

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

Legislative Record

OF THE

Eighty-Eighth Legislature

OF THE

STATE OF MAINE

1937

KENNEBEC JOURNAL COMPANY  
AUGUSTA, MAINE

## SENATE

Tuesday, March 2, 1937.

Senate called to order by the President.

Prayer by the Reverend Edwin Cunningham, of Augusta.

Journal of Friday, February 26th, read and approved.

## Order

(Out of Order)

Mr. Willey of Cumberland, out of order and under suspension of the rules, presented the following order:

Ordered, the House concurring, that a joint committee, consisting of three members on the part of the Senate appointed by the President of the Senate and three members on the part of the House appointed by the Speaker, be authorized and instructed to forthwith investigate the conduct of the affairs of the state and each and every department thereof for the purpose of determining what, if any, economies may be effected in the administration of the affairs of the state, with full power vested in the committee to summons and require the attendance of witnesses, the production of records, books and papers, and to take evidence pertinent to said matters. Said committee shall make prompt report to this legislature now in session of its findings and recommendations as to such economies, as in their opinion may be made together with any bill or bills for appropriate remedial legislation, which bill or bills shall be received in either branch of this legislature regardless of the cloture rule heretofore adopted by this legislature.

Mr. WILLEY of Cumberland: Mr. President, on January 7th, 1937, this legislature in joint convention assembled listened to the inaugural address of the Honorable Lewis O. Barrows, Governor of the State of Maine. The Governor said in part: ". . . it is easily possible to effect economies to some considerable extent . . .". In other parts of his address Governor Barrows made the following statements: "In my opinion we face a financial situation which can only be described as desperate."; "A fearless regard for the rights of the people is required of each of us."; "Our entire credit and borrowing capacity had been exhausted before we assumed our present positions."

This condition, as we all know,

was occasioned by Governor Brann's "Showboat Administration" of the affairs of the state of Maine during the past four years. Yet during the nearly nine weeks that this legislature has now been in session I have heard the word "economy" spoken during that inaugural address but never have I heard so much as a whisper, or word of economy, since, but rather have I heard, "taxes, taxes, taxes, and more taxes." It must be that some people are sitting up nights burning the midnight oil and thinking of new and novel tax schemes to thrust more taxes upon our people.

Let me recite a few of these new proposals to tax the citizens of Maine whom we are supposed to be representing and whose rights we are supposed to be fearlessly guarding. These measures are here before us for our consideration. I hope, however, that we may be able to substitute economy in their stead.

Listen, if you will please, to a few of these proposals copied from the Acts which have been presented to this legislature for consideration: a tax on chain stores, a tax on amusements, tax on liquor, tax on malt beverages, tax on tobacco, tax on soft drinks, tax on soft drink syrup, excise tax on corporations supplying electricity, tax on admissions, tax on gasoline, tax on cosmetics, tax on privilege of selling at retail, tax on incomes of individuals, tax on incomes of partnerships, tax on franchises of corporations, tax on small loan agencies, tax on motor vehicles, tax on hotels, tax on roadside camps, tax on billboards, a cigarette tax, an excise tax for owning land, an excise tax to heirs, a tax for building and repairing roads in unincorporated places, and last but not least an Act creating a department of taxation.

Well, if we pass all these taxes we will need not only one department of taxation but instead we will need about a hundred departments; we would create an expense of collection so great that new and different taxes would have to be imposed to collect the first ones that had been enacted.

Now, all these newly suggested levies on our already suffering taxpayers of Maine seem to me to be not only ridiculous but outrageous as well. Where has anyone been heard to plead for economy? Where has anybody been heard to plead for the poor, suffering taxpayer?

And, mind you well, all these proposed taxes are in addition to the mighty levy contained in Legislative Document No. 242 which places a burden of nine million, eight hundred and thirty-six thousand five hundred and sixty dollars on our people of Maine for the years 1937 and 1938.

Where, then, lies the solution? In by-gone years many a man has found guidance and help by referring to the Bible and we can well now refer to the Bible. I call your attention to these words: "In the days of prosperity be joyful, and in the days of adversity, consider." This, therefore, certainly is a time for consideration, not haste, not extravagance, but economy, wise economy. There never has been a period in our state when there was greater need of wise and constructive economy in our state expenditures, than today. The taxpayers of Maine are bearing an intolerable burden. The mounting volume of tax delinquency gives eloquent testimony to that fact.

There is no relief in sight to the suffering taxpayers of Maine unless this legislature boldly takes it up and does something. There is no need of magic; just plain horse-sense will do the job. The Governor has told us that the credit of the state is exhausted. What would any intelligent individual do if he had no money and his credit was exhausted? The answer is perfectly simple. He would retrench; he would save; he would economize.

The state is but a group of individuals. Yet no one has been heard to raise a voice to save. But save we can if we try. No wise or constructive legislation can be passed until we determine how much money we have got to raise. To determine that we must first determine what our deficit actually is. We must then determine how much we can economize. And economize we must, or the majority party of this year will be the minority party of 1939. With these matters determined we can proceed wisely and intelligently, but not otherwise.

In the interests of the taxpayers of the county of Cumberland, which I represent, and in the interests of the taxpayers of the entire state, I urge the passage of this order.

Mr. President, I move that this order receive passage.

Mr. FERNALD of Waldo: Mr. President, it would seem to me that

this session of the Maine legislature has been over emphasizing the importance of taxation. It would seem to me that it is not yet too late in this session to consider ways and means of lessening the burden of taxation rather than of increasing the tax burdens. It would be well for us to recall our campaign pledges of economy, of no more taxes, of reduction of the public debt and of similar glittering generalities so glibly urged upon the electorate of Maine during the heat of the last political contest.

You know and I know that History is the voice of the accumulated wisdom of mankind, which has grown out of experience down the ages. There is no possible way in the human scheme that we may safely chart the future course except by turning to the past and reading there the lessons which history teaches. It ought not to be forgotten that civilization has existed for many thousands of years, and that our civilization of today is the culmination of the progress and mistakes, particularly the mistakes of those in the past.

You know and I know that the history of that civilization shows that we have not a single problem today in this state that is new to mankind. History shows, too, that every device of trying to solve those problems by seeking to evade the right solution, by trying to create new fundamentals of government and economics, has failed, has enslaved the people, and in the end wrecked the nations and retarded civilization.

For that reason it seems to me that to turn to the historians, to the students of government at this time, in viewing the question of taxation and economy is perhaps the soundest and wisest method.

In 1931 Hon. Frank H. Holley, Chairman of the Maine Board of State Assessors said:

"It is apparent that there is much unrest, a decided lack of confidence and a certain timidity which is playing havoc with our people, even in this substantial, sturdy state of which we are all so proud. It is the opinion of many that one of the first steps to steady the shattered nerves of the taxpayer is to indicate a program of rigid economy in public affairs.

"If this spending spree is quieted many struggling communities will regain their positions and find

themselves upon a firm foundation with a contented people, happy in their pursuits of home life. In the end this will mean returned prosperity and independence. The only way to reduce taxes is to spend less money from the public treasury."

Yet these words of warning fell on deaf ears. The formation of the revenue system of Maine as in many of the states has not seemed to follow intelligent design. The system has been built largely piecemeal; has been guided in growth sometimes by legislative thoughts of expediency, at other times by the wiles of the demagogue who too often speculates upon the credulity of the uninformed, and at still other times by those able to influence legislation for their own selfish purposes.

There is needed in Maine at this time an organized group of public-spirited citizens who, in the economic and social interests of the whole people, will maintain a vigilant watch on all revenue proposals, and by constant research will seek to discover and disseminate tax facts and principles which are pertinent to the general welfare.

More reliance should be placed on progressive income and inheritance taxes as sources of governmental revenue. Students of public finance generally have accepted the theory of ability to pay as a proper and desirable basis of taxation. In our present economy, incomes and inheritances form the best index of such ability.

Thoughtful consideration should be given to the proposal for the gradual removal of taxes from improvements in or on the land, and from machinery, tools and personal property, whether tangible or intangible; accompanied by an increased tax on site values, and a moderate periodic increment tax on land value increases.

Full publicity should be given to the numerous administrative, economic and social defects which have been generally recognized by students of public finance as inherent in a general sales tax.

Reduction of public expenditures where necessary, should be sought through carefully studied constructive economies rather than through indiscriminate budget slashing.

It should be understood that the social implications of the repeal of the eighteenth amendment greatly outweigh in importance the revenue aspects of repeal.

You know and I know that the taxes on alcoholic liquors as well as the taxes and license fees upon the traffic in such liquors should be so devised as to promote temperance and at the same time to discourage illicit trafficking in such beverages.

Today in Maine we, as humble servants of the people who elected us to the state Senate, must carefully, cautiously, openly, soberly and fairly approach the question of the imposition of more and newer taxes upon our constituents. We must realize our power and not forget our responsibilities, for the power to tax, which is our power, is the power to destroy, and the abuse of such power would be contrary to the spirit of our representative form of government. In connection with liquor taxation, the problem of justice is not to be passed over lightly. Tax authorities and economists are agreed that all consumers' taxes on articles broadly used fall more heavily upon the poor than upon the rich and this is especially true of the tax on beer so summarily imposed last week by the Maine legislature.

I hope that this legislature will not continue to arbitrarily impose taxes upon the people of Maine without well advertised and open hearings and sufficient breathing spells for the people back home to register their approval or disapproval of any and all proposed tax legislation.

The emergency clause so frequently used by the legislature in the past few years has become a method and device of well organized minorities to change our regularly constituted constitutional legislative branch of government into a personal legislative assembly without the right of appeal to the fountain of all sovereignty in our democracy—the people of Maine. I am still sticking by our Maine Constitution in spirit as well as in fact.

St. Paul was right when he said, "And every man that striveth for mastery is temperate in all things." In 1513 Machiavelli wrote "The Prince" for the instruction of the Medici after they had just regained power in Florence. It seems to me that this book is still a useful source of reference for all those in power and hopeful of continuing in power. Especially so is Machiavelli's chapter on "How Flatterers Should be Avoided".

Between 1200 and 1500 B. C., Manu, the Indian sage and lawgiver explained that taxes should not be levied on the capital but on the income of tax payers because otherwise taxation would check the productive use of capital and lessen production.

In 1776 Adam Smith, the father of public finance, gave us his four great canons of taxation. (1) Equality. (2) Certainty. (3) Convenience. (4) Economy.

We talk glibly of bringing government home to the people and the people home to the government. This can mean much or little. Constitutional government means that it is representative and is limited, or it means nothing. When we say the people rule, we mean, of course, someone rules for them. It cannot be otherwise. In government, under the most perfect of constitutions, things do not just happen, someone must do them. That is why men are quite as important as principles; why courage and sanity and honesty in leaders are as important as their political philosophy. Aristotle thought free government was possible only if a state could be kept small and simple, where men could know their representatives and watch them.

Occasionally in the past the Maine legislature has been about as ruthless in over-riding the liberties of men as the Federal Government, but the remedy is easier. Abuse is more readily corrected. Public opinion can better make itself felt. If a law represents the prevailing sentiment it can be enforced. If it does not, it can be repealed. Let the men who vote the taxes and pay the taxes have the voice in spending the taxes. Bring government back close to the people so that corruption or inefficiency will seem more real to them; and so that government itself will seem real and personal and not something remote, impersonal, arbitrary and abstract. This will stimulate a broader and more intelligent political interest.

Let us also remember that as legislators our duty includes reduction in public expenditures, and the abolition of frills in government as well as the duty of providing new revenues for new necessary public functions. Let us also, as legislators, face the duties incumbent upon us calmly, soberly, quietly, openly and courageously, ever aware of the fact that if our job requires added

thought and deliberation that we will pledge ourselves to stay on the job till it is done and refuse to make the mistakes of former legislators inevitable in the confusion, noise, rush and hilarity of the late night and all night closing sessions of the legislature.

In the field of taxation if we could first know where we stand and whither we are tending, then we could better judge what to do and how to do it and close this all important 1937 session with a personal feeling of having fought the good fight, of having finished the course and of having kept the faith with our masters, the people of Maine.

Mr. WENTWORTH of York: Mr. President, I move the order lie on the table.

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

The PRESIDENT: The motion of the Senator from York, Senator Wentworth, takes precedence over the motion of the Senator from Cumberland, Senator Willey, and the pending question is whether the order shall be tabled. The Senator from Cumberland, Senator Willey, asks for a division.

A division of the Senate was had. Twenty-five having voted in the affirmative and three opposed, the order was laid upon the table, pending the motion for passage of the order.

Papers from the House disposed of in concurrence.

### Communication

Communication from the Revisor of Statutes to the Senate, submitting list of acts and resolves in the hands of the Revisor at the time the closure rule became effective.

Which was read and accepted and ordered placed on file.

### First Reading of a Printed Bill

Bill "An Act to Incorporate the Calais School District." (S. P. 409) (L. D. 786)

### Passed to Be Engrossed

"Resolve in Favor of John S. Nelson, Representative of the Penobscot Tribe of Indians." (H. P. 172) (L. D. 770)

"Resolve in Favor of William Sockabasin, Representative of the

Passamaquoddy Tribe of Indians." (H. P. 850) (L. D. 771)

Bill "An Act Relating to Town Meetings of Town of Boothbay." (S. P. 90) (L. D. 88)

Bill "An Act Relating to Issue of Stocks, Bonds and Notes by Public Utilities." (S. P. 117) (L. D. 258)

(On motion by Miss Martin of Penobscot, tabled pending second reading.)

Bill "An Act Relative to the Issuing of Capital Stock by Railroad Corporations." (S. P. 118) (L. D. 259)

Bill "An Act to Incorporate the State of Maine Publicity Bureau." (S. P. 201) (L. D. 291)

Bill "An Act to Authorize the Maine Automobile Association to Change its Form of Organization." (S. P. 248) (L. D. 399)

(On motion by Miss Martin of Penobscot, tabled pending second reading.)

Bill "An Act Relating to Appeals from Magistrates." (S. P. 331) (L. D. 586)

"Resolve Relating to the Taking of Clam Worms." (S. P. 406) (L. D. 784)

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

Sent down for concurrence.

### Orders of the Day

On motion by Mr. Tompkins of Aroostook, the Senate voted to take from the table, Senate Report from the Committee on Education, "Ought Not to Pass" on An Act Relating to Basic Science, (S. P. 276) (L. D. 500), tabled by that senator on February 25th pending acceptance of the report; and on further motion by the same Senator the report was accepted.

Sent down for concurrence.

On motion by Mr. Hussey of Kennebec, the Senate voted to take from the table, Resolve in favor of Propagation of Lobsters, Shad, etc. (H. P. 1613) (L. D. 766), tabled by that Senator on February 24th, pending reference in concurrence; and on further motion by the same Senator the resolve was referred to the Committees on Appropriations and Financial Affairs and Sea and Shore Fisheries jointly, in concurrence.

On motion by Mr. Friend of Somerset, the Senate voted to take from the table, An Act to Amend and Extend the Charter of Kennebec Reservoir Company, (S. P. 238), tabled by that Senator on February

9th pending reference; and on further motion by the same Senator the bill was referred to the Committee on Judiciary.

Sent down for concurrence.

On motion by Mr. Worthen of Penobscot, the Senate voted to take from the table, Resolve to Regulate Fishing in Sebago Lake in the County of Cumberland, (H. P. 74) (L. D. 30), tabled by that Senator on February 26th, pending motion to indefinitely postpone.

Mr. WORTHEN: Mr. President, I now yield to the Senator from Cumberland, Senator Goudy.

Mr. GOUDY of Cumberland: Mr. President and Members of the Senate, in view of the fact that this bill received a favorable report by the Committee to the extent that it was unanimous, and inasmuch as I have received information over the week-end that warrants my action, I will, at this time, ask permission to withdraw my motion to indefinitely postpone.

Unanimous consent was granted to withdraw the motion to indefinitely postpone.

The PRESIDENT: The question is now on the final passage of the resolve.

Thereupon the resolve was finally passed, in concurrence.

On motion by Mr. Fernald of Waldo, the Senate voted to take from the table, An Act Relating to Homesteads (H. P. 1329) (L. D. 489), tabled by that Senator on February 19th, pending second reading; and on further motion by the same Senator, the bill was given its second reading and passed to be engrossed, in concurrence.

On motion by Mr. Cook of Somerset, the Senate voted to take from the table, House Report from the Committee on Inland Fisheries and Game, "Ought Not to Pass" on Resolve Relative to Fishing in Youngs or Lost Pond (H. P. 1007), tabled by that Senator on February 25th pending acceptance of the report in concurrence; and upon further motion by the same Senator the report was accepted, in concurrence.

The PRESIDENT: Is there any further business to come before the Senate?

On motion by Mr. Graves of Hancock

Adjourned until tomorrow morning at ten o'clock.