

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

SENATE

Tuesday, April 13, 1937.

Senate called to order by the President.

Prayer by the Reverend E. J. Webber of Hallowell.

Journal of yesterday, read and approved.

From the House:

Bill "An Act Relating to Insanity as Cause of Divorce." (H. P. 669) (L. D. 214)

(In Senate, indefinitely postponed in non-concurrence.)

Comes from the House, that Body having insisted on its former action whereby the majority report, "Ought to Pass," was accepted, and now asking for a Committee of Conference, the Speaker having appointed as members of such a Committee: Mr. Thorne of Madison, Mr. Dow of Norway, Mr. Bird of Rockland.

In the Senate, on motion by Mr. Willey of Cumberland, that Body voted to insist on its former action and join with the House in a Committee of Conference. The Chair appointed as members of such Committee on the part of the Senate, the Senator from Cumberland, Senator Laughlin; the Senator from Cumberland, Senator Willey; and the Senator from Waldo, Senator Fernald.

House Bills and Resolves in First Reading

"Resolve in Favor of L. D. Chandler of Boston, Massachusetts," (H. P. 343) (L. D. 1006)

"Resolve in Favor of Harry C. Austin & Co., Ellsworth, for Burial Expenses of Mark Arsenaault, Having no Known Settlement in the State," (H. P. 802) (L. D. 1005)

"Resolve to Reimburse the Town of Benton, for Burial Expenses of J. Wilkes Hall, a veteran of the Civil War," (H. P. 987) in a new draft (H. P. 1843) (L. D. 1000)

"Resolve Reimbursing the Town of Stonington, for Support of Harry Taylor," (H. P. 1137) in new draft (H. P. 1844) (L. D. 999)

"Resolve Bonus Granted to John Charles Maher of Old Town," (H. P. 1487) (L. D. 1003)

"Resolve in Favor of Guy E. Babcock, of West Gardiner," (H. P. 650) in new draft (H. P. 1842) (L. D. 1001)

"Resolve in Favor of Henry E. Redmond, of Solon," (H. P. 181) in new draft (H. P. 1841) (L. D. 1002)

"An Act Relating to the Extension of the Jurisdiction of Municipal Courts in Certain Cases," (H. P. 1666) L. D. 788) in new draft (H. P. 1851) (L. D. 1007)

"An Act Relating to Automobile Junk Yards," (H. P. 1671) (L. D. 803) in new draft (H. P. 1845) (L. D. 996)

"Resolve Relating to the Taking of Shellfish and Worms within the Limits of the Town of Yarmouth, North Yarmouth and Cumberland," (H. P. 1181) (L. D. 437)

"An Act Regulating the Sale of Liquor Near National and State Homes," (H. P. 1600) (L. D. 662) in new draft (H. P. 1849) (L. D. 1008) under new title, bill "An Act Regulating the Sale of Liquor Near National Homes."

"An Act Relating to Licenses of Importers of Malt Liquors; Emergency," (H. P. 1464) (L. D. 673) in new draft, (H. P. 1848) (L. D. 1009)

Which reports were read and accepted in concurrence, the bills and resolves read once and under suspension of the rules, read a second time and passed to be engrossed in concurrence.

From the House:

Bill "An Act Relating to Pension for State Employees." (S. P. 133) (L. D. 169)

(In Senate on March 24th, passed to be engrossed.)

Comes from the House, indefinitely postponed in non-concurrence.

In the Senate, on motion by Mr. Beckett of Washington, that Body voted to insist on its former action and ask for a Committee of Conference.

Thereupon, on further motion by the same Senator, the Senate voted to reconsider its action, just taken, and the bill was laid upon the table pending the motion to insist and ask for a Committee of Conference.

First Reading of Printed Bills

"Resolve for Repairs on the Kingman Bridge." (S. P. 504) (L. D. 1024)

Which resolve was read once, and under suspension of the rules, read a second time and passed to be engrossed.

Sent down for concurrence.

Reports of Committees

Mr. Friend from the Committee on Ways and Bridges on bill "An Act Relating to the Mount Desert Bridge," (S. P. 121) (L. D. 130) reported that the same ought not to pass.

Which report was read and accepted.

Sent down for concurrence.

Mr. Marden from the Committee on Temperance on bill "An Act to Clarify the Administration of the Liquor Laws," (S. P. 403) (L. D. 768) reported the same in a new draft (S. P. 510) under the same title, and that it ought to pass.

Which report was read and accepted, and the bill laid upon the table for printing under the joint rules.

Orders of the Day

On motion by Mr. Ashby of Aroostook, the Senate voted to take from the table An Act Relating to Emergency Municipal Finance Board (S. P. 179) (L. D. 254) tabled by that Senator on April 12th pending motion to indefinitely postpone Senate Amendment "B."

Thereupon, on further motion by that Senator leave was granted to withdraw Senate Amendment "B."

The same Senator then offered Senate Amendment "C" and moved its adoption: "Senate Amendment C to Senate Paper 179, Legislative Document 254, entitled, 'An Act Relating to Emergency Finance Board.' Amend said bill by striking out in the second paragraph thereof the words 'six months' and substituting in place thereof the words 'one year. Further amend said bill by inserting at the end of the second paragraph thereof after the word 'indebtedness' the following: 'provided that a petition so to do is presented to said Board signed by at least ten per cent of the real estate tax payers in the city, town or plantation involved.'"

Miss LAUGHLIN of Cumberland: Mr. President, I wish to oppose this amendment on the same grounds that I stated yesterday. As I said then, we are perfectly satisfied with that part of the amendment which extends the time from six months to one year in which the taxes must be in arrears.

I wish to speak against the second part of the amendment which is practically the same as the

amendment offered yesterday, that we require a petition signed by at least ten per cent of the real estate tax payers. I believe that when a town has been in arrears of taxes for one year and have also been on relief from state funds that that should be sufficient. I am therefore opposed to the second part of Amendment "C."

On motion by Mr. Goudy of Cumberland, Senate Amendment "C" was read a second time.

Mr. GOUDY of Cumberland: Mr. President, may I ask a question through the Chair of the Senator from Aroostook (Senator Ashby)?

The PRESIDENT: The Senator may ask his question, through the Chair, of the Senator from Aroostook, Senator Ashby, who may reply if he wishes.

Mr. GOUDY: Senator Ashby, do you intend by this amendment that it shall be ten percent in the number of tax payers or ten percent of the amount that is paid?

Mr. ASHBY: Ten percent of the number of tax payers. My reason for offering that amendment was because we were told that the real estate tax payer in those towns wished the state to take over a town under those circumstances, and when the vote is taken I ask for a division.

The PRESIDENT: The question before the Senate is on the adoption of Senate Amendment "C" to Legislative Document 254, An Act Relating to Emergency Finance Board and the Senator from Aroostook, Senator Ashby, asks for a division.

A division of the Senate was had. Seventeen having voted in the affirmative and eleven opposed. Senate Amendment "C" was adopted.

Miss LAUGHLIN: Mr. President, it seems to me that Senator Ashby should at least clarify that amendment so that it will show that it is ten percent in number instead of ten percent of the amount of taxes.

Mr. ASHBY: Mr. President, I will say that I have clarified that once but I am willing to do it again. I means ten percent of the number of real estate taxpayers.

Thereupon, on motion by Mr. Spear of Cumberland, the bill as amended by Senate Amendment "C" was laid upon the table pending second reading.

On motion by Mr. Willey of Cumberland, the Senate voted to take

from the table Senate Report from the Committee on Aeronautics and Radio Control "Ought Not to Pass" on An Act To Create the State Aeronautical Commission (S. P. 217) (L. D. 390), tabled by that Senator on April 12th pending acceptance of the report.

Mr. WILLEY: Mr. President, for the sole purpose of offering an amendment I move to substitute the bill for the report.

The bill was substituted for the report.

Thereupon, the same Senator offered Senate Amendment "A" and moved its adoption: "Senate Amendment A to Legislative Document 390, An Act to Create a State Aeronautical Commission. Amend said bill by striking out Section Eight thereof."

Mr. WILLEY: Mr. President, if the members of the Senate will turn to Legislative Document 390 they will notice that Section Eight provides for payment of the reasonable expenses which may be allowed by the Governor and Council for an Aeronautical Commission.

Now I would like to start at the beginning of this bill. We have thus far in Maine received several million dollars in appropriations for airports from the government which has been extended in the different cities and municipalities, but there is need of some work being done in the nature of recommending certain emergency landing fields between these good airports that we already have in Maine. Now, that does not mean that we have got to go to the expense of making runways but it would simply mean that we might paint white rocks on some vacant fields so the aviators in the air could see them. It would not mean that you would have to do away with your crops at all and if a plane has trouble in the air the pilot could look at his map and see where the emergency field was located and then could land in that field. It wouldn't make any difference whether there was a garden there or hay, it would be a place where he could land in an emergency.

That is the purpose of this bill, to have someone make that investigation and report to the Secretary of State the necessity of having such a landing field, and then the Secretary of State in turn could recommend to the Governor and Council but not in any event would this commission be paid one cent

and in no event would they be paid one cent of their expenses.

Now, the second thing was this matter of maps. If you go to Florida by plane the first thing you find is a beautiful map of Florida showing the leading hotels and airports and points of interest throughout the state, and on the map will be marked aeronautical courses and distances, and the maps are distributed by the department which is similar to our Maine Development Commission, to the different airports so that the people coming in can readily have a map to turn to for their guide in the state. That would be a matter of very little cost provided it was felt advisable by the Secretary of State and again by the Governor and Council.

Now this bill as it now is, does not cost the State of Maine one cent. It provides that only a man who is the owner of a plane or who has had a pilot's license may qualify as one of the commissioners, which is perfectly proper and fitting because we should have a man experienced in these matters serve on that committee so that his advice to the Secretary of State would be of value to the state.

Now, we have seen airports in Maine go down because there was no one to go out and work for their interests. Now I know that there are more than three men in Maine who would be perfectly willing to serve on this commission absolutely gratis and pay their own expenses for the furtherance of the interests of aviation in the state of Maine. It seems to me that there is absolutely no reason why this bill should not have passage here as amended, taking out the expenses. Perhaps the unanimous "Ought Not to Pass" report of the Committee was partly on account of expenses and partly on account of the statement that the maps would have to be paid for by the Maine Development Commission and that the Highway Commission might have to pay for painting the rocks on the emergency landing fields. But I call your attention to the fact that in each instance there is a double check - up, first the commission recommends to the Secretary of State, whom you all know; Mr. Robie, who was a flier in the War and is amply qualified to pass on these matters.

Now, the commission must report to him. If he thinks it is a good scheme, he goes to the Governor and Council, but in all events they go to the Secretary of State first, who is a flier, and the Governor and Council have got to agree and approve everything recommended by the commission before a dollar can be spent.

There is a double check on it and it can do us no harm, and I ask that the bill as amended have passage. I think it will be a great help to the state of Maine.

THE PRESIDENT: The pending question is on the adoption of Senate Amendment "A". Is the Senate ready for the question?

Thereupon, Senate Amendment "A" was adopted and under suspension of the rules the bill was given its two several readings and passed to be engrossed as amended by Senate Amendment "A."

Sent down for concurrence.

On motion by Miss Martin of Penobscot, the Senate voted to take from the table bill An Act Relating to Lobster Fishermen's licenses (S. P. 1572) (L. D. 624), tabled by that Senator on April 9th pending passage to be engrossed; and on further motion by the same Senator the bill was passed to be engrossed.

Sent down for concurrence.

On motion by Miss Laughlin of Cumberland, the Senate voted to take from the table House Report from the Committee on Judiciary, Majority Report "Ought Not to Pass," Minority Report "Ought to Pass" on bill, An Act to Incorporate the Insurance Finance Corporation (H. P. 1904) (L. D. 347) tabled by that Senator on April 8th pending acceptance of either report.

MISS LAUGHLIN of Cumberland: Mr. President, may we have the reports read by the Secretary, please.

(The Secretary read the report)

MISS LAUGHLIN: Mr. President, I now move the minority report "Ought to Pass" be accepted. You will notice I am on the other report. I would like to say first that I would like to have this minority report accepted in order that I may present an amendment. I have other reasons too which I will present. As I understand the majority report against the bill was that the powers were too broad as expressed

in the bill, for the corporation. Now those who sponsored the bill have presented an amendment which makes the bill if amended, satisfactory, both to the Attorney General's office and to the Banking Commissioner and limits the powers of this Insurance Finance Corporation to simply do business for the purpose for which they claim to be established, namely to finance insurance policies. We are familiar with companies that finance the payments for automobiles on the instalment plan. They finance that. This company proposes simply to finance the paying of insurance on the instalment plan. They can not be incorporated under the general law as long as they accept money. So to do business at all they have to be incorporated by this act. There are numerous companies in Massachusetts particularly doing this business. There are none in Maine because it requires special incorporation.

Now the sole purpose of this bill is to permit this company to do business along the line of the automobile finance instalment plan but on the instalment plan of the payment of insurance policies. Certainly it seems we ought to give as much opportunity to persons who can not pay the total amount of an insurance policy in one month, to be able to be carried by a company which will permit them to pay it in instalments. As much for that as for companies which permit payments for automobiles in instalments. Therefore if the minority report is accepted it will simply permit this company to do business along a limited line, namely, the financing of insurance policies. It has now received the approval of the Attorney General's office and of the Commissioner of Banking. I move first the adoption of the minority report in order that I may consent to this amendment.

MR. FERNALD of Waldo: Mr. President, I believe the report has now dwindled to six "Ought Not to Pass" and four "Ought to Pass." My position in this matter is this, that first, we should not set up any special group to do this business. Secondly, we are just inviting people to come to the next session of the legislature and ask for nineteen or twenty more of these corporations. Now there is no doubt but what they are trying to do, may be, all right. But the way to handle

it is a private and special law or a general law under which these people can come in and do this particular business and not exclude it to any one person because all you are doing is setting these people up in a very profitable business and at the next session there will be fourteen other people in Portland who will want to do the same thing. They will get the idea in Lewiston and Bangor and you are just multiplying the work for the next legislature. Whereas if it would be possible, and it would seem it would not be difficult, to pass a general law covering this type of business and saying "If you comply with Section 1-2-3, you can get a corporation charter to do this business." You have done away with a lot of headaches for a lot of future legislatures. This is an orderly way to handle it. Of course we do not necessarily do things in an orderly manner. We will get thirty-five or forty of these corporations on the statute books and then we will have to have a recess committee appointed in ten or fifteen years and they will have to figure out an orderly method of handling these things. Why not start right and get a law that will take care of them? I would not oppose unanimous consent if a bill was introduced to take care of this, so that if John Jones or Henry Smith comes in all they will have to do is conform to certain things. I think it is wrong to legislate a hundred wrongs which will have to be remedied by future legislatures. It is a question of procedure. I am not going to stress the point. It doesn't make any difference but it seems to me there is a right way and a wrong way to handle the situation. I think that is the motion of the six who are now in the majority. At least it is the point of view of one who is in the majority. I leave that with you for what it is worth.

Mr. WILLEY of Cumberland: Mr. President, my reason for being on the "Ought Not to Pass" report was because I was opposed to granting special privileges to these people notwithstanding the fact that I am perfectly willing to grant this to a duly organized corporation in Maine for financing insurance. I am perfectly willing to go along. Let them draw up articles of incorporation and ask to do finance business in insurance, but I think

it is very poor business to grant a special charter. I think it is bad business.

Miss LAUGHLIN: Mr. President, Senator Fernald thinks the thing to do is to amend the general law. Of course, that Senator must know that that is impossible at this session because there is no such bill here. If we wish this company to do this business instead of permitting companies from Massachusetts to do it all, we must pass this and have this company incorporated. Furthermore, if he amends the general law he will have to amend it in general terms and so he will let in companies that we would not want to be incorporated.

Answering the Senator from Cumberland, Senator Willey, of course, in regard to this amendment before us. The amendment which I propose to offer limits the company solely for insurance premiums and nothing else. The original bill gave rather broad powers. You will notice I am on the majority but I am now moving to accept the minority report because I want to have this amendment presented which would limit the powers of this corporation to one thing, that of financing insurance premiums. The business is being done by Massachusetts corporations in this state and is not being done by any company in this state because none have been incorporated for those duties. It can not lead to the difficulties which the Senator from Cumberland, Senator Willey has suggested. As I said, the amendment has been presented to the banking department and to the Attorney General's office, both of whom have given approval to the bill, if amended, as I suggest here.

Mr. FERNALD: Mr. President, I realize that my suggestion was that we have a general law to control this situation. The suggestion is made that the legislature could not bring in a general law. As a matter of fact, there is not anything this legislature could not do at this time if it really wanted to do it. As far as this corporation being limited at this time is concerned, I will agree to that. But everybody else will agree that in two more years, with the toe-hold they have now they will come in for an increase. The next legislature will have them come in and say that they should have broader powers, a little more, a lit-

tle more, and a little more. They have got their toe in the jamb of the door and in two more years they will be in a little farther. It isn't a question of this company or this business. It is the question of policy, whether you want to legislate for cases or whether you want to legislate for the great principle involved. That is all there is to it, just a matter of policy. We have got to forget any personality or locality or any city. It is the general proposition that we should legislate on.

Mr. WILLEY: Mr. President, may I ask the Senator from Cumberland, Senator Laughlin, a question?

The PRESIDENT: The Senator may ask his question through the Chair, and the Senator from Cumberland, Senator Laughlin, may answer if she so desires.

Mr. WILLEY: May I read your amendment, please?

Miss LAUGHLIN: It seems to me if we are going to read the amendment, the orderly way would be to accept the minority report and then the amendment can be properly presented.

The PRESIDENT: The pending question is on the motion of the Senator from Cumberland, Senator Laughlin, that the minority report "Ought to Pass" be accepted.

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

A division of the Senate was had.

Seventeen having voted in the affirmative and ten opposed the motion to accept the minority report prevailed.

Thereupon, Miss Laughlin offered Senate Amendment "A" and moved its adoption:

"Senate Amendment 'A' to Legislative Document 347, An Act to Incorporate the Insurance Finance Corporation. Amend said act by striking out in Section One thereof all that part thereof which follows the words 'Insurance Finance Corporation' in the 5th and 6th lines of said section."

Miss LAUGHLIN: Mr. President, that amendment as I said, simply provides for the incorporation of this company which will do the business of a finance insurance company, paid in instalments, and cuts out every other possible power.

Mr. WILLEY: Mr. President, as I read and understand the amendment it reduces Section One of Leg-

islative Document 347 to the fact that it constitutes certain people and resolves them into a combination known as insurance finance corporation. That is all Section One does. Section Two says that the corporation shall be located in Portland. Section Three says that "the purposes of said corporation are financing of general insurance premiums, and doing all things necessary or incidental thereto." I am going to tell you that is quite a chunk, boys. The capital stock is not limited, by-laws are not prescribed for. Meetings can be called whenever they want to call them. The date of beginning business is provided for. That is legislating quite a little in a few words. They do not say very much but they mean a lot. If you give anyone the right to finance general insurance premiums and do everything incidental therewith, that gives the right to build houses and buy a block, buy automobiles, or sell automobiles for their own business. If it becomes necessary to have a building they could build a building under this law if it became necessary and incidental to carrying on the business, even if it cost \$5,000,000. There is no regulation of the stock. As I say, if you want a general law to have a private corporation go into this business I will vote for it. If anyone wants to put a bill in here I certainly will not object to it coming in at this late hour. This bill could be amended, there is no question about it. I think the Senate should give serious consideration to issuing special permits which on the face have very limited powers but as a matter of law are granting large powers.

Miss LAUGHLIN: May I speak again, Mr. President? Senator Willey, I think, is dreaming dreams and seeing visions because they are not justified at all by this bill which you will see by reading Section Three. "The purposes of said corporation are financing of general insurance premiums, and doing all things necessary or incidental thereto." We have a dozen bills in exactly that same language, a dozen laws, only they have to do with installment payments on automobiles. If Senator Fernald from Waldo and Senator Willey from Cumberland are so concerned about having it under the general law it would seem to me there should have been a bill

put in long ago so that none of these would have come in this way. The only difference is that they have been to finance the payment on automobiles and this is to finance the payment on insurance. The Attorney General's office and the Bank Commissioner do not see the visions that the Senator from Cumberland sees. They have given approval to this bill. As I have said, the only difference is the other companies finance payments on automobiles while this is on the more important matter of having insurance paid on the instalment plan.

Mr. WILLEY: Mr. President, there is no great need of this law either. Perhaps we are dreaming dreams and seeing visions when we think it is necessary to legislate this. At any bank today you can go in and sign your general insurance to them and they will pay the premiums and take the assignment of the general policy until we pay them up. There is no law to prevent it and there is no law to prevent any individual or group of individuals from taking an assignment and doing that. But when the Senator from Cumberland, Senator Laughlin, says that the Attorney General says it is all right, the general provisions of the bill are passed by this legislature because we reserve our rights to pass on them individually. Now there is no dreaming dreams about it or seeing visions when you give a corporation the right to finance general insurance and do everything incidental thereto because they can build a block under that power if they want to that costs a million dollars, and they can do a million other things so long as they are even incidental to the primary granting clause of this charter.

Miss MARTIN of Penobscot: Mr. President, for information I would like to ask Senator Laughlin a question through the Chair.

The PRESIDENT: the Senator may ask her question through the Chair, and the Senator from Cumberland, Senator Laughlin, may answer if she so desires.

Miss MARTIN: Senator Laughlin, as I understood your statement in regard to the amendment it was to restrict the act as set up and I wondered if you meant to leave out the section that says that the corporation shall be subject to all the duties and obligations conferred upon proper agents.

Miss LAUGHLIN: Where is that?

Miss MARTIN: At the end of Section One. As I understood your amendment it would strike out everything after Insurance Finance Corporation. If that is the case it seems to me you are not restricting it but expanding it from coming under the general law of corporations.

Miss LAUGHLIN: It doesn't come under the general law. There are many companies drawn this way.

Miss MARTIN: I understand it is not a general law but this was in Section One at the end thereof: "and be subject to all duties and obligations conferred upon corporations by Chapter 57 of the Revised Statutes". It did seem to me it might be a restriction.

Miss LAUGHLIN: It seems to me it is covered by this. Under Chapter 57 they are subject to those duties and obligations. When it is limited this way, there is no occasion.

Mr. WILLEY: I might add that originally the same sponsors of this bill were here with another bill which was before this legislature and I won't take the trouble to find it but in that act they wanted to do a general banking business and a dozen other things. It was the broadest charter I think ever brought before this legislature. It was not conceived in the mind of doing a general financing in insurance policies. Then when that bill was reported out "Ought Not to Pass" unanimously and accepted by both branches of the legislature, they came back with this one. I just wonder what their real motive is. It troubles me a little. It seems to me we are traveling on pretty dangerous ground.

The PRESIDENT: The pending question is on the motion of the Senator from Cumberland, Senator Laughlin, that Senate Amendment "A" to Legislative Document 347 be adopted. Is the Senate ready for the question?

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

A division of the Senate was had. Ten having voted in the affirmative and seventeen opposed the motion did not prevail.

Thereupon, on motion by Mr. Fernald of Waldo, the Senate voted to reconsider its action whereby the minority report was accepted and on further motion by the same Senator, the majority report "Ought Not to Pass" was accepted in concurrence.

On motion by Mr. Blanchard of Franklin, the Senate voted to take from the table House Report from the Committee on Claims "Ought Not to Pass" on Resolve in Favor of R. Earl Haley, of Rangeley (H. P. 68), tabled by that Senator on April 7th pending acceptance of the report in concurrence; and that Senator yielded to the Senator from Somerset, Senator Friend.

Thereupon, on motion by Mr. Friend of Somerset, the resolve was recommitted to the Committee on Claims in non-concurrence.

Sent down for concurrence.

On motion by Mr. Graves of Hancock the Senate voted to take from the table Senate Report from the Committee on Ways and Bridges "Ought Not to Pass" on Resolve in favor of a Road in Oxford County (S. P. 373) tabled by that Senator on April 5th pending acceptance of the report; and on further motion by the same Senator, the report was accepted.

Sent down for concurrence.

On motion by Miss Laughlin of Cumberland, the Senate voted to take from the table Senate Report from the Committee on Judiciary, Majority Report "Ought Not to Pass", Minority Report "Ought to Pass," on "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. 302) (L. D. 496), tabled by that Senator on April 8th pending acceptance of either report.

At the request of the same Senator, the Secretary read the divided report of the committee.

Miss LAUGHLIN of Cumberland: Mr. President, I move that the minority report "Ought to Pass" be accepted and, Mr. President, on that I would like to make a few remarks. First, I wish the members of the Senate would turn to Legislative Document 1013, which is the new draft on this bill. Now, we have heard a good deal on the subject of compulsory insurance lately and you will note that in this bill there is no compulsory insurance. It is simply to require that people shall give proof to the Secretary of State of their financial responsibility before they shall get a license to drive an automobile,

and if they cannot give that, then they will have to secure insurance. Now, at the hearing on this bill we had many persons who came in and said in effect, "I don't drive so as to kill anyone nor in a manner to damage property and I don't want to buy insurance." I thought there was some merit in that and under this bill they will not have to buy insurance, provided that they show they are financially responsible.

Now, under the present law, in Section 91 of Chapter 29 of the Revised Statutes on Page 591, is a provision that when persons have been convicted of reckless driving, or "hit and run," and so forth, when they have been convicted then the Secretary of State may demand proof of their financial responsibility and if they cannot furnish it they must insure. Now, all this proposes to do is to say that in the beginning they must show financial responsibility. In other words, without this law we say, "Go ahead, have one accident, kill one person, smash up one automobile, and if you haven't anything to back it up you may go free and then we will ask you to furnish financial responsibility." It would be somewhat similar if we said, "Go ahead and commit one burglary and after you have been convicted of that if you do it again you will be punished."

Furthermore, we have conflicting rights in an injury or damage by automobile; the person who is injured and the person who inflicts the injury. Who should be the one to pay? Should it be the person who is injured or the person who did the injury? It seems to me that the person who did the injury is the one that should be held to it.

There has been some discussion to the effect that if we pass this bill we will have collusion and they will put up accidents. Of course, we can answer that from experience with the present law which requires them to give this financial security after they have had one accident. But in addition to that there is a provision in this bill, page two, next to the last line, which allows the person to recover only within fifty dollars of the damage, so we aren't apt to have very many collusion cases where it is going to cost fifty dollars to start with before they even prove their damage. We have heard much discussion

about the Massachusetts law. Well, this redrafted bill is not comparable in any way to the Massachusetts law. If we are going to speak on that, all the talk that has been made in regard to the Massachusetts law and its failure to operate satisfactorily might be balanced by the fact that Massachusetts has just re-enacted it which would seem to show that they are satisfied with it.

But I do not think there can be any comparison with Massachusetts because of the difference in our traffic conditions. But that is not the point at issue. This bill offers three alternatives. One, take out insurance. Two, if you don't want to do that you can put up a bond approved by the Secretary of State. Three, if you don't want to do either of those, show the Secretary of State that if you do injure person, or damage property you are able to make good, and then you can save the expense of an insurance premium or the bother and trouble of giving a bond or anything of that sort. But it does seem to me that between the conflicting interests of the person injured and the person who does the injury, it is the latter who should be held responsible. And in that, we are simply taking proper precautions before the accident happens, instead of, as the law of this state now requires, that after a person has been convicted of being responsible he shall furnish security against further damage.

Mr. WILLEY of Cumberland: Mr. President, our law always did provide that a dog is entitled to one bite but I don't think we should follow the reasoning down to the point that the owner of an automobile should be without any responsibility entitled to kill one human being.

Now, I just want to cite one illustration to the Senate. A mother of two children in Portland, one child three years old and one five years old, went across from her home to a neighboring grocery store to buy some groceries and while on her way, in the summer time, three high school boys came along in a car that they had purchased, for which they had chipped in the sum of thirty dollars to acquire the car. They came down the highway at a high rate of speed and they hit that mother as she was going across

the highway, and today that mother lies in her bed. She never will get up and walk again as long as she breathes the breath of life. Now, the people of Maine were to blame for that accident. The people of Maine should never have permitted those children to have bought that auto for thirty dollars and put it on the road for a registration fee of ten dollars. I suppose many of the members of this Senate can cite similar illustrations, but if we had this law on our statute books those boys could not have shown financial responsibility, their parents wouldn't have shown it for them, they couldn't have gotten two people to sign a surety bond. Neither, nor any, of their parents had any money at all to help this poor woman with her family, in her distress, and they were left to the mercy of charity. The husband goes to work every day and has to keep someone at his home now to take care of his children.

That, it seems to me, is a pity, that we permit our statute books and our laws to continue to take an automobile that they pay perhaps fifteen dollars for and then go out and kill someone, one person, or one accident, before we say, "Look here, you have got to show the people of Maine that you can pay for some of the damage—not all of it—that you do." Of course, this does not require them to pay all the damage they do, but at least you would get your hospital bills, under this law, for your accident. Just this year I know that one of the members of this Senate to one of the members of his family who got glass in her eyes. It required a specialist to take the glass from her eyes. It happened that the party who collided with the member of the legislature had insurance. Assuming that it might have been someone else who was not responsible, the eyes might have been destroyed. And yet, as our law is today, they are permitted to do that without a bit of responsibility to other people who have just as many rights in this state. I know a lawyer in Portland who represented a family where a little girl was run over. At the last session of the legislature he came in before our Judiciary Committee and told us of this little girl being run over by this man who had absolutely no property and was out of

work, yet he was running an automobile. The pelvic bone of that little girl was completely smashed and she too will never move from her bed unless she moves in the arms of some untiring person who moves her about.

I don't believe we can do any more constructive thing for the people of Maine as a whole than by requiring some responsibility, at least, to pay the doctors' bills in these cases where they negligently run over someone who has just as much right to be where they were as the man who runs into them. I certainly hope that the motion of the Senator from Cumberland (Senator Laughlin) will prevail.

Mr. FERNALD of Waldo: The Committee on Judiciary seems to be in disagreement this morning. The majority of the committee on Judiciary after due hearing and full consideration have reported "Ought Not to Pass" on Legislative Document 496, rightly termed Compulsory Insurance. As a member of the majority I believe that its report should be accepted in preference to the minority report "Ought to Pass in a New Draft." The majority of the committee is convinced that compulsory insurance is inexpedient and unwise.

Compulsory insurance is, in fact, nothing more nor less than a tax upon motorists as a class. As such it would cost the motorists of Maine by the most conservative estimate two or three million dollars or, still by the most conservative estimate, at least eighteen dollars per car. This represents a liability without fault on every motorist regardless of whether or no he is a careful or reckless driver and regardless of his driving record. He is thus compelled to make yearly contributions to a fund to pay for personal injuries or property damage occasioned by 7 per cent of the motoring public. Insurance companies are changed from an association of voluntary risks into associations which must as a matter of practical demonstration, regardless of the hearing before the Secretary of State, accept many undesirable risks. This is a new exercise of the police power. In Massachusetts it was largely justified on the basis of public safety for which I refer you to the opinion of the Justices in 251

Mass. 569. That justification does not exist here.

The measure as proposed is admittedly not a safety measure. It has not proven such in Massachusetts. In fact many sound theorists believe that in view of the ever-increasing accident and death toll in that state it has had the opposite effect of increasing negligent driving. That this measure is, in no way related to safety, is frankly conceded in the report of the recess committee on page 4, of Legislative Document 297.

Its only purpose is thus to use the police power to collect civil judgments. Evidence produced before the committee shows that the number really in need who would benefit under the act is negligible. It has many loopholes. It does not cover foreign cars or cars driven without the consent of the driver. The injured party cannot recover unless he was entirely without fault. Of the remainder, a substantial percentage are small claimants who could and should be paid by the party causing the accident not by a tax on all motorists in Maine. The majority of the committee were of the opinion that, in these days when every tax dollar counts, the demand or need for compulsory insurance does not justify placing such a burden upon motorists. If such a tax is to be imposed it could far better be spent on an intensive campaign to save rather than pay for lives.

Massachusetts is our only precedent. All of you know what has happened there. Rates have increased markedly, and politics has entered into their establishment by the Insurance Commissioner to a considerable degree. You all are undoubtedly familiar with other abuses including some chicanery on the part of the legal and medical professions. It is sufficient that many states and provinces have thoroughly investigated the idea and none adopted it.

The bill in its revised form, as reported by the minority of the committee contains but three changes. It includes property damage and a provision that the first \$50.00 of liability whether for property or personal injury damage shall be deductible. Neither of these changes effect the arguments already advanced.

The third change, (C) of Section 1 is the provision which presumably changes the bill from compulsory

insurance to a financial responsibility measure. That provision exempts those who can prove themselves financially responsible to meet a judgment for \$11,000 from the provisions of the act. This provision but increases the arguments against the bill. It represents an arbitrary discrimination based simply on financial means without any regard to fault or negligent driving record. The poor man or man of moderate circumstances must, regardless of fault or regardless of whether or not he has an accident, if he wishes to drive, contribute in the form of a premium for a policy or bond for the damage done by the small percentage of drivers. The man of means or large corporation does not. Here surely is an arbitrary division within a class drawn without any regard to the public safety and hence verging on, if not, unconstitutional.

This provision, further, will inevitably lead to another loop-hole in coverage under the compulsory law added to the many already existing. Who can tell whether a person worth \$11,000 today will have it tomorrow? Who is to prevent a person allowed registration under this provision from losing, selling or transferring property? And if he does, the person subsequently injured by him is no better off because of this law.

Because this measure would place a substantial burden on the motorists of the state a large part of which would fall upon farmers and laborers who need their cars to earn their living and who live in sparsely settled districts where accidents are infrequent and because there is no state-wide need for such a tax, I urge the acceptance of the majority report.

Mr. MARDEN of Kennebec: Mr. President, the Senator from Waldo (Senator Fernald) has so ably covered many of the points which we may well consider in determining our action upon this legislation that, with the tolerance of the members, I will mention only a few which he, perhaps, inadvertently omitted. I think we may all, and do all, start upon the foundation that injuries to the citizens of Maine should be compensated and that the only problem really for us to decide is the method of accomplishing that. And, while it is true, as the Senator from Cumberland, Senator Laugh-

lin, has said, that it may be wrong to base our position on the Massachusetts experience, it is true that the Massachusetts experience of ten years—it being the only state, as I understand it, with compulsory insurance—could well furnish us some guide as to some aspects of the problem.

Now, the statistics in Maine, in many instances, are limited, but I think I am correct in saying that in the Insurance Commissioner's report of statistics for the year 1935 it is estimated that 30% of the cars on the road in Maine are insured. Which forces us, of course, to the conclusion that 70% would be affected by the proposed legislation, in obliging that group to purchase personal liability and property damage.

Now, experience in Massachusetts, which it is probably fair to follow in this instance, in the opinion and conclusion reached by the majority report of the recess committee, shows that there was an increase in Massachusetts insurance rates of 26%, which was occasioned by the fact that on the first year of the Massachusetts insurance, we are told, the companies felt that by the increase in volume they should reduce their rates 10% when, as a matter of fact, they were obliged not only to restore that 10% but to add 26% to it.

The minority report of the recess committee states that that increase ran from 36% to 42%. The data on that, if you please, you will find on pages 5 and 15 of Legislative Document 297.

Now when we consider that 70% of the drivers in Maine are to be affected, it seems to me that we should consider that Maine, being a rural state, that a large portion of that 70% are persons living in our rural districts where traffic is admittedly less congested and where it is fair to say that a minor percentage of accidents occur. That is particularly significant, it seems to me, when we ask that a large percentage of our rural population shall burden themselves financially with this new obligation for the sake of covering accidents which experience would indicate occur in the more congested centers.

In addition to that, of course there is the problem of court congestion. Should we enact this legislation requiring compulsory insurance, immediately the number

of claims presented for either personal injury or property damage would be increased with the accompanying congestion in the courts. Now, referring again, if I may, for the moment, to the survey made by the Massachusetts Judicial Council over a five months' period after passage of the compulsory insurance law as compared to the similar period before the enactment of that measure, there was an increase in automobile cases before the Court of 127.7%. Quoting that report, you may understand, for what it is worth. But it is easy to understand, certainly, that if you or I on the highway find ourselves involved in any kind of accident, with compulsory insurance in this state it is certainly only human to claim from somebody that damages should be paid, whereas under the present condition either the injuries might be so minor as not to justify the individual presenting and prosecuting the claim, or, as in some instances, as I am perfectly willing to agree, a claim would not be pressed due to the apparent impecunious condition of the person alleged to be at fault.

Now when we talk about these accidents we have to start with the premise that someone is legally responsible, that we have insurance and somebody gets hurt but it doesn't mean someone gets paid. It means someone will get paid if they are found legally liable. In a survey made by one of the state highway conferences in 244 cities in 44 states they found that only thirty-five and a half per cent of the motorists were responsible. In other words, in a given group someone must be shown legally liable. In that survey it was found that only thirty-five and a half per cent of the persons involved or accused were responsible. Of course you are aware in Maine, before you or I as claimant, we have to show that we ourselves are free from contribution to the accident. This was taken into consideration with the thirty-five and a half per cent I am sure. In the Massachusetts courts I am informed, there are about fifty-two per cent which have resulted in defendants verdicts, meaning that in over half of the cases tried the person tried was not successfully held in the court.

Now with relation to the size of

claim, I think the attention of the members of the Senate has been called to the fact that many of the cases involved either under or not under compulsory insurance are in the lower brackets, which forces us to the conclusion that the question is whether or not we should enact compulsory insurance to cover a great majority of cases where comparatively small injuries are involved. Referring again to the Massachusetts records and a survey of the statistics given by stock companies of that state, a year or so back they say that 75 per cent of the pedestrian accidents involved claims of under \$241, an average of \$168 apiece. Occupants of the other car, 92, were under \$334 with the same average \$168 apiece. The guest injury claims, 85 per cent were under \$329, or an average of \$265 apiece. In other words 84 of the claims were personal injuries, claims averaging \$200 apiece. Now, to some of us that means this that under our present financial responsibility law, which is criticized here and perhaps rightfully so, on the same basis eighty plus percent of the involved cases annually the damage would average \$200. Now we are perfectly willing to agree with the Senator from Cumberland, Senator Laughlin that she is entirely correct, that the present financial responsibility law in a sense locks the barn after the horse is stolen. That is, the financial responsibility must be presented to put the car again on the road after the accident has occurred. But I think it is equally fair to say that under our present law, if any judgment for injuries, either property or personal injury, remains unsatisfied, that car remains off the road, but in cases involving amounts of this nature, I am sure the attorneys in the room will admit that in many instances people will raise the necessary money to put their cars again on the road even though they do not come, in the first instance, in the financial responsibility law, and where such a high percentage are in those low brackets by the Massachusetts experience, it should give us some cause to consider.

As Senator Fernald has stated, Massachusetts has found that a great many claims are encouraged by this legislation, and that is easy to understand. The Massachusetts law, as some of us understand it, originally was not dissimilar to the

proposed law in that guest claims would be considered and were legitimate under that law. That is to say, if Senator Willey and I were driving in either his car or mine, and a collision occurred in which he or I were injured, he or I, in any case being the guest, as we understand it, we could present our claims against a third party or against the driver of the other car in which we rode and I believe it is the law in our own law today which is not exempt in the proposed law for compulsory insurance. I mean this, if we were riding as friends and if he were driving and I was injured and I knew he had no insurance there would be very serious doubt in my mind whether I should present a claim or sue for my injury. But if I knew that he carried insurance whether he wanted it or not, there is nothing to prevent my bringing a claim against him whether he was negligent or whether the third party was negligent. That provision was in the Massachusetts law and I understand it has been repealed. No such exemption as I understand it is in the proposed law.

Now, Senator Laughlin, I have no doubt in the world, in entirely good faith, has led us to believe that the proposed act as amended is not compulsory insurance but something else. The Senator from Waldo, Senator Fernald, has suggested that but it seems to some of us that in actual practice it is distinctly compulsory insurance. Because before you or I can register a motor vehicle we have to file with the Secretary of State a certificate showing we are insured or file a bond with two sureties conditioned upon something and third, furnish proof satisfactory to the Secretary of State that we are financially responsible for a claim for damages. Under the provisions of the act I think it means satisfying the Secretary of State that I am worth \$11,000, \$5,000 for one person, \$5,000 for more than one person, and \$1,000 for property damage. Well, the persons who can satisfy the Secretary of State that he is worth \$11,000 today doesn't mean he will be worth \$11,000 tomorrow. Persons now worth \$11,000 are the ones who would be the first to carry insurance for their own protection. It seems to us it is very distinctly a compulsory insurance proposition.

The objection to the bill in the first instance to many minds was

the fact that property damage was not involved. Many people have talked with you and with me as being in favor of compulsory insurance. They relate to cases of where they are driving their cars and are hit by a man driving a rattletrap car who has ten cents in his pocket and he damages their mudguard and crumbles their fenders. That was the distinct objection to the original bill but apparently in a sincere effort to obviate the objection, the proponents of this measure have included up to \$1,000 on the basis of \$50 deductible, as we term it: namely, we have to have the property damage but in any case where the property damage is less than \$50 we pay for it ourselves. Well, taking the same figures from the stock company experience in Massachusetts a year or so back and what do we find? We find on personal injury cases 40% of pedestrian cases were under \$100, the average being actually \$52. For occupants 51 were under \$100, the average being 47. For guest cases 44% or an actual average of 43. In other words, 45% of all cases involved claims of \$47 apiece. Submitting to you members of the Senate a very large percentage, or 45% or more of cases under our present law would be cases in which you or I as the assured would pay out of our own pockets. I appreciate that is on cases involving personal injuries but I am sure you will all go along with the idea that the great number of property damage claims in our state are either that amount or less, which under the proposed law you and I would pay for out of our own pockets.

The travelers insurance company, over the phone this morning, gave what is purely an estimate and they figured 75% of the property damage cases are under \$50. That means 75% upon the number we seek to impose this, would be obliged to take insurance for no good to themselves. It is admittedly, in the recess committee report, not a safety measure as you will see by looking at page 4 and 14 of the report. Apart from that the sole question seems to be whether we will impose this upon 70% of our people, many of whom come from rural districts, to satisfy the possible 7% involved in accidents. It is a serious question and should not be forced

upon our people without very good reason for it. I hope the motion to accept the minority report will not prevail.

Mr. GOUDY of Cumberland: Mr. President, it is unfortunate at this time that I do not possess the oratorical ability of some of my predecessors in the Senate because now, if ever, a voice should be raised in behalf of the innocent sufferers that now fill our hospitals and institutions throughout the state with broken backs, loss of eye-sight, disfigured and ruined for life, by being run into and injured by a death-dealing contrivance of some automobile driver. I could cite you numerous cases where innocent pedestrians walking on cross-walks and on sidewalks have been run into and injured for life, to face a life of suffering by the recklessness and negligence of some automobile driver.

To call this compulsory insurance a misnomer. It is not compulsory insurance. The Senators who have spoken against this bill know that it is not compulsory insurance. I believe that accusation is just made to confuse the Senate. This bill provides that before a man drives his automobile out on the highways and byways where pedestrians are walking, where little children are running to and fro, where people that have a right to be there are out in the air perhaps for a walk, or perhaps on business, it provides before the operator shall operate the motor vehicle he shall be in a position to compensate the person injured. I am asking you if it isn't a fair proposition. They take these old cars out on the road and deliberately drive around without any means of repaying even for the medical attention for the persons who they will ruin for life. This bill provides that you do one or two things, you satisfy the Secretary of State that if you injure anybody you are in a financial position to compensate for the injuries, pay the hospital bills, pay the doctor's bills, so that after they come from the hospital they will not have to go on the town for the citizens to support as paupers. Due to the fact that a man through greed, through recklessness, through negligence, and perhaps through drunkenness, mowed down a child, in youth, who perhaps had a prosperous future to look forward to, but on account of this man's

reckless driving, careless driving, negligent driving, perhaps drunken driving, there is a bill of expense for the parents who can not afford it or for the town to pay and perhaps support them.

Now, Senator Fernald has said that regardless of the driver's past record this compels him to satisfy the Secretary of State that he is able financially to take care of any damage or give a bond or take out insurance. Well, now, regardless of a man's past record, accidents don't notify when or where they are going to happen. Regardless of what the past record may have been he may be one of the first to cause an injury. Not being able to take care of it financially, the person has to suffer for his wrong doing through no fault of his own. It seems to me this is a humane proposition.

Brother Fernald has been advocating the public interests but I am commencing to feel that Senator Fernald is for the people but against the public because he says it is a tax on the motorists. Now that is just too bad. It seems to me the pedestrian and the injured individual are the ones to be protected. Human life is far more dear to them than an increase of insurance rate or filing insurance premiums that a motorist has to go through. Even then he is not compelled to take out insurance if he files a bond or has financial ability to pay his damage. As far as Massachusetts is concerned, I thank the Lord that the state of Maine runs some of its affairs on a different scale than Massachusetts. I will say that things happen in Massachusetts that never could or would happen in Maine. I do not think the arguments for Massachusetts would apply to Maine. The bill in Massachusetts is compulsory insurance. It says when you are going to drive a car, when people are going about their business in a place they are legally entitled to be that if you injure them you will be in a position to compensate them to the extent of at least paying the medical and hospital bills. Personally I can not conceive of anyone voting against this bill.

Mr. WILLEY: I was interested in hearing Senator Marden say that Massachusetts had pioneered in compulsory insurance and he didn't think we wanted to follow Massachusetts. Well, Massachusetts pioneered in Concord and Lexington.

Massachusetts pioneered in Bunker Hill. Massachusetts is not pioneering in compulsory insurance. It has been tested there and found to be exactly what they want and although the strongest insurance lobby ever went under the dome of the Massachusetts state house for fifteen years, they prevented it from being a law in Massachusetts but finally they were unable to compete. They have had it and they have had it ten years. As I listened to the Senator from Waldo, Senator Fernald, and to the Senator from Kennebec, Senator Marden, I closed my eyes and I could hear the words of a fraternity brother both of Senator Fernald and myself, none other than Honorable John Downes, the greatest lobbyist against compulsory insurance in the United States. I closed my eyes and could hear his words. First, I want to tell you about the damnable expense on the people of Maine that you talk about. The average policy would be thirty dollars, that is eight cents a day, half the price of a package of cigarettes, to help pay, to bring back and restore the life of some poor child, some mother, some woman who has been crushed by a negligent operator. Now eight cents is twenty-nine dollars. Ten cents a day would give a maximum of twenty and forty thousand. Fifteen cents a day would give forty and sixty thousand dollars coverage if this was a compulsory insurance bill. It is not and any reference to this measure as compulsory insurance is nothing but camouflage and an attempt to confuse the members of the Senate and this legislature.

Now there were no mutual companies who sent their representatives down here to lobby against this bill. The stock companies say they have lost a million and a half dollars in a year under this bill. But mind you, the mutual companies have made money and paid dividends of twenty per cent under the operation of compulsory insurance in Massachusetts. Twenty percent dividends they have paid. I stand corrected. One of the Senators calls my attention to the fact that it is thirty percent they have paid in Massachusetts.

Senator Marden talks about the congested courts. Well, that again in my opinion is an absolutely unsound argument. In Cumberland County, the largest county in the

state where there is more litigation by odds than other counties, during the twelve months next preceding January 1, 1937 there were tried and determined in that court 87 jury cases in the twelve months period. No one has to fear for congested dockets in our courts. There is no question but what I agree with the Senator from Kennebec, Senator Marden, that injuries should be compensated. Of course they should. I suppose the way to compensate is to fight the cause of the insurance company. That is the way to compensate our people in hospitals and those who are being taken care of by charity and to let the people run on our roads without any responsibility when we would have that responsibility guaranteed for eight cents a day per automobile owner.

Now, two years ago before the Judiciary Committee when they talked about insurance rates they told us of the big boosts this would make in insurance rates. Upon investigation we found the rates in municipalities whose size were comparable to those in Maine were then and now are lower for the same coverage than they are in Maine today. So again, that argument is absolutely unsound and fallacious. The only parts of Massachusetts where claims have been found to be increased are in metropolitan Boston, which includes Chelsea, Revere, South Boston, and Greater Boston. Accidents in the outlying districts have not been found to increase under compulsory insurance there. The mere fact that only 30% of the people—there are more than 30%, I have not the actual figure but it is nearer 36%—carrying compulsory insurance, is no reason why this legislature should not now require the people of Maine to either show some responsibility before they go on our roads, responsibility which they would not have to go to the Insurance Company for, responsibility which they can show by either filing the bond which does not cost any money as they could get two neighbors to go on the bond who owned real estate or other property. In lieu thereof if they had no property they would have to spend eight cents a day or possibly ten cents a day. The question as I see it, members of the Senate, is this. Are we going to require the people of Maine who go on the highways to spend perhaps two-thirds the price of a

package of cigarettes a day, ten cents a day, to establish protection for those they may wreck and ruin on the highways negligently? Are we going to permit this slaughter of human beings without giving those innocent human beings any protection whatever? When that protection is well within our hands here now, even if they have to buy insurance, as I say, the maximum coverage any reasonable man might take, forty or sixty thousand dollars would be fifteen cents a day per automobile driver, the price of a package of cigarettes. Are we going to let this bill die here? Or are the citizens of Maine going to be offered some protection and will there be protection for those poor souls, the Senator from Cumberland, Senator Goudy, has referred to whose bodies are wrecked and ruined? I believe this Senate will vote to send this measure to the House with the word that the legislature of Maine is now ready to charge eight or ten cents a day to these drivers to offer the traveling public the pedestrians, some protection against the negligence of those drivers. I certainly hope the report of the minority receives passage, and as I have said the most it will tax us is ten cents a day.

Mr. WORTHEN of Penobscot: Mr. President, as I introduced this measure I would like to bring out one or two points. I believe this is one of the most important and baffling propositions covering the citizens of our state and nation. We have on one side responsible drivers together with dealers of gasoline. I have talked with several people who oppose this measure because they feel revenues from the sale of gasoline would drop off. They are also believing that the revenue derived from the sale of registrations would mean less revenue to our state. For those reasons they oppose this measure.

Now, if we wish to consider dollars and cents in preference to the safety of our citizens along the highways, that is one thing. I have every respect for the working man and realize that an old wreck of an automobile is handed out to some of our working men going back and forth to their work, but that is a question of whether they should be allowed to use those dilapidated cars in going back and forth from their work and jeopardize the safety of the people along the highway.

I won't go any further, except I will make this statement, that if this bill shouldn't receive passage I believe it is the duty of every member of the legislature to do everything possible to eliminate the hazards of our highways.

Mr. FORTIN of Androscoggin: Mr. President and members of the Senate, it seems to me that two years ago a recess committee was appointed to study the so-called Compulsory Insurance. If I am not mistaken, this redraft of the original bill is the result of the work of that committee. The committee has seen fit to eliminate every objection. This bill, to me, is fair. I really believe that anyone who drives a car on our highways should assume some responsibility with regard to accidents, and especially injuries. I am told that the insurance people oppose this bill. I really cannot see their logical reason.

Now, the ground has been very well covered by the supporters of the motion of Senator Laughlin, and I hope that her motion will prevail.

Miss LAUGHLIN: Mr. President, it seems to me that we cannot say too often here that this is not compulsory insurance and that it does not compel everybody to pay an insurance premium. It simply provides that a person who is going to drive an auto must show either financial responsibility or take out an insurance policy.

The Senator from Kennebec, Senator Marden, says that in practice it is compulsory insurance. Oh, no, it isn't! Anybody with enough responsibility to pay for an accident if he is responsible for it, can get a license without paying one copper of insurance premium.

Now we have had a lot of argument here today about this affecting persons not able to pay. If they are neither able to pay for any accident that they are responsible for, through owning property or taking out insurance, it seems to me that the innocent person should be protected.

Senator Fernald has said that it would be an \$18 tax on motors. If they are responsible it won't be one copper and, as has been pointed out, if they are obliged to take out insurance it would amount to about eight or ten cents a day, which is considerably less than they are paying every day for the gas they use, and it seems to me that anybody

who can pay for gasoline to run a motor ought to be held to the responsibility of paying the innocent person whom he may injure.

Now, Senator Marden said that this is not a safety measure. It is not proposed primarily as a safety measure. I hope we will pass some other measures for safety. The only way it would promote safety would be that it would keep off the road the reckless, irresponsible driver who injures other persons and then has nothing with which to make good, who is unable to pay for the injury. But the main object of this is to protect the innocent person injured by reckless drivers.

The Senator from Kennebec was kind enough to say that he thought I spoke in good faith when I said that it wasn't compulsory insurance. You don't have to accept my good faith. You just have to read the bill which definitely says that one of your alternatives is to prove to the Secretary of State that you are financially responsible. There isn't a word in it that says everybody must take out insurance.

The Senator from Androscoggin referred to the recess committee and that after investigation of compulsory insurance under the Massachusetts law their report was six in favor and two against, after all the investigation they had made. In that connection, the chairman of that committee reports that the expert on roads for the insurance company, himself, although opposing it, could not say that any increase in rates was due to the compulsory insurance in Massachusetts. It was due to the increase in the number of cars. It was due to allowing every member of the family to drive a car. It was due, of course, to much greater congestion. And speaking of congestion reminds me of what the Senator from Kennebec, Senator Marden, said about congested courts. Now, the cases that are brought into court are the cases that have been injured and if they are going to get any redress there would be just as many cases brought into court to try to get redress whether there was compulsory insurance or financial responsibility or not. Therefore, all his argument about congested courts, if it has any force at all it is to the effect that he would rather have fewer cases in court than that these injured

persons should be compensated for their injuries, because they have a right to bring their suit whether there is any insurance or not, and it seems to me it is considerably more important that the innocently injured person should have redress than that we should have fewer cases brought into court.

Now, in the simplest terms, this is a question of whether we will protect the person, who through no fault of his own, has been injured, and who has no way to recover from the person responsible for his injuries, or whether we will protect the reckless, irresponsible driver by saying, "We won't ask you to buy insurance, we won't ask you to prove your responsibility, we will protect you against your own irresponsible acts which have caused injuries to others;" whether we will say that we here in this Senate believe in protecting the innocent person who has been injured by somebody's negligence or for other reasons that is his fault and not the fault of the person injured.

It seems to me that is the one case before this senate: which do we choose to protect; the innocent person injured, or the reckless, irresponsible driver who injures him? We have just that one choice between those two and it seems to me there should be only one choice, and that is that the injured person, the innocent person, and not the irresponsible person who has injured him.

The PRESIDENT: The pending question is on the motion of the Senator from Cumberland, Senator Laughlin, that the minority report "Ought To Pass" be accepted.

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

A division of the Senate was had.

Nine having voted in the affirmative and twenty-two opposed, the minority report was not accepted.

Thereupon, on motion by Mr. Fernald of Waldo, the majority report of the Committee on Judiciary, "Ought Not to Pass", was accepted.

Sent down for concurrence.

On motion by Mr. Ashby of Washington,

Recessed until this afternoon at four o'clock.

After Recess

The Senate was called to order by the President.

Emergency Measure (Out of Order)

"An Act to Incorporate the Southwest Harbor School District." (H. P. 1741) (L. D. 848)

Which bill being an emergency measure, and having received the affirmative vote of 28 members of the Senate and none opposed, was passed to be enacted.

Order (Out of Order)

From the House, out of order and under suspension of the rules:

Ordered, the Senate concurring, that (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," and (H. P. 1863) (L. D. 1029) bill "An Act to Provide for Old Age Assistance," be referred to the Committee on Taxation with instructions to consolidate and forthwith report the two bills, together with such revenue producing measure as the Committee may deem necessary and proper to finance the same. Any minority report or reports shall consolidate said bills together with a revenue measure.

On the passage of this order in concurrence, the said bills shall stand referred to the Committee on Taxation without further action by either House." (H. P. 1865)

Comes from the House, read and passed.

In the Senate:

Mr. FERNALD: Mr. President, I move that the order lie upon the table and in accordance with the action of the caucus taken previously this day I will leave it there until it dies of old age.

Thereupon, the order was laid upon the table pending passage.

Mr. WILLEY: Mr. President, I rise to a point of personal privilege, concerning the intervention of state employees in legislative matters without properly registering. This morning I called to the attention of the Senate the simple Aeronautical bill which called for the appointment of a committee of three to serve this state without any compensation, and to pay their own expenses, and to make recommenda-

tions to the Secretary of State as to what in their opinion could best be done to serve the interests of Maine, for the benefit of aeronautics.

Now, that bill has been in here since long before the closure date of the entry of bills and my name has appeared on that bill. Anyone who didn't understand that bill could have come to me and inquired what it meant, provided they couldn't understand, common, ordinary, simple English, because the bill was very simple. Now, the committee reported the bill out "Ought Not to Pass", I believe because it carried with it some expenses and those expenses were cut off so the bill now doesn't cost the state one cent.

Now, it seems unfair that Maine state employees should be here running up and down the corridors instead of attending to their business, lobbying against these bills. While I do not mention any names I suggest that if they have nothing better to do whoever is employing them give them their time and tell them to go. I don't think we need them to help us pass on these bills or to advise us in regard to them. This has already been called to the attention of state employees once this year and I am getting tired of these "buzzers" of the legislature here and I shall be asking that we enforce the law if I find them lobbying any more to kill without any reason good legislation here, and they admit when you talk with them that they don't know what the legislation is about although all they would have to do to find out would be to read it. I think it is time that they heed this warning. They have had it twice.

On motion by Mr. Spear of Cumberland, the Senate voted to take from the table Resolve Creating a Recess Committee on the State Fund for Workmen's Compensation (S. P. 503) tabled by that Senator on April 9th pending first reading; and on further motion by the same Senator the bill was given its first reading.

Thereupon, the same Senator offered Senate Amendment "A" and moved its adoption: "Senate Amendment 'A' to Senate Paper 503, Resolve Creating a Recess Committee on a State Fund for Workmen's Compensation. Amend said resolve by striking out the first paragraph

thereof, and substituting in place thereof, the following: "that there be and hereby is created a legislative recess committee to consist of two members of the Senate, three members of the House of Representatives and three citizens of the state not members of the 88th legislature, at least one of whom shall represent labor and at least one of whom shall represent employers; all of said members to be appointed by the Governor with the advice and consent of the Council; which Committee shall be known as the Committee on a State Fund for Workmen's Compensation. Said Committee shall meet, as soon as convenient after appointment, and organize by electing a chairman and secretary." "

Mr. SPEAR: Mr. President, in defense of this amendment and the resolve I would like to say that the funds necessary to carry out the provisions are at the discretion of the Governor and Council; in other words, to be as economical as possible in the expenditure of any money.

Senate Amendment "A" was adopted and under suspension of the rules, the bill was given its second reading and passed to be engrossed as amended by Senate Amendment "A".

Sent down for concurrence.

On motion by Mr. Graves of Hancock the Senate voted to take from the table Senate Report from the Committee on Claims "Ought Not to Pass" on Resolve in Favor of Anton R. Jordan, of Osborne Plantation (S. P. 41), tabled by that Senator on April 10th pending motion to recommit to the Committee on Claims.

Mr. GRAVES of Hancock: Mr. President, as we had received additional information on this matter I move that the motion to recommit have passage.

Thereupon, the resolve was re-committed to the Committee on Claims.

Sent down for concurrence.

Mr. WALSH of Androscoggin: Mr. President, out of order and under suspension of the rules, I offer a resolution and move its adoption:

Joint Memorial

To the Honorable, the Senate and House of Representatives of the United States of America, in Congress Assembled:

We, your Memorialists, the Senate and House of Representatives of the state of Maine, in 88th legislative session assembled, most respectfully present and petition your honorable body as follows:

Whereas, the State of Maine is now confronted with the problem of the so-called "sit-down strike"; and

Whereas, the so-called "sit-down strike" has become a national problem and

Whereas, the general labor problem has reached an acute state; now, therefore, be it

Resolved: By the Senate and House of the 88th Legislature of the State of Maine that it is the sense of the said legislature that the so-called "sit-down strike" is illegal and contrary to sound public policy; and be it further

Resolved: That the so-called industrial spy system breeds fear, suspicion and animosity, tends to cause strikes and industrial warfare and is contrary to sound public policy; and be it further

Resolved: That it is likewise contrary to sound public policy for any employer to deny the right of collective bargaining, to foster the company union or to engage in any other unfair labor practice as defined in the National Labor Relations Act; and be it further

Resolved: That this Memorial be immediately transmitted by the Secretary of State to the proper officers and committees of the United States Senate and House of Representatives, and a copy sent to each of the Representatives and Senators representing the State of Maine in the United States Congress;

And your Memorialists will ever pray. (S. P. 513)

Mr. WALSH of Androscoggin: Mr. President, that memorial, the text of which in paragraphs one, two and three, follows exactly the identical wording of the order which passed in the United States Senate, was voted favorably upon by both of our own Senators from Maine, both Senator White and Senator Hale and will later receive the endorsement of the three Congress-

men from Maine, Congressman Oliver, Congressman Smith and Congressman Brewster.

In the papers of yesterday I see that the United States Supreme Court has ruled that the Wagner Act is constitutional. We also see that the statements that I made on the floor of this Senate last week relative to the investigation order on the strike situation in Lewiston and Auburn were entirely true and that the manufacturers were granting to labor the right of arbitration. I don't have to go into detail on that but I will read you the editorial in this morning's *Kennebec Journal*:

"In refusing to meet CIO representatives for discussion of the labor trouble at Oshawa, Premier Hepburn of Ontario is back in the horse and buggy days of labor organization. Modern industrial developments have forced a new conception both of the position of organized labor in industry and of labor organization itself. These days labor must be an intelligently organized, well disciplined and ably led group to meet its industrial and political responsibilities. This is because of the tremendous power that has been generated by bunching millions of workers into industrial plants with common needs and desires. Industrial workers constitute the world's most powerful standing army and so must be reckoned with as an equal or superior force to capital.

"This industrial army needs a national organization as much as does capital to enforce its rights and meet its responsibilities. Labor in comparatively small, isolated groups managed locally, which was sufficient in the early days of industrial development, no longer is adequate either for the needs of the workers or their employers. To use its tremendous power wisely labor must have as good leadership as capital and to get that must combine its forces in as large groups. Today organized labor needs as good legal and economic staffs as capital and the larger organizations are getting them.

"When labor and capital meet around a conference board the former must be as well fortified with facts as the latter and must be capable of discussing the issues with equal authority. This means that labor, like capital, must have its experts and its first class professional

advice. This means thoroughly trained, highly paid experts for labor as well as for capital. Otherwise there can be no fair and impartial settlement of the issues. This responsibility of expert knowledge and management has been forced upon labor by modern developments as it has upon capital. Hence we see today the better executives of labor organizations as capable and highly paid, as experienced and expert on their side, as the representatives of capital with whom they deal. This is the only possible method for properly adjusting the complicated, modern relations of labor and capital.

"Thus the automobile strike at Oshawa, Ont., is no merely local affair to be managed exclusively by local authority. The corporation involved will not be represented by local but by national or even international authority and so must be labor. The issues involved are too complicated and difficult to be managed by amateurs on either side. Hence the automobile workers have called in their own experts to represent them just as have their employers. For Premier Hepburn to refuse to recognize labor's representative experts is as unwise as for him to refuse to deal with those of the employers. Labor is entitled to its own expert opinion and advice in this trouble as is capital. And only by taking the best advice from both sides as crystallized into a compromise can the trouble be successfully adjusted.

"Our task today as a people is not to fight an intelligent, expert organization of labor but to make sure such organization is properly led and managed. To have industrial peace and prosperity in this country both capital and labor must be so organized and managed as to harmonize their respective interests. Expert direction on both sides is necessary for this and more for labor than capital because the responsibilities that must be carried by labor organization these days are comparatively so much younger than those of capital. Labor organization must be made as reliable and responsible as that of capital and to get this it must have as good leadership which must be secured by a complete muster of labor resources by national organization and otherwise.

"Poorly organized, badly led labor is capable of doing this country

more harm than tyrannical, abusive capital. We can't have either and keep on progressing. The day when capital can dictate absolutely its own terms to labor is gone and unless we are careful we shall soon see the day when labor will do the dictating."

We heard the statement made on the floor of the Senate last week that we were all favorable to capital and to labor. Now, here is a chance to show that we are favorable to capital and labor. We sent a delegation to Washington protesting against the usurpation of authority by the President, and regarding the Supreme Court. The Supreme Court has ruled the Wagner Labor Relations Act is lawful and this is the time for the representatives of Maine, representing the people here, to take their stand on the question. I am not going into detail on it. You know where I stand. There are four things that this Senate can do. They can approve this or they can disapprove it, it can be laid upon the table or you can indefinitely postpone it, but, Mr. President, I say to this Senate that if they indefinitely postpone this Memorial they can not indefinitely postpone the day of reckoning that is coming with the people of Maine.

Mr. CORRIGAN: Mr. President, just a few words on the same subject. I wish to compliment the Senator from Androscoggin, Senator Walsh, for his introduction of this. The situation in Maine and the situation over in Auburn and Lewiston is identically as he has expressed it. Over there, they are denying the employees, their workers, the right to organize, the same right that they are enjoying, the right to organize into a union of their own making, under the leadership of their own selection, to deal with their employers.

Now, we have had this Wagner Labor Act on the books for some time but only yesterday or the day before yesterday the Supreme Court of the United States, which I think so many people in this Body admired a short time ago and do yet undoubtedly, has ruled that the workers have a right to organize and choose their own leader. So all these stories that we have been hearing about these fellows coming in from outside the state—the decision of the Supreme Court of the United States doesn't say that the leaders must come from Maine, it

doesn't say they must come from anywhere, and the workers in Auburn and Lewiston have organized and chosen these leaders, and these leaders are in this state and over in Auburn and Lewiston, and in Waterville and possibly other places, and they are asking for a hearing with these manufacturers and their associations, and up to now they have been denied it. There might have been the question until this was settled by the United States Supreme Court but there can be no question now since the Supreme Court has ruled that they are perfectly within their rights in organizing and choosing their own leaders.

And I think it is proper for this Body here and now to go on record and urge, in the interests of peace, industrial peace in our state that the industrialists of Lewiston and Auburn and everywhere else in this state come off their high horses and deal with the representative of the workers, and they can now neither be criticized as grafters nor outsiders. Speaking of grafters recalls to my mind a story I once heard. It seems as though out in a western city—I am saying a western city because I know there are no grafters in the east—out in a western city there was an alderman convicted of grafting and sent to prison, and in the prison he met another man who had made more or less of a study of the religious philosophies of the world. So this man said to the grafter one day, "Look, brother, do you believe in the reincarnation of the soul?" "Well," the grafter said, "I don't know; I don't know much about that; never heard of it before." "Well," he said, "Briefly it is this: when you die you come back to this earth again as something else, not what you are now, but something else." "Well," said the grafter, after thinking it over for a minute or two, "I don't know about that; that is new to me but it sounds good and if I die and come back, the next time I come I want to come back as a lawyer." And the other fellow said, "Why should you want to come back as a lawyer?" "Why," he says, "I will be able to get my grafting just the same but I won't be known as a thief."

That is about the situation with these fellows that we have been speaking about as grafters.

Mr. President, I think this order should have passage.

Mr. FERNALD: Mr. President, I move that the Memorial be indefinitely postponed.

Mr. WALSH: Mr. President, I ask for a division and that all members of the Senate shall be required to vote.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Waldo, Senator Fernald, that the Memorial be indefinitely postponed and the Senator from Androscoggin, Senator Walsh, has asked for a division. The Chair urges every member of the Senate to vote.

A division of the Senate was had. Nineteen having voted in the affirmative and seven opposed, the Memorial was indefinitely postponed. Sent down for concurrence.

On motion by Mr. Hussey of Kennebec the Senate voted to take from the table Senate Report from the Committee on Claims "Ought to Pass in New Draft" on Resolve Compensating a Bidder on the General Howard Memorial (S. P. 169), tabled by that Senator on April 9th pending acceptance of the report; and on further motion by the same Senator, the report of the committee was accepted and the resolve was given its first reading.

Thereupon, under suspension of the rules the Resolve was given its second reading and passed to be engrossed.

Sent down for concurrence.

On motion by Mr. Hussey of Kennebec the Senate voted to take from the table, bill, An Act Relating to the Duties and Functions of the Maine State Poultry Association and the Androscoggin Poultry and Pet Stock Association, (H. P. 604) (L. D. 196) tabled by that Senator on March twelfth pending passage to be enacted; and on further motion by the same Senator the bill was passed to be enacted, in concurrence.

The PRESIDENT: We are proceeding under Orders of the Day. The Chair brings to the attention of the Senate that there are quite a few matters on the table for this late period in the session.

On motion of Mr. Ashby of Aroostook the Senate voted to take from the table, 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. 485) (L. D. 970), tabled by that Senator on April 6th pending first reading.

Mr. ASHBY of Aroostook: Now President and members of the Senate, I presume you have already read this bill, but if you haven't, read it and weep. In the first place, this sets up a new department if this bill is passed. That is what the legislature has been trying to keep away from all winter. Then again it provides for \$10,000 the first year. Now I know the economy bloc is not going to like that. It doesn't say how much it is going to cost. It says, any required sum thereafter. Now God only knows how much that will be because I do not think anybody here in this Senate knows. It will probably double and treble.

I want you to know what this provides for. The Governor and Council shall appoint a board of three, known as the Personnel Board. You will note that they are a creature of the Governor and Council. They in turn shall appoint a Personnel officer who is the creature of this board. Now he is empowered to hire and fire every appointive officer. That takes it from the Public Utilities Commission and the Highway Commission down to the last clerk and stenographer. Now we have got to judge the future by the past. They will be the friends, aunts, cousins, and sisters of the Personnel Officer. Very efficient men are likely to be removed and replaced by some of our relatives. Now they say that this bill provides that if they are fired and do not like it they can appeal. But there is no one to appeal to except the outfit that fired them. It would be like appealing from a decision of the Law Court if it was referred back to the same Court.

This bill, or practically the same bill was incorporated in the Code when that was placed before the people in the Gardiner administration. That code, if you remember, was formulated by a board of experts from all over the United States and it was, in turn, referred to a so-called citizens' committee. Now this citizens' committee, we disagreed about a lot of things this

bill recommended. While they didn't wipe it out, they disapproved of this personnel bill. It came to the legislature and a special legislative committee was appointed to the number of 16, one from each county. That committee was composed of men and women of both parties—I take that back, I guess there were no women, but the committee was all men. I was one of that committee, myself, and after a long discussion, it was unanimously decided that it was a vicious proposition and we wiped it out of the code. Now it has popped up here and we are supposed to swallow it. I move the indefinite postponement of the bill.

Miss MARTIN of Penobscot: Mr. President, I hope the motion of the Senator from Aroostook, Senator Ashby, does not prevail. I might say in the beginning, that after the Senator had read a few paragraphs of the bill, he might have been so absorbed in tears that he could not read the English language, because in Section 22 it provides the sum of \$10,000 for the provisions of this act for the first biennium, and for the Senator's information, the biennium is for two years and not per year. It does, of course, provide that after that "the personnel director, with the approval of the personnel board, is hereby authorized to submit to the advisory committee on the budget, biennially an estimate of the necessary expenditures for the ensuing biennium." In other words, it would have to be approved by the budget committee, and then whatever cost this bill should necessitate, would have to pass the Appropriations Committee and the legislature, just as every other appropriation does.

He also says it would set up one man to hire and fire. I would call the attention of the Senate to Section 14 on Page 6, that provides for temporary, or a probationary period, where the appointing authority has the right to have on trial the person that he has picked from those eligible that were recommended to him by the personnel director. He has them for a trial period and if he isn't satisfied by that person he doesn't have to take that person into his department. I cannot conceive any personnel director having so many relatives that only those related to him would be on the eligible register. So far as dismissal is concerned, the per-

sonnel director has nothing to do with that, but it is on the authority of the appointing authority, in other words, the head of the department, as to whether the person should be dismissed or not. If so, if he thinks it is for the good of the service, the dismissal can take place, but in case of dismissal, the dismissed employee has the right of appeal to the personnel board. In other words, it protects the employee.

Now while I am really in the subject and the Senator has brought up the matter of the code bill—he says there were not any women on the committee. I served on that Code committee and I can remember there was quite a fight as to whether the personnel section should be included or not. But because of some of the members who were of the opinion of Senator Ashby, that they would throw the whole bill out if it were included, we made the compromise, and it was unanimous—we compromised and left it out. That didn't meet with the satisfaction of a good many of our good citizens in the State and there has been a strong agitation since to have a personnel board set up. And the merit system didn't start just with the Code Committee. It went back to the Cole Committee. The Cole committee, as you remember, was established in 1921, and I like to think of the people on that because they were rather important people and their names mean a great deal now in the state. I will review the membership of that committee: Hon. Aaron B. Cole, whose son is here in the legislature at the present time; Hon. Frank G. Farrington, former President of the Senate and Judge of the Supreme Court; Hon. Roscoe P. Emery, former State Senator and for many years Mayor of Eastport; Hon. Hodgdon C. Buzzell, former President of the Maine Senate; and our Tax Assessor, Frank Holley.

Now, in 1921 they made in the Cole Committee report, so-called, on Pages 19 and 20—they were not appointed until 1921, and this report was submitted in 1923. On Pages 19 and 20 they made this comment:

"There seems to be a considerable range in the salaries paid the clerks and stenographers for similar work in the various departments, with the result that there is considerable jealousy, and, we believe, loss of effi-

ciency on account of the various workers being dissatisfied.

"We recommend a classification of the clerks and stenographers according to service, training and efficiency, with a minimum and maximum salary for the various classes. We believe that a greater efficiency would result if, with two hundred female clerks and stenographers as there are at the present time in the State House, there were a chief stenographer at an adequate salary, who would have oversight over all the work of such clerks and stenographers and who would familiarize herself with the work and duties of the various offices.

"It is the custom of all the offices apparently to maintain as large a force as is necessary to do the work at a time when the work is most crowded and not to discharge or release when work is dull. It happens that when many offices are having a busy season others are having a dull season, and there is no reason why with a competent supervisor, clerks and stenographers who do ordinary work, cannot be transferred from one department to another as needed. A chief stenographer would also check up the work carried on in the various offices and by being in constant conference with the Governor and Council, would be able to ascertain in what departments duplication of efforts were being made, with the result that an order of the Governor and Council could correct the waste which we realize exists at the present time.

"We believe also that conferences of the various heads with the Governor should be held at regular intervals, when the details carried on by other departments. Not much of this duplication is the result of statute, and, therefore, would be easy to correct. These investigations, we believe, would lead to a great annual saving, not only of clerical force but of materials used and floor space occupied.

"We believe that a chief stenographer would be an invaluable aid to the Governor, coming directly under his appointment and keeping him informed of such duplication and wasted effort, as well as improving the morale of the clerks and stenographers."

Now, that was the condition in 1921 and it was not improved any. By 1929 we had a survey made, and the survey was made by the Na-

tional Institute of Public Administration and submitted as a report called, State Administration Consolidation in Maine. In other words, it was the basis for the Code bill. On Page 33 they state the condition of the State at that time as being this:

"1. There are no standards of compensation which are generally applied throughout the state service to positions of comparable value or requiring comparable educational or experience qualifications. Inequalities of compensation for like positions are therefore frequent and difficult to adjust satisfactorily.

"2. The titles of many positions have no relation whatever to the work actually done or the qualifications of the employee. A "nurse" may have none of the qualifications of a nurse, or a "dietitian" none of a dietitian. This of course is still further conducive to inequalities of compensation. Meaningless and misleading titles abound.

"3. Length or efficiency of service apparently bears no direct relation to increases of compensation or promotion. Increases of compensation and promotions are made here and there as occasion arises without apparently any policy except that of expediency.

"4. Lacking a selection of employees on the basis of actual qualification, promotion to higher positions in the state service is purely fortuitous. Superior positions which should be filled by the appointment of qualified state employees from lower ranks are too often filled by new appointments of persons, who in many instances, are less qualified.

"5. Many employees, if their stated experience and training is accepted at face value, are utterly unqualified for the positions they hold; many have reached a point of age and physical condition which renders them unfit for duties for which they might otherwise be qualified.

"6. No attempt has apparently been made to equalize the compensation of employees not receiving maintenance and those receiving maintenance in the institutions. Maintenance has no fixed value anywhere, and maintenance allowances may include anything from complete, even luxurious, living to the bare necessities of existence."

Now, those conditions existed in 1929 and 1930. They still exist and that is the reason why a measure

of this kind should receive passage. We have employees in this State who have worked for years and have not had any promotion or any increase in compensation. Others who have been employed but a short time, because they have the right connections, have received promotions without regard to merit or fitness or ability. There should be a plan of compensation for actual service, so that a stenographer working in one department and giving as good service as one in another department would receive a comparable compensation for it. That is where you would have the savings in this bill. You would cut out the extravagance of paying to political patrons wages that they do not earn. I am as good a party worker as anyone here, but I should hate to think any party I belong to depends on political patronage to exist. That is the crux of the whole situation. I think we should put our government on a business-like foundation. Businesses have found they cannot exist if heads of departments can play favorites. Neither can a government exist that way. If you truly believe in economy, you should give this matter very serious consideration.

When it comes to economy—I hate to bore you with so many figures—but since the Senator from Aroostook, Senator Ashby, has criticised the Code and said it has not produced the economies it should have, I should like to give you figures in regard to one department in the state and the savings we have managed to effect in that one department. I refer to the Tax Assessor's office. Since the Code went into effect, for the years from 1930 through 1936, in the property division alone, there has been a total saving of \$76,307.47 in that one division. In the gasoline division, over the same length of time there has been a saving of \$172,976.17, or approximately a quarter of a million dollars that has been saved in that one department, or approximately \$1,000 a week that has been saved by putting the State Tax Assessor's office on a business-like basis. To be sure, our total expenditures have not decreased over this time because of the fact that the people and the legislatures have demanded increased services from our government. But I think if you went through all the departments, you would find that there has been

a saving that has been substantial and that if it were not for the additional service we would be operating on a smaller budget than we were when the Code went into effect.

Now, I do not know—some of you may like this business of being an employment agency. Personally, I think the legislature would be much more efficient if we were not besieged, as legislators, by the hundred and one people back home who want some sort of a job. It doesn't make any difference what kind of job. They want a job. I know you all have them come to you. About three-quarters of the first month my time was spent in interviewing these people and either turning them down gracefully or doing what I could to help them out. I do not consider it a part of my duty as a legislator, but since it is being done, I have to give my time as graciously as you give yours. It would be a saving of my time and of your time. It would be a saving to the taxpayers in money. It would be a big improvement from the employees' standpoint because they would realize that they had a tenure of office, that there was a chance of promotion, and there would be some incentive to give of their best to the department they were working under, rather than saying, "I am here as long as my friends stay in office, but I am gone when they are gone." We cannot have an efficient service as long as we have that. When the vote is taken, I move for a roll call.

Mr. ASHBY: Mr. President, I would like to ask the lady member from Penobscot, a question through the Chair.

The PRESIDENT: The Senator from Aroostook, Senator Ashby, desires to ask a question through the Chair of the Senator from Penobscot, Senator Martin. He may do so and that Senator may reply if she so desires.

Mr. ASHBY: Did I understand the lady member to say that she was a member of the legislative code committee?

Miss MARTIN: You understood correctly.

Mr. ASHBY: I knew there were 16 on the committee, and I remember that Artemus Weatherbee was on the committee, and I wondered how there happened to be two from Penobscot County. You are sure

you do not refer to the Citizens' committee?

Miss MARTIN: I refer to the special committee—when I was a member from the House—the special committee of which I was a member.

Mr. ASHBY: You were a member of the committee of 16 appointed one from each county?

Miss MARTIN: I think the Senator may be in error, because I think there were 16 from the House.

Mr. ASHBY: Well, be that as it may. Another thing, I think Senator Martin implied that I attacked the Code. I do not think I said anything about the Code. Anyway, I didn't criticize the Code. As a matter of fact, I commended them in their action in removing this from the code. I good many things the Senator has said, I could not have said so well myself, against the bill. Now, about the people who come here and get jobs—she has said that they say, "I am here as long as my friends are." That is what I was arguing—if the friend happens to be the personnel officer or on the board, they will be here as long as they are. I feel that Senator Martin has said a lot that would condemn the bill in the eyes of the people, for which she has my sincere thanks. I agree with a lot of the stuff she has mentioned.

Mr. FERNALD of Waldo: Mr. President, I find myself on the fifty-fourth legislative day, in support of the proponents of this measure, the lady Senator from Penobscot, and chairman of the Legal Affairs Committee.

This America of ours is the greatest spectacle in the history of government . . . the voluntary gathering of some 130,000,000 people under one tent . . . the biggest business in the world today.

Yes, there are more than 3,250,000 employees in national, state, and municipal governments—with an annual payroll of some \$4,500,000,000.00.

The only trouble with this whole show is . . . it costs too much. And the chief reason why it costs too much is the SPOILS SYSTEM—the fallacious policy of making governmental jobs the spoils of political victory instead of the reward of merit and ability.

This Spoils System breeds mismanagement. It makes a mockery of honest and efficient government. And it picks our pockets of at least

\$500,000,000.00 a year, in unnecessary taxes caused by waste!

I am therefore in favor of (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 a Board and Director, because it will give us efficient, honest, and more economical government in Maine.

The present system, if it is a system at all, of selecting our state employees, at its best is far worse than the merit system proposed by this bill could be under any circumstances.

Mr. ASHBY of Aroostook: Mr. President I would like to speak again. The Senator from Waldo, Senator Fernald says that our American government is the greatest spectacle on earth. I think the greatest spectacle on earth is the man that has been standing up on his hind legs hollering economy, and now proposes to set a new bureau when he has said the State is becoming a bureaucracy of the first water, and this at a cost of \$5,000 a year or more. If that isn't a spectacle to make one weep I would like to know what is.

Miss LAUGHLIN of Cumberland: Mr. President, it seems to me that this bill is one for increasing efficiency and decreasing expenditures. I think both of those things are matters which should appeal to this Senate. It certainly will increase efficiency when we suit the persons to the job and find by proper test that the person is qualified to perform the service and not because he happens to be on some particular committee that helped to nominate some member of the legislature. It will save in money, and I think nobody can question it being efficiency to have trained persons perform the work instead of just picking them out according to the favor of some individual.

Senator Martin has so completely discussed this bill that it doesn't seem necessary to me to say anything further, other than to say that a great deal of time was given to the discussion of this bill and its provisions. It came before the Judiciary Committee. It was drafted and redrafted before the document which is before us today was agreed upon and it seems to preserve and look after all the rights that should

be looked out for and give a sufficient number of exemptions in unclassified service as set forth in Section 7, so that anybody who had to do with policy making would not come under these provisions but those who came in clerical positions and positions purely administrative would be trained for the job. I therefore hope this bill will not be indefinitely postponed but will be passed and will go on a basis of believing that efficiency is the first requirement for job holding.

Mr. WILLEY of Cumberland: Mr. President, I wish this measure had been before our legislature of two years ago. If it had there wouldn't have been any necessity of employees out here trying to kill a good bill. They would have been attending to their business or they would have been fired long ago! The Senator from Aroostook, Senator Ashby, said that this is a joke of the first water, this ten thousand dollar proposition, but if this bill operates it will save perhaps \$200,000 a year in the cost of personnel to the state of Maine. Now, that is an estimate. There can't anyone tell exactly, but my observation around here would disclose to me that there is a crying need for just such a measure as this, a crying need, a weeping need, one of the first water.

I hope the measure secures passage. I hope the motion to indefinitely postpone does not prevail.

Mr. ASHBY: Mr. President, I have noticed right along that when the lady Senator from Portland speaks the rest of the delegation gangs up with her. Now, after the other two have spoken I will reply to the whole.

Mr. SPEAR of Cumberland: Mr. President, there isn't any collusion but there is one point that has not been touched on and that is that not only are the ladies of this Senate interested in this bill but this bill is also very dear to the hearts of a great many other ladies in the state of Maine and I am practically always for the things that most of the women want. I hope the bill receives passage.

Mr. GOUDY of Cumberland: Mr. President, after the remarks of the distinguished Senator from Aroostook, Senator Ashby, if I didn't at this time rise and say something in favor of this bill they would surely think I was slipping. But you know as a general rule if you

follow the Cumberland County delegation you will find that they are most always right and I certainly hope that this bill receives passage because I think it is a step in the right direction. I feel that it will secure to the state a maximum amount of service and a minimum amount of trouble and dissatisfaction. It is true that when a person runs for office they are besieged by people seeking employment, and after they secure office, if they are fortunate enough to do so, they are then besieged by people wanting jobs, and with that situation perhaps we employ more than there is any need of and perhaps we employ many that shouldn't be employed, and in the interests of the state and the taxpayers of the state I feel that this bill should receive favorable passage.

Mr. ASHBY: Mr. President, I promised to reply to the whole delegation but since the rest of them haven't said anything I don't think any answer is required.

Mr. WILLEY: Mr. President, I certainly am not going to permit this Senate to be deprived of hearing the Senator from Aroostook, Senator Ashby, reply. Being the last of the delegation to speak I might only comment on his statement that the Cumberland delegation has followed our lady member, perhaps out of courtesy you may say, but I will say, no, out of respect for her ability. We have followed her because we feel that we are distinguished to have such an able member in our delegation. I fear that in the past, with all due respect to the representatives from Cumberland County, there has been too little cooperation at this corner, too little thought of the fact that Cumberland County pays one-eighth of the entire expenses of the state of Maine, too little thought that we need to fight here and fight hard together for what we are entitled to. That may account, Senator Ashby, for the fact that we follow our very capable and distinguished lady member of our delegation.

Mr. ASHBY: Mr. President, I accept Brother Willey's explanation and I too have the greatest respect for the ability of the lady member from Cumberland County and I think it was well that Cumberland County did send some brains up here.

The PRESIDENT: The pending

question is on the motion of the Senator from Aroostook, Senator Ashby who moves for the indefinite postponement of Legislative Document 970, the so-called Personnel Bill, and the Senator from Penobscot, Senator Martin, has asked for a roll call. Before a Yea and Nay vote can be taken it is necessary that one-fifth of the members of the Senate present vote in favor. Those in favor of the roll call will rise and stand in their places until counted.

A sufficient number obviously having risen the Yeas and Nays were ordered.

The Secretary called the roll.

YEA: Ashby, Blanchard, Burkett, Friend, Mallar, Tompkins—6.

NAY: Beckett, Chase, Cook, Corrigan, Deering, Fernald, Fortin, Goudy, Graves, Hussev, Kennedy, Laughlin, Lewis, Littlefield, Marden, Martin, Osgood, Owen, Potter, Spear, Walsh, Wentworth, Willey, Worthen—24.

ABSENT: MacKinnon, Sewall.

Six having voted in the affirmative and 24 opposed, the motion to indefinitely postpone did not prevail.

Therefore, on motion by Mr. Fernald of Waldo, the bill was given its first reading.

Miss Martin of Penobscot offered Senate Amendment "A" and moved its adoption: "Senate Amendment A to Legislative Document 970, entitled, '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 Seven of paragraph nine thereof the following: '(10) Officers and employees of the Department of Inland Fisheries and Game'".

Mr. Friend of Somerset offered Senate Amendment "B" and moved its adoption: "Senate Amendment B to Senate Paper 485, Legislative Document 970, entitled, '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 Section Seven of said bill by adding: '(11) All officers and employees of the Maine Forestry District.'"

Miss MARTIN of Penobscot: Mr.

President, I would move that that lie on the table for about five minutes.

Thereupon, the bill and the amendments were laid upon the table pending consideration.

On motion by Mr. Worthen of Penobscot, the Senate voted to take from the table An Act Relating to Indians (S. P. 495) (L. D. 978), tabled by that Senator on April 7th pending second reading; and on further motion by the same Senator the bill was given its second reading.

Mr. WORTHEN: Mr. President, I find that there is considerable sentiment in the Senate amongst the members against this particular bill but I also understand that the members of the Indian Affairs Committee from the Senate do not wish this bill indefinitely postponed. I am willing, if necessary, to compromise by offering an amendment and I understand that this amendment is agreeable to the Senate members of the Indian Affairs Committee. I wish at this time to offer Senate Amendment "A" and move its adoption: "Amend said document by striking out in the last line of Section One thereof the following words, 'or mother was an Indian' and inserting in place thereof the following words, 'and mother were Indians'".

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

Sent down for concurrence.

On motion by Mr. Willey of Cumberland, the Senate voted to take from the table Final Report from the Committee on Aeronautics and Radio Control, tabled by that Senator on April 12th pending acceptance of the report; and on further motion by the same Senator the report was accepted.

Sent down for concurrence.

The PRESIDENT: The Senate will take a short recess to respond to the sound of the gavel.

After Recess

The Senate was called to order by the President.

Mr. MARDEN of Kennebec: Mr. President, referring to Item 3 on Page 2 of today's calendar, Legislative Document 768, on which earlier

in today's session the "Ought to Pass in New Draft" (S. P. 510) report of the Committee on Temperance was accepted and the bill given its first reading, there has been an error discovered in that measure which runs consistently through it and as it is felt that it would be much easier to clarify it by recommitment rather than by an amendment I would move for the recommitment of the bill to the Committee on Temperance.

Thereupon, bill, "An Act to Clarify the Administration of the Liquor Laws" (In New Draft, S. P. 510) was recommitted to the Committee on Temperance.

Sent down for concurrence.

On motion by Miss Martin of Penobscot, the Senate voted to take from the table, 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. 485) (L. D. 970), tabled by that Senator earlier in today's session pending consideration; and on further motion by the same Senator, Senate Amendment "B" was adopted.

That Senator then offered Senate Amendment "A" to Senate Amendment "A" and moved its adoption: "Senate Amendment A to Senate Amendment A to Legislative Document 970. Strike out the words 'officers and employees' and insert therein the word 'wardens'."

Senate Amendment "A" to Senate Amendment "A" was adopted. Senate Amendment "A" as amended by Senate Amendment "A" thereto was adopted.

Thereupon, Miss Martin of Penobscot offered Senate Amendment "C" and moved its adoption: "Senate Amendment C to Senate Paper 485, Legislative Document 970. Amend said bill by striking out all of paragraph numbered 9 of Section Seven thereof and substituting the following in place thereof: 'Officers and employees of the University of Maine, of the several state normal schools and of the Unorganized Territory School System.'"

Senate Amendment "C" was adopted.

Thereupon, under suspension of the rules, the bill as given its second reading and passed to be engrossed as amended by Senate

Amendment "A" as amended, Senate Amendment "B" and Senate Amendment "C".

Sent down for concurrence.

The PRESIDENT: There are still a number of tabled matters that should be disposed of. There are still nineteen matters on the table.

On motion of Mr. Willey of Cumberland the Senate voted to take from the table, bill, An Act to Amend Charter of Lucerne-in-Maine Village Corporation (S. P. 491) (L. D. 1011), tabled by that Senator on April 12th pending second reading; and on further motion by the same Senator the bill was given its second reading and passed to be engrossed.

Sent down for concurrence.

Mr. WILLEY of Cumberland: Mr. President, away back on February 26th I tabled the first matter on the calendar, having in mind that if the Act passed which permitted the state to have some supervision over towns that were unable to pay bills and had to have support from the state during the year, that perhaps both measures would not be needed, and certainly this would not if the other passed. I certainly do not want to cause any congestion on the calendar.

Thereupon on motion by Mr. Willey of Cumberland the Senate voted to take from the table, Senate Report from the Committee on Legal Affairs, "Ought to Pass in New Draft" (L. D. 796) on bill, An Act to Provide for Annual Audits in Cities, Towns, Plantations, and Village Corporations (S. P. 89) (L. D. 87), tabled by that Senator on February 26th pending acceptance of the report.

Mr. WILLEY: Mr. President, will the secretary please read the report; I think it is unanimous.

(The Secretary read the Committee Report.)

Mr. WILLEY: Mr. President, I now move the indefinite postponement of this bill, legislative document 87, on the theory that I do not think this legislature should send auditors into the towns where they pay their bills and mind their own business. I think we are going a little too far in mixing into their affairs. They pay their obligations to the state in full and I think if this matter is adopted that

we are legislating way beyond the scope that we should legislate.

Mr. HUSSEY of Kennebec: Mr. President, I think this bill, Legislative Document 87 has a great deal of real good in it. It does not say that the state shall send auditors into these various towns and cities in the state but it says that she shall make annual audits and the auditors shall be approved by the State Department of Auditors. Now a good many of our cities and towns are carrying annual audits and they could continue with these without additional expense in any form by just applying to see that their auditor is O. K. It does not specify that they have to be certified public accountants. As I said they have just got to be certified to by our state department. This annual audit of town and city books would be a real benefit to the cities and towns as well as the state in that yearly the citizens of these towns and cities will have an accurate report upon the condition of the various towns and cities. It will assist the town officials in making up their annual reports, reports which have in many cases been brought out in a form which had been subject to a great deal of dissatisfaction in that they had been brought up to the point of completion by sitting up two or three nights before the town meeting and getting a balance struck, then checking up and seeing that the report is right after that. Of course, the real trouble seems to be that the opponents of this bill think of the possible expense incurred by a town having these annual audits. It has been shown by statistics of towns now taking audits that they vary anywhere from \$15 to \$150. Now I am speaking of towns, not of cities. Of course the cities where they have a large amount of business to transact more complete detail has to be brought out in their reports, therefore causing a small increase in price. After possibly the first audit has been made in the small towns, the books have been brought up to date and so the annual audit would not cost more than \$15 to \$25. The state departments in a good many instances are carrying on these audits for that amount. This bill is one of great importance to our small towns. The larger cities such as Portland, Lewiston, Augusta, and Bangor are having their own audi-

tors which are approved without any doubt at all, thereby not costing them any additional expense. I trust the motion of Senator Willey will not prevail.

Mr. MARDEN: Mr. President, I do not wish to take the time of this Body again to discuss this measure as the facts presented the other day in connection with the Municipal Finance Board, at which time this measure was referred to, are still true. To recall one or two salient points to the minds of the members: in the hearing on the measure before the Committee, the Auditing Department of the state as I recall told us some one hundred and twenty-five towns have already adopted the state system of bookkeeping under the law, as it now stands. It is Chapter 5, Section 97, which made it an optional matter and that those towns vary in size from a place the size of Biddeford to small plantations, and they have found the annual audit and the state system of bookkeeping very much to their advantage, whereas some twenty-five percent or one-quarter of the number of towns in the state do have from time to time shortages due to carelessness in bookkeeping or ignorance or in some cases intentional misfeasance. In none of those towns since the adoption of the state system have shortages appeared. The state tax assessor's department and the department of audit feel that it is a step in the right direction inasmuch as many irregularities in town affairs result from poor bookkeeping and more than any other type of difficulty. As the Senator from Kennebec, Senator Hussey, has said, the main objection from the towns seems to be the matter of expense but after a system is set up which may be either a state system or a system approved by the state, the audit can be done in two or three days at an expense of \$10 a day plus expense by those men sent out by the department. Those departments feel, and evidence was before the committee, that it was a step in the right direction. It is very true in the department of the tax assessors inasmuch as the records of the various towns at the present time are very inconsistently kept and it is actually difficult for any state Board to compile data concerning the several municipalities.

Mr. GOUDY: The Legal Affairs Committee in a hearing on this particular bill was very fortunate in having presented to it considerable probative evidence that the passage of this bill would be a step toward increasing the efficiency of the officials of the various cities and towns to the end that the public and the taxpayer would be better served. Now in the collection of taxes alone we have quite an intricate problem. The Board of Assessors make their assessments and on the appropriation bill submitted to the Board by the state, it determines the amount of tax which must be collected by the assessment of taxes on the citizens of the cities and towns. The amount of the tax that they determine is committed to the tax collector for collection. The duties of the tax collector are strictly defined by statute and it is obligatory for him to do one of three things, either collect the full amount of the tax or prosecute to the full extent of the law or have the tax abated by the Board of Assessors. Now, in the ordinary city or town, the tax having been committed, the tax collector has in many instances neglected to collect the tax. Perhaps the same collector stays in office or perhaps he is succeeded by future tax collectors. The tax, in some instances, never having been collected, the persons not taken by distress, the law not enforced, the tax abatement never having been made, until you come to the point eventually where the bonding company that is called upon to give a bond for the tax collector absolutely refuses to bond the officials on the ground that he has not lived up to the law in the collection of the taxes. Now in the collection of the tax there may be found in the general levy perhaps a sewer district tax and perhaps a school district tax, and in all events there is the state tax. The tax collector acts at all times as collection agent for the state. Now if by chance, the towns and cities, as they have on many occasions, neglect to pay their state tax and use the funds they have collected for the state tax for other general municipal indebtedness the state then can go into the city or town and levy on any taxpayer's property and deprive that person of his property although he has paid his tax to the collector. That is just one instance why this bill would be a

valuable piece of legislation. It would protect the citizens in the towns. It would be of great benefit to the state. It would be beneficial to the general set-up and welfare of all persons concerned.

I showed you yesterday or the day before moot evidence of some of the activities of the officials in the various towns, and in the particular town that was concerned with the evidence I showed you the same officials were elected the next time they ran for office by an overwhelming majority. So in some instances you see the people have to be protected against themselves inasmuch as they are not conversant with municipal affairs.

I think this is a bill that has been needed for a long time. Now in some city charters the legislature has provided that there shall be an annual audit and the annual audit shall be in some cases, the charter specifies, by a certified public accountant. But in most towns they probably elect their bookkeepers, somebody who is not conversant with municipal affairs, not qualified to audit so that the rights of the taxpayers and citizens shall be protected, and so we feel it would be well to have the state have some jurisdiction over this matter. We don't need to step in arbitrarily where the cities are doing all they can and pay the bills and making an honest effort but the state is concerned with the collection of the state tax and should have authority to send auditors into these towns and thereby protect your interests and my interests and the interests of the taxpayer so as to run the corporation of the state, which is comprised of stockholders, the stockholders being the citizens, and it is to benefit them as much as possible and therefore create a more orderly businesslike system of government. As I say the Legal Affairs Committee put in a lot of time on this bill. They had presented exhibits and evidence from state authorities who are entirely conversant with the situation. We are all here to legislate for the benefit of the people. They are not pet bills with us and we have no personal interest in them but the people of Maine are represented by their chosen representatives who come here and look after their interests. And inasmuch as it goes without contradiction that the general rank and file of the general

public are not conversant with these problems and inasmuch as in the legislature we do become experienced in them, if we see where we can benefit them I think it is our duty to do it. I think the bill should receive passage and I believe it will be a godsend to the state and some communities that will benefit by this bill.

Mr. WILLEY: Mr. President, I wonder if any of those who have sponsored the enactment of this bill who may be in business, who have paid all their creditors, would vote for a law that when you were free and clear from debt, when you owed no man a dollar, that a prospective creditor might come in and examine your books and tell you how to keep your books. It doesn't sound quite sound to me. We will say that some Senator or member of the House may be in the dry goods business or the hardware business. He may not owe a dollar to a man in the world. Should we legislate that a manufacturer should have the right to go in and go over his affairs because he might become indebted to him sometime? That isn't sound. There isn't a thing about it that rings true in the ears of those who believe in the fundamental principles of democracy.

Another thing, if it were to be adopted I think we should clean our own house before we go into 275 Maine towns and put a burden on the towns of \$100 each which would be \$275,000. I call attention to the fact that we had a budget prepared. We paid \$14,000 to have it printed. \$7500 a year for a budget officer. What did we get? We found an airport appropriation and they asked for \$5,000 to lease the airport and \$8,000 for maintenance, and in investigation made by independent Senators finds there is \$16,300 due now, unpaid bills. Now that is not my idea of the way to do business. That isn't doing business under the system set up by the Code. It is totally disregarding every law we have in the state. It is contrary to the principles of good government. And some of them would make the Senate and members of the legislature feel that a \$16,000 appropriation will take care of it. Now I think before we go into our towns who are not indebted to the state and who can look at every state official and say, "I don't owe you one cent" we had

better clean up our own affairs here. I again state it would be rather unbusinesslike for us to legislate that any manufacturer could go into a place of business in Augusta and go over the books if the man didn't owe a cent. Take for instance, the Augusta House. We know they pay their bills. Do you think we should go in there and say, "How many people are you going to have here next year? Do you think you can pay your bills?" It is sticking your nose into somebody's business. I am against that kind of government. Until they become creditors and at that time only should we have that right.

Mr. GOUDY: Mr. President, I didn't intend to talk a second time and I won't bother you long as we are all tired, but the comparison that Senator Willey has drawn is not at all right. He is talking about a man's private business. This concerns the right of the public, the citizens of the state of Maine at large. It is a public proposition. Certainly I agree about a man running a private business but we are interested in a public business where the rights of citizens of this state and towns and cities are to be protected and it will be of great benefit.

Mr. MALIAR of Androscoggin: Mr. President, I find it necessary at this time to say a few words in favor of this measure. Here just recently in my home city I believe if this bill had been a law that there might be a possibility that a certain young man there would not be facing a jail sentence at this time. I believe if the average man holding public office knows of the yearly audit of the books he will not be tempted to borrow money from the treasurer with probably the good intention of paying it back to him. In my home town unfortunately there had not been an audit there for a good many years. This young man, probably in need, did not intend to steal this money but at different times apparently he had borrowed with probably all the intent in the world of paying it back but after he got in so deep that he could not pay it back a new man was appointed to his job and they found that he had embezzled several thousand dollars and now he is facing a jail sentence. So with this bill on the books they would certainly be afraid to borrow any money knowing probably

they could not pay it back and the auditors would be in there during the year. I hope that Senator Willey's motion will not prevail.

Miss MARTIN of Penobscot: Mr. President, I hope that the motion of Senator Willey will not prevail and I wish every member of the Senate had been able to attend the hearing on this particular measure. I personally was impressed by the fact that one out of every four audits that has been made in the state has shown a shortage—town audit. I claim we are in a position of stockholders and not in the position of curious bystanders. The stockholders have a report submitted to them. They are interested in the affairs of the corporation and I say that we as citizens and legislators should be interested in the affairs of our corporation which is the town and the state.

A great deal has been said about the fact that it would cost so much. I sent out for last year's legislative record because I remembered that one of the prominent members of the House looked up the figures at the time and on page 501 of last year's legislative record it is said that the cost to the town of Byron was \$20, Belgrade \$11.95, Canton \$56.85 (their books not in good condition), Carmel \$10, Dexter \$43.60, Durham \$13.32, Farmingdale \$10, Livermore Falls \$22.10, Newport \$15.50, Owl's Head \$13.25, Pittsfield \$12.65, Randolph \$162.20 (these books have been neglected, no posting since June 1934), Readfield \$10, Turner \$11, Winslow \$45, Woolwich \$27.11, and the city of Brewer \$70.12. It is my contention that those amounts are well spent in insurance for good government and for accurate records. I hope the motion will not prevail.

Mr. WILLEY: Mr. President, may I ask Senator Martin a question?

The PRESIDENT: The Senator may ask a question through the Chair.

Mr. WILLEY: Do those figures you have just stated for the several towns have to do with installation of an original system or checking after the installation has been made? I ask because I understood at the hearing two years ago it cost about \$100 a town.

Miss MARTIN: As I understand it, it was the cost of installation. In the case of where it cost over \$162 there was no data and no records and that involved an installa-

tion and in other places it depended upon the type of work done before.

Mr. WILLEY: Am I wrong in stating it costs about \$100 to a town?

Miss MARTIN: It would depend entirely upon the books of a town. If they had no records as some towns apparently do not have, of course it might cost \$100 or more to install it. In places where it cost \$100 they had to do more than in a town where the cost was just \$10. Certainly where they are keeping records by an order stub something should be done in the towns.

Mr. WILLEY: Mr. President, I have the interests of the state of Maine at heart as sincerely as any member of the legislature. Now I can cite my town of Falmouth. We have competent town officials. We have accurate records. We have good banking credit. We pay the state every dollar we owe. I see no reason why this Senate should send someone there to make us install a system of bookkeeping they may like better than we do. I think it is poor legislation to do it to the towns not indebted to the state.

Mr. WORTHEN of Penobscot: Mr. President, to be frank I do not know how to vote on this question. I have had some of the town officials in my legislative session say that they were in favor of a bill of this sort and I have had a few town officials say that they were not in favor of it. In the last session of the legislature the House voted 81 to 34 against a similar measure.

Now, I would appreciate very much, not knowing just how I ought to vote in this matter, to table this bill until tomorrow morning and in the meantime I would be very glad to get in touch with fifteen or twenty towns and find out how the people in these respective towns feel, because I would like to know a little more about it before I cast my vote.

Thereupon, the bill was laid upon the table pending motion to indefinitely postpone.

On motion by Mr. Chase of Piscataquis, the Senate voted to take from the table Senate Report from the Committee on Public Utilities, Majority Report "Ought to Pass," Minority Report "Ought Not to Pass," on an Act to Ratify, Confirm and Make Valid the Acts and

Doings of the Guilford and Sangerville Water District (S. P. 208) (L. D. 294) tabled by that Senator on April 2nd pending acceptance of either report.

Mr. CHASE of Piscataquis: Mr. President, I now move the adoption of the majority report "Ought to Pass," and when the vote is taken I ask for a division. In explaining this I will say that I introduced this at the request of many prominent citizens of Guilford and Sangerville among whom is Judge James H. Hudson and our County Attorney John Powers White, and five or six others, among them Elton Rice, our former County Commissioner, Millard S. Hunter, and Raymond Davis, manager of the Raymond Trust Company. Another is John S. Williams, attorney. If this measure is adopted it will permit the water company to collect some outstanding bills that have been standing several years, and two-thirds of the bills have been paid and this is just obliging the slackers to come across.

Mr. WILLEY of Cumberland: Mr. President, this matter came originally before the Public Utilities Committee and was given a hearing. I think the members of the Senate should turn to Legislative Document 294. It is only four lines. It reads: "The acts, doings, and transactions of the officials of the Guilford and Sangerville Water District, including the assessment of taxes in the year 1935, are hereby ratified, confirmed, and made valid in all respects." That is what you are proposing to enact. I was suspicious of this bill when it first came in and I got in touch with the sponsors of the bill and with Senator Chase. I wanted more facts and they have gotten all of the facts down here. They are not, however, incorporated in this bill. The facts are these, that there were some outstanding contracts; there are two water districts up there that supply water and a legal meeting of the townspeople was called to take a vote on what action they should take. Notice, as I understand is required by the statute for calling the special meetings of the water district, was duly given and they voted to hire lawyers to contest these contracts, and the lawyers did contest the contracts and they failed, in the Supreme Court, to upset the contracts.

Now, none of these facts came out

of the original hearing. They were secluded and covered up but we dug them out and found out what the facts were. Now, I have no objection, if this will help the town out, to validating the acts, knowing the facts myself, but I think it is terribly poor legislation for a legislature to ratify carte blanche the acts and doings of any officials without having an accurate statement of facts as to just what we are doing and how much money they can collect. They advise us that it is about \$2,400 that is due to the two lawyers which they should have for the services they have rendered. That is the information they give us and I have no reason to doubt it.

I think the statements given by the Senator from Piscataquis, Senator Chase, are accurate. I think it is very poor practise, secondly, for the legislature to ratify and confirm unauthorized acts by any corporate body because it encourages them to go beyond the power given them in their charter and then come down here and seek to get ratification of those acts.

Now, I, of course, shall vote against this because in my opinion it is a very poor policy to adopt any such carte blanche legislation as this, and I urge that the minority report be not accepted. I have suggested to the Senator from Piscataquis, Senator Chase and to the claimants that if they will come here and offer an amendment and in that amendment will state openly and freely what they want us to do, I will vote for it, but I will never vote for such carte blanche ratification as that.

Mr. GOUDY of Cumberland: Mr. President, I wonder if the Secretary will be kind enough to read the report of the committee.

The Secretary read the report of the committee.

Mr. GOUDY: And what is the motion now before the Senate, Mr. President?

The PRESIDENT: The question before the Senate is on the acceptance of the majority report "Ought to Pass," of the committee.

Mr. GOUDY: You will notice that I am one of the signers of the minority report. It is true that the matter was before us twice and up to the time I voted I was unable to gather any information on the matter, but since that time I have satisfied myself, by evidence that

has been given to me, that no harm will be done by the passage of this bill. Inasmuch as in my opinion, even though it does ask the legislature to validate certain acts, I think that the acts themselves were valid at the time they were performed, and since, as I have said, I have had the benefit of additional evidence since I voted for the minority report on this bill. I just simply want to make plain to the Senate at this time my vote when I vote for the acceptance of the majority report.

Mr. CHASE: Mr. President, while I have no personal interest in this I did not feel timid about introducing it when I had the backing of so many prominent people up there, some of whom I have named, and I understand that there is no objection from anybody to this bill.

Mr. WILLEY of Cumberland: Mr. President, may I ask a question through the Chair of the Senator from Piscataquis, Senator Chase?

The PRESIDENT: The Senator may ask his question through the Chair and the Senator from Piscataquis, Senator Chase, may answer if he wishes.

Mr. WILLEY: Is there any objection to filing an amendment or statement of fact so that all legislators who have to pass on it will know exactly what they are ratifying?

Mr. CHASE: I think there is a

recent statement of facts in there. Perhaps that can be read and adopted.

Mr. WILLEY: Well, I didn't know they were there. If the statement shows the fact, that is all I want.

Mr. CHASE: This is a copy that Mr. Williams gave to me which I gave to you and then I asked you where it was and you thought it was in your pocket down at the House and so I have brought in the copy.

Mr. WILLEY: Well, if that is to be attached to the measure I have no objection to the majority report but I wanted the legislature to know what they are doing.

The PRESIDENT: The pending question is on the motion of the Senator from Piscataquis, Senator Chase, who moves the acceptance of the "Ought to Pass" report of the committee, and the same senator has asked for a division.

A division of the Senate was had. Twenty-four having voted in the affirmative and one opposed the "Ought to Pass" of the committee was accepted.

Thereupon, under suspension of the rules the bill was given its two several readings and passed to be engrossed.

Sent down for concurrence.

On motion by Mr. Cook of Somerset,

Adjourned until tomorrow morning at ten o'clock.