

MAINE STATE LEGISLATURE

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Legislative Record

OF THE

Eighty-Ninth Legislature

OF THE

STATE OF MAINE

1939

KENNEBEC JOURNAL COMPANY
AUGUSTA, MAINE

HOUSE

Friday, March 31, 1939.

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

Prayer by the Rev. Mr. Withee of Gardiner.

Journal of the previous session read and approved.

Finally Passed (Emergency Measure)

Mr. MARSHALL of Auburn: Mr. Speaker, in view of the emergency I now ask that the rules be suspended and that I be allowed to take from the Enactor list Resolve for the Laying of the County Tax in the county of Androscoggin for the year 1939 (H. P. 2120), and I move that the resolve be finally passed and sent forthwith to the Senate.

The SPEAKER: The gentleman from Auburn, Mr. Marshall, moves that the rules be suspended and that the House take up out of order at this time an Enactor. Is this the pleasure of the House?

The motion prevailed.

The SPEAKER: The gentleman from Auburn, Mr. Marshall, moves that H. P. 2120, Resolve for the Laying of the County Tax in the county of Androscoggin for the year 1939 be finally passed.

This is an emergency measure and requires for its final passage the affirmative vote of two-thirds of the entire elected membership of the House. All those in favor of the final passage of this Resolve will rise and stand in their places until counted and the Monitors will make and return the count.

A division of the House was had. One hundred and seventeen voting in the affirmative and none in the negative, 117 being more than two-thirds of the entire elected membership of the House, the resolve was finally passed.

On further motion by Mr. Marshall, the resolve was ordered sent forthwith to the Senate.

Passed to be Enacted (Emergency Measure)

Mr. VARNEY of Berwick: Mr. Speaker, for a similar reason I move that the rules be suspended in order for the House to take up

out of order Item 1 on page 8 of the calendar, An Act Amending the Unemployment Compensation Law relating to Benefits (H. P. 2055) (L. D. 1091).

The SPEAKER: The gentleman from Berwick, Mr. Varney, moves that the rules be suspended in order that the House may take up out of order at this time an Enactor. Is this the pleasure of the House?

The motion prevailed.

The SPEAKER: The gentleman from Berwick, Mr. Varney, now moves that An Act Amending the Unemployment Compensation Law relating to Benefits (H. P. 2055) (L. D. 1091) under suspension of the rules and out of order, be passed to be enacted at this time.

This is an emergency measure and requires for its passage the affirmative vote of two-thirds of the entire elected membership of the House. All those in favor of the passage of this bill will rise and stand in their places until counted and the Monitors will make and return the count.

A division of the House was had.

One hundred and thirteen voting in the affirmative and none in the negative, 113 being more than two-thirds of the entire elected membership of the House, the bill was passed to be enacted.

On further motion by Mr. Varney, the bill was ordered sent forthwith to the Senate.

Papers from the Senate disposed of in concurrence.

Senate Bills in First Reading

Bill "An Act to Promote the Topographic Mapping of Maine in cooperation with the United States Geological Survey" (S. P. 346) (L. D. 781); in new draft (S. P. 549) (L. D. 1075) under same title.

Bill "An Act Authorizing the Issue of Full Paid Stock by Public Utility Companies at less than Par and Without Subscription Rights when Authorized by the Public Utilities Commission" (S. P. 227) (L. D. 278); in new draft (S. P. 551) (L. D. 1077) under title of "An Act Authorizing the Issue of Full Paid Stock by Public Utility Companies at Less than Par When Authorized by the Public Utilities Commission."

Bills were read twice and tomorrow assigned.

Senate Reports Tabled

From the Senate: Report of the Committee on Maine Publicity on bill "An Act relating to the Powers of the County Commissioners" (S. P. 382) (L. D. 789) reporting same in a new draft (S. P. 538) (L. D. 1073) under same title and that it "Ought to pass."

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

In the House:

Mr. VARNEY of Berwick: Mr. Speaker, from a hasty look at this new draft it appears to me that this bill apparently permits the County Commissioners to raise one quarter of a mill to advertise the various counties. It seems to me that is quite a large sum. I think it would amount to something over \$200,000 to the State of Maine. In order that we may look at this bill a little bit, I am going to move that it lie on the table.

The SPEAKER: The gentleman from Berwick, Mr. Varney, moves that the report of the Committee on Maine Publicity on bill "An Act relating to the Powers of the County Commissioners" (S. P. 382) (L. D. 789) reporting same in a new draft (S. P. 538) (L. D. 1073) under same title and that it "Ought to pass" lie on the table. Is this the pleasure of the House?

The motion prevailed and the report, together with the bill, were tabled pending acceptance of committee report in concurrence.

From the Senate: Report of the Committee on State Prison on Resolve relating to the Construction of a New Wall at the Maine State Prison and a Dormitory at the Prison Farm (S. P. 231) (L. D. 274) reporting same in a new draft (S. P. 552) (L. D. 1078) under title of "Resolve relating to the Construction of a Dormitory at the Prison Farm" and that it "Ought to pass."

Comes from the Senate, report read and accepted and the resolve passed to be engrossed.

In the House, on motion by Mr. Emery of Bucksport, tabled pending acceptance of the committee report in concurrence.

Senate Divided Reports

From the Senate:

Majority Report of the Committee on Agriculture and Maine Publicity jointly on Bill "An Act Im-

posing a Tax on Blueberries for Advertising and Stabilizing the Blueberry Industry of the State (S. P. 343) (L. D. 827) and accompanying Petitions, reporting same in a new draft (S. P. 553) (L. D. 1079) under title of "An Act to Promote the Blueberry Industry of the State" and that it "Ought to pass".

Report was signed by the following members:

Messrs. Beckett of Washington

Dow of Franklin

Owen of Kennebec

Osgood of Oxford

Findlen of Arostook

—of the Senate.

Townsend of Bangor

Peakes of Milo

Otto of Dexter

Young of Old Orchard

Beach

Holman of Dixfield

Colby of So. Paris

Larrabee of W. Bath

Chandler of New Gloucester

Bacon of Sidney

Walker of Littleton

Hanold of Standish

Robbins of Harrison

—of the House.

Minority Report of same Committees reporting "Ought not to pass" on same Bill.

Report was signed by the following members:

Messrs. Brown of Caribou

Snow of Dover-Foxcroft

—of the House.

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

In the House:

Mr. BROWN of Caribou: Mr. Speaker, I move that the minority report, "Ought not to pass," be accepted, and I wish to state briefly my reasons for this motion.

At the hearing on the original bill, held in this House, regarding a tax for advertising purposes for blueberries, about one hundred people appeared against the bill and only two or three for it. At that time the different blueberry associations and men interested in selling of fresh blueberries not only vigorously opposed the bill as it was but stated they wanted no interference from the State of Maine and that they were able to manage their own business, that they did not want any tax or any interference. The Committee, on the original bill, were unanimous in saying that it ought not to pass, but, in order to

satisfy certain interests, it was thought that this bill might save somebody's face, and the new draft provides for a tax but it is to be entirely voluntary.

Now I object to the bill for two reasons: First, they were not satisfied that the people wanted any advertising or any assistance from the Maine Publicity; and, secondly, they did not approve even of this tax. To me, it is a perfectly useless piece of legislation as it is, because no one is going to tax themselves to advertise an industry when the majority of the people won't stand for a tax. Only those who wish to pay the tax will do so, and they, under the circumstances, would not want to do that.

I do say, though, that the Maine Publicity Bureau, if they could get this tax, would start out putting up the blueberries with a red, white and blue label, and say to the other people: "If you do not pay this tax, you are going to be left out."

Until the blueberry growers of the State are united in wanting this form of legislation, I think the best thing we can do is to keep our hands off and let them come up here in another two years with a united program.

Mr. HINMAN of Skowhegan: Mr. Speaker and members of the House: I am not particularly interested in which way you may choose to vote on this question. I do want to say this: I heard a Mr. Burrows—I think he is County Attorney in Knox, make a statement to the committee that he represented a cross-section of the blueberry growers, and he also made the statement that the blueberry growers neither asked for nor wanted any aid from the State of Maine.

The SPEAKER: The question before the House is on the motion of the gentleman from Caribou, Mr. Brown, that the minority report, "Ought not to pass," be accepted. The Chair recognizes the gentleman from Littleton, Mr. Walker.

Mr. WALKER: Mr. Speaker, being one of the members who signed the majority report, I think it should be explained why we signed it, or at least why I signed it.

As the gentleman from Caribou, Mr. Brown, stated, in the first draft, as I understood it, it was a compulsory bill, that is, every blueberry grower had to contribute toward this tax.

At the hearing it seemed to me, and I think it seemed to the majority of the committee, that there seemed to be two different factions: One was the men who grew blueberries for canning purposes and the other faction was the men who grew fresh blueberries to sell on the market. I took it from the hearing that the majority of the men that sold to the canneries were in favor of the bill, and the majority of the growers who sold fresh blueberries were not in favor of the bill.

As the new draft was drawn up, it is purely voluntary at the present time, and I do not see any reason, if the men who sell blueberries to the factories or the canners themselves wish this bill, why they should not have it. I therefore move that the majority report be accepted in concurrence.

The SPEAKER: The question before the House is on the motion of the gentleman from Caribou, Mr. Brown, that the minority report, "Ought not to pass," be accepted. Is the House ready for the question?

All those in favor of the acceptance of the minority report, "Ought not to pass," will say aye; those opposed no.

A viva voce vote being doubted,

A division of the House was had.

Fifty-four having voted in the affirmative and 43 in the negative, the motion prevailed, the minority report "Ought not to pass" was accepted in non-concurrence and sent up for concurrence.

From the Senate: Report of the Committee on Legal Affairs on Bill "An Act Creating the Passamaquoddy District Authority" (S. P. 263) (L. D. 453) reporting same in a new draft (S. P. 573) (L. D. 1101) under same title and that it "Ought to pass".

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

In the House, report of the committee was accepted in concurrence, and the bill had its two several readings.

Senate Amendment "A" read by the Clerk and adopted in concurrence.

On motion by Mr. Murchie of Calais, under suspension of the rules, the bill was given its third reading and passed to be engrossed as amended in concurrence.

From the Senate: Bill "An Act Creating the Board of Sanitation, Licensing and Inspection and Defining its Powers and Duties" (S. P. 597) (L. D. 1107) which was passed to be engrossed as amended by House Amendment "A" in the House on March 30th.

Comes from the Senate, passed to be engrossed as amended by House Amendment "A" as amended by Senate Amendment "A" thereto in non-concurrence.

In the House, Senate Amendment "A" to House Amendment "A" read by the Clerk.

On motion by Mr. Paul of Portland, the House voted to recede from its former action whereby it passed the bill to be engrossed as amended by House Amendment "A" and to further recede from its former action whereby it adopted House Amendment "A".

The House then voted to concur with the Senate in the adoption of Senate Amendment "A" to House Amendment "A" and to further concur with the Senate in the adoption of House Amendment "A" as amended by Senate Amendment "A", and the bill was passed to be engrossed as amended in concurrence.

Senate Bill Tabled

From the Senate: Bill "An Act relating to the Salary of the Recorder of the Northern Cumberland Municipal Court" (H. P. 687) (L. D. 260) on which the House accepted the report of the Committee on Salaries and Fees reporting "Ought not to pass" on March 23rd.

Comes from the Senate, recommended to the Committee on Salaries and Fees in non-concurrence.

In the House:

Mr. GYGER of Cumberland: Mr. Speaker, I move that the House adhere to its former action whereby it accepted the "Ought not to pass" report of the Committee on Salaries and Fees.

The SPEAKER: The gentleman from Cumberland, Mr. Gyger, moves that the House adhere to its former action whereby it accepted the "Ought not to pass" report of the Committee. The Chair recognizes the gentleman from Bridgton, Mr. Pike.

On motion by Mr. Pike, the bill

was tabled pending the motion of the gentleman from Cumberland, Mr. Gyger, that the House adhere to its former action whereby it accepted the "Ought not to pass" report of the committee.

The following Communication:

**STATE OF MAINE
DEPARTMENT OF FINANCE
BUREAU OF ACCOUNTS AND
CONTROL
AUGUSTA**

March 30, 1939.

To the Honorable Members of the House of Representatives:

In compliance with House Order dated March 29, 1939, I am enclosing statement showing as of December 31, 1938, the names of towns who have received or still were receiving Emergency Aid, the date such aid began as well as date suspended or resumed; and amounts received.

Respectfully submitted,

(Signed) William A. Runnells,
State Controller.

Was read and with accompanying papers was ordered placed on file.

The following petitions and remonstrance were received, and upon recommendation of the Committee on Reference of Bills were referred to the following committee:

Taxation

Petition of W. E. Barney & Co. and 20 others of Dover-Foxcroft and vicinity in favor of Store Tax Bill (H. P. 2121) (Presented by Mr. Dean of Greenville)

Petition of Charles Peck and 229 others of Biddeford and vicinity in favor of same (H. P. 2122) (Presented by Mr. Donahue of Biddeford)

Petition of Agness Waterman and 25 others of Freeport and vicinity in favor of same (H. P. 2123) (Presented by Mr. Cushing of Freeport)

Petition of Earl Porter and 50 others of Bangor and vicinity in favor of same (H. P. 2125) (Presented by Mr. Mahon of Ellsworth)

Remonstrance of Hugh D. MacLean and 70 other Consumers of Fairfield and vicinity against same (H. P. 2126) (Presented by Mr. Ellis of Fairfield)

Sent up for concurrence.

Reports of Committees Divided Reports

Majority Report of the Committee on Temperance on Resolve relating to Reimbursement of Licensees whose Licenses Become Inoperative Before the End of the License Period (H. P. 1748) (L. D. 851) reporting same in a new draft (H. P. 2127) under same title and that it "Ought to pass"

Report was signed by the following members:

Messrs. MARDEN of Kennebec
BOUCHER of Androscoggin
LITTLEFIELD of York
—of the Senate.
DOW of Kennebunkport
DORRANCE of Richmond
MILLS of Farmington
MESERVE of Casco
—of the House.

Minority Report of same Committee reporting "Ought not to pass" on same Bill.

Report was signed by the following members:

Messrs. BUBAR of Weston
GOOD of Monticello
MERRIFIELD of E. Lebanon
—of the House.

Mr. GOOD of Monticello: Mr. Speaker, I being one who signed the minority report, I would like to make a few explanations of why I did so. It is not my will to be on the minority side all the time, but if I think I am right I am willing to do so, and I signed the minority report because I thought I was right. If what I say is true, then I think this bill is a dangerous bill. I took it up with the Attorney General, and he informed me that he was afraid it was a dangerous bill.

Now this bill requires the state to reimburse the applicant who had a license to sell beer before the law came into effect which gave a local option and where they lost their license at that time. That would mean about \$13,016.66 that has got to be paid back by the State to these different men. I also have the figures from the Controller's office on the certificate of approval which the brewers hold, and that would mean an additional \$9,133.63, which would be in the neighborhood of \$22,000 that the State has got to give back if we pass this bill.

Now we have been talking economy, and I do not feel that it is any time that we should give back twenty odd thousand dollars to

these people. I contend that some of the men who hold these licenses, when they got them they knew that there was an election coming that fall, and they were taking their chances when they bought these licenses, and therefore, when they were terminated, they lost their licenses. I believe some of them would have their license even today if they had operated properly, but some of the wet towns went dry because they did not want to tolerate any such business.

I feel that we should protect ourselves and not give back the money that this will call for. Not only that, but it opens the gateway to other men who lost their licenses. I remember back a few years ago when they changed the law on the hunting licenses, we were paying \$1.15 and they wanted us to pay more, and we never asked for any of that back. The law was passed and that is all there was to it.

I do not know why we as members of this House should grant the liquor industry or the men who sell beer the right to demand from us over \$20,000. Therefore, I move that the minority report be accepted.

The SPEAKER: The question before the House is on the motion of the gentleman from Farmington, Mr. Mills, that the majority report, "Ought to pass in new draft," be accepted. The Chair recognizes the gentleman from Ripley, Mr. Jewett.

Mr. JEWETT: Mr. Speaker, in the absence of one of the members who was vitally interested in this matter, I move that it be laid on the table.

The SPEAKER: The gentleman from Ripley, Mr. Jewett, moves that the two reports of the committee and the accompanying bill lie on the table pending the motion of the gentleman from Farmington, Mr. Mills, that the majority report be accepted. Is this the pleasure of the House?

Cries of "No", "No."

The SPEAKER: All those in favor of the motion that the two reports and the bill lie on the table will say aye; those opposed no.

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

Mr. HINMAN of Skowhegan: Mr. Speaker, I want to say in the first place that there are moral reasons

why we would like to return this money to those who made the payment, but those reasons are so far outweighed by the injury that might come to the State of Maine, due to the fact that those payments are in no different status than many others that have been made in the State of Maine, such as the inheritance tax, and if we were to accept the perhaps admitted moral obligation and allow this money to be returned, we would open the way to dangers that this State of Maine should not allow. In this case, it involves only one year. This is not anything that is coming back to us. It is simply in that first year where they ran from July or January, or vice versa; and those men knew when they took out their license in January that there was to be an option vote and they knew that the town might go dry, and it was part of their gamble. I hope in this particular case we may consider and weigh the benefit to the State of Maine in accepting the minority report against the much lesser moral obligation, and that the minority report may prevail.

Mr. MILLS of Farmington: Mr. Speaker, I recognize that in the past the State has refused to accept certain moral and ethical obligations to pay money, but I could not see that was a reason for doing so again, and that is the reason I signed the majority report.

In this instance, the State has collected from these licenses an annual license fee on July 1, and then has taken the license away from them on January 1, when one-half of the license period had expired. During that interim the Chairman of the Liquor Commission sent out a letter to all of these licensees saying that they would be given back one-half of the license money. I believe, in a case like that, where the State has collected money which does not belong to it, which is money of the licensees, and where they only received the benefit of the license for half of the year, and the State collected the license fee for the entire period—in spite of the fact that the precedent is the other way as far as the State way of doing business is concerned, I think the only ethical thing the State of Maine could do would be to return that money. For that reason I signed the majority report, and I move its acceptance.

The SPEAKER: The question before the House is on the motion of the gentleman from Farmington, Mr. Mills, that the House accept the majority report "Ought to pass in new draft" on Resolve Relating to Reimbursement of Licensees Whose Licenses Become Inoperative Before the End of the License Period" new draft (2127).

All those in favor of the motion of the gentleman from Farmington, Mr. Mills, that the majority report "Ought to pass in new draft" be accepted will say aye; those opposed no.

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

On motion by Mr. Good of Monticello, the minority report "Ought not to pass" was accepted and sent up for concurrence.

House Committee Report

Mr. McGlauffin from the Committee on Leave of Absence reported that Mr. Violette of Van Buren be excused from attending the sessions of the House during his illness.

Report was read and accepted.

House Report—Inexpedient

Mr. Burgess from the Committee on Ways and Bridges on Bill "An Act relating to Marking Certain Highways" (H. P. 933) (L. D. 366) reported that legislation is inexpedient.

Report was read and accepted and sent up for concurrence.

Ought Not To Pass

Mr. Brown from the Committee on Agriculture reported "Ought not to pass" on Bill "An Act to Create a Horticultural Commission" (H. P. 1404) (L. D. 601)

Mr. Hanold from the Committee on Inland Fisheries and Game reported same on Bill "An Act Providing for the Payment of Porcupine Bounties Directly by the State" (H. P. 1788) (L. D. 956)

Mr. Peakes from same Committee reported same on Bill "An Act relating to Regulation of Sporting Camps by the Commissioner" (H. P. 1565) (L. D. 663)

Same gentleman from same Committee reported same on Resolve for Screening Outlet of Molasses Pond in Eastbrook (H. P. 1412)

Same gentleman from same Committee reported same on Bill "An Act relative to Fishing Licenses (H. P. 468) (L. D. 139)

Same gentleman from same Committee reported same on Bill "An Act relative to the Sale of Deer" (H. P. 379) (L. D. 100)

Mr. Welch from same Committee reported same on Bill "An Act relating to Transportation of Deer" (H. P. 879) (L. D. 336)

Reports were read and accepted and sent up for concurrence.

Report Tabled

Mr. Townsend from the Committee on Public Health reported "Ought not to pass" on Bill "An Act relating to Charges Made by Hospitals Receiving Public Funds for X-ray Pictures" (H. P. 1707) (L. D. 874)

(On motion by Mr. Goss of Poland, tabled pending acceptance of committee report)

Mr. Worth from the Committee on Taxation reported "Ought not to pass" on Bill "An Act relating to Taxation of Personal Property" (H. P. 1733) (L. D. 833)

Mr. Bubar from the Committee on Temperance reported same on Bill "An Act relating to Outdoor Advertising" (H. P. 1740) (L. D. 843) as it is covered by other legislation.

Mr. Hussey from the Committee on Ways and Bridges reported same on Bill "An Act relating to the Wiscasset-Westport Ferry" (H. P. 1221) (L. D. 428)

Reports were read and accepted and sent up for concurrence.

Ought To Pass In New Draft

Mr. Marshall from the Committee on Banks and Banking on Bill "An Act Regulating Automobile Finance Business" (H. P. 1543) (L. D. 861) reported same in a new draft (H. P. 2124) under same title and that it "Ought to pass"

Mr. Downs from the Committee on Public Health on Bill "An Act relating to Apothecaries and the Sale of Poison" (H. P. 1196) (L. D. 472) reported same in a new draft (H. P. 2128) under same title and that it "Ought to pass"

Mr. Noyes from the Committee on Taxation on Bill "An Act relating to the Statute Defining Real Estate for Taxation Purposes" (H. P. 1737) (L. D. 832) reported same in a new draft (H. P. 2129) under same title and that it "Ought to pass"

Mr. Churchill from the Committee on Claims on the following Resolves:

S. P. 135 Resolve in Favor of Al. L. Graham, of Hollis.

H. P. 26 Resolve in Favor of John Duprey, of Winterville.

H. P. 66 Resolve in Favor of Herbert L. Smith, Jr., of Bucksport.

H. P. 67 Resolve in Favor of Stewart Jackson, of Portland.

H. P. 68 Resolve in Favor of Mrs. Mary Hersey, of Dover-Foxcroft.

H. P. 120 Resolve in Favor of Elphage Paradis.

H. P. 121 Resolve in Favor of Carus T. Spear, of Bangor.

H. P. 237 Resolve in Favor of Charles M. Austin, of Bethel.

H. P. 265 Resolve in Favor of Hamlin H. Maddocks, of Bangor.

H. P. 266 Resolve in Favor of Iva-dell Gaddis, of East Machias.

H. P. 267 Resolve in Favor of William M. Fish, of China.

H. P. 269 Resolve in Favor of William P. Toulouse, of Waterville.

H. P. 371 Resolve in Favor of Jason Hutchinson, of South Portland.

H. P. 372 Resolve in Favor of Eugene Leach and Earl Kittredge, of Bluehill.

H. P. 455 Resolve in Favor of William N. Crosby, of Bangor.

H. P. 456 Resolve in Favor of R. Garland Redman, of Bucksport.

H. P. 461 Resolve in Favor of Evangeline P. Seaman.

H. P. 529 Resolve in Favor of Joseph A. Laliberte, of Augusta.

H. P. 689 Resolve in Favor of Alvah Goodhue, of Oakland.

H. P. 690 Resolve in Favor of George W. Batchelder, of Rockland.

H. P. 692 Resolve in Favor of A. I. Norton, of Dark Harbor.

H. P. 693 Resolve in Favor of R. B. McFarland, of Camden.

H. P. 695 Resolve in Favor of John L. Abbott, of Augusta.

H. P. 819 Resolve in Favor of Frank W. King, of Brewer.

H. P. 995 Resolve in Favor of Walter H. Steenstra, of Robbinston.

H. P. 1031 Resolve in Favor of Tileston W. Bickford, of Searsmont.

H. P. 1032 Resolve in Favor of Alfred G. Crawford, of Belfast.

H. P. 1042 Resolve in Favor of Roy Lily, of Dresden.

H. P. 1043 Resolve in Favor of Norris Waltz, of Damariscotta.

H. P. 1118 Resolve to Reimburse Marion L. Frye, of Harrington, Maine and the General Exchange Insurance Corporation of Portland for Damage done to the Marion L. Frye Car by a Deer.

H. P. 1256 Resolve in Favor of Asa Ladd, of Hartland.

H. P. 1375 Resolve in Favor of M. W. Eldridge, of Franklin.

H. P. 1764 Resolve in Favor of Elizabeth Achorn, of Union; reported a Consolidated Resolve (H. P. 2130) under title of "Resolve providing for the Payment of Certain Damages Caused by Protected Wild Animals" and that it "Ought to pass".

Reports were read and accepted and the new drafts ordered printed under the Joint Rules.

Ought to Pass Bill Tabled

Mr. Hanold from the Committee on Inland Fisheries and Game reported "Ought to pass" on Bill "An Act relative to Non-resident Fishing Licenses" (H. P. 1569) (L. D. 632)

(On motion by Mr. Pike of Bridgton, tabled pending acceptance of committee report and specially assigned for next Tuesday)

Mr. Hanold from the Committee on Inland Fisheries and Game reported "Ought to pass" on Bill "An Act relative to Fishing Licenses" (H. P. 1568) (L. D. 666)

Mr. Paul from the Committee on Motor Vehicles reported same on Resolve Creating a Recess Committee on Motor Vehicle Legislation (H. P. 1699) (L. D. 928)

Mr. Palmeter from the Committee on Public Health reported same on Bill "An Act to Require Annual Registration of Osteopathic Physicians" (H. P. 708) (L. D. 261)

Mr. Palmeter from same Committee reported same on Bill "An Act relating to the Sale of Cigarettes" (H. P. 1703) (L. D. 870)

Mr. Davis from the Committee on Ways and Bridges reported same on Bill "An Act relating to the Expenditure of Highway Funds" (H. P. 1468) (L. D. 572)

Mr. Stilphen from same Committee reported same on Bill "An Act relating to Surface Treatment of Third Class Highways" (H. P. 728) (L. D. 310)

Reports were read and accepted.

Ought To Pass With Committee Amendment

Mr. Farrington from the Committee on Motor Vehicles on Bill "An Act relating to Reserved Number Plates for Motor Vehicles" (H. P. 566) (L. D. 199) reported "Ought to pass" when amended by Committee

Amendment "A" submitted therewith.

Report was read and accepted.

First Reading of Printed Bills and Resolve

Bill "An Act relating to Acceptance of Donations by Cemetery Corporations" (H. P. 2117) (L. D. 1109)

Bill "An Act relating to Part-time Malt Liquor Licenses" (H. P. 2118) (L. D. 1110)

Bill "An Act relative to Insurance Agents" (H. P. 2119) (L. D. 1111)

Resolve Authorizing the Forest Commissioner to Convey Certain Interest of the State in Land in Washington County to Edith D. McKenney of Lincoln (H. P. 1769) (L. D. 1063)

Bills were read twice, Resolve read once, and tomorrow assigned.

First Reading of Printed Bill with Committee Amendment

Bill "An Act Amending the Law relating to Embalmers and Funeral Directors" (H. P. 1666) (L. D. 856)

Bill was given its two several readings. Committee Amendment "A" was read by the Clerk, as follows:

Committee Amendment "A" to H. P. 1666, L. D. 856. Bill, "An Act Amending the Law Relating to Embalmers and Funeral Directors."

Amend said Bill in lines 15 and 16 of Section 5 thereof by striking out "\$3.00 for an embalmer's or funeral director's license" and inserting in the place thereof the following: "\$2.00 for an embalmer's license, \$2.00 for a funeral director's license, \$3.00 for a combination embalmer's and funeral director's license'.

Committee Amendment "A" was then adopted and tomorrow assigned for third reading of the bill.

Passed to Be Engrossed

Bill "An Act Providing for the Election of a Chairman of the Board of Selectmen" (S. P. 196) (L. D. 240)

Bill "An Act relating to Sale or Possession of Poisons" (S. P. 330) (L. D. 581)

Bill "An Act Prohibiting Trapping in the town of Scarboro" (H. P. 2098) (L. D. 1103)

Bill "An Act relative to Bird Sanctuary in Old Orchard Beach" (H. P. 2100) (L. D. 1104)

Sent up for concurrence.

Amended Bills

Bill "An Act to Provide for the Surrender by Bigelow Plantation of Its Organization" (H. P. 521) (L. D. 176)

Bill "An Act to Provide for the Surrender by town of Williamsburg of its Organization" (H. P. 1750) (L. D. 677)

Were reported by the Committee on Bills in the Third Reading, read the third time, passed to be engrossed as amended and sent up for concurrence.

Passed to Be Enacted

An Act relating to Copies of Records (H. P. 1662) (L. D. 713)

An Act relating to Removal of Paupers (H. P. 1664) (L. D. 904)

An Act relating to the Registration of Non-resident Owned Motor Vehicles (H. P. 1697) (L. D. 927)

An Act Changing the Name of the Preachers' Aid Society of the Maine Conference of the Methodist Episcopal Church (H. P. 1836) (L. D. 997)

An Act to Incorporate the Rockland School District (H. P. 2018) (L. D. 1066)

An Act relating to Civil Service in the city of Auburn (H. P. 2010) (L. D. 1065)

Orders of the Day

Under Orders of the Day, the Chair lays before the House the first tabled and today assigned matter, House Report "Ought not to pass" of the Committee on Mercantile Affairs and Insurance on Bill "An Act Relating to Standard Form Insurance Policy" (H. P. 1672) (L. D. 758), tabled on March 30th by Mr. Howes of Charleston, pending acceptance; and the Chair recognizes that gentleman.

Mr. HOWES: Mr. Speaker, I move that the bill be substituted for the Committee report, and I ask for a division of the House.

This bill went before the committee and we had a hearing. I presume every fire insurance agent from Kittery to Fort Kent was present. We had an especially nice hearing, which I thoroughly enjoyed, but, when the last one got done, it did not change my mind a bit.

I believe we should have a standard form of insurance. I did not ask the committee to throw away any insurance that we have; I simply asked them that the companies sell

two insurance policies, the same one that they have and the valued insurance policy.

The way I see this, it is more or less of a racket, and it seems I am not altogether alone in this, because some of the committee felt the same way.

I do wish to clear up one thing, because they sort of put me on the spot, some of the people there. I did not care to argue, because we all had a nice time and everything was all right.

I did make the statement that a man in my town was insured, and when he had a fire and the insurance agent came down, they went two miles down to the village to get the first selectman and carried him back home before they settled with that man. I still say that is a fact, although one of the insurance men said he doubted it very much. If anyone here doubts it, I am perfectly willing to call the first selectman and find out if that is not so. Furthermore, he was a farmer like myself and lived on a back road, never having the privileges that a good many have had. When they got done with him they made him out a criminal for having so much insurance on his property, and they settled with that poor, honest man, a friend of mine, for an amount a lot less than he paid for. I say it is wrong, and I am going to fight against it. I would have put my own money in to fight for him if he had not had it.

I wish to call your attention to a picture I have here on my desk. Here is a picture of a set of buildings insured for \$16,000. It shows on the top they accepted the owner's premium but refused to settle on the value for which they insured. The only insurance they gave this man on \$16,000 after he had been insured for ten years, they offered to pay him \$3766. Three months after that they paid him \$4500. The man paid out \$4334, and he received \$165.21.

I have a valued fire insurance policy here. I will not read the whole of it, but I would, however, like to read the heading:

"This company shall not be liable beyond the actual value of the insured property at the time any loss or damage happens, except on buildings totally destroyed, in which case the full amount of the limitation shall be paid."

Do you see anything wrong with that? My buildings are insured for \$4000, I put on \$4000 and have had that on since 1914. My buildings are valued at \$2800 on the town books. What am I going to get if I get burned out? I don't know.

I have a letter here from the Insurance Commissioner of New Hampshire. I am reading this because a good many men told me they were not particularly interested in this bill, hadn't read it and did not understand it. This is written by the Fire Commissioner and signed by him, John E. Sullivan, of the State of New Hampshire:

"It is a fact that the foregoing Policy Law has been in operating existence since the year 1885, and I wish to advise that the applicable statutory policy enjoys the confidence of the citizenry of our State. An outstanding test factor that it is a merited instrument is that it has been in effect for approximately one-half a century, and during my period in office, which is approximately fourteen years, no adverse comments or criticisms have been registered with this Department."

That is signed by John E. Sullivan, Insurance Commissioner. This policy seems to be good in New Hampshire but does not seem to be good in Maine.

These are some of the facts that I brought before the committee. I will say, however, that the reason I sent it back to the committee for the second time, several members of the committee were not present at the time of the hearing, but I know one or two were because I met them coming in just as I went out.

I would like to see this policy tried out in Maine. I do not see any reason why any insurance man,—and I want to be fair in this—is there any reason why an insurance man should not come to my house and he and I look it over and agree that he will insure my buildings for so much and I will pay him on so much, and if I get burned out I want so much and I will get it. That is all we get in anything.

I am a farmer, as you all know. If I insure a horse and I lose him, if he dies, I get what I insured him for. If I insure my dog and I lose him, I get what I insured the dog for. If I have a box of fur and it gets lost and I have insured it, I get my pay for it. We get our pay

for everything but on the buildings. Your home, the thing you put your whole life in, when you settle you get nothing.

This poor man down in our town never got enough to build himself a house, so he moved out of town and lived in a camp.

I say a standard form of fire insurance policy is just, and for that reason I am back of it. I haven't given up yet and I won't give up, and if I get licked I will take it with a smile.

Mr. COWAN of Portland: Mr. Speaker, is there a motion before the House?

The SPEAKER: The Chair will inform the gentleman that the pending question is on the motion of the gentleman from Charleston, Mr. Howes, that Bill "An Act Relating to Standard Form Insurance Policy" be substituted for the "Ought not to pass" report of the Committee.

Mr. COWAN: Mr. Speaker and members of the House: I have been asked by the members of the committee to speak a few words to the House to tell you why the committee reported as it did on this bill.

Now there was not any lack of sympathy or friendship for the gentleman from Charleston, Mr. Howes, or any lack of feeling of respect for him or any lack of desire to try and meet his wishes. It was because his proposition seemed to the committee, after a very careful study, to be impractical. There are many questions to be considered in connection with this matter. This proposition for a valued insurance policy has been before many legislatures on many occasions, and has been before this Legislature several times. It has been very carefully thought over and has been reported "Ought not to pass." It isn't a new question. Now some of the states that have considered this proposition recently and have come to the same conclusion that our committee did are as follows:

Maine has taken it up four times recently and has reported adversely. Vermont has considered the matter and reported adversely. The same is true of Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Illinois, Indiana, Idaho, Iowa, Virginia, District of Columbia and all the Provinces in Canada. What other states may

have considered it, I don't know. That is a partial list.

Now one of the practical objections that is always raised when we try to figure out some way for the valued policy is the fact that the history of the policy in New Hampshire has not been especially good for the farmer. The insurance companies—and when I say insurance companies I am referring to all kinds of insurance companies, both the stock companies and the mutual companies that are owned by you members yourself—find that farm insurance is a very expensive proposition. The history of the cost of farm insurance in the State of Maine is staggering. It costs more to place insurance today on a farm in the State of Maine, on a typical farm, than the company can get back. Were it not that the cost of insurance is divided among many classes, it would be practically impossible to place insurance on farms in Maine or anywhere else in the United States today. Now that may sound very strange to some of you who have not had an opportunity to look into the matter. In Maine today the cost per dollar, the cost to the insurance companies, and I am giving an average figure—let me repeat that—the cost per dollar to the insurance companies for farm insurance in Maine is \$1.326, and the cost in New Hampshire for the valued policy is \$1.428. In both states the insurance companies lose heavily. I am speaking generally of course—it isn't true in all companies—but the average cost of farm insurance in both states is more than the companies receive, and in New Hampshire too, I believe, with the valued policy, the loss is greater than Maine. The average premium rate to the farmer, or rate on all types of property in the various states of New England I have before me, the average cost today is \$1.03 in Maine and \$1.10 in New Hampshire. In other words, New Hampshire, with a valued policy, is costing the assured 7 cents more than insurance is costing in Maine. I may say that New Hampshire has the highest cost of any state in New England on which I have the figures. I have only partial figures on Vermont. For the other states they are complete figures, I am told.

Now the argument of the gentle-

man from Charleston (Mr. Howes) that he pays for insurance which he never receives contains a very serious fallacy. If you have \$10,000 insurance on your buildings and you suffer a total loss, and the buildings it seemed were only worth \$2,000 and you received \$2,000, you have not paid for \$10,000, because the company, under the laws of the State of Maine, returns to you all of your excess premium on the policy. That is something that is often overlooked. The company does not steal anything from the insured.

Now you go to an agent and you say: "I want so much insurance." The agent writes the insurance and takes your premium. Now if you suffer a total loss and the value is there you get your money. If you suffer a loss, a total loss, and the amount of the loss is not up to the amount you paid for, the company returns to you, under the laws of the State of Maine, the excess premium, so actually in the instance I have just cited, which is very extreme, you are actually paying for the \$2,000 which you received.

Now this matter is not a new one with me. Quite a number of years ago I was drawn into this insurance question. There were certain proceedings, I will say certain events going on, certain controversies between companies; certain lines of procedure; certain troubles that needed to be corrected. You all remember the Hughes investigation of the life insurance companies back in New York, how things were straightened out and the life insurance companies placed above criticism. Now there were troubles in the fire insurance companies back in those days, and I say to you members that the criticism, if there is any criticism, of the conduct of fire insurance companies in Maine or elsewhere today is largely the smarting of old wounds of many years ago. For many years we have been working on the proposition of making the insurance companies fully responsible to the people and put them in position where the people will get what they pay for.

Now it has been the endeavor of the companies themselves, it has been the special endeavor among the mutuals—most of you people have policies in the mutuals, you own the mutuals—to straighten

things out, and the difficulties have been gone over and largely ironed out. Every session of the Legislature has had before it bills to correct certain things that seemed to be improper. Larger powers have been given to the Insurance Commissioner. Just this session of the Legislature we passed two emergency measures to give greater powers to the Insurance Commissioner. I will say that those two bills had the complete and full cooperation of all the insurance companies, both stock and mutual, because it was felt that with these things the Insurance Commissioner could more fully protect the people of the State of Maine.

Now this question of the valued policy under discussion here I submitted to the various mutual companies of the State, of which you members are members, and I have here a bunch of letters, which I will not read, from all except two of the mutual companies in the State, in which they very strongly give their reasons, give their feelings, against the adoption of the valued policy.

I am not going to take up your time longer. I think I have made it clear as I can. It isn't a thing calling for passion; it isn't a thing calling for prejudice; it is a thing calling for just plain, honest reasoning. We have the companies here trying to do the best possible job for you. You are the companies. Now we simply ask that you do not do anything to handicap the companies in their endeavor to do a good job by bringing up things that happened twenty-five or thirty or forty years ago. I hope that the motion of the gentleman from Charleston (Mr. Howes) will not prevail.

Mr. HOWES of Charleston: Mr. Speaker, I do not wish to take much more of your time. Perhaps I should have kept these figures, because I have in mind a rate of \$3.12 a hundred for three years, and I am advised by my friends in New Hampshire the rate is only \$2.00.

I would like to ask one question of the gentleman from Portland, Mr. Cowan. I would like to ask why the Androscoggin Insurance Company in Maine charges \$4.50.

The SPEAKER: The gentleman from Charleston, Mr. Howes, asks a question through the Chair. The

gentleman from Portland (Mr. Cowan) may answer if he wishes to.

Mr. COWAN: Mr. Speaker, I could not hear the question.

The SPEAKER: Will the gentleman repeat his question?

Mr. HOWES: Mr. Speaker, I asked why it was, if policies are cheap in Maine, the Androscoggin Fire Insurance Company charges \$4.50 a thousand?

The SPEAKER: The gentleman from Portland may answer through the Chair if he wishes.

Mr. COWAN: I could not hear the question, Mr. Speaker.

Mr. HOWES: Mr. Speaker, I asked the question: Why does the Androscoggin Fire Insurance Company charge \$4.50 a thousand?

Mr. COWAN: I am sorry. I do not know the meaning of the question. To what are you referring?

The SPEAKER: The gentleman will address his remarks to the Chair.

Mr. HOWES: Will you explain it, Mr. Speaker?

The SPEAKER: The gentleman from Charleston, Mr. Howes, has the floor if he wishes to speak further.

Mr. HOWES: Mr. Speaker, there are one or two other things. I do not see a bit of reason why a man cannot have a valued policy. He does not have to buy it if he does not want to. It simply gives the people what they want. I believe it is true that in New Hampshire they appreciate having it, and I believe that the farmers in Maine and the other citizens will appreciate, when they pay for a thing, knowing that they are going to get it. I would like to have a valued policy myself. It might cost a little more. If it does, it is all right with me. I never knew a man to take out a \$2500 policy on a \$10,000 farm. I know there are places that are insured for more than you would have to pay to buy the place. I do not see the insurance companies doing anything to straighten it out. I am sure if they came to me and said: "We have had a depression. Farm property is not worth what it was."—if they want to put \$2500 on my farm that is all I will get. Insurance in Maine needs adjusting. I don't see any reason why we should not have a valued policy. Nobody has to have it unless they want it.

Mr. VARNEY of Berwick: Mr. Speaker, self preservation is one of the first laws of nature, and I want

it clearly understood that I do not in any way blame any of the members of this House who happen to be interested in insurance, or attorneys for insurance companies, for standing up here and telling us why we should not have a valued policy in Maine. It is their duty to do so, and I do not blame them for doing so. Neither do I blame them for voting in the interest of their own insurance companies in this matter. I do say, however, that those of us who are not interested, and I do not mean interested in a financial sense here, those who are not interested at all in any insurance of any form are entitled to take into consideration the fact that we are not able to cope with the insurance men when it comes to a discussion of insurance rates and policies. As an illustration of what I mean, I want to point out what I consider a fallacy in fact made by the gentleman from Portland, Mr. Cowan, who just spoke.

If I understand him correctly, he said in Maine that if a farmer puts a \$10,000 policy on his buildings and pays a premium based upon \$10,000, and his buildings become a total loss, and it is determined that the buildings were only worth, actually worth \$2,000, the company only had to pay \$2,000 and the farmer does not lose anything because the company pays him back the excess premium over and above a \$2,000 premium. Now that statement is correct, but when you analyze what actually happens, it is not so and the farmer does lose, and I will tell you why he loses. The only premium that the company pays back is the premium that was paid on that particular policy, and if that policy had only been in force for one year, then he would only get back the excess premium which he paid for one particular year.

Now what actually happens is this: Sometime when that stand of buildings is built we will say the farmer puts \$10,000 on it, and he pays that policy for one year or three years or five years. In other words, he pays the premium on \$10,000. Now when that policy runs out at the end of the first year, if it is a one year policy, he continues to insure for \$10,000 for another year or three years, and pays a premium on \$10,000 for one year or three years more. He continues to do that and he may do that for twenty-five years, renewing it from

year to year as it expires. Now on the twenty-fifth year he may take a policy for \$10,000 again on the buildings and if that year the buildings burn he gets \$2,000 and the company pays back to him what he paid for the twenty-fifth year only. That is the trouble with the valued policy in Maine as I see it. That is a fallacy. While what the gentleman from Portland (Mr. Cowan) said was true in fact, there is a fallacy when you come to apply the facts to what the real situation is.

Now if I should say to you that it is written in every policy you have got on your buildings that you own, that when those buildings burn all you are entitled to is the actual value of the buildings at the time of the fire, I venture to say that some of the members of this House would say they did not know it because they had not read the policy. It is human nature not to read those things. Only when they are forcibly brought to our attention do we realize the vicious provisions that can be written in the policy. As I say, I have no quarrel with the insurance companies. All insurance companies have lobbyists who are interested in protecting their rights, but John Public does not have anyone here who has enough interest or is able to look into it from the standpoint of the citizens.

Now I would not kick so much, I would not quarrel so much about the valued policy if I felt that was all there was to it. I mean I would not kick so much if I thought it was true, as I think it is, that the insurance companies can go out and write all the insurance on this property that they can get us to take, and the average individual assumes that if the buildings burn they will get the entire amount of the policy. I would not kick so much if the companies would continue to do that year after year if I were sure of the fact that when the fire did occur the individual at least had a method by which he could collect what the building was actually worth at the time of the fire.

There is a further provision in every policy which you have on your property today which makes it so that, in fact I say to you after the fire occurs, if it occurs to you, the company can almost control how much your buildings are worth. I am going to try to make it clear to you that it is so. Written in every

policy you have got is a little innocent looking clause by which you are to determine the value of your buildings in case you cannot agree with the insurance company after the fire, and the provision reads in substance that you shall proceed to arbitrate. You will name three persons and the insurance company will name three persons, and you will pick one of the men from the three that the insurance company names and the insurance company will pick one from the three you name, and then those two will pick the third man. That sounds like a fair way to arbitrate and I will admit on the face of it that it is a good deal like the statement the gentleman from Portland, Mr. Cowan, made about returning the premium. If it works out the way it reads, it is fair, but what happens in fact, at least part of the time I will say—bear in mind that the insurance company who names their three men is in the insurance business. They are arbitrating insurance policies all the time. They have agents in every town and more than one in most towns and cities in the State of Maine. They know of plenty of individuals, I will say strong-minded individuals who—I do not say they are bought up and paid—but who are pro-insurance, who favor insurance companies and who think it is perfectly all right. They are conservative individuals, may I say, who believe in keeping the price paid by insurance companies down; who believe the insurance company is more apt to be right than the radical individual who will not accept the face value of his policy. So they name three individuals who I call strong-minded, conservative, pro-insurance individuals to look after their express interest in the controversy.

Now Mr. John Public has never had any experience in arbitration and he thinks of three good, reasonable fellows who have never had any experience in arbitration and he names three individuals more or less at random. Now he sends the list in to the company. Now he tried to make a check of those the company selected. As a practical matter he may live in Lewiston and we will say that the company selects three citizens who live down in Portland somewhere. How can he find out much about the character of those three individuals

named by the company? But he does the best he can and he selects one. The company, having agents in every town in the state of Maine, can very easily go to any one of their agents in any town and get a very good line on the disposition and character of the three men named by the individual, and thereby are enabled to pick out the one of the three who has the weakest disposition. They want a man who can be most easily influenced, and that is what they do.

Then when the two meet, the one named by the insurance company speaks up and says: "I suggest we take Mr. John Jones for the third man," and the man named by the individual says: "Well, I don't know John Jones, what is the matter with John Smith?" The man from the insurance company says: "John Smith, I never heard of him. John Jones is all right. He is a lawyer and he is a pretty good fellow. He has done this before, he knows something about it, and let's have him." So the man that the individual selects says: "All right, I guess he is a pretty good fellow." He probably is pretty honest and all that, but he is a man who is pro-insurance and his tendencies are all that way. Then I submit to you that you have an arbitration board of two pro-insurance men and one man who is a pretty good fellow and is willing to go along with whatever he thinks is right whether it is for the insurance company or not. Those three men meet, and, under the law, it does not make any difference what the evidence is, it does not make any difference if the insurance company does not produce one single bit of evidence, after they meet and listen to what the individual has to offer, then those three men sit down together—and here is the worst part of the law—it says that the decision of any two of the three shall be final and conclusive and from it there shall be no appeal. So the two strong-minded men can absolutely say to the third: "I do not care what you do or what you think, we are going to fix the value of this \$10,000 at \$2,000 and Mr. John Public has got to take it and like it."

Now I believe in the valued policy and I am going to fight for it here. There is not any reason I can see why the company which accepts the

\$10,000 premium year after year or only one year — they do it on a \$10,000 risk, and the money is paid to them on a \$10,000 basis, and I cannot see why, in the case of a total loss, they should not pay the \$10,000. But I do not argue that so strongly for the reason that I went down before the Insurance Committee and said to them that I would be satisfied if they would simply let me put an amendment onto that bill or put in a new draft which would leave the insurance exactly as it is—I mean so far as the valued policy is concerned,—so that the company would not have to pay any more than the buildings were actually worth at the time of the fire. If they would just let me put an amendment on there by the terms of which, after the fire occurs, we must first arbitrate, we will select arbiters exactly under the same system as the law now exists, we will go through with them, but, after they render their decision, those arbiters, if the individual or the company is not satisfied with the decision they render, they will give him or the company, either one, an opportunity to take an appeal to the Superior Court and a jury, and an opportunity to convince a Court of Law that there was no foundation or that the award was not fair.

Now I think if you would let us put that provision on that law, which could be done in the form of an amendment to this bill, I then think we would continue to arbitrate as we do now, but I think that the arbiters the company selected would actually be fair, and if they were you would not have any cases going to Court, because the man who takes an appeal, unless he increases the amount of the award, pays the cost, and if the award is increased then the company pays the cost.

I want to add in regard to the provision for appeal which I drew in the form of an amendment and which of course I cannot offer now, that form of appeal is the same one which applies in substance in many of our laws which pertain to arbitration. I took this particular one from the law which provides for telegraph companies or electric light companies, I believe, condemning land for right-of-way. They first go to the County Commissioners, I think, and the County Com-

missioners or some arbitration board fix a value, and if you are not satisfied with that value then you have a right to appeal.

I certainly hope that this House will vote in favor of the motion of the gentleman from Charleston, Mr. Howes, and substitute the bill for the report. (Applause)

Mr. WINSLOW of Auburn: Mr. Speaker and members of the House: I wish to correct a possible inference that the words of the gentleman from Berwick (Mr. Varney) may have conveyed to the House. He spoke as though the committee was loaded or influenced more or less with gentlemen that might be connected with insurance companies.

So far as I know, there is only one person on the committee who has got any direct connection with any insurance company as far as representing them or other than an insurance agent. There were two or three of us or three or four of us on the committee who serve in the capacity of insurance agents. Now personally I believe that these men well represent the State of Maine, and that these insurance agents, if they were going to show favoritism in either direction, it would certainly be to the insuring public, because that is where we get our bread and butter, so to speak.

We went over the bill very thoroughly. I might say in passing that the balance of the members of the committee were laymen insofar as insurance matters were concerned, men who carry substantial amounts of insurance and several of whom have had losses in the past, so they were in a way qualified to speak as to their experience on those losses. I wanted to make that plain to the members of the House.

We went over the matter very carefully, as the gentleman from Portland, Mr. Cowan, said in his remarks. It was the unanimous decision of the committee that this bill, if passed, or with this amendment, would be a detriment to the insured person.

I might say in regard to this amendment that the gentleman from Berwick, Mr. Varney, speaks of giving appeal to the courts, that the insured certainly would be placed in a worse position than the insurance company, because the companies, you must all realize, have sufficient funds and very able

counsel to appeal any case where they might be dissatisfied with the decision of the reference committee. They can carry it up through the courts with no regard to the expense, which I think the individual insurer would be unable to do.

I want to say very strongly to the House, as an individual engaged in the insurance business, that my viewpoint was entirely from the standpoint of what was best for the insured person. I certainly hope that the report of the committee will be accepted.

Mr. BUZZELL of Belfast: Mr. Speaker, I wish to say just a word from the standpoint of an attorney who has been against the insurance companies for the past twenty-five years, and what I have to say I want to say without impugning or attempting to impugn the motives of anyone in the world.

I have been attorney for a great many people that have been insured, that have had losses. So, knowing about this bill, I took it up with some of my constituents at home. In the practice that I have there is nothing like harking back to see what the people want back home and then govern yourself accordingly as much as you feel you can and square yourself.

To start with, as I understand it, this is a unanimous report of that committee, ought not to pass. It is fair to assume that the committee gave this matter careful attention and weighed and measured the arguments both pro and con.

Now it is a wonderful thing, sometimes, to be able to speak last, because you can talk about things the other fellows have not talked about.

I know that this House is economy-minded, they want to save as much for the State of Maine as possible, and of course the State of Maine is made up of individuals.

The gentleman from Portland, Mr. Cowan, speaks about the cost of insurance in different states. In addition to what he said, permit me to say that the average premium rate, annual premium rate, on all types of property in New England is as follows: New Hampshire, \$1.10; Maine, \$1.03; Vermont, .88; Massachusetts, .73; Rhode Island, .68; Connecticut, .66.

Now for three years that rate will cost two and a half times the amount of those

figures I have just given you. In other words, in the State of New Hampshire, which has the valued policy, a policy there would cost, on a three year term, \$27.50. In the State of Connecticut it would cost \$15.50. There is a difference of \$11 in the annual expense to the policy-holder.

I do not like the idea of saying if you have got insurance of \$10,000 that you pay for it and if you meet with a loss you ought to get your money. In all cases an insurance policy is a contract between the company and the individual. Now I think I am fair in saying that hardly any man goes and puts more insurance on his property than it is worth. When any man puts \$10,000 of insurance on property that is only worth \$5000, be a little skeptical of him; he is looking forward, in my judgment, to what may happen. The average fellow says, "I will take a little of this risk myself."

I am not interested in any horrible examples I can think of, because I have had pretty good luck settling these cases by arbitration. I wish to take issue with our very fine floor leader when he talks about arbitration.

Ordinarily, when a man meets with a loss, he does not see an attorney at first. He talks it over with the agent or the adjuster, and, when they cannot agree, what is the very next step he takes? It is to go and see an attorney.

I hope to tell the world, the same as my Brother Varney can tell them, that in the event of an arbitration—and an arbitration clause is in all standard policies—my Brother Varney has just as good an opportunity for the selection of an arbitrator as the insurance company. And I think it is fair to say my Brother Varney would have just as good brains about the selection of a strong man or three strong men as arbitrators to offer to the insurance company as the insurance company would have. I want to give him credit for that, and I know he will accept it, and, incidentally, in private he will thank me for it.

Now then, when those two arbitrators get together, if he is an attorney or my brother is an attorney, or if I was an attorney, I would talk to the strong man that I selected. Now when the two of

you get together to select the third, the insured has got a strong man and the insurance company has got a strong man. Those two men, it is fair to assume, in this great State of ours, with all the morality that we brag of and the high standard of morals we stand for one day, and the next day we want to duck them to a certain extent—these two men that we can select in the 32,000 square miles of this great State, don't you believe that they can find a fair third man, a fair arbitrator, to act in the situation?

Now those three men get together and they listen to the testimony, and the attorney for the assured puts forth his best foot, the insurance company puts for the their best foot, and then the three men say what the amount is.

I have always claimed I could do better with three arbitrators than I could do with the court, because the court always holds me down to the strict application of the testimony. I always can do better with the arbitrators than I can with the court. Well, now, where do we find ourselves? So much for that.

Now the State of Maine has had experience with conflagrations. I can think of two in particular. The gentleman from Auburn (Mr. Winslow) has lived through the Auburn conflagration. As I look at the other side of the House I can see a member from Ellsworth who lived through the Ellsworth fire.

I want to give you a few figures, figures we cannot get around very well. And at this point I want to pay tribute to our Insurance Commissioner of this great State. I do not know him. I do not know that I would know him if I saw him. But I have seen evidence that he is doing a splendid job for the State of Maine. He is looking after the birds who want to put a \$10,000 policy on \$5000 worth of property and try to get away with it. Every time they do that it means that you and I are eventually going to pay more money for our insurance, because, as you know, the insurance company has got the proposition in their own hands.

Now in Auburn, in 1933, they had a total damage of \$1,243,728. In Ellsworth they had a total damage, consisting of buildings and contents, of \$771,985. There is almost two million dollars of property that went up in smoke. What was done in the

way of settlement of those losses? These are not horrible examples—they are horrible in one way, but they are not in another.

Since 1932, in Bangor and Portland there have been 11,564 adjustments for losses. Our very able floor leader, together with all the other attorneys of the State of Maine, only took the part of the assured in 34 arbitrations out of 11,564 cases. Is that not a far showing? Does that not show that the people are pretty well satisfied with that condition of affairs?

Now, as far as I can find out, the proposition which my brother proposes in the amendment which he is going to offer is not a law in any State in the United States of America.

I want to read to you the names of the States in the United States that have the standard policy. They are: California, Connecticut, Georgia, Indiana, Iowa, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Vermont, Wisconsin.

The gentleman from Charleston, (Mr. Howes) speaks about the Insurance Commissioner of the State of New Hampshire, what his views are. He tells us what his views are. I want to read you what the former Insurance Commissioner of the State of New Hampshire said—Robert J. Merrill,—some of you may have known him from association or because he was known to you personally. He says:

"New Hampshire is one of the few states having a so-called valued policy law. New Hampshire ought to rely upon other grounds for prominence than upon a law which is founded upon suspicion, the evidence of which is an apparent confession of the state's inability to regulate the business so as to do justice to both the insured and insurer.*** There are brought to the attention of the Commissioner each year some cases of suspicious fires in which there is little question but that the existence of this law plays greater or less part."

I might read to you what the National Convention of Insurance Commissioners have to say on this particular thing, but I see that my voice is growing a little husky and

going out on me. So I simply want to close by reading what the American Bar Association says about the valued policy law:

"In twenty-two or twenty-three of the states are statutes known as valued policy laws, which require insurance companies to pay their assured in the event of the total destruction of real or personal property insured, the full amount of the insurance on said property without regard to the value thereof at the time of the loss. These laws have increased both the cost of insurance and the fire waste; they invite fraud, perjury, and arson; they present before every evilly-disposed person the temptation to over-insure and then to burn his property for the gain there is in it.**"

There is a report from the American Bar Association, which has no particular interest one way or the other but who are simply making reports that we may profit by their experience. I hope that the motion of the gentleman from Charleston (Mr. Howes) does not prevail.

Mr. BATES of Patten: Mr. Speaker, I speak neither as an attorney nor as a representative of any insurance company, but rather as a layman who believes in the integrity of our courts. In the event that the motion of the gentleman from Charleston (Mr. Howes) prevails and this present amendment is adopted, I believe that it would be to the benefit of the citizens of our State of Maine, because at least there would be no question, whether you were an individual with two hundred dollars of insurance or whether you were an insurance company which insured the property, you would receive justice.

Mr. GRUA of Livermore Falls: Mr. Speaker and members of the House: I hesitate to raise my voice after so many very able speeches, but I have been an insurance agent for some twenty-five years. I do a comparatively large business; one stenographer is busy at that about all the time. I rather resent the implication that every insurance agent is necessarily interested solely on behalf of the companies. I want to assure you that so far as we agents are concerned, our bread and butter comes from the assured. We are a dozen times more interested that our insurance patrons shall be well satisfied than we are that the

company shall save a few dollars. I do not know of one single insurance agent who has ever done other than try to favor the assured if he could honestly.

In all my experience I have known of but two cases of reference, and neither of those went to court. They were well satisfied. If you will look at the State of Maine as a whole, you will find that very few cases ever reach reference.

Let me tell you on behalf of the insurance companies—and I know whereof I speak—the instruction to every adjuster is: "Lean over backwards if necessary to satisfy the assured." Those are the present instructions to insurance adjusters, and every attorney who has had anything to do with this sort of thing and every insurance agent I know will bear me out in that statement. The good will of the public is of more value to the insurance companies than any other one thing, because unless people buy insurance the insurance companies are going out of business.

Now the gentleman from Charleston (Mr. Howes) says he wants to have a chance to have two policies. Very well. We told him if he wanted to bring in an amendment to have an additional valued policy it would be all right, but his bill puts right into every farm policy a value clause. That means that every man who has insurance on his farm must necessarily pay the valued policy premium.

Now how many insurance agents or how many of you members can go out here and value the buildings on a farm and do it anywhere near accurately? If we were to have a valued policy, it would become necessary for the insurance companies to hire specially trained men to go and view the premises and to go back and look them over every six months. Can you imagine what that is going to cost you and the other assured?

I want to second what the gentleman from Portland, Mr. Cowan, has said. For every dollar that the insurance companies take in on premiums on farms they are paying out over \$1.24 in losses. We have not got a company in our office but what would thank us not to give them another piece of farm property. If you pass this bill making these valued policies, you are going to find that the stock companies will refuse to write policies

on farms altogether. Most of them have already.

Now, gentlemen, how do the insurance companies make up the difference in losses? They make it up out of the fellows who are not on the farms, the men who have protected dwellings. Every insurance rate will go up if you pass this bill, I can assure you that. We are all going to pay for it.

Just a few more words. I am not going to take up much of your time.

What kick has a man got coming if he gets the value of his loss? If he is paid the value of his buildings as they stood there, isn't he fully compensated? Why should he ask for more?

In the first place, let me state that agents do not urge people to put on more insurance. The shoe is on the other foot. We are continually urging farmers not to put on large amounts of insurance when we do not think they should have it.

Now we have a three-quarters value clause that gives the farmers a relatively low rate, meaning that they get three-quarters of the actual value of their property if it burns. Nine-tenths of the farmers, when it is explained to them, chose to do that; they chose deliberately to carry one-quarter of the expense so that the company will write the policy at a lower rate. If you give this valued policy you will cut out this three-quarter value policy so far as the State of Maine is concerned and everyone will have to pay a flat rate which is a great deal higher.

Now I want to say a word in regard to this reference business. It is not nearly as bad as you think. If the two cannot agree on the third, under our statute it is referred to the Insurance Commissioner of the State of Maine and he will select the other man. Could you have anything fairer than that? All the assured man has got to do is refuse any man the insurance company proposes as a third referee and ask the Insurance Commissioner of the State of Maine to name an independent man. Could you ask for anything fairer?

Just a word about what a man has got left after he gets all through. How much do you think would be left of a man's policy if he appealed to the courts, after he had had a

trial and hired an expensive attorney? I am an attorney; I am not talking against attorneys, but we in the committee felt that the assured has more dollars left in his pocket as the law stands today than under any change which has been proposed before our committee, including the proposed amendment. If you adopt this amendment, you are practically emasculating the provisions and you are starting all over again and are making it mighty expensive for the man who has a loss.

My Brother seems to think, in regard to reference, that necessarily the agents are pro-insurance company and that they necessarily will assist the companies in selecting a referee who is pro-insurance company. For myself—and I think I speak for every agent—that certainly is not the case. All we ask of the company is that they be fair, and we do not intend to help the company beat down our assured. The assured himself knows better than any other man how much insurance he ought to carry on a set of buildings. When he comes to his agent and tells him how much insurance to put on, if he puts on more than the buildings are worth, why does he put it on? He must be putting it on hoping there will be a fire. Now the agent is not necessarily an expert in judging the value of buildings. The owner ought to know what the value of the buildings is. In the State of Maine, as you all know, we have this unfortunate situation: Almost any farm can be bought for about one-half what the buildings are worth. Now what we propose to pay to any owner of a farm is this, and this only: The difference between the value of that land with the buildings gone and with the buildings there. That is his loss. We propose to reimburse him for his loss and that is all. Can he ask for anything more? I hope very much that the motion of the gentleman from Charleston, Mr. Howes, will not prevail.

The SPEAKER: The question before the House is on the motion of the gentleman from Charleston, Mr. Howes, that Bill "An Act Relating to Standard Form Fire Insurance Policy" be substituted for the "Ought not to pass" report of the committee on Mercantile Affairs and Insurance. Is the House ready for the question?

Mr. HOWES: Mr. Speaker, I ask for a division.

The SPEAKER: The question before the House is on the motion of the gentleman from Charleston, Mr. Howes, that the bill be submitted for the "Ought not to pass" report of the committee. The gentleman from Charleston, Mr. Howes, asks for a division. All those in favor of the motion of the gentleman from Charleston, Mr. Howes, that the bill be substituted for the report will rise and stand in their places until counted and the Monitors will make and return the count.

A division of the House was had. Fifty having voted in the affirmative and 54 in the negative, the motion did not prevail.

On motion by Mr. Cowan of Portland, the "Ought not to pass" report of the committee was accepted and sent up for concurrence.

The Chair lays before the House the second tabled and today assigned matter, Bill "An Act Relating to Requirements for Old Age Assistance" (S. P. 555) (L. D. 1080) tabled on March 30th by Mr. Marshall of Auburn, pending third reading; and the Chair recognizes that gentleman.

On motion by Mr. Marshall, the bill was given its third reading, and passed to be engrossed in concurrence.

The Chair lays before the House the third tabled and today assigned matter, Bill "An Act Relating to the Support of Parents" (S. P. 556) (L. D. 1081) tabled on March 30th by Mr. Marshall of Auburn, pending passage to be engrossed; and the Chair recognizes that gentleman.

On motion by Mr. Marshall, the bill was passed to be engrossed in concurrence.

Mr. PRATT of Turner: Mr. Speaker, I move that the House reconsider its action of yesterday whereby it accepted the "Ought not to pass" report of the Committee on Taxation on Legislative Document 628.

I would say that my object in doing this is that if the House grants leave to reconsider its former action, I will then move that the report be tabled because I feel that later on, in talking tax measures, we

might want to consider this subject.

The SPEAKER: The gentleman from Turner, Mr. Pratt, moves that the House now reconsider its action taken yesterday whereby it accepted the "Ought not to pass" report of the Committee on Taxation on Bill "An Act Relating to Taxes for Old Age Assistance" (H. P. 1462) (L. D. 628). Is this the pleasure of the House?

Cries of "No, No."

The SPEAKER: All those in favor of the motion to reconsider will say aye; those opposed no.

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

The SPEAKER: The House is proceeding under Orders of the Day. The Chair recognizes the gentleman from Unity, Mr. Farwell.

Mr. FARWELL: Mr. Speaker, I move that we take from the table the sixth unassigned matter, H. P. 2059, L. D. 1095.

The SPEAKER: The gentleman from Unity, Mr. Farwell, moves to take from the table the sixth unassigned matter, Bill "An Act Relating to School Busses" (H. P. 2059) (L. D. 1095), tabled on March 28th by that gentleman, pending second reading. Is this the pleasure of the House?

The motion prevailed.

The SPEAKER: The Chair recognizes the gentleman from Unity, Mr. Farwell.

Mr. FARWELL: Mr. Speaker and members of the House: I believe that this particular bill should be given very careful consideration by the members of this House, particularly by those members representing the smaller towns in the State of Maine.

After studying this bill for some time I believe that it imposes costs upon the smaller towns in the State of Maine far in excess of their ability to pay and far in excess of the service which it will render.

If you will look at Section 1, it says that no children are to be conveyed unless such vehicle is designed for passengers. As you very well know, in the smaller towns it is necessary for the School Board to pick up whatever means of transportation they can get. In one of the towns in my district I find they are paying ten dollars a week for the transportation of about eleven pupils. Is it possible for those

students to school to maintain a bus people who are transporting these or a vehicle suitable, we will say, for the carrying of passengers at all times?

In imposing these restrictions upon the towns, I believe it is unnecessary to go into the financial end of the matter, as the Legislative Record will show us the amount of towns that have been deorganized and the amount of towns that have surrendered their charters. I know that in the district from which I come there are two towns which are on the border line, and if any additional burden of taxation is imposed upon them, they will be pushed into the hands of the State. I presume those towns are no different than hundreds of other cities and towns. I believe in those small towns it would increase the cost of transportation of those towns not having municipally owned busses to the extent of from five hundred to fifteen hundred dollars or more yearly. If you will go down farther and look at the definition of the construction and equipment of the busses, I submit to you, members, that there is not a bus on the road carrying passengers for hire under the Public Utilities Commission which can qualify as a school bus.

If you will look carefully at the restriction "Emergency Door"—they are prepared to offer an amendment, I understand, whereby the Commissioner of Education shall determine the vehicles which shall transport their scholars. I submit to you, members, that this bill bears the stamp of approval of the Department of Education and I think the Commissioner of Education would make them live up to the letter of the law. I have been told it is a safety measure almost entirely. I see no record of any accidents in the State of Maine which would cause this Legislature to impose upon every small town an additional burden of taxation which I believe they are at the present time unable to bear. (Applause)

Mr. WILLIAMS of Bethel: Mr. Speaker, in reporting out this bill as a bill which ought to pass, I am certain that it was not the intention of the Committee on Motor Vehicles to impose any unnecessary burden or hardship on the small towns. I myself come from a district where there are many of these small towns, and I appreciate the

circumstances to which the gentleman has alluded. I will state, however, that this measure is purely and simply a safety measure and that a large portion of the measures contained in this statute are already in the regulations of the Secretary of State. The one requiring a safety door at the rear of the bus, which I have commented on, is already a requirement from the Secretary of State's office at the present time.

In regard to this matter of a vehicle carrying less than ten children being designed for passengers, this was again purely a safety measure. In the locality from which I come I have had numerous complaints about that type of vehicle, which is usually a so-called delivery wagon and the children are crowded in there. There is a rear door, but it is very difficult, if not impossible, to open it from the inside, and should a fire break out, the only way those children can be gotten out would be for the driver to go around to the rear of the bus and open the door. In some cases it has been reported as an actual fact that the back door of these delivery wagons has been fastened from the outside, so even if it were possible to open it from the inside, it could not be opened. Should a bus of this nature catch on fire it would be absolutely impossible, in many instances, to extricate the children before they were burned.

This is purely a safety measure. I will state that this particular regulation in regard to vehicles designed for carrying of passengers applies only to those carrying ten or less, and that in most instances it would be possible to carry these children in passenger cars, and there is no restriction on that. The intention, however, is to eliminate these delivery wagons in which they are crowded and many times fastened in so they could not possibly get out. I will say that in my own experience I have had numerous complaints from parents who do not want their children transported in vehicles where they are likely to come to very serious harm and possibly be burned to death. That, I believe, is the reason for this measure. At this time I would like to offer House Amendment "A" and move its adoption. This amendment would, to some extent, I believe, eliminate the question raised

by the gentleman from Unity, Mr. Farwell, which would require that the vehicles be approved by the Commissioner of Education.

The SPEAKER: The gentleman from Bethel, Mr. Williams, offers House Amendment "A" and moves its adoption. The Clerk will read the amendment.

House Amendment "A" to H. P. 2059, L. D. 1095, Bill "An Act Relating to School Busses."

Amend said Bill by adding to Section 1 the following: 'or have the approval of the Commissioner of Education.'

Further amend said Bill by striking out the words "come to a complete stop and then may" in the third and fourth lines of Section 6.

Further amend said Bill by striking out the figure "15" in the fifth line of Section 6 and substitute therefor the figure '10'.

Thereupon, House Amendment "A" was adopted.

Mr. FARWELL of Unity: Mr. Speaker, I now move the indefinite postponement of the bill and the amendment.

The SPEAKER: The gentleman from Unity, Mr. Farwell, now moves that the bill as amended be indefinitely postponed.

Mr. GYGER of Cumberland: Mr. Speaker and members of the House: As a person who is responsible for the transportation of a number of school children, five or six hundred, I welcome a law that will require standardization of school busses. I do not believe that it will work a hardship on the small communities. Provision is made here for those carrying less than twelve persons, and it also leaves the decision to the Commissioner of Education. He is interested in these children and I believe his decision would be just. I should like to offer an amendment covering Item 9, Sec-

tion 3, and therefore I would move to place this bill on the table, to be considered on the next legislative day.

The SPEAKER: The gentleman from Cumberland, Mr. Gyger, moves that Bill "An Act Relating to School Busses" lie on the table pending the motion of the gentleman from Unity, Mr. Farwell, that the bill be indefinitely postponed and that it be specially assigned for tomorrow morning. Is this the pleasure of the House?

The motion prevailed, and the bill was so tabled and so assigned.

On motion by Mr. Cowan of Portland, the House voted to take from the table the eleventh tabled and unassigned matter, Senate Report "Ought not to pass" of the Committee on Public Health on Bill "An Act Relating to the Use of Marijuana" (S. P. 395) (L. D. 820), tabled on March 29th by that gentleman, pending acceptance in concurrence.

Mr. COWAN: Mr. Speaker, I find that this subject is very well taken care of in other legislation now being passed by this House, and I therefore move that the "Ought not to pass" report be accepted.

The SPEAKER: The gentleman from Portland, Mr. Cowan, moves that the "Ought not to pass" report of the Committee on Public Health on Bill "An Act Relating to the Use of Marijuana" be accepted in concurrence. Is this the pleasure of the House?

The motion prevailed and the "Ought not to pass" report was accepted in concurrence.

On motion by Mr. Varney of Berwick,

Adjourned until nine o'clock tomorrow morning.