

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

Ninety-first Legislature

OF THE

STATE OF MAINE



1943

KENNEBEC JOURNAL COMPANY
AUGUSTA, MAINE

HOUSE

Thursday, March 18, 1943.

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

Prayer by the Rev. Mr. Rankin of Bridgton, a member of the House.

Journal of the previous session read and approved.

Papers From The Senate

Remonstrances

Remonstrance of John L. Foss of Athens against Summer Trapping of Foxes (S. P. 449)

Remonstrance of John Hutchins and 18 others of Starks against same (S. P. 450)

Came from the Senate referred to the Committee on Inland Fisheries and Game.

In the House, referred to the Committee on Inland Fisheries and Game in concurrence.

Senate Reports of Committees

Ought Not to Pass

Report of the Committee on Banks and Banking reporting "Ought not to pass" on Bill "An Act relating to the Transfer of Moneys in the hands of the Superintendents or Treasurers of State Institutions" (S. P. 192) (L. D. 271)

Report of the Committee on Towns reporting same on Bill "An Act to Provide for the Surrender by town of Madrid of its Organization" (S. P. 225) (L. D. 335)

Came from the Senate, read and accepted.

In the House, read and accepted in concurrence.

Ought to Pass in New Draft

Report of the Committee on Public Health on Bill "An Act relating to the Penalty for Violation of Certain Sections in the Health and Welfare Laws" (S. P. 245) (L. D. 363) reporting same in a new draft (S. P. 441) (L. D. 768) under same title and that it "Ought to pass"

Came from the Senate, the Report read and accepted and the Bill passed to be engrossed.

In the House, Report read and accepted in concurrence and the

Bill was read twice and tomorrow assigned.

Ought to Pass

Report of the Committee on Federal Relations reporting "Ought to pass" on Bill "An Act to Accept the Benefits of an Act of Congress to Provide for the Promotion of Vocational Education" (S. P. 211) (L. D. 323)

Report of the Committee on Library reporting same on Bill "An Act relating to Report of Controller and its Publication" (S. P. 296) (L. D. 441)

Report of the Committee on State Lands and Forest Preservation reporting same on Resolve Authorizing the Forest Commissioner to Convey Certain Lands in Somerset County to George H. Cook, Jr., and Howard H. Chase (S. P. 202) (L. D. 283)

Report of same Committee reporting same on Resolve Authorizing the Forest Commissioner to Convey Certain Land to the Great Northern Paper Company (S. P. 224) (L. D. 336)

Came from the Senate, the Reports read and accepted and the Bills and Resolves passed to be engrossed.

In the House, Reports were read and accepted in concurrence, the Bills read twice, the Resolves read once, and tomorrow assigned.

Ought to Pass With Committee Amendment

Report of the Committee on Education on Bill "An Act relating to State Aid for Academies" (S. P. 281) (L. D. 439) reporting "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

Came from the Senate, the Report read and accepted and the Bill passed to be engrossed as amended by Committee Amendment "A".

In the House, Report of the Committee was accepted in concurrence and the Bill was read twice.

Committee Amendment "A" read by the Clerk as follows:

Committee Amendment "A" to S. P. 281, L. D. 439, Bill "An Act Relating to State Aid for Academies."

Amend said bill by drawing a line through the words "have authority to" in the 14th line in the 2nd paragraph of said bill.

Further amend said bill by deleting the last crossed out sentence therein and inserting in place thereof the following:

'Institutions having incomes of over \$3,500 from invested funds shall not receive per capita allowance but may share in the adjustment fund.'

Committee Amendment "A" was adopted in concurrence and the Bill was tomorrow assigned.

Report of the Committee on Salaries and Fees on Bill "An Act relating to the Amount to be paid for Clerk Hire in the Office of the Recorder of the Municipal Court of the City of Portland" (S. P. 58) (L. D. 51) reporting "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

Came from the Senate, the Report read and accepted and the Bill passed to be engrossed as amended by Committee Amendment "A".

In the House, Report of the Committee was accepted in concurrence and the Bill was read twice.

Committee Amendment "A" read by the Clerk as follows:

Committee Amendment "A" to S. P. 58, L. D. 51, Bill "An Act Relating to the Amount to be paid for Clerk Hire in the Office of the Recorder of the Municipal Court of the City of Portland."

Amend said bill by inserting after the enacting clause "Sec. 1."

Further amend said Bill by adding at the end thereof the following paragraph:

'Sec. 2. Limitation of act. This act shall remain in force for a period of 2 years only. It is the intent of the legislature to change the present statute for a period of 2 years only, after which period the present statute shall return to full force and effect.'

Committee Amendment "A" was adopted in concurrence and the Bill was tomorrow assigned.

Senate Report Ought Not to Pass Bill Substituted for the Report Tabled and Specially Assigned

Report of the Committee on Inland Fisheries and Game reporting "Ought not to pass" on Bill "An Act

Permitting Non-Resident Citizens to Transport Deer" (S. P. 188) (L. D. 274)

Came from the Senate, the Bill substituted for the Report and passed to be engrossed as amended by Senate Amendment "A".

(On motion by Mr. Davis of Buxton, tabled pending acceptance of Committee Report and specially assigned for tomorrow morning.)

On motion by Miss Bangs of Brunswick, House Rule 25 was suspended for the remainder of today's session, in order to permit smoking. (Applause)

Orders

On motion by Mr. Downs of Rome, it was

ORDERED, that Mr. Hawes of Vassalboro be excused from attendance for the remainder of the week because of illness.

Ought to Pass in New Draft

Mr. Ward from the Committee on Legal Affairs on Bill "An Act relating to Records of Oaths in the Office of Town Clerks" (H. P. 1133) (L. D. 597) reported same in a new draft (H. P. 1285) under same title and that it "Ought to pass"

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

Ought to Pass

Mr. Robinson from the Committee on Judiciary reported "Ought to pass" on Bill "An Act to Clarify the Laws relating to Paroles and Good Time Allowances to Convicts in State Prison" (H. P. 796) (L. D. 379)

Report was read and accepted, and the Bill, having already been printed, was read twice under suspension of the rules and tomorrow assignec.

Ought to Pass with Committee Amendment

Mr. Ela from the Committee on Inland Fisheries and Game on Bill "An Act relative to Hunting Foxes with Hounds in the County of Franklin" (H. P. 241) (L. D. 160) reported "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

Report was read and accepted, and the Bill, having already been

printed was read twice under suspension of the rules.

Committee Amendment "A" read by the Clerk as follows:

Committee Amendment "A" to H. P. 241, L. D. 160, Bill "An Act Relative to Hunting Foxes with Hounds in the County of Franklin."

Amend said bill by striking out in 5th from the last line thereof the following underlined words: **"from October 1st to October 15th, both days inclusive, and"**

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

Mr. Maxwell from the Committee on Judiciary on Bill "An Act relating to Members of Teachers' Retirement System in Military Service" (H. P. 549) (L. D. 311) reported "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

Report was read and accepted, and the Bill, having already been printed, was read twice under suspension of the rules.

Committee Amendment "A" read by the Clerk as follows:

Committee Amendment "A" to H. P. 549, L. D. 311, Bill "An Act Relating to Members of Teachers' Retirement System in Military Service."

Amend said bill by adding after the 2nd sentence of the 2nd paragraph thereof a new sentence, to read as follows:

'If the aforesaid member shall withdraw from, or become separated from the association, he may not withdraw any of the contributions made by the state under this subsection.'

Thereupon, Committee Amendment "A" was adopted and tomorrow was assigned for third reading of the Bill.

Mr. Perkins from the Committee on Judiciary on Bill "An Act Further Amending the Financial Responsibility Law" (H. P. 1122) (L. D. 587) reported "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

Report was read and accepted, and the Bill, having already been printed, was read twice under suspension of the rules.

Committee Amendment "A" read by the Clerk as follows:

Committee Amendment "A" to H. P. 1122, L. D. 587, Bill "An Act Further Amending the Financial Responsibility Law."

Amend said bill by striking out in the next to the last and last lines of Paragraph II the words "or contributed to cause", and by striking out all of Section 2 of the bill.

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

Mr. Payson from the Committee on Legal Affairs on Bill "An Act relating to Municipal Planning and Zoning" (H. P. 190) (L. D. 127) reported "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

Report was read and accepted, and the Bill, having already been printed, was read twice under suspension of the rules.

Committee Amendment "A" read by the Clerk as follows:

Committee Amendment "A" to H. P. 190, L. D. 127, Bill "An Act Relating to Municipal Planning and Zoning."

Amend said bill by striking out the second word "the" appearing on the sixth line of section 2 thereof.

Further amend said bill by inserting after the word "structure" on the ninth line of the second paragraph of section 3 thereof the words, 'except as authorized under sections 10 and 14 of chapter 68 of the revised statutes,'.

Further amend said bill by inserting in the fourth line of the third paragraph of section 4 thereof, after the word "structure" the words 'except as authorized under sections 10 and 14 of chapter 68 of the revised statutes,'.

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

The SPEAKER: The Chair is glad to note the presence of the Senior Class of Winthrop High School this morning, in the balcony. (Applause)

The SPEAKER: At this time the Chair recognizes the gentleman from Houlton, Mr. Barnes, and des-

ignates him Speaker pro tem, and asks the Sergeant at Arms to conduct him to the rostrum.

Thereupon, Mr. Barnes was escorted to the rostrum by the Sergeant at Arms, where he assumed the Chair amid the applause of the House, the members rising, Speaker Richardson retiring.

First Reading of Printed Bills

Bill "An Act relating to the Protection of Bees" (H. P. 1282) (L. D. 797)

Bill "An Act relating to Payment of Special Legislative Pensions from Appropriations for same" (H. P. 1283) (L. D. 798)

Bill "An Act relating to the Bank Commissioner's Office" (H. P. 1284) (L. D. 799)

Bills were read twice and tomorrow assigned.

Passed to Be Engrossed

Bill "An Act providing Authority to Board of Trustees of the Maine Maritime Academy to Confer Degrees" (H. P. 14) (L. D. 19)

Bill "An Act to Abolish the Old Age Assistance Commission" (H. P. 1272) (L. D. 778)

Were reported by the Committee on Bills in the Third reading, read the third time, passed to be engrossed and sent to the Senate.

Bill "An Act relating to Mutual Fire Insurance Companies" (H. P. 1273) (L. D. 779)

Was reported by the Committee on Bills in the Third Reading.

Mr. Bowker of Portland, offered House Amendment "A" and moved its adoption.

House Amendment "A" was read by the Clerk as follows:

House Amendment "A" to H. P. 1273, L. D. 779, Bill "An Act Relating to Mutual Fire Insurance Companies."

Amend said bill by adding at the end of Sec. 3, the following:

'Sec. 4. Construction. This act shall not be construed as in any way impairing existing rights of any mutual company writing other types of policies from writing a non-assessible policy.'

House Amendment "A" was adopted.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Grua.

Mr. GRUA: Mr. Speaker, I offer House Amendment "B" and move its adoption. In behalf of this amendment I might say that the amendment simply changes one word which seems to have crept into the bill by error.

House Amendment "B" read by the Clerk as follows:

House Amendment "B" to Bill "An Act relating to Mutual Fire Insurance Companies" H. P. 1273, L. D. 779.

Amend said Bill by striking out the underlined word "either" in the 26th line and inserting in place thereof the underlined word 'one'.

House Amendment "B" was adopted, the Bill had its third reading and was passed to be engrossed as amended by House Amendments "A" and "B" and sent to the Senate.

Passed to Be Engrossed

(Continued)

Bill "An Act relating to Investment of Teachers' Retirement Fund" (H. P. 1275) (L. D. 795)

Bill "An Act relating to Investments of Permanent Trust Funds" (H. P. 1276) (L. D. 789)

Bill "An Act relating to the Teachers' Retirement Annuity Fund and Appropriation of Money therefor" (H. P. 1277) (L. D. 790)

Bill "An Act Amending the Law relating to Deposits of State Funds" (H. P. 1278) (L. D. 791)

Bill "An Act relating to Terms of the Northern Aroostook Municipal Court at Fort Kent for the Trial of Actions of Forcible Entry and Detainer" (H. P. 1279) (L. D. 792)

Were reported by the Committee on Bills in the Third Reading, read the third time, passed to be engrossed and sent to the Senate.

Bill Tabled

Bill "An Act Regulating the Sale of Horse Meat" (H. P. 1280) (L. D. 793)

Was reported by the Committee on Bills in the Third Reading.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Grua.

Mr. GRUA: Mr. Speaker, in this particular bill Paragraph 1 has to do with retail sales. Paragraph 2 apparently has to do with sales

from the wholesaler to the retailer. As Paragraph 2 is now written, any person selling horse meat would have to give some certificate to the purchaser that it was horse meat. It is not the intention of the Committee, as I get it from them, that that should be the case. If we go into a store and buy half a pound of horse meat, and see it plainly labeled before our eyes, there is no sense for the retailer having to write out a certificate and hand it to us that he has now sold us horse meat. That is not the intention of the Act.

The intention, apparently, here in Paragraph 2, was to make it incumbent upon a wholesaler, when shipping meat to a retailer, to state in the invoice or bill-of-lading that his meat was horse meat.

Therefore, I have prepared an amendment showing that Paragraph 2 does not apply to retail sales. I have taken this up with some members of the committee, and they have agreed with me that this correction should be made. Otherwise, the retailers would find themselves in a great deal of trouble, if they attempted to sell horse meat, because a great many of them would not make out the necessary certificate. I think this clarifies what the proponents of this bill had in mind, and in no way militates against what they had in mind. I am heartily in favor of the bill.

Therefore, I offer House Amendment "A" to Legislative Document 793 and move its adoption.

The SPEAKER: The Clerk will read House Amendment "A".

House Amendment "A" to H. P. 1280, L. D. 793, Bill "An Act Regulating the Sale of Horse Meat."

Amend said bill by adding at the end of the 2nd paragraph of section 1 thereof, the following sentence: "The provisions of this paragraph shall not apply to sales made at retail."

On motion by Mr. Stephenson of Union, House Amendment "A", together with the Bill, was tabled pending adoption of House Amendment "A".

Passed to be Engrossed (Cont'd)

Bill "An Act to Provide for the Surrender by Milton Plantation of its Organization" (H. P. 1281) (L. D. 794)

Bill "An Act permitting Men in the Armed Services to Make Valid Transfers of Property" (S. P. 434) (L. D. 752)

Resolve Transferring Money from the Sinking Fund Reserve to the Penobscot Indian Trust Fund, the Passamaquoddy Indian Trust Fund, and the Indian Township Administration Fund (S. P. 85) (L. D. 12)

Were reported by the Committee on Bills in the Third Reading, Bills read the third time, Resolve read the second time, all passed to be engrossed and sent to the Senate.

Amended Bills

Tabled and Specially Assigned

Bill "An Act relating to Certain Carriers under the Financial Responsibility Act" (S. P. 366) (L. D. 638)

(Was reported by the Committee on Bills in the Third Reading and on motion by Mr. Perkins of Boothbay Harbor, tabled pending third reading and specially assigned for tomorrow morning.)

Bill "An Act relating to Regulation of Loans by Trust Companies" (H. P. 55) (L. D. 55)

Bill "An Act relating to the Salary of the Recorder of the Portland Municipal Court" (H. P. 119) (L. D. 73)

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

At this point Speaker Richardson returned to the rostrum.

The SPEAKER: Mr. Barnes, I am presenting you this gavel as a token of the fact you have had the privilege of presiding over this 91st Legislature. I am reminded of the fact that in 1921 your father, Charles P. Barnes, was Speaker of this House; that he went on to serve this State well; that he reached heights in the legal profession and became Chief Justice of our Court, a credit to the State as a public citizen and a credit to the Bar. We want you to convey to him our congratulations and best wishes. (Applause)

Mr. Barnes was conducted to his seat on the floor of the House, by the Sergeant at Arms, amid the applause of the House, the members rising, and Speaker Richardson resumed the Chair.

Passed to be Enacted

An Act Increasing the Salary and Compensation of the State Police (S. P. 72) (L. D. 7)

An Act Defining the Word "Teacher" under Teachers' Pensions (S. P. 144) (L. D. 146)

An Act relating to Sirens on Automobiles (S. P. 326) (L. D. 529)

An Act to Define the Meaning of the Word "Municipality" (S. P. 342) (L. D. 517)

An Act relating to Clerk Hire in the Office of the Register of Deeds in Kennebec County (S. P. 367) (L. D. 637)

An Act relating to Special Deputy Sheriffs in Cumberland County (S. P. 392) (L. D. 680)

An Act relating to Fraternal Beneficiary Associations (S. P. 436) (L. D. 754)

An Act Providing for the Payment of a Filing Fee for Statements of Domestic and Foreign Insurance Companies (S. P. 437) (L. D. 753)

An Act relating to Disposal of Confiscated Ammunition and Small Arms (S. P. 439) (L. D. 763)

Were reported by the Committee on Engrossed Bills as truly and strictly engrossed, passed to be enacted, signed by the Speaker and sent to the Senate.

Orders of the Day

The SPEAKER: The Chair now lays before the House the unfinished business which was before this body at the time of adjournment yesterday, Bill "An Act Relating to Incurable Insanity as a Cause for which a Divorce may be Granted" (H. P. 185) (L. D. 124) pending the motion of the gentlewoman from Brunswick, Miss Bangs, that the Bill be indefinitely postponed.

The question before the House is on the motion of the gentlewoman from Brunswick, Miss Bangs, that this Bill be indefinitely postponed.

The SPEAKER: The Chair recognizes the gentlewoman from Brunswick, Miss Bangs.

Miss BANGS: Mr. Speaker, I ask for a division, when the vote is taken.

The SPEAKER: The gentlewoman from Brunswick, Miss Bangs, asks for a division.

All those in favor of the indefinite postponement of Legislative Document 124 will rise and stand in their

places until counted and the monitors have made and returned the count.

A division of the House was had.

Seventy-two having voted in the affirmative and 39 in the negative, the motion prevailed, and the Bill was indefinitely postponed and sent up for concurrence.

The SPEAKER: The Chair now lays before the House the second matter of unfinished business, House Order Relative to Unassigned Tabled Matters being Cleared from the Table on Tuesday of each week, beginning Tuesday, March 23, 1943, tabled by the gentlewoman from Bangor, Miss Clough, pending passage; and on motion by Miss Clough the Order received passage.

The SPEAKER: The Chair now lays before the House the first tabled and today assigned matter, House Report "Ought not to pass" of the Committee on Education on Bill "An Act Relating to Teachers' Pensions" (H. P. 177) (L. D. 120) tabled by the gentleman from Bangor, Mr. Maxwell, on March 17th, pending acceptance of Report; and on motion by the same gentleman the matter was retabled pending acceptance of Report, and specially assigned for next Tuesday, March 23rd.

The SPEAKER: The Chair now lays before the House the second tabled and today assigned matter, House Report "Ought not to pass" of the Committee on Education on Bill "An Act Amending the Teachers' Pension Law" (H. P. 176) (L. D. 121) tabled by the gentleman from Mapleton, Mr. Webber, on March 17th pending acceptance of Report; and on motion by the same gentleman the matter was retabled pending acceptance of Report and specially assigned for next Tuesday, March 23rd.

The SPEAKER: The Chair wants to observe under the Order that has just been passed the House may be confronted with a situation of the necessity of a little bit of overtime next Tuesday if all the matters now on the table and definitely assigned are to be retabled and taken up on that day.

The SPEAKER: The Chair now lays before the House the third tabled and today assigned matter, House Report "Ought Not to Pass" of the Committee on Welfare on Bill "An Act Relating to Claims Against Estates of Persons Who Have Received Old Age Assistance," (H. P. 124) (L. D. 66), tabled by the gentleman from Portland, Mr. Leavitt, on March 17th, pending motion by the gentleman from Bethel, Mr. Boyker, to substitute the Bill for the Report of the Committee.

The Chair recognizes the gentleman from Portland, Mr. Leavitt.

Mr. LEAVITT: Mr. Speaker and Members of the House: As a member of the Committee on Welfare who reported this bill out, I feel it is only fair to tell you that should you vote for this motion of Mr. Boyker that it might cost the State several hundred thousand dollars. This paragraph which the bill seeks to repeal, this Legislative Document No. 66, would take off a brake or open up a dam which would allow a great many people to have their parents placed under Old Age Assistance.

At the present time if a person owns a piece of property the State has a lien on that property for the pensions which they pay. If that lien is taken off, it would mean that these parents could leave to their children or their relatives this property intact, after receiving from the State several hundred dollars in pensions. Very few children wish to give up their rights to this property to their parents, therefore they will find means of supporting their parents rather than having this money taken away from them as an inheritance. Therefore, I hope that this Legislature will see fit to go along with the Committee and to vote against the motion of the gentleman from Bethel, Mr. Boyker.

The SPEAKER: The Chair recognizes the gentleman from Thomaston, Mr. Smith.

Mr. SMITH: Mr. Speaker, I think Mr. Leavitt has said all there is to say on that bill, with the exception that the Committee on Welfare gave this bill very careful consideration, and I think we were right in reporting the bill "Ought not to pass." I trust that the motion to substitute the bill for the report will not prevail.

The SPEAKER: The Chair recognizes the gentleman from Bethel, Mr. Boyker.

Mr. BOYKER: Mr. Speaker and Members of the House: I am a new member here. It is the first time that I have had the honor of a seat in this body. It will not be my intention nor is it my disposition to attempt in any way to force new ideas upon this House. My experience thus far in this Legislature has influenced me to believe in our committees, but our committees do not ask us to follow their reports. On the other hand, they wish us to thoroughly consider their recommendations in our minds on the floor of this House and to act accordingly.

A few years ago a person who was running for Representative to the Legislature for the second term said to me: "I would like to go back just for the prestige." I did not look in the dictionary to find the meaning of the word "prestige," but, Mr. Speaker, I do not want anything to do with that. You may keep your prestige, whatever it is. My only purpose is to serve the interest of the citizen of the State of Maine, and with that purpose in mind, with that realization, and with consideration and with sympathy in all our acts, I believe we will arrive at that medium which Wendell Willkie has designated "the equality of man."

We have become, rightfully, and of necessity, pension-minded. We give our schoolteachers and our superintendents of schools a good position for a number of years, and by doing so they accumulate something of this world's goods, and they retire; and we give them assistance the rest of their lives with a pension each month without any "if" or "and." Our judges retire, and they are well-to-do, but we assist them with a yearly salary equal in many instances to the salary of the Governor of our State, without any "if" or "and."

Let us be honest with the fathers and the mothers of our State whose labors and whose efforts have built this State of Maine, and who now, on account of changed conditions, have not the necessities of life. We are enjoying today the fruits and the efforts of those persons through a long period of years, and now, when they are in want, let us assist them also without any "if" and without any

"and." I believe it is the sentiment of the citizens of the State of Maine that this pension in the Old Age Assistance Act which takes a lien upon the property of the applicant should be stricken from the act, and I hope that we, Members of this House, will have the courage and the disposition to see that it is done.

The SPEAKER: The Chair recognizes the gentleman from Mapleton, Mr. Webber.

Mr. WEBBER: Mr. Speaker, I wish to go on record as being heartily in accord with the idea of the gentleman from Bethel, Mr. Boyker. I believe we should do what we can to help these old people and not put them under a stigma. I think we should encourage them. As far as making a big bill of expense for the State, I think in many cases the passage of the bill under consideration would be an incentive for those people to go on and be self-supporting. I think they are entitled, after they have worked for many years and contributed their portion to the welfare of the State, to have this. I think, rather than to encourage them to lay off and not do any work, we should encourage them to keep their property intact. I think the Old Age Assistance rolls will be made less by the passage of this bill, and I hope that the motion of Mr. Boyker to substitute the bill for the report will prevail.

The SPEAKER: The Chair recognizes the gentleman from Biddeford, Mr. Donahue.

Mr. DONAHUE: Mr. Speaker, I move when the vote is taken it be taken by a roll call.

The SPEAKER: Under the Constitution the yeas and nays may be ordered on the request of one-fifth of the members present. This will be noted on the record.

The Chair recognizes the gentleman from Bradford, Mr. Osgood.

Mr. OSGOOD: Mr. Speaker, as a member of the Welfare Committee and a signer of this report, I certainly would like to state my position. While I heartily agree, I believe that the gentleman from Bethel, Mr. Boyker, is sincere in his intentions and is really trying to do his very best to help the people of the State, I wonder whether he really has the facts as they should be.

I had every intention myself when I came here of putting such a pro-

vision in, asking that the recipients of Old Age Assistance would not have to give a claim against their assets to the State. After hearing the different opinions from the Health & Welfare Commissioner, and also from their attorney, Mr. Webber, whom I questioned at some length in regard to the amounts that we received from these assets after the costs of collection have been paid, I was forced to change my mind and my opinion. I believe that while the gentleman's suggestion is noble and sincere, that we will do a great injustice to our State and it will cost us a great many thousands of dollars for investigations if we finally pass this bill. Therefore I hope that the motion of the gentleman from Bethel, Mr. Boyker, to substitute the bill for the "Ought not to pass" report of the Committee will not prevail.

The SPEAKER: The question before the House is on the motion of the gentleman from Bethel, Mr. Boyker, that the bill be substituted for the "Ought not to pass" report of the Committee.

The Chair recognizes the gentleman from Fryeburg, Mr. Buzzell.

Mr. BUZZELL: Mr. Speaker, as another House member signing that report, I would like to endorse the statements of the House members on that Committee who have previously spoken, and I surely hope that the motion of the gentleman from Bethel, Mr. Boyker, will not prevail.

The SPEAKER: The Chair recognizes the gentleman from Weston, Mr. Bubar.

Mr. BUBAR: Mr. Speaker, I have the greatest respect for the members of the committee and also for the report that they brought in. I know that they spent hours in studying the material in relation to this measure, and I believe the Committee may be convinced themselves that the report is right.

I presented this measure because I thought it was right; I presented it at two previous sessions; and I find the sentiment over the State is growing for this legislation. I would go along with the motion of the gentleman from Bethel, Mr. Boyker.

The SPEAKER: The Chair recognizes the gentleman from Bethel, Mr. Boyker.

Mr. BOYKER: Mr. Speaker, briefly I do not want to take up valuable time which we need for other matters, but I would like to say this: Since January 1st I have been out of my way to talk with citizens of the State in regard to this bill. I have talked with those on the trains and with those on the cars, at the stations and at the terminals, those on the farms and in the mills, the employed and the employer, and I have never found a person but who thinks this provision should not be in this act.

On January 25th of this year there was framed in the city of Washington a bill to be presented to Congress. It received 216 signatures on the petition, two less than required for that bill to be presented to the House, and in that bill it was provided that the Federal government could withhold the funds under the Social Security Act to any State who took a lien on the home of those receiving aid under the Old Age Assistance Act.

Now we are all ambitious. Many of us hope to return to this House in two years from now. Some of us will return, and if this bill is not passed today, it will be presented two years from now because it will never die, and I hope that it will be passed today.

The SPEAKER: The question before the House is on the motion of the gentleman from Bethel, Mr. Boyker, that the bill be substituted for the "Ought not to pass" Report of the Committee.

Is there further discussion?

The Chair recognizes the gentleman from Auburn, Mr. Williams.

Mr. WILLIAMS: Mr. Speaker and Members of the House: I hesitate to oppose any legislation that will aid a needy person. However, it seems to me that this bill might well work a hardship on a person needing assistance themselves. Let us take the example of an aged person with a home who needs assistance. Now, we may render that assistance to them, rather than to wait until they have mortgaged their home, and sold it, and their debt to the State will be reimbursed through having this lien on the home.

I have in mind two cases now that I happen to be interested in in the City of Auburn. Now, neither

one of these recipients have any relatives nearer than distant cousins. They do have a little home. They were rendered assistance. Now, it seems to me only just that the State have this property rather than have it go to some distant relative who has never done anything for these old people; in fact, who never even came and visited them.

I hope that the motion does not prevail.

The SPEAKER: The Chair recognizes the gentleman from Benton, Mr. Kent.

Mr. KENT: Mr. Speaker and Members of the House: I would like to support this bill, because I think it is a just bill, and I think that we should not penalize the people who have acquired a little property and have their home, by making them give it up in order to get a pension.

There is a man in my town who has got a little home, and he is nearly blind and he is used up so that he can hardly do any work, but he will not apply for that pension, because he says he will not sign his home over.

Now, we give everybody a pension. We give pensions to State employees earning big salaries. We must look after the old people; and I think it is penalizing a lot of people today who really need a pension but who will not sign their homes over for it.

The SPEAKER: The Chair recognizes the gentleman from Rome, Mr. Downs.

Mr. DOWNS: Mr. Speaker, I find myself this morning in spirit heartily in accord with the gentleman from Bethel, Mr. Boyker.

I am also a firm believer in Committee Reports. I believe that a Committee, hearing a cause, hearing both sides of a proposition, is in a much better position to decide on the merits of a proposition than I am, simply sitting here and hearing the report of the Committee, with what little knowledge I have of the question involved.

As I say, in spirit I am heartily in favor of the motion of the gentleman from Bethel, Mr. Boyker. But I am wondering if that is a solution of the problem. I am heartily in sympathy with every move that we can make for the assistance of our elderly people. I

believe that they should be given every assistance possible, but it appeals to me that in the case where there is even a small home, and they have relatives who are perhaps in a position to render them assistance but fail to do so, and the State comes to the assistance of that elderly couple, it seems to me that their rights preclude the rights of the relatives to the property. It seems to me to be only a business proposition.

I do believe that perhaps the regulations governing this are a little bit too stringent. I know that good judgment should be used in the case of the field worker who investigates. At the same time, I cannot go along with the proposition of letting down the bars entirely, because I think we would be doing an injustice to the State. Consequently, notwithstanding my sympathies, I shall have to vote in favor of the acceptance of the Committee Report.

The SPEAKER: The question before the House is on the motion of the gentleman from Bethel, Mr. Boyker, that the Bill be substituted for "Ought not to pass" Report of the Committee.

The Chair recognizes the gentleman from Rockland, Mr. Sleeper.

Mr. SLEEPER: Mr. Speaker and Members of the House: It has been said that this is the hardest subject there is to talk upon—the Old Age Pension subject. It has been called dynamite, and they say that the members of the House would fear a roll call vote on it. I, personally, and as Floor Leader of the Republican Party, would not fear a roll call vote on the question, and I would vote "No" on Mr. Boyker's motion. My reason is this. I feel that if the relatives of the person receiving an Old Age Pension, if they are so small that they want the property and they are willing for their relatives to become wards of the State, they are not entitled to the property. That is only commonsense.

I want to reiterate what the gentleman from Rome, Mr. Downs said. We must put some dependence in the Committee; and we have a good Welfare Committee. They wrestled with this problem, and they passed it out unanimously "Ought not to pass." We have got to settle this question once and for all,—this Old Age Pension problem. The State

is working as hard as it can to settle it, but you know—every man and woman in this House knows that the Old Age Pension problem is not a State problem. If we are ever to have an equitable pension for the old folks, to which they are entitled, it must be paid by the National government. This poor old State, existing mostly on real estate taxes, cannot afford to pay an unlimited Old Age pension. We know that \$30 or \$40 a month is not hardly enough to keep body and soul together, but we cannot pay any more. The Federal government, spending billions for raking leaves prior to this war, is the one that should pay the Old Age Pension. Senator Borah said that—\$55.00 a month. We all know that the real source of supply for the money that we pay Old Age pensions is the Federal government, and this poor old State should not have to wrestle with this problem. The Old Age Assistance Commission and the Health and Welfare Committee say they do not want this bill passed it would upset the apple-cart, because it would cost several hundred thousand dollars, and the money would have to come from people already getting pensions, if this Bill should be passed. I trust that it will not pass. They might have to cut out several people now receiving Old Age pensions. It is only commonsense, it is only justice; if the relatives do not think enough of the old folks to keep them from becoming wards of the State, they certainly are not entitled to any property.

Mr. Boyker of Bethel, was granted unanimous consent to speak the third time.

Mr. BOYKER: Mr. Speaker, I just want to say that this question of the interest of the children is something different. There are two sides to that question. I have instances in my mind where the children take an interest in the old homestead, and they are married and have a family of their own, still they do assist their father and mother to get what they need, believing that sometime they may be permitted to go to the old homestead and live.

The SPEAKER: The Chair recognizes the gentleman from Weston, Mr. Bubar.

Mr. BUBAR: Mr. Speaker and Members of the House: I might

say that the conditions referred to by my friend, the gentleman from Rockland, (Mr. Sleeper) and my friend, the gentleman from Auburn, Mr. Williams, are the exception rather than the rule. There are isolated cases where distant relatives desert the old people. Those things do happen. But in the majority of cases those old people are living with their children, and these children have large families and they are barely able to take care of their own families, and therefore if they had not called on the State for Old Age Assistance they would have had to call on some of the small towns for help, and there would be an added burden there. On the death of that old person, under the present law, our State officials have no alternative; they have to go in there and say, "All right, you move out. Your father, your mother is dead, and their property, the largest percentage of it, belongs to us." And that man and woman and their family are forced to move out and are without any home whatever; where under this bill they would have a home in which they could stay. They have got to go out and find themselves another place in which to live. We find in some cases an added burden to the State because that family has had to call on for more aid. I admit that during the last few months that may not be so, because you know we are not living in normal times. This legislation is to take care of that situation. We can not blame our Welfare Department. I know that the members of the Old Age Assistance Commission and the Welfare Department are not to blame. I know them, and they are my friends. The law states what they shall do and they try to carry out the law; they try to carry out the instructions you and I give them. My friends, it is up to you and I this morning.

The SPEAKER: The Chair recognizes the gentleman from Paris, Mr. McKeen.

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

The SPEAKER: The gentleman from Paris, Mr. McKeen, moves the previous question. The gentleman from Biddeford, Mr. Donahue, has also requested the roll call. In order for the Chair to entertain the motion for the previous question, 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 have made and returned the count.

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? All those in favor will say aye; those opposed, no.

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

The SPEAKER: The gentleman from Biddeford, Mr. Donahue, asks for a roll call. Under the Constitution, in order for the yeas and nays to be called requires the consent of one-fifth of the members present. All those in favor of the yeas and nays being called will rise and stand in their places until counted and the monitors have made and returned the count.

Unless the Chair is questioned, only eleven have arisen, the Chair rules that the yeas and nays are not ordered.

The gentlewoman from Brunswick (Miss Bangs) asks for a division.

All those in favor of the motion of the gentleman from Bethel, Mr. Boyker, that the bill be substituted for the "Ought not to pass" report of the committee will rise and stand in their places until counted and the monitors have made and returned the count.

A division of the House was had.

Eighteen having voted in the affirmative and 106 in the negative, the motion did not prevail.

On motion by the gentleman from Rockland, Mr. Sleeper, the "Ought not to pass" report of the Committee was accepted and sent up for concurrence.

The SPEAKER: The Chair now lays before the House the fourth tabled and today assigned matter, Bill "An Act to Provide a Town Manager Form of Government for the Town of Brunswick" (H. P. 187) (L. D. 129), tabled by the gentleman from Brunswick, Mr. Brown, pending third reading.

The Chair recognizes the gentleman from Brunswick, Mr. Brown.

Mr. BROWN: Mr. Speaker, Sir, I now offer House Amendment "A" and move its adoption.

The SPEAKER: The gentleman from Brunswick, Mr. Brown, offers House Amendment "A" and moves its adoption.

The Clerk will read House Amendment "A".

House Amendment "A" to H. P. 187, L. D. 129, Bill "An Act to Provide a Town Manager Form of Government for the Town of Brunswick."

Amend said Bill by striking out Section 23 thereof and inserting in place thereof the following:

Sec. 23. Effective date; referendum. This act shall take effect 90 days after the adjournment of this legislature only for the purpose of permitting its submission to the legal voters of said town of Brunswick at any special or regular meeting of the above mentioned town. Such meeting shall be called for that purpose by an appropriate article inserted in the calls for such meeting and such election shall be called, advertised and conducted according to the law relating to municipal elections. The town clerk shall prepare the required ballots for the election upon which he shall reduce the subject matter of this act to the following question: "Shall 'An Act to Provide a Town Manager Form of Government for the Town of Brunswick' be accepted?", and the voters shall indicate by a cross placed over the words "Yes" or "No" their opinion of the same. This act shall take effect for all the purposes of this act immediately upon the acceptance of this act if it is accepted at an annual town meeting. If accepted at a special town meeting, it shall take effect at the time of the next annual town meeting, provided, however, that such act shall not be considered as accepted unless the total number of votes cast for and against the acceptance of this act in said election equals or exceeds 20% of the total number of names on the check list of voters of said town. Such vote shall be by the Australian ballot and this act, when so ratified, shall become operative at the next annual town meeting.

The result of the vote in said town shall be declared by the muni-

cipal officers thereof and a certificate thereof filed by the town clerk with the secretary of state.'

The SPEAKER: The amendment, not having been reproduced, will lie on the table pending printing, with accompanying papers.

On motion by the gentleman from Greenville, Mr. Rollins, the House voted to take from the table the ninth tabled and unassigned matter, Bill "An Act Relating to the Building and Maintenance of Highway Crossings of Railroads" (S. P. 148) (L. D. 148) tabled by that gentleman on March 3rd, pending enactment; and on further motion by the same gentleman, under suspension of the rules, the House voted to reconsider its action of February 24th whereby this Bill was passed to be engrossed.

Mr. Rollins then offered House Amendment "A" and moved its adoption.

House Amendment "A" read by the Clerk as follows:

House Amendment "A" to Bill "An Act relating to the Building and Maintenance of Highway Crossings of Railroads" (S. P. 148) (L. D. 148)

Amend said Bill by striking out the entire last sentence of the Bill beginning with the words "In allocating".

House Amendment "A" was adopted and the Bill as amended was passed to be engrossed in non-concurrence and sent up for concurrence.

On motion by Mr. Hutchins of Bangor, the House voted to take from the table the thirteenth tabled and unassigned matter, House Report "Ought not to pass" of the Committee on Legal Affairs on Bill "An Act Relating to the Choice of Assessors" (H. P. 798) (L. D. 463) tabled by that gentleman on March 4th, pending acceptance.

The SPEAKER: The Chair recognizes the gentleman from Bangor, Mr. Hutchins.

Mr. HUTCHINS: Mr. Speaker, permission having been received from the members of the Committee, I now move that the Report, with accompanying papers, be re-committed to the Committee on Legal Affairs.

Thereupon, the motion prevailed and the Report, with accompanying papers, was recommitted to the Committee on Legal Affairs and sent up for concurrence.

On motion by Mr. Webber, of Mapleton, the House voted to take from the table the fifth tabled and unassigned matter, House Report "Ought Not to Pass" of the Committee on Education on Bill "An Act Permitting the Department of Education to Cooperate in Establishing University Extension and Correspondence Courses," (H. P. 536) (L. D. 308) tabled by that gentleman on March 3rd, pending acceptance of report.

Mr. WEBBER: Mr. Speaker, this bill was introduced under the belief that there was going to be an opportunity for wide expansion of the good work that is already being done by our State Department of Education in the line of correspondence courses and extension courses in connection with the field of teachers and other institutions, and we believe it will help all classes, from crippled children to those grown-ups who have not had the opportunity of attending school, to those who have had a partial high school course and many others. The State of Massachusetts has already done much work in this field, and for twenty-five years the plan has been successfully carried out. It involves an initial expense, but soon the income from the work goes in a large way to pay for the expense. So it is not intended that the plan that is to be put in operation would cause any immediate outlay, but it has been suggested there might be a study made of that. There is no opposition to the basic idea. So I am going to ask that this be recommitted to the Committee on Judiciary that further study may be made, with the probable result that it will be referred to the next Legislature. I so move, Mr. Speaker.

The SPEAKER: Does the gentleman mean that this bill be recommitted to the Judiciary Committee?

Mr. WEBBER: I meant the Committee on Education, Mr. Speaker.

The SPEAKER: The Chair recognizes the gentleman from Rockland, Mr. Sleeper.

Mr. SLEEPER: Mr. Speaker, I would like to say that if everything transpires as you and other leaders of the Legislature hope, we are

planning to adjourn this Legislature by April 3rd. If we are going to recommit bills, we would like to be quite sure that the Committee to which the bill is recommitted is willing to have that done. So, before taking any action on the recommitment of this bill, I would like to know if the Committee on Education is willing to have that bill recommitted and is willing to attend to it as quickly as possible.

The SPEAKER: The Chair recognizes the gentleman from Rome, Mr. Downs.

Mr. DOWNS: Mr. Speaker and Members of the House: I feel that the Committee gave this measure full consideration at the time, and, as I recall it, the gentleman from Mapleton (Mr. Webber) was the only one to appear for the measure. That may not be correct, but that is the way I remember it. I do not believe there would be any advantage in recommitment at this time. This bill or a similar one might be introduced in the next Legislature without being recommitted. I will state that the report was unanimous.

The SPEAKER: The Chair recognizes the gentleman from Mapleton, Mr. Webber.

Mr. WEBBER: Mr. Speaker, I will say I have consulted the Chairman of the Committee on Education and our House Chairman, and that there is no objection to it, in fact it was considered at the time this might be referred to the next Legislature. But there seemed to be some support for the measure, so it was decided to see first if we could pass it this term; if not, I believe the committee would be in favor of referring it to the next Legislature. I think there is no strong objection to it being recommitted.

The SPEAKER: The question before the House is on the motion of the gentleman from Mapleton, Mr. Webber, that the bill be recommitted to the Committee on Education. All those in favor will say aye; those opposed, no.

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

On motion by Mr. Downs of Rome, the "Ought not to Pass" report of the committee was accepted and sent up for concurrence.

The SPEAKER: We will have to request not only the members of the

House but our guests to be as quiet as possible, because the confusion makes it absolutely impossible for the members to hear the debate.

On motion by Mr. Smith of Newport, the House voted to take from the table the tenth tabled and unassigned matter, Majority Report "Ought not to pass", Minority Report "Ought to pass," of the Committee on Mercantile Affairs and Insurance on Bill "An Act Relating to the Standard Form Insurance Policy" (H. P. 959) (L. D. 496) tabled by that gentleman on March 4th, pending motion of the gentleman from Bingham, Mr. Dutton, that the Majority Report "Ought not to pass" be accepted.

The Chair recognizes the gentleman from Newport, Mr. Smith.

Mr. SMITH: Mr. Speaker and Members of the House: Legislative Document 496 refers to the Standard Form Insurance Policy. My understanding of the word "standard" means some type of protection. If you go into a grocery store and buy a commodity which is "standard," you expect some protection from that.

I would like to cite three cases where this present standard form of insurance policy does not offer that protection.

First, it allows over-insurance, which is an incentive for arson. For example, I have a case here where a lady insured a piece of property for five hundred dollars. This property burned; and arson was suspected, although they could not prove it. On that settlement, they went back, and found that she had bought that piece of property for \$350, and given a bond for a deed. If that property had been appraised when the insurance was placed, assuming that it was arson, the buildings would not have been burned. There would have been no incentive to burn them.

Second in regard to settlement below the actual value of the property, your present policy says in case of total loss the company will settle for the value of that property at the time of the loss. That is not always done. For instance, a lady has a piece of property that is worth \$4,000. She insures it for \$3500, and has a complete loss. The adjuster made a settlement of \$2500. She was not able to wait thirty days. She

needed the money. Of course, the company had thirty days to settle that before it could go before a committee of conference. There was some question as to the \$4,000 valuation.

I would like to cite to you another case. A piece of property is insured for \$2500. It is a total loss. The adjuster comes to the insured and says, "We will pay \$1200." The insured does not accept it. He feels his property is worth \$2500, and he wants that. So they step the figure up to \$1500, and he still does not accept that. At the end of thirty days, proof of loss goes through for \$2500. That means just one thing in that case, that the company admits they attempted to settle that loss for between ten hundred and thirteen hundred dollars below the actual value of that property at the time of the loss. If they did not think so they would not have come back and paid \$2500, without going before a committee of conference.

The third objection is to the committee of conference. I do not think I need to go into that. It has already been proven that it is not wholly satisfactory. In other words, there are quite apt to be two members insurance-minded rather than interested in protecting the policy holder.

This proposed "valued policy," so-called, would eliminate these features—over-insurance first, because it would necessitate the valuation of that property at the time the insurance was placed. I do not believe that any member of this House would deny that is the most logical thing to do—to place insurance on the property while it is still visible, instead of after it is completely destroyed. It would eliminate settlement below actual value of the property because it is stated in this policy that in the event of total loss, the company should pay to the limits of the policy. It automatically eliminates the committee of conference.

The objections that I have heard in regard to this valued policy are, first, it would increase the rates. I believe it was stated on the floor of this House on March 4th that it would increase the cost of insurance to the people in the State of Maine a million dollars. Now, I ask you, are you interested in insurance rates, or are you interested in protection? For instance, here is a case where a man carries \$16,000 worth

of insurance on his property. He had a total loss. The company paid him \$4500. Now, he could have stood nearly a 400 per cent increase in rates, and still be paying no more for his protection than he is under the present insurance policy.

They also say that this proposed policy, the valued policy, would increase arson. I cannot agree with that, because I believe over-insurance is an incentive to arson. If any property is valued justly, why would any one want to burn it? On the other hand, under the present policy it says: "In case of total loss, the company shall settle for the value of that property at the time of loss." If you have the valued policy, and the property is appraised, it means the same thing; it eliminates the possibility of settlement below the actual value, and you have taken away the incentive for arson.

I will cite one case that went before the committee of conference that might be of interest. A man built a store at a cost of \$5700. Four months after he built that, he had a total loss. The insured and the adjuster did not agree, so a committee of conference was called in. They paid him \$2200, four months after he had spent \$5700 for that building. He said, "I would like to know how you arrived at that figure of \$2200." They said "We measured the height, the width and the length of that property, and figured it at 31 cents a cubic foot." I ask you if that is a fair way to settle in the case of a loss?

Another case was brought to my attention. If a man bought a farm, for instance, and on that farm there was a barn worth \$350, he says that there is no question but what he can put \$800 upon that barn. He can burn the barn, and own the property with a little profit. I would like to ask that gentleman here: "Why is the present policy of any value in that case?" It says that you shall settle for the value of that property at the time of loss. Why could it not be valued at the time you placed the insurance on it?

For these reasons, I hope that the motion of the gentleman from Bingham, Mr. Dutton, will not prevail.

The SPEAKER: The question before the House is on the motion of the gentleman from Bingham, Mr. Dutton, that the "Ought not to pass" Report be accepted.

The Chair recognizes the gentleman from Pownal, Mr. Tuttle.

Mr. TUTTLE: Mr. Speaker, this is a matter in which I am somewhat interested, for this reason: From the standpoint of a policyholder, I believe that we, as policyholders and citizens of this State, have a right to know where we stand.

Now I have a small piece of property that I have been carrying insurance on for a matter of twenty years. I would like to know, perhaps before it burns, whether it actually has any value or not.

And there is another point that comes to my mind: Do the agents, when they place the insurance on these buildings, make it clear to the parties insured, or do they lay stress on the fact, that they are only going to pay a certain amount based on the value at the time the building is burned, regardless of how much insurance they may write? I do not believe they do.

Now I was interested in this hearing that took place here on this bill, and the opposition came not from the policyholders, not from the citizens of our State, but from the companies themselves. I wonder if it was entirely a matter of interest in our welfare. Now sometimes I form opinions by the opposition that a bill meets with.

It has been brought to our attention that it is not possible for the companies to know how much this property actually is worth, but it seems to me that over a period of time they might know.

There is one thing I have noted: They can and do often through their agents, inspect chimneys and call to our attention that we must remedy them, and justly so. I wonder if, at that time, it would not be a good idea to notice what the value of the property is. It seems to me it would be.

In this matter of costs, if it costs more, let's pay more. I have no objection to that.

And there is another thing that has come to my attention, and I wonder if the companies are entirely sincere in their methods. When a set of buildings is burned, and the matter of insurance comes before the company, and the matter of valuation, and they find that it has been over-insured, perhaps over a long period of years, do they rebate to the policyholders the amount of the excessive premiums that they have been taking throughout all

those years? If they do, well and good, but I have never known of an instance when they did.

Now in this matter of arson, I would like to call your attention to five cases—I will not go into the detail of it—that came to my personal attention as a Deputy Sheriff in one of our counties. There is no question in my mind and in the mind of other authorities, that the buildings were burned purposely, but three of those cases—and we understood that arson is a very hard crime to convict, and there was only one conviction secured on them—but three of those cases were cases where we will admit the buildings were apparently burned for the insurance. Two cases were cases of spite, but in no instance, not one of those five cases that came to my special attention was there a question of excessive insurance,—so I believe that does not always appear even in a case of arson. Now “The proof of the pudding,” to use the old homely phrase, “is in the eating.”

I have talked this matter over with several property owners, some of them, owners of large property, who probably have to pay quite large insurance premiums, but in each case they have all told me that that was the only fair and honest way of doing business, as they considered it. Now if that is true, and I believe it is, and we are all willing to pay a fair amount, I believe that the bill as introduced by the gentleman from Newport (Mr. Smith) should be passed by this House, and I would not feel that I was doing my duty to my constituents who sent me down here to represent them if I did not say a word in its favor.

The SPEAKER: The gentlewoman from Bangor, Miss Clough, raises the question of whether or not this matter should be discussed at this time due to the fact that Mr. Dutton, of Bingham, House Chairman of the Committee on Mercantile Affairs and Insurance is absent, and we are discussing his motion that the Majority Report “Ought Not to Pass” be accepted. The Chair will state that the House Chairman made his position clear when the matter was debated on the previous day, and, for that reason, there is no disposition to take advantage of his absence, and discussion of the question is in order.

The Chair recognizes the gentleman from Sanford, Mr. Pascucci.

Mr. PASCUCCI: Mr. Speaker and members of the House: In the discussion I have heard on this bill the chief worry seems to be the increased rate of premium to the policyholder. I do not know how many members here carry insurance on their property or real estate or otherwise, but it has been my experience that whenever I have taken out a policy of insurance on real estate, I go to the insurance agent and I state to him how much insurance I want to carry and he writes out the policy and charges me the premiums and I pay them. The obvious fact is that a policyholder, when he insures his property, the amount that he states he wants on the policy is naturally his interest in the property. Now the insurance company does not make any effort to determine whether or not he is over-insuring his property, and they take his money and they keep on taking it year after year, and yet when the time comes to determine the value of the destroyed property the question of what the insured has valued his property at is no longer necessary or vital to the question of settlement.

Now if the insurance company sells a bill of goods and receives a consideration for that particular bill of goods, I think they should be bound by their contract. What effort has the insurance company ever made to determine the value of any property offered to it for insurance? They have always accepted the value told them by the assured.

Now if we want to make it as broad as it is long, why do not the insurance companies stand by their contract of insurance if they accept the premium coverage along with their policy? If the insurance company is willing to take the insured's value of that property and accept the money for it, I think it should be bound by the contract and whatever action they take in accepting this money. Therefore I feel it is of interest to all the members of the House to know and for the people of Maine to know, whenever they buy insurance, that they are covered for the amount of money they think their property is worth. If the insurance company feels their valuation is excessive, they can protect themselves, and they can determine whether such a valuation is proper. Therefore, I feel, in view of all these facts, where they take

the money of the insured for a certain amount of valuation, that they should be bound by the contract. I therefore feel that the majority report should not be accepted.

The SPEAKER: The question before the House is on the motion of the gentleman from Bingham, Mr. Dutton, that the Majority Report "Ought not to Pass" be accepted.

The Chair recognizes the gentleman from Durham, Mr. Day.

Mr. DAY: Mr. Speaker, insurance companies as a whole agree that one of the greatest evils in insurance is over-insurance.

The SPEAKER: The gentleman has permission to face the House.

Mr. DAY (Continuing): The question is: Will this bill correct that? That is one question I would like to have decided. I do not believe it will.

Now I am interested in this bill from the standpoint of a policyholder and also from the standpoint of my constituents, who for the most part are farmers.

There have been several questions raised, and one of them is as to the cost. I think we should consider too how many are being hurt by this law and the percentage; how many will be affected by the change, and whether this bill will do the work.

Now we have been referred many times to our sister state, the State of New Hampshire. We have had our present standard policy law since 1895, and it has been doing a good job. On several occasions this law has been sought to be changed by the legislatures of 1927, 1931, 1937 and 1939, but all these legislatures, after considering the question fully, have turned it down. I wonder if we are any wiser than they were?

Now in regard to New Hampshire: New Hampshire is the only state in the northeast that has this valued policy clause, and it is interesting to note that their premium rate is the highest of any in New England. The average for all types of fire in New Hampshire from 1930 to 1939 was \$1.13 per hundred. The average for the United States was 74 cents per hundred. That makes a difference of 39 cents, which is 53 per cent higher than the average for the United States.

Now the New Hampshire rate in 1941 for fire insurance carried by

the Maine public from 1936 to 1940 inclusive would cost the people of the State of Maine \$871,540 more annually than it did cost under our own law and rates.

The members of the Legislature, when they vote on this question, must bear in mind that the result of their vote will affect the pocket-books of every person carrying fire insurance; they must bear in mind that in effect they are levying a new tax on the public of nearly one million dollars per year. Now if our constituents knew that we were adding a new tax of a million dollars per year, I am quite positive we would get quite strenuous objection from every quarter in the state, that that is virtually what we will be doing.

Now the average cost of fire insurance in valued policy states in the United States is 19 per cent higher than in the non-valued policy states—that is, the country as a whole. If the cost of the premiums in Maine were increased by the amount of the difference in this national average, the fire insurance policyholders in Maine would have to pay annually \$1,556,672. I am sure the people of Maine would be alarmed if they knew those figures.

Now I arrive at those figures in this way: States in the United States having valued policy laws, the average premium rates per \$100 of net risk were 80 cents per hundred. States in the United States without valued policy laws, 67 cents per hundred. This makes a difference of 13 cents, which is 19 per cent higher.

Now do we want to increase the cost for every insurance policyholder in the State to that extent? I say we do not.

New Hampshire has the highest farm loss ratio per premium dollar in the New England States. In New Hampshire the farm losses thorough destruction by fire are 26 per cent in excess of such losses in Maine per premium dollar. The largest item paid out of the premium dollar is the loss item, and reduction in losses will reduce premiums.

Another item, and one that would be directly felt in Maine, would be the added cost of appraisals and investigations. One of the previous speakers spoke about appraisals. Now those appraisals would cost us considerable money. If the individ-

ual policyholder cares to have an appraisal, he can have it, but most of the appraisals would be in the cities and the larger towns, and the cost of appraisal would have to be added to our premium, especially in the case of a mutual company. And all inspections would have to be added, which I believe is a good thing and which is done by many companies.

Now fire insurance is not life insurance. In life insurance we know that every insured must die, but in fire insurance there is a large percentage of the buildings that never burn. All this added cost would be added to these policyholders. I myself, and my people, have been insured in one company for going on sixty years, and we never have had a loss. Perhaps one out of five hundred might burn, but the four hundred and ninety-ninth would have to bear the expense.

Now who does the valued policy help? The valued policy would help just one in a very, very small group. I looked that matter up just a little to find out how many were being penalized by this present law, and I found that over a four-year period there were 17,921 adjustments and out of that number just nine went to conference for adjustment. That is a very small percentage—one, approximately, out of nearly two thousand. Now that is a lot of people to be affected.

I remember a few years ago I was in Chicago at a gathering and they said there were 17,000 people in that group. Believe me, it is a lot of people. Now going into the building there were a number of doors. If nine people out of that 17,000 people should bump their head against a door, I do not think we would be very much concerned about it. We would say, "You will have to look where you are going, or else go where you are looking," and keep on. But every policyholder would be affected if this goes into effect.

Now I believe that the committee of reference is fair; I believe in most instances their decisions are eminently fair, and, from my observation, I have never found them otherwise. Now every mutual company in the State that I have contacted—I haven't been able to reach them all, but I have reached quite a number—every one of those mutual companies in the State is opposed to this law.

Who is the mutual company? It is not the directors of that company, the officers of that company; it is you and I who hold the policies that are the company. We go to our annual meeting and we elect our officers; we elect the salary committee, which retires and brings in the salaries we propose to pay. The company does that, the policyholders, and so they are the company. The officers of those companies have registered with me strenuous protest against this bill having passage. To mention just a few of the companies which have contacted me: There is the Gardiner & Richmond, of Richmond. There are a number of the Aroostook group, Aroostook Mutuals from Presque Isle and Houlton and other sections of the county; the Cumberland Mutual of Cumberland Center; the Harrison Mutual from Harrison; Medomak Mutual of Waldoboro; the Boothbay Mutual from Boothbay; the Androscoggin Mutual from Auburn; the Maine Mutual from Lisbon Falls; the Oxford Company from South Paris; the York Mutual from West Buxton; the Washington Mutual from Portland, and the Saco Mutual. Those companies have all registered protest against this bill. I have here a number of letters which state their position. I am not going to try to read them all, but I would like your permission to read one, which is short, and covers their position, I think, very well:

"The Harrison Mutual Fire Insurance Company wishes to go on record as being opposed to the so-called Valued Policy Bill, now before the Legislature. We feel that this is contrary to the principle of indemnity upon which fire insurance is based, that it is wrong in theory, harmful in practice and a direct incentive to fraud; the cost of insurance to policyholders would also be increased."

That is typical of all the letters I have received. It is short, and so I am reading it to cover the ground.

Now I have tried to show you that by increasing the inspections, by increasing the acceptance of the appraisals—and one thing I have not mentioned, and that is the possibility that if this goes into effect that you will have to write shorter-term policies. Now in the company which I know the most about this would necessitate, if we

wrote a three-year policy instead of a five, in the course of six years it would affect policyholders to the tune of about \$55,000. All of this would have to be passed on to our policyholders.

I have tried to show you the cost; I have tried to show you that the number injured is small, and that the bill would not correct the situation. I believe if we are going to pass a bill, if the only thing we want to do is to correct that situation, that perhaps a bill to make it obligatory for every person himself to have an appraisal made, or every company to have an appraisal made before, might correct it, but I do not believe this bill will.

I have not mentioned arson, which has been touched upon, and which I believe would be increased greatly if this bill goes into effect. It would not be effective just now, but you go into a period of depression and I feel quite confident this would be the case. So, for that reason, I hope that the motion of the gentleman from Bingham, Mr. Dutton, for the acceptance of the Majority Report "Ought not to Pass" will prevail.

The SPEAKER: The question before the House is on the motion of the gentleman from Bingham, Mr. Dutton, that the Majority Report "Ought to Pass" be accepted. The Chair recognizes the gentleman from Auburn, Mr. Jacobs.

Mr. JACOBS: Mr. Speaker, I want to substantiate the remarks of our good friend, Mr. Day of Durham in regard to this mutual life insurance proposition. I myself carry some thirty thousand dollars worth of insurance in the mutual life and fire insurance companies, and this communication which I have in my hands is from the Association of Mutual Fire Insurance Companies of Maine, embracing forty-two Maine Mutuals. I will not read all of the communication, but simply this:

"We are trying to build up Maine institutions and do Maine business, and the Maine Association of Mutual Fire Insurance Companies at its last meeting voted as being opposed to the so-called Valued Policy Bill because it would increase the cost of insurance and open the door to fraud."

I hope that the motion of the gentleman from Bingham, Mr. Dutton, will prevail.

The SPEAKER: The Chair recognizes the gentleman from Pittsfield, Mr. Vickery.

Mr. VICKERY: Mr. Speaker and Members of the House: As a member of the Committee on Mercantile Affairs and Insurance, and as an insurance agent with twenty-five years experience, as such I will say that increase in premium which has been noted will undoubtedly take place. I wish to substantiate my action in signing the report "Ought not to Pass."

The Maine Standard Policy form is a contract of indemnity up to the stated amount in the policy. It is a form of contract which for more than forty-eight years has served the State of Maine through various cycles of business prosperity and depression. Insurance values are always subject to fluctuation and to conditions beyond control at the time the policy is issued. From my experience, I believe that it is the intention of the companies to carry out the terms of their contracts as written. I honestly feel that the majority of the cases that are under discussion and dispute are no more than natural to what you might find where there is such a large volume of business considered. You are dealing with a matter of values, the matter of two minds coming together as to what the value is; a condition which is changing from year to year; a condition which I know the agents of the State of Maine try to remedy to meet those conditions. We do try to have valuations placed upon property in many cases before we write our policies. The cost is fairly heavy so heavy in fact that we very seldom enter into it except in case of large pieces of property. My experience has been that a just valuation is apt to cost around \$25, and even then it has been my experience that the parties will not be fully satisfied with the valuations thus determined.

Three years ago I placed the town of Pittsfield upon a scheduled form of insurance and we had to have three valuations before I, as an agent, was satisfied to accept the values stated, and those values today may be wrong due to present economic conditions and structural costs of replacement.

An individual comes into my office and wants insurance. I may, as an agent, sit down and consider that

piece of property and advise him as to what I think is the maximum to be carried. That is the natural procedure in any legitimate insurance office in the State of Maine today. We have two minds that perhaps do not agree as to what that value is, but he accepts my policy and says nothing. He is still uneasy and perhaps a little wiser—and this is an actual experience—he goes down to John Brown's agency in some other town perhaps nearby and takes out another policy, not mentioning perhaps that mine is in force. Now he does not do that with any intention of fraud; it is just a matter of honest judgment in his opinion, yet it is many of these cases that are causing disputes at the time of fire loss.

We also have the problem of individuals who, through numerous losses, are a good deal like a bull before a red flag when there is a loss. The companies just wonder what there is back of it due to previous history. Those cases are very apt to go to reference, but I consider personally from my twenty-five years' experience, that our Maine reference law is just and fair. When you report a case to three individuals, one picked by the company carrying the risk, another picked by the assured, and a third by those two, I can consider no fairer means for judging a loss as a whole. There are errors of course, to any method of business procedure.

The matter of valuation and the method of obtaining the same was mentioned as being figured on a cost of cubic contents basis. That is a practice adopted by many companies in the matter of valuations. They know, for instance, a building of such a type is built at a total cost of so much. They know, figuring from that, the cost per cubic foot, and it is used as a balancing ratio many times. Your adjusters, in considering loss, have what they call their "little black book," and they know it costs so much per unit for a certain type of construction. Without any question those figures are in favor of the property in the rural sections. But when you come to the matter of writing a valued policy in the State of Maine, I would call your attention to this in regard to this bill: that this bill deals wholly with real estate and then only in case of total loss. Our Maine Standard Policy is used to cover all types of property that

might be mentioned in the form, all of which are still subject to the laws of fluctuation in value as to the times and the condition of the real estate market. If it is just to have a valued policy law for real estate, it is just to have it for other property. Loss experience is bound to increase the premium cost to the State of Maine. The experience of the valued policy law in other states shows an increase of loss which must be taken care of by the policyholders. It is a natural law of business. The companies are interested. As has been said, they appeared at the hearing well represented. And why shouldn't they? From many years' experience, they know that what affects the policyholder affects them. The natural laws of competition in business make pretty sure of fair treatment of the policyholder, and the small percentage of those cases which are subject to consideration and to argument, it seems to me, are well taken care of by our law of the present time on reference. I hope that the motion of the gentleman from Bingham, Mr. Dutton, will prevail.

THE SPEAKER: The Chair recognizes the gentlewoman from Brunswick, Miss Bangs.

MISS BANGS: Mr. Speaker, may I have permission to face the House?

THE SPEAKER: You have the Chair's permission.

MISS BANGS: Fellow Members of the Legislature: I heard the other day of one of our fellow members who went back to his home town to serve as a Moderator; and a man addressed the Moderator as follows: "Mr. Moderator, I do not know much about this subject but—", and he was going on to his oration, but our fellow member immediately banged the gavel and said, "Next speaker."

I do not, perhaps, claim to know a great deal about this subject, but I do feel that possibly I know a little more than many of the laymen here, and therefore, I would like to offer what little help I can to you in deciding this important measure. We like to feel that we are representing the people. We want to try as nearly as possible to represent the majority of the people. Unfortunately, we cannot always represent all of the people, because all of the people do not

agree. There may be a minority of people who do not agree in this particular proposition, but when I uphold the "Ought not to pass" Report of the Committee on Mercantile Affairs and Insurance, I feel that I am representing the majority of the people, and the reason for my deduction is this—there are thousands of policies in the State of Maine, and there are thousands, therefore, of policyholders. Of those thousands of policyholders, there is a very small percentage who have fires, and, therefore, a very small percentage of people who will benefit under the insurance. To go even further, of that small percentage of people who will benefit under the fire losses, there is even a smaller group of policyholders who have to dispute the findings of the insurance companies. We have heard today only perhaps of six or seven isolated cases where an injustice has been done, but we have not heard of the thousands of cases where the policyholder has been happy and satisfied, and justice has been done. New Hampshire has this law; and New Hampshire happens to have the highest insurance rates, and it happens to have the highest ratio of losses. In my insurance experience, as an attorney, I found this: When I have real estate transactions, all I do is to go to the telephone, and call my agent, or the agent my client wants to represent him, and say, for instance, "I want \$5,000 worth of insurance on such and such a property." From that minute on, I am insured, or my client is insured. The reason for that is in our small communities our agents know us. Our agents know our property; and if I should call, and that agent should think that my client should only have \$3,000, that agent can call me for it. He can even refuse to write the insurance. But, for the most part, that agent knows that we, the policyholders, are honest; that we do not intend to pay premiums on insurance that we know is not justified, and I think that the insurance agents, for the most part, are equally as well qualified to judge on such a proposition as the outside appraiser.

Now, what would happen if we had to have these appraisers? I would call the insurance agent and ask for that insurance, and he would have to say, "Well, now, our

appraiser comes to town next week. We will send him over, and he will appraise your property." In the meantime, perhaps my property is burned. This is only going to add confusion; it is only going to add difficulties to our problems. Perhaps the insurance law is not perfect as it is, but is this the answer? I say "No." This bill is not the answer to those problems.

Now, I would like to substantiate my remarks by stating that I, as an attorney, have a great regard and respect for the American Bar Association, and the men who comprise their respective committees. The men who comprise the Insurance Committee of the American Bar Association happen to be the most learned insurance lawyers in the United States, and they not only represent insurance companies, but they, too, represent policyholders, because they are large property owners, and they represent large corporations. I would like to read to you a resolution of the American Bar Association regarding the valued policy law.

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

Now, I hold no particular brief for the insurance companies, but I do say that if the insurance companies have to stand an increased cost by reason of the companies hiring these appraisers, that the policyholders are going to have to pay additional premiums, and rightly so. The insurance companies are performing a great public service, but it is a business proposition with them, and if they have to suffer additional costs, then they have to get them from somewhere, and we are the people they get them from, we, the policyholders.

Now, in case I might be prejudiced by the American Bar Association by reason of my profession and my high

regard for its members, and in case any of you might be prejudiced against attorneys, I would like to further substantiate my remarks by reading a resolution adopted by the National Convention of Insurance Commissioners. Now, the Insurance Commissioners represent the policyholders and not the insurance companies. Our Insurance Commissioner here in the State of Maine is our agent. The resolution is as follows:

"Whereas, the true function of property insurance is the replacement, by cash indemnity, of property values destroyed by hazards insured against, and,

"Whereas, the so-called 'Valued Policy' law substitutes for actual value the fictitious basis of a mere paper valuation, which is economically unsound, and,

"Whereas, such 'valued policy' laws are temptations to arson, dishonest claims and fraudulent practices, which increase the waste by fire, making higher insurance rates necessary, and thereby adding another further unnecessary burden upon the insuring public; and,

"Whereas, such valued policy laws, in operation, tend to discriminate against the honest citizen in favor of the criminal and dishonest;

THEREFORE BE IT RESOLVED, that 'valued policy' laws are contrary to public interest and subversive of the true basis of insurance indemnity; ****

I do hope that these will prove to you that if we pass this law, we are going to increase the rates for insurance that the policyholders are going to have to pay, in order to satisfy a minority.

I certainly hope that the motion of the gentleman from Bingham, Mr. Dutton, for the acceptance of the Majority Report "Ought not to pass" on this legislation will prevail.

The **SPEAKER**: The question before the House is on the motion of the gentleman from Bingham, Mr. Dutton, that the majority report "Ought not to Pass" be accepted.

The Chair recognizes the gentleman from Sanford, Mr. Pascucci.

Mr. **PASCUCCI**: Mr. Speaker, I have listened very carefully to the statements made by the last two or three speakers. Let us assume they are correct; let us adopt their atti-

tude that this bill is bad law. What do they say in support of it? They say that a million dollars will be taken out of the pockets of the taxpayers of the State of Maine as a result of increased rates of insurance.

The statement has been made here that 17,000 claims have been satisfactorily adjusted. Now how they arrive at that figure I do not know. I do not know what is satisfactory. But let us assume they satisfy the policyholder as to the value of the property insured. Now if that is true how can the premium rates be increased if they have paid the policy value, as they say they have, as a result of paying 17,000 claims?

Now, the bill we have here today merely says that the insured's interest in the property was to be the basis of the damages paid.

Now I ask you to bear with me for a moment and let that sink in. If they have paid these claims satisfactorily, how can the premium rates increase? A policy holder can go to an agent and ask for a policy of insurance, and the agent knows well the value that should be assessed upon that property as a basis on which that policy is written. Therefore, if that is so, why are they not taking an exception to what I said just a while ago? It must be so. Now I say to the members of this House: they bring up the old question of arson, malfeasance, nonfeasance or whatever feausance you want to call it, but I do say this: if a policyholder goes to an insurance company and asks that a certain building be insured for so much money, and if the agent should determine that the particular valuation is over, there is nothing to stop the insurance company from withholding the policy until proper investigation is made as to the value of that property. Why isn't the insurance company able to take care of itself along that line? Therefore, under this bill here, if the companies are paying, as they claim they are paying, the right valuation on the property by making the policyholder satisfied, how could this bill hurt them so that it will result in an increase in the rate of premium?

Now as a result of it we have a dispute today. The policyholder claims a certain amount under his policy, that the policy calls for so much money, and the insurance company says that is not so, and we

have a dispute. Who suffers by it? But if they do make a proper investigation prior to the issuance of the policy, certainly there will be no need of dispute, no need of board of reference, and I think both the policyholder and the insurance company would not be at loggerheads on matters to be adjusted. Therefore, I think if they could under this bill make satisfied policyholders they would not be infringing on what they are doing today.

The SPEAKER: The Chair recognizes the gentleman from Pownal, Mr. Tuttle.

Mr. TUTTLE: Mr. Speaker, Mr. Day, the gentleman from Durham, asked this question: "How many are being hurt under present conditions?" I do not know. I cannot answer that question. I have one for him. How many would be hurt supposing every piece of property in the State of Maine should be burned today?

The SPEAKER: The gentleman from Pownal, Mr. Tuttle, asked a question of the gentleman from Durham, Mr. Day, and he may reply if he sees fit.

Mr. DAY: Mr. Speaker, I did not hear the question.

Mr. TUTTLE: Mr. Speaker, I asked how many would be hurt if every piece of property in the State of Maine should be burned today?

Mr. DAY: Mr. Speaker, I think that it is self-evident that that question does not need an answer.

The SPEAKER: The Chair recognizes the gentleman from Pownal, Mr. Tuttle.

Mr. TUTTLE: Mr. Speaker, another question that came to my attention was this—if it would cost a million dollars more, I wonder if the parties who computed those figures credited the amount of excessive premiums they have collected to date, to subtract from it.

There was one other point brought up today. I think possibly most policies include—I happen to hold a policy in two companies—and that was the matter that was brought up by the gentleman from Pittsfield, Mr. Vickery, in regard to people going out and getting extra insurance,—that is done; but in those two policies I happen to hold today, there is a clause in those that no other insurance shall be

taken out without the permission of the company. I believe that could be incorporated in all policies.

There is another thing that has been brought to my attention. I, too, have a great respect for the American Bar Association. I also have a great respect for the American Bartenders' Association—(Laughter) but I do not believe either of them is infallible. (Laughter)

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Grua.

Mr. GRUA: Mr. Speaker and Members of the House: I hesitate to say much. I think plenty of discussion has already gone forward. I would like to answer the question asked a few moments ago on why, if the settlements have been so satisfactory, this valued policy would increase the cost of insurance. The reason it would increase the cost of insurance is that the companies would then be obliged to appraise every piece of property that was insured although only one in five hundred burned. The appraisal of the other four hundred and ninety-nine would be so much wasted effort for which you and I would have to pay. Insurance companies operate on a very small margin. It has been suggested they make large sums of money. The actual average that the insurance companies keep out of each hundred dollars worth of insurance is two cents. That is the net to the insurance companies over the United States, two cents; and on that they have to pay their stockholders.

As you know, every policy of insurance that is written has in big, black letters right across the front of it on the front page: "The company shall not be liable beyond the actual value of the insured property at the time any loss or damage happens." That is on your policy; it is right there in big letters, in black and white, and a man looking at his policy at all can hardly escape seeing it. That I showed you is a policy by a stock company, the Home Insurance Company of New York. I have here a policy of the Pawtucket Fire Insurance Company of Pawtucket, Rhode Island, for which I have been privileged to be agent for thirty years. They say the same thing on that policy: "This company

shall not be liable beyond the actual value of the insured property at the time any loss or damage happens." You can almost see it from your seats. It is in big, black print, right across the top of the policy.

Now so far as losses are concerned, this valued policy is designed principally to help farm losses. We have a very unfortunate situation in the State of Maine in regard to our farms. There is scarcely a farm in the State of Maine that cannot be bought for less than one-half of the replacement value of the buildings. You are, therefore, confronted immediately with the question of the value of those buildings, how to arrive at a just appraisal of those buildings, and, as has been well said, that valuation varies and fluctuates from day to day, month to month and year to year. It is the practice of most insurance agents—I am sure it is in my office—if a man comes in and wants insurance on his farm, we tell him frankly he can only recover the value of those buildings to the farm, not the property replacement. We tell him it is the value of the buildings to that particular farm. How do we arrive at that? We ask him how much the land would sell for if it didn't have any buildings on it. He says he has got a good woodlot. We say, "What would you take for it with no buildings at all?" What would he take for the farm? What could he get for the farm in fair, open market, selling to a man who wants to buy the farm?—something like that. What can they get for the farm in the open market? We get that figure. We deduct what he thinks he could get for the land from the price he thinks he could get for the farm in the fair, open market, and the difference is necessarily the value of the buildings. We frankly tell him it is useless for him to put on more than that because he would not recover more than that.

It has been stated here, and I want to impress again upon you the fact, that this insurance is indemnity—in other words we seek to put a man in as good a position as he was before the fire, but no better; just to pay him what his loss is, and that is the actual value of the property restored, the fair market value.

Now, I speak from experience in this insurance game. I know that almost every company tells its adjusters and tells its agents, "Give the man every dollar he is entitled to." Now, that is our experience. Those are our instructions. And that is what we are trying to do. Remember, we as agents get our bread and butter from our patrons, not from the insurance companies. We represent the insurance companies; we are their agents; and we try to see that they are not treated unjustly but we are principally interested in seeing our patrons get a square deal, and when they do not, you will find your agents are not backwards in telling the company just where they get off. Many adjustments which have gone through my office have been increased, because I thought possibly they had not gotten every consideration they could, and every agent can give you a similar experience. I have been writing insurance, as I say, for thirty years, and I have had just one case that went to reference. Do you want me to tell you about that? I was also a real estate agent. I had a farm for sale for \$3,000, plus \$300 commission. The owner came into my office and wanted to put on \$4,000 of insurance. I said, "Nothing doing." I questioned him, just as I have done with you, and we arrived at a figure of \$2,000, and I put the policy into the Washington Insurance Company. He went from my office, unbeknown to me, and went down to Lewiston and went into another agent's office, and he said nothing about having been in my office, and he put on another \$2,000 in the same identical company. Then, as you might expect, he had a loss, and he was not satisfied, because they wanted to pay him just the value of the buildings. He had a gambling contract, and he wanted to cash in on it. This valued policy is nothing short of a plain gambling contract.

There is another thing that I want to call to your attention. We have what is called the "three-quarters valued" form of policy, which gives to the farmer a much lower rate than if he takes actual value. That means we pay to him three-quarters of the value of anything that is destroyed. Nine out of ten farmers take the lower rate, that is, they bear part of the risk themselves. The buildings are much less likely to burn, and the company can

therefore afford to insure them at a less price. Now, this valued policy would not help them at all.

Let me call your attention to one thing in this valued policy. You will note it only applies to buildings, and it only applies to complete destruction of buildings. Did you ever see a fire that you could say the buildings were completely destroyed, the foundations and all? Suppose the foundation was not completely destroyed? Is it a complete destruction? I think there would be mighty few cases where that would apply, if this law is passed, because it says "completely destroyed." "totally destroyed" — those are the words "totally destroyed." In most cases there is a little salvage somewhere, so that there is not quite total destruction. Under this act as it is here it has to be total destruction, before it is of any benefit to anybody, anywhere.

Now, they say that we are not honest in presenting insurance as it is. Just on which foot is this shoe, I wonder? If these people want a valued policy, why do not they bring in a bill here and say, "Let us have a valued policy, and we will pay the extra cost." Let every man who applies for a valued policy sign a note or an agreement to pay for the extra charge of the appraisal and the annual inspection. No, they do not want to do that. They want us other policyholders to bear the expense of these appraisals on these gambling contracts. I say that it is not fair. I say that they want to put this expense on these policyholders. The people at home are going to say something to us when we return, and ask us just why we increased their cost of insurance down here.

Now, remember only nine out of 17,000 went to reference at all. Remember, that is a very small percentage. Is not it more than likely that that small percentage was largely made up of people that wished to get more than they were entitled to? I submit that is a reasonable conclusion. I do not want to take up more of your time. I could talk for an hour and a half on this, but every insurance agent you talk to I am sure will tell you that this policy is bad; that it does tend to over-insurance; and over-insurance is one of the worst things that we have to contend with, and that over-insurance necessarily means a temptation to arson.

I hope very much that the motion of the gentleman from Bingham, Mr. Dutton, to accept the "Ought not to pass" Report, will prevail.

The SPEAKER: The question before the House is on the motion of the gentleman from Bingham, Mr. Dutton, that the Majority Report, "Ought not to Pass" be accepted.

The Chair recognizes the gentleman from Durham, Mr. Day.

Mr. DAY: Mr. Speaker, I will ask for a division.

The SPEAKER: All those in favor of the motion of the gentleman from Bingham, Mr. Dutton, for acceptance of the majority, "Ought not to Pass" report will rise and remain standing until counted and the monitors have made and returned the count.

A division of the House was had.

Eighty-five having voted in the affirmative and 7 in the negative, the "Ought not to Pass" report was accepted and sent up for concurrence.

The SPEAKER: The House is proceeding under Orders of the Day.

The Chair recognizes the gentleman from Union, Mr. Stephenson.

Mr. STEPHENSON: I move we adjourn until 9:30 tomorrow morning.

The SPEAKER: The Chair recognizes the gentlewoman from Bangor, Miss Clough.

Miss CLOUGH: Mr. Speaker, I understand the motion to adjourn is undebatable, but is the time of adjournment debatable?

The SPEAKER: The question of time is debatable.

Miss CLOUGH: I move then, Mr. Speaker, that the House adjourn until ten o'clock tomorrow morning.

The SPEAKER: The gentlewoman from Bangor, Miss Clough, moves that the hour of adjournment be until ten o'clock tomorrow morning, an amendment to the motion made by the gentleman from Union, Mr. Stephenson.

Mr. STEPHENSON: Mr. Speaker, I withdraw my motion.

On motion by Miss Clough, of Bangor,
Adjourned until ten o'clock tomorrow morning.