

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, April 7, 1939.

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

Prayer by the Rev. Mr. Beecher of Hallowell.

Journal of the previous session read and approved.

Papers from the Senate disposed of in concurrence.

**Final Report (S. P. 645) Of The
Joint Select Committee Created
By Joint Order (S. P. 412)**

From the Senate: Final Report of the Joint Select Committee Created by Joint Order S. P. 412.

To the Honorable Senate and House of Representatives of the 89th Legislature:

As indicated in the previous report submitted by this Committee, we have continued our investigations in an effort to accomplish further savings.

Our attention, since filing the previous report, has been devoted to the Department of Health and Welfare. That Department, by virtue of legislation, both State and Federal, enacted during the past few years, has expanded to unwieldy size and has become cumbersome in operation.

Our investigations have impelled us to the conclusion that very considerable savings can be effected in the Department of Health and Welfare by an elimination of unnecessarily voluminous reports and by a consolidation of services in the manner indicated in the recent report of the Institution of Public Administration, prepared by Dr. Karl E. McCombs.

To accomplish the desired coordination of functions and the consequent reduction of expenses, we recommend that the reorganization suggested in the McCombs' report be put into effect at once. We think this can be done for the most part without legislation.

This committee in conjunction with the Committee on Appropriations and Financial Affairs, has caused a bill to be drafted, separating the administration of state institutions from the Department of Health and Welfare. We are of the opinion that these institutions

should be managed independently of the Department.

The legislation referred to will be presented by the Committee on Appropriations and Financial Affairs, and we unite with that Committee in recommending its prompt enactment.

The purpose and intent of the order creating this Committee was to suggest and recommend to the Legislature changes in the laws, designed to promote economies through administration, and not that this Committee should propose curtailments in appropriations, that being the province of the Committee on Appropriations and Financial Affairs.

The Committee desires to express its appreciation of the cooperation and courteous treatment received from the heads of departments, and from the several joint standing committees of the Legislature.

Since final adjournment is approaching, we are obliged to conclude our duties as a Committee. We do so, however, in the hope that further efforts will be made by the full membership of the Senate and the House of Representatives, including the members of this Committee, to further curtail unnecessary expenditures toward the end that this Legislature may balance the budget and make proper provisions for all departments of the State Government, avoiding, if possible, the enactment of any major tax measure to burden the people of Maine.

Respectfully submitted,
JOINT SELECT COMMITTEE

(Signed) Hill of Cumberland
Wentworth of York
Tompkins of Aroostook

—Members on the part of the Senate

Noyes of Franklin
Dow of Eliot
Hawes of Vassalboro
Dean of Greenville
Paul of Portland
Smith of Thomaston
Hinman of Skowhegan

—Members on the part of the House

Comes from the Senate, read and accepted.

In the House, read and accepted in concurrence.

From the Senate: Report of the Committee on Appropriations and

Financial Affairs (S. P. 646) reporting the following Order:

The Committee on Appropriations and Financial Affairs to which was referred by this Legislature a message from Gov. Barrows, together with a report to him, from Dr. Carl E. McCombs of the Institute of Public Administration, entitled "A report on the Organization and Administration of District Health and Welfare Service in Maine" (S. P. 104) reports that: The committee has had this report under consideration, and has studied the administrative structure of the Health and Welfare Department.

Your committee finds that the recommendations made in the McCombs report are worthy of your approval and when put in operation will improve the efficiency of Health and Welfare administration.

The establishment of field work districts will coordinate and consolidate all welfare activities under a single field force of investigation. Such consolidation and coordination will make it possible for each investigator to handle all types of welfare field work, thereby saving time and travel of the field worker. With the district system it will be possible to maintain closer contact with the officials of the municipalities in the investigation of pauper support and pauper claims.

Your committee believes the administrative code act which established the Health and Welfare Department is sufficiently broad, so that the recommendations made by Dr. McCombs may be put in operation without amendments to the existing laws.

Your committee also offers at this time a bill which has been drawn after many and varied consultations and discussions with the Executive Department, the Special Joint Legislative Committee, the Committee on Appropriations and Financial Affairs and Dr. Carl E. McCombs of the Institute of Public Administration. The bill is designed to reduce to some extent the size of the Department of Health and Welfare in order to facilitate such reorganizations and adjustments as may be necessary in the best interests of the State of Maine.

The Committee presents the attached joint order and bill and most respectfully urges you to sup-

port us in its recommendation "Ought to Pass."

For the Committee
GEO. J. WENTWORTH,
Senator

WILLIAM H. HINMAN
Chairman on the Part of the
House

Comes from the Senate with the report read and accepted, the Order passed, and the Bill given its several readings under suspension of the rules and passed to be engrossed.

In the House, report was read and accepted in concurrence.

The SPEAKER: The Clerk will read the Order.

ORDERED, the House concurring, that the Commissioner of Health and Welfare is hereby directed to immediately organize the field services of all Health and Welfare activities in accordance with the recommendations of the report of Dr. Carl E. McCombs, which report is attached hereto (S. P. 632) also the following Bill pursuant to Joint Order.

Bill "An Act relating to the Administration of State Institutions" (S. P. 631) (L. D. 1139)

The SPEAKER: Is it the pleasure of the House that the Order have passage in concurrence?

The order received passage in concurrence, and the bill had its two several readings.

From the Senate: Report of the Committee on State Lands and Forest Preservation on Bill "An Act relating to the Maine Forestry District" (S. P. 331) (L. D. 587) reporting same in a new draft (S. P. 624) (L. D. 1125) 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 Amendments "A" and "B".

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

Thereupon, Senate Amendment "A" and Senate Amendment "B" were read by the Clerk and adopted in concurrence.

From the Senate: Bill "An Act to Promote the Blueberry Industry of the State" (S. P. 553) (L. D. 1079) which was indefinitely postponed in the House on April 5th in non-concurrence.

Comes from the Senate, that body voting to insist on its former action

whereby the bill was passed to be engrossed and asking for a Committee of Conference, and with the following Conferees appointed on its part:

Messrs. Beckett of Washington, Osgood of Oxford and Graves of Hancock.

In the House, on motion by Mr. Varney of Berwick, the House voted to adhere to its former action whereby it indefinitely postponed this bill.

Final Report

From the Senate: Final Report of the Committee on Commerce.

Comes from the Senate, read and accepted.

In the House, read and accepted in concurrence.

The SPEAKER: The Clerk has in his possession an additional paper from the Senate which is not on the printed calendar.

The following Order:

ORDERED, the House concurring, that when the Senate and House adjourn, they adjourn to meet on Monday, April 10, 1939, at 4:00 o'clock in the afternoon (S. P. 647)

Comes from the Senate, read and passed.

In the House, read and passed in concurrence.

The SPEAKER: The Chair will state, in connection with this order, that the Chair hopes that if any motions to table are made this morning, special assignment will be made for Monday afternoon, and every member of the House should realize that the Monday afternoon session will be a very important session, and every member should be in attendance.

The SPEAKER: The Chair has in its possession a communication from a sister state, which, if there is no objection, the Clerk will read:

State of Kansas EXECUTIVE DEPARTMENT

FRANK J. RYAN,
SECRETARY OF STATE
Topeka

March 30, 1939.

"Speaker of the House of Representatives,

Augusta, Maine.

Dear Mr. Speaker:—

I have the honor to present to you, Senate Concurrent Resolution No. 28, being a resolution requesting

the Federal Congress to enact adequate legislation with reference to deportation of alien residents, etc. same being for your personal attention and general consideration.

May I, with strict propriety, request that the Honorable Speaker of the House of Representatives of your State be requested, after reading the within resolution, to message the same to your Senate in order that the Legislative body of your State may be fully cognizant of the sentiment and will of the legislature of the Sunflower State of Kansas, as voiced in said Concurrent Resolution.

I have the honor sir, to be

Your humble servant,

(Signed) Frank J. Ryan,

SECRETARY OF STATE.

Senate Concurrent Resolution No. 28

A Resolution memorializing the federal congress to enact adequate legislation providing for speedy deportation of all alien residents who do not signify their willingness, desire and intention to become citizens of the United States within a reasonable time after entry into the United States of America.

WHEREAS, It is estimated that there are approximately eight million residents within the boundaries of the United States of America who have neither become naturalized nor filed any declaration of intention to become citizens of this nation; and

WHEREAS, This large group of alien residents provides a fertile field for agitators and organizations who are not in sympathy with the American form of government; and

WHEREAS, It is the sense of the legislature of the state of Kansas, that this large group of alien residents should not be permitted to enjoy the freedom and privileges of this nation without assuming the corresponding duties and obligations of citizenship: Now, therefore,

Be it resolved by the Senate of the State of Kansas, the House of Representatives concurring therein, That the federal congress be, and it is hereby requested to direct its attention to this condition and to enact adequate legislation which will provide for speedy deportation of all alien residents of this country who do not within a reasonable time signify their willingness, desire and intention, and qualify, to assume

the obligations of citizenship of the United States of America.

Be it further resolved, That the secretary of state be, and he is hereby directed to transmit properly authenticated copies of this resolution to each branch of the congress, to each member of the Kansas congressional delegation and to each of the United States senators from Kansas.

Be it further resolved, That the secretary of state forthwith transmit properly authenticated copies of this resolution to each of the legislatures of the several states of the Union which are now in session, same for their consideration and action, if they so desire.

I hereby certify that the above Concurrent Resolution originated in the Senate, and was adopted by that body March 7, 1939.

(Signed) C. E. Fred,
President of the Senate.

(Signed) Clarence Miller,
Secretary of the Senate.

Adopted by the House, March 25, 1939.

(Signed) E. A. Briles,
Speaker of the House.
W. T. Bishop,
Chief Clerk of the House.

Thereupon, the Clerk was instructed to transmit the communication, together with the resolution, to the Senate.

The following petitions and remonstrances were received and ordered placed on file.

Petition of E. S. Grant & Son and 48 others of Fort Fairfield in favor of L. D. 933, Licenses for Operation of Retail Stores (H. P. 2203) (Presented by Mr. Dorsey of Fort Fairfield)

Remonstrance of Fred L. Higgins and 45 others of Hermon against Tax on Tobacco (H. P. 2204) (Presented by Mr. Snow of Dover-Foxcroft)

Petition of H. W. Flagg and 11 others of Mapleton in favor of Tax on Cigarettes and Tobacco (H. P. 2212) (Presented by Mr. Good of Monticello)

Petition of Dorothy D. Hutchins and 37 others of Fort Fairfield in favor of same (H. P. 2213) (Presented by Mr. Good of Monticello)

Remonstrance of Edward H. Smith and 13 others of Bridgton against repeal of the Three Day Fishing License for Non-residents, as is now provided by Statute (H.

P. 2209) (Presented by Mr. Pike of Bridgton)

Remonstrance of Joseph A. Cote and 54 others of Bridgton against same (H. P. 2210) (Presented by same gentleman)

Remonstrance of Edgar F. Corliss and 45 others of Bridgton against same (H. P. 2211) (Presented by same gentleman)

Sent up for concurrence.

Orders

Mr. Varney of Berwick, presented the following order and moved its passage:

ORDERED, that all matters tabled and unassigned shall be taken from the table automatically each day under Orders of the Day.

The **SPEAKER:** In accordance with the Rules of the House, this order will lie on the table for one day. The Clerk will enter notice in the Journal.

The Chair will state at this time that the Chair feels that it has given considerable leeway up to this time in the matter of debate. The Chair will remind the members that the rules of order require that all debate be relevant to the matter under consideration, and the Chair will express the hope that there will be no need for again calling attention to this particular point of order.

Reports of Committees

Divided Report

Majority Report of the Committee on Judiciary reporting "Ought not to pass" on Bill "An Act relating to Liability for Damage Caused by Motor Vehicles" (H. P. 556) (L. D. 227) together with Remonstrance (H. P. 2053)

Report was signed by the following members:

Messrs Burns of Aroostook

— of the Senate.

Fellows of Augusta

McGlaulin of Portland

Bird of Rockland

Weatherbee of Lincoln

Varney of Berwick

— of the House.

Minority Report of same Committee reporting "Ought to pass" on same Bill.

Report was signed by the following members:

Miss Laughlin of Cumberland

Messrs. Hill of Cumberland

— of the Senate.

Thorne of Madison

Hinckley of So. Portland

— of the House.

Mr. THORNE of Madison: Mr. Speaker, in view of the fact that the gentleman from Lincoln, Mr. Weatherbee, one of the signers of the majority report on this bill, is unable to be here this morning, and, further, in view of the fact that I am not prepared now to debate this matter, I move that it lie on the table pending the acceptance of either report and that it be specially assigned for next Monday afternoon.

The SPEAKER: The gentleman from Madison Mr. Thorne, moves that the two reports of the Committee on Motor Vehicles, and accompanying bill, lie on the table and be specially assigned for next Monday afternoon. Is this the pleasure of the House?

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

Divided Report

Majority Report of the Committee on Judiciary reporting "Ought not to pass" on Bill "An Act Creating a Lien against Certain Insurance Proceeds in favor of Hospitals in the State of Maine" (H. P. 1416) (L. D. 606)

Report was signed by the following members:

Miss Laughlin of Cumberland
Messrs. Hill of Cumberland

— of the Senate.

McGlauffin of Portland
Hinckley of So. Portland
Fellows of Augusta
Thorne of Madison
Varney of Berwick

— of the House.

Minority Report of same Committee reporting "Ought to pass" on same Bill.

Report was signed by the following members:

Messrs. Burns of Aroostook

— of the Senate.

Weatherbee of Lincoln

— of the House.

Mr. THORNE of Madison: Mr. Speaker, for the same reason, that the gentleman from Lincoln, Mr. Weatherbee, one of the signers of the minority report, is absent, I move that the two reports, together with the bill, lie on the table and be specially assigned for next Monday afternoon.

The SPEAKER: The gentleman from Madison, Mr. Thorne, moves that the two reports of the Commit-

tee on Judiciary, with the accompanying bill, lie on the table and be specially assigned for next Monday afternoon. Is this the pleasure of the House? All those in favor of the motion will say aye; those opposed no.

A viva voce vote being taken, the motion prevailed, and the two reports, together with the bill, were so tabled and so assigned.

Majority Report of the Committee on Judiciary on Bill "An Act relating to Civil Actions for Death" (H. P. 495) (L. D. 149) reporting same in a new draft (H. P. 2214) under same title and that it "Ought to pass"

Report was signed by the following members:

Miss Laughlin of Cumberland
Messrs. Hill of Cumberland

— of the Senate.

Weatherbee of Lincoln
Fellows of Augusta
Thorne of Madison
Hinckley of So. Portland
Varney of Berwick

— of the House.

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

Report was signed by the following members:

Messrs. Bird of Rockland
McGlauffin of Portland

— of the House.

Mr. HINCKLEY of South Portland: Mr. Speaker, I move that the majority report "Ought to pass" be accepted.

The SPEAKER: The gentleman from South Portland, Mr. Hinckley, moves that the House accept the majority report "Ought to pass in new draft" on this bill. The Chair recognizes the gentleman from Portland, Mr. McGlauffin.

Mr. MCGLAUFFIN: Mr. Speaker, I am not going to make any extensive debate on this matter. I merely want to point out to the House the effect of this bill as I see it. Up until a few years ago you could only recover for the death of any person up to the extent of \$5,000. Just a few years ago we changed that, increasing the amount of liability to \$10,000. This bill still further increases not only that \$10,000 against a single person, and \$20,000 in a single accident, but it adds medi-

cal expenses and hospital expenses besides that.

Now the first reason I object to it is this: I myself at the present time carry what we call ten-twenty insurance; \$10,000 for one person and \$20,000 for one accident. This increases the amount so that any of us who are not protected to that extent must still carry our own insurance beyond that point. I think I am carrying about as much insurance as I want to now.

Mr. HINCKLEY of South Portland: Mr. Speaker, I think you will all agree with me that lawyers by nature are very conservative. I believe when you get a bill out of Judiciary Committee with only two members opposed to it that the bill must have some merit.

Let me correct a statement made by the gentleman from Portland, Mr. McGlaulin. He stated under the Lord-Campbell Act that you could get up to \$10,000 for one accident and \$20,000 for all who are in an accident. I think every lawyer in the House will agree with me that that is not the fact. The Lord-Campbell Act as we have it at the present time provides for an absolute limit of \$10,000 in the case of the death of a person, and not one of his dependents can get more than \$10,000 under any circumstances.

Now this Lord-Campbell Act, what is it? It provides in case of the death of any person, caused by the negligence of a person or corporation that his dependent may recover to an amount of \$10,000, depending upon the pecuniary loss that is sustained as the result of the death. For instance, a man may be killed leaving a wife and children. The widow and those children, if dependent on the deceased, may get up to \$10,000 of their pecuniary loss. If we accept the bill as provided before the House, then they may get in addition to that the hospital and doctors' bill. I think that is a very fair provision.

Take the case—I know of a man being killed, leaving several children and a widow. How far will \$10,000 go to compensate them for their loss, especially if the children are very small and have several years ahead of them for support? It does not go very far. \$10,000 is the maximum that may be recovered.

I say to you if a man is injured

and becomes unconscious, he may suffer and linger along for a long period of time. His hospital bills and medical bills may in many cases be very large. His widow and children cannot recover one cent for medical and hospital bills. I say they should.

What if a man loses his wife at the present time? He cannot get one cent because he is not dependent on his wife for support. He cannot even get medical and hospital bills expended in trying to get his wife on the road to recovery, and if she ultimately dies he has to bury her, all due to the negligence of an individual or corporation who caused the death. I say that is not fair.

If a parent loses his child at the present time, the Law Court, by the grace of God, has allowed us to get something up to about \$500, because they think they should allow up to that amount, but I say under a strict interpretation of the Lord-Campbell Act, you cannot get anything for the loss of a child because the parent has not suffered any pecuniary loss. You cannot under that Act get anything for the treatment of the child in trying to effect a recovery. I say that is not right.

Take the case—if a woman of this State loses a brother and you would be the only member of the family left, you would necessarily, morally at least, be obliged to pay out money to effect a recovery and would pay out for hospital and medical bills, and you could not get one cent back. I say that is not right. For these various reasons I think there is good reason it ought to have a passage.

The SPEAKER: The question before the House is on the motion of the gentleman from South Portland, Mr. Hinckley, that the House accept the Majority Report "Ought to pass in new draft" of the Committee on Judiciary on Bill "An Act Relating to Civil Actions for Death." All those in favor of accepting the majority report "Ought to pass in new draft" will say aye; those opposed no.

A viva voce vote being taken, the motion prevailed, and the majority report "Ought to pass in new draft" was accepted.

Majority Report of the Committee on Judiciary on Bill "An Act

relating to the State Police" (H. P. 1634) (L. D. 918) reporting same in a new draft (H. P. 2215) under same title and that it "Ought to pass."

Report was signed by the following members:

Miss Laughlin of Cumberland
Messrs. Hill of Cumberland
Burns of Aroostook
—of the Senate.
Weatherbee of Lincoln
Varney of Berwick
Hinckley of So. Portland
Fellows of Augusta
Thorne of Madison
Bird of Rockland

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

Report was signed by the following member:

Mr. McGlaulin of Portland
—of the House.

Mr. VARNEY of Berwick: Mr. Speaker, I move the acceptance of the majority report, "Ought to pass in new draft."

The SPEAKER: The gentleman from Berwick, Mr. Varney, moves that the House accept the majority report "Ought to pass in new draft."

Mr. McGLAULIN of Portland: Mr. Speaker, I just want to say one word on this bill also. I seem to be in the minority this morning.

This bill provides for giving the Chief of Police a term of office for five years. It has been in the past, and, in my opinion, it should be a political office. The Chief of Police is not necessarily a policeman at all; he is not a man who has been trained to that line of work and usually is not.

The reason that I am opposed to this bill is simply this: I think that the Governor of the State should have control of the police department at all times; and if, in his judgment he cannot work well with the Chief of Police in any emergency, he should have the right to remove him.

In this respect I seem to differ with my colleagues.

Mr. VARNEY of Berwick: Mr. Speaker: I just want to say one word. In the first place, the new draft of this bill changes the term of office from five years to four years. Except for that, it is exactly like the old draft. Now I do not propose to debate this, because it is not of sufficient importance. I simply

want to say that it is designed to take some politics out of the Chief of the State Police. It will not take the control of the Chief of the State Police away from the Governor, because he can now, or if this bill passes, remove him for cause, and certainly disobedience would be cause.

The most I could say for this bill would be to say: This is my "Man Friday" and I hope the House will adopt the good judgment of the majority of the Judiciary Committee.

The SPEAKER: The question before the House is on the motion of the gentleman from Berwick, Mr. Varney, that the House accept the majority report. Ought to pass in New Draft, on Bill "An Act relating to the State Police." All those in favor of the motion will say aye, those opposed no.

A viva voce being taken, the motion prevailed, and the majority report, "Ought to pass in new draft," was accepted.

Majority Report of the Committee on Judiciary reporting "Ought not to pass" on Bill "An Act to Enable Party Conventions to Propose Candidates for Governor, U. S. Senator and Members of Congress to be Placed upon the Ballots at Direct Primary Elections" (H. P. 499) (L. D. 153)

Report was signed by the following members:

Miss Laughlin of Cumberland
Messrs. Burns of Aroostook
—of the Senate
Thorne of Madison
Varney of Berwick
Weatherbee of Lincoln
Hinckley of So. Portland
Fellows of Augusta

—of the House.
Minority Report of same Committee reporting "Ought to pass" on same Bill.

Report was signed by the following members:

Messrs. Hill of Cumberland
—of the Senate.
McGlaulin of Portland
—of the House.

Mr. McGLAULIN: Mr. Speaker and members of the House: The Honorable Speaker this morning reminded me of the saying of some minister in the past: "You can save no souls after the first fifteen minutes of argument." (Laughter)

I want to remind the House that

a few days ago I did my utmost to save your souls in talking on the Sunday movie question, and I find that it cannot be done. Therefore, I am not going to try to save your souls this morning. You have got to suffer the punishment that is due you.

Before debating this question, I want to say that I realize I am talking to a hostile House and that hostility is backed by the almost unanimous report of the Judiciary Committee, so I realize that the chance of accomplishing anything definite with this body is practically nothing. Nevertheless, this is an important matter, and I propose to discuss it for a few moments.

Before beginning my argument, I want to tell you of an experience I had some two years ago in Oxford County. I was accompanied by the Hon. Ralph Ingalls, of Portland, who was to defend a man by the name of Sanborn before a trial justice. And as we rode in before the school-house where this trial was to be had, I heard the justice himself say: "Now we have got that man Sanborn just where we want him, and I am going to send him to jail for two months." He had not heard a word of evidence, but the case was tried and the respondent was convicted there on the front steps before we had a hearing.

Now, I imagine that I am in exactly the same position with this House. You have probably made up your mind, you probably won't listen to argument, but, just the same, I am going to talk to you for a few moments.

Up to 1911, I think it was, we had in this State what was known as the convention system for nominating candidates to office, and up to about that time, 1913, it was the House of Representatives which chose the United States Senators, they were not chosen by the people as now. And along about 1919, I think it was, we provided for the initiative and referendum.

Now the objections to this old convention system were chiefly two. It was boss control and it prompted trading. Now I want to give you an illustration of what I mean by boss control, because most of you have had no experience with the old system, I think.

Thirty years ago, after being Chairman of the Board of Aldermen of the city of Portland, I had an

idea that I would like to go to this Legislature, and I became a candidate and I got the delegates from my ward, which was Ward 9, in the city of Portland, and I had the promise of all the delegates from Ward 8, which was in the first instance supporting Frank Ridlon of Portland. A little bit later, the Hon. Guy Sturgis, a member of the Supreme Court of this State, who was one of those delegates from Ward 8, informed me that not one of those pledged delegates could vote for me, very much to their regret. And why? Because Henry B. Cleaves, a former Governor of this State, had said to them that he controlled the delegates from Wards 5, 6 and 7 in Portland, and that if any one of them voted for me they would get no votes for Ridlon, and, under those circumstances, not being in the favor of that bloc, I was defeated. The reason that I was not acceptable to that bloc was that I had been a stumbling block in the campaign of the Portland Water Company to get a twenty-five year lease with the city of Portland, I helped defeat it and I was considered a very dangerous man,—and I was to that element.

Let me give you an illustration of trading. There was a certain lawyer in Portland running for County Attorney, and he came to me and asked me if I would nominate him on the floor of the convention, and I said I would. The night before that convention, although this particular lawyer had the pledge of enough votes to elect him—you can't depend on political promises—the night before the Sheriff's office sold him out, thinking they could get more votes from some other candidate, and he did not have a look-in because of trading.

Now, under those circumstances, I was one of the men who felt very strongly in favor of the direct primary, and I worked for it and spoke for it repeatedly; and I am still to a large extent in favor of that direct primary method of electing candidates.

But, in the course of time, it has developed that even the primary system is not perfect. We find that some situations arise which we feel that the primary system does not take care of. I want to particularly call your attention to the fact that two years ago last summer, in the First District of this State, we had nine candidates for Congress, not

one of these men were willing to withdraw. They felt that they were as capable as the other candidates and they felt that perhaps it was their opportunity. The result was—and I am speaking now of the Republican Party—the vote was split up, and it so happened that the present Congressman, Mr. Oliver, got a few more votes than did Mr. Bridgham. He had a minority but far from a majority, and the result was that he was nominated and elected.

Now I am not here to debate whether Mr. Oliver made a good Congressman or whether he did not; but the point I want to make to you is that he was elected by a minority, and having once been elected, even the majority cannot get rid of him if they want to. I do not know whether they want to, but they couldn't if they did.

That situation seems somewhat serious, because the facts of the matter were, in that particular case, that had Donald Partridge or Raymond Oakes, or Mr. Payson or some other of these candidates been nominated they would have received, without any question, the votes of the majority of voters on that District, but, in the split-up that was impossible.

Now I have told you that the faults of the Convention system were primarily two: Boss control and trading. And now I am going to say to you that the faults of the Primary System are three. In the first place, the office no longer seeks the man, but the man is seeking the office all the time now. We used to have a time when under the convention system you had this advantage: They did go out and seek the man. In the second place, if a man runs for United States Senator or Governor, it costs an immense amount of money to get his nomination. And, in the third place, we have developed not boss control but bloc control, and I do not see why bloc control is not just as bad as boss control.

Now I will come to the bill. This bill provides simply this: The convention of either party can name a man that it thinks would make a good Governor, or can name a man whom it thinks would make a good United States Senator, and if that Convention so names the man, his name is put on the ballot without getting the 4000 more or less names that are necessary under the pri-

mary system now. He has no advantages whatever on that ballot.

This bill differs from the one that was put in two years ago in that respect, in that we put into this bill the Grange proposition of having a rotary ballot, so that if there are two candidates, each one has his name first half of the time, or, if there are four candidates, one-quarter of the time. Notice this: That does not prevent any man in the State from running for Governor if he wants to, or running for United States Senator if he wants to. It merely shows that the party thinks that one particular man would be a good man.

Now what would be the effect of that? I say it would just be this: In the coming election, to illustrate, we have mentioned as possible candidates for Governor, Page of Skowhegan, Smith of Skowhegan, Linnell of Portland, Burkett of Portland, Pinansky of Portland, Payne of Augusta, and Fernald. There are seven possible candidates. If, at the next Republican Convention, the party should name one man that it thought was a good man, I predict that at least half of those other candidates would drop out. At least we would have an expression of opinion beforehand of some of the people in the State as to whom they preferred, which would be a help even to the candidates themselves.

Now the opposition that has been put up to this proposition is this: That you are opening the door to get back to the old party convention system. I say that there is nothing to that argument, for these reasons: Under this plan, there could be no boss control. And why? Because you never had a boss with any power unless he had a following, and there could be no following as long as we keep direct primary in our local affairs. You just cannot have a boss unless he has got a club, and he does not have a club unless he has a following, and there can be no appreciable trading, because, if a man is running for Governor and that is the only office that is up, where is there a chance to trade?

Members, I thank you for listening to this discussion. I merely want to say this, in regard to it in conclusion: This matter is of enough importance to be discussed without prejudice, and I am willing to listen to any man in this House on any-

thing he has got to say in a fair manner on the question, but I do think that it should be given some consideration. Thank you. (Applause)

Mr. HINCKLEY of South Portland: Mr. Speaker, as I understand it, there is no motion before the House?

The SPEAKER: That is correct.

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

The SPEAKER: The gentleman from South Portland, Mr. Hinckley, moves that the House accept the majority report of the Committee on Judiciary, "Ought not to pass" on Bill "An Act to Enable Party Conventions to Propose Candidates for Governor, U. S. Senator and Members of Congress to be Placed upon the Ballots at Direct Primary Elections" (H. P. 499) (L. D. 153). Is the House ready for the question? All those in favor of the motion that the House accept the "Ought not to pass" majority report will say aye; those opposed no.

A viva voce vote being taken, the motion prevailed, the "Ought not to pass" report was accepted and sent up for concurrence.

Majority Report of the Committee on Taxation reporting "Ought not to pass" on Bill "An Act Imposing an Income Tax" (H. P. 1727) (L. D. 753)

Report was signed by the following members:

Messrs. Tompkins of Aroostook
Cony of Kennebec
—of the Senate.
Noyes of Franklin
Worth of Stockton Springs
Dean of Greenville
Dorsey of Fort Fairfield
—of the House.

Minority Report of same Committee reporting "Ought to pass" on the following Bill:

Report was signed by the following members:

Messrs. Chamberlain of Penobscot
—of the Senate.
Maxim of Portland
Ellis of Fairfield
Richardson of Strong
—of the House.

Mr. NOYES of Franklin: Mr. Speaker, and members of the House: I am convinced that the passage of an income tax would be extremely bad business for the State of Maine.

The fact that we have no income tax brings many wealthy residents to our state, particularly the coastal counties. I know that in my county of Hancock, we have many persons of large wealth who came from other states and who, because of our freedom from income tax, have made their permanent residences here. This class of residents is large in number, is growing, and from them the State of Maine will eventually derive large sums of money in inheritance taxes.

From one estate a few years back, that of a man who moved his residence to Bar Harbor to escape the heavy personal property tax in Pennsylvania, the State of Maine received in one year \$1,000,000.

As other states pass income tax laws, our freedom from income tax becomes a greater and greater asset. In 1931 only 13 states had personal income tax laws. Today 36 states have them. The remaining 12 states, particularly those which are naturally resort states, are benefiting materially because of the attractiveness of this tax freedom to wealthy people. I have on my desk literature put out by New Jersey, Nevada and Nebraska advertising the fact that they have no income taxes. If we keep clear from a State income tax, our State of Maine will continue to share in the increasing benefits which freedom from this type of tax brings.

It is clearly evident to everyone that there is no public demand for an income tax. On the contrary we have every reason to believe that the people of Maine definitely do not want it.

The inability of those who attempted to initiate the so-called Grange income tax bill, to get sufficient signatures between November 22, 1938 and the 15th of March, 1939, to enable them to present their bill to this Legislature, demonstrates that the people of Maine are against an income tax.

Further, the party platforms expressly called for no new taxes. We had a recess committee from the Eighty-eighth legislature, and the majority report of that committee was opposed to enactment of an income tax. Now, the majority of the Taxation Committee of this Legislature reports against an income tax.

Furthermore, I am satisfied that we would accomplish nothing, and

would solve none of our problems, by passing an income tax bill, as there would surely be a referendum invoked, and the people would vote it down.

In closing I refer to an editorial appearing in the Portland Sunday Telegram last Sunday, copies of which have been left on your desks. As it contains what I think is a very convincing argument against a State income tax in Maine, I am going to quote from it:

"How did it happen that the Maine income tax payments this year showed increase of 25 per cent, *** Business has probably been better in this State than it has averaged the country over, but it would probably be hard to convince our merchants and our manufacturers that it has been 25 per cent better than elsewhere. *** It is so improbable that we feel we must discard that theory. But comes the esteemed Waterville Sentinel with an idea and by process of elimination we are compelled to conclude that it is the right idea. It is that a large number of wealthy people have moved to Maine and established their residences here and in that way have brought up the income tax payments of the State. If that is what did it, and seriously it seems as if it must have been, the moral is plain. It is that we don't go to plastering any extra income taxes on them to keep them away. The benefits that the State derives from these people coming here to live are many. They increase our taxable property for one thing, in some places paying more than one-half and they enable us to gain a substantial income from inheritance taxes. To do anything to drive them away would cost money, yet that is what these income tax people propose to do."

Mr. Speaker, I move the acceptance of the majority report "Ought not to pass".

The SPEAKER: The gentleman from Franklin, Mr. Noyes, moves that the House accept the majority report "Ought not to pass" on Bill "An Act Imposing an Income Tax." The Chair recognizes the gentleman from Fairfield, Mr. Ellis.

Mr. ELLIS: Mr. Speaker, my remarks will be very brief because I realize that anything that may be said by anyone on one side or on the other side of this subject is not going to change a vote in this House.

My object in putting this bill before this Legislature and in signing the "Ought to pass" report is for the purpose of keeping the views of some of us who believe in an income tax before the people. We believe that the time is coming when there will be an income tax in the State of Maine. I see no other way than to have an income tax. There is no fair argument that it is not a fair tax. Those who attended the hearing, and I am speaking of the hearing two years ago on the income tax, which many of you attended, will recall that the only argument then, as this year, was that it was not a fair tax; that we do not want it, and that we are not going to have it. A certain gentleman two years ago stated that it was going out the window the same as it always had. Two years ago it did not go out the window but during the last minutes of the session it was dropped out.

The only other argument was from the people who said that it was going to keep people from coming into the State of Maine, that it was going to keep the people who wished to come here, the wealthy people from coming here to make their residence. Now no one knows how much it would affect the State in that way. For myself I believe it is a small matter. It is true, of course, that many of us who advocate an income tax would not pay but very little if any tax, but I think if we had the income we would be glad to pay. So I submit that perhaps our arguments may be just as unbiased as those who oppose it. I think that is all I have to say, but I would like to have a division when the vote is taken.

Mr. RICHARDSON of Strong: Mr. Speaker and members of the House: I hesitate to rise to speak against the gentleman from Franklin, Mr. Noyes, who signed the majority report "Ought not to pass", but in order that the record may be right I want to express my opposition to his motion and I would like to register my vote in defense of an income tax for this State. I have no prepared statement to make to this House, but I would like to ask the members of this House if we recognize the direction we are taking in the State of Maine at the present time.

May I illustrate that by something that is reported to have hap-

pened in the State two or three years ago. They came to the point in the city of Portland of where they were going to need to take on some additional officers to the police force in that city. One of the successful applicants was of Irish descent, a big fellow about six feet two inches tall, and weighing more than two hundred pounds. He was accepted and the sergeant in charge of the office took him out and said to him: "Your beat is going to be from this building down to that corner where you see that red light. You will go from this building down to that red light and then you will start back. You will be on duty four hours and off eight and that is all you will have to do." So Casey struck out but at the end of the four hours he was missing. At the end of eight hours he was still missing. One, two, three, four days went by and still Casey was missing. At last they heard a knock at the door and on opening up the door found Casey standing outside tired and dirty and with his uniform badly torn. The sergeant said "Well Casey where have you been? You have been gone four days. Didn't I tell you that your beat was from this building down here down to that red light? Casey said: "Yes, sir but that red light was on the tail end of a truck just starting for Bangor and I just got back." (Laughter)

Now I maintain that in this State we are chasing some red lights and the sooner we recognize that fact the better it will be for this State. We have a system of taxes in Maine today that draws an arbitrary line, and the man who is unfortunate enough to be on the wrong side of that line is plastered for all he can stand and more too. The man who is able to invest his money in securities of a preferred class is exempt under the laws of Maine. I submit that we are not going to continue to prosper in this State with one-half taxed and the other half tax free, I recognize the fact that we have a united opposition who would carry this fight to the last ditch.

Reference has been made to the fact that the Grange of this State has been unable to secure the necessary number of signers on the petition in order that the measure might be submitted in an orderly manner to the people of the State of Maine for referendum. I chal-

lenge that statement because we have the necessary number of signatures, but they were secured too late, in my judgment, to bother and hinder the progress of this body during this session. It was for that reason and for no other reason that they were not presented. For your information let me say that those 12,000 signatures were received without the payment of a single cent to any man or woman in this State. They were purely voluntary. I can tell you more than that. I have visited and have spoken in more than two hundred communities in the State during the last twelve months and I know that if this measure had gone to the people of Maine it would have gone over. I know that there has been a tremendous change.

I want to say in defense of the position that those of us took on the Taxation Committee who signed the minority report "Ought to pass" is that we believe that the welfare and the interest of those people who are included in the group holding approximately one-half the wealth of this State represented by farms and village homes and by the factories in our towns and cities are slowly—not slowly—but rapidly being driven out of existence by this system of taxation which is confiscatory.

They tell us in this editorial which has been placed on the desks of the members here this morning, for our information presumably, that this increase that is regarded as having been paid during this fiscal year just closed by the income taxpayers of Maine is due to the fact that people from other states in the country have come here in order to escape the tax. That is a sample of the absurd statements presented and we are presumed to consume them without raising any objection.

In closing, permit me to say that we are advocating an income tax because we believe it is fair and just. We would oppose to the limit of our ability the proposition of an excessive tax on those in the upper brackets, as we would oppose the imposition of an unfair tax on the already overtaxed property owner. We say that we are not radical or unfair but ready to abide by your decision as the representatives of the people of Maine.

Mr. BATCHELDER of Parsons-

field: Mr. Speaker and members of the House: I want to go on record as being opposed to a State income tax. In my county of York we have a good many people coming in and establishing residences who are attracted to Maine because we do not have this type of tax. As other states one by one, adopt income tax laws, the number of such people moving to Maine increases. It would indeed be against the best interests of the State of Maine to discourage them from coming here by passing an income tax law.

These new residents do much for the communities in which they settle. They spend a lot of money here. They leave estates from which the State of Maine is receiving, and will continue to receive, substantial revenue in inheritance taxes.

The towns of Wells, York, Kennebunk and Kennebunkport, and the other towns along the coast in York County, have these new residents in great numbers, many of them very wealthy.

This trend is not by any means limited to the resort towns on the coast. Out through the inland country we see them coming in and buying places in which to live. These are largely people who have retired from business, perhaps possessed of less wealth than those in the coast town, but nevertheless of sufficient means so that they are attracted to Maine because we have no income tax.

What I say does not apply only to York County. Throughout the State, particularly in the lake and shore regions, there are many of these new residents.

Naturally my interest in this matter is partly because of the many benefits the communities in my county receive from these people while they live. However, the inheritance taxes go to the State and thus the State as a whole gets the greatest benefit.

This tax has been urged by some people as a relief to real estate. It is extremely doubtful if it would reduce the tax burden on real estate at all.

Assume that an income tax would yield \$1,200,000 which is a figure I have heard used. This would be the equivalent of 1.8 mills on the total State valuation. If every cent received from the income tax was credited back to relieve present taxes, a person with a home assessed

at \$2,000 would get tax relief to the extent of \$3.60. With this he could not even pay the cost of making out his income tax return.

In short, Maine cannot afford to have an income tax. Such a tax would lose money for the State in the long run. It is not good business or common sense to drive away this type of resident, who is anxious to come here, and who, when here, would in one way and another contribute substantially to our institutions, our towns, and our State.

At this time I would like to read a letter written by Judge Deasy of Bar Harbor who was in position to know conditions in the State of Maine. This letter was addressed to Honorable Leonard Pierce two years ago, at the time of the Eighty-eighth Legislature. I want to quote from that letter.

"L. B. DEASY

Bar Harbor, Maine

March 20, 1937.

Hon. Leonard Pierce,

Augusta House,
Augusta, Maine.

Dear Brother Pierce:

I beg to say that in my opinion enactment of an income tax law in this State would be a great mistake, and in the long run would cause the State financial loss. I know personally of many, and throughout the State there are undoubtedly hundreds of persons of large wealth, who, having summer residences in Maine and winter residences elsewhere, have elected to adopt Maine as their permanent domicile. This has been done largely because there is no State income tax in Maine.

The number of this class is large and rapidly increasing. In Bar Harbor alone there were twenty in 1922. Six years later there were thirty-seven. In 1933 the number had increased to fifty-seven. There are now ninety. In the State at large there are undoubtedly many times this number.

From this class the State will eventually derive in inheritance and estate taxes very large sums. In one such case in this town, (the Catherwood Estate), the State of Maine received in succession taxes about a million dollars. If a State income tax is imposed, practically all of this class of people will establish their permanent domicile elsewhere and there will be no accessions. It would be folly to sur-

render this potential source of revenue.

I believe that this source of revenue will in the long run be much more productive than any income tax. I firmly believe that the passage of a State income tax law in Maine would prove to be a boom-crang.

Yours very truly,

(Signed) L. B. DEASY."

Mr. Speaker, I hope that the majority report will be accepted.

Mr. PAUL of Portland: Mr. Speaker and members of the House: I very definitely want to go on record as opposed to a State income tax. First, because, in my opinion as a citizen of Maine, a native of Maine, with my younger days spent in some of the western states, I believe it is very unsound economics.

It so happened that within the last three days a gentleman who happens to be an American, but who has lived a greater part of his life in Florence, Italy went to one of the largest banks in the State to ascertain the facts pertaining to State income tax in the State of Maine.

It is very truthfully said that if we do pass a State income tax that that gentleman will no longer consider making the State of Maine his home. If we do not pass an income tax that gentleman is coming to Maine, to make Maine his home. It so happens that I know many other men, many other families who have been brought to Maine and who reside in Maine and who will live in Maine as long as they live, and when they die the State of Maine receives a very fine income in the form of an inheritance tax. For those reasons, I most assuredly want to go on record as opposed to the State income tax, and I trust that the majority report "Ought not to pass" of this committee will be accepted.

Mr. DeBECK of Holden: Mr. Speaker and ladies and gentlemen of the House: I do not care to take up much of your time, but I would just like to reply to my good friend, the gentleman from Franklin, Mr. Noyes. I cannot understand why if the attractions of this State are as great as my good friend speaks of, if it is attracting out-of-state people to come to this State, why it would prevent them from coming here if they had to pay a little tax.

If I understand those people, they are people who do not want something for nothing. If they had to pay a little tax, I think they would accept it very cordially, and for this reason I hope the motion of the gentleman from Franklin, Mr. Noyes, does not prevail. I thank you.

Mr. WEED of Manchester: Mr. Speaker, the gentleman from Franklin, Mr. Noyes, in his argument made the statement that this was a new tax. In the next divided report, in regard to the chain store tax, which is a new tax, I notice that he signed that one.

The SPEAKER: The question before the House is on the motion of the gentleman from Franklin, Mr. Noyes, that the House accept the majority report of the committee on Taxation reporting "Ought not to pass" on Bill "An Act Imposing an Income Tax." The gentleman from Fairfield, Mr. Ellis, asks for a division. Is the House ready for the question? All those in favor of accepting the majority "Ought not to pass" report will rise and stand in their places until counted and the monitors will make and return the count.

A division of the House being had, Eighty-seven having voted in the affirmative and 34 in the negative, the motion prevailed, and the majority report "Ought not to pass" was accepted and sent up for concurrence.

The SPEAKER: The Chair recognizes the gentleman from Auburn, Mr. Marshall.

Mr. MARSHALL: Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER: The gentleman from Auburn, Mr. Marshall, asks unanimous consent to address the House. Is there objection? The Chair hears none and the gentleman may proceed.

Mr. MARSHALL: Mr. Speaker and members of the House: Now that we are on the subject of taxation, I notice that in my absence a few days ago the report was received here on the floor of the House, Committee on Taxation, reporting "Ought not to pass" on an act establishing a low tax on intangible personal property in accordance with Constitutional amendment permitting the same. I wonder how many of you people realize what that situation is. The report was

accepted in both branches according to the record.

Under our present law in the State of Maine, the intangible wealth of the State is taxable. There are certain definitions which are provided in the Revised Statutes—I won't take the time to read those—but I simply want to say a few words about this situation.

From the Tax Assessors office of the State of Maine I obtained these figures. It is estimated that there is about \$671,000,000 of value in tangible wealth in the State of Maine, which equals, if it does not exceed, the value of all real and other personal property in the State. Under the law, the assessors in the several towns and cities in our State take a solemn oath that they will assess all property equitably and fairly within jurisdiction of their towns and cities.

I do not know what the situation is in other towns and cities, but, in my own town, I know that the only property in the way of intangible wealth that is assessed is that which appears on the records of the Probate Court when somebody dies and their will is probated. So that out of all this wealth of some \$671,000,000 there is estimated to be only \$8,000,000 of that property taxed. Consequently, either we are observing a sit-down strike on the part of the assessors or they are violating their duty.

Now the Constitution permits the legislature to set a lower rate of taxation on this intangible wealth. This bill that was referred to earlier in my remarks called for a 2 1-2 mill rate on each valued dollar of intangibles that were not otherwise exempted. Under our present laws all intangible wealth should be assessed and taxed at the same mill rate as other taxable property. Of course, ladies and gentlemen, if that were done, it would confiscate a great deal of wealth. For instance, if you lived in Auburn, and you had a thousand dollar bond, our mill rate is 39 mills and that bond could be taxed \$39 a year by the tax assessors if taxed in accordance with the existing law. That would in time confiscate that bond, because it is more than the annual income, as we understand it now on most bonds and securities.

Under this bill to which I refer, it calls for 2 1-2 mill rate on in-

tangible property in the State. I learned up stairs that a 3 mill rate on intangibles estimated to be taxed in the State would bring in an annual income of a little over two millions dollars.

Now I simply want to say this: We have a plank in our platform that calls for no new taxes. This would not be a new tax; it would be simply reducing an old tax. I think it would be a very good thing and that we would get some income from it.

Now this particular bill, if it could be brought back into the House, I would like to have it done. I would suggest considerable amendment to it, take out some of the exemptions that now appear in our law, and make the 2 1-2 mills 4 mills, and have it apportioned in this way: 3 mills would go to the State, which, it has been estimated, would be a little over \$3,000,000 to be applied directly to reducing taxes on real estate and other personal property of the State which would reduce the present State tax from 7 1-4 mills to 5 1-4 mills, 1 mill to be left in the towns and cities where the tax was assessed.

Now one argument I have heard in opposition to such a feature is: How are our tax assessors to know who has intangible wealth and who has not? Well, there are two ways of getting at that. Under our present statutes, on or before the first day of April all taxpayers in the State are obliged to file with the tax assessors of the State of Maine a list of all their property, intangibles included. If they do not, then they have to accept the value placed upon them by the assessors, and they have no right of appeal after that. Secondly, in 1937, the so-called Costigan Act was passed in Congress which made all income tax returns filed in the several states available to every tax assessor in that state, so today, under the Costigan Act, any assessor in our State could have access to those files and obtain that information.

Now I believe, ladies and gentlemen, we are going to need some money to run this State. I further believe that the real estate men are paying all the taxes that they ever ought to pay, and, in some instances, more than they should pay. We, all of us, perhaps own a little real estate, and we come here year

after year, session after session and see that real estate loaded down so that not only industry has a very onerous burden to bear, but it is almost a luxury to own a little home anywhere in our state.

Now, Mr. Speaker, and members of the House, I am going to ask, out of order and under suspension of the rules, to introduce an order to be acted on by this House, to bring this bill back into this House for our further consideration.

The SPEAKER: The gentleman from Auburn, Mr. Marshall, presents an order out of order and moves its passage. Is there objection to the introduction of this order out of order? Does the Chair hear objection?

The motion to introduce an order at this time requires the suspension of the rules, which requires a two-thirds vote. The gentleman from Auburn, Mr. Marshall, moves that the rules be suspended to permit introduction of an order out of order at this time. All those in favor of the motion to suspend the rules 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.

Seventy-eight having voted in the affirmative, and 13 in the negative the motion prevailed, and the order was introduced.

The SPEAKER: The Clerk will read the order.

ORDERED the Senate concurring, that H. P. 1343, L. D. 544, Bill "An Act Establishing a Low Rate Tax on Intangible Personal Property in Accordance with Constitutional Amendment Permitting the Same" be recalled to the House from the legislative files.

Mr. VARNEY of Berwick: Mr. Speaker, I think there is a great deal of merit in what the gentleman has just said concerning his bill on an intangible tax.

I oppose the passage of this Order at this particular time because I think we have not yet got to the point where anyone can say that we need any new or additional tax. I do not know that it makes any great difference to me whether you bring the bill back now and perhaps proceed to kill it again or wait until we have decided on what we want. My method of procedure would be to wait until we have discussed some of the other tax measures, and

then, if there is any sentiment for on Order of this kind, to put the Order in then. For that reason, I move that the Order be indefinitely postponed.

Mr. MARSHALL of Auburn: Mr. Speaker, I just want to say this to the gentleman from Berwick, Mr. Varney. This proposal of mine was not for any additional taxes; it was to collect some that we already have a right to have, in an attempt to reduce taxes on real estate as we have them now. Therefore I hope that the motion of the gentleman from Berwick, Mr. Varney, will not prevail.

Mr. MAXIM of Portland: Mr. I want to say a word to the members of this House in support of the proposal of the gentleman from Auburn, Mr. Marshall.

It happened that I was unavoidably absent from the Taxation Committee when this matter was discussed in executive session, although I was there when the hearing itself was held.

I felt that the bill was somewhat loosely drawn and would need considerable revising and perhaps a complete new draft, but the idea is a very meritorious one.

The Legislature of this State, in 1913, amended the Constitution of the State that a low rate on intangibles might be fixed by the Legislature in order to include that class of property, which is very large in our taxation system, on an equitable basis. For some reason no Legislature since then has ever acted on this proposal. To my mind it is perfectly ridiculous and indefensible that a great class of property, undoubtedly amounting to as much as all the tangible property in the State, including both real estate and personal property, should escape taxation, with the exception of about eight or nine millions dollars' worth. I will say that this is probably overtaxed, because of the application to it of the too high property tax which does fit this class of property.

This Legislature could do no more constructive thing, in my judgment, than to fix a low rate on intangibles. I would not be opposed to the suggestion of four per cent—I do not mean four per cent—I mean four mills, meaning by that a bond of \$1,000 would be taxed four dollars. That is not an unreasonable proposition on, let us say, a forty dollar income per year. I do want

to mention that the bill provided that the rate be two and a half mills or \$2.50 on a \$1,000 bond.

Now it seems to me that is a perfectly fair and reasonable proposition and a move in the right direction.

The bill, as I recall it, provided that all the income from this tax be allocated to the cities and towns whence it originated. I think that is the proper way for the revenue from this bill to be handled.

In order to check my own ideas with respect to the matter, I wrote a couple of weeks ago to the State Tax Commission of New Hampshire, which, for many years, has successfully administered a low rate tax on intangibles. I got a letter back from a member of the Commission stating that the idea had worked out very well in New Hampshire,—there was no opposition to it, and they derived a very considerable income, the figures of which I cannot at the moment recall, but I should say more than four or five hundred thousand dollars. They said that it was a very easy act to administer. This is true, for the reason that under the amendment referred to by the gentleman from Auburn, Mr. Marshall, the State Tax Commission has access to all income tax returns of the New Hampshire Commission. It makes a practice of systematically examining income tax returns as filed in the district in order to ascertain what intangibles are included in the various returns. The letter I got back was so reassuring that I felt that it was a move which we might very well take in this Legislature even at this late date.

I will say that I think the administrative provisions of the bill ought to be strengthened and perhaps a new draft should be prepared. But that is all a matter of detail which could be accomplished in very short order. I therefore hope that the motion of the gentleman from Auburn, Mr. Marshall, that this order have passage, will prevail.

The SPEAKER: The gentleman from Auburn, Mr. Marshall, presents an Order, under suspension of the rules, and moves its passage. The gentleman from Berwick, Mr. Varney, moves that the Order be indefinitely postponed. The question before the House is on the motion of the gentleman from Berwick, Mr. Varney, that the Order be indefinitely postponed. All those in favor of the motion for indefinite post-

ponement will say aye; those opposed no.

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

The SPEAKER: The question before the House is on the motion of the gentleman from Auburn, Mr. Marshall, that the Order have passage. All those in favor of the motion of the gentleman from Auburn will say aye; those opposed no.

A viva voce vote being taken, the motion prevailed and Order received passage and was sent up for concurrence.

Divided Report

Majority Report of the Committee on Taxation on Bill "An Act relating to Licenses for Operation of Retail Stores" (H. P. 1758) (L. D. 933) reported same in a new draft (H. P. 2217) under same title and that it "Ought to pass" together with the following Petitions and Remonstrances: S. P. 534, 607, 610, 611, 680, 627, 511, 519, 520, 521, 522, 523, 525, 526, 527, 528, 529, 530, 536, 540, 544, 546, 547, 548, 545, 566, 567, 568, 569, 570, 571, 572, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 598, 599, 600, 601, 602, 603, 604, 605, 612, 613 614, 615, 616, 617 and H. P. 2013, 2015, 2014, 2023, 2024, 2049, 2050, 2051, 2067, 2068, 2069, 2070, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2101, 2102, 2103, 2126, 2147.

Report was signed by the following members:

Messrs. Chamberlain of Penobscot

scot

Tompkins of Aroostook

Cony of Kennebec

—of the Senate.

Worth of Stockton Springs

Noyes of Franklin

Dean of Greenville

Richardson of Strong

Ellis of Fairfield

Dorsey of Fort Fairfield

—of the House.

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

Report was signed by the following member:

Mr. Maxim of Portland

—of the House.

Mr. TOWNSEND of Bangor: Mr. Speaker, I move the acceptance of the majority report of the Committee, "Ought to pass in new draft"

on Legislative Document 1156, and when the vote is taken, I ask for the yeas and nays.

Mr. Speaker and members of the House: I would appreciate it if you would turn to Legislative Document 1156, which is the new draft of Legislative Document 933, the so called "Chain Store Tax Bill." I would like to call your attention to the fact that only two changes have been made in the bill, first in the schedule of the license fees, which have been reduced nearly to one-half of the original amounts, and second the sections have been re-arranged so that they follow a more natural order. This bill provides for a graduated license fee on all retail stores in Maine. The fee on one store is \$3. while the maximum is \$300. on each store of a group of 500 or more.

This tax, it is estimated, will provide about \$300,000. for old age assistance, which is one of the most important issues before this legislature, as we all well know.

This legislation, over the long range, will strengthen and encourage the local neighborhood business man and will help us make it possible to provide the necessary opportunities to keep our boys and girls in Maine and give them an opportunity to earn their own living in Maine as independent men and women.

This legislation is constitutional, it is not confiscatory, and it is not discriminatory.

The proposed license schedule set up in the bill is not only reasonable but clearly justified under our American theory of taxation that one should pay taxes in support of the expenses of government and to pay for old age assistance according to one's ability to pay.

I want to make it very clear, here at this point, that this tax could not and would not be passed on to the consumer, in spite of propaganda to the contrary that has been spread rampant throughout the State of Maine. This tax which amounts to about one-half of one per cent of the gross sales of the chain organizations of the State of Maine certainly could not and would not be handed on to the consumer and I am not going to take the time of this Legislature to argue this point because the answer must be

self evident to every member of this House.

This legislation would very materially aid the farmers of the State by increasing the buying power of the farmers.

This legislation will protect the consumer against higher prices which inevitably follow when monopolistically inclined chain systems get control of the retail distribution field.

This tax does not violate any party platform because this is not a new tax, but simply a re-enactment of a tax put on the Statute books of 1933 and repealed early Sunday morning of the final day of the last session of the Legislature in 1937.

That there exists at the present time need for such legislation is indicated by the fine hearing we had on the bill and by the fact that over 20,000 unsolicited names on petitions have been sent the Legislature from all over the State in favor of the passage of this measure.

I believe it is the duty of every legislator to favor this legislation because of the great benefits from the bill that would come to the State of Maine.

I now move the acceptance of the majority report.

The SPEAKER: The gentleman from Bangor, Mr. Townsend, moves the acceptance of the majority report, "Ought to pass in new draft" on Bill "An Act relating to Licenses for Operation of Retail Stores." The Chair recognizes the gentleman from Portland, Mr. Maxim.

Mr. MAXIM: Mr. Speaker, I want to speak in opposition to the acceptance of the majority report on this bill.

This Legislature has been presented with a great variety of bills by painters, electricians and architects and whatnot, which the Legal Affairs Committee and, later on, this body have pulled away from and turned down because of a feeling that in the operation of these measures the restrictions set up would be such as to be quite unfair to other members of the same craft or to the public, or both.

The Legislature has, so far, leaned over backwards to avoid any discriminatory legislation. I cannot understand how, in the fact of this record of this Legislature, any group of men within or without the Legislature would now have the

nerve to come before us and ask us to pass such a discriminatory and punitive tax as this tax would be.

The gentleman who has just spoken has said that there is no discrimination in the bill. I submit to you, as a reasonable person, that any tax which imposes on two stores located side by side and doing approximately the same volume of business and carrying approximately the same stock, a tax that assesses three dollars on one store, just because it happens to be independently owned, and \$300 on another store beside it, just because it happens to be operated by a chain, is a highly discriminatory tax. If that is not discrimination, then discrimination does not have any meaning for me at all. What would you think if the State of Maine should charge one dollar for a milk license for a retail store, an independent store, and one hundred times that amount to a chain store handling milk. Would that be discrimination? I ask you, if the State of Maine charged for a license to sell lobsters at retail a hundred times as much to a chain store as to an independent store handling lobsters,—would it not be discrimination? Members, if this tax is not discriminatory, then neither of these other taxes which I have outlined would be discriminatory.

The actual reason why so many people within and without this Legislature have been so solicitous to have a chain store tax bill enacted is not because chain stores are avoiding their part of the burden of the government of the State, but because the group, at least without the Legislature, consisting mostly of independent merchants, is seeking an unfair trade advantage or competitive advantage as against the chain store.

It is true that most of the stores occupied by the chains are rented stores, but do not forget that they pay rent to the real estate owner who, in turn, pays taxes to the city in which he is living.

Under the old system of taxing stock in stores, they were taxed on the stock and fixtures on hand as of the first day of April only. By a change in the law made some years ago, the monthly inventory is now the basis for such taxation in most towns. That monthly inventory is freely offered by the chain stores as well as the independents and be-

comes a basis for the taxing of the stock. Do not forget that there are taxes beside the real estate tax and taxes on stock and fixtures.

The First National Stores made a calculation recently of what they did actually pay in various taxes such as payroll taxes, taxes for registration of automobiles, gasoline taxes and taxes for sales of milk and oleo, and various things, and it was found that they were paying, outside of real estate, \$767 for every store that was operated in the State of Maine.

Now if the framers of this bill had been sincere in their arguments that the design of the bill was to force chain stores to pay more taxes, they would have allocated these taxes, when collected, to the city or town in which the chain store was located. But, rather, they have acknowledged that they are not concerned about the evasion of local taxes on the part of chain stores, because this bill provides that this money shall be used for old age assistance.

That seems to dispose of this matter of camouflage of taxation or evasion of taxation, which I believe is the actual purpose of the framers of this bill, and I assume they are seconded by some of the independent merchants of the State to force or induce this Legislature to misuse the taxing power of this State in order to embarrass a certain group of competitors.

No group within any industry has any right to come before this Legislature and ask for any such unfair and unjustifiable trade advantage. The reason we have chain stores is because people want them. Any time the chain stores can be driven out of the State by the refusal of their customers and the people of the State to patronize them. The reason they exist is because the great mass of consumers, the people for whom we are legislating, want them, because of the advantage they offer in prices and quality of service. It is not for this Legislature or for any governmental body, as I see it, to tell the American housewife where she shall go and where she shall buy her groceries.

The argument has just been made by the proponents of this bill that this tax would be absorbed by the chain store and not passed on to the consumer.

Now when this tax is levied, if

you see fit to pass this bill, every chain store in the State will endeavor to price up its goods in order to collect this tax from the consumer. It may be forced to absorb a part of it, but the most of it is going to be passed on to the consumer as a part of additional cost of the goods. Mind you, this is the actual purpose of the framers of this bill. They want to force out, through the misuse of the taxing powers of this State, the chain stores, so that there will be less competition.

Why do we have chain stores? Why has this system developed in the last twenty or twenty-five years? It is because, as a nation, we have been committed to a policy of mass production and mass manufacture. We applaud the farmer who raises one hundred or two hundred acres of potatoes or who raises a thousand acres of wheat by the use of modern machinery. We applaud the manufacturer who has an assembly line that will produce automobiles at a rapid rate and at a low cost, realizing that the savings by mass production and mass manufacture are passed on largely to the consumer. Yet this little group of people who make this amazing proposal in the House would go back to the horse and buggy days so far as distribution is concerned.

The chains taken as a whole represent mass production, and, ladies and gentlemen, you cannot have mass production and mass manufacture unless you can have mass distribution. The chains distribute goods at a low cost, cutting out several middlemen's profits, to the ultimate consumer, which is you and I, at the lowest possible cost. That is the thorn in the flesh of these few independents who are back of this bill.

There are some parts of the country nearer the center of population which might afford a chain store tax bill. Up in this northeastern corner of the country where we are, we certainly cannot afford to impair our relations with such good customers as the chains. There is no State north of Pennsylvania or east of Indiana that has a chain store tax at the present time. No State has dared to venture into that field because of the unfavorable geographical location of this part of the country with respect to cen-

tral markets in the central states. It is necessary for all industry and all agriculture to pay for freight rates over the long distances from this extreme northeastern part of the country.

Do not think for a moment that potatoes are the only thing which the chains buy. They buy not only potatoes, but they buy textiles and shoes and the products of Maine mills. The Maine Cannery Association is strongly opposed to this bill, because its best customers are the chain stores. It is estimated that about fifty million dollars' worth of goods, agricultural and industrial, are bought each year by the chains. According to the United States Census of Distribution for 1935, which is a Federal publication, and, therefore, presumably free from bias, there were sold in the State by all chain stores of all descriptions \$45,681,000 worth of goods, leaving a favorable balance of trade to this State of \$4,319,000.

Members, I submit to you that it would be the height of folly for us to pass any picayune tax like this, which would produce a comparatively small amount of revenue, if, at the same time, it would jeopardize this large source of revenue, and when these chains are our best customers.

There was a statement made by the last speaker that approximately twenty thousand people were in favor of the passage of this bill, if I understood the speaker correctly. If I did not, he will correct me.

Ladies and gentlemen, I have had analyzed the names on these petitions which came in to our committee. The Clerk analyzed all these names and gave me the figures this morning. He gave me the exact number who are in favor and who are opposed to this bill. Let me quote you these significant figures: Out of these 20,000 names, approximately, only 3,356 names were sent to my committee in favor of the passage of this act, and 15,959 names were sent in to our committee opposed to this act. That is a ratio of approximately five to one. I leave it to you members whether that shows anything as to the demand for such punitive and discriminatory legislation in this State.

There was a time, and I think it continued up to about a year or

two ago, when the consumers of this State were inarticulate and you could put anything over on them. All we had to do was come up to Augusta and pass such class legislation as we saw fit and the consumers would have to take it and like it. That condition is not true any more. The consumers of this State are now increasingly alive as to their rights as consumers.

Members, I want to show you a sheaf of telegrams I have here. Here are nine telegrams representing housewives' committees in as many counties in the State, nine counties remonstrating against the passage of this unfair act, and remonstrating as consumers who are going to be affected.

I also just want to mention the fact, without taking your time to read it, that I have a letter here from the International Brotherhood of Locomotive Firemen, a labor organization, stating that they are opposed to this type of legislation, and asking me to oppose it this morning.

Members, there is no reason whatever for the passage of this bill. We had a chain store tax here before with a maximum of \$50 a store. The bill produced an average of about \$46,000 a year. It cost an average of about sixteen per cent to administer it, which, I submit to you, is an unreasonable and indefensible percentage. Any tax measure which costs more than two or three per cent to administer is a perfectly indefensible tax measure and ought to be repealed. If we change these rates to \$300 instead of \$50, I can see that it will produce something more than \$46,000; I should say it might be between \$150,000 and \$200,000. The cost of administering this bill, if our experience is anything like that of the State of Louisiana, which has the highest rates in the country,—their cost is nine per cent — in other words, out of receipts last year of \$344,000 it cost them \$30,000 to administer the Act — our experience would undoubtedly be very similar. The reason, of course, is that in order to make this tax constitutional, you have to tax all stores. It would cost six cents to collect this tax from the First National and the Atlantic and Pacific, but it will cost approximately \$7,000,

as it did before, to collect \$3.00 from about 16,000 small retail outlets.

Now if you want to go into a tax project which is going to cost you between eight and ten per cent to collect, I am going to oppose it because I think it is wrong. I do not think that there has been any measure presented in this Legislature which bore on the face of it the smell, if I may say so, of discrimination that we have in this bill.

If we did not have the record of some other states that had already preceded us in the matter of chain store taxes, I should say that a bare face proposal of this sort could not be presented to any Legislature, but this pressure in the various states for the enactment of discriminatory legislation is such that about twenty of them have yielded to it.

What is the total yield in all of the states that have chain store taxes? A paltry eight million dollars. That is all that is produced in the whole United States from chain store taxes. Now I am just as eager as you are to finance old age assistance. I do not want to raise \$200,000 for it or \$150,000; I want to raise as many hundred thousand dollars as is necessary to build up this list to at least 15,000 persons, whether it takes \$800,000 or \$900,000 or a million dollars — I am for any practical taxation measure that will produce that amount; but I am not willing to raise a nickel for old age assistance by any such highly unfair and discriminatory and punitive tax as this is, against the best customers that the State of Maine has. (Applause)

Mr. THOMPSON of Castle Hill: Mr. Speaker and members of the House: When I hear one side of a thing, I may be influenced by the people who speak on that side, and then when I hear the other side I may go along with the people who think the other way. But I am going to try to present to you my particular viewpoint as a farmer in Aroostook County. I want to present it to you as a large social background, and I am going to take a few minutes of your time to present this social background.

When I came to this House I tried to keep an open mind on the larger questions that I knew would come before it. One of these questions was the chain store tax. Upon no

other question did I receive so many inquiries regarding my position as I did concerning this question. My answer to them all was, "I do not yet know enough about it to take a position either for or against. I shall get all the information I can and follow the dictates of my conscience in the light of that information."

I confess to you that at the beginning the tax appeared to be discriminatory and a penalty on efficiency. Has not an individual or corporation the right to order its own affairs looking to the elimination of waste, the taking up of slack motion, wherever discerned, the most favorable placing of its purchases and the orderly regulation of its distributory outlets? Judging such a program by appearance only we are virtually compelled to say, "Yes." Any business organization is certainly entitled to carry on in this fashion. To decide otherwise would be simply a miscarriage of justice.

But the problem is more far-reaching than appears on the surface. Business organizations are units in a greater social order and their status, rights and obligations must be determined not only by what effect their practices have upon themselves but also upon the people among whom they are located and with whom they deal. Looking at the situation from this point of view the problem takes on another color. The rule that a man may NOT do what he wills with his own unless what he wills coincides with the public's idea of fair treatment is very well established.

I accept the contention of the chain store that it is the product of evolution in the system of distribution. It is the last word in the method of moving goods from the producer to the consumer. Directed by the brightest and shrewdest minds in the country, the influence of which reaches the remotest unit of its far-flung system and serving only those areas where ample returns are guaranteed, it has become a strong and vital part of our system of distribution. It has taught all sorts of distributors many things which they have adopted with lasting benefit. We acknowledge all this and concede that the chain store has its place in our economic setup. We do not seek its destruction but we do seek relief from the results of

some of its practices and we do ask it to assume its commensurate share of the public expense.

If we look about us we shall see the farmer undergoing slow strangulation, the small business man is being forced out of business and the laborer is out of a job. This I think can be laid largely to the ruthless competitive struggle in which we are now engaged and the most highly developed unit in this struggle is the chain. And being stronger it is strengthening its position at the expense of the very public which it professes to serve.

Lincoln said shortly before his death, "I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. As a result of the war, corporations have been enthroned, and an era of corruption in high places will follow. The money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all the wealth is aggregated in a few hands and **the public is destroyed.** I feel at this moment more anxiety for the safety of my country than ever before, even in the midst of war. God grant that my suspicions may prove groundless."

Alongside this I want to lay another prediction from a man who lived through the same stormy period of our history but who had the advantage of perspective in that he lived apart from those conditions of life which he assayed to criticize and concerning whose future developments he ventured a prediction. I refer to Thomas Macauley, the English statesman and historian who wrote concerning the future of the American democracy as follows:

"I have long been convinced that institutions purely democratic must, sooner or later, destroy liberty or civilization or both. Your fate I believe to be certain, though it is deferred by a physical cause. As long as you have a boundless extent of fertile and unoccupied land, your laboring population will be at ease.

"But the time will come when **New England** will be as thickly populated as **Old England.** Then your institutions will be fairly brought to the test. Distress everywhere makes the laborer mutinous and discontented and inclines him to listen with eagerness to agitators who tell him that it is a monstrous iniquity

that one man should have a million while another cannot get a full meal.

"I cannot help foreboding the worst. It is quite plain that your government will never be able to restrain a distressed and discontented majority. The day will come when a multitude of people, none of whom has had more than half a breakfast or expects to have more than half a dinner, will choose a Legislature. On one side is a statesman preaching patience and respect for vested rights; on the other is a demagogue ranting about the tyranny of capitalists. There is nothing to stop you. Your Constitution is all sail and no anchor. Either some Caesar or Napoleon will seize the reins of government with a strong hand or your republic will be laid waste by barbarians in the twentieth century as the Roman Empire was in the fifth."

Here are the forecasts of two contemporary statesmen who peer into the future of the American people and tell us what they see there. One, gripped by the swirling eddies of the life whose future he attempts to evaluate, tells us what he sees there. The other, standing aloof, calmly and judiciously observing the trend of events as they rush by him, tells us what he sees there. These men, though differing greatly in temperament, looking at the outcome from entirely different angles and evincing very different reactions to the conclusions they draw, nevertheless do exhibit a striking agreement as to the things they see and the conclusion at which they arrive.

The time is coming when the wealth of the nation will be highly concentrated, there will be a struggle between those who have and those who have not for a redistribution of the wealth so concentrated, and, in the process, the public will be destroyed, at least in its morale and in its ability to carry on as was intended by its founders. I don't wonder that the great hearted Lincoln hoped that his suspicions would be groundless.

If less than 10% of our people possess more than 90% of our wealth, and the possessions of one-third of our people are limited to the clothes they wear and little else, have we reached the place where we may truthfully say that "all the wealth is aggregated in a few hands" as Lincoln said it looked

to him that it would be or as Macaulay put it "that one man shall have a million while another cannot get a full meal?" If we can say this, then the first step in these twin prophecies is fulfilled.

If the breaking up of sheriffs' sales and the slapping of a judge's face and the overturning of produce trucks on the way to market in the realm of agriculture, if sitdown strikes and marching longshoremens and truck drivers squatting in the night at a state line awaiting the gleam of oncoming headlights in the realm of labor, if the clamor of small business men for legislation to restore to balance the badly careening economic machine in the realm of business, mean anything, they mean that right now a full-fledged tilt is on between the possessors and those who are being dispossessed. They also mean that the second step in these twin prophecies is being full-fledged at this present time; and that the nation is confronted with the greatest social problem since slavery.

Granted that the chain store is the logical outcome of the evolution of our system of distribution, I maintain that a tax upon it to overcome the inequalities of opportunity produced by some of its own practices is equally as logical an outcome of the social consciousness whereby men endeavor to protect themselves in their chosen walks of life. Men feel that if an organization so manipulates its business as to escape its fair share of local taxation, it should be made to pay in some other way. If it drains from a community funds that under local administration would remain within the community's borders, and which it is vitally necessary should remain there if the community is to maintain its financial integrity, and if the destruction of economic balance in rural communities traceable to a considerable extent to the practices of the chain store are to continue, we then feel that though compensation may necessarily come in an indirect manner, nevertheless it should be made to those communities which find themselves being slowly deprived of their independence. The only avenue of approach to such compensation is through the taxing power of the State.

Since the chain store is the competitive spear point in the area of distribution, what is its sharpest

barb? It is a lower price. According to the chains' own statement they undersell the independent dealer by about 10%. This of course refers to the independents as a whole for no independent doing business in a community served by a chain store can carry a scale of prices 10% above his competitor and do a successful business. There are, however, in small communities which at present are no temptation to the chains, a great many independent dealers who have no competition from the chains and who do business under conditions that compel them to charge higher prices that brings the average up.

If the chain's lower prices were the result of efficiency only, no one could complain. We believe that efficient management is an important factor in the chain's ability to undersell its competitors, but there is another factor that is more important for the facts reveal that lower prices to the consumer on the part of the chain also reveals lower prices to the producer on the part of the chain.

Right here, I want to call your attention to the fact that the gentleman from Portland (Mr. Maxim) mentioned the fact that the chain stores were our greatest outlet and that we had better beware of crossing the chain by any legislation of this sort. That, when reasoned out, means that if we have to live in fear of the chain, it already has us in its power.

Two years ago this summer I chanced to be visiting in West Springfield, Massachusetts, and awakening long before anyone was astir in the house, thought I would take a little stroll up the road. After a fifteen minute walk I came across some cold frames back a short distance from the highway. I walked over to inspect them. The owner proved to be a large grower of garden truck and we had a considerable chat.

During his conversation he mentioned the chain stores and incidentally his experience with the one that operates most extensively in Aroostook County. He said it was the meanest concern with which to do business that he had ever run across in his long experience. And then he told me about the straw that broke the camel's back.

He received a wire from a purchasing agent for this chain store

saying they could use a load of squash graded to certain specifications at one of their stores 28 miles distant. Could he furnish them? He could and did but when they inspected them they found a couple of them with a small spot each which had escaped the notice of the graders. The whole load was immediately turned down although seeing that it had been hauled so far they would take it off his hands at a reduced price. The truck driver wired for instructions and was told to bring the load home. "That," said he, "was my last dealing with those fellows for though I had sold them a lot of stuff they had tried their tricks on me too often and I am all through with them." This was his story of the subtle use of purchasing power.

Of what avail are lower prices at the store if lower prices at the farm or at the shop more than offset them? It is a condition similar to that of the Frenchman who said, "Two years ago salt pork was 9c a pound but I got no money to buy it. Now salt pork is 15c a pound but I got the money to buy it so what do I care?" When everyone pays everyone a good price, money circulates and we say times are good, and they are good, but when everyone tries to beat down his neighbor there comes an era of constantly falling prices which paralyzes business.

We know that the chain does use its tremendous buying power and often to influence it adversely. A few years ago it kept the Aroostook potato demoralized all winter. By reason of the size of this particular chain it was able to load a boat and ship by water about 20c per bbl. cheaper than its competitors who had to ship by rail. Those potatoes were put onto the market at cost and used as leaders to attract trade.

In order to meet this competition its competitors came back for a reduction in price and secured it. Then the chain loaded up again at the reduced price and kept the market dropping all winter. The farmers became so aroused over the situation that you couldn't hire one to enter a store of that chain for a ten dollar bill, as badly as he needed the money. Enmity grew so rapidly that the chain finally agreed to quit its price cutting tactics but the horse had already been stolen.

This chain has its storage houses scattered throughout the county. It

fills them when the market is at its lowest ebb. At any time that the market appears to be getting out of hand it can drop out and draw on its storage. It is so large a factor in the market that its absence is immediately felt. Thus it can stabilize the market in its own favor. That is one of the benefits of buying power to the chain.

What I have just mentioned are only incidents which would have little or no value were it not for the fact that a survey of 58 food items covering a period of 20 years reveals that the price to the producer has fallen more rapidly than it has to the consumer. The spread between producer and consumer increased continually from 1913 to 1932 when the spread was greatest. At this time the farmer realized only 33c of every dollar the consumer paid for his products. This was the time when prices were cheap and times were hard. It was the time when the chains boasted of their sacrificial endeavor to provide the people with food at the very lowest cost to tide them over a tight spot. It was also the time when the seven largest chains realized upon their capital investment a profit of 15.75% while the farmer who furnished the stuff could not pay his taxes, had his telephone disconnected, discontinued his papers, left his car jacked up in the barn, and mortgaged everything that he had but his wife to a government loan agency to finance the production of his next year's crop.

The slogan of the chain is "We sell for less." To this in all fairness should be added "We buy for less."

Something quite interesting is shown by these figures that we should stow away for future use. During the years 1917, 1918, 1919 when prices were high, the farmer received an average of 58c of the consumer's dollar. During 1931, 1932, 1933 when the bottom dropped out of everything and prices were way down, the farmer received only 35c of the consumer's dollar. Not only did his produce command fewer dollars when prices were low but he received 60% less of these fewer dollars than when prices were high.

This shows that in the unequal struggle the farmer is being duped and doesn't know it. Whereas during good times and high prices the distributor contented himself with

42% of the consumer's dollar; in hard times when prices were depressed he kept for his share 65% of the consumer's dollar, thus compensating himself to a considerable extent for the lower volume of business which lower prices provided.

If the policy of the chain is to sell cheap and buy cheaper for what may the producer look as prices are continually forced down? Is it any wonder that our rural communities are folding up and that chain farming is also in the offing?

The same thing is happening everywhere. It is happening to the Aroostook potato grower, to the Oregon apple grower, to the cabbage grower in Texas and the tomato grower in California. An average of products from these different sections taken from a report of the Federal Trade Commission shows that from six different commodities produced in widely scattered sections the farmer's share was 18 1-3 cents while the share of the chain was 39c.

A farmer recently wrote his Congressman after this fashion: "I am a farmer and a producer of fruits and vegetables and ship them to most all eastern markets. For a number of years these markets have been declining so rapidly, at present it is useless to ship at all. I ask the commission men what is the trouble and the answer for them all is the same—'chain store control.'"

So much for the farmer. Now listen to the voice of organized labor as it comes from Denver, Colorado, in the fall of 1937. "It is an intolerable situation when highly organized chain systems can hammer down prices all over the nation and then force manufacturers to make shoes at these prices or go out of business. This condition leads to steady demands upon the workers for wage cuts, and, with living costs steadily rising wage cuts are impossible. Wage earner and manufacturer alike are dictated to by highly organized selling groups who deliberately fix prices for the whole country."

Finally listen to a few words from a report of the Federal Trade Commission for 1937. "The Commission records with dismay its belief that the survival of independent farming by farmers who own their own farms and maintain an American standard of living is in jeopardy."

Foundation for this fear exists

right in my own county. In the town of Patten just over the line in Penobscot County, last year a large concern closely affiliated with a large chain store grew 800 acres of potatoes on farms from which their owners had been forced by present economic conditions. This organization is growing potatoes all over Aroostook County. I don't know its total plant but I do know that it had 200 acres on intervale land in the town of Masardis and it had some on higher ground. And its plant is on the increase.

A couple of years ago we were told by Walter Pitkin in the columns of one of our leading farm papers that one of the largest chains had secured the services of the brightest young farm manager they could find and were going to try their hand at production. Whatever became of it I do not know but I do know it is an indication of the direction in which the wind blows. What we are trying to do here is as much in defense of our homes and our families as if we were attempting to repel an armed invasion.

The chains cry "discrimination" and "confiscation." Let us see. We will consider the tax imposed on the largest chains \$550 per store.

According to the chains' own figure, the average annual turnover of a food chain store is \$56,000. A tax of \$550 on that amount of business is less than one per cent of its gross sales. We tax our railroads, telephone and telegraph companies more than that and their physical properties are taxed by the municipalities in which they are located.

When we take into consideration the fact that the chain knows how to escape with a minimum of taxation by the municipality, has a faculty of obtaining its rents cheaper than its competitors and the very highest possible rate under this bill still leaves the chain paying less than other business of a comparable nature operating in our state, I do not agree that there is anything confiscatory about the rate we propose in this bill.

We have now arrived where Macauley said we would. We are attempting through legislation to restore in some measure at least the economic balance which has been destroyed in the bitterness of the competitive struggle. As Macauley predicted so it is. Someone is counseling patience, a respect for vested rights. But I declare to you that

there is a time when patience ceases to be a virtue. Why cry peace, peace when there is no peace?

Religious freedom was born at Wittenberg; political freedom at Runnymede. We are now engaged in a great struggle in which this House is only a part, endeavoring to determine whether there shall be brought forth to stand beside the other two a new freedom, a freedom in the realm of commerce. To those of us who love our homes, whether nestling under spreading trees on a city street or flanked by forest and rolling fields, and who have resolved with unflinching determination to control the business that sustains those homes, there can be but one answer; and that is found in the burning words of Patrick Henry before the Virginia House of Burgesses—"We must fight; I repeat it sir, we must fight."

Mr. VARNEY of Berwick: Mr. Speaker, I move the House recess until two o'clock this afternoon.

The SPEAKER: The gentleman from Berwick, Mr. Varney, moves that the House recess until two o'clock. All those in favor of the motion will say aye; those opposed no.

A viva voce vote being taken, the motion prevailed, and the House recessed until two o'clock this afternoon.

After Recess—2:00 P. M.

The House was called to order by the Speaker.

The SPEAKER: The question before the House is on the motion of the gentleman from Bangor, Mr. Townsend, that the House accept the majority report of the Committee on Taxation, reporting "Ought to pass in new draft" on Bill "An Act relating to Licenses for Operation of Retail Stores." The Chair recognizes the gentleman from Old Orchard Beach, Mr. Young.

Mr. YOUNG: Mr. Speaker, I move the previous question.

The SPEAKER: The gentleman from Old Orchard Beach, Mr. Young, moves the previous question. In order for the Chair to entertain this motion, it requires the consent of one-third of the members present. All those in favor of the Chair entertaining the motion for the previous question 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.

The SPEAKER: Obviously more than one-third of the members having arisen, the previous question is ordered. The question before the House now is, shall the main question be put now? This question is debatable only on the question of whether the main question shall be put now. The Chair recognizes the gentleman from Portland, Mr. Payson.

Mr. PAYSON: Mr. Speaker, I feel that it is only proper to oppose the main question being put at this time. There are many members of this body who wish to discuss this question. Only one of the opponents of this measure has been heard as yet, and it seems to me decidedly unfair to cut off debate at this time. I wish to oppose the motion that the main question be put now.

The SPEAKER: Is the House ready for the question? All those in favor of the main question being put now will say aye; those opposed no.

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

The SPEAKER: The question is open for general debate.

Mr. SHESONG of Portland: Mr. Speaker, I am in hearty accord with the gentleman from Portland, Mr. Maxim, on this question. I do not propose to take very much of your time, but I do want to mention one thing, and that is the so-called unfair sales practice act. That act, as you know, came to the Senate this morning on second reading and will probably come into the House Monday.

I understand that somebody has said that this tax, if passed, is one which cannot be passed along to the consumer. I call your attention to the unfair sales practice act, under Section 1, Definition: In that section the amount which can be charged is set up, and the third subsection of that section reads as follows: "A mark-up to cover in part the cost of doing business, which mark-up in the absence of proof of a lesser cost, shall be 6% of the total cost at the retail outlet."

I interpret that to mean that this tax for retail stores will be a part of the total cost at the retail outlet, and, if that is right, you will pass it along to the consumer. I feel that this matter under discus-

sion is unfair, is discriminatory and it is all that has been said about it. Do we want, in this Legislature now, to pass an act and pass along to the consumer higher prices for the things which we eat? I, for one, am not in favor of doing that, and I hope that the motion of the gentleman from Portland (Mr. Maxim), that the minority report be accepted, will prevail.

The SPEAKER: The question before the House is on the motion of the gentleman from Bangor, Mr. Townsend, that the majority report be accepted. The Chair recognizes the gentleman from Yarmouth, Mr. Arzonico.

Mr. ARZONICO of Yarmouth: Mr. Speaker and members of the House: This bill had a very fair and full hearing. I sat through that hearing and enjoyed it very much. I learned a lot from it. Ever since that hearing there has been considerable discussion regarding the merits and demerits of this bill. I took the opportunity as often as possible to sit in with various groups around the State House and listened to the discussions pro and con. I was very much interested in all of those discussions, primarily in two questions. First, I was interested to know how many of the housewives of this State would be in favor of this tax. I asked that particular question in many and many a case in the past four or five weeks.

Secondly, I was interested to know just the primary purpose of a chain store tax, and I was informed on many occasions by those in these small groups that it was to give the independent merchant a chance.

Now going back to my first question relative to the housewives of the State of Maine, I was informed on various occasions by various members of this Legislature that the majority of the housewives of this State were in favor of this tax. I accepted that answer with reservations. I have wondered in the last two or three weeks whether or not that was exactly right. Therefore I made a little private investigation of my own in my own community to satisfy myself whether or not that was true; whether it applied to every section of this State.

In my own community, of about 2,100 inhabitants by making a partial canvass of that town. I found that about eight to one of the women, mind you, the women of that

town were opposed to a chain store tax. When my good friend from Portland, Mr. Maxim, mentioned in his remarks the tabulation of names on the petitions offered here his ratio was only five to one, and in my town it is eight to one, so I think it would be very conservative to estimate that a fair average would be between six and seven to one in opposition to a chain store tax.

Now with reference to the second question which I was interested in: If we taxed the chain store for the benefit of the independent merchants, it is my opinion that we are taxing a very small minority group of stores for the benefit of a very large majority group of stores. That, in my opinion, is highly discriminatory which has been mentioned here before this morning. To substantiate that percentage of minority against majority, I would like to give you some concrete, authentic figures. In this publication, which is no other than the publication of the New England Council, which you are all familiar with, they mention that all types of Maine independent stores did 76.8 percent of the retail business in 1939, as compared with the total retail business of 19.6 percent for the chain units. It also pointed out that the national average for the United States shows that chains do only 22.8 percent of the retail business, as compared with 73.1 percent for the independents.

Now I would like to briefly go back to the housewives. As we all know, the housewife in practically every household controls the purse-strings; they manage the household budget. They spend about eighty percent of the earnings of the husbands. They do practically all of the purchasing. Now if an average of six or seven to one of the housewives are opposed to the chain store tax, what are we going to do to the majority, the vast majority—are we going to vote for the passage of legislation that they are absolutely opposed to? I think that up to the present time this body has been commended for its very fine, sound judgment and proper thinking on most of the legislation that has been passed through this House. I would hate to start in now at this late session of the Legislature and do something that would break that commendable record that we have been commended so highly on. I,

therefore, in closing, wish to say that I hope the minority report is accepted.

Mr. PAYSON of Portland: Mr. Speaker, I can only view this measure from two angles. It is either a proposition to punish someone, or it is a proposition to discriminate in favor of someone. If it is to punish someone, on what grounds do we punish the chain stores? The charge of monopoly has been made, but no attempt has been made to sustain the allegation. The charge of evasion of taxes has been scarcely made but it has been hinted at. And why upon such inconclusive, insufficient and unjust evidence are we asked to punish here by this measure, or if this is a proposition to discriminate against one set of people and in favor of another, on what basis do we do that? The previous speaker has spoken of this tax as being based on the ability to pay. There is no property tax in the State of Maine that has ever been based on the ability to pay. This proposition, if it is a tax, would say to the people of the State of Maine: If you own one house you pay taxes on that house at a certain rate. If the gentleman sitting beside you owns two houses, he pays taxes on those two houses if it is a tax. If it is a license, which it is called in this bill, there never has been a decision in the State of Maine that put a license upon any basis except for the regulation of the licensee, not on the ability to pay. Let me call your attention to what this really does. It imposes a tax of three hundred dollars, and that tax of three hundred dollars is going to be passed along to the consumer, and this is how it works out: The chain store will have to put up their prices and the independent merchant will also put up his prices. The consumers of the State of Maine will pay three hundred dollars to the chain stores, who will turn it over to the State, and then pay three hundred dollars to the independent grocers, who will put it in their pockets.

Mr. BROWN of Caribou: Mr. Speaker, I am heartily in favor of this chain store tax. I am going to attempt very briefly to tell you some of the reasons why I am for it and to very briefly comment on some of the arguments which have been made against it.

The last speaker said that this was an unfair tax because it was graded

according to the number of stores and real estate was not taxed that way. That is true. It works exactly on the same principle as income taxes. The more income you get, the more tax you pay, not only because you have more income, but you pay more relatively. The Supreme Court has upheld those taxes, so that if a man gets a fairly large income, they take pretty near the whole of it.

Now this is not a punitive or punishing tax; it is an equalization tax, an attempt to overcome some of the advantages which the great chain stores have over the local merchants. Now the great chain stores, and I am speaking particularly at this time of the great Atlantic and Pacific, the greatest of all chain stores,—these stores are rapidly getting control so that they have an almost complete monopoly of food supplies. They have a very efficient marketing organization, but it is run entirely for the benefit of the city consumers, because it is through the retail stores that they make their money. It is true that they purchase a lot of things in Maine, but they purchase them at destructive merchandise prices. Their continual aim is to beat down and lower prices. One of the advertisements which appeared in a lot of magazines or a lot of the papers in the country over the signature of the A & P a year ago said "We have got food prices down to low values, startling low values, and we intend to keep them there."

The city consumer does not realize; he does not take into consideration that the welfare of the city worker depends to a great extent upon the welfare of the surrounding country. If you destroy the purchasing power of the farmer, if you destroy the purchasing power of one-third of the people of the United States, what is going to become of your city workers? The housewives do not take that into consideration. They are told by the chain stores and their paid lobbyists that they will save on what they buy if they purchase through the chain stores. But I submit to you, if any fair person in the city was told that the farmers were working for ten cents an hour to produce these goods in order that they might buy them cheaper, they would say they were in favor of paying enough for goods to produce a living wage for the

farmers the same as we want a living wage.

Now what are some of these inequalities that the chain stores have? First, there is their great purchasing power, and, beyond that, they get discriminatory prices and rebates.

I have before me a copy of the Congressional Record, where an officer of the Atlantic & Pacific Tea Company testified before that investigating body. He testified that in one year they received from the food manufacturers of the country eight million dollars in rebates which did not appear upon invoices. And I have a list here of 340 wholesale companies which paid that rebate under the guise of advertising allowances. I submit to you that is unfair competition, and that if this thing is allowed to continue there won't be an independent retail business in the United States, and there won't be a farmer left in the United States with an open market for his goods.

I am just briefly going to call your attention to a few of these firms, and there are 340 of them here that received these rebates. This was testified to by an officer of the Atlantic & Pacific Tea Company in a Congressional investigation: "American Chicle, gum, 20 per cent advertising allowance." That is the guise under which they hand it back. And I might say in addition to that they have their own brokers and they get brokerage on everything they buy and sell to themselves. A great many people do not know there is an Atlantic Commission Company and that all farm produce sold to the A. & P. is sold through the Atlantic Commission Company and they take out their commission, and those commissions are a great deal more than the individual storekeeper can get. If you sell a carload of potatoes to the A. & P. the Atlantic Commission Company takes out the brokerage and it goes into the A. & P. profits.

This list begins with A and it runs through to Z. I will quote just a few of them:

"American Chicle, gum, 20 per cent advertising allowance."

"Arbuckle Bros. Yukon coffee, \$200 per month flat and 5 per cent additional."

"Armour & Co., regular line, 3 to 7 per cent on canned meats advertising allowance; fresh meats, one-

half per cent quantity allowance, if purchase total \$10,000,000."

"Beechnut Packing, bacon, coffee, biscuit, quantity scale 7 per cent for over \$200,000; candy, gum, \$7000 per month flat advertising allowance; line, \$10,000 per year flat advertising allowance."

"Blue Moon Cheese, cheese, 5 per cent advertising allowance."

"Boston Molasses, molasses, 1-5 per cent for 3000 to 15,000 cartons."

"Burnham & Morrill Co., line, \$1,237.75 per month flat and 5 per cent adjustable for advertising."

Those are discounts none of your local concerns get—and yet they say this tax is discriminatory. I say it is only an attempt to try to overcome some of the unfair, illegal advantages which the Atlantic & Pacific Tea Company have.

"Chocolate Sales, Hershey line, \$5,000 a month flat for advertising allowance."

"Church & Dwight, sodas, 10 per cent sal soda and 3 per cent bicarbonate of soda."

"Clark Bros. Chewing Gum, gum, 11 cents a box for advertising allowance."

"Colgate - Palmolive - Peet, line, Palm Olive and Octagon, 30 gross, others 15 cents a box."

"H. J. Heinz, line, 2 per cent for advertising allowance with extra 1 for \$4,000,000."

I might go on through the entire list of three hundred and forty of the big concerns of the country or the big sales companies of the country, paying over eight million dollars in one year to the Atlantic and Pacific Tea Company in the form of these rebates—and then they tell us that this tax is unfair.

I might say that the Atlantic and Pacific Tea Company, in ten years, averaged over seventeen per cent profit on their investment, an annual average of over twenty million dollars profit, and the most of it was made because of the unfair practices which they pursued. One company alone, General Foods of New York, the biggest food company in existence, with an interlocking directorate with the A. & P., if you please, contributed \$800,000 in one year. I was told the other day by a man who raised sweet corn that the canners had not yet made their prices for this year. I asked him why and he told me it was because they waited to see what General

Foods could pay for corn before they contract with the farmers.

The Atlantic and Pacific Tea Company, because of its outlets, practically makes the retail markets. It works the same on sweet corn as it does on blueberries and everything else. It is all along the same line. They will buy potatoes in the fall for the lowest possible price, in fact they do not wait until the fall, but they begin in the spring. They are contracting for potatoes in Aroostook County next fall for seventy-five cents a barrel delivered, which is less than it costs the farmer to raise them. But they will pay in advance, and a great many farmers are so poor that if they can get a contract for a thousand barrels of potatoes at seventy-five cents and get \$750 in money so as to be able to do business and to plant their crop, they will turn those over to the A. & P. and hope to make something on the rest of them.

The A & P are already contracting for potatoes for seed—they call them seed when they get them down there—and they have even gone so far as to say to the farmer, "We will furnish you with fertilizer and give you ten dollars an acre to raise potatoes for us." The farmer has nothing to do but accept it. And, when the new potatoes come along, they break the market. The A & P buy potatoes for seventy-five cents, and if potatoes are as low as fifty cents in the fall, they fill their houses with these potatoes, and when the market begins to climb, they ship them into the market and retail them at a price lower than the Independents can sell them for.

The independent grocer sees a sign on the A & P store across the way. "10 lbs. potatoes, 15 cents." He immediately tells the wholesaler, "I can't buy potatoes and sell them at that price. You've got to cut the price." And the price is cut all along the line. You can argue all you want to that the farmers in Aroostook County were responsible for taking what little tax we had off the chain stores at the last session, but let me tell you that is not so. There was a petition filed here from the town of Presque Isle and Easton day before yesterday, signed by individual farmers who have an acreage of over fifty-seven hundred acres in those two towns, which, by the way, is probably more potatoes than the

Aroostook Potato Growers, Inc. ship—and they are the only people I have seen in Aroostook County yet that have opposed this chain store tax.

Now in regard to the petitions of the housewives, I submit to you that the housewives have been subjected to one of the most intensive campaigns of misrepresentation that ever was put on in the State of Maine. These great food companies, these great chain stores, can concentrate all over the State whenever one of these tax measures comes up—they have got millions of dollars behind them and they will use it in this kind of propaganda. I know where two very prominent ladies in the State have gone about the State organizing and talking to the ladies in the different communities. They tell the housewives that if this tax is passed, they will have to pay more for their food. But, I submit to you, that the housewives of the State of Maine do not want to buy food at a price which means starvation for the farmers of this country and the farmers' wives and children back on the farm.

I noticed in the opposition to this bill that it was stated here that the American Brotherhood of Engineers opposed it. That comes with very good grace from the highest paid employees in the United States, people who are receiving their wages by virtue of high freight rates, and because of the high cost of operating the railroads and transporting our farm products to market—yet they want to buy their food cheaper. I will say that the Grange and the Farm Bureaus in national conventions—I have the records here but I am not going to take the time to read them—the State Grange of California, another great state, the same as Maine, whose products have to be moved—five thousand of them in convention assembled passed the strongest kind of resolution condemning the chain stores and saying that they would mean starvation to the people of the country unless that condition could be remedied.

I am not going to talk much longer. I have got a lot of stuff here but I do not think there is any need for me to read it. It is not a question that is understood by the majority of the people of the country. They look upon it simply as though it was going to put the chain stores out of business or going to compel

them to raise their prices. But, as I have stated before, if they understood the gravity of the situation, if they understood that the great octopus, if you wish to call it that, this monopolistic chain which is getting control of the food stuffs of the country, is the greatest menace which they themselves have to face in the future and if they realized that all of the independents are going to be forced out of business they might take a different view of the matter. Did you know that the chain stores are actually farming? There are many sections in the South where they raise food stuff for the chain stores and when conditions got too bad, the chain stores have taken the farms over and are operating them on a large scale. I say that if the consumers of this country realized the situation they would not be signing the petitions that the agents for the A & P are passing around. One petition was received by a gentleman in this House from a small town where he has lived all his life and there were ninety names on the petition. He says that there is not a single name on that list that he recognizes and that there are some names that he is sure there is no such person in the town by that name. It is the easiest thing in the world to get petitions. When I get a petition or a bunch of telegrams all emanating from the same source they go in the wastebasket and I do not pay any attention to them.

So bear this in mind, members, it is not a question of whether you are going to pay one or two cents more for your groceries. It is a question of preserving the independence in this state. That applies to your other chain stores, whether they are selling hardware, or boots and shoes. This is simply an attempt to equalize and put them more nearly on an equal footing with the other stores. With a ten thousand dollar stock they are doing a hundred thousand dollar business. The independent merchant, catering to the public, carries a larger variety of goods and he has to carry more goods and they move more slowly. He is therefore taxed on a larger amount of goods, a great deal larger than the chain stores.

Another thing, it has been said here that they are paying rents and help to pay real estate taxes. Now the chain stores get their buildings

cheaper than the independent merchant can get theirs. They take them for a long time and they pay cash. The ordinary business man is not able to do that. The store has to be fixed up satisfactorily to the customer and he cannot be sure how long he will stay there. In Caribou I know that they are paying less rent in every case in the chain stores than the independent along side of them.

Now something has been said about leaving money in the town. The independent puts his money in the bank and some of it stays there, but not all of it, but the profit stays there after all. After all it is the profit which remains in the community. Now the A & P sends their money out every day.

I submit to you members that if you ever want any tax to tax out-of-state money, this is the only opportunity you have got to do it, because this out-of-state capital is doing business here and they should pay for the privilege of doing it on the large scale on which they are doing it.

I think, members, that I have imposed on your patience and time long enough. When you have thought this over, I think you will decide that it is a fair tax. It is the least we can do to help the independent merchants, the farmers and the community as a whole, because, unless this thing is stopped, unless there is some adjustment made, it means that we will all in a very short time be working in the chain stores. (Applause)

Mr. GOOD of Monticello: Mr. Speaker and members of the House: I will be very brief for just a few moments. Some things that the gentleman from Caribou, Mr. Brown, did not speak about maybe I can check them here. I do not believe that it is the intention of any man or woman to punish a chain store. I believe that the members of this House thoroughly understand the conditions that exist in Aroostook county, not only in Aroostook county but practically all over the State of Maine. I believe they would favor it as a lot of people would favor it in Aroostook county. When it comes the first day of April, if you will notice, they never have many goods on hand. They are practically all cleaned out. I know of a town just above mine—I was talking to one of the selectmen and he told me

that on the first day of April when they taxed the chain store in that town the tax was less than sixty dollars on the goods that they had on hand. I asked him if he knew how much business they did and he said over \$150,000 worth. Now if those figures are true, this is not a discriminatory tax, but it is an equalization tax.

Now here is a farmer out here who owns a farm. He possibly pays from three to five hundred dollars taxes, and the produce he sells possibly amounts to \$10,000. He does not do over ten thousand dollars worth of business but he pays \$500 in taxes, while the other concern, the chain store concern, does a \$150,000 worth of business and pays a sixty dollar tax. I say, members of this Legislature, that that is not right.

I stood two years ago about opposite the member from Old Town (Mrs. Latno) and talked with the Representative of our district. I said: "Whatever we do, don't repeal the store tax." She held out some telegrams to me and said: "What can I do?" She had four telegrams there and every one of them was from somebody who was directly or indirectly working for the Atlantic Commission Company. When I went back to my home town I said: "What did you fellows send those telegrams for to repeal the store tax?" They said: "We did not send any telegrams." I said: "Yes, you did, I saw your name signed to those telegrams." They did not know what it was all about.

Now I have received telegrams since I came down here and those telegrams were signed by men who live a mile and a half from each other and they were made out within a minute or two of each other. Now you can draw your own conclusions as to where they came from. Now the other day when some potatoes were shipped from Winterport and arrived at their destination there was a row on there at the destination. The chain stores and the Atlantic Commission Company were in a row. They advertised ten pounds of potatoes for 11 or 13 cents which was less than it would cost in Aroostook county for a man to produce them. Immediately the Publicity Bureau got hold of the advertising agency and told them "Didn't you know that the Legislature is convened in the State of Maine?"

They have a bill in there to tax chain stores." They immediately raised the price to 21 cents for ten pounds.

One Representative of this House told me not longer ago than last Monday, when he left his home town, the Atlantic Commission Company was offering \$1.75 a barrel and insisted on that being the price. They being a little mite scarce, the other independent buyers were holding the price at \$2.00. Now they tell you, members, that when you are on the ground things look different. The people of Aroostook county have their backs to the wall and if this thing continues within the next ten years we will be working for the chain stores and not they working for us. Now take an independent merchant down here: Somebody comes along and wants something for benevolence and he contributes; take it for the Red Cross, he contributes. The independent man contributes but the chain store says "We have nothing to give away." I believe, members, that this tax is right and I am asking you members in this House that when this comes to a vote that you vote in favor of the chain store tax that we may have tax equalization, and that the man with his back bent and his head bowed with real estate taxes will have some help.

Mr. MacNICHOL of Eastport: Mr. Speaker and members of the House: I am not going to make any extended remarks. However, there are just one or two things that have occurred to me during the debate. The first thing—it has been said that the tax is not discrimination. We have heard a great deal said here about the way the A & P buys and the things they do; how they go out and try to beat down the farmer. What I am wondering is how is this tax going to help the farmer? How is this tax of three hundred dollars per store going to help him? Is that going to raise the price of potatoes in Aroostook county or the price of sardines down East? We sell them a lot of sardines down East. I think this discrimination is going to breed discrimination, realizing as I do the immense purchasing power that they have. They may be able to use this buying power to discriminate against the products of Maine. If they do that you will have a sweet proposition in Aroostook county.

Now they talked about rebates. Formerly I worked for a company that sold goods to these chain stores and I had to go down there to see about making the sales and I never found that I had to make any rebates to do business. I never found that I had to make any rebates to get my share of the business, and was doggone happy to get it. They might have beat somebody else down like a dog, but the sardine industry has no complaint; in fact all the packers asked me to oppose the measure. We are told about the independent going out of business. According to a census from 1929 to 1935 in the independent grocers there was a thirty percent increase in the numbers. During the same time there was eight percent decline in the chain stores, so it does not look as though the octopus was growing any more claws.

They say that the chain store takes the money out of the town. According to the Harvard Bureau of Research, they say that the independent store for each dollar it takes in sends eighty-one cents out of town and nineteen cents remains there, while the chain store sends out of town seventy-eight cents and twenty-two cents remain in the town. But the most important part is that ten cents of that twenty-two remains in the customer's pocket. It does not remain in the bank but in the customer's pocket, your pocket and my pocket, and that is where we want it and the people of Maine want it to stay.

I want to go firmly on record as opposed to any such discriminatory tax.

Mr. HOWES of Charleston: Mr. Speaker, I rise for the purpose of saying a few words in regard to the chain stores in my town. Down in my town we have been raising turnips and we ship a few carloads every day. We ship many turnips from my town every year. I went into the chain store the other day and the first thing I saw was a basket of turnips with a sticker on each of them marked "Prince Edward Island." Now I do not know how I would have voted if I had not seen that, but now I am going to vote to put a tax on them. When I see anything from outside being shipped in here, I will vote for a bill to put a tax on them.

Mr. SLEEPER of Rockland: Mr. Speaker and members of the House:

I wish to explain the way I intend to vote. I am going to vote against this tax. I also have just received a telephone message from the gentleman from Rockland, Mr. Bird, who told me that he was one hundred per cent. against the tax. He did not give his reasons.

Now I want to explain my vote on this situation and I have not any money jingling in my pocket from the lobbyists. If this tax were higher, I might vote for it. Personally, if this bill was to do away with chain stores I might vote for it, because I do not like chain stores any better than anyone else. However, this is not a question of the merits or demerits of chain stores. It is a question of a tax. I will not say that the tax is not just; perhaps it is, but what is the result going to be? The tax is now small, three hundred dollars. These stores can pay this tax but what is the result going to be? You will close the small chain stores, the small markets of the A & P, but the result is going to be that you will have huge superservice markets doing ten times the business the individual stores used to do and they will pay but one tax. Then the real estate owners in the cities and towns will lose the rental of five or six stores and I can see this huge superservice store getting the business that the small stores used to get.

I am a member of the Chamber of Commerce of the City of Rockland and the chain store clerks have always been cooperative members, perhaps for reasons best known to themselves. Perhaps they were selfish, but I am wondering what is going to happen if this tax is passed. If we were going to put them out of business, I might vote for it, but we are not going to put them out; we are just going to make them sore at the rest of us.

I do not want to take up much time; I am not an orator. I have received petitions on both sides from Rockland, but I will admit that the petitions against the tax have been most numerous. Perhaps as the gentleman from Caribou, Mr. Brown, says, that may be the result of a more powerful lobby. I have only heard from one grocer who favors the tax. On the other hand, I have heard from a big grocer who said he did not favor the tax; that the only thing he was interested in was to get the

Fair Trades Practice Act passed. He said that if that was passed the chain stores would drop out of the agreement they had made. He felt, as I feel, that this is only going to result in ill feeling and is not going to do away with the chain stores; that they are going to get peeved and perhaps buy things elsewhere.

So far as buying Aroostook potatoes and other things, the argument has been advanced that they would have to buy these things anyway. Now if this tax is not passed in New York, and I am not a patriot of Maine when I say this, but the corn in New York is fully as good as Maine's corn, and also that applies to some other things in several other states, these stores naturally, if we antagonize them by passing this bill, will not give us any preference. Maybe they will not hurt us, but we have been getting the business.

Mr. Speaker, I think I am justified in voting against this tax.

Mr. MILLER of Bath: Mr. Speaker, I move the previous question.

The SPEAKER: The gentleman from Bath, Mr. Miller, moves the previous question. In order for the Chair to entertain the motion it requires the affirmative vote of one-third of the members present. All those in favor of entertaining the motion for the previous question 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.

The SPEAKER: Obviously more than one-third of the members present having arisen, the motion for the previous question is entertained. The question before the House now is, shall the main question be put now? Is it the pleasure of the House that the main question be put now? As many as are in favor of the main question being put now will say aye; those opposed no.

A viva voce vote being taken, the main question was ordered.

The SPEAKER: The question before the House is on the motion of the gentleman from Bangor, Mr. Townsend, that the House accept the majority report of the Committee on Taxation reporting "Ought to pass in new draft" on Bill "An Act relating to Licenses for Operation of Retail Stores." The gentle-

man from Bangor, Mr. Townsend, has asked that the vote be taken by the yeas and nays. Under the Constitution the yeas and nays are ordered when one-fifth of the members present signify their assent. All those in favor of taking the vote by the yeas and nays 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.

The SPEAKER: Obviously more than one-fifth of the members present having arisen, the yeas and nays are ordered. The Chair will request any guests of members or non-members who are sitting in the seats of the members to kindly withdraw during the calling of the roll.

Mr. GOOD: Mr. Speaker, I ask the consent of the House to be excused from voting when my name is called because of the fact that I have paired my vote with the gentleman from Portland, Mr. LaFleur, who is absent because of illness. If present, Mr. LaFleur would vote "No" and my vote would be "Yes".

The SPEAKER: The gentleman from Monticello, Mr. Good, asks to be excused from voting for the reason indicated. Is it the pleasure of the House that the gentleman be excused?

Thereupon, Mr. Good was excused from voting.

The SPEAKER: The question before the House is on the motion of the gentleman from Bangor, Mr. Townsend, that the House accept the majority report "Ought to pass in new draft". All those in favor of the motion will answer yes; those opposed will answer no. The Clerk will call the roll.

YEA—Ayott, Babin, Bacon, Bates, Belanger, Bowers; Brown, Caribou; Brown, Corinna; Brown, Eagle Lake; Bubar, Burbank; Burgess, Rumford; Burgess, Limestone; Butler, Buzzell, Churchill, Cleaves, Colby, Davis, Dean, DeBeck, Donahue, Dorrance; Dow, Kennebunkport; Downs, Eddy, Ellis, Erswell, Farwell, Fellows, Fernald, Fogg, Ford, Fowles, Goss, Grua, Hall, Hamel, Haskell, Hinckley, Hodgkins, Holden, Holman, Howes, Hussey, Jewett, Jordan, Keene, Labbee, Lambert, Larrabee, Lord, Mahon, Marshall, McGillicuddy, McNamara, Melanson, Merrifield, Meserve, Miller, Noyes, Otto, Palmeter, Peakes, Pelletier, Plummer; Poulin, Rumford; Poulin, Waterville; Pratt, Preble, Race, Richardson; Robinson, S. Portland; Smith, Thomaston; Snow, Dover-Foxcroft;

Snow, Hermon; Stacy, Starrett, Tardif, Thompson, Thorne, Townsend, Varney, Violette, Walker, Wallace, Williams, Winslow, Winter, Worth; Young, Acton; Young, Old Orchard Beach.

NAY—Arzonico, Barter, Batchelder, Bragdon, Chandler, Clough, Cowan, Crockett, Dennison, Douglass, Dwinall, Farrington, Hanold, Hawes, Hinman, Latno, Luro, MacNichol, Maxim, McGlauffin, Mills, Murchie, Norwood, Paul, Payson; Pike, Bridgton; Pike, Lubec; Ramsdell, Robbins; Robinson, Peru; Shesong, Sleeper, Stilphen, Weed, Welch.

ABSENT—Bird, Bolduc, Cook, Cushing, Dorsey; Dow, Eliot; Dow, Norway; Emery, Everett, Gyger, LaFleur; Leveque, Porell, Robie; Robinson, Bingham; Slosberg; Smith, Westbrook; Stevens, Sylvia, Weatherbee, Whitney.

Yes—92.

No—35.

Absent—21.

Excused—1.

The SPEAKER: Ninety-two having voted in the affirmative, 35 in the negative, 21 being absent and 1 having been excused, the motion is carried and the House has thereby accepted the majority report "Ought to pass in new draft."

Mr. TOWNSEND: Mr. Speaker, I move that under suspension of the rules the bill be given its first and second reading at this time.

Mr. HINMAN: Mr. Speaker—

The SPEAKER: For what purpose does the gentleman rise? The motion to suspend the rules is not debatable.

Mr. HINMAN: Mr. Speaker, I would like to make another motion.

The SPEAKER: Will the gentleman state his motion?

Mr. HINMAN: Out of courtesy to absentees, I would move to table this matter.

Cries of "No," "No."

The SPEAKER: The question before the House is on the motion of the gentleman from Bangor, Mr. Townsend, that the rules be suspended. This requires a two-thirds vote. All those in favor of the motion that the rules be suspended 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.

The SPEAKER: Obviously more than two-thirds of the members having arisen, the motion prevails. The question now before the House is on the motion of the gentleman from Bangor, Mr. Townsend, that

the bill be given its first reading at this time.

Does the gentleman from Skowhegan, Mr. Hinman, care to make a motion.

Mr. HINMAN: Mr. Speaker, I have no interest myself in this motion, but I have been asked, in view of the sickness of the gentleman from Bangor, Mr. Whitney, and in view of the fact that he has an amendment which he desires to offer, to have this matter tabled for him, and I so move.

The SPEAKER: The question before the House is on the motion of the gentleman from Skowhegan, Mr. Hinman, that the new draft lie on the table pending the motion of the gentleman from Bangor, Mr. Townsend, that the bill be given its first reading. All those in favor of the motion will say aye; those opposed no.

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

The SPEAKER: The question before the House is on the motion of the gentleman from Bangor, Mr. Townsend, that the bill be given its two several readings at this time. Is this the pleasure of the House?

A viva voce vote being taken, the motion prevailed, and the bill was given its two several readings.

Report A of the Committee on Taxation reporting "Ought not to pass" on Bill "An Act providing for an Excise Tax on Cigarettes and Tobacco" (H. P. 1728) (L. D. 696)

Report was signed by the following members:

Messrs. Chamberlain of Penobscot
Cony of Kennebec

—of the Senate.

Noyes of Franklin
Dean of Greenville

Dorsey of Fort Fairfield

— of the House.

Report B of same Committee reporting same in a new draft (H. P. 2216) under same title and that it "Ought to pass" together with the following Petitions and Remonstrances: H. P. 2143, 1857, 1858, 1859, 1860, 1861, 1871, 1872, 1882, 1883, 1884, 1885, 1924, 1925, 1940, 1941, 1942, 1943, 1944, 1965, 1966, 1970, 1971, 1972, 1988, 1989, 1990, 1991, 1992, 2000, 2001, 2002, 2003, 2004, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2046, 2047, 2071 and S. P. 503, 504, 505, 515, 516, 517, 518, 531, 609, 465, 466, 476, 477,

480, 483, 484, 485, 489, 490, 491, 492, 493, 494, 495.

Report was signed by the following members:

Messrs. Maxim of Portland

Ellis of Fairfield

Worth of Stockton Springs

Richardson of Strong

— of the House

Mr. NOYES of Franklin: Mr. Speaker, I move that the House accept Report A, "Ought not to pass."

The SPEAKER: The gentleman from Franklin, Mr. Noyes, moves that the House accept Report A of the Committee on Taxation, reporting "Ought not to pass" on Bill "An Act providing for an Excise Tax on Cigarettes and Tobacco" (H. P. 1728) (L. D. 696). The Chair recognizes the gentleman from Portland, Mr. Maxim.

Mr. MAXIM: Mr. Speaker and members of the House: I want to call your attention at this time to the fact that this is the last of the revenue measures which have been considered by the Taxation Committee which might be used in case of necessity to finance Old Age Assistance. There is at the present time no revenue measure which might be used for that purpose before this body. It seems to me a matter of commonsense and common prudence, until we have heard the report of the Appropriations Committee, that we hold this measure before us so that in case we need to use it it may be available to raise money for old age assistance.

Without, at this time, debating any of the merits or demerits of this particular form of tax, and having only in mind the legislative necessity, in view of the fact that there will be an appropriation measure coming before us in a few days, for which we shall need a revenue measure, I move that this bill, together with the two reports, lie on the table and be specially assigned for Monday, in the hope that by that time the two committees which have the duty to report to us very shortly as to the need for money, if not for old age assistance maybe—

Mr. VARNEY of Berwick: Mr. Speaker, I rise to a point of order.

The SPEAKER: The gentleman may state his point.

Mr. VARNEY: The gentleman is debating the motion to table, if I understand him correctly.

The SPEAKER: It is a little late for the Chair to sustain the point.

The gentleman from Franklin, Mr. Noyes, moves that the House accept Report A, reporting "Ought not to pass," on Bill "An Act providing for an Excise Tax on Cigarettes and Tobacco." The gentleman from Portland, Mr. Maxim, moves that the two reports, the bill and new draft, lie on the table pending the motion for the acceptance of the "Ought not to pass" report, and be specially assigned for next Monday.

Mr. VARNEY: Mr. Speaker, I ask for a division on the motion to table.

The SPEAKER: The gentleman from Berwick, Mr. Varney, asks for a division. All those in favor of the motion that the two reports and the bill lie on the table 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.

Thirty-four having voted in the affirmative and 58 in the negative, the motion to table did not prevail.

The SPEAKER: The Chair recognizes the gentleman from Portland, Mr. Maxim.

Mr. MAXIM: Mr. Speaker, as this is the pleasure of the House, to which I cheerfully submit, I would now like to say a few words in regard to the merits of the tax itself.

I wish to say first that it is unfortunate, of course, that we have to consider taxing any commodities at this time. It may be that we shall not have to. But, in order that a tax measure may be before the House and available, I think we ought to consider whether this is a proper class of commodity to tax under the circumstances.

I want to say that over twenty states, some twenty-three or twenty-five, as I recall the number, now tax cigarettes, and some of them tobacco. They tax cigarettes at varying rates, all the way from one mill per cigarette, or two cents a package, to two mills per cigarette or four cents a package. That tax has worked out to be fairly dependable for revenue, although there is some bootlegging of cigarettes. That gradually ceases when people find it does not pay to send out of the State or go out of the State to save a few pennies, which they can do by ordering them from out of the State.

This bill—I should say the bill which the gentleman from Monticello, Mr. Good, submitted—has been re-written and is now before us, although it has not been print-

ed in the new draft, and none of you have seen it—

The SPEAKER: The Chair will call the gentleman's attention to the fact that the new draft has been printed and is Legislative Document 1155.

Mr. MAXIM: I beg your pardon, Mr. Speaker. I have not seen it. I am very glad it has been printed, because it has not been called to my attention.

Under this bill, which is based on the Connecticut law, many of the defects of the original bill submitted both by the gentleman from Monticello, Mr. Good, and the gentleman from Portland, Mr. Cowan, have been corrected, so that we know now definitely who is responsible for the payment of the tax and just what method would be used by the Bureau of Taxation to collect it.

I might point out to you, because some of you, like myself, have not read the printed new draft, that it is a stamp tax. The stamps to be affixed by the distributor in the case of cigarettes, are bought by the wholesaler. If they are bought by the retailer direct from out of the State, before they are offered for sale, the stamps must be affixed by the retailer. In either case, the distributor or the dealer is directly responsible to the Bureau of Taxation for the proper affixation of stamps, which involves a certain monetary transaction, and any failure so to affix stamps is covered by a suitable penalty, running from \$25 to \$200.

The State of Connecticut, which has about twice the population of the State of Maine, has a two cents per package tax on cigarettes alone. This has been in effect, as I recall it, since 1933. At the beginning they collected approximately \$1,800,000 per year. The amount has steadily grown until this year, according to the Tax Commissioner of Connecticut, the receipts from this tax amount to \$2,800,000. I have estimated on the basis of the Connecticut experience, and inasmuch as Maine has about half the population, and a population which is not as highly industrialized as the population of Connecticut and probably does not contain so many smokers, the State of Maine might realize from the tax on cigarettes alone about \$900,000. The taxes on cigars and tobacco and other tobacco products I estimate might bring in

about another hundred thousand dollars. So there is a possible take of a million dollars from the entire tax. I think it is somewhat doubtful if we will collect a million dollars the first year, because it does take a little time, in connection with any tax whatever, to get it into operation and producing at the full capacity. Nevertheless, assuming that we might need new money for old age assistance, running somewhere around \$800,000, which I admit is no more than a supposition on my part, I should think a combined tax on cigarettes and tobacco might be equal at the beginning to carry the load.

The State of Vermont is the only other State in New England which has the cigarette tax. I think they do not tax other forms of tobacco, although I am not positive. Last year the take from this tax at the rate of 1 3-4 cents per package on cigarettes, was \$352,000. In the case of most taxes of the same rate and under the same conditions, we raise about three times as much money as Vermont does, although our population is not three times as large. It would seem that on the basis of that experience we might take in well over a million dollars, so I think my first figure may be fairly conservative.

I am not, at this time, going into the matter of the equity of the tax, which I dare say will be discussed by plenty of other speakers. I am only going to speak of it as a proper and perhaps necessary vehicle to raise the necessary amount which we may need.

As your delegate to the Interstate Convention on Cooperation in Taxation, some six weeks ago, I attended a meeting in Boston of the representatives of the various legislatures, all the legislatures of New England being represented, and all the taxation departments, yours by Mr. Holley. At this meeting it was discussed which taxes might be planned ahead by the six New England States, so that in general we might be working along the same lines and not find ourselves with one State working for one tax and another State working for another.

Those of you who were members of the Eighty-eighth Legislature will remember that one of the chief arguments of the opponents of the retail sales tax was the fact that no State on our borders had such a tax,

and some business might cross the borders on that account.

It was the consensus of opinion of this meeting that in two respects at least, namely gasoline and tobacco, the New England States should all work together toward adopting taxes, which, if not uniform, would be taxes on the same articles. Since then there has been a similar expression of opinion with regard to a general retail sales tax. It was the opinion of this meeting of six weeks ago that for immediate funds a tax on cigarettes, with or without tobacco, was the proper object to be worked for by the four remaining New England States which do not now have such a tax.

I might say also, that the State Chamber of Commerce, of which I am a member, had a meeting of its executive committee some three or four weeks ago, and passed a unanimous resolution that if new tax money should be required by this Legislature that a tax on cigarettes and tobacco would be the least objectionable tax. It seems to me that this is evidenced on the part of the other States by the willingness to cooperate with us in this matter of tobacco taxation. And, with the undoubted fact that the tax would yield sufficient money even during the first year to carry the probable load required by the placing of 3000 more on old age assistance, or 15,000 in all, that this is a measure which we should carefully and seriously consider at this time as perhaps the least objectionable form of obtaining the revenue. It does not result, as would the gasoline tax, in some of the bills presented, in a possible shortening up of funds from Washington. We would be entirely on our own feet in connection with a cigarette and tobacco tax, and we would not have any strings on us or any disadvantage in connection with Washington. I therefore urge that this matter be favorably considered by this House as a possible means of financing old age assistance.

Mr. McGLAUFILIN of Portland: Mr. Speaker, I would like permission to face the House as I address the Speaker.

The SPEAKER: The gentleman has permission.

Mr. McGLAUFILIN: Mr. Speaker, I had no intention of speaking again today, but this is a matter of tremendous importance.

We came up here primarily to do one big job, and that was to raise money to take care of the aged people of this State. Week after week, as I go back home to Portland, some aged persons come to me and say, "What are you going to do to help take care of us?" I say to you that it is a matter of tremendous importance.

Now one tax measure after another has been presented to this House, and you have turned down measure after measure. You opposed both of my gas tax bills, which does not trouble me at all, if you will raise the money some other way. You have turned down the proposition of the poll tax on women, and you have turned down the bill presented by the gentleman from Berwick, Mr. Varney, which would take care of the situation. One after another, you have turned them down, except this chain store tax, which you passed a few moments ago and which will yield only a small amount for the purpose.

Now I want to say to you men and women that the money that could be raised from this cigarette tax, every dollar of it is needed, I don't care how much they save by means of the Economy Committee. We have not 3,000 but from 5,000 to 8,000 people that should be taken care of.

Now as to the merits of this tax, I am not going to spend the time,—I will let others do that—but I want to call your attention to the fact that this is one means of raising money that would take care of old age assistance. We could pass this tax today, and next week we could go home and we would not only take care of the two or three thousand extra, but we could take care of those that are in immediate need.

I will say very frankly that I do not think this cigarette tax is as fair as some other taxes, but it is the only tax that you have got left. I therefore urge you to carefully consider this matter, and I for one shall vote to pass this tax measure.

I want to call your attention to one other thing, that in this committee report the majority of the members of this House signed for the tax.

I wish that I could impress upon this House the importance of the matter of raising enough funds to do the job that we were sent up

here to do and do it well. You turn down this measure, and, as I stated once before in this House, you are going to probably just half do the job, and we will go home and everybody will say this is one of the poorest legislatures they ever sent down here, and the chances are they will send an entirely new administration up here two years from now.

We came to do this job. Why don't we do it and do it right?

Mr. VARNEY of Berwick: Mr. Speaker, I have no sympathy at all with one argument that has been used by the last two speakers in order to get us to take this tax, and I mean by that the argument that this is the last revenue measure that this Legislature has before it. I want to say that is false.

In the first place, if I can refer to the other body—

(The Speaker took up his gavel)

Mr. VARNEY: And in the second place—

(The Speaker again took up his gavel) (Laughter)

Mr. VARNEY: Mr. Speaker, I merely want to call to your attention that only during this present session we passed a joint order which would call from the files, if I understood it correctly, another taxation measure on which the "Ought not to pass" report was once accepted.

Now I say that because two years ago we heard that same old argument on the sales tax—it was held out until the last minute and finally they came in here and said, "If you want to do anything for old age assistance, you must take the sales tax,"—and I was one of those, I regret to say, although it turned out all right in the end, I was one of those who fell for that argument then, and, because I really believed in old age assistance, as I do now, and thought that was the only way we could do it, I too voted for the sales tax, and you know the result.

I want this House to consider this tax on its merits and vote whether you think this is a good tax or not, and if you think it is a good tax, pass it as a tax, and the revenue, as I read the bill, goes into the general funds of the State, where it should go. If it is not a good tax, let us defeat it, and if we cannot find some tax that will take care of old age assistance, then old age assistance won't be taken care of.

But I say that when the time comes we will find a way to get the revenue and we will find it in a good tax. So much for that argument.

One of the other speakers said something about the fact that we could not argue what we said about the sales tax, that it affected the border towns, because, if I understood him correctly, he inferred other States have tobacco taxes. Well, I say there is a tax of six cents a package on cigarettes in Maine and New Hampshire and the other States, but that is a Federal tax, and I have not seen where New Hampshire has put any additional tax on tobacco. And I will say that it does operate against the border towns—and I happen to represent some border towns—you can throw a rock into New Hampshire—and do you suppose anybody will buy a package of cigarettes in our stores when they can go right across the bridge and buy them for less money?

I do not propose to debate the merits of this particular bill, but I want to call your attention to one thing. I am now talking to those in this House who believe that the tobacco tax is a good tax. I think I can convince some of you in a few minutes that you should not vote for this bill, because I want to call your attention to the Constitution of the State of Maine. This is not the law, it is the Constitution, and it provides where and only where and how you can pass an emergency measure.

"An emergency bill shall include only such measures as are immediately necessary for the preservation of the public peace, health or safety."

Now this bill—and I refer to Legislative Document 1155, which is printed and which is on your desks—has on the front of it an emergency clause. I want to call that emergency clause to your attention, because I think it is vital. What is the emergency referred to? First: "Whereas it is vitally necessary to provide funds for the expenses of State government." That is the first emergency. Have any of you heard that the State government was running out of funds at the present time, that we did not have funds to carry on with now? Is there any emergency in that? And the only other emergency recited is this: "Whereas the collection of moneys under any new taxes must

be delayed while the proper facilities therefor are prepared." That is the only other emergency cited. If I read that emergency properly, what it really means is that it will take some little time after we pass this act before they can get the machinery set up for collecting it. If that is true, it seems to me we ought to wait ninety days, and at the end of that time they will have the machinery all set up and can start collecting the tax immediately. But if you vote for this bill today, you have got to say that in your judgment those two things create an emergency within the meaning of the Constitution and make immediately necessary the passage of this act for the preservation of the public peace, health and safety.

Now I say to you, even the proponents of this bill: What is the real emergency which you had in mind when you tied that on there? You have heard it in the Legislature, up and down the corridors, and I have heard it, and you know what it is. The real emergency is that you do not dare let the people of Maine tell you whether they want a sales tax or not. Why? Because you know they turned down a sales tax a little more than a year ago, and you know they will turn this sales tax down if you pass it, and therefore you say it is an emergency. You cannot pass it, because the people do not want it, but you are going to make them take it. In my opinion that is the most vicious part of the bill. I ask even those of you who believe in a tobacco tax and who believe that it is a fair tax and not a poor man's tax—I ask you not to tell the people of the State of Maine that you are going to stop them from exercising their rights of franchise and stop them from having a referendum on this bill to tell you whether they want a tobacco tax or not. Let them vote on it, if they can get signatures enough under the Constitution for a referendum.

For that reason, and that reason alone, I ask you to record your vote against this tax at the present time. And, in order that the people in your towns may know how you voted, I am going to ask that the vote be taken by the yeas and nays.

I am just going to close now, without taking any more of your time in debating the merits of the tobacco tax, by saying to you that,

in my opinion, you all know that the people of the State of Maine do not want any additional sales tax, perhaps not any additional tax at all, and, if you do not know it, it is my prediction that some of you will or at least ought to find it out, if you give this to the people in the form of an emergency measure, the next time you run for public office. (Applause)

Mr. GOOD of Monticello: Mr. Speaker and ladies and gentlemen of the House: I am surprised at my distinguished brother who just mentioned that this was not earmarked for anything but was to be turned into the State Treasury.

Let me read you Section 20. He says there is no emergency. I will prove to you that there is an emergency.

"Sec. 20. Expenses of administration, how paid. All salaries and other sources of expense by reason of this act shall be paid from the proceeds of the taxes imposed by this act. The balance of said proceeds shall be used for old age assistance as provided in Title II of chapter 105 of the private and special laws of 1937."

Why did I introduce this bill? I had only one purpose in mind. You remember that when I spoke before the committee I told the committee that if they didn't need any new revenue they knew right where this bill belonged.

We are all working in the dark—there is no question about it. I have heard it up and down the halls of this State House. Everyone is wondering where the money is coming from. I don't know. This is my first year, and I don't know where to find out. I suppose the committee is going to bring in their report and we are going to find out some day, and that was the reason for attempting to table it, to find out how much we need.

I also noticed that the gentleman from Berwick, Mr. Varney, just said he had not seen any tax in the other New England States. That may be true, but listen to this:

"Concord, New Hampshire, April 6. The administration bill imposing a fifteen per cent tax on retail sales of tobacco products was filed today in the House of Representatives, to raise between \$750,000 and \$1,000,000."

That was to be turned back to the towns. That is an administra-

tion bill. And it goes on in the statement to say what Governor Francis P. Murphy estimated to be the revenue from the bill.

I hold in my hand a clipping from a Massachusetts paper which says that tobacco and cigarette taxes will raise six million dollars.

As I understand it, the administration in Rhode Island is asking for a tobacco tax, and I say there are twenty-one other States that have the tobacco tax, and I have seen a paper that says there are at least twenty-three other States, although the Federal government says there are twenty-one other States.

Now, gentlemen and members of the House, this is not going to impose a tax on the man who is burdened with taxes now; it is not taxing necessities; you pay it voluntarily, you pay it as you want to, not as you have got to. It is not compulsory in any way whatever. If you want to smoke, you pay your tax. I never found a man or woman who smoked that was opposed to this tax. I have been in stores and I have checked up with smokers, and they said that if it was earmarked for old age assistance they were perfectly willing to pay it and were glad to do it.

I am surprised that the gentleman from Berwick, Mr. Varney, should say no emergency existed. Listen to this: We have 11,726 now receiving Old Age Assistance, we have 4,373 now waiting and we have 5,512 pending. Last year, when they made the whirlwind tour through the State of Maine, I noticed the speakers said: "We are putting them on the list as fast as possible, and as soon as these applications have been examined and found worthy we will have them on the list, and we will take care of them." And they rolled into office on that. Now they say: "We said no new taxes." I would like to ask you: How can you harmonize those two statements? I say of the two evils that I will choose the least.

I want to tell you, ladies and gentlemen, that I do not want to go back to my town and look my people in the face and say I came down here and spent almost four months and went home and did nothing for the old people. I won't do it. I do not care whether I get defeated on this bill. It makes no difference so far as I am concerned,

but, I tell you, it makes a vast difference to the people at home.

Here is Connecticut. They are receiving three million dollars revenue from cigarettes — and they are a tobacco-producing State, a State that grows tobacco and a State that manufactures tobacco products, and yet they place a revenue tax on it of two cents a package. And we have heard it argued here that the revenue which the Federal government receives is six cents a package. We are paying for this product that is coming in here between seven and ten million dollars, and not one copper is going into the State Treasury.

I say to you members that this is a sound piece of legislation and it is a fair piece of legislation. We only want a fair deal, we only want a square deal, and we have got to give those who put us into office a fair deal and a square deal.

I heard my brother say there was no emergency. I have seen letters down in the Health and Welfare Department from a man and his wife at home who said: "We haven't any wood, we haven't any groceries, we haven't got one thing to live on. Isn't there some way we can get help?"

I want to tell you, members, that the man who dares to stand up before this Legislature and say there is no emergency, I cannot understand his attitude. If we were out on a limb, trying to put across something that never should be put across, I would feel that maybe I was wrong.

I hold in my hand some statistics. I will not burden you with statistics, but I just want to say that in 1937 Ohio received \$8,255,000 from the tobacco tax; Pennsylvania, \$7,805,779; Texas received \$6,440,615; Louisiana, \$3,663,144 (1936); Alabama received \$3,053,384; Connecticut, \$3,053,517; Tennessee, \$2,849,679; South Carolina, \$2,217,994; Oklahoma, \$2,092,599; Mississippi, \$1,940,272; Georgia, \$1,512,271 (1936); Iowa, \$1,486,694; Kentucky, \$1,313,327; Arkansas, \$1,305,880; Kansas, \$1,071,942; Washington, \$1,051,796; Arizona, \$526,112; South Dakota, \$513,743, and so on for North Dakota and Utah and Vermont.

I have figures in my pocket to show you that the consumption of cigarettes and tobacco has not been reduced on account of these taxes.

Now in regard to the collection,

I am going to say this — and I have figured it out quite carefully, because I went to the Internal Revenue Department and sent to Washington and got figures. This dates back to 1880. I have figures which show tobacco products sold since 1880 and we find that the government, down to the present date, has collected a tax on 169,969,319,880 cigarettes. Now if we place a tax of one mill on each one of these cigarettes, assuming there are 800,000 people in the State of Maine — and I will say that I have included small cigars — a mill on each one of those cigarettes and small cigars would give us \$1,057,120, if my figures are right, and on tobacco products such as smoking and chewing tobacco it would give us \$167,616, and on cigars it would give us \$228,000, which would make a total, if my figures are right, of \$1,452,736.

Now, members, I have got nothing more to say. There is an emergency clause on this bill. Some have asked: "Why did you put an emergency clause on the bill?" What is the use of passing a bill and then have it go to a referendum and cost the State ten or fifteen thousand dollars and then have the tobacco interests beat it? I have not got the money to go all over the State of Maine to campaign for old age assistance and for a bill like this.

I have telegrams in my possession from all over Aroostook County, bringing pressure to bear against this measure. I have got them from my district where I come from. I have here a whole handful of telegrams coming from one town, different parts of the town, and all signed and all sent practically within a minute of each other. They have brought every kind of pressure that possibly could be brought on a man to try to make me recant on this bill. Telegrams were sent to me, people have visited me, and last night a man came to me and asked me if I knew what was being circulated around here. I told him I did not. He says: "Last night I heard it talked over in the lobby of the hotel that your boy works for the United States Tobacco Company, and I don't believe it will do him any good if you put through a bill like that." I made this reply: "I am of age, and so is he, and he is standing on his own feet and so am I."

I tell you, gentlemen, if I have made up my mind on anything, I

will stand there until I believe I am wrong, and I am not going home and look these people in the face and hear them say, "Why don't you do something?"

If I had my way, I would pass a bill that no lobbyist would be allowed in the State House. That is the way I feel towards them. I tell you, members, we come down here and make laws, then these lobbyists bring pressure to bear and try to make us conform to their ideas.

I want to tell you, members, that I am in favor of this bill because I believe it is right, and when I look the people down in my district in the face I am going to tell them how I voted. You can vote as you see fit. We have our people at home with their heads bowed and their hair gray and unable to protect themselves, and yet I heard a man say a short time ago: "I would kick them out of the window. Let them support themselves."

When the banks closed, they took the money away from the young man who would be taking care of his father and mother now. And yet they would say to these old men and women: "You are going to die anyway, and you might as well die now." Gentlemen, I do not see it that way. I think we should take care of them. We may not take care of them one hundred per cent, we may not take care of as many as we want to, and we may not give them as much as we want to, but, I say, gentlemen—from a financial standpoint, isn't this a logical piece of business? Because if we raise a million and a half for old age assistance it will be matched by another million and a half by the Federal government, and three million dollars will take care of these people.

I say in closing, gentlemen, that if I go down to defeat I am not a bit ashamed, because I will realize I did what I thought was right.

Mr. MILLS of Farmington: Mr. Speaker, I am not in favor of a tax being placed on a plug of tobacco or a package of cigarettes any more than the next fellow, but I fail to see how we can vote intelligently on the merits of this question at this time. The Committee on Appropriations and Financial Affairs have not told us how much money we are going to need, and here we are confronted with a major revenue measure. The floor leader has told us

that we could bring it back if we wanted to, but I understand it takes a two-thirds vote to bring it back. If we turn this measure down now, I think it is going to be out of the window for good. For that reason, I am going to vote yes on this tax, to keep it before the House until we hear from the Committee on Appropriations and Financial Affairs, to know just how many old age pensions are going to be paid next year, how much our departments need, so we can intelligently vote on a revenue measure. (Applause)

Mr. HINMAN of Skowhegan: Mr. Speaker and members of the House: I rise in behalf of that great down-trodden crowd of smokers. And, if you will notice, every gentleman who has presented arguments in favor of this measure, unless it is the last speaker, is a non-smoker.

To begin with, when you compare this with other tax measures which we may decide to use, it is not a fair tax. Cigarettes already carry a tax of roughly fifty per cent, and I submit to you it would be one of the most unfair taxes this Legislature could enact. Whatever money we need, I think we will all want to raise it, but I hope we may not, on every measure that comes into this House, raise that plea of the old folks, because, after all, it is unfair of this measure or any other to attempt to enact it because of the old folks. Let us leave it that we are willing to take care of the old folks but let us not attempt to enact any legislation on that basis, but let us consider it on its merits.

There is one satisfaction you always have when I get onto my feet and that is that you know I won't bore you long. I do not think it is necessary.

I say this tax is unfair, that it is decidedly discriminatory upon the smoker to tax him to a greater extent than you do now, and there are other means of taxation which we may consider that are much fairer, and I hope it may be so considered by this Legislature.

Mr. COWAN of Portland: Mr. Speaker and ladies and gentlemen: I am not going to take up much of your time.

We have had a decidedly good time down here in this session of the Legislature—and I hope that the Speaker will not call me to order for making that remark. We

have had an awfully good time down here, dancing and singing, and even smoking a little bit, but we had a job to do down here and we came down to do it, and there are 151 members in this House pledged to do that job.

Now I agree very strongly with the remarks of the previous speakers who suggested this should lie on the table pending the receipt of the returns from the Appropriations Committee, but the House saw fit to vote that down, so we have to debate this matter before we know exactly how much money we will need.

There have been arguments raised here pro and con, which might perhaps have some influence on the minds of some of the members who are thinking along the line of technicalities and nothing else. There has been something said about the emergency feature—two or three members have spoken on that.

Now of course the reason for putting on that emergency clause, as was explained to me, was this: That we have a powerful lobby. May I say that I never met a more charming, more kindly and friendly lobby in my life, and may I make the suggestion that with such an active and able lobby here it is not hard to assume that if we passed this without the emergency clause we would eventually be faced with a referendum. It is not very hard work to get 12,000 votes. The gentleman from Strong, Mr. Richardson, told us this morning that they got 12,000 names on their petition. It is not hard to guess that we would have a referendum, which would be an expensive thing.

Now as to the merits of this bill. With all due respect to the gentleman from Skowhegan, Mr. Hinman—and I do hold him in real respect—he is one of the ablest men we have in this House, and we all recognize that—but we did come down here pledged to certain things. Some of us were present at the Convention at Bangor, and we know how the platform, at least of the Republican Party, was drawn. Some of us helped draft it, and we know how some of the planks went on that platform, and we know that the most important one, apparently, from the point of view of all concerned, was the one taking care of old age assistance. That problem is with us, even though we dislike to

look it in the face, and it is one which is going to keep on growing.

We have been deluged with all sorts of figures, many of which perhaps were fanciful. But we have got to face the problem; we cannot do our job unless we do it; and we do not want to go home two weeks from now and say we have not faced it and faced it courageously.

Now I did not notice that all of the previous speakers in behalf of this bill were non-smokers. I know Judge McGlaflin left off a while ago, on account of his throat. I don't know about the other people. I consume a little tobacco myself at various times and most of the other members here do, and I know you do not care yourselves personally whether your tobacco is going to cost you a cent more or not. I know that when you smoke a cigarette most of you throw three-quarters of it away, and you tax yourself. This tax is not an onerous burden—that is what I am trying to point out. And I might say right here that the boys from Portland are divided on this report, and the gentleman from Belfast, (Mr. Buzzell) the other day, said when the boys from Portland are divided, look out for the State of Maine.

Well now, here we are divided. But here is a bill which will produce a certain amount of revenue, and we need the money. If we did not need the money, we would have been told so before. That is the answer.

We have been waiting for the Appropriations Committee, and we have not heard one word to indicate any lessening in the amount of money we will have to raise, and we have not had any constructive suggestions except the one from the floor leader, in regard to how we may raise extra money.

Now we have this bill before us. If we throw it out, as has been pointed out, it will take a two-thirds vote to bring it back. Now of course the opponents of the bill want to get rid of it. If I were in their place, I would too. I have been outside in the lobby more time than anyone here, so I know how it goes out there. When we do not like legislation, we get rid of it in the easiest possible fashion, and that is what we want to do here. However, the lobbyists are just earning their money, because they are people hired to do their job.

But what are we going to do? Are we going to throw this out of the window and say we won't pass it, for no reason, just that we won't do anything? we won't do anything, we are going home, and then come back to a special session later on in the fall to correct the errors of our lack of mentality or lack of activity, or perhaps too much good times, so that we could not have our minds properly on the matters before us.

I do not like new taxes myself. If I thought the money was not necessary, I would be the first one to ask Brother Arzonico and others to vote against it. But here is a problem; let us face it like men and not try to dodge it.

Mr. PAYSON of Portland: Mr. Speaker and members of the House: I have had two great ambitions. One of them was to be an influential member of this Legislature, so that I might some day be appointed to a joint committee to march out and tell the Secretary of State that he has been elected Secretary of State, and the other ambition is to be so influential and prominent that one of these loathsome creatures, the lobbyists, would come to me with a thousand dollars in one hand and a club in the other and say: "You vote for this measure and take our money or we will get you with our club." And then I would talk back to those dastards and I would tell them where they got off. (Laughter)

They not only do not approach me, but they do not even slip any money under my pillow at night—and I look every night. (Laughter)

No one else except the gentleman from Skowhegan (Mr. Hinman) has spoken on the merits of this bill, so I won't bother you with that. (Laughter)

I hope the taxation committee has not got a measure left in there which is a tax on babies, because, if that comes up last, I suppose we will have to pass it because it is the only thing we have to pass. (Laughter)

After all, the discussion of the proponents of this bill has been on the desirability of the money, not whether this is a proper way to raise it.

Let me say to you that the emergency preamble on this bill is there for one purpose, and one purpose only; to avoid a referendum. The people of the State of Maine, a year or so ago, told us pretty em-

phatically what they thought of any form of sales tax, and that is the reason you have a referendum here.

Now, in spite of the powerful lobby, and all the vested interests, and the coated and panted interests, I am perfectly free to say I am willing to let the people of the State of Maine vote on whether they want it or do not want it.

Mr. NOYES of Franklin: Mr. Speaker, I would like to say a word to explain my position on this tax bill.

It has been stated on the floor here that the gentleman from Franklin (Mr. Noyes) was inconsistent, that he supported one tax measure and votes against two others. The tax measure which I supported was not a new tax.

Mention has been made of the lobbyists. I would call your attention to this fact. I find that the lobbyists who agree with me appeal to me very much, and I think they are very fine people; but the lobbyists who do not agree with me, I detest them. I wonder if the gentleman from Monticello, Mr. Good, does not feel the same way about any lobbyists that might be here in the State House today?

This Legislature is a different Legislature than that which we had two years ago. Two years ago there convened here in Augusta a tax-minded Legislature, and the cry before us was five million dollars of new money. As a member of that Legislature, I was as much tax-minded as the remainder of my colleagues, and I concocted several schemes for extracting money from the pockets of the taxpayers.

The amount of money that would be raised by a tax on tobacco has been argued here on the floor. I say to you that the figure, if it is placed at \$1,400,000, is just that much more reason for defeating the bill. The more money a tax measure will raise, the more reason there is for voting against that bill, because it makes just that much more burden for the taxpayers to bear.

Two years ago, after four months of deliberation, we passed a sales tax, which was subsequently defeated by the people of Maine on a referendum. Following the defeat of that sales tax, our Governor proposed an economy program which we in special session adopted. By means of this program, 12,000 of our aged people in Maine were given old age assistance. The success of

that program and its approval by the people lead both major political parties to incorporate in their platform the plank of no new taxes in further assistance to the aged.

It has been stated from the floor of this House that the members of the Eighty-ninth Legislature did not write that platform. Be that as it may, every last one of us knew that plank was in our platform; every last one of us knew that further assistance to the aged without new taxes meant economy in State government. Economy in State government can only be achieved through consolidation and elimination and curtailment of the State's expenses. The people of Maine await our answer. The people of Maine are looking to the Eighty-ninth Legislature as they never looked before, hoping that we will have the courage to call a halt to this stampede of spending which we are witnessing here today. I would have you remember that economy and new taxes do not go together, and I would have you remember that more taxes mean more spending. (Applause)

Mr. BUBAR of Weston: Mr. Speaker and members of the House: A great many of us came down here at the beginning of the session to determine in some way how we were going to do something to aid the aged of our State, but on different turns we have met with opposition and our measures have fallen through, and although we may not be entirely in sympathy with this measure as a tax measure, it seems to me it offers some method of helping out the situation.

I have a few lines taken from the Congressional Record of December 20, 1937, and I want to read it to you because I believe it fits the situation to some extent:

"In heathen tribes, where skulls
were thick,
did primal passions rage,
They had a system sure and quick,
to cure the blight of age.
If one's native youth had fled,
and time had snapped his vim,
They simply popped him on the
head,
and that was the last of him.

But in this, our enlightened age,
we're made of finer stuff,
And we look with righteous rage,
on methods so crude and tough,

So when our man grows old and
gray,

and bent and short of breath,
We simply take his job away,
and let him starve to death."

(Laughter and applause)

Mr. PAUL of Portland: Mr. Speaker and members of the House: I think I have listened to this debate this afternoon on the subject of the cigarette tax until I think I know a great deal about taxation.

Now this happens to be a bill that I am quite interested in, because I think it is a tax which is going to apply very generally. It comes as near to a sales tax almost as our tax that we passed two years ago and which was turned down by the people in a very decided fashion. I therefore agree with my colleague from Berwick (Mr. Varney) as to the emergency which exists. For that reason I am forced to go to the merits of this bill.

We have in the state of Maine, as in every state in the union, at least three classes of people: The poorer class, the middle class and what might be termed the wealthy class.

In the interest of fairness, and not to be radical, I have noted from this bill here that it takes in one class of cigarettes which might be classed as the type of cigarettes smoked by the poorer class, the Marvel cigarette. The price of that cigarette is ten cents. The Federal tax is six cents on a package, and the State tax is two cents on the package, therefore making a two-hundred per cent. tax on the poor man, the man least able to pay, the man who will smoke if he has a dime.

Then in the next class, the middle class, the man who smokes Chesterfields. The tax on the Chesterfield, including the State and Federal tax, is one hundred twenty-three per cent.

Now the Pall Mall, which is going to be smoked by the wealthy class, the tax on that would be eighteen per cent. Now that is not a fair tax and it is not a fair method of raising money to take care of our aged people.

Another thing that I want to call to your attention from Section 13, and I say this is radical, and I want to go on record as opposed to this provision which provides that a person shall be imprisoned for not

less than one year nor more than ten years for violation of this law. I say that is wrong. (Applause)

Mr. HOWES of Charleston: Mr. Speaker, I personally do not like the way we are handling this. We have been discussing this here and we do not know whether we need it or not. These reporters are taking this all down and sending it back home. You fellows all know the fight I put up on income taxes here and I come pretty near hanging to that right now. Go ahead and vote to do this when you do not know what you want, but I do not like it. I do not like to vote on it. I do not like to vote on this thing now. I like the bill of the gentleman from Berwick, Mr. Varney. We did not table it as I thought it should be. I will vote for this with both hands when we need it, but I do not like to vote for anything unless we need it. I am willing to vote for anything when we find out what we have got to have. You tell the people "no new taxes" and then put them on the people when we do not know whether we need them or not. I would like to know what we need first before I vote.

Mr. TARDIF of Bath: Mr. Speaker, I move the previous question.

The SPEAKER: The gentleman from Bath, Mr. Tardif, moves the previous question. In order for the Chair to entertain this motion, it requires the affirmative vote of one-third of the members present.

Mr. COWAN of Portland: Mr. Speaker—

The SPEAKER: For what purpose does the gentleman rise?

Mr. COWAN: Mr. Speaker, I move that the matter be laid on the table.

The SPEAKER: All those in favor of the Chair entertaining the motion for the previous question 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.

The SPEAKER: Obviously more than one-third of the members having arisen, the Chair will entertain the motion. The gentleman from Portland, Mr. Cowan, now moves that the motion for the previous question lie on the table. Is this the pleasure of the House? All those in favor of the motion of the gentleman from Portland, Mr. Cowan, that the matter lie on the

table will say aye, those opposed no.

A viva voce vote being doubted,

A division of the House was had.

Forty having voted in the affirmative and 65 in the negative, the motion to table did not prevail.

The SPEAKER: The question now before the House is shall the main question be put now? All those in favor of the main question being put now will say aye, those opposed no.

A viva voce vote being taken, the motion prevailed.

The SPEAKER: The question before the House is on the motion of the gentleman from Franklin, Mr. Noyes, that the House accept Report A of the Committee on Taxation, reporting "Ought not to pass" on Bill "An Act Providing for an Excise Tax on Cigarettes and Tobacco." The gentleman from Berwick, Mr. Varney has asked that the vote be taken by the yeas and nays. In accordance with the Constitution, the yeas and nays are ordered if one-fifth of the members present request it. All those in favor of the vote being taken by the yeas and nays 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.

The SPEAKER: Obviously more than one-fifth of the members having arisen, the yeas and nays are ordered. All members will remain in their seats until the vote is taken and declared.

Mr. GOOD of Monticello: Mr. Speaker, I ask consent to be excused from voting when my name is called, because of the fact I have paired my vote with that of the Representative from Portland, Mr. LaFleur, who is absent because of illness. If present, Mr. LaFleur would vote yes, and if I voted I would vote no.

The SPEAKER: The gentleman from Monticello, Mr. Good, asks leave to be excused from voting. Is it the pleasure of the House that the gentleman be excused?

Thereupon Mr. Good was excused from voting.

Mr. BROWN of Caribou: Mr. Speaker, I wish to be excused from voting, because I am paired with the gentleman from Stonington, Mr. Barter. If he were present, he would vote yes, and I would vote no.

The SPEAKER: The gentleman from Caribou, Mr. Brown, asks leave to be excused from voting? Is

it the pleasure of the House that the gentleman be excused?

Thereupon Mr. Brown was excused from voting.

The SPEAKER: Does the gentleman from Monticello (Mr. Good) desire to correct his statement as to the way he would vote? The question before the House is on the acceptance of the "Ought not to pass" report. A vote of yes would be against the tax.

Mr. GOOD: I want to vote no, Mr. Speaker.

The SPEAKER: The Chair understands the gentleman from Monticello (Mr. Good) would vote no if he were not excused, and the gentleman from Portland (Mr. LaFleur) would vote yes.

Mr. GOOD: As I understand it, the motion put now is whether we would accept the majority report, "Ought not to pass"?

The SPEAKER: That is correct.

Mr. GOOD: I do not want it to pass.

The SPEAKER: The question before the House is on the motion of the gentleman from Franklin, Mr. Noyes, that Report A, "Ought not to pass," be accepted. All those in favor of the acceptance of the Ought not to pass report will vote yes, and all those opposed to the acceptance of the Ought not to pass report will vote no. Is the question clear to the House? The Clerk will call the roll.

YEA—Arzonico, Ayotte, Babin, Bacon, Batchelder, Bates, Belanger, Bragdon; Brown, Eagle Lake; Burbank; Burgess, Rumford; Burgess, Limestone; Butler, Chandler, Churchill, Clough, Colby, Crockett, Davis, Dean, Donahue, Douglass; Dow, Kennebunkport; Downs, Dwinal, Eddy, Erswell, Farrington, Farwell, Fellows, Ford, Fowles, Grua, Hall, Hamel, Hanold, Hawes, Hinman, Hussey, Jewett, Jordan, Labbee, Lambert, Larrabee, Latno, Lord, Luro, MacNichol, Mahon, Marshall, McGillicuddy, McNamara, Melanson, Merrifield, Miller, Murchie, Noyes, Otto, Palmeter, Paul, Payson, Peakes, Pelletier; Pike, Bridgton; Poulin, Waterville; Pratt, Preble, Race, Ramsdell, Robbins; Robinson, Peru; Shesong, Sleeper; Smith, Thomaston; Snow, Hermon; Stacy, Starrett, Stilphen, Tardif, Thorne, Townsend, Varney, Walker, Wallace, Weed, Williams, Winslow; Young, Old Orchard Beach.

NAY—Bowers; Brown, Corinna; Bubar, Buzzell, Cleaves, Cowan, Cushing, DeBeck, Ellis, Fernald, Fogg, Goss, Haskell, Hinckley, Hodgkins, Holden, Holman, Howes, Keene, Maxim, McGlauffin, Meserve, Mills, Norwood, Plummer, Richardson; Robin-

son, S. Portland; Snow, Dover-Foxcroft; Thompson, Violette, Winter, Worth; Young, Acton.

ABSENT — Barter, Bird, Bolduc, Cook, Dennison, Dorrance, Dorsey; Dow, Elliot; Dow, Norway; Emery, Everett, Gyger, LaFleur, Leveque; Pike, Lubec; Porell; Poulin, Rumford; Robie, Robinson of Bingham; Slosberg; Smith, Westbrook; Stevens, Sylvia, Weatherbee, Welch, Whitney.

Yes—88.

No—33.

Absent—26.

Excused—2.

The SPEAKER: Eighty-eight having voted in the affirmative and 33 in the negative, 26 being absent and 2 having been excused, the House has accepted the "Ought not to pass" report.

Mr. MAXIM of Portland: Mr. Speaker, I rise to a point of personal privilege.

The SPEAKER: The gentleman may state his point.

Mr. MAXIM: Mr. Speaker, during the debate a misstatement was made regarding a statement that I had previously made in the debate to the effect that if this measure were killed in this House there would be no taxation measure pending before this Legislature.

I do not want to be too thin skinned about this but it does reflect somewhat on my intelligence and I want to protest it.

I am well aware that there are measures pending in the other body on the table which can be acted on later. I do not think that the person who made the statement made it intentionally. The statement that was made by me was that there would be no taxation measure pending before this body, meaning this House.

The SPEAKER: The Chair rules that it is not a question of personal privilege.

Ought Not to Pass

Mr. Fellows from the Committee on Judiciary reported "Ought not to pass" on Bill "An Act relating to Apportionment of Taxes on Real Estate Divided Subsequent to Assessment" (H. P. 1632) (L. D. 671)

Same gentleman from same Committee reported same on Bill "An Act relating to Rotating Names of Candidates on Ballots at Primary Elections" (H. P. 247) (L. D. 63)

Mr. Hinckley from same Committee reported same on Bill "An Act relating to the Appointment and

Tenure of Trial Justices" (H. P. 1327) (L. D. 508)

Mr. Thorne from same Committee reported same on Bill "An Act relative to Services to be Rendered to Cities and Towns by Able-bodied Paupers" (H. P. 1596) (L. D. 694)

Same gentleman from same Committee reported same on Bill "An Act relating to Trial Justices" (H. P. 1637) (L. D. 723)

Reports read and accepted and sent up for concurrence.

Report Tabled

Mr. Varney from the Committee on Judiciary reported "Ought not to pass" on Bill "An Act to Require Security for the Payment of Liability for Damages Arising out of Motor Vehicle Accidents, and to Eliminate from the Highways Irresponsible and Reckless Motor Vehicle Operators" (H. P. 1586) (L. D. 875)

Mr. MILLS from Farmington: Mr. Speaker, this matter is so clearly allied with the bill which the gentleman from Madison, Mr. Thorne, put on the table this morning, that I would like to move that this matter be put on the table and be specially assigned for Monday, so that the two matters can be discussed at that time.

The SPEAKER: The gentleman from Farmington, Mr. Mills, moves that the "Ought not to pass" report, together with the bill, lie on the table and be specially assigned for next Monday. Is this the pleasure of the House?

The motion prevailed and the bill was so tabled.

Mr. Eddy from the Committee on Motor Vehicles reported "Ought not to pass" on Bill "An Act relating to Motor Vehicle Lamps" (H. P. 1695) (L. D. 925)

Same gentleman from same Committee reported same on Bill "An Act relating to the Use of White Lines on the Highway to Regulate Traffic" (H. P. 1793) (L. D. 960)

Mr. Dorsey from the Committee on Taxation reported same on Bill "An Act providing for an Excise Tax on Cigarettes and Tobacco" (H. P. 1342) (L. D. 543) as matter has been taken care of in another Bill.

Reports were read and accepted and sent up for concurrence.

Ought to Pass in New Draft

Mr. Larrabee from the Committee on Agriculture on Bill "An Act to Create a Horticultural Commission" (H. P. 1404) (L. D. 601) which was recommitted reported same in a new draft (H. P. 2205) under title of "An Act relating to Protection of Trees, Shrubs and Nursery Stock" and that it "Ought to pass"

Mr. Fellows from the Committee on Judiciary on Bill "An Act relating to Child Welfare" (H. P. 1621) (L. D. 708) together with Remonstrances H. P. 2063-2111, both inclusive and H. P. 2137-2142, both inclusive, reported same in a new draft (H. P. 2206) under same title and that it "Ought to pass"

Mr. Hinckley from same Committee on Bill "An Act relating to Arrests" (H. P. 554) (L. D. 225) reported same in a new draft (H. P. 2207) under same title and that it "Ought to pass"

Mr. Weatherbee from same Committee on Bill "An Act relating to Complaint in Cases of Neglect to Children" (H. P. 1608) (L. D. 701) reported same in a new draft (H. P. 2208) under same title and that it "Ought to pass"

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

Ought to Pass

Mr. Weatherbee from the Committee on Judiciary reported "Ought to pass" on Bill "An Act relating to Financial Responsibility" (H. P. 1424) (L. D. 608)

Report was read and accepted.

First Reading of Printed Bills

Bill "An Act relating to Salaries in Certain Counties" (H. P. 2073) (L. D. 1100)

Bill "An Act relating to Jury Commissioners" (H. P. 2201) (L. D. 1146)

Bill "An Act relating to the Department of Sea and Shore Fisheries" (H. P. 2202) (L. D. 1147)

Bills were read twice and tomorrow assigned.

Bills in the Third Reading

Bill "An Act relating to the State Police" (S. P. 623) (L. D. 1124)

Bill "An Act Creating the Port Authority of Mount Desert" (S. P. 626) (L. D. 1126)

Bill "An Act relating to Requisites for Old Age Assistance" (H. P. 286) (L. D. 91)

Mr. LAMBERT of Lewiston: Mr.

Speaker I would like to offer an amendment to—

The SPEAKER: Will the gentleman kindly defer his motion until after the bill has had its third reading.

Bills in the Third Reading (Continued)

Bill "An Act relating to Absent Voting" (H. P. 912) (L. D. 316)

Bill "An Act Amending the Law relative to Registration of Motor Vehicles" (H. P. 1188) (L. D. 470)

Bill "An Act relating to the Practice of Optometry" (H. P. 1465) (L. D. 600)

Bill "An Act relating to Clerk Hire in Certain Counties" (H. P. 2072) (L. D. 1099)

Mr. FERNALD of Levant: Mr. Speaker, I offer House Amendment "C" and move its adoption.

The SPEAKER: Will the gentleman kindly defer his motion until after the bill has had its third reading.

Bills in the Third Reading (Continued)

Bill "An Act relating to the Western Hancock Municipal Court" (H. P. 2148) (L. D. 1127)

Bill "An Act relative to Fishing in Fishways" (H. P. 2151) (L. D. 1128)

Bill "An Act relative to Transportation of Deer within State" (H. P. 2152) (L. D. 1129)

Bill "An Act relating to Closed Time on Deer in Islesboro and Rabbits in Vinalhaven" (H. P. 2154) (L. D. 1131)

Bill "An Act Regulating the Sale of Malt" (H. P. 2164) (L. D. 1134)

Bill "An Act relating to Advertising Liquor, Malt Liquor, Wines and Spirits" (H. P. 2166) (L. D. 1135)

Bill "An Act relating to Malt Liquors" (H. P. 2167) (L. D. 1136)

Bill "An Act relating to the Discharge of Persons Committed to the Insane Hospitals" (H. P. 2169) (L. D. 1137)

Bill "An Act relating to Commitment of Juvenile Delinquents" (H. P. 2170) (L. D. 1138)

Resolve for Screening Outlet of Bog Lake in the town of Northfield (H. P. 239) (L. D. 1140)

Resolve Regulating Fishing in Scraggly Lake (H. P. 277) (L. D. 1141)

Resolve Permitting Examination of Alden Ulmer and Arthur Andrews by Embalming Board (H. P. 2155) (L. D. 1132)

Resolve Regulating Fishing in the

Various Waters of the State (H. P. 2163) (L. D. 1133)

Were reported by the Committee on Bills in the Third Reading, Bills read the third time, and Resolves read the second time.

Amended Bills

Bill "An Act to Incorporate the Lincoln Water District" (H. P. 1182) (L. D. 498) as amended.

Bill "An Act relating to Children of Women Committed to Reformatory for Women" (H. P. 1603) (L. D. 697) as amended.

Were reported by the Committee on Bills in the Third Reading and read the third time.

Bill "An Act relative to Closed Time on Deer" (H. P. 2099) (L. D. 1102) as amended.

Was reported by the Committee on Bills in the Third Reading and read the third time.

Mr. NORWOOD of Southwest Harbor, offered House Amendment "C" and moved its adoption.

House Amendment "C" to H. P. 2099, L. D. 1102, Bill "An Act Relative to Closed Time on Deer."

Amend said Bill by inserting 'Hancock' after the word "Cumberland" in the fifth line thereof.

Further amend said Bill by striking out the word "Hancock" in the ninth line.

Mr. NORWOOD: Mr. Speaker, after this House adopted the amendment striking out Washington County, Hancock was left with ten days in October for open season on deer hunting. This would put Hancock in the same category as Washington. We just have the month of November. I think it is fair enough.

Mr. VARNEY of Berwick: Mr. Speaker, for reasons obvious to most of the members I move that this matter lie on the table.

The SPEAKER: The gentleman from Berwick, Mr. Varney, moves that House Amendment "C," with the accompanying bill, lie on the table pending the adoption of the amendment. Is this the pleasure of House.

The motion prevailed, and the bill and amendment were so tabled.

Mr. FERNALD of Levant: Mr. Speaker, on Item 7 which is H. P. 2072, L. D. 1099, I offer House Amendment "C" and move its adoption.

The SPEAKER: The gentleman from Levant, Mr. Fernald, offers House Amendment "C" and moves its adoption. The Clerk will read the amendment.

House Amendment "C" to H. P. 2072, L. D. 1099, Bill "An Act relating to Clerk Hire in Certain Counties"

Amend said Bill by striking out the third paragraph thereof and inserting in place thereof the following:

'Lincoln county: for clerks in the office of register of deeds, \$800, and such additional sum not exceeding \$300, when necessary, subject to the approval of the county commissioners; for clerks in the office of register of probate, one hundred sixty dollars; for clerks in the office of clerk of courts, two hundred dollars.'

Thereupon, House Amendment "C" was adopted.

Mr. LAMBERT of Lewiston: Mr. Speaker, I offer House Amendment "A" to H. P. 286, L. D. 91.

The SPEAKER: The gentleman from Lewiston, Mr. Lambert, offers House Amendment "A" to H. P. 286, L. D. 91, Bill "An Act Relating to Requisites for Old Age Assistance" which is the third item under the Third Readers of today. The Clerk will read the amendment.

House Amendment "A" to H. P. 286, L. D. 91, Bill, "An Act Relating to Requisites for Old Age Assistance."

Amend said Bill by adding at the end thereof the following: 'provided, however, that the provisions of this sub-paragraph shall not affect any case receiving a pension at the time of the effective date of this act.'

Mr. LAMBERT: Mr. Speaker, due to the fact that I have another amendment, House Amendment "B", I now move that House Amendment "A" relative to House Paper 286, Legislative Document 91, be indefinitely postponed.

The SPEAKER: The gentleman from Lewiston, Mr. Lambert, moves that House Amendment "A" to H. P. 286, L. D. 91, Bill "An Act Relating to Requisites for Old Age Assistance," be indefinitely postponed. Is this the pleasure of the House?

The motion prevailed and House Amendment "A" was indefinitely postponed.

Mr. Lambert then offered House Amendment "B" and moved its adoption.

House Amendment "B" to H. P. 286, L. D. 91, Bill, "An Act Relating to Requisites for Old Age Assistance"

Amend said Bill by adding at the end thereof the following: 'provided, however, that this sub-paragraph shall not apply to aliens who have resided in the United States for 20 years or more'.

Mr. LAMBERT: Mr. Speaker, the reason for my presenting this Amendment "B," I wish to state a few words. When this bill was debated day before yesterday it was brought to your attention that a group of aliens who had been in this country since before the war deserved a pension; that besides having contributed to the building up of our country, they had also contributed sons in the World War who fought for our country. The vote for indefinite postponement of this bill was very close, and I am sure that many still believe, like I do, that the bill is unfair to those aliens who are receiving pensions.

Therefore I offer House Amendment "B" which protects the aliens who were in this country previous to 1919 and who should not be affected by this law. It is my contention that it will be only fair to them and that it will lessen the burden on our municipalities. I therefore move the adoption of House Amendment "B," and when the vote is taken I would ask for a division of the House.

Mr. HINMAN of Skowhegan: Mr. Speaker, I cannot in fairness to myself feel that we should enact legislation with the comparatively small number of members in this House. I do not think it is fair to consider this matter with so many of the members absent, and I make the motion that we adjourn.

The SPEAKER: The gentleman from Skowhegan moves that the House now adjourn. In accordance with the joint order, that would be until Monday afternoon at four o'clock. Is this the pleasure of the House?

Cries of "No, No."

The SPEAKER: All those in favor of the motion of the gentleman from Skowhegan, Mr. Hinman, that the House now adjourn will say aye; those opposed no.

A viva voce vote being doubted,

A division of the House was had.

Forty-eight having voted in the affirmative, and 28 in the negative, the motion prevailed, and the House adjourned until Monday afternoon at four o'clock.