in error, Mr. Speaker.

The SPEAKER: The gentleman's motion is in order. The gentleman from Yarmouth, Mr. Seabury, moves that the House reconsider its action of yesterday whereby it voted, on motion from the gentleman from Gorham, Mr. Douglass, to indefinitely postpone House Paper 1838, L. D. 992, an act relating to the State Police Retirement System. The motion is debatable.

Mr. SEABURY: Mr. Speaker. I am now going to move the third reading of this bill.

The SPEAKER: Reconsideration has not yet been voted. The gentleman from Yarmouth, Mr. Seabury, moves that the House reconsider its former action whereby this bill was indefinitely postponed. Is the House ready for the question? As many as are in favor of the motion to reconsider will say aye; those opposed no.

A viva voce vote being doubted,

A division of the House was had. Thirty-nine voting in the affirmative and 68 in the negative, the motion for reconsideration did not prevail.

The Chair lays before the House the first tabled and today assigned matter, majority report, ought not to pass, minority report, ought to pass in new draft, of the committee on Public Utilities on bill an act authorizing municipal corporations to establish, acquire, own and operate public utilities, S. P. 210, L. D. 296, tabled on April 9th by Mr. Leonard of Hampden, pending motion of Mr. Webber of Auburn that the majority report be accepted; and the Chair recognizes that gentleman.

Mr. LEONARD: Mr. Speaker and Members of the Legislature: I want to take this opportunity to give to the citizens of this State for their consideration the situation regarding power and light companies of this State as it appears to me.

Six years ago, on the floor of this House, I made the statement that these power interests were coiled about everything tangible and intangible in this State, and that some day the people would find themselves in this snake's stomach.

Since then the Insull crash has come and gone, and with it two hundred millions of money from New England, according to a statement in the Boston News Bureau, a reliable financial paper. These same big interests got control of forty odd banks in this State which added little joy to those who had their savings in them. These big interests control today the politicians, the newspapers, many of our State officials, and bluff the owners of their stocks and bonds, so they think they must support all their schemes or suffer dire disaster.

I don't think there are three papers in this State that would print facts or remarks that reflect on the big interests. In fact, I have been told that if they did, they would lose all advertising from those big interests, and that the advertising was their bread and butter.

Albert J. Stearns, Chairman of the Public Utilities Commission, all through the investigation of the Bangor Hydro-Electric Company seemed to be honest and fair and tried to make the Commission fulfill the duties for which it was

created. It was created to make adjustments between the companies and their customers, so that each would get fair and honest treatment. Mr. Stearns' term expired. His honesty and ability had been proven by years of service. From his experience and record he was the most logical man for this position, and it was a great surprise to his friends when Governor Brann, who was always supposed to be for the common people, turned him down and appointed a Mr. Payne. The Council would not confirm this appointment, and so Mr. Payne accepted a good position with the Central Maine Power Company.

Mr. Southard was next appointed and confirmed. This new set-up very promptly reversed the former decision and allowed the two million dollars of watered stock to remain in the Bangor Hydro Company. It also reversed the decision about the Damariscotta and Newcastle Water Company, allowing the Company to increase its rates. The Public Utilities Commission had made a decision two to one against raising rates. The water company went to Court and the Court said the decision was right, and rates should not be increased.

Our State Commission can rule with iron hand the small companies and truck drivers, but when the big interests speak, they tread carefully around that quicksand that draws them in until they are office holders no more.

Mr. Wyman became interested in the early development of power and light companies. He gathered numerous small plants in, and they were all combined as the Central Maine Power Company, a good healthy company, well situated to make money and give good service to the different communities.

Now, according to the report in Document 92, Page 70 of the Federal Committee that investigated some of the large power and light companies of this country, we find Mr. Wyman on the witness stand.

Question: Did you and Mr. Gannett sell the control of the Central Maine Power Company to the Middle West Utilities Company?

Mr. Wyman: Yes, sir.

Question: Do you recall the price that was paid per share for that stock?

Mr. Wyman: \$140 a share.

Question: Do you recall what the



stock was selling for on the market at that time?

Mr. Wyman: While there was very little of it sold, occasional sales were made from \$50 to \$60 at that time.

Walter Wyman, whose name should have gone down in history as a great benefactor to his fellow-men, sold out this Maine Company for a few paltry dollars gain in a stock and placed upon the backs of the people of Maine the heavy hands of holding companies.

Senator Norris, one of the greatest authorities on these companies, said in a speech in Congress: "Holding companies perform no useful service. They are parasites, and in the end this country must get rid of them, or they will own us as completely as a master ever owned his slaves."

We also see in this Federal report that in 1930 the Public Utilities Commission of Maine denied the Central Maine Power Company the right to issue more bonds, and said: "The Commission cannot emphasize too strongly that the investment or capital account of the utilities of this State must be kept clear of all items that do not represent true and permanent assets. Nor can they be permitted to include therein charges that in any degree indicate a duplicate of costs." This time the Public Utilities Commission of our State was not bossed by the Central Maine Power Company. They said you cannot issue any more stocks or bonds on the property you own. You have reached the limit. You have already issued all your property is worth. The Central Maine Power Company borrows two million dollars from the banks. The banks say you can have the money, but we must control your business so that no dividends can be paid unless we say so. That is the reason, dear public, you did not get your full dividends in your time of greatest need, and it was caused by mismanagement and misuse of the public's money.

In 1930 Mr. Wyman was a director of the National Electrical Power Company, President and director of the New England Public Service Company, President and director of the Central Maine Power Company, President and director of the Androscoggin Corporation, President and director of the Androscoggin Electric Company. Walter Wyman, flushed with power

and greed, marches up the Arnold Trail, stops at Bingham, throws fifteen millions of dollars into the Kennebec and erects a colossal monument to the greatest engineering mistake ever made in Maine.

On page 537 of document 92 which is a report of the Federal investigations of power companies, we find these facts:

The New England Public Service Company bought from the United States Government the steamer, *Jacona*, for \$25,000; then paid the Newport News Shipbuilding and Dry Dock Company \$660,000 for making the boat ready for machinery. They paid other charges including cost of equipment, \$778,322.83, making the whole cost of the plant \$1,473,322.83. This is a steam generating plant using oil, but designed so that powdered coal could be used. On November 15th, 1930 this boat plant was furnishing power to the Maine Seaboard Paper Company at Bucksport and had a capacity of 20,000 kilowatts. I want to emphasize the fact that this boat plant, costing \$1,473,000 produced 20,000 kilowatts.

I want to tell you as briefly as possible the reasons why I favor the passage of this bill. It will correct many unjust practices and restore to the citizens of this State the rights that belong to them. It would do what the Public Utilities Commission in this State and others cannot do towards controlling and regulating power and light companies. I want to tell you how our Commission regulates companies in our State.

I started an investigation of the Bangor Hydro-Electric Company. It dragged along for more than two years. The Commission was denied figures vital to a fair settlement. The Company simply defied the Commission. The Bangor Hydro-Electric Company had on its books almost \$500,000 worth of property that did not exist, and it also found two million dollars of watered stock, which was about half what it should have been. As it was, this investigation saved the public more than two hundred and fifty thousand dollars a year, mostly in divisions where the highest rates were in force.

When the Central Maine Power Company commenced to build the Wyman Dam, its various plants were furnishing about 96,720 kilowatts. It spent about fifteen million

dollars on this Wyman Dam which produces 53,334 kilowatts.

Now before the Wyman Dam was built, the Company produced 96,720 kilowatts. If it had put this fifteen million into ten Jacona plants, it would have produced 200,000 kilowatts, and it would have 296,720 kilowatts instead of 150,054 that it now has. These modern plants on the tidewater would have increased the whole capacity more than three times.

The Bangor Hydro values the old Bodwell plant at Milford at \$1,500,000, and it produces 4,200 kilowatts. This same amount of money in two up-to-date plants on tidewater would produce 40,000 kilowatts or almost one third more than all the Company's power stations are doing now and at a cost of less than three million. These power plants should be located on tidewater and the main R. R. lines so as to furnish cheap rates to industries without loss of much power in transmission. According to the last Public Utilities Commission report the loss in transmission of the three large companies is: Bangor Hydro-Electric Co., 15.6%; Central Maine Power Co., 14.9%; Cumberland Power, 16.6%. About one-sixth of all they produce is lost in transmission.

If a citizen wants lights and is some distance from the power line, the company will build the line to his place and he will pay them in extra rates over a term of years, the cost of building this line. You pay for it and never own it, as the company appropriates it, puts this cost in as an increase of its capital, which forms a base for it to charge you higher rates for your light.

To illustrate this scheme, it would be just like going to a jeweler's and buying a diamond ring. You wear the ring, you have paid for it, you do not own it, and never will, as it always remains the property of the jeweler.

Does might make right? One law for the rich, another for the poor. Why is it that Ponzi and the Gordon fox farms were stopped. They were paying something back. These power companies take your money in this instance, pay nothing back, in fact, exact more tribute, by being able by building up their costs to charge higher rates.

I wonder just what our courts would say about our property that

we had paid for being taken away from us in this manner. From the records of the Federal investigation, we find money spent by power interests of this State to get votes for the export of power as found in the records of the Central Maine Power Company to have been \$199,815.66. How much more that was not shown on their books, we do not know. This money was expended through a committee of three, Mr. Merrill, Mr. Perkins, and Mr. Leland. Mr. Leland, who was a State Senator at a salary of \$600, was at the same time an official in the Central Maine Power Company at a salary not known by the public.

These companies have not hesitated to spend hundreds of thousands of dollars for their own sordid gain. Did the Legislatures that created these companies with all these special rights, with the sole right to do business in certain locations, and above all, guaranteeing them a profit, trusting them to be honest and business-like in their business methods, did they ever think that these companies would be controlled by holding companies and power interests outside the State, so that financiers of the country could take from the people of Maine the surplus earnings of these companies?

Do the people of Bar Harbor want to continue paying high rates forever, to continue to be dominated by politicians and corporation lawyers, when a company would come in, build a plant, sell power and light at a lower rate, and after a term of years give the plant to the town. Such things have been done in the State of Maine. Why should not the City Manager of Bangor, Portland, and other cities come out and work for a saving worthwhile? Why go on paying forever and never owning anything? Why not stop these enormous interest charges on stocks and bonds that you pay every year? Why not knock down these rows of highly paid officials standing around like nine pins?

And, most important of all, send men to the Legislature who will work for your interest instead of against you. A Kennebec Journal editorial of February 23rd, 1937 said: "Capitalism in this country is being slowly but surely forced into a position, where it must give up a most generous share of its

profits, or surrender to some form of modern radicalism."

The above statement applies directly to power and light companies. Some of us can remember when the railroads ruled the State, and Senators and Representatives were riding on passes.

We have in this State House to-day men, lobbyists, who have worked for years and years to protect and cover up misdeeds of Utility Corporations, and aid these companies to filch money from the people.

We see these lobbyists active among Senate members of whom seventeen make a majority that can kill any bill passed by the House. We see these lobbyists every day sticking to some of these Senators like a louse to a lumber-jack. They are keen, active, intelligent, likeable men, and they are not asleep on their job.

These power and light companies say to us, you should have a refrigerator, washing machine, electric range and so on through the list; that we should have all these convenient labor saving things; that the days of the tallow candle and kerosene are gone.

We say most emphatically and demand of these companies that they practice what they preach and give us up-to-date plants that would produce electricity at one-fourth less cost than some of their old ox cart methods.

The town of Lubec has its own lighting plant and in addition buys more than one-third of the amount it sells from the Bangor Hydro.

Their rates are lower than the Bangor Hydro in this district and they have their streets, schools and municipal buildings lighted free of cost.

This shows what can be done by a town or city and proves that we are being trimmed by big business methods. Do you want progress and profit like Lubec or work like a slave and forever pay tribute to your master?

In 1935 the kilowatts produced each month at the Bingham dam varied from 12,257 kilowatts in June to 21,126 kilowatts in August and averaged a little over 15,000 kilowatts per month.

This plant cost about fifteen million dollars with a capacity of about 53,000 kilowatts. The steamer Jacona and plant cost less than one

and one half million and could produce 20,000 kilowatts. Five millions in an up-to-date plant would produce more power than the Bingham Dam. The interest on ten millions at three per cent would be \$350,000 a year that must be paid by those using power and lights.

Now let us see just how these big power companies are created and managed. A group of men ask for certain rights from the people, which are usually granted by the Legislature. Now these charters are so written that these companies have the right to enter into about every kind of business. They have the sole right to do business in certain localities and are also given the right to charge enough to give them a good profit. None of their officers are bonded or made liable in any way for an honest and business-like manner of performing their part of the contract with the people.

They get their charter. Now they go to the public and get the money furnished them through stocks and bonds sold. The public furnished these men money to build plants, power lines, palatial offices, stores and so on without limit. On top of all this they never neglect to elect numerous officials with good big salaries. It is rather a nice bouquet to hand to a few favored men. They have managed to create some very fine positions for themselves, all done on the other fellow's money.

Not satisfied with this they look around to see what else they can hook in. They build their plants and power lines. If you are away from these lines you pay for building the line that runs to your home. The company promptly takes this line, saying they own it, add it to their capital and the property you bought and paid for is gone from you forever. In building these lines, in appliances sold and in salaries paid, in the value of their plants and land, you are charged about double the real cost or value. The rates you pay are based on these fictitious values.

Other stores selling electrical stuff cannot compete with them because these companies make costly installations of the things they sell free and sell for such small payments. These other stores help to pay these men for installing these things through their power and light bills. These companies run a wonderful

racket on every turn from start to finish. They make a gesture to the public by reducing some rates, and at the same time adding it on to others.

How are the people of this State going to be protected from being exploited by the power interests. Our Public Utilities Commission never has and never will be able to protect us. There is just one way open to us and that is by the people themselves sending men to Augusta that will work for these things.

Representative Rankin said in Congress June 2, 1936, "Electricity is the lifeblood of an advancing civilization. The lower the rates the more freely it flows, and the more freely it flows the greater are its benefits to mankind. It is no longer to be regarded as a luxury reserved for the fortunate few, but it has become a necessity and should be placed within the reach of all and supplied at rates the people can afford to pay."

If this Legislature would pass this bill so that towns and cities could have their own plants, then these towns and cities could have low rates and enjoy more fully this necessity of life.

Mr. Speaker. I trust the motion made by the gentleman from Auburn, Mr. Webber, does not prevail, and I would call for a yea and nay vote. (Applause)

Mr. BATCHELDER of Parsonsfield: Mr. Speaker and Members of the Eighty-eighth Legislature: As a member of the committee on Public Utilities, I will try to give you in a brief way the reasons for the majority report, ought not to pass.

I believe that this bill and the new draft have a common purpose. They both ask to give a blanket authority to subdivisions of the state to own and operate public utilities and to enter into other public projects.

The new draft is not quite so broad as the original bill. It does not include counties in the subdivisions of the State which may enter into these businesses.

It does not include telephones, telegraphs or transportation services in the things which may be carried on.

Both the original bill and the new draft, however, reverse long established policies of the State of Maine.

Without going into the details of the various provisions of the bill, the committee was first faced with

the question as to whether they could recommend the adoption of a bill which reversed the whole policy of the State of Maine with respect to public utilities and also with respect to the forming of districts like water districts, bridge districts, and so forth.

Although this bill was discussed before the committee largely from the point of view of public operation of electric utilities, it is much broader and extends according to its terms to "power, light, heat, water sewerage, the construction of public buildings and bridges."

It has long been the policy of the State that when a utility is chartered by a state, and serving a territory and furnishing adequate services at a reasonable cost, no other utility will be allowed to operate in the same field. The reason for this is that if the State can control rates and compel adequate service two overheads or two separate services would make the service rendered more expensive than would one. On the other hand, whenever it is shown that service cannot be obtained, that is adequate and for a reasonable rate, the present laws allow competing private utility companies to be established.

It has also been the settled policy of the state that before a town or other municipality will be allowed to enter into any utility service that such town or municipality shall come to the Legislature, show the need for the service and their financial ability to establish and carry on the same.

In other words, before towns and cities can pledge the taxpayers' money to engage in these enterprises the Legislature in the past has recognized the policy of the State that legislative consent must be given to that particular town or city that wants to go into the business and, further, that this assent will not be given unless there is a reasonable need for the service and a reasonable prospect for its success.

You are all familiar with the fact that towns and cities are subject to a constitutional debt limit, beyond which they cannot pledge the credit of their municipality. In the past in certain instances, when towns have arrived at their constitutional debt limit, the Legislature has seen fit to create water districts, sewer districts, school districts and bridge districts, which are separate municipal corporations and have a debt

limit of their own. It has always been the settled policy of the State that these districts can only be created by a special charter from the Legislature and that the terms and conditions of that charter shall be prescribed by the Legislature.

This bill and the new draft both overturn this settled policy of the State. Under this bill the municipal officers of any district, municipality, town or plantation may determine that the inhabitants of such subdivision of the State become a body politic and corporate, subject to ratification by the inhabitants. "A body politic and corporate" is a district like our present water districts, and so forth, so under this act the municipal officers write a charter for these districts and prescribe the terms thereof, and if accepted by the people they become legally existing municipal corporations just like districts created by the Legislature for any and all the purposes set out in the act.

Not only is this true, but under this act a bridge district could be formed under a school district, a water district under a bridge district and an electric district under a sewer district, or any one or all of the others, and so on, all without legislative consent, and all this could be done without any consideration of the constitutional debt limit of the town or city under which they are formed.

Furthermore, different districts may be joined into one and districts may be formed of two or more municipalities. When formed these new districts may operate any of the businesses for which they are formed and even could go outside of their district and take the facilities of existing utilities for use in their districts.

You can see, therefore, that the adoption of this bill is not a question of public against private ownership of electric utilities but a question of reversing the whole policy of the State of Maine with respect to all of these things. As I have said before, it has been the settled policy of the State of Maine that before things of this kind are done the city and town desiring to do them should come to the Legislature and get its consent upon such terms as it may stipulate.

In these times of financial stress and distress, with many of our cities and towns in straightened financial circumstances, with debts up to

and often over the debt limit, it would seem to me to be unwise to open the door to the forming of these districts without express legislative consent.

I fully believe that if you pass this bill the very towns and cities that will take advantage of it will be those who can least afford it and that we will be plunged into a spending spree that it will take years and years to overcome. I believe that this bill is dangerous legislation and on the principle that "an ounce of prevention is worth a pound of cure" I hope you will vote with me to stop this dangerous experiment before it gets underway.

Mr. LEONARD: Mr. Speaker, I just want to make a few more remarks.

The gentleman brings up the argument about the debt limit. Now any town or city can have a plant put in, and they will come in and build that plant if they only have the right. They will come and build that plant without the city or town putting any money in it at all; so there is not much for that argument.

It just seems to me that it is rather a singular thing that these large organized corporations are afraid they cannot compete with the small organizations. It just shows that they are not bright.

Mr. HINMAN of Skowhegan: Mr. Speaker, I am not in the position of the gentleman who has spoken in having prepared any written statement, or in intending to take any part in this discussion. It makes no difference to me who the man may be or who the organization may be who is more or less slandered, unless I sincerely believe there is reason for one taking that attitude I must defend that person. We have two members here who have appeared on this floor as particularly interested in the course that we shall take. As I understand it, they are members of the same committee; they have had about fourteen or fifteen weeks in which to argue with their committee, and it is very evident that a majority of that committee have reached a conclusion which the minority refuses to go along with. In that they should be justified, but it would hardly seem that any committee in which a majority could reach an agreement would be fighting against such

monsters as have here been depicted.

It is true, probably, that the utilities, whether they be electric or something else, make mistakes, as all the rest of us do; but I would challenge any man who says they are in the position that they have been here depicted. Though I have no particular reason for wanting to influence the way that we here shall vote, I have every reason for believing that every industry in the State of Maine of any magnitude, at least, is fairly and honorably conducted, it makes no difference whether it be a utility or some other industry; and I hope that we may accept the majority report.

Mr. ERSWELL of Brunswick: Mr. Speaker, I had no intention of saying anything on this particular bill. I have had long experience with one of these companies. The gentleman from Hampden, Mr. Leonard, has overlooked the greatest crime of these companies. The common stocks of these companies—and I take it every member of this House has examined Moody's and Standard Statistics, and is aware of the terrible dividend record of these two companies, the Central Maine Power Company and the Cumberland County Power and Light Company.

If this bill for an excise tax is finally forced out of committee, I will go to considerable detail on the amounts of money that have been declared into the common stocks of these two companies I mention.

Now the stocks of these companies, before the Commission was formed, got into the hands of certain people. The gentleman from Hampden, Mr. Leonard, has mentioned 23,635 shares of the Central Maine stock as delivered to the Insulls at \$140. That amounts to \$3,308,900.

Now I would just like to have somebody here tell me where that money went to. Who got that money? It did not reduce any bonded debt or funded debt of either of these companies. It did not decrease the valuations they set up their rates on.

Take the Cumberland County Power and Light Company—I happened to be with the men who built the company for fifteen years and I know all about the financing of it. I sold their bonds and preferred stock in this State and I got credit for every share sold. I sold that stock with confidence that the in-

terest on their several bonds issued was safe. The difference in operating cost between hydro-electric and steam production—

The SPEAKER: The Chair believes that a great many members are unable to hear the gentleman's remarks. If the gentleman will speak more loudly, it will be better.

Mr. ERSWELL (Continuing): I asked Mr. Leach at the time that we were selling the preferred stock if I might not be permitted to give a bonus of this common stock. A few days before I did that he gave Mr. Bancroft, of Portland, enough for directorate purposes and took the rest in his grip and took it to New York. That is the common stock. He said he would not put any of the common stock into anybody's hands, for the reason they would want dividends on it before they were justified by the earnings expected from the hydro-electric developments he was constructing on the Saco river were completed. The Cumberland County Power and Light Company stock reached individual hands after Mr. Leach was broken by the Standard Oil interests in the oil companies. That stock, as I understand it, went to the Seligmans and Clarks of Philadelphia. That amount of stock, some 47,000 shares, was turned over to the Insulls at 140. That is over six million dollars. I claim that these dividends, whatever was taken out of this property secured by earnings, was absolutely money taken out of the people of this State. There is no doubt about that. The rates were that much larger than they should have been because of that fact—and I challenge anyone to prove on the floor of this House that it was ever put into physical improvements in the properties in this State.

Wyman, back in 1905, acquired a little hydro-electric development across the river from Waterville, and put lights in the streets of Waterville which burned day and night until he made the Boutelle interests sell out to him. From that time on he had the instinct of monopoly, and he has built up this property that the gentleman from Hampden, Mr. Leonard, has spoken to you about. Today they give valuations, as I understand it, of about one hundred and twenty millions

for rate-making purposes—and the Public Utilities Commission told me that they have no authority over rates except on physical valuation—while, on the other hand, they give the valuation for taxation purposes about the State at thirty million dollars. That is the valuation they give for taxation purposes. The Federal Trade Commission has mentioned the fact that fictitious valuations of as high as 400 per cent have been written up for rate-making purposes by many holding companies.

The bonds of the Cumberland County Power and Light have always been good; the preferred stock has always been good. Today the Central Maine is in arrears on the preferred stock that the company itself sold by its own salesmen at 110 for the 7 per cent stock.

I do not know much about the virtues of this bill except I do know in many places in the United States today that power is generated by Diesel engine power for less than three mills. Mr. Leonard has spoken of the process of the development of those Diesel plants. I believe that these communities should have the right to install Diesel engines and produce current and not pay for it at the prices they are paying today. I appeal to you to pass this bill.

Mr. SNOW of Dover-Foxcroft: Mr. Speaker, I move the previous question.

The SPEAKER: The gentleman from Dover-Foxcroft, Mr. Snow, moves the previous question. To authorize the Chair to entertain this motion, requires the assent of one-third of the members present. As many as are in favor of the motion will rise and stand until counted and the monitors will make and return the count.

A division of the House was had.

The SPEAKER: Obviously more than a sufficient number having arisen, the motion is entertained. The question is, shall the main question be put now? As many as are in favor will say aye; those opposed no.

A viva voce vote being taken, the motion prevailed that the main question be now put.

The SPEAKER: The question is on the motion of the gentleman from Auburn, Mr. Webber, that the majority report of the committee, ought not to pass, be accepted. The gen-

tleman from Hampden, Mr. Leonard, has asked for the yeas and nays. Under the Constitution, the yeas and nays are ordered at the request of one-fifth of the members present. As many as are in favor of taking the vote by the yeas and nays will rise and stand until counted and the monitors will make and return the count.

A division of the House was had. and twenty-three voted in favor thereof.

The SPEAKER: The monitors will kindly return the number of members present in each division in the House.

A count by the monitors disclosed 132 present.

The SPEAKER: Twenty-three having requested the yeas and nays, and 23 being less than one-fifth of the members present, the yeas and nays are not ordered. The pending question is on the motion of the gentleman from Auburn, Mr. Webber, that the majority report, ought not to pass, be accepted. As many as are in favor of the motion will say aye; those opposed no.

A viva voce vote being taken, the motion prevailed and the majority report of the committee, ought not to pass, was accepted.

The Chair lays before the House the second tabled and today assigned matter, bill an act relating to terms and salaries of city of Lewiston officials, S. P. 457, L. D. 850, which was passed to be engrossed as amended by House Amendment A in the House, on April 8th, in non-concurrence. This came from the Senate with House Amendment A indefinitely postponed, and the bill passed to be engrossed in non-concurrence, tabled on April 10th by Mr. Boucher of Lewiston, pending further consideration; and the Chair recognizes that gentleman.

Mr. BOUCHER: Mr. Speaker, I tabled this bill at the request of my colleague from Lewiston, Mr. Dutil, then absent, but who is now here.

On motion by Mr. Dutil, the House voted to insist on its former action and ask for a committee of Conference.

The SPEAKER: The Chair names as conferees on the part of the House: Messrs. Dutil of Lewiston, Boucher of Lewiston and Dow of Norway.

The Chair lays before the House the third tabled and today assigned matter, bill an act relating to production and sale of milk, S. P. 385, L. D. 739, tabled on April 10th by Mr. Paul of Portland, pending third reading; and the Chair recognizes that gentleman.

On motion by Mr. Paul, the bill was recommitted to the committee on Agriculture in concurrence.

The Chair lays before the House the fourth tabled and today assigned matter, bill an act exempting trucking of farm products and certain lumbering products from the Common Carrier Law, H. P. 1828, L. D. 979, tabled on April 10th by Mr. Coolidge of Livermore, pending passage to be engrossed; and the Chair recognizes the gentleman from Columbia Falls, Mr. Tabbut.

On motion by Mr. Tabbut, the rules were suspended in order to permit a motion to reconsider the former action of the House whereby House Amendment A was adopted; and on further motion by the same gentleman the House voted to reconsider its former action whereby House Amendment A was adopted.

Mr. TABBUT: Mr. Speaker, with the consent of the House, I now withdraw House Amendment A.

The SPEAKER: The gentleman from Columbia Falls, Mr. Tabbut, asks leave to withdraw House Amendment A. Is there objection? The Chair hears no objection and the amendment is withdrawn.

Thereupon, Mr. Tabbut offered House Amendment B and moved its adoption, as follows, the reading of the amendment being dispensed with on motion by Mr. Packard of Houlton:

House Amendment B to H. P. No. 1829, L. D. No. 979, bill an act exempting trucking of Farm Products and Certain Lumbering Products from the Common Carrier Law.

Amend said bill by striking out all after the enacting clause and inserting in place thereof the following:

**Sec. 1. P. L., 1935, c. 146, §10, amended.** That part numbered (3) of paragraph (A) of section 10 of chapter 146 of the public laws of 1935 is hereby amended to read as follows:

'(3) while engaged exclusively in the delivery of the United States mail; while engaged exclusively in the transportation of fresh fruits

and vegetables from farms to canneries, place of storage or place of shipment during the harvesting, canning or packing season; while engaged exclusively in the hauling of wood, pulpwood, logs or sawed lumber from the wood lot of forest area where cut or sawed to points within 40 miles thereof, or while hauling, within said distance, horses, crew, equipment and supplies to or from such wood lot or forest area. Nothing in this act contained shall apply to persons, firms or corporations operating motor vehicles carrying property of which they are the actual and bona fide owners.'

**Sec. 2. Validating clause.** If any sentence, section, clause or phrase of this act is for any reason held to be unconstitutional, such decision shall not affect the validity of the provisions of chapter 259 of the public laws of 1933, as amended by chapter 146 of the public laws of 1935 as now in effect.

A viva voce vote being taken, House Amendment B was adopted, and the bill, as amended by House Amendment B, was passed to be engrossed and sent up for concurrence.

The Chair lays before the House the fifth tabled and today assigned matter, bill an act relating to a State Racing Commissioner, H. P. 1862, L. D. 1014, tabled on April 13th by Mr. Lee of Rumford, pending third reading; and the Chair recognizes that gentleman.

On motion by Mr. Lee, the bill was recommitted to the committee on Appropriations and Financial Affairs and sent up for concurrence.

The Chair lays before the House the sixth tabled and today assigned matter, bill an act relating to the sale of alcohol, H. P. 1836, L. D. 993, tabled on April 13th by Mr. Sleeper of Rockland, pending third reading; and the Chair recognizes that gentleman.

On motion by Mr. Sleeper, the bill was retabled pending third reading, and specially assigned for tomorrow.

The Chair lays before the House the first tabled and unassigned matter, bill an act to guarantee a minimum educational program and to provide for the equalization of educational opportunity for the youth



of the State of Maine, H. P. 1821, L. D. 955, tabled on April 6th by Mr. Gyger of Cumberland, pending third reading; and the Chair recognizes that gentleman.

On motion by Mr. Gyger, the bill received its third reading, and on further motion by the same gentleman the bill was tabled pending its passage to be engrossed.

The Chair lays before the House the second tabled and unassigned matter, majority report ought not to pass and the minority report ought to pass of the committee on Public Utilities on bill an act relating to the city of Hallowell, H. P. 1721, L. D. 982, tabled on April 7th by Mr. Keller of Hallowell, pending acceptance of either report; and the Chair recognizes that gentleman.

On motion by Mr. Keller, a viva voce vote being taken, the majority report, ought not to pass, was accepted and sent up for concurrence.

The Chair lays before the House the third tabled and unassigned matter, House report ought not to pass of the committee on Sea and Shore Fisheries on resolve for the conservation of clams in the county of Washington, H. P. 634, L. D. 192, tabled on April 8th by Mr. Tabbut of Columbia Falls, pending acceptance of the report; and the Chair recognizes that gentleman.

Mr. TABBUT: Mr. Speaker, I move that the matter lie on the table. Action on it depends on another bill, and for that reason I cannot specially assign it.

The motion prevailed, and the resolve and report were retabled pending acceptance of the report.

The Chair lays before the House the fourth tabled and unassigned matter, House report ought to pass in new draft of the committee on Legal Affairs on bill an act relating to elections in the city of Biddeford, H. P. 1107, L. D. 362, new draft H. P. 1850, L. D. 1012, tabled on April 9th by Mr. Donahue of Biddeford, pending acceptance of the report; and the Chair recognizes that gentleman.

On motion by Mr. Donahue, the report of the committee, ought to pass in new draft, was accepted, and thereupon the rules were suspended and the bill given its two several readings.

Thereupon, Mr. Donahue offered

House Amendment A and moved its adoption, as follows:

House Amendment A to H. P. No. 1850, L. D. No. 1012, bill, an act relating to elections in the City of Biddeford.

Amend said bill by adding at the end thereof the following section:

**'Sec. 3. Referendum.** This act shall be submitted for approval or rejection to the qualified voters of the city of Biddeford at a special election held for the purpose, or at any regular election, held before January 1, 1939, and warrants shall be issued for such election in manner now provided by law for holding municipal elections, notifying and warning the qualified voters of said city to meet in the several ward rooms of said city, there to cast their ballots concerning the acceptance of this act. The vote shall be taken by ballot at said election in answer to the question: "Shall an act passed by the legislature in the year 1937, entitled, 'An Act Relating to Elections in the City of Biddeford', be accepted?" Which question shall be printed on the official ballots and at said election the voters of said city in favor of accepting the act shall vote "Yes" and those opposed shall vote "No". Otherwise said ballots shall be in the form provided by law when a constitutional amendment is submitted to the vote of the people. The provisions of the law relating to the preparation of voting lists for municipal elections shall apply to such election and said election shall in all other respects be conducted according to law, and the results thereof shall be determined in the manner now provided by law for the determination of the election of mayor. If a majority of the valid ballots cast as aforesaid shall be in favor of accepting the same, then this act shall forthwith take effect as herein provided. So much of this act as authorizes the submission of this act to the voters of Biddeford shall take effect as provided in the constitution, but it shall not take further effect unless adopted by said voters as hereinbefore provided.'

Mr. DONAHUE: Mr. Speaker and Members of the Eighty-eighth Legislature: This bill changes the present primary law in the city of Biddeford, and our present primary law, I consider, is a model primary law. Under Section 1 of the proposed change, any person who can obtain 125 signatures of qualified

voters, regardless of whether or not those voters are enrolled members of the party to whom the candidate seeks to enter the municipal primary thereby, has a right to become a candidate in that municipal primary.

Under our present law, in order to enable a person to become a candidate in that primary, he must obtain the signatures of the requisite number of enrolled voters of that party in whose primary he seeks to enter. But to my mind, members, that matter is not so important. What I object to is the second section of the bill which permits a coalition of independent groups by petition not being compelled to go into a primary but who, by these groups, can petition the name of a candidate on our municipal ballot.

On our desks you will find a mimeographed copy of the record taken from the records of the city of Biddeford, showing you the final returns of the vote that the municipal primary held before the present primary law was passed by this Legislature, and if you will look at it, you will find approximately 2,700 voters who voted either for the progressive or non-partisan candidate, who was the same candidate, and who defeated the Democratic candidate and defeated the Republican candidate, yet the combined vote of the Democratic and Republican candidate was over a thousand votes more than this disorganized, non-partisan, progressive vote.

I want to submit to this Legislature the record of that administration and to back up what I have to say, I will refer you to the State Department of Audit, who for nine months after this group got through in Biddeford spent nine months of their time finding out just where the city of Biddeford stood. When they first came in there, our school teachers had not been paid for several months; the light bills were unpaid; the water bills were unpaid; the grocers who had extended credit to the city of Biddeford were unable to meet their bills. Several of them went to the wall because of the amount of money that the city of Biddeford owed them. Members, that is the record of that administration.

I have talked with several citizens of the city of Biddeford, several of our large taxpayers, several of our people who do not own

any homes but who pay rent; and as a result of this \$340,000 of back bills which was handed on to the taxpayers of the city of Biddeford, the city of Biddeford was almost forced into bankruptcy. That is what I object to, gentlemen. I object to this legislation going through without giving the people of the city of Biddeford the right to say whether or not they want to go back to that group and combination of groups who forced them practically to the wall of bankruptcy in 1933.

If you look at the returns of these votes, you will find on the municipal ballot in 1933 there appeared seven distinct party groups. They were the Progressive, Non-partisan, Democratic, Independent, Republican, Citizen, and Good Government.

Now, members, it might be properly argued that on our State ballot we allow all parties to come in by petition—but name me one instance on your State ballot where the same candidate appears as a candidate for more than one party.

We do not object, members, to permitting independent parties to come in as long as the candidate is limited to one place on the ballot.

I ask it—out of fairness to the schoolteacher that I went to school to, who in December, 1933, because the city of Biddeford was unable to pay her by check, and had not paid her for five months, could not give any Christmas presents to her children or to her friends — and I ask it in behalf of the grocers of the city of Biddeford, who were practically forced to the wall as a result of this combination; and I ask it in behalf of the credit of the city of Biddeford: Please let the people decide if they want it, members, and then let them have it. But I do not believe that the citizens of Biddeford want to again see the dark days of 1933. I hope this amendment will prevail.

Mr. VARNEY of Berwick: Mr. Speaker, I move that House Amendment A be indefinitely postponed.

I will say that I disagree with the gentleman from Biddeford (Mr. Donahue) and apparently the entire Legal Affairs committee, which gave this bill a full hearing, taking, I believe, two full afternoons. I also disagree with the gentleman from Biddeford (Mr. Donahue) when he says that their present

primary law is a fair and proper law.

I think it should be the policy of this House, in matters of this kind, of a more or less special nature, not to try to pass on the merits of the questions as they may be debated here on the floor of the House, but, to a large extent, to follow the lead of the committee to which that bill was assigned and which had an opportunity to go much more into detail than we have here on the floor.

As I understand it, some four years ago the charter of the City of Biddeford was amended, and by that amendment it became impossible—though I doubt if that was intended by this Legislature—for any candidate, unless he be endorsed either by the Republican party or the Democratic party, to become a candidate for office in the city of Biddeford. Now if anyone can tell me that we should have either in our city government or in our State government any such gag rule as that—I cannot understand it.

I believe this House defeated a modification of our State Primary law. This charter of the city of Biddeford, as it now stands, amounts to nothing more than giving the two major parties the Democratic and the Republican Party, the right to control all candidates who shall seek to run for any office in the city of Biddeford.

As it is now, the Democratic Party—and I think that I can say that could be taken judicial notice of by this body—is largely in control of the city of Biddeford. It can, by going to their caucus, put up their man, who is always a machine man. If there is a substantial majority in the Democratic party or in the Republican party, or a substantial majority who do not belong to either party, there is no way now by which they can propose their candidate for city election.

That is all this bill asks for; it simply asks to permit the citizen of the city of Biddeford who can get the support of a substantial majority, to have his name placed before the people.

Now the member from Biddeford, Mr. Donahue, has argued that the people of the city of Biddeford do not want to go back to the administration of 1933. Now perhaps they do not; but even if this bill passes, they do not have to go back to the administration of 1933—they can

adopt the candidate who proposes his name or not, as they see fit. All I am asking for is that the people of Biddeford be entitled, in their city election, to say who they want for Mayor, and not be obliged to say they must have either a machine Democrat or a machine Republican. The reason I ask for the indefinite postponement of this amendment is that the passage of it would result in a defeat of the bill. I think that can be seen very easily when you consider that the Democratic party is in a great majority in the city of Biddeford. I hope that the amendment will be indefinitely postponed.

Mr. McGLAUFLEN of Portland: Mr. Speaker, I will frankly confess that I do not know much of anything about this bill, but when the gentleman says that it passed the committee, my understanding is that committee passed on the bill and not on this amendment. I must say that it appears to me that if you are changing the law relating to a particular locality such as the city of Biddeford, that it certainly is a reasonable and fair thing to let the people of that city pass upon the measure as to whether it is something they want or not. I think this is a question of local self-government. Give them a chance to vote on their own measure.

Mr. VARNEY of Berwick: Mr. Speaker, I was a little surprised at what has just been said by my friend from Portland. As I understood him, he says that now he thinks that certainly this should be submitted to the people of Biddeford. I wonder if he felt that way when he refused to go along with local option on Sunday movies. That is one thing we wanted to submit to the particular localities, and apparently he was opposed to it.

Now I believe that there are times when a substantial majority in a community needs the protection of this Legislature, and I am speaking here, I believe, in the interest of a substantial majority who are asking you to give them the right simply to place the name of their candidate on the ballot in the city of Biddeford. The city does not have to elect their candidate unless the majority of the city of Biddeford want him.

Mr. DONAHUE: Mr. Speaker, if the member from Berwick (Mr. Varney) believes that he is speak-

ing for the majority of the citizens of Biddeford, then he can lose nothing by this referendum.

Mr. HIGGINS of Ellsworth: Mr. Speaker, did I hear someone say Sunday movies? (Laughter)

I have just a word to say about this bill, as it came from the Legal Affairs committee. The situation in Biddeford is that they have a sort of closed corporation down there, as I understand; they have two parties in the field and those are the only two that can get in, and the members of those two parties we find are quite hard-headed and would be very reluctant, no matter what the situation might be, to vote for a candidate of the opposite party. The result of that is that if you get a Republican administration, no matter how bad it is, the Republicans cannot vote for a Democrat to change it. It would bother their constitution too much to do that. And if the Democrats happened to have a poor administration they cannot change it by voting for a Republican candidate. There is the situation. The name Republican is obnoxious to the Democrats, and presumably the opposite is true.

Now this bill merely allows a third party to come into the field, and if you get a poor Republican administration you can change the situation by persons on both sides voting for a third party. The people of both parties are willing to vote for someone if that person happens to be running under a name such as Progressive or Non-Partisan. So the principal thought is to create a situation whereby if poor administrations are placed in power the people can have an opportunity to make a change by voting for a candidate running under the banner of a third party. As the gentleman from Berwick (Mr. Varney) has pointed out, if you adopt the amendment, you immediately kill the bill.

Mr. McGLAUFLIN: Mr. Speaker, the gentleman from Berwick (Mr. Varney), has mentioned my attitude on the Sunday movies. I want to say to him and to the House that if this House had passed that bill, I should then have been in favor of the referendum. Now this is a different situation. This is a bill that they are assuming is going to pass. If you kill this bill as you did the

Sunday movie bill, I withdraw my argument in favor of the referendum.

Mr. MURCHIE of Calais: Mr. Speaker, I agree with the gentleman from Portland (Mr. McGlaufflin), to the extent that I am a rank outsider so far as understanding the condition and situation in Biddeford is concerned; but I do want to say that I can see no reason why the people of Biddeford should not be permitted to decide for themselves on this matter. Why should we attempt to dictate to a city which is ninety per cent Democratic? Surely, in a matter of this kind, we should be guided by the gentleman from Biddeford (Mr. Donahue), who has proved himself to be a square shooter and who knows and understands the local situation in Biddeford. I, for one, shall vote for his amendment, and I hope it is adopted.

Mr. BELANGER of Biddeford: Mr. Speaker, I think that the man who had this bill revised a few years ago is the same man who wants to revise it again. I think if a man wants to vote the Democratic ticket, he should be enrolled as a Democrat, and if he wants to vote the Republican ticket, he should be enrolled as a Republican and not let the mongrels get in between the two parties and try to run them. That is all. (Applause)

The SPEAKER: The gentleman from Biddeford, Mr. Donahue, moves that House Amendment A be adopted, and the gentleman from Berwick, Mr. Varney, moves the indefinite postponement of House Amendment A. The question is on the motion of the gentleman from Berwick, Mr. Varney, that House Amendment A be indefinitely postponed. As many as are in favor of that motion will say aye; those opposed no.

A viva voce vote was doubted.

Mr. VARNEY: Mr. Speaker, I ask for a division of the House.

The SPEAKER: The gentleman from Berwick, Mr. Varney, asks for a division. As many as are in favor of the motion of the gentleman from Berwick, Mr. Varney, that House Amendment A be indefinitely postponed will rise and remain standing until counted and the monitors will make and return the count.

A division of the House was had, Twenty-three voting in the affirmative, and 83 in the negative,

the motion to indefinitely postpone did not prevail.

On motion by Mr. Donahue, House Amendment A was adopted and tomorrow was assigned for the third reading of the bill as amended by House Amendment A.

On motion by Mr. Ellis of Rangeley, the House recessed until 4 P. M.

#### AFTER RECESS — 4:10 P. M.

The Speaker in the Chair.

The SPEAKER: The House is ready this afternoon to consider, if it wishes, all matters coming from this morning's session of the Senate. The Chair believes that the members of the House are co-operating in every possible way to facilitate the expeditious handling of the business before the House. Is it the pleasure of the House to take up out of order and under suspension of the rules some papers from the Senate?

From the Senate: Majority report of the Committee on Judiciary reporting ought to pass on bill an act relating to Emergency Municipal Finance Board (S. P. No. 179) (L. D. No. 254)

Report was signed by the following members:

Miss Laughlin of Cumberland  
Messrs. Willey of Cumberland  
—of the Senate.

Philbrick of Cape Elizabeth  
Bird of Rockland  
Varney of Berwick  
Hinckley of So. Portland  
Thorne of Madison  
Weatherbee of Lincoln  
—of the House.

Minority report of same Committee reporting "Ought not to pass" on same bill.

Report was signed by the following members:

Messrs. Fernald of Waldo  
—of the Senate.  
McGlaulin of Portland  
—of the House.

Comes from the Senate with the majority report read and accepted and the bill passed to be engrossed as amended by Senate Amendment A and C.

In the House: Mr. VARNEY of Berwick: Mr. Speaker, I move that the bill and accompanying reports

be tabled pending acceptance of either report and specially assigned for tomorrow morning.

A viva voce vote being taken, the motion did not prevail.

Mr. PHILBRICK of Cape Elizabeth: Mr. Speaker, I move the acceptance of the majority report, ought to pass.

In 1933, the Legislature passed our present law regarding emergency municipal finance; so the valuation of this State is already established as a part of our law. This bill would add to the present law a moratorium on existing town debt, thereby giving the town and its new management a chance to go ahead with temporarily a clean slate and make some headway, as we hope, on catching up with the current bills. The present law allows the State to operate under this Board in case the State taxes are overdue, or in case the town debt is in default, or in case any teachers' salaries or other municipal bills are unpaid.

The bill now before us, as amended by Senate Amendment A, meets this situation from the standpoint of the advocates of home rule because it limits the application of this bill to cases where emergency poor relief has been requested of the State in that very important point. Therefore this bill should be acceptable to the strongest advocate of home rule in this House. The opponents of this bill say it is a violation of home rule, and that as to the original law, passed four years ago, is true, and the members of the Judiciary committee who signed this majority report are strongly opposed. I am sure, in principle to a violation of home rule. But this is the case that we are now faced with where the towns themselves have abandoned home rule and where a large number of them have come to the State and have asked and even demanded emergency relief from State funds, showing that they could not handle their own affairs and pay their own bills. That has cost the State of Maine in the last two years \$750,000, with some time still to go; and in making up our budget for the next two years we are faced with demands for a substantial appropriation for the same purpose. The only chance that the interested departments in the State House here can see for cutting down that large expendi-

ture is by the passage of some such bill as this, strengthening the powers of this Emergency Finance Board. It seems to me absolutely essential, if we are to save the State anything on that appropriation, that some such bill as this be passed.

The SPEAKER: The gentleman from Cape Elizabeth, Mr. Philbrick, moves that the majority report, ought to pass, be accepted. The Chair recognizes the gentleman from Berwick, Mr. Varney.

Mr. VARNEY: Mr. Speaker, in moving to table this matter, I did so at the request of the gentleman from Madison, Mr. Thorne, who is unavoidably absent from this afternoon's session. He has some interest in this bill but just what it is, I do not know. For that reason I would renew my motion that this bill be tabled and specially assigned for tomorrow morning.

The SPEAKER: The gentleman from Berwick, Mr. Varney, moves that the bill and reports be tabled pending the motion of the gentleman from Cape Elizabeth, Mr. Philbrick, to accept the majority report of the committee, ought to pass, and that the matter be specially assigned for tomorrow morning.

The motion prevailed, and the bill and reports were so tabled and assigned.

From the Senate: Majority Report of the Committee on Judiciary reporting ought not to pass on bill an act relating to reckless driving (S. P. 322) (L. D. 592)

Report was signed by the following members:

Messrs. Fernald of Waldo  
 Willey of Cumberland  
 —of the Senate.  
 Thorne of Madison  
 McGlaulin of Portland  
 Philbrick of Cape Elizabeth  
 Weatherbee of Lincoln  
 Bird of Rockland  
 —of the House.

Minority report of same Committee reporting ought to pass on same bill.

Report was signed by the following members:

Miss Laughlin of Cumberland  
 —of the Senate.  
 Messrs. Varney of Berwick  
 Hinckley of So. Portland  
 —of the House.

Comes from the Senate with the minority report read and accepted

and the bill passed to be engrossed as amended by Senate Amendment A.

In the House:

Mr. HINCKLEY of South Portland: Mr. Speaker, I move that the minority report, ought to pass, be accepted.

The SPEAKER: Is the House ready for the question? As many as are in favor of the motion to accept the minority report, ought to pass, will say aye; those opposed no.

A viva voce vote being doubted,

A division of the House was had.

Forty-nine voting in the affirmative and 29 in the negative, the motion prevailed and the ought to pass report of the committee was accepted in concurrence.

Thereupon, the bill had its two several readings.

The SPEAKER: The pending question is on the adoption of Senate Amendment A and the Clerk will read Senate Amendment A.

(Senate Amendment A read.)

Mr. HINCKLEY: Mr. Speaker, I move that the bill be tabled pending the adoption of Senate Amendment A in concurrence, and specially assigned for tomorrow morning.

A viva voce vote being taken, the motion to table did not prevail.

The SPEAKER: The question is on the adoption of Senate Amendment A in concurrence.

Mr. PHILBRICK of Cape Elizabeth: Mr. Speaker, as one of the members of the committee who signed the ought not to pass report, I am glad to say that Senate Amendment A removes my objections and I hope the amendment will be adopted.

The SPEAKER: Is the House ready for the question? As many as are in favor of the adoption of Senate Amendment A will say aye; those opposed no.

A viva voce vote being taken, Senate Amendment A was adopted in concurrence, and tomorrow assigned for the third reading of the bill as amended by Senate Amendment A.

Papers from the Senate disposed of in concurrence.

### Senate Bills in First Reading

S. P. 505, L. D. 1025: An act to extend suffrage to qualified voters in unorganized territory.

S. P. 509, L. D. 1030: An act to provide for aid to the blind.

From the Senate: Reports of the committee on Legal Affairs on bill an act to provide for annual audits in cities, towns, plantations and village corporations, S. P. 89, L. D. 87, reporting same in a new draft, S. P. 408, L. D. 796, under same title and that it ought to pass.

In the House:

Mr. VARNEY of Berwick: Mr. Speaker, again at the request of the gentleman from Madison, Mr. Thorne, I ask that this bill and report be tabled pending acceptance of the report in concurrence and be specially assigned for tomorrow morning.

The motion prevailed and the bill and report were so tabled and assigned.

The SPEAKER: The House having disposed of all matters from the Senate is now proceeding under Orders of the Day. The Chair recognizes the gentleman from Auburn, Mr. Flanders.

On motion by Mr. Flanders, it was voted to take from the table the eighth tabled and unassigned matter, bill an act relating to county accounts, H. P. 1864, L. D. 1033, tabled on April 13th by that gentleman, pending reference to a committee.

On further motion by Mr. Flanders, the rules were suspended, and the bill was given its three several readings without reference to a committee and passed to be engrossed and sent up for concurrence.

On motion by Mr. Varney of Berwick, it was voted to take from the table the eleventh tabled and unassigned matter, majority report ought to pass and minority report ought not to pass of the committee on Sea and Shore Fisheries on bill an act relating to shipping clams beyond the borders of the State, H. P. 1575, L. D. 716, tabled by that gentleman on April 13th, pending the motion by Mr. Sleeper of Rockland, that the majority report be accepted.

Mr. COLE of Kittery: Mr. Speaker, I offer House Amendment A and move its adoption.

The SPEAKER: Will the gentleman kindly withhold the presentation of his amendment until the report of the committee has been accepted?

Mr. HINMAN of Skowhegan: Mr. Speaker, I have no doubt the House would be very much pleased if the Speaker would introduce his guest who sits beside him. I now move that that be done under suspension of the rules.

The SPEAKER: The gentleman from Skowhegan, Mr. Hinman, moves that the rules be suspended to introduce a guest.

The motion prevailed.

The SPEAKER: The Chair takes great pleasure in presenting to the House the father of the Speaker. (Applause, the members rising.)

Mr. HILL: I thank you, and am very glad to be here.

The SPEAKER: The pending question is on the motion of the gentleman from Rockland, Mr. Sleeper, that the majority report, ought to pass, be accepted. Is the House ready for the question? As many as are in favor of the motion to accept the majority report will say aye; those opposed no.

A viva voce vote being taken, the majority report, ought to pass, was accepted.

Thereupon, the rules were suspended and the bill given its two several readings.

Mr. Cole of Kittery, then offered House Amendment A and moved its adoption, as follows:

House Amendment A to H. P. No. 1575, L. D. No. 716, entitled an act relating to shipping clams beyond the borders of the State.

Amend said bill by striking out the period at the end of section 1 thereof and inserting in place thereof the following: 'provided, however, that no provision of this act shall apply to the shipping, transporting, offering for shipment or transportation of any clams either in the shell or shuck which are taken from the clam flats in the counties of Sagadahoc, Cumberland and York, beyond the limits of the state from the counties of Sagadahoc, Cumberland and York.'

Mr. COLE: Mr. Speaker, I would like to say to the members of the House by way of explanation that this bill was drafted with the consent and approval of the members of the Sea and Shore Fisheries Committee. I say this in order that the House may understand our position on the matter.

A viva voce being taken, House Amendment A was adopted, and to-

morrow assigned for the third reading of the bill as amended by House Amendment A.

On motion by Mr. Philbrick of Cape Elizabeth, the House voted to reconsider its action taken earlier in today's session whereby S. P. 485, L. D. 970, an act to provide for a system of personnel administration in State employment; to create a State Personnel Board and a Director of Personnel; and to define the powers, duties and proceedings of such Board and Director was assigned for its third reading; and on further motion by the same gentleman the House voted to reconsider its former action whereby House Amendment A was adopted.

Mr. PHILBRICK: Mr. Speaker, I ask consent to withdraw House Amendment A.

The SPEAKER: Is there objection? The Chair hears no objection, and the amendment is withdrawn.

Mr. Philbrick then offered House Amendment B and moved its adoption, as follows:

House Amendment B to S. P. No. 485, L. D. No. 970, bill an act to provide for a system of personnel administration in State employment; to create a State Personnel Board, and a Director of Personnel; and to define the powers, duties and proceedings of such Board and Director of Personnel."

Amend said act by adding at the end of Section 7 a new paragraph, properly numbered, as follows:

(—) Deputy and assistants of the attorney general's department."

Thereupon, House Amendment B was adopted.

On motion by Mr. Philbrick, the rules were suspended, the bill was given its third reading, and passed to be engrossed in non-concurrence as amended by Senate Amendment A, and as amended by Senate Amendment A to Senate Amendment A, and as further amended by Senate Amendments B and C, and by House Amendment B, and was sent up for concurrence.

On motion by Mr. Flanders of Auburn, it was voted to take from the table the tenth unassigned matter, an act to appropriate moneys for the expenditures of State government and for other purposes for the fiscal years ending June 30, 1938, and June 30, 1939, S. P. 481, L. D. 899, tabled by that gentleman

on April 13th, pending passage to be enacted.

On further motion by the same gentleman, the rules were suspended to permit a motion to reconsider the former action of the House whereby the bill was passed to be engrossed; and on further motion by the same gentleman the House voted to reconsider its former action whereby the bill was passed to be engrossed.

Mr. Flanders then presented House Amendment A and moved its adoption, as follows:

House Amendment A to S. P. No. 481, L. D. No. 899, bill an act to appropriate moneys for the expenditures of State Government and for other purposes for the fiscal years ending June 30, 1938 and June 30, 1939."

Amend said act by inserting before the enacting clause the following:

**'Emergency preamble.**

Whereas, the effective date of legislation is 90 days after adjournment of the Legislature; and

Whereas, such adjournment cannot now be realized so that legislation will become effective until after the first of the next fiscal year which begins on July 1, 1937; and

Whereas, appropriations must be available at the beginning of the first fiscal period in order to care for the proper and regular functions of State Government; and

Whereas, extreme suffering would be caused by delaying payments to care for the sick and unfortunate of the State; and

Whereas, in the judgment of the Legislature these facts create an emergency within the meaning of section 16 of Article XXXI of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now therefore

And further amend said act by adding at the end thereof the following:

**'Emergency clause.** In view of the emergency cited in the preamble hereof, this act shall take effect when approved.'

Mr. FLANDERS: Mr. Speaker, I think it is conceded by many of us that we will not be out of here before a week from next Saturday, which would be the 24th of the month. That would necessitate al-



most a month's delay when there would be no funds available for the payment of State bills and emergency bills. Therefore I hope that this amendment will be adopted.

The SPEAKER: The question is on the motion of the gentleman from Auburn, Mr. Flanders, that House Amendment A be adopted. Is the House ready for the question? All those in favor of the adoption of House Amendment A will say aye; those opposed no.

A viva voce vote being taken, House Amendment A was adopted, and the bill as amended by House Amendment A was passed to be engrossed in non-concurrence and sent up for concurrence.

On motion by Mr. Sleeper of Rockland, it was voted to take from the table bill an act to provide for old age assistance, H. P. 1863, L. D. 1029, tabled by that gentleman earlier in today's session, pending third reading.

Mr. SLEEPER: Mr. Speaker, the only objection that I had to the bill was that there were certain features contained in it whereby the Commissioner could create a vast bureau without any check from the State government. I find on my desk an amendment which will rectify that condition. Therefore, although I cannot yield the floor, I will vacate the floor. (Laughter)

The SPEAKER: The bill is in order for amendment.

Mr. Hinman of Skowhegan, presented House Amendment A and moved its adoption, as follows:

House Amendment A to H. P. No. 1863, L. D. No. 1029, to bill, an act to provide for old age assistance.

Amend said bill by inserting in the 2nd line of Section 16 thereof, after the word "authorized", the following words: 'subject to the approval of the Governor and Council.'

Thereupon, a viva voce vote being taken, House Amendment A was adopted.

Mr. Payson of Portland, then offered House Amendment B and moved its adoption, as follows:

House Amendment B to H. P. No. 1863, L. D. No. 1029, bill an act to provide for old age assistance.

Amend said bill by inserting in the 4th line thereof, after the word "act" the following words: 'subject to the approval of the governor and council,'.

A viva voce vote being taken, House Amendment B was adopted.

Thereupon, Mr. Hinman offered House Amendment C and moved its adoption, as follows:

House Amendment C to H. P. No. 1863, L. D. No. 1029, to bill an act to provide for old age assistance.

Amend said bill by striking out in the 3rd line of Section 18 thereof the figure "\$2,000,000" and inserting in lieu thereof the figure '\$1,500,000'.

Mr. HINMAN of Skowhegan: Mr. Speaker, I think it is evident to most of us as we go into what I term new business, that we have got to have more money, and it would seem that a million and a half of dollars from the State of Maine, or three million dollars combined funds with the State of Maine and the Federal government for the first year, and two million dollars from the State of Maine and two million dollars from the Federal government the second year, which second year is not affected by this amendment, giving us, seven million dollars that we are going to put into old age assistance in the next two-year period, is as far as we should go. I have no particular interest except as I personally may have about the matter.

On a basis of the million and a half rather than two million dollars the first year from the State of Maine, we can take care of 16,500 if we go the limit. If they should receive ten dollars a month as the State's part, which would probably be about the average, we can go to twenty-five thousand.

Now my fear is this: First of all, we must admit that it is something comparatively new, and I would hate awfully to see the State of Maine two years from now in a little deeper than they wished they had gone. I think we will all agree that if we take care of either 16,500 this coming year, or twenty-five thousand, or in between somewhere, which it will undoubtedly be, where we are only taking care of four thousand at the present time, that we have gone a long way. And I believe that with the re-investigation of old age assistance, removing certain cases that we are now carrying, and an equitable distribution of the money, that we will have gone upon as big a program as we should be expected to carry on, and I urge the passage of the amendment.

Mr. CARLETON of Alna: Mr.

Speaker, I move the bill and amendment lie on the table.

(Cries of "No, No.")

The SPEAKER: The gentleman from Alna, Mr. Carleton, moves that the bill be laid on the table, pending the adoption of House Amendment C. As many as are in favor of the motion will say aye; those opposed no.

A viva voce vote being taken, the motion did not prevail.

The SPEAKER: The pending question is on the motion of the gentleman from Skowhegan, Mr. Hinman, that House Amendment C be adopted.

Mr. OWEN of Bath: Mr. Speaker, the House members of the Pension committee were unanimously in favor of the figure of two million dollars per year, for this reason: We were informed by the Welfare Department that there are approximately twenty thousand persons who will be eligible for old age assistance under the terms of the bill, and that the average budgetary amount will be likely to be twenty dollars per person, an average which has varied very little since the beginning of old age assistance in this State. The State's share of that amount, ten dollars per person for twenty thousand persons, would amount to \$2,400,000 per year; but there seems to be a practical prospect that by scaling down somewhat the allowances, and through persons being taken care of in other ways, or being dropped from the list where the circumstances justified, it could quite reasonably be expected to be kept within two million dollars, and at the same time furnish pensions to practically all of those who come within the terms of the act. And it also seemed to us in the committee that to care for a little more than one-half or perhaps three-quarters of those who are eligible under old age assistance and leave somewhere from one-half to one-quarter of those who are eligible unprovided for, would create not only an injustice to those persons not provided for, but also would create discontent and furnish our opponents with a legitimate criticism of us when the next campaign rolled around. Now I personally am in favor, if we pass this bill, of providing money enough to carry it out, and, for that reason, I hope that this amendment will not be adopted.

Mr. MAXIM of Portland: Mr. Speaker, it seems that there is some error in figures. If this House sees fit to appropriate but a million and a half the first year, I am not going to oppose it; but, as I figure it, with a five per cent administration charge, we would have available under the figures \$1,500,000 for the first year only money enough for 11,875 recipients. That is on the basis of an average of ten dollars a month or one hundred and twenty dollars a year as an expense to the State. That is different from the figures of the gentleman from Skowhegan (Mr. Hinman) and I wondered if the gentleman had not made an error in estimating the number that would be benefited the first year.

Mr. CARLETON of Alna: Mr. Speaker, the committee on Pensions gave a lot of time and thought in regard to this; it took the matter up carefully in two or three executive sessions with the Commissioner of Health and Welfare, and he said that if we could not pass a pension measure here that would take care of all those who were approved to come under the old age assistance, we had better not have anything at all, because if you take a part of those people and give them pensions, and the others who are eligible do not receive them for two years, it is going to leave a lot of hard feeling toward the Legislature and toward the State of Maine, because some will say "Somebody in my town received old age assistance, and someone else who was just as worthy was denied because of the fact that they did not have money enough."

I feel, as this was taken up carefully with the Commissioner of Health and Welfare, and he recommended this, that if we cannot give them enough to take in all of the approved cases that we had better not have any.

The SPEAKER: The pending question is on the motion of the gentleman from Skowhegan, Mr. Hinman, that House Amendment C be adopted. Is the House ready for the question? As many as are in favor of the motion to adopt House Amendment C will say aye; those opposed no.

A viva voce vote being doubted,

A division of the House was had, Forty-five having voted in the affirmative and 69 in the negative, the amendment failed of adoption.

On motion by Mr. Owen of Bath, the bill was given its third reading and passed to be engrossed as amended by House Amendments A and B.

On motion by Mr. Gyger of Cumberland, it was voted to take from the table H. P. 1821, L. D. 955, bill an act to guarantee a minimum educational program and to provide for the equalization of educational opportunity for the youth of the State of Maine, tabled earlier in today's session on motion of the same gentleman, pending passage to be engrossed.

Mr. GYGER: Mr. Speaker, I now move that the bill be passed to be engrossed.

Mr. PAYSON of Portland: Mr. Speaker and Members of the House: I move that the bill be indefinitely postponed.

I have been called in this House already a one-eyed Payson. (Laughter) One gentleman hooted at me as being an owl. After I get through opposing this bill I would not care to hear what I might be called. Anybody who has the unmitigated nerve to fight against a bill that is labelled "Education", probably, in his lighter and better moments is guilty of arson, dog poisoning and stealing candy from children.

There are two arguments for this bill, as I understand it: One, for greater State support and control of education, a centralization project; and second to extend to the children of this State in the poorer communities a minimum educational advantage. On the first point, I have nothing to say; it seems to be the policy of the National administration, whether we choose to adopt it as a State policy—I do not care to go into it at this time. On the second point, that this is to extend the minimum of educational advantages to the children in the poorer communities, I raise serious question as to whether or not this is what this bill does. It seems to me that it gets at it in rather a peculiar way; in fact, it reminds me of Zeke Butterfield, who used to live up in Razorville. Razorville is a village in the town of Washington. If you do not know where that is, it is twelve miles from South Hope, on the Union road. This was back in the sixties. Back in those days there was a prohibitory law against the demon rum in the State

of Maine, but the law was more honored in the breach than in the observance. Every grocery store sold rum, but there was one exception, that you could not charge rum the same as you could charge flour and other groceries. Zeke knew that, and there were three grocery stores in town so in the fall he found his rum jug was empty. It was a two gallon jug, and he put two quarts of water in the bottom of it and started out. He went to the first store and put the jug on the counter and said to the storekeeper "George get a couple of quarts of rum and fill her up for me." So George took the jug and filled it up and handed it back to Zeke. Zeke says "Charge it." The storekeeper says "I cannot do it, I cannot charge rum." Zeke says "All right, take your rum out." George took out two quarts and Zeke took the jug to the second store and did exactly the same thing. Then he went to the third store and got the jug filled up, and when he got through he had got a gallon of as good rum as any man in town. (Laughter)

I suspect there is a little water mixed up in this education bill. I will assume that this Legislature never heard the word "taxes" before, and this being an educational measure, I will assume a school-marmish attitude and explain something about taxes to you.

When you get your tax bill in the fall of each year, you get three bills combined, your State tax, your county tax and your local tax. Now the State tax rate is set up here in the Legislature by the State, and at the present time it is seven and a quarter mills a thousand. The county tax is fixed by the county, and your local tax is fixed in your town. Now there are some things you can do about that tax. If you want to raise say thirty dollars in your town—let's take small figures—I am not used to Congressional methods—if you want to raise thirty dollars in your town—or sixty dollars—I will double it—suppose you set your tax rate at thirty dollars a thousand, and you value a certain piece of property at two thousand dollars, you get your sixty dollars. But there is another way of getting at that same thing: You can set your tax rate at sixty dollars and lower your valuation to one thousand dollars and still get your sixty dollars. Now if your

valuation is two thousand dollars, you have got to pay the State \$14.50; but if your valuation is only one thousand dollars, you have only got to pay the State \$7.25. So it sometimes happens that towns have high tax rates and low valuations.

Now this bill will be an added burden and an added hinderance to the equalization of valuations in the State of Maine. If you will look at your bill you will find it is based on two things: First, if twelve mills of valuation does not raise enough money, then the State will give money to that town; but first the State must have a tax rate above the average. So if they have a tax rate above the average, if they have a high rate and low valuation then the State will help them out on the educational bill.

Let us look a little further at this bill. The figures that I intend to use on it are taken from figures given me by the Department of Education. You have had a list of towns which would share in the equalization fund. I have before me a list of these towns which will receive tax reduction in education. These figures are prepared by the Department of Education. Here is a town in Androscoggin county which is already raising \$1,165 more than the minimum education requirement. They will get approximately two thousand under equalization, and they can use that for tax reduction. Here is a town in Aroostook which is only raising \$141 more than the minimum requirement. Here is another town in Aroostook which is raising \$5,008 more than the minimum program, and it will receive about \$3,000 through equalization that they can use for tax reduction. Here is a town in Hancock county which is already raising \$116 more than the minimum requirement. Here is another town in Hancock county that is raising \$768 more than the minimum requirement. Here is a town in Kennebec county that is raising \$1,288 more than the minimum requirement. Those are all towns that are sharing in equalization. This town in Hancock county will receive about \$3,700 which it can use in tax reduction; it does not have to use it for education at all and it can still maintain a standard above the minimum standard and save \$3,700 in taxes. Here is another town in Oxford county that raises \$3,000 more than the minimum require-

ment. Here is another town in Penobscot county that raises \$1,188 more than the minimum requirement.

Those towns are not specially selected; I have taken them as I went through. Here is the prize town of all, in York county. That town raises \$9,468 more than the minimum requirement now, and receives approximately \$2,000 from the State by way of equalization. They would make a beautiful tax saving. So out of the 236 towns that receive equalization, 187 will receive money which they can use for tax reduction.

I do not believe that the other towns and cities in this State are ready at this time to contribute tax reduction to these towns and cities. I am heartily in favor of an educational program; I will vote for any bill which provides that the towns that actually need this money for a minimum requirement will receive it, but I cannot vote for this bill which does not by its methods provide that result. (Applause)

Mr. GYGER: Mr. Speaker, just a few facts regarding this measure that I believe will interest the members of this House. This is not done in an endeavor to change your attitude toward education, because you have made up your minds on that, and I know from the make-up of this House that it must be nearly right. The standards that are set up in this bill for equalization of education are very modest indeed. The elementary of \$783, as perhaps you know, has been made up by arriving at a figure that was in operation here in Maine by the poorest communities in 1930. That \$783 is the product of twenty-seven pupils times twenty-nine dollars per pupil. The High School unit of \$1,305 is arrived at by taking averages all over the United States and finding how much more their high school program costs than their elementary school program. So we have taken our elementary school program and multiplied it by 1.6, which is the average throughout the United States. That is, the high school program costs about 1.6 times the elementary program.

I realize how difficult it is to work out a program that will not have the few exceptions that has been pointed out, but we have given many hours in trying to frame this program so the money will be spent most worthily. If there are some

towns that can use the money they receive for tax reduction, it is because they are already providing for school purposes beyond the average of the towns of the State—that is their appropriation for school purposes is beyond twelve mills.

That about covers the provisions of this measure. We set an elementary school unit of \$783 and a high school unit of \$1,305. If the community cannot raise enough money to support that minimum unit with a twelve mill tax, the State will come in and help them provide that minimum education.

Perhaps it is peculiar that a member of this House from Cumberland, which receives practically nothing under the bill, will stand up and support it, but I stand up and support this bill because it is fundamentally right. I would much prefer to support a measure of this kind, which has to do with the building of citizenship of the State of Maine, than I would any bill that has come before this House. I hope that the motion as made by the gentleman from Portland (Mr. Payson) will not prevail.

Mr. HIGGINS of Ellsworth: Mr. Speaker, I am pleased that I find myself in the position of the two previous speakers in that the city that I represent will receive nothing under this bill. This afternoon, in view of the motion of the gentleman from Portland (Mr. Payson) I want to read two very brief documents. This first one comes from the Democratic platform of 1936:

#### **"Education"**

"We favor an equalized distribution of educational opportunities for the youth of every city, town and hamlet of the State; and a fixed and adequate fund for the purpose of education."

Secondly, I want to read from the Republican platform of 1936:

"Believing that good citizenship and the continuous advancement of our civilization depend upon education, we recommend broader and more equitable educational opportunities for all the children of Maine."

That shows us where we all stand. All of us in the two parties, are dedicated to that particular program, to equalize educational opportunities in the State of Maine.

This is the bill that the best minds, or those best trained in edu-

cational matters at least, have considered throughout the fourteen weeks, and it seems to me that we are going to stand in the very unusual position if we should vote with the gentleman from Portland (Mr. Payson) who suggests that this bill be indefinitely postponed; and I certainly hope the motion of the gentleman will not prevail.

Mr. MCGAUGHY of Presque Isle: Mr. Speaker, I will not speak against this bill, but I wish to state a few facts I think the members ought to know before they vote. The gentleman from Portland, Mr. Payson, questions two things which I want to speak of, two facts that he based most of his argument upon, which should be produced here for your knowledge.

Now we will remember that the program calls for somewhere around a million and three quarters dollars for education. The committee on Education tried everything that they could find to produce the desired bill, and it was a hard job. No matter which way we produced the bill, it seemed to pinch here or there. We could not seem to get anything that would fit. I worked on it several days myself, producing different types of bills that I thought would work, and I would not be surprised if there is a large set of sheets down in the Library now which I worked out for every town in the State, a different type of equalization bill trying to find one that would work.

There are around four hundred and fifty towns in the State, and in working it out we had to go over every town, so as to get them equalized. It was a pretty hard proposition, but we produced this bill which calls for \$500,000. Now, therefore, do you not see that we have cut down our appropriation a great percentage in the first place, and, in the second place, we have had to create a bill that would fit the \$500,000.

Now the two things that I would like to bring out are these: The gentleman says that he questions the basis of valuation. I contend to you and to him also that one of the hardest things we had to take up was the mill basis. We used the mill basis of twelve mills as some standard. We had to have something to go by. In other words, if we intend to equalize for educational purposes, what are we going to use as a basis of equalization? I

searched my brain, and I could not think of anything else, I could not think of anything better.

Now the twelve mill basis that the gentleman attacks is about the average that the towns of the State raise for taxation for schools—that is a twelve mill basis of property tax for schools. Now this is one of the arguments that the gentleman gives: He says they have a low valuation in this town and a high valuation in another town. He is not questioning the bill; he is questioning the Tax Department, because it is the Tax Department of the State that sets the valuation on towns. Consequently, if our State Tax Assessor is not qualified to make an equal valuation on the towns, then we will need a new State Tax Department, because the Educational Department takes the State's Taxation Department figures to go by. I hope I have made that point clear. So I repeat, it is not the towns, in the end, that determine the question.

Now another thing that the gentleman questioned was that some towns might save money. The actual reason why that is so is this: Looking down through the sheet that was placed on your desks, you will find that some of the towns raise 12, 13, 14, 15, 16, 18, and, I think, as high as 24 and 25 mills for education. Now, when we stop to think some towns are raising 18 to 20 mills for education, do we not see they are taxing themselves pretty heavily, particularly when they are raising about ten per cent or one hundred mills for the whole educational program. This bill is saying in effect: "If you have raised more than twelve mills you have raised too much, so there you stop; you raise twelve mills and we will do the rest." That is where the equalization figure enters. I hope I have made those two points clear.

Mr. NEWTON of Readfield: Mr. Speaker and Gentlemen: I could not help thinking as my distinguished friend from Portland (Mr. Payson) was speaking that if he had remained in his native town of Hope he would have surely been in favor of this bill. Coming from the metropolis of the State, I am not very much surprised that he takes the position he does now. I wish he had stayed in Hope. (Laughter)

I would just like to say that the

committee did work long and hard, and, as the member from Presque Isle, Mr. McGaughy, has said, we spent a number of days trying to work out the best possible solution in solving the problem before us, and, after a long time, getting all the data we possibly could from the State Department, we arrived at the unanimous conclusion that the bill presented was the best thing we could give you, and I trust it will pass this House.

Mr. HINCKLEY of South Portland: Mr. Speaker, the gentleman from Portland, Mr. Payson, is very fond of stories and jokes. I wonder if I may tell a very short story.

The principal opponent of this bill before the committee was Mr. Barlow, Corporation Counsel of the city of Portland. The sole opponent of this bill here today is the gentleman from Portland, Mr. Payson, corporation counsel of the city of Portland. I wonder if he can see any joke in that?

Mr. PAYSON of Portland: Mr. Speaker, I have not before mentioned the name of the city of Portland in this House. I had not intended to either. The gentleman from South Portland (Mr. Hinckley) misstates when he says that Mr. Barlow was Corporation Counsel of Portland. If he is, then I have been fired and am out of a job.

I would like to refer back for just a moment—and then I will finish—to what the gentleman from Presque Isle (Mr. McGaughy) said. I agree with him that it is an almost impossible situation to find an answer to this question, but it is a known fact in this State that valuations of different towns vary anywhere from thirty per cent of true value to one hundred per cent of true value. Now the very premise on which this bill is based, twelve mills for the tax rate for schools, if they won't raise that amount of money in the town for education, it means that town has a low valuation, because other towns can raise enough money on twelve mills to pay for their schools. So the proposition is self-evident on the face of it.

Mr. PHILBRICK of Cape Elizabeth: Mr. Speaker, like the gentleman from Cumberland (Mr. Gyger) I represent two towns here which do not get one cent from this bill. Furthermore, there is only one town in my county that gets one cent from it; but I hope if

any member of this House ever attempted to accuse the representative from Cumberland county of being selfish they will stop and remember that I am saying now that in spite of that fact I intend to support this bill. I am glad that the gentleman from Ellsworth (Mr. Higgins) quoted the two party platforms. I was a member of the platform committee at the last Republican convention, and was glad to have a part in adopting the plank which he read. I feel it is not only my duty as a party member but as citizen of the State to support any bill to further the purposes of that platform. (Applause)

Mrs. CURRIER of Bangor: Mr. Speaker and Members of the House: It was my privilege and pleasure to serve on the committee on Education for this year, and I can assure you that we worked early and late trying to find the fairest basis for this equalization fund.

I represent another of the large cities in the State, Bangor, and, under the provisions of this bill, not one cent goes to my city, yet, in spite of that fact, I am very much in favor of this bill, and I hope that the motion of the gentleman from Portland (Mr. Payson) does not prevail. (Applause)

Mr. PAUL of Portland: Mr. Speaker. I did not intend to make any remarks on this educational bill. I can only endorse all that my good colleague, Mr. Philbrick, has said, with reference to Cumberland County. We have one town that will participate. I am one of those who firmly believe that education is one of the foundations of civilization, and I should feel guilty not to support this bill. (Applause)

Mr. FLANDERS of Auburn: Mr. Speaker, I think we are all interested in giving education something this year, and I think we have gone a good way in bringing it down from \$1,700,000 to \$500,000.

I have great confidence in the Educational Committee. I think they have worked hard to present something to this Legislature that would equalize the educational bill. No doubt any proposition they could put up might have some flaws in it. I certainly hope that this House stands back of the recommendations of the Educational Committee.

Mr. MAXIM of Portland: Mr. Speaker, I am sorry to find myself in disagreement with my colleague

from Portland, Mr. Payson. I think he has quite clearly pictured to you the arguments of our City Manager and others who are well known as opponents of perhaps any educational measure, any equalization measure. I will say that if we keep bandying this question about in session after session of the Legislature, we are not going to get anywhere in the direction of assisting the school system of the State.

I think it is a fair statement that if it were possible for the State Assessor to equalize the valuation of Maine without the creation, or even with the creation, of the administrative districts that it is proposed in the new administrative bill to create, it would take at least ten years to accomplish it; and if Mr. Henry F. Long, who talked to a group here in this House on the matter of taxation about six weeks ago, was right, you can never absolutely equalize the valuation in any state. Mr. Long said that it was quite impossible to do that, although I think he did not oppose reasonable efforts in that direction. Now Mr. Holley is certainly using all reasonable efforts to equalize valuation and those efforts are not going to be discontinued when we leave this session of the Legislature. He is going to keep right on, and as time goes on, that probably can be approached somewhat more nearly; but if we are going to refuse to do anything for education just because we are unable to get to any exact equalization of the valuation of the State, we will never do anything for education.

Now I think it is fair to give the school system of the State approximately or perhaps a little more than it has lost by reason of the decline in the assessed valuation of the State. As you all know, the valuation of the State has declined in the last six years about \$96,000,000, and the difference to the school system represents about \$340,000. Now if you deduct that from the \$500,000 proposed in this bill, all you are really giving them in addition to what they had in 1930 is \$160,000.

Now this program has been worked out by the best minds we have in this Legislature and by people who are thoroughly familiar with educational matters. It is their judgment that \$500,000 is going to do so much for the school system that they are willing, at

least for the time being, to abandon any effort to get their full program of something like \$1,700,000. Now if it were proposed in this bill to add to the mill tax of the State, which falls on real estate and tangible personal property, I should probably find myself inclined to defer action until some future date. I think it is generally conceded that general property is carrying all the burden it can, but it is well known that we must have and intend to have a new tax program to bring into being new taxes based on new basis. The real estate tax, as represented by the State property tax, will not be affected. It simply means that as a citizenship of approximately 800,000, we are contributing \$500,000 more to the school system.

In view of the statements of the gentleman from Ellsworth (Mr. Higgins), which I am very glad he made here, it is perfectly apparent that both parties in their platforms pledged themselves to do something for the school system. Now did we mean what we said or were we just paying lip service to the cause of education? I was present at that Bangor Convention and took part in the deliberations as a delegate, and I want to take my share of the

responsibility, however little it may have been, for the adoption by the party of this particular declaration in favor of some aid to the school system. I believe that we should do ourselves discredit, and the school system harm, if we went away from this session of the Legislature, having again done lip service only to the cause of education and appropriated no money for the school system. (Applause)

The SPEAKER: The pending question is on the motion of the gentleman from Portland, Mr. Payson, that the bill be indefinitely postponed. Is the House ready for the question? As many as are in favor of the motion of the gentleman from Portland, Mr. Payson, that the bill be indefinitely postponed will say aye; those opposed no.

A viva voce vote being taken, the motion to indefinitely postpone did not prevail.

Thereupon, the bill was passed to be engrossed and sent up for concurrence.

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On motion by Mr. Ellis of Rangeley,

Adjourned until ten o'clock tomorrow morning.