

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

Ninety-Fifth Legislature

OF THE

STATE OF MAINE

1951

**DAILY KENNEBEC JOURNAL
AUGUSTA, MAINE**

SENATE

Wednesday, April 18, 1951

The Senate was called to order by the President.

Prayer by the Reverend Hazen F. Rigby of Gardiner.

Journal of yesterday read and approved.

From the House

Bill "An Act Relating to Her Own Business Program." (H. P. 1233) (L. D. 786)

(In Senate, on April 12th, voted to insist on its former action whereby the bill was passed to be engrossed in non-concurrence.)

Comes from the House, that body having insisted on its former action whereby the bill was indefinitely postponed in non-concurrence, and now asks for a Committee of Conference.

In the Senate, on motion by Mr. Leavitt of Cumberland, the Senate voted to insist and join with the House in a Committee of Conference.

"Resolve Prohibiting Fishing in Certain Parts of Swan Lake, Waldo County," (H. P. 1225) (L. D. 779)

(In Senate, on March 28th passed to be engrossed in concurrence)

Comes from the House, engrossing reconsidered, and the bill indefinitely postponed in non-concurrence.

In the Senate, on motion by Mr. Greeley of Waldo, the resolve was laid upon the table pending consideration.

Bill "An Act Relating to Taking Animals and Birds for Scientific Purposes." (S. P. 454) (L. D. 1068)

(In Senate on March 28th, passed to engrossed.)

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

In the Senate, on motion by Mr. Ela of Somerset, the Senate voted under suspension of the rules to reconsider its former action whereby the bill was passed to be engrossed; and on further motion by the same Senator, House Amendment A was adopted in concurrence and the bill as so amended was passed to be engrossed in concurrence.

Bill "An Act Relating to Insurance Agents and Brokers." (S. P. 370) (L. D. 898)

(In Senate passed to be engrossed as amended by Committee Amendment "A".)

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

In the Senate, on motion by Mr. Dennett of York, the rules were suspended, the Senate voted to reconsider its former action whereby the bill was passed to be engrossed, House Amendment A was read and adopted in concurrence and the bill as amended by Committee Amendment A and House Amendment A was passed to be engrossed in concurrence.

The Committee on Legal Affairs on Bill "An Act to Establish a Civil Service Commission for the Town of Old Orchard Beach," (H. P. 1206) (L. D. 764) reported that the same ought to pass.

Comes from the House, report accepted, and subsequently the bill indefinitely postponed.

In the Senate, on motion by Mr. Weeks of Cumberland, the bill was laid upon the table pending acceptance of the report.

Bill "An Act Relating to Qualification for Lobster Licenses for Veterans." (S. P. 443) (L. D. 1006)

(In Senate on April 4th, passed to be engrossed.)

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

In the Senate on motion by Mr. Greeley of Waldo, the rules were suspended and the Senate voted to reconsider its former action whereby the bill was passed to be engrossed, House Amendment A was read and adopted in concurrence and the bill as so amended was passed to be engrossed in concurrence.

The Committee on Inland Fisheries and Game on "Resolve Providing for a Fish Screen on Scott's Brook, Washington County," (H. P. 1536) (L. D. 1129) reported that the same ought not to pass.

The same Committee on Bill "An Act Relating to Payments to Estates of Persons Killed in Hunting," (H. P. 313) (L. D. 176) reported that the same ought not to pass.

The same Committee on "Resolve Opening Portage Lake to Ice Fishing for Certain Fish," (H. P. 528) (L. D. 290) reported that the same ought not to pass.

The same Committee on "Resolve in Favor of Danforth Rod and Gun Club," (H. P. 1265) (L. D. 834) reported that the same ought not to pass.

The Committee on Judiciary on Bill "An Act Relating to Evidence of Intoxication," (H. P. 1422) (L. D. 1030) reported that the same ought not to pass.

The same Committee on Bill "An Act Relating to Evidence of Offenses Before Grand Jury," (H. P. 1542) (L. D. 1135) reported that the same ought not to pass.

The same Committee on Bill "An Act Relating to Certificate of Devises of Real Estate Filed by a Register of Probate with the Register of Deeds," (H. P. 1547) (L. D. 1108) reported that the same ought not to pass.

The same Committee on Bill "An Act Relating to the Entering Upon the Land of Another and Causing Fear or Alarm," (H. P. 1424) (L. D. 1031) reported that the same ought not to pass.

The same Committee on Bill "An Act Relating to the Expenses of the Town of Lincoln Municipal Court," (H. P. 557) (L. D. 315) reported that the same ought not to pass as it is covered by other legislation.

The Committee on Welfare on "Resolve Providing for State Pension for Fred Gagnon of Augusta," (H. P. 1287) reported that the same ought not to pass.

The same Committee on "Resolve in Favor of Antonio Bosse of Lewiston," (H. P. 1654) reported that the same ought not to pass.

The same Committee on "Resolve Providing for an Increase in State Pension for Harold Varney of Houlton," (H. P. 1459) reported that the same ought not to pass.

The Committee on Judiciary on Bill "An Act Relating to Publishing Vital Statistics in Town Reports," (H. P. 1555) (L. D. 1116) reported that the same ought not to pass.

Which reports were severally read and accepted in concurrence.

The Committee on Inland Fisheries and Game on "Resolve Providing for a Fish Screen at Worthley Pond, in the Town of Peru, Oxford County," (H. P. 1578) (L. D. 1150) reported that the same ought to pass.

The same Committee on "Resolve Providing for a Fish Screen at the Outlet of Gardner's Lake at Chase's Mills, in East Machias, Washington County," (H. P. 1537) (L. D. 1130) reported that the same ought to pass.

The same Committee on "Resolve Providing for a Fish Screen at Outlet of Highland Lake in the Town of Bridgton," (H. P. 317) (L. D. 175) reported that the same ought to pass.

Which reports were severally read and accepted, in concurrence, the resolves read once and tomorrow assigned for second reading.

The Committee on Inland Fisheries and Game on "Resolve in Favor of the Waterford Fish and Game Association," (H. P. 1164) (L. D. 687) reported the same in a new draft, (H. P. 1729) (L. D. 1284) and under the same title, and that it ought to pass.

The same Committee on "Resolve in Favor of Piscataquis County Fish and Game Association," (H. P. 1635) (L. D. 1200) reported the same in a new draft, (H. P. 1727) (L. D. 1282) under the same title and that it ought to pass.

Which reports were severally read and accepted in concurrence, and the resolves, in new draft read once and tomorrow assigned for second reading.

The same Committee on "Resolve Closing Certain Ponds in Aroostook County to Fly Fishing," (H. P. 782) (L. D. 463) reported the same in a new draft (H. P. 1726) (L. D. 1281) under a new title, "Resolve Limiting Certain Ponds in Aroostook County to Fly Fishing," and that it ought to pass.

Which report was read and accepted in concurrence, and the bill in new draft and under a new title was read once, and tomorrow assigned for second reading.

The Committee on Towns and Counties on Bill "An Act to Increase the Salaries of the Judge and Recorder of the Town of Lincoln Municipal Court," (H. P. 556) (L. D. 314) reported that the same ought to pass as amended by Committee Amendment "A". (Amendment Filing No. 240)

The same Committee on Bill "An Act Relating to Salary of the Judge and Clerk Hire of the Pittsfield Municipal Court," (H. P. 1140) (L. D. 672) reported that the same ought to pass as amended by Committee Amendment "A". (Amendment Filing No. 239)

The same Committee on Bill "An Act Relating to Motor Vehicle Excise Taxes of Persons in Unorganized Territory," (H. P. 1671) (L. D. 1242) reported that the same ought to pass as amended by Committee Amendment "A". (Amendment Filing No. 241)

Which reports were severally read and accepted in concurrence, and the bills read once; Committee Amendments "A" were severally read and adopted in concurrence, and the bills as amended were tomorrow assigned for second reading.

The Majority of the Committee on Inland Fisheries and Game on Bill "An Act Relative to Fishing Contests," (H. P. 727) (L. D. 418) reported the same in a new draft, (H. P. 1725) (L. D. 1280) under the same title, and that it ought to pass.

(signed)

Senator: WIGHT of Penobscot

Representatives:

CARVILLE of Eustis
PLUMMER of Lisbon
BEARCE of Caribou
CHASE of Belgrade
DENNISON

of East Machias
WATSON
of Moose River Plt.

The Minority of the same Committee on the same subject matter reported that the same ought not to pass.

(signed)

Senators: ELA of Somerset
SMART of Hancock

Representative:

FRECHETTE of Sanford

Comes from the House, the Majority Report read and accepted, and the bill in new draft, passed to be engrossed.

In the Senate, on motion by Mr. Ela of Somerset, the bill and accompanying papers were laid upon the table pending acceptance of either report.

The Majority of the Committee on Judiciary on Bill "An Act Relating to Fees in Small Claims Laws," (H. P. 1270) (L. D. 839) reported that the same ought not to pass.

(signed)

Senator:

HASKELL of Cumberland

Representatives:

McGLAUFILIN of Portland
HAYES of Dover-Foxcroft
FULLER of Bangor
DELAHANTY of Lewiston
FAY of Portland
WOODWORTH of Fairfield

The Minority of the same Committee on the same subject matter reported that the same ought to pass.

(signed)

Senator:

BARNES of Aroostook

Representative:

HARDING of Rockland

Comes from the House, the Majority Report read and accepted.

In the Senate, on motion by Mr. Barnes of Aroostook, the bill and accompanying papers were laid upon the table pending acceptance of either report.

The Majority of the Committee on Transportation on Bill "An Act Relating to Examination of Certain School Bus Operators," (H. P. 1243) (L. D. 795) reported that the same ought to pass.

(signed)

Senator:

ALLEN of Cumberland

Representatives:

JONES of Bowdoinham
NOWELL of Hermon
TRAVIS of Westbrook
KELLY of Rumford
PERRY of Chelsea

The Minority of the same Committee on the same subject matter

reported that the same ought not to pass.

(signed)

Senators:

BOYKER of Oxford
CHRISTENSEN
of Washington

Representatives:

TURNER of Auburn
MAGUIRE of Auburn

Comes from the House, the Minority Report read and accepted.

In the Senate, on motion by Mr. Allen of Cumberland, the bill and accompanying papers were laid upon the table pending acceptance of either report.

Orders

On motion by Mr. Noyes of Hancock, it was

ORDERED that 300 additional copies of H. P. 1695, L. D. 1273, An Act Imposing a Sales and Use Tax be printed.

First Reading of Printed Bills

Resolve Providing for a Fish Screen at Outlet of Coffee Pond in the Town of Casco (S. P. 544) (L. D. 1287)

Which was read once and tomorrow assigned for second reading.

Bill An Act Relating to the Salary of the Judge of the Northern Aroostook Municipal Court (S. P. 545) (L. D. 1286)

On motion by Mr. Brewer of Aroostook, tabled pending assignment for second reading.

Senate Committee Reports

Mr. Barnes from the Committee on Judiciary on Bill "An Act Relating to Order of Offices Printed on Ballots," (S. P. 455) (L. D. 1069) reported that the same ought not to pass.

(On motion by Mr. Haskell of Penobscot, tabled pending acceptance of the report.)

Mr. Collins from the Committee on Labor on Bill "An Act Relating to Employment of Older Workers," (S. P. 493) (L. D. 1195) reported that the same ought not to pass.

Mr. Crosby from the Committee on Natural Resources on Bill "An Act Creating the Office of State Fire Marshal," (S. P. 514) (L. D. 1233) reported that leave be granted to withdraw the same.

Mr. Fuller from the Committee on Welfare on Bill "An Act Relieving Towns of Assessments for Aid to Dependent Children," (S. P. 124) (L. D. 214) reported that the same ought not to pass.

Which reports were severally read and accepted.

Sent down for concurrence.

Mr. Crosby from the Committee on Natural Resources on Bill "An Act Relating to Prospecting for Minerals and Metals," (S. P. 310) (L. D. 661) reported the same in a new draft (S. P. 548) under the same title, and that it ought to pass.

(On motion by Mr. Boyker of Oxford, tabled pending acceptance of the report.)

Mr. Palmer from the Committee on Public Buildings and Parks on Bill "An Act Relating to Payments to Towns in Lieu of Taxes," (S. P. 108) (L. D. 161) reported the same in a new draft (S. P. 549) under the same title, and that it ought to pass.

Which reports were severally read and accepted, and the bills in new draft were laid upon the table for printing under Joint Rule No. 10.

Mr. Haskell of Cumberland from the Committee on Judiciary on Bill "An Act to Correct Errors and Inconsistencies in the 1944 Revision and the Session Laws of 1945, 1947 and 1949," (S. P. 500) reported that the same ought to pass.

On motion by Mr. Haskell of Cumberland, the report was read and accepted, and the bill read once, under suspension of the rules read a second time and passed to be engrossed.

Sent down for concurrence.

Mr. Savage from the Committee on Towns and Counties on Bill "An Act Relating to Rental of Western Somerset Municipal Court," (S. P. 312) (L. D. 663) reported that the same ought to pass.

Which report was read and accepted, the bill read once and tomorrow assigned for second reading.

Mr. Haskell of Cumberland from the Committee on Judiciary on a draft and arrangement of the Constitution prepared by the Chief

Justice of the Supreme Judicial Court, pursuant to Chapter 29 of the Resolves of 1949, begs leave to report a resolve:

"Resolve Approving Draft and Arrangement of the State Constitution Made by the Chief Justice of the Supreme Judicial Court, and Providing for its Publication and Distribution." (S. P. 550)

On motion by Mr. Haskell of Cumberland, the report was read and accepted, and the Resolve read once, and under suspension of the rules, read a second time and passed to be engrossed.

Sent down for concurrence.

Mr. Savage from the Committee on Towns and Counties on Bill "An Act Increasing Salary of Treasurer of Somerset County," (S. P. 421) (L. D. 981) reported that the same ought to pass as amended by Committee Amendment "A"

Which report was read and accepted and the bill read once; Committee Amendment "A" was read.

Committee Amendment A to L. D. 981. "Amend said bill by striking out in the last line thereof, the underlined figures '\$1800' and inserting in place thereof the figures, '\$1200'."

Which amendment was adopted and the bill as so amended tomorrow assigned for second reading.

Passed to be Engrossed

Bill "An Act Relating to Tuition High School Pupils in Mechanic Falls." (H. P. 458) (L. D. 280)

Bill "An Act Amending the Act Creating the Maine Turnpike Authority." (H. P. 685) (L. D. 415)

"Resolve Relating to Taking Crabs in Cumberland County." (H. P. 850) (L. D. 489)

Bill "An Act Relating to the Salary of the Sheriff of Knox County." (H. P. 1237) (L. D. 789)

Bill "An Act Relating to Town Ordinances for Junk Yards." (H. P. 1431) (L. D. 1037)

Bill "An Act Relating to Automobile Junk Yards." (H. P. 1620) (L. D. 1185)

"Resolve in Favor of Westmanland Plantation." (H. P. 1697) (L. D. 1277)

Bill "An Act Regulating Closing-Out Sales, So-Called, and Similar

Types of Sales." (H. P. 1698) (L. D. 1278)

Bill "An Act to Incorporate the Wells Beach Sewer District." (H. P. 1699) (L. D. 1279)

Which were severally read a second time and passed to be engrossed in concurrence.

Bill "An Act Relating to Gardiner Water District." (H. P. 1062) (L. D. 642)

Bill "An Act Designating a Certain Road as 'Moosehead Trail.'" (H. P. 1222) (L. D. 776)

Bill "An Act Relating to Funds of Volunteer Fire Departments." (H. P. 1489) (L. D. 1095)

Bill "An Act Amending the Charter of the Town of Fort Fairfield Relating to the Number of Councilors." (H. P. 1588) (L. D. 1160)

Which were severally read a second time and passed to be engrossed, as amended, in concurrence.

Bill "An Act Imposing a Sales and Use Tax." (H. P. 1695) (L. D. 1273)

Mr. CROSBY of Franklin: Mr. President and members of the Senate, as there is likely to be a good deal of debate on this bill, and believing that the proper place for debate is under Orders of the Day, I move that this bill lie on the table.

The motion prevailed and the bill was laid upon the table pending passage to be engrossed.

Bill "An Act to Increase the Salary of the Judge of the Norway Municipal Court." (S. P. 281) (L. D. 620)

Bill "An Act Relating to Fees of Registers of Probate." (S. P. 438) (L. D. 1001)

Bill "An Act Increasing Salaries of Oxford County Officers and Clerk Hire." (S. P. 445) (L. D. 1008)

Bill "An Act Relating to Location of Public Utility Structures." (S. P. 542) (L. D. 1285)

Which were severally read a second time and passed to be engrossed. Sent down for concurrence.

Bill "An Act to Increase the Salary of the County Commissioners of Kennebec County." (S. P. 396) (L. D. 943)

Which was read a second time and passed to be engrossed, as amended.

Sent down for concurrence.

Enactors

Bill "An Act Increasing the Salary of the Recorder of the Western Hancock Municipal Court," (H. P. 555) (L. D. 313)

Bill "An Act Relating to the Taking of Alewives in the Town of Arrowaic," (H. P. 1063) (L. D. 643)

Bill "An Act Relating to the Rights of Minority Stockholders," (H. P. 1229) (L. D. 782)

Bill "An Act Relating to Sewer Service Charges," (H. P. 1238) (L. D. 790)

Bill "An Act Relating to Fire Protection Tax in Unorganized Territory," (H. P. 1327) (L. D. 890)

(On motion by Mr. Ela of Somerset, tabled pending passage to be enacted.)

"Resolve, in Favor of the Town of Sebec," (H. P. 1663) (L. D. 1261)

Bill "An Act Relating to Membership of the Emergency Municipal Finance Board," (S. P. 39) (L. D. 22)

Bill "An Act Relating to Trustee of Wages," (S. P. 163) (L. D. 339)

Bill "An Act Relating to the Taking of Alewives in the New Meadows River in the Towns of Brunswick and West Bath," (S. P. 279) (L. D. 618)

Bill "An Act Relating to the Salaries of the Judge and the Clerk and Clerk Hire of the Auburn Municipal Court," (S. P. 228) (L. D. 627)

Bill "An Act Relating to the Superintending School Committee of the Town of Houlton," (S. P. 309) (L. D. 660)

Bill "An Act Relating to Wholesale Lobster Dealer's License," (S. P. 331) (L. D. 662)

Bill "An Act Relating to the Taking of Certain Property by the Town of Naples by Right of Eminent Domain," (S. P. 345) (L. D. 810)

Bill "An Act Relating to Overloaded Trucks," (S. P. 400) (L. D. 947)

Bill "An Act Relating to Interest of Unorganized and Organized Townships Funds," (S. P. 444) (L. D. 1007)

Bill "An Act Amending the Voluntary Apprenticeship Law," (S. P. 458) (L. D. 1072)

Bill "An Act Relative to Itinerant Photographers," (S. P. 459) (L. D. 1073)

Bill "An Act Relating to Baxter State Park," (S. P. 521) (L. D. 1243)

Bill "An Act Relating to Liquor Licenses in Unincorporated Places," (S. P. 523) (L. D. 1249)

"Resolve, Authorizing Forest Commissioner to Renew Lease to Passamaquoddy Lumber Company," (S. P. 327) (L. D. 816)

Which bills were severally passed to be enacted and resolves finally passed.

Emergency Measures

Bill "An Act to Incorporate the Town of Hancock School District," (H. P. 1276) (L. D. 845)

Which bill being an emergency measure, and having received the affirmative vote of 31 members of the Senate, and none opposed, was passed to be enacted.

Bill "An Act Authorizing Approval of the Interstate Civil Defense and Disaster Compact," (S. P. 117) (L. D. 207)

Which bill being an emergency measure, and having received the affirmative vote of 32 members of the Senate, and none opposed, was passed to be enacted.

Bill "An Act Creating the Eastport Public Landing Authority," (S. P. 440) (L. D. 1003)

Which being an emergency measure, and having received the affirmative vote of 32 members of the Senate, and none opposed, was passed to be enacted.

Orders of the Day

On motion by Mr. Crosby of Franklin, the Senate voted to take from the table bill, An Act Imposing a Sales and Use Tax (H. P. 1695) (L. D. 1273) tabled by that Senator earlier in today's session pending passage to be engrossed.

The Secretary read House Amendment A.

House Amendment A to L. D. 1273: "Amend said bill by inserting the underlined word 'sale' after the underlined word 'retail' in the first

sentence of Section 4 of that part designated as Chapter 14A."

Mr. NOYES of Hancock: Mr. President, this amendment merely clarifies the bill and brings that section pertaining to retail sales in conformity with the section on the use tax. The word "sale" was left out inadvertently. It was clearly an error and should be changed.

Which amendment was adopted in concurrence.

The Secretary read House Amendment D.

House Amendment D to L. D. 1273: "Amend said bill by adding at the end of the 7th paragraph of Section 2 thereof which defines retail sale or sale at retail, the following underlined sentence, 'retail sale or sale at retail do not include the sale of items such as cans or bottles together with labels affixed thereto actually accompanying the product sold to the final buyer or ultimate consumer without which the delivery of the product is impracticable on account of the character of the content.'"

Mr. WEEKS of Cumberland: Mr. President, I have an amendment to House Amendment D which I wish to submit and move its adoption.

The Secretary read the amendment:

Senate Amendment A to House Amendment D to L. D. 1273: "Amend said amendment by striking out all of the underlined words which appear after the word 'sentence' and inserting in place thereof the following underlined words, 'retail sale or sale at retail do not include the sale of containers, boxes, crates, bags, cords, twines, bindings, wrappings, labels and other packing packaging and shipping material when sold to persons for use in packing packaging or shipping tangible personal property produced or sold by them.'"

Mr. WEEKS of Cumberland: Mr. President, in proposing this amendment I would like to refer to House Amendment D which has been adopted by the House and I believe it was the sincere intent that the amendment would clarify the bill and relieve the act of inconsistency.

On the contrary, however, I find that a good many manufacturers in my section of the state are finding

fault with it on the ground that it does not clarify but does make ambiguous the law as it applies to this type of article. It is an arbitrary matter more or less referring to cans and bottles only, and they feel quite sincerely and I think with reason, that it should in all fairness apply to all types of containers, bags, boxes and so on. Without further remarks, I will leave the situation there.

Mr. NOYES of Hancock: Mr. President, I would like to explain House Amendment D if I may. It was the intent of the committee that when goods were packed in cans and those cans were necessary for the packing of those goods or for the sale of those goods and were a part of the sale. In other words a can of sardines could not be sold without a can to contain them and regardless of whether House Amendment D were adopted or not, your tax assessor has indicated that it is not his idea that those cans should be taxable. However, some people were disturbed about it and the amendment was introduced to clarify any question that might arise about the cans.

Thereupon, on motion by Mr. Weeks of Cumberland, Senate Amendment A to House Amendment D was adopted; and House Amendment D as amended by Senate Amendment A was adopted in non-concurrence.

Mr. ALLEN of Cumberland: Mr. President, later this morning I would like an opportunity to make some general remarks as a member of the Committee on Taxation on the rest of the bill before us. At this time, however, I would like to present for your consideration an amendment which I will briefly explain, and I move its adoption.

The Secretary read Senate Amendment A.

Senate Amendment A to L. D. 1273: "Amend said bill by adding at the end of subsection 11 of that part designated Section 10 before the period the following underlined words 'and also other books and literature used in and by established churches for religious instruction and prayer.'"

Mr. ALLEN of Cumberland: Mr. President and members of the Sen-

ate, this amendment is offered because of an interest evidenced by various churches of various denominations to take care of the many pamphlets and books which they use in addition to the Bible. It is not designed nor is it worded to take care of any one group specifically. I think it is broad enough to cover every established church of every faith. Also it is not too broad to cover organizations beyond the realm of religious worship. I hope the Senate will adopt the amendment. The amount involved in dollars and cents is very small and I feel that in these days especially, anything we can do to promote and aid our churches, is a step well taken.

The motion prevailed and Senate Amendment A was adopted.

Mr. NOYES of Hancock: Mr. President, since the Senate is in an amending mood, I would offer an amendment. I would offer it anyway regardless of what happened to other amendments. This amendment that I have prepared would exempt fishermen's bait from taxation. It is felt that is a small item. However, the Taxation Committee gave concessions to industries, concessions to farmers and some consideration in committee was made for fishermen—we were a little bit cold hearted perhaps and did not put this amendment in. This amendment, if adopted, would reduce the anticipated revenue from the sales tax by some \$30,000. The committee in making its estimate did not have any figures available to show the fishermen pay a tax on bait because some buy their bait of a ware fisherman not ordinarily engaged in that business and there probably would be no record kept.

However to assure fishermen that we are trying to be fair, I think we should adopt this amendment which would put it in the same category as seed, feed and fertilizer.

The Secretary read the amendment:

Senate Amendment B to L. D. 1273: "Amend said bill by adding at the end of subsection 6 before the period in that part of said bill designated Section 10 the following underlined words 'and sale of bait to commercial fishermen.'"

Mr. BARNES of Aroostook: Mr. President, first assuring the Senate that if the opportunity presented itself I would vote against the exemption of seed, feed and fertilizer, and I come from Aroostook County, I am in opposition to the amendment, principally because if we continue with these substantial exemptions, we won't have anything left of the bill. We were sent here to take care of the problems of the State of Maine. I have looked through the book of amendments this morning and I find amendments exempting this and that have been thrown at this bill from all corners and I think it is a dangerous thing to start on this one. I therefore oppose it and hope that the motion will not prevail.

Mr. NOYES of Hancock: Mr. President, I fully realize the need for dollars; I fully realize that someone has to pay those dollars but I cannot go along and see this amendment killed when within ten minutes an amendment has been adopted in this Senate which will reduce the revenue from your sale and use tax substantially possibly as far as a half million dollars. I don't think we are being consistent when we are refusing an amendment to one industry which we have granted to another industry. I hope the motion will prevail.

Mr. SLEEPER of Knox: Mr. President, I wish to heartily endorse the adoption of this amendment introduced by Senator Noyes. I well realize the problems of the fishermen. I know they now operate with a tremendous overhead compared with the overhead they had a few years ago. Their pay used to be forty to fifty cents a bushel and they now pay \$1.50 to \$2.00 a bushel and gear, twine, net, traps and so forth cost a hundred percent more and it's pretty hard for them to make a decent living, and it's hard work.

I certainly feel the fisherman is as much entitled to any help he can get as is the average farmer. He works just as hard if not harder and he has never had the help from the federal government that the farmer has had. I am sure that the Senate will feel that if the farmer is entitled to a little relief, certainly the fisherman is too.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Hancock, Senator Noyes that the Senate adopt Senate Amendment B.

A viva voce vote being doubted by the Chair

A division of the Senate was had. Nineteen having voted in the affirmative and eleven opposed, Senate Amendment B was adopted.

Mr. Wight of Penobscot presented Senate Amendment C and moved its adoption.

The Secretary read Senate Amendment C.

Senate Amendment C to L. D. 1273. "Amend said bill by adding after that part designated Section 12 thereof the following underlined section, 'Section 12A. Discount to Taxpayer. At the time of transmitting the returns required under the provisions of this chapter to the State Tax Assessor, the taxpayer shall remit therewith except as hereinafter provided 97% of the tax due under the applicable provisions of this chapter. Failure to remit such tax at the time of filing said return shall cause said tax to become delinquent provided however that in the event that payment of any tax under the applicable provisions of this chapter becomes delinquent for a period of five days the taxpayer forfeits his claim to the 3% discount and must remit the entire amount of tax plus any penalty due. This discount is allowed the taxpayer to remunerate him for keeping records, filing reports and remitting the tax when due.

Mr. WIGHT of Penobscot: Mr. President and members of the Senate this bill makes no provision for the merchants who collect the tax. That is, he acts as a tax collector for the state. At the present time the merchant is collecting for the federal government several different taxes that of course raise his expense. Other sales tax bills which we had presented made a provision for the merchant—one of them 3%.

It seems only reasonable that he should have something for collecting the tax if this bill is passed. In addition to the bookkeeping involved it is possible that various merchants will lose money collect-

ing the tax. I went to the trouble of finding out just what would happen in my own store. I went through the tapes that went through my cash register for two days and figured the amount of tax which my clerk would collect on each one for each day as it went through the register and I found that one one day we should have assessed \$11.72 in taxes and we collected \$11.39 which shows a loss of something like 33 cents. On another day we should have collected \$30.02 and we collected \$29.90. Now that means that the house makes a loss of a little over one percent on the tax that is of course considering that the individual clerk makes the right assessment of the tax.

I went through one of the tapes myself and I made seven errors in figuring up the tax and in most cases I assessed less than I should have. That may have been merely coincidence but it would be possible for the clerk to do exactly that thing.

Besides the gas sales which come through our register of course we also have credit sales to take account of. There is much bookkeeping to take care of that and also in making plans there are various other complications.

About six months ago my bookkeeper came to me and said, "Mr. Wight, I cannot keep the books here without another man. We looked around a little and found that by purchasing a bookkeeping machine he could probably keep up with the work. This was done and the expense was over \$3,000 to put in that machine. Now we are getting up to the limit again and if we load any more bookkeeping onto that man it will be up to me to hire another bookkeeper or make some other arrangements for keeping the books. Now this is just one more straw that may break the camel's back. I am not alone in this by any means. All merchants in the State of Maine are in the same boat and it seems to me only fair that those persons have some remuneration for the work that they must do. I hope the amendment will be adopted.

Mr. HASKELL of Penobscot: Mr. President, I am sure that the Sen-

ate will not misinterpret the remarks of the Senator from Penobscot, Senator Wight and in any way interpret those remarks to mean that he has any other conviction than that the sales tax type of approach is the correct one.

It happens that his presentation of this debate has pointed up rather clearly one of the major iniquities that do result by the imposition of a sales tax. He has argued the point that the State of Maine shall collect, and I use the figures of the Senator from Hancock, Senator Noyes, with respect to gross income, we should raise by taxation the sum of \$330,000 to cover the expenses of the merchants. I assume the appropriation measure will find an amendment to take in what in prior years has been about \$125,000 for state costs of administration and before we vote on this amendment, I would ask the Senate to consider the sum of those two which is somewhere in the amount of \$450,000 compared with our appropriations for the Bureau of Taxation of \$171,764. If you will compare the cost of \$450,000 for collecting eleven million dollars then please consider the proportion of \$171,000.

Mr. NOYES of Hancock: Mr. President, in opposing this amendment, it is my feeling that if we do pass a sales tax and it becomes a law, after it has been in operation those funds that the present bracket set up in the tax bill do not cover the cost to the merchants for collecting that tax. Some change might be made in that bracket set up and it is the purpose of the bracket method of collection to so arrange it that by and large your merchant will collect an amount in excess of the amount due the State of Maine.

It so happens with Senator Wight's business, that the present bracket as established by the Committee, or recommended by the committee fits his business to such a degree that there is no breakage and it is for this Senate to determine whether or not they think it is wise before this bill or law is applied to make merchants as a whole before they know just what the bracket system does provide compared to the dollars the merchant must pay the state, it seems

it is a little hasty to make such a decision and I hope the amendment is not adopted.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Penobscot, Senator Wight, that the Senate Adopt Senate Amendment C.

A viva voce vote being doubted

A division of the Senate was had.

Eleven having voted in the affirmative and twenty opposed, the amendment was not adopted.

Mr. CROSBY of Franklin: Mr. President and members of the Senate, I have an amendment I would like to present. It does not set up any further exemptions. In fact this amendment says that if revenue exceeds expenditures by over one million dollars, the surplus shall be transferred to the general highway fund. That allows us to set up one million dollars surplus in the general fund of the state, and any surplus over that if there is any, would be transferred to the general highway fund.

At the present time it would not appear that the highway could match funds available from the federal government for construction this next year, and one of the purposes of any sales tax is to get as much from out of state tax dollars as possible and we have got to keep roads in reasonable repair if we are going to induce these people to come into our state and pay these tax dollars. I present Senate Amendment D and move its adoption.

The Secretary read the amendment.

Senate Amendment D to L. S. 1273: "Amend said bill by adding at the end thereof a new section to read as follows: 'Section 3. R. S. C. 14, Section 23A, additional. Chapter 14 of the revised statutes is hereby amended by adding thereto a new section to be numbered 23A to read as follows: "Sec. 23A. Certain surplus to highway fund. Whenever in any fiscal year revenues exceed expenditures, any excess in an amount over \$1,000,000 shall be transferred to the general highway fund surplus, to be used for construction of state and state aid highways which are eligible for the use of federal aid highway funds in said construction."'"

Mr. BARNES of Aroostook: Mr. President, I think and I hope this amendment will receive some discussion here in the Senate. There are several considerations that strike me right off quick. One is the revenue under the sales tax, if it passes, has been variously estimated from eleven million up to as high as—well, I believe one figure quoted was twenty millions. We don't know exactly what it is going to raise but if this amendment is adopted, there will be some million dollars over and above the required money that comes in that will be put into a surplus account and the rest will be turned right over to the highway department.

Coming from the county that I do, I am extremely conscious of our road problem and I would probably have no objections to setting aside a certain definite amount out of any excess that might be raised out of this tax, to highway, but here, if we adopt this amendment, if I correctly understand it, it would sop up all the money over and above the million dollars. I don't believe that is wise. By statute and by amendments to the constitution, we have made highway funds inviolate so they can't be used in any way for any other purpose. This looks to me like a step for the highway department to sop up all the funds over and above a million that might be raised under this bill. I don't think I am in favor of that. I would like to hear the opinions of the other members of the Senate.

Mr. HASKELL of Penobscot: Mr. President, my first reaction to this amendment is that it is probably two to four years ahead of itself. I think it is two or four years ahead of itself for this reason. The unappropriated surplus of the general fund at the beginning of the last session of the legislature was about \$7,100,000. We have had in the area between five and seven million dollars since 1943 and each year from that unappropriated surplus of the general fund the legislature saw fit to appropriate about two millions of dollars or about four millions of dollars at each session and we appropriated that money for nonrecurring and capital expenditures.

As we all know at the last special session we reduced that surplus to zero. I think it good financial practice to see the general fund surplus back to the five to ten million dollar range because after all general fund financing is a sixty million dollar problem and it would seem reasonable to me that if we do have a tax measure that will build up surplus, we ought to consider diverting that surplus to other accounts only after we have restored the general fund surplus up to a reasonable figure. Setting that restoration at only a million dollars looks to me as though it will give the next legislature too small an amount. It will give the departments heads, the administrators and all concerned altogether too small an amount in surplus.

One of the good things that can be said of a sales tax is that it probably will raise enough money to restore the general fund surplus but I think until such time as that fund is restored to between five and ten million dollars, we should not divert the surplus to other accounts. I shall vote against the amendment now.

Mr. BOUCHER of Androscoggin: Mr. President and members of the Senate, I have been waiting to find out how many amendments were coming in. If I am informed correctly, this is next to the last one and the other will be the repeal of another amendment. So I think at this time I would like to express my thinking on this matter.

I am opposed to this amendment. It would create a bigger and better pork barrel. We have talked in the past and I hoped we were going to abolish this pork barrel at this session. I have heard talk about the pork barrel in all the years I have been here. I suppose it is a good thing at times. Certainly it does no good in my county except in a few small towns. None of the cities have had any of that pork barrel and the Democratic Party has had so little it could almost die from it. The sales tax I am opposed to. I am opposed to all exemptions. I am opposed to the sales tax especially. I heard a while ago concerning these amendments that they want to exempt taxes on cans. Well, I think I could go along on exempting cans

if they'd tax the can-can. I have not heard the exemptions I'd like to hear this morning. I'd like to see an exemption on all legislators from paying this tax, or an exemption to exempt all Democrats in the State of Maine. Then I'd vote for it.

I would like to ask a question of the Chairman or any member of the Taxation Committee what all these exemptions are going to cost the State of Maine, if they pass the tax. One by one the industries of the state this morning have asked to be exempt. In other words, it is the old game of passing the buck. "Don't tax me. Tax the other fellow." All that is left now is the industrial workers of the state to pay the taxes. We are exempting the farmer and the fisherman and all that is left is the fellow who works in the mill, the cotton mill or the fellow in the shoe shop who is going to pay the tax. All the sections of Maine are going to be exempt. No wonder there are petitions being raised by these industrial workers in the State of Maine against the sales tax. They well know that they are the target of the sales tax. They alone would pay the sales tax and other individuals of Maine would be exempt.

Again I repeat that I oppose all exemptions that have or will come up this morning. I shall oppose this one and I oppose the sales tax. If we want to have a sales tax and there is a big question in my mind we should have it across the board, exempting nobody. I would even go further than that and say let's do away with all other taxes. Let's make the sales tax a five percent affair and we'll have enough money to carry on the State of Maine business without taxing anything else. I am very mindful of all the hidden taxes that the citizens of Maine are now paying and in a lot of cases do not realize. If you will look up your books and your tax law you will find that about everything under God's sun, except the air, in this state is taxed. And it is a wonder to me that somebody has not thought of bringing in a tax to tax us for breathing the pure air of the state of Maine.

Mr. CROSBY of Franklin: Mr. President, for the information of

my good friend the Senator from Androscoggin, Senator Boucher, I would say to him that he hasn't got to worry too much about this pork barrel because I think the pork is going to be very lean this year and very little of it.

In writing this amendment, it was my thought that we could set up a million dollars each year to go to the General Fund Surplus and in time that would build up to where it should be and by the same token during this time help to construct some of these highways which are badly in need of construction. And I know of no other way that we can do it unless we have additional funds from some source.

Mr. BREWER of Aroostook: Mr. President, I want to concur with the Senator from Penobscot, Senator Haskell, in that we should have a surplus for capital expenditures and non-recurring accounts.

If my memory serves me right, in special resolves, there were before the Appropriations Committee for buildings, certain surveys and that sort of thing—I think it runs between eleven and twelve million dollars. Although I realize that we are now in a position that we have about three million and a half highway federal funds that we are unable to match at this time, we are about two years behind in matching the program with federal funds.

I do feel, though I do not want to build a surplus so big that it is a target to shoot arrows at to get something else, by the same token, we do have necessary expenditures that have to be made every two years in non-recurring items. And as you know, that has been the policy to take it out of surplus.

Although I, too, am from Aroostook and realize we could use a lot more money for roads up there. Yet, by the same token, I would be unwilling to go along with this, in that it sops up all of the surplus so to speak. But I would be willing to donate some to the cause of roads. I want to call that to your attention that we do actually need some surplus. However, I feel it is unfair to tax the taxpayer and make up such a big one that it encourages more spending and for

that reason, I am afraid I couldn't go along with this amendment.

Mr. COLLINS of Aroostook: Mr. President, just to get the entire opinion of the Senators from Aroostook, I would like to state that I, too, am opposed to the motion of the Senator from Franklin, Senator Crosby, in that I feel that the diversion of money from this source for highway purposes doesn't seem to be the proper procedure at this time and I hope that the motion will not prevail.

Mr. BOUCHER of Androscoggin: Mr. President and Members of the Senate, in discussing this amendment, I have another thought that has come to me. Instead of using a sales tax to build our roads in the State of Maine, why don't we use the toll road?

I am driving an automobile and I am willing to pay and I do pay every time I go from Portland to Kittery over that toll road. I am very much satisfied and if there were a toll road up to Lewiston and to Bangor, I would use that daily. I would be very glad to pay a toll or a sales tax or a use tax. Call it what you want to, it is all the same thing. It is money out of my pocket.

I don't believe it is fair and square to tax the citizens of Maine who do not use those roads to pay for them. It is taxation without representation, if you want to call it that, indirectly.

There are only about 200,000 automobiles in the State of Maine with a 900,000 population. Figuring roughly, fifty per cent of the people of the State of Maine who are going to pay this tax have no automobile. Why should they pay an increased sales tax to build roads that you and I are going to use.

I think it is unfair and again I call it a super-duper pork barrel and that is all it will be to take care of certain sections of our State. I say to you that we have a system now whereby we can have these super-duper highways through the toll-road system. I am willing to pay my share and I think everybody else that will travel those roads would be willing to pay their share. I am against taxing those people who have no cars to use them so that I may enjoy them.

The PRESIDENT: The motion before the Senate is on the motion of the Senator from Franklin, Senator Crosby, that the Senate adopt Senate Amendment "D".

A viva voce vote being had
The amendment failed of adoption.

Mr. Sleeper of Knox presented Senate Amendment "E" to L. D. 1273 and moved its adoption.

The Secretary read the amendment: "Amend said bill by adding to that part designated Section 10 a new Subsection to read as follows: "VII-A. Sales of coal, oil, bottled gas and all other fuels."

Mr. SLEEPER of Knox: Mr. President and members of the Senate, I was a little amazed at the laughter that greeted the introduction of this amendment which I consider the most worthy of all of the amendments. It shows that we have not studied the sales tax situation on its nationwide scope. Every large, progressive, modern state of the forty-eight that undergoes or suffers under the sales tax always has this exemption.

There are three basic, fundamentals of life — heat, shelter and comfort. You exempt food; you exempt rents and you will have to exempt heat to be consistent.

The Ohio sales tax plan exempts food, fuel, farmers' feeds and fertilizer. These are known as the "4-F" exemptions. Ohio is what I would call an ideal, progressive state. The budget is well balanced. The citizens are happy and it is a prosperous state.

You wonder why I have the nerve, perhaps, to introduce this bill. I do deal in coal and oil and wood and bottled gas. But I introduced the measure not on behalf of myself because the bill is so worded that I personally would not have to pay it. But I introduce it on behalf of my customers and I introduce it on behalf of hundreds of thousands of people in this State who have to buy — whether they like it or not — they have to buy in this climate, coal, oil or wood to keep themselves warm in our winters.

They have to buy food. So, you have exempted food in this measure and they have equally to buy fuel. And the fuel bill in this state, as most of you probably know, is a

high item on your budget. Coal in Maine, today, is \$25.80 a ton. The sales tax adds fifty more cents and I don't have the courage and heart to look these poor souls in the face and when they come to me and say, "I would like a ton of coal. How much is it?," to tell them it is \$25.80 and then add on fifty cents more. It is bad enough to say \$25.80 without saying \$26.30 and then have the poor things fumble around and say, "Well, I will take a bag." That is about what they will be able to buy.

When I first entered this business fifteen years ago, our average sales of coal used to be in five-ton lots, two-ton lots, and sometimes ten-tons at a time. They would say, "Fill up the bin." Coal was fourteen dollars and a half at that time. Any time that you sold oil, they always said, "Fill the tank. I have got a 500 gallon tank. Fill it." Now, they buy oil in twenty-five gallon lots and I have had some poor souls walk in there with five-gallon cans to buy oil to keep themselves warm.

This is all being done by the tremendous increase in the cost of living and yet some people laugh when I introduce a measure of this kind to help people who need help. I am not introducing this bill for the benefit of our citizens who are able to go to Florida for the winter and don't have to buy coal or oil. I am introducing it for the poor working man, the laborer, the farmer, the fisherman, any one that has to buy fuel. They need this help.

In effect, if you add this exemption to it, you are turning this tax into what the tax really should be, an income tax. If the basic fundamentals of life which a person must have are exempt, then the impact of the tax isn't so terrific. The taxpayer can dodge the tax in other places. He doesn't have to buy a new car. He doesn't have to buy jewelry. He doesn't have to buy liquor or other things. But he has to buy food and he has to buy coal or oil.

I am pleading for the little man, the man we are supposed to be representing here. And I warn you that if this exemption is not put on, that the bill will not pass. If you put on the exemption, there is a chance that the citizens of the

State of Maine in an initiated referendum might vote for this bill—if they can have exemptions of this sort.

Mr. President, I urge the adoption of this vital amendment.

Mr. NOYES of Hancock: Mr. President, just a word to inform the Senate what this amendment would mean in dollars and cents.

According to the retail trade survey as made by the Federal Government—and I don't suppose Senator would object to the figures in 1948—our fuel dealers in Maine did a little more than \$12,000,000 of business and our fuel oil dealers a little more than \$17,000,000 of business, making a total of nearly \$30,000,000. That, I understand this amendment of two per cent would apply to, thereby reducing the estimated yield from your sales tax by some \$600,000.

Mr. BOUCHER of Androscoggin: Mr. President, I heard the good Senator Sleeper speak about the progressive State of Ohio. I have here a Portland Press Herald of Saturday morning, April 14, showing the pictures of some officials of that State that he thinks are very bright and very progressive. With them posing is a Senator from York County, or a person claiming to be a Senator from York County by the name of Paul Snow. I don't know about any such Senator but apparently he was smart enough to go down there and make them believe that they voted for a sales tax and with a lot of exemptions such as we have been discussing this morning. So, I wonder if this story of our good friend, Senator Sleeper, about having a bag of coal is not all in the bag.

Mr. ALLEN of Cumberland: Mr. President, at this time, I would like to, if I may indulge in the time of the Senate for a few minutes, explain my position on this sales tax bill as a member of the Committee on Taxation and also my position in regards to another bill which was reported to the House this morning, the Burgess Income Tax Bill on which I signed a favorable report.

We arrived here in Augusta in January, I think you and I will all agree, having arrived at point "A" in our discussion of revenue. For the first time in my knowledge, we

all agreed we needed more money—Republicans and Democrats. There were no party lines. The need was quite obvious and so the usual number of tax bills were presented to the Legislature for consideration.

Now, briefly, in sixteen week's time, we arrive at a point where we have a bill out of the Tax Committee which is obviously a compromise measure. But, Gentlemen, I say to you, if the Legislature does not compromise now, we will continue on a patchwork system which this State has operated on for many years. We will go home in probably even more dire straits than the State has been in the last two years and that has been bad enough.

I signed an Ought to Pass Report on a sales tax from the Taxation Committee not because I like this bill, not because I like any sales tax, but because, Gentleman, we do need nine, ten or eleven million dollars more, regardless of which figure you pick. It appeared to me to be the only bill that had any reasonable chance of passage.

Across the aisle, the Senator from Kennebec said yesterday, "I want a sales tax across the board." For three terms in this Legislature I have stood here and denounced a sales tax. I have spoken for a personal income tax. But when you are talking about eleven million dollars, you are not talking about a personal income tax. There is only one revenue measure that will raise the money. I don't like a sales tax. That is the only reason I would go along with the sales tax exemptions—food, medicine and fuel.

I think any sales-tax revenue as indicated in other states, will raise far more than even the most optimistic among us hope for. And I think, for example, \$600,000 will be more than offset by the added revenue which this bill will raise above the \$11,000,000 estimated by the Committee.

What are we going to do? Perhaps I am talking about generalities but, Gentleman, we have got to bury the hatchet. We have got to arrive at a reasonable compromise and I will come from a personal income tax to a sales tax with exemptions if you will come from a straight sales tax back to that point. If the State decided to stay

in the property tax field, certainly I would never want to vote for a sales tax.

We need the money and I think the exemptions which the taxation Committee has shown on this bill are fair and I am not a stooge for industry. I am not a stooge for labor. We discussed these things in probably fifteen or sixteen sessions and probably eighty to 100 hours. We discussed how this tax bill would strike the Oxford Paper Company and how it would strike the St. Regis Paper Company and how this tax would strike "Joe Doaks", Lewiston or Portland. I think the bill with the exemption of fuel is reasonably fair.

I am amused when people get up on the floor of this Senate and the House of Representatives and talk about, "Why doesn't the Legislature do something to get industry in here. I am amused when members of both branches get up on certain days on which they are promoting their County and say, "These are great industries. We want more payrolls in the City of Portland, the City of Lewiston, the City of Bangor." What are we going to do? Why don't we do more to get these payrolls? Why don't we give incentive to industry. And yet when they are talking taxation, they say, "These big guys can pay." Of course they can pay and they should pay their fair share and under this tax bill, believe me, they are paying.

I say, look to the south where industry has gone from New England and where it is going despite our efforts. Excepting for a few minor industries that are coming in, it is still going south. The Southeastern Conference of States is on the ball. They are giving industry exemptions of one kind or another to get them into the state to make payrolls. And the only way, my friends, that a poor state like Maine will ever get more money and become wealthier is by incentive to locate new plants and to expand. I think the industrial exemptions of this taxation bill are very minor. Obviously, they are not all that industry wanted.

I think that in a State like Maine in the northeast corner of the United States, we can well stop

and ponder the plight of industry which means dollars and cents to our towns and cities and say, "Are they boogey men, or are they giving jobs to me and to you and to others?" I believe in bigger industrial payrolls. I believe in incentive to get industry into this State. That is the only sound way and concrete way in which you are going to get more money into Maine which will help all of us.

I don't believe in industry getting more than its fair share of exemptions. Two years ago and four years ago I stood on the floor of this Senate and also in the House of Representatives and I said that a sales tax was a bad tax because it did not take into consideration the ability to pay and that it would be harder on the small man. Obviously, for that reason, I would never vote for a sales tax that didn't exempt food for consumption in the home. Obviously, for that reason, I am interested in exempting rents and also fuel.

I stand here, an income tax man who has come to this point of supporting a sales-tax bill with exemptions. Unless you who are in favor of a straight sales tax come back to an exemption among us and the four or five different ideas which we have, unless we can get together, Gentlemen, there will be nothing done and I for one will be ashamed of what the 95th Legislature has done.

I would like to make in just a minute's time a reference to the fear which apparently dominates the thinking in this State and in the Country. Last Saturday night I heard a very distinguished lecturer, Dr. Clarence Cook Little of Jackson Memorial speaking on cancer. Dr. Little gave a very excellent speech but the last part of it struck a very dull tone in regard to the thinking of this country. He said it is a tragedy in this country that for the first time the country in its thinking is dominated by fear and not by courage. Look anywhere you want and I think you may agree.

We come down here afraid the industrial lobby will tell us what to do; afraid the labor organization will crucify us when we go back home; afraid to move in our own

shadow because we are afraid of what we are going to do. The Republican Party, and I know there are some in the other party, certainly should have no fear of their actions here. The Republican Party platform last year was the most outstanding specific thing I have ever seen. It came out for the first time in the history of politics in the State of Maine and advocated a major revenue measure. I ran for office as a Republican candidate, and so did you, in the primaries in September because the people knew our party supported an act to take care of more services which the people needed. Why should I be afraid or why should you be afraid to get together now and work out something as a compromise. It may not be what I want. It may not be what Senator Haskell of Penobscot wants or what Senator Tabb of Kennebec wants.

Gentlemen, I say that this fooling around about amendments to this and amendments to that is just as sure to kill this thing as anything. I hope, Gentlemen, that the Senate will get into this not two weeks from now but today or tomorrow and adopt this sales tax bill out of Committee with perhaps one or two amendments which the Senate may feel and deem wise to put in the bill.

You may disagree. You may think a one percent tax across the board is the answer. But I say perhaps I have got to give more; perhaps you have got to give more. But, Gentlemen, we have got to give and we had better get together pretty fast if we are going to get anything done. I don't think the State budget is padded. I think we had better get together and raise the money and then shut this place up and go home.

Mr. BOYKER of Oxford: Mr. President, I would like to ask the Senator from Cumberland, Senator Allen, what we need eleven million dollars in new revenue for. Our Governor and his Budget Committee say we need only half that amount.

The PRESIDENT: The Senator from Cumberland hears the question and may answer if he sees fit.

Mr. SLEEPER: of Knox: Mr. President, I would like to add just

one or two more words in defense of my motion to adopt this amendment. I am not in the least bit vindictive about it. But at the very first of this session, we passed under the hammer an amendment which would benefit a certain small group and that will cost your sales tax in the neighborhood of \$500,000 and I refer to the amendment which excludes cans and wrappers and string and twine and paper and all of that sort of thing.

If we can so gaily without any thought at all pass an amendment like that under the hammer, why do we deny an amendment of the type of this one. I don't know how many of you men here in the Senate know what it is to be poor. I don't know as I know, myself. But I have seen poor people and I have seen them fingering their pocketbooks when they try to pay their bills and I know that there are people in this state, believe it or not, that fifty cents is a lot of money to, or an extra thirty cents for a hundred gallons of range oil. There are people, if you can imagine it, that don't have enough money and under this sales tax those people have to pay whether they like it or not.

So, why not grant them the basic exemptions of food and fuel and a roof over their head. If you adopt the income tax, you grant exemptions in that case and then they pay from then on. So, if you must impose the sales tax and I heartily agree with Senator Allen that we must come to a meeting of the minds. I am convinced that the State needs revenue and I, too, am willing to go along with this sales tax it that is the only way we can get it. But if we must pass the bill, let's see if we can't take the sting out of it and don't make it push the little man just that much more. I urge the adoption of this amendment.

Mr. COLLINS of Aroostook: Mr. President, I would like to ask the Secretary to read the amendment again.

The Secretary again read the amendment.

Mr. LEAVITT of Cumberland: Mr. President, the Senator from Knox has just stated that he believes this bill should pass as long as all of the sting is taken out

of it. When you take the sting out of this bill, you haven't got any bill. There is no such thing as passing a tax bill without a sting.

The amount of revenue we need, or at least most of us feel we need, because I have talked with my fellow Senators and other people around the corridors of the State House, is a minimum of eleven million dollars. We still have quite a few resolves around here that have not been passed but will be passed, probably, before we adjourn.

We have about \$9,000,000 which is for the biennium on the appropriations bill which has been passed by both the House and the Senate. And then if we go out of the property tax which I believe, and I know a great many other people believe should be accomplished, we need another \$5,600,000 each year of the biennium for that. Therefore, we need, as I say, \$11,000,000.

Each and every exemption which we make here upon this bill which came into the House from the Committee on Taxation is eating into that \$11,000,000. We can get enthusiastic and optimistic and say that we will raise more money than that but tax experts say that their best estimates say that we will raise about eleven million with this bill if we exempt no other items.

I would be perfectly willing to exempt anything and everything up to the point where we still have enough revenue. We have already exempted food in this bill which is a very large exemption to the so-called poorer people because they say the poorer people spend a much larger percentage of their money for food than do the people who are comparatively rich. So that exemption was put in there. Now, we go to work and put fuel in and other exemptions. We are simply taking more and more sting out and taking in less and less revenue.

I believe we have gone as far as we can go. I do not oppose this amendment because of the fact that I do not feel that fuel is important and that it is a necessity of life. But we have got to stop somewhere and this is a place to stop. There will be other amendments coming in later on and I shall oppose them not because they are not worthy amendments but because the amount

of money we need is about \$11,000,000 and if we go into any more exemptions we won't have that much and we have got to start in passing other types of revenue bills. I believe we should do it all in one package and that this is the package and that it is as fair as it can be. And if anybody thinks any tax can be passed without a sting, why they are trying to be fanciful.

A viva voce vote being doubted by the Chair

A division of the Senate was had. 17 having voted in the affirmative and 14 opposed, Senate Amendment "E" was adopted.

Mr. BARNES of Aroostook: Mr. President, I am about to make a motion that the Senate reconsider its action taken earlier this morning in the adoption of House Amendment "A." The members of the Senate will recall that when that amendment was offered, it was when we had first started to discuss this bill. We were not given any price tag on the exemption and we didn't even have a voice vote on it. It went under the hammer. We are now informed that this exemption will cause the State to lose around a half a million dollars in revenue.

Personally, I see no more reason why these containers and paper bags and cans and bottles should be exempt than the stationery I have to use in my law office, in principle. I think our action was hasty and I therefore move, Mr. President, that we reconsider our action whereby we adopted House Amendment "D" as amended by Senate Amendment "A".

Mr. LEAVITT of Cumberland: Mr. President, I would like to ask the Senator from Hancock, Senator Noyes, if he could give us a definite price tag on this item.

The PRESIDENT: The Senator hears the question and may answer if he sees fit.

Mr. NOYES of Hancock: Mr. President and members of the Senate, I don't think there is any man in the State of Maine that can give a definite price tag on what the container amendment, so-called, would amount to in dollars and cents. The figures I have from three of our industrial companies,

Bates, Oxford Paper and Eastern Manufacturing, indicate that those three companies would have paid last year on their containers the sum of approximately \$37,000.

To determine the total that would be paid in the State of Maine by all companies, large and small, would be a very difficult matter and I say again that I don't believe any man knows definitely, or probably within \$100,000, what that would amount to. But it has been claimed that that would run as high as half a million dollars. Representative Sinclair who has done some additional work on it, arrived at a figure of \$400,000. That is the best answer that I can give.

The PRESIDENT: At this time, the Chair notes in the Chamber the presence of the Hon. William Silsby, Speaker of the House and would ask the Majority Floor Leader to escort him to a seat at the right of the President.

This was done amid the applause of the Senate, the members rising.

Mr. LEAVITT of Cumberland: Mr. President, I rise to support the motion of the Senator from Aroostook, Senator Barnes, that we reconsider our action wherein we adopted House Amendment "D" amended by Senate Amendment "A".

We have just this morning passed another amendment which will cost \$600,000. I had understood that this other amendment would cost the State in revenue about one hundred thousand.

We can not raise \$11,000,000 and exempt five hundred thousand and six hundred thousand. If you Gentlemen accept the \$600,000 amendment, there is nothing to do but reconsider our action and recover revenue from this other source.

Mr. BARNES of Aroostook: Mr. President, when the vote is taken, I ask for a division.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Aroostook, Senator Barnes, to reconsider the adoption of House Amendment "D" as amended by Senate Amendment "A," and that Senator has requested a division.

A division of the Senate was had.

Nineteen having voted in the affirmative and eleven opposed.

The motion to reconsider prevailed.

Mr. BARNES of Aroostook: Mr. President, I now move indefinite postponement of House Amendment "D" as amended by Senate Amendment "A."

The PRESIDENT: The motion of the Senator from Aroostook, Senator Barnes is the indefinite postponement of House Amendment "D" as amended by Senate Amendment "A."

Mr. BARNES of Aroostook: Mr. President, I am in some doubt as to what I do want but I certainly want to postpone Senate Amendment "A" to House Amendment "D" and I prefer to make that motion first.

Mr. WEEKS of Cumberland: In considering this amendment, it should be borne in mind that we are not dealing alone with big manufacturers in the State of Maine. For instance, this has to do with wrapping, binding and paper bags which are used by everybody in small business as well as large.

To digress for a moment, twenty-three of the twenty-seven states which have adopted a sales tax, to my knowledge, exempt this type of material.

The take has been explained as well as possible by Senator Noyes. I believe as he said that no one can put an accurate figure on the amount which this amendment would affect.

Before I go any farther, I want to support the Senator from Knox, Senator Sleeper, in his plea for the poor man. I will go along one hundred per cent with that proposition. I have introduced measures which have not been too sympathetically received, dealing with the plight of the poor individual and I am not too well off, myself.

But we are talking here about fair play. I am willing to exempt coal and fuel and food and those necessities. I also think you want to consider the individual, small merchant, as well as the large manufacturer, in dealing with these containers. I say, it may not be too large, four hundred thousand, assuming that is the figure.

I believe with this exemption in there that there is going to be

adequate revenue from the sales tax to take care of the necessary expenditures.

I, therefore, hope that the motion does not prevail.

Mr. HASKELL of Penobscot: Mr. President and members of the Senate, I shall vote for the motion of the Senator from Aroostook, Senator Barnes, for what seems to me a rather common-sense reason. By adopting the amendment presented by the Senator from Knox, Senator Sleeper, you granted to labor a very substantial exemption because by that amendment all fuel used for heating is exempt from the sales tax, which to industry is one of the major costs in their operating budgets. If I correctly interpret the Senator's amendment it is all-inclusive and unless some other Senator can convince me that it does not exempt industrial heating or the cost of industrial fuel, I believe it is a major exemption because in my estimation that is much greater than the cost of wrapping material. So I think the end result is a net reduction to industry by going along with the Senator from Aroostook rather than with the Senator from Knox.

If I am confused in interpreting the amendment offered by Senator Noyes I am sure he will straighten me out.

Mr. NOYES of Hancock: Mr. President, if I may speak of the previous amendment which has already been adopted, I haven't seen the amendment offered by the Senator from Knox, Senator Sleeper, but I understand it carries the same thought that has been injected by the Senator from Penobscot, Senator Haskell, that we should not exempt industrial fuel. In the amendment as read I thought that was what Senator Sleeper intended to do. If, however, it is evidenced that the amendment is too broad I am sure the Senator from Knox, Senator Sleeper, would be willing to amend it, and I will ask that the amendment now be read.

The SECRETARY read the amendment: "Senate Amendment E to House Paper 1695, Legislative Document 1273. Amend said bill by adding to that part designated Section 10 a new sub-section to

read as follows: 'VII-A. Coal and Oil. Sale of coal, oil, bottled gas and all other fuels used for cooking or heating.'

Mr. SLEEPER: Mr. President, I can easily see that that can be interpreted to mean the heating of large industries so with the permission of the Senate I would like to further amend that amendment by adding the words "for domestic cooking or heating."

The PRESIDENT: At the proper time the Senator may make his motion. The question at this time is on the motion of the Senator from Aroostook, Senator Barnes, to indefinitely postpone Senate Amendment A to House Amendment D.

Mr. WEEKS of Cumberland: Mr. President, when the vote is taken I ask for a division.

Mr. BARNES: Mr. President, I hope that by the explanation that has been made on Senator Sleeper's amendment I will not lose the vote of the Senator from Penobscot, Senator Haskell. The thought has been expressed that this amendment which I have moved to be indefinitely postponed helps the little man. I am not conversant with the cost of paper bags but I assume they don't cost more than a dime a dozen and the rich grocer might purchase a hundred and twenty of them for a dollar and the postponement of this amendment would cost him two cents. So I don't believe we have to worry too much about the little man. But I do believe, as I expressed previously, that we are cutting the revenue from this sales tax to a very great extent and I do believe this is one amendment we shouldn't have passed and I therefore urge the members of the Senate to vote for the indefinite postponement of Senate Amendment A.

Mr. LEAVITT of Cumberland: Mr. President, I dislike to take up the time of the Senate but we are doing this from the floor and haven't had a chance to converse back and forth and I would like to ask the Senator from Aroostook, Senator Barnes, if we do repeal Senate Amendment A does he then intend to repeal House Amendment

D. I believe if one is going to be repealed both should be repealed.

The PRESIDENT: The Senator hears the question and may answer if he wishes.

Mr. BARNES: I don't know, Mr. President, but I do want to inquire into the price tag on House Amendment D which merely says, "cans or bottles together with labels affixed thereto." I may move to indefinitely postpone that one. I don't know. I want more information. And I don't think I have to answer that question on this particular motion.

Mr. LEAVITT: Mr. President, I think we should know all about both of them before we vote. If I thought House Amendment D would be repealed I would vote for Senate Amendment A. If I thought we were going to repeal both of them I would vote to repeal Senate Amendment A. Therefore I would like to ask the Senator from Hancock, Senator Noyes, if he can give us advice on House Amendment D.

Mr. NOYES: Mr. President, your Taxation Committee had no figures and made no estimates on the revenue that might be derived by taxing the tin cans. No thoughts on the part of the Committee were ever expressed that we intended to tax cans. The amendment that the House adopted clarifies the position of the Committee so that no question might be raised as to whether they were taxable. As to dollars and cents, if we want to tax tin cans and write a bill to that effect, I have figures that would indicate that the American Can Company and the Continental Can Company last year sold to the State of Maine some seven and a half million dollars worth of cans and this tax of two percent would give \$150,000 if I am correct. But it wasn't the intent of the Committee and no estimate was made on the cost of cans.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Aroostook, Senator Barnes, that Senate Amendment A to House Amendment D be indefinitely postponed. The Senator from Cumberland, Senator Weeks, has asked for a

division. Is the Senate ready for the question?

A division of the Senate was had.

Fourteen having voted in the affirmative and fifteen opposed

Senate Amendment A to House Amendment D was not indefinitely postponed.

Mr. CROSBY of Franklin: Mr. President, as it appears that we are still going to be some time discussing this matter and as I notice some of the Senators chewing their pencils, I will now move that we recess until two-thirty o'clock this afternoon.

The motion to recess prevailed.

After Recess

The Senate was called to order by the President.

Mr. BARNES of Aroostook: Mr. President, It is my understanding that it would be in order at this time to move indefinite postponement of Senate Amendment A to House Amendment D. I have talked with several members of the Senate over the noon hour. The question was not too clear to some of them. I really feel that this particular amendment should be defeated and I feel strongly that way. If it is defeated I will move to adopt House Amendment D in concurrence.

I therefore move the indefinite postponement of Senate Amendment A to House Amendment D, and I ask for a division when the vote is taken.

Mr. Weeks of Cumberland: Mr. President, it is my understanding that we voted on that this morning.

The PRESIDENT: The Senator is quite correct but the motion to indefinitely postpone is still in order at this time. There is no limit to the number of times the motion may be made.

Mr. WEEKS: May I lay that on the table until later in the day?

The PRESIDENT: For the information of the Senate the Chair will state that a motion to table would table the entire bill. Is that the desire of the Senator?

Mr. WEEKS: No, Mr. President.

The PRESIDENT: The Senator withdraws his motion to table.

Mr. WEEKS: Mr. President, there seems to be a lot of confusion on the part of those who are concerned with this particular amendment. There seems to be some doubt in some minds regarding the purposes of the amendment. The purpose of this amendment really is to prevent more than one tax before it gets actually to the retail sales level. I believe that the figures this morning which would be involved in this particular part of it—and I am referring to Senate Amendment A as distinguished from that amount which is involved in House Amendment D at the present time—if you divided it up it is not going to be the full four hundred thousand dollars, if that is the correct estimate, because at the moment you have House Amendment D covering cans and bottles, and I believe it is proper legislation. I believe it is going to handicap not only the large business man but the small business man and I think that is a fair proposition. Therefore I hope the motion does not prevail.

Mr. LEAVITT of Cumberland: Mr. President, this morning I spoke against Senate Amendment A on the basis that there was another amendment here on fuel taking six hundred thousand dollars out of the tax. I understand that is to be amended very shortly which will take out at least half of the money which was going to be subtracted from this bill which is the only reason that I had already voted for Senate Amendment A. But after this Senate Amendment that Senator Sleeper presented I felt we couldn't afford the bill with both amendments. But with the new amendment that Senator Sleeper is going to present I feel that Senate Amendment A should stay in and I will vote for it and I hope the motion of the Senator from Aroostook will not prevail.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Aroostook, Senator Barnes, that Senate Amendment A to House Amendment D be indefinitely postponed. The Senator has asked for a division.

A division of the Senate was had.

The PRESIDENT: The Chair must remind the Senators that all

Senators present must vote. Apparently two Senators have not voted on this motion and the Chair must state it again. All those who favor the motion of the Senator from Aroostook, Senator Barnes, that the amendment be indefinitely postponed will rise and stand in their places until counted. Those opposed will then rise and stand in their places until counted.

A division of the Senate was had. Fourteen having voted in the affirmative and seventeen opposed the motion to indefinitely postpone Senate Amendment A to House Amendment D did not prevail.

The PRESIDENT: The question before the Senate is now on the adoption of House Amendment D as amended by Senate Amendment A. Is this the pleasure of the Senate?

Thereupon, House Amendment D as amended by Senate Amendment A was adopted in non-concurrence.

Mr. Larrabee of Sagadahoc presented Senate Amendment F and moved its adoption.

The Secretary read the amendment: "Senate Amendment F to L. D. 1273. Amend said bill by striking out the underlined word 'not' which is the fifth word of the last sentence of the next to last paragraph of sub-section three of that part designated Section Ten thereof. Further amend said bill by striking out the last paragraph of sub-section three of that part designated Section Ten thereof."

Mr. LARRABEE: Mr. President, in explanation of this amendment I will say that it exempts meals. I am opposed to a sales tax and I am also opposed to all amendments but the Committee started in to amend this bill before they reported it out and therefore I feel this is one that will clear up an injustice in this bill.

My good friend, the Senator from Androscoggin, said this morning we are trying to eliminate all the bad features that would harm the big industries and we are putting the tax on the factory workers and mill workers, and this bill to my mind is to relieve that very class of people. I don't know the exact figures but it seems to me that nearly half of our workers live in boarding houses or rooming

houses or hotels or whatever and they have to eat outside. And these are the days when most of the women are working and have no time to cook at home and both sides of the house have to eat out. If we are one of those people who are lucky enough to have a home we buy our food at the store and take it home and our wife cooks it and we are exempt from any tax on that food. But what about the poor people who have to eat in restaurants or hotels? Also you are exempting packages for retail stores and so forth but what about the traveling man on the road all the time? They have to pay for their meals. They have no exemption. I feel it is no more right that if you are going to exempt food raw you should also exempt it cooked. The argument has been put up that we wouldn't get anything out of the tourists that come from outside of the state. If that is an objection, I have no objection to putting on a limit to this, say two dollars or something like that. Most of our tourists will pay two dollars for meals at any of these hotels or roadside places and that could be put in to relieve the working people.

Mr. NOYES of Hancock: Mr. President, the Senator has brought out the point of how these people eat meals at a hotel or restaurant and by his remarks he has indicated that half of the working people in Maine may be in that category. However, the figures available to the Committee on Taxation are available to all and would indicate otherwise because in the year 1948 the total food sales in Maine were twenty-two million dollars and in that same year restaurants and lunch counters and cafeterias did about a thirty million dollar business.

If we add to the price of food the prices of restaurant meals and so forth it would indicate to me that about ten percent of the people from Maine eat in a restaurant or hotel. Actually it is less than that because the major part of that thirty million dollars isn't paid by people who belong to these poor families about whom we have heard so much. I don't think we should adopt this amendment. From the figures available, which I have just

given you, it would mean \$600,000 less revenue than has been estimated by your Committee.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Sagadahoc, Senator Larrabee, to adopt Senate Amendment F. Is the Senate ready for the question?

A viva voce vote being doubted

A division of the Senate was had.

The PRESIDENT: The Chair dislikes intensely to continue to remind the Senators of the rule. It is the rule, however, made by the Senate itself, that no Senator may be excused from voting except on an actual motion put before the Senate. It is immaterial on this particular vote for the difference is outstanding. Nevertheless, the Chair, and doubtless the Senators themselves, feel that no Senator should dodge his responsibilities as such. It is quite obvious in the last two votes that someone is not voting on the division. The Chair feels there is no excuse whatsoever for it and will leave it with the individual consciences of the Senators.

Nine having voted in the affirmative and twenty-one opposed, the motion failed and Senate Amendment F to L. D. 1273 was not adopted.

Mr. TABB of Kennebec: Mr. President, I present Senate Amendment G to Legislative Document 1273 and move its adoption.

The Secretary read the amendment: "Senate Amendment G to L. D. 1273: "Amend said bill by striking out all of that part designated Section Ten and inserting in place thereof the following underlined section: 'Section Ten. Exemptions. No tax on sales, storage or use shall be collected upon or in connection with:

I. Exemption by constitutional provisions. Sales which this state is prohibited from taxing under the constitution or laws of the United States or under the constitution of this state.

II. State and political subdivisions. Sales to the state or any political subdivision, or to the federal government, or to any agency of either of them.

III. Motor vehicle fuel. Sales of gasoline and motor fuels upon

which a tax is now imposed by the state, but the tax payable upon such fuels not used by vehicles on the highway shall be deducted from any refund of the gasoline tax sought by the purchaser."

Mr. TABB of Kennebec: Mr. President and members of the Senate, yesterday in this Senate I voted, as you all know, to go along with the Committee report. I also stated that I was opposed to the sales tax we had before us. Today we have put on several amendments and I don't know whether there are any more to come but nevertheless it has been demonstrated here that if we keep on putting on the amendments we won't even have the cover that the bill is written on. Five hundred thousand here, six hundred thousand there, and so forth and so forth. We won't have anything left. I believe, as I stated here yesterday, that we all should be used alike regardless of what our income is. Therefore, I say that the tax as we had it originally is not fair and certainly it is not fair with all these amendments put on it.

We have heard argument here today by the good Senator from Cumberland, Senator Allen, about manufacturers coming into the State of Maine. We have heard that for the last two years. Maine industries should be protected. I want industries protected, but I also want the state protected. You have all said in the appropriations bill that you want this and you want that and you want the other thing. It seems to me we all want something and we are not willing to go along for the good and welfare of the state. I still believe in economy and I still believe it could be worked in this state if it was made to work but as long as you and I go along and appropriate all the monies asked for, you and I are to blame for the condition of this state, and nobody else.

In the next two years it is up to you and to me. It will rest upon our heads what will happen and if you exempt everything here the way you seem to want to exempt it, what in the world is going to take care of our state, what are the poor going to have, what is education going to have? You and I can't do it if you are going to add these five and six hundred thousand dollar expenses

to the state by these exemptions for this and for that and these further amounts for this appropriation and that appropriation and so on. The only way I can see is let us all be taxed alike.

Now how about the poor man with a large family with perhaps four or six or eight or more children to support? How is it going to affect him? When you figure it all out how much is it going to affect him? It is going to affect him very, very little. But still, those very people can go down the street and find money for things they shouldn't have. You all know that. But that doesn't make any difference. As long as they get it. As long as they can do that they don't care about the other expenses because it has been handed down in their families to take what they can get regardless of where it comes from.

So I say to you again that this tax is an appeasement tax to satisfy certain groups of people, as I stated yesterday. Let's do away with it and let's have courage enough to vote for a thing regardless of what it may do to us politically. I am not afraid to go back and tell the people I represent that I voted for a tax barring nobody. I think in the long run you will be admired for doing it and I sincerely hope, Mr. President and members of this Senate, that you will go along with this amendment which I have presented.

Mr. NOYES of Hancock: Mr. President, since the Senator did not explain his amendment and none of us—at least I didn't—have read the amendment and I don't know exactly what he proposes to do.

In answer to the Senator and others who have said that nothing will be left to tax, I have here on my desk a list of the items that would be taxed, and I ask your indulgence to mention some of them to you. By our recent actions we have voted to tax restaurants and hotels and drinking places, and so forth. They do a thirty-five million dollar business a year, making \$37,000 of revenue that would have been realized by it in 1948. General stores in that year did approximately nine million dollars worth of business. The general merchandise

group did a thirty-four million dollar business. The automotive group did a hundred and twelve million dollar business. Lumber, buildings and hardware did another fifty-seven million dollar business. Structural work did nineteen million dollars. Second-hand stores did \$697,000 and our retail stores \$86,584,000., of which eighty-six million for farmers feed, grain and fertilizer, would be exempt. So you still have substantial sales in Maine that are taxed. And in addition to that we are taxing under this tax bill the industrial machinery that is using fuel. In other words we have a very basis of taxation, regardless of the thirteen amendments which we have heard so much about. Actually, the amendments offered for exemptions still leave a very broad basis of taxation contrary to what has been said about it. And the amendment debated this morning was a clarification of the amendment on retail sales which is in common with most other states.

Mr. TABB: Mr. President, I would like to just answer one statement the Senator from Hancock, Senator Noyes, has made. Senator, I believe you know what the amendment means. You know that it means two percent across the board. There is no getting rid of that. He heard what it means and knows what it means.

Mr. LEAVITT of Cumberland: Mr. President, I would like to ask the Senator from Kennebec, Senator Tabb, if he knows how much money would be raised by his amendment.

The PRESIDENT: The Senator hear the question and may answer if he sees fit.

Mr. TABB: Mr. President, as nearly as I can find out from the figures I have seen, I admit it would raise more than eleven million dollars. It possibly might raise fifteen million. But let me say to the good Senator from Cumberland, Senator Leavitt, it wouldn't make any difference if we had twenty million. The department heads would use it.

Mr. BOUCHER of Androscoggin: Mr. President and members of the Senate, I think by this time it is a well known fact that I am opposed to a sales tax. I think I will vote

for this amendment hoping it will kill the sales tax.

Mr. TABB: Mr. President, when the vote is taken I ask for a division.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Kennebec, Senator Tabb, to adopt Senate Amendment G, and the Senator has requested a division. Is the Senate ready for the question?

A division of the Senate was had.

Eleven having voted in the affirmative and nineteen opposed, Senate Amendment G was not adopted.

Mr. Haskell of Penobscot presented Senate Amendment H to L. D. 1273 and moved its adoption.

The Secretary read the amendment: "Amend said bill by adding to the second paragraph of that part designated 'Sec. 3' the following underlined sentence: 'No tax shall be imposed on water stored for the purpose of generating electricity when the water so stored is sold by a subsidiary to its parent company'."

Mr. HASKELL of Penobscot: Mr. President, I have something of the feeling Senator Sleeper had in rising to defend this particular amendment. I first acknowledge that it is not too important, but of the three major light companies in the state I think two of those companies use subsidiary operations for the storage of water by means of which electricity is generated. The third company, I think, has the subsidiary generate the electricity and in the bill it says, "The tax imposed upon the sale and distribution of gas, water or electricity by any public utility, the rates for which sales and distribution are established by the Public Utilities Commission, shall be added to the rates so established. But no tax shall be imposed upon such property sold at retail for ten cents or less, provided the retailer is primarily engaged in making such sales and keeps records satisfactory to the state tax assessor."

That seems to make sense because the intent of the Committee was not to have double taxation. Now, in the case of the company that uses a subsidiary for the purpose of storing water and then

buys the water of the subsidiary for the purpose of generating electricity, it seems to me it should have the same treatment as the other company that generates its own electricity. I doubt very much if any member of the Committee knew such a thing existed or that in their calculations of income, the income from the sale of water for generating electricity was ever computed. But if it is fair to have the provision with reference to electricity possibly it is fair to have the same provision when it is on stored water for the purpose of generating electricity. Otherwise you are saying that the subsidiary company will pay a sales tax when it builds the dam, and that is reasonable; the parent company will pay a sales tax for the materials used in operating the plant, and that is reasonable; and the customer will pay a sales tax when the electricity is sold, and that is reasonable. But it seems to me unreasonable to impose a tax in the middle when the other class is exempted. I do not think it is too important, but I think it is a reasonable exemption and when the vote is taken I hope it is by a soft-voiced vote and I won't feel too upset whatever the result may be.

Mr. NOYES of Hancock: Mr. President and members of the Senate, I rise to say that in my opinion this amendment is in order and I have no objection to it.

The PRESIDENT: The Senator from Penobscot, Senator Haskell, presents Senate Amendment H to L. D. 1273 and moves its adoption. Is the Senate ready for the question?

A viva voce vote being had

Senate Amendment H to L. D. 1273 was adopted.

Mr. CHRISTENSEN: Mr. President, I offer Senate Amendment A to Senate Amendment H and move its adoption.

The PRESIDENT: The Senate will be at ease for a few minutes.

Subsequently the Senator from Washington, Senator Christensen, was granted leave to withdraw the amendment.

Mr. SLEEPER of Knox: Mr. President, for the purposes of clarification of the amendment which

I introduced this morning and which the Senate was courteous enough to adopt, or far-sighted enough to adopt, I offer an amendment which will clarify the coal, oil and wood which is used for cooking and heating and I suppose my first motion should be to reconsider the adoption of Senate Amendment E.

The PRESIDENT: The Senator from Knox, Senator Sleeper, moves that the Senate reconsider its action whereby Senate Amendment E was adopted.

The motion to reconsider prevailed.

On further motion by the same Senator, Senate Amendment E was indefinitely postponed.

The same Senator thereupon presented Senate Amendment I and moved its adoption.

The Secretary read the amendment: Senate Amendment I to L. D. 1273. "Amend said bill by adding to that part designated 'Sec. 10' a new subsection to read as follows:

"VII-A. Coal, oil and wood. Coal, oil, wood and all other fuels, except gas and electricity, used for cooking or heating for domestic purposes."

Mr. HASKELL, of Penobscot: Mr. President, I am under the difficulty of speaking again on the amendment of Senator Sleeper, because I don't think the amendment accomplishes his basic intent. If you turn to Section Three, the one that you so kindly permitted an amendment to go on, under Senate Amendment H you will note the tax is imposed upon the sale and distribution of gas, oil and water by any public utility.

As I indicated previously, that seems reasonable and fair. Now you are stepping over into the exemption section and instead of accomplishing what the Senator started out to accomplish, it is saying if a poor person is wise enough to take advantage of the low cost of electricity and has an electric range, he shall pay a sales tax on that fuel, but if he is in the more fortunate group who decide to use the modern fuel that is advertised as gas and he buys it of the city gas company, then he is exempt.

I am not going to speak to the point of discrimination between gas and electric companies. I am simply

going to point out that the use of electricity for cooking is rather general. The use of gas, either manufactured or natural gas, which we will have in Maine before long I hope, is rather general.

I question whether there is any logic or sense in saying that one particular utility shall have an exemption on its product, yet the other one shall be taxed. I believe if you want to exempt domestic fuels, you ought to go across the board and exempt all domestic fuels—gas, electricity, coal, oil and what have you.

It leaves me a little confused to believe that the Senator picks out one fuel and says to exempt it and says that another one should be taxed. There may be some sound reasoning for taxing electricity and exempting manufactured gas. I am sure there must be because that is the way the amendment was prepared. But until it is reasonably well explained, I feel compelled to vote against it.

Mr. SLEEPER of Knox: Mr. President, obviously, even a man who is as well versed in statistics and figures, it would be quite difficult to take the average electric light bill and figure out how much the stove used and how much the lights was using. That is the reason we have not attempted to eliminate electricity from paying the fuel tax.

You brought up the question of gas. I don't know how many cities in this State still have gas companies, piped gas, but there aren't too many of them and I do realize that in some of the larger cities—Biddeford, Lewiston and Portland—that there are people living in tenements that are just as poor as the farmer in the crossroads who burns wood and oil and coal and those persons should be exempted for the gas they use for cooking. It would be mostly for cooking and heating.

The distinguished Senator from Penobscot has said there aren't many houses that are now lit with gas and you would have the same difficulty there to differentiate, even with a slide rule, the difference in the bill between cooking and lighting by gas. But I could almost guarantee to this Senate that I could count on my hands and feet

the number of houses that are lit with gas, even in the State of Maine.

I feel that this is just a move to confuse, bewilder and eventually vanquish the amendment. I gave the amendment in all sincerity and I still feel that if you have any amendments, if you have any exemptions at all, it seems to me fuel is one of the items that should be exempt — fuel and food and shelter. And I might add at this time that this little variation of this amendment saves the State in the neighborhood of three hundred fifty to \$375,000 more coming in on the tax because the average fuel dealer, as far as I know, judging by myself, about three-fifths of his business is quite apt to be for heating and for commercial purposes and you will still get your tax for all of the oil and coal that is sold to factories and apartment houses and office buildings and restaurants, and so forth.

So you can see that this clarification, while it makes the amendment much more to what we really wanted it, also saves us \$375,000 and I hope that my amendment prevails in spite of the comments from my distinguished friend on my left.

Mr. NOYES of Hancock: Mr. President, I voted against Senator Sleeper's amendment this morning. I shall vote against this amendment this afternoon. I think he has been fair in recognizing what the first amendment did and being willing to amend that so that the revenue from the sales tax would not be affected so much. I think the saving would be in the neighborhood of \$375,000. That will not be exactly right because no one knows exactly, but there is a substantial saving and I think the Senator has well pointed out that in this amendment, if you adopt it, you are doing about everything you wanted to do. If you try to get a perfect amendment you will never get one. If you try to get a perfect tax bill you will never get one. Some of the stores will be penalized more than others but on the whole I think it is a fair amendment.

Mr. HASKELL of Penobscot: Mr. President, I recognize that the amendment undoubtedly will prevail but I would like to note on

the record that the problem he imposes upon gas companies is going to be a rather difficult one because whether or not he believes that there are still gas lights in homes, and I think he is correct in his statement, it is a little difficult for him to dispute the fact there are thousands and thousands of gas refrigerators in customers' homes. So that, of course, when the majority concludes as you are concluding here, again saying that the gas used for operating refrigerators in the customers' homes is taxable, and the gas company has the problem of determining to either put in a second meter or determining what is exempt, certainly, but if that confused amendment is what should go in the bill, the majority of this body is correct.

I don't think it is wisely drawn and I don't think it is well considered. I think competitively it is wrong. But if that confusion must be added to it, the vote of the majority, of course, should prevail.

Mr. BOYKER of Oxford: Mr. President, I shall vote against the amendment of the Senator from Knox, Senator Sleeper because if I voted for it, I would be discriminating between the electricity and gas. I have a large gas range in my hotel and I should except the gas company at any time to leave it so that I would be short of gas. I don't want to discriminate between the electricity and the gas.

Mr. BARNES of Aroostook? Mr. President, this is, indeed, a confusing issue. I wonder if the confusion would be clarified if the word "bottled" were struck out of the amendment.

I would like to ask through the Chair of the Senator from Penobscot if the word "bottled" were stricken out of that, it would not apply to bottled gas but to all gas used for heating or cooking?

The PRESIDENT: The Senator hears the question and may answer if he sees fit.

Mr. HASKELL: May the Secretary read the amendment?

The Secretary again read the amendment.

Mr. HASKELL: Mr. President, would it be unreasonable to ask for a recess of ten minutes?

The PRESIDENT: The Senator from Penobscot, Senator Haskell suggests, and moves, that the Senate recess for ten minutes.

The motion to recess prevailed.

After Recess

The Senate was called to order by the President.

The PRESIDENT: The amendment not having been voted upon, the Senator from Knox, Senator Sleeper, has clarified it slightly. The Secretary will read the amendment.

The Secretary read: Senate Amendment I to L. D. 1273. "Amend said bill by adding to that part designated 'Section Ten' a new subsection to read as follows: 'VII-A. Coal, oil and wood. Coal, oil and wood and all other fuels except gas and electricity used for cooking or heating for domestic purposes.'"

The PRESIDENT: The question now before the Senate is on the motion of the Senator from Knox, Senator Sleeper, to adopt Senate Amendment I. Is the Senate ready for the question?

A viva voce vote being had Senate Amendment I was adopted.

Mr. PALMER of Lincoln: Mr. President and members of the Senate, before the vote is taken on this particular tax bill I would like to make my position clear. During the debate yesterday, and thus far today, I have refrained from saying anything in order that I might first of all come to an understanding as to what the objections are to this bill or to any sales bill, in the hope that perhaps before the Senate finished its deliberations, or the House, that a bill of a sales tax nature might be presented to this Body with as few objections as possible.

During the debate of yesterday and this morning, and thus far this afternoon, there have been certain things mentioned by certain groups opposing a sales tax for the citizens of Maine, specifically the group following those who are Democrats, those who are merchants and those who favor some other type of taxation. I am not going into their specific objections to the tax bill. Some I feel are valid and others I feel

are far from reasonable. But with the objections given to the sales tax bill before this Body, certain are mentioned over and over again; those who believe there should be exemptions in any type of sales tax bill; they are opposed by those who feel it should be across the board; there are those who feel there should be no tax on food regardless of what kind of sales tax is passed; there are those who believe that Maine should go out of the property tax field now; there are those who believe that Maine should remain in the property tax field; there are those who believe that this type of bill will raise too much money and another type will not raise enough, the difference there being on the question of need. There has been some objection because many feel we are building up too large a surplus, that this is a type of bill which will raise too much revenue, and there are other who feel that perhaps certain bills would not yield enough.

So, considering the objections to the sales tax and the objections of those groups that I have mentioned, and saying once again that I feel very earnestly that some of the objections of those groups are valid and others are not, I have in my possession an amendment to the present tax bill, an amendment which would cut the two percent feature of this sales tax to a one percent feature and would refuse exemptions to any commodity; in other words, which would be an across the board sales tax of one percent, the only exemptions being the Constitutional provisions and the exemption on gasoline due to the Constitutional provision there that gasoline revenue must go to the Highway Department.

And the third feature of the bill would be that three million dollars of the amount derived from this tax would be apportioned to the towns and cities on the basis of their respective state valuations.

Now, in analyzing this amendment I take into consideration the objections of all of those opposed to this sales tax bill or to any other sales tax bill. I think it can be reasonably said, for example, that

a two per cent sales tax bill with certain exemptions would be just as great a hardship on an individual as a one percent across the board. For those who feel the state should step out of the property tax, as opposed to those who feel it should not, I feel here again is a compromise which is just, believing that Maine should not entirely step out of the property tax field but should reduce the amount they take from the various cities and towns by three million dollars, better than one-half the amount we are taking now, and returning to them on the basis of their state valuation. It cannot be said, it seems to me, that this bill would raise too much money because, as has been said here this afternoon and yesterday, none of us can say how much money any individual tax would raise, but on the basis of one percent it would raise, we will say, in the vicinity of eight million dollars annually. If you take four and one-half million of that to balance the budget and take off three million to return to the cities and towns in reduction of the property tax, you have well taken care of the situation and at the same time you have not laid too great a burden on the taxpayers of Maine by levying a one percent across the board tax.

Moreover, in speaking of the individuals opposed to the present bill, Maine merchants have been very vehement in their protests, as I said before, some of their objections I do not think are worth the paper that all those letters have been written on and I truthfully say I have never before seen one organization spend so much money supposedly in aid of the poor people as have the merchants in aiding the poor people in Maine. But their objection really goes deeper than the fact that they are opposing it because of their customers who cannot afford to pay it. One of their objections might truthfully be that they oppose any kind of tax which exempts one kind of commodity and does not exempt another; in other words, making it very difficult for the Maine merchants in a business transaction to know what he is taxed and what

he is not taxed. I believe that in this respect an amendment of this type is one which would be more satisfactory to the merchants of Maine in that they would then know that anything they sell has a one percent tax.

So as we go down through the objections, I think we come to the fact that a bill levying one percent across the board which does kick back to the cities and towns over one-half the present property tax, is a bill of compromise. I say this because I appreciate very much the remarks this morning of the Senator from Cumberland, Senator Allen. I believe truthfully that what he said is right, that now we in the Senate and in the Legislature must come to a spirit of compromise and that those who would favor a bill of one kind and those who would favor another should compromise, and I believe this could well be the measure. I repeat once again, it is an amendment which would delete the figure 2 and put in the figure 1 on this sales tax, it is an amendment which would take all exemptions off and make it an across the board tax and which would return to the cities and towns in Maine approximately one-half of the current state property tax. Truly, it is a measure of compromise.

My position, then, is this: I think we have arrived at the position now where we have adopted all the various amendments presented to the Senate this morning. There may be a great majority in the Senate who feel that the bill before us now as written with its amendments is the bill which should receive passage. There may be others who feel that an amendment of this type, lowering the levy, cutting out half the property tax and making it an across the board tax, would be better. That, I think, is up to us at this moment to decide and that the moment has arrived that we should perhaps have a check vote on the present bill as it is, considering the amendments we have passed this morning and this afternoon, and considering the bill as it is. If this is the one we want the majority can so vote and pass it to be engrossed. If, on the other hand, this Senate does not believe that should be done, then I think this amendment could well be pre-

sented after the vote has been taken on the bill before us at the present time.

And so, in all fairness to those who have presented this bill and to those who have presented the amendments, I simply mention at this time that we have these two alternatives, the one before us with its exemptions, or another, which might be equally satisfactory to the greater number, levying a one percent sales tax with no exemptions and a one-half reduction of the state property tax, which would be the type, it seems to me to be the only alternative. And I make these remarks because this truly is the way I feel about the situation at the moment, and as I say, in all fairness to those who have presented the bill and the amendments to it, I think we should have a test vote, keeping in mind the fact that the bill as written now is not satisfactory.

Mr. NOYES of Hancock: Mr. President, I think the Senator from Lincoln has stated his case very clearly. I think he has raised the issue on the property tax which this Senate must decide. To my way of thinking, the solution he has there, just half does the job and you can't expect much more than half when you cut the tax rate in two.

In the first place, there is only one other state in this union that has a one percent sales tax and that is the little state of Rhode Island with an area of 1200 square miles. Every other state has two percent or more, some have three percent. The only sound objection to the sales tax is on the part of those people who collect the tax and I sympathize with them. However, if they must collect the tax, they might just as well collect two percent as collect one percent. It has been said before in this Senate that the State should not retire from the property tax and one member has said that there is very little merit in the state withdrawing from the property tax. I would suggest that this Senate discuss this issue this afternoon before we vote upon this bill.

At the local level of government it becomes increasingly clear that our towns and cities cannot raise the tax dollars necessary to operate those towns and cities from the

property tax alone. It is a fact that the property tax is practically the only source available for the towns and cities to use and at the present day, ninety percent of the tax dollars are derived from the property tax. It is of interest to note what other states have done with this same property tax. Other states have suffered the same experience as has Maine. Cities and towns have been unable to carry on their costs of government with a basic tax on property and the majority of those states have withdrawn from the property tax field and left it to the municipalities. We in the state of Maine recognize that our cities and towns cannot raise sufficient dollars from the property tax because we grant aid to those cities and towns currently, some seven or eight million dollars a year is being allocated back to our cities and towns primarily for aid to education. Thereby we have recognized the fact that the towns can't raise the dollars and at the same time, we continue to assess the state property tax. On the one hand we give them seven or eight million dollars and on the other hand we take five and a half million dollars away.

Other states have been through the same experience. Other states found it necessary to give grants in aid to their cities and towns; nationwide we are way behind. Last year our grants in aid on the state level were about nine dollars per capita as against twenty-four dollars per capita on the national level which would indicate we are fifteen dollars per capita short and thirteen million dollars more should be allocated back to the cities and towns if we in the state of Maine are going to do what other states have done.

It is of interest to note that in the several states that have property taxes that in the year 1948 they collected less than 200 millions of dollars. We in the State of Maine collected over six million dollars.

Nationwide we find a tax of sixty dollars per capita being levied to carry on state government as against fifty-one dollars per capita tax in the state of Maine, nine dollars less per capita to carry on state government as compared with the rest of the union. If we con-

sider the difference in the property tax at the state level the difference becomes even greater, \$65 per capita being the tax levied in other states in taxes other than the property tax, as against \$45 in the State of Maine from the same sources of revenue. It would indicate to me that Maine has still got an obsolete form of taxation, clinging to the property tax which cannot bear the burden it is asked to bear. Regardless of the valuations we hear so much about, there are people in the Maine Senate who believe the valuations in Maine are wrong and want a revision. Any of these people who advocate revision, advocate it for the purpose of getting added revenue from property, which today is bearing more than its share of the burden and I think that is substantiated if we take the experience of other states as a guide.

The objection I have to the solution Senator Palmer offers is the fact that we are not removing the state from the property tax field. We still have the state in the property tax field to the tune of some twenty-two million dollars or a three or three and a half mill rate. But that doesn't matter. The point I wish to make is this. As long as the state is in the property tax field and as long as the local assessors are aware, constantly aware, that your state assessors and the Board of Equalization have another valuation on the town other than their local valuation, the local assessors are fearful and are afraid to raise their valuation to the true valuation because they are afraid the state valuation will fall and when the state valuation falls the city or town pays more money. That is the crux of the matter, the state being in the property tax. As long as the state retains the property tax, that local valuation will never be changed materially and until you remove the state from the property tax field and give the local assessors a free hand to revalue without being punished for that valuation, you will come out with a tax rate in Maine of 75 or 76 mills. It was 75 last year and it will be more this year. I don't believe you will find any other state in the Union has anywhere near it. Many states have Constitutional limitations on prop-

erty taxes. New York has twenty-one mills. Some states have as low as seven and a half and we in Maine aren't ever going to change it until you get a true valuation and you won't get that until the state withdraws from the property tax field and leaves it to the cities and towns.

Mr. PALMER of Lincoln: Mr. President and members of the Senate, I do not want to carry on a lengthy debate with my good friend the Senator from Hancock, Senator Noyes, but I do want to answer two or three of his objections to the amendment I mentioned—and incidentally, I did not make it as a motion, I simply made it as a recommendation, something for the Senate to consider when voting on the sales tax.

I want to make it clear that I may agree in many instances with the Senator from Hancock in his viewpoint regarding the property tax. At the same time I tried to make it clear in my remarks that this is a compromise measure. It makes little difference to me whether there is one state or any other state in the Union that has a one percent sales tax. That is of little importance. The important thing is what will do the job for the State of Maine, whether it is one or two or three percent. Neither does it make any difference to me whether a merchant levies two percent or one percent. The fact I mentioned was that he would levy one percent on everything he sells, not two on this commodity and nothing on that commodity.

The property tax I would simply sum up in this way: There may be many who want the state to retire entirely from the property tax field. There are many who do not want the state to go out of the property tax field at all. In this section of the amendment as in the other sections of the amendment it was simply put in as a compromise. Nobody thought that by relieving the cities and towns of half of their indebtedness to the state on property we would satisfy those who want to step out as well as those who do not want to step out, by still retaining some of the property tax which we levy on our towns and cities. So once again I repeat, the number of states means nothing

to me, the amount the merchant collects means nothing to me. What is of importance to Maine is that as indicated in the budget approximately eight million or nine million is needed, in addition to the indicated revenues at the present time. Then if you take three million more off from property, a one percent sales tax will do the job, and whether or not 28 states have two percent, if we don't need two percent I can't see the logic of passing a two percent bill just because a majority of states has only one percent.

Again I state that it is a compromise intended to satisfy the various groups that oppose the sales tax in one form or another. And to again clarify this let me make this statement: I did not make a motion. I merely stated that I had this amendment drawn before me and that I could present it should this Senate not favor the tax as it is before us at the present time with the amendment. If the Senate is satisfied with it as we have it before us now, all well and good, the majority have wanted it that way. If they do not want it that way we could reconsider our vote and adopt this amendment and pass the sales tax bill in the form I have outlined here this afternoon.

Mr. DENNETT of York: Mr. President and Members of the Senate, I believe that the Senate has been in session many hours today, offering and discussing amendments to this sales tax bill. Very many amendments have been offered. Some have been accepted or adopted, others have been turned down. Some groups have distinctly been favored; some have not. I believe this whole thing has been discussed quite thoroughly. The members of the Senate this morning have created a monster like Frankenstein and I now move that this monstrosity be indefinitely postponed.

Mr. LEAVITT of Cumberland: Mr. President, I rise in opposition to the motion of Senator Dennett. I believe that this bill that is before us has been the work of a mature committee, a committee that has given it a great deal of study. It has worked closely with other com-

mittees here and I believe they have done a good job.

Their bill which went before the other branch was amended on two small items. It has come over here and we have debated it all day long and we have changed it in only two or three minor places. I think the total change here if somebody has been keeping the score is less than half a million dollars.

If the amount of revenue that this bill would raise when we started was eleven million dollars, it will now raise somewhere around ten million and a half. It will do the job of balancing the budget and it will also do the job of getting us out of the property tax.

Senator Palmer's proposition that we only get out of the property tax one-half is a fallacy. If there are people here who believe we should get out of the property tax or that the property tax is bad, getting out half way isn't going to cure anything. It is very much like a man having appendicitis. He has a pain in his side. People realize that something is wrong with him. People say he has appendicitis. So he has two doctors and they talk it over. One doctor says he should operate on and the other doctor says, "I don't think he should have his appendix taken out." So, a compromise was reached and they took out one-half of the appendix. It was pointless to take out one-half of the appendix because perhaps it wouldn't be bad and the man wouldn't have died anyway and then again it might be bad and he would die anyway on account of the operation.

The property tax is a millstone around the neck of the State of Maine. It should be abolished and the tax propounded here by the Committee on Taxation will take care of that properly. I think it is a good bill and as I said when I arose, I hope that the motion of the Senator from York will be lost.

Mr. BROGGI of York: Mr. President and members of the Senate, I rise to sustain the motion of my colleague, Senator Dennett from York for the indefinite postponement of this bill. This bill appeases everything from fishermen's bait to the Continental Can Company and when the vote is taken on this piece

of direct class legislation, I move it be taken by a "yea" and "nay" vote.

Mr. BOYKER of Oxford: Mr. President and members of the Senate, we have three groups who have their opinion on the sales tax. One group is of the opinion that they favor these amendments. Another group says that they do not favor these amendments; they want it across the board. And another group says that we do not need it and I do not want it at all.

Now, the taxpayers of the State of Maine say that we do not need it and I support the motion of the Senator from York, Senator Dennett, for the indefinite postponement.

Mr. BOUCHER of Androscoggin: Mr. President and members of the Senate, before this vote is taken, I want to register and raise my voice and the voice of my party in opposition about getting out of the real estate tax.

My good friend, Senator Noyes, has brought up the matter of valuation and I believe that the whole trouble is that if the valuation of the real estate property in the State of Maine was corrected, was made alike throughout the State, that not only might some of the small towns reduce from seventy-five mills to a lower rate, but that the State would realize enough increased revenue so that we wouldn't need this sales tax.

I take for example, the City of Lewiston. The City of Lewiston at its last valuation, if I remember right, their assessors said that the city's valuation was thirty-six million dollars. The State says that the city valuation of the City of Lewiston is forty million dollars. That is \$4,000,000 more and I repeat that the real value of the property in the City of Lewiston, the same value as of today, is possibly one hundred million dollars. That is the taxable property I am talking about. Now, that is not only true of Lewiston. That is true of all of the large centers, the large cities, throughout Maine, I believe. I know and you know that buildings have been sold for industrial purposes for about ten cents on the dollar. I know and you know that buildings throughout this state, industrial buildings, are valued for

tax purposes at about ten cents on a dollar of their real replacement value as of today.

And I say to you that if the State of Maine went into revaluation, we wouldn't need a sales tax. We would have all of the money we need. Before I will vote for a sales tax, I would like to see a revaluation of the whole State of Maine on a fair, equitable basis so that everybody would pay their fair burden of taxes on taxed property.

I am in the real estate business. I am a contractor, a building contractor. That is all I have done all of my life. I build and sell houses and I have compared valuation of similar buildings or homes in different cities of Maine and I find that the valuation differs over one hundred per cent in valuation as far as taxable value.

So I repeat that I can not go along with the thinking of my good friend, Senator Noyes from Hancock, that the valuation is not the problem. To me, it is the real problem. If the tax assessors of the State of Maine were empowered and if money was raised to give them enough help to do a real valuation job throughout this State, I think we would get enough revenue for the State of Maine so that we wouldn't have to be thinking of putting on a sales tax to the orphans and widows and the paupers of this State. So, therefore, I will go along with the motion of the Senator from York, Senator Dennett, for the indefinite postponement of this bill.

Mr. COLLINS of Aroostook: Mr. President and members of the Senate, I think that it should be borne in mind that the sales tax that we have before us is the only bill of that nature that is in the Legislature at the present time and whether or not we adopt the two per cent bill with the exemptions or whether or not we follow the suggestion of the Senator from Lincoln, Senator Palmer, at this time, I think we certainly do not want to indefinitely postpone the bill and so I feel sure that the members of the Senate would not be so foolhardy as to postpone or indefinitely postpone the bill at this time.

Mr. HASKELL of Penobscot: Mr. President, I rise only to quiet the

worries of the Senator from Aroostook, Senator Collins, by giving him my assurance that if the motion of the Senator from York, Senator Dennett, prevails, and if I am on the majority side, and I shall vote for that motion, I will rise to courteously ask reconsideration so that the Senate may consider the proposition very well presented by the Senator from Lincoln in his one per cent proposition.

Mr. REID of Kennebec: Mr. President, do I understand from the remarks of the Senator from Penobscot, Senator Haskell, that if this motion to indefinitely postpone prevails, that the particular bill under consideration will be dead for the rest of the session and the only thing remaining will be the bill proposed by the Senator from Lincoln, Senator Palmer.

The PRESIDENT: The Chair will state that the motion to indefinitely postpone, if carried, is a final motion so far as this Branch is concerned. The only other motion which could be considered would be a motion for reconsideration.

Mr. ELA of Somerset: Mr. President, I would call attention to the Senate that there is on the table in another body another sales tax.

Mr. LEAVITT of Cumberland: Mr. President, perhaps I am not a very good student of the Bible. Nevertheless, I remember once upon a time that somewhere in the Bible the devil went upon the mountain and he said to Jesus, "If you will do this for me, I in turn will do this for you."

I do not want to say that anybody here is the devil, but I do want to say that when a person stands here and says to this Senate, "You can vote this down, gentlemen. It will be perfectly all right because after fighting it down, I will save it. I will get up and I will ask for reconsideration so that you can do something else perhaps even more foolish than you have already done."

Now, Gentlemen, when we vote on this motion, don't vote with the idea that somebody is going to save you and that somebody is going to pull you out of your own indiscretions. We are voting here today seriously for the money that will give us the means to carry out the

State functions which the Appropriations Committee and the House and the Senate have voted are necessary to carry on the State Government.

This is the place. This is the crucial place and your vote shouldn't be based on a little political vindication with the idea that some day the devil is going to save us. Let's stand on our own feet and do it right.

The PRESIDENT: The question before the Senate is on the motion of the Senator from York, Senator Dennett, that the bill be indefinitely postponed. The Senator from York, Senator Broggi, has requested that when the vote is taken, it shall be taken by the "yeas" and "nays." In order for the Chair to entertain this request, it must be at the request of at least one-fifth of the members of the Senate.

A division of the Senate was had.

Obviously, more than one-fifth of the Senators having arisen, the "yeas" and "nays" were ordered.

Mr. LARRABEE of Sagadahoc: Mr. President, my good friend and seat mate here, Senator Brewer from Aroostook, is obliged to be absent this afternoon. I agreed to pair with him on this vote, knowing that he would be against it and I would be for it. It is a little in reverse order from what we expected it was coming but the result is the same and I would ask to be excused from voting. But as far as the press or anything else is concerned, I want to be on record as in favor of the motion.

The PRESIDENT: The Chair will recognize the pairing and the Secretary will pass the two names when he comes to them.

The PRESIDENT: The question before the Senate is on the motion of the Senator from York, Senator Dennett, that the bill will be indefinitely postponed. A vote of "yes" is a vote to indefinitely postpone the bill. A vote of "nay" is against the motion. The Secretary will call the roll.

The Secretary called the roll.

YEA: Boucher, Boyker, Broggi, Brown, Dennett, Ela, Greeley, Haskell of Penobscot, Marshall, Smart, Tabb, Turgeon, Ward — 13.

NAY: Allen, Barnes, Christensen, Collins, Crosby, Fuller, Haskell of Cumberland, Kavanagh, Leavitt,

McKusick, Noyes, Palmer, Reid, Savage, Sleeper, Weeks, Wight—17.

Thirteen having voted in the affirmative and seventeen opposed, the motion was lost and the bill was not indefinitely postponed.

The PRESIDENT: The question before the Senate is on the passage to be engrossed of the Bill "An Act Imposing a Sales and Use Tax" as amended by House Amendment "A", by House Amendment "D" with Senate Amendment "A" thereto, and by Senate Amendments "A" "D" "H" and "I".

The Senator from Franklin, Senator Crosby, has requested the "yeas" and "nays." In order to entertain the "yeas" and "nays", it must be at the request of at least one-fifth of the members present.

A division of the Senate was had. Obviously more than one-fifth having arisen, the yeas and nays were ordered.

The Secretary called the roll.

YEA: Allen, Barnes, Christensen, Collins, Crosby, Fuller, Leavitt, McKusick, Noyes, Palmer, Reid, Savage, Sleeper, Weeks—14.

NAY: Boucher, Boyker, Broggi, Brown, Dennett, Ela, Greeley, Haskell of Cumberland, Haskell of Penobscot, Kavanagh, Marshall, Smart, Tabb, Turgeon, Ward, Wight—16.

Fourteen having voted in the affirmative and sixteen opposed, the bill was not passed to be engrossed.

Mr. PALMER of Lincoln Mr. President and members of the Senate, earlier in today's session, I outlined an amendment which I said I had prepared for this bill. I don't think it is necessary at this time to go into it in detail as I did before as to what it would do.

Briefly, let me say that it is designed as an amendment which will make the bill presently before us a one per cent sales tax with no exemptions and with a three million dollar cut in the state property tax. I do want to say that I don't consider the cut in the property tax as comparable to taking out half of my appendix. I think this is not so much a matter of life and death but I think it is a compromise all of the way through.

I can't help but reiterate once again that I agree wholeheartedly with what Senator Allen said this morning. If we are to get any-

where this session with a tax, it must be in the spirit of compromise. It seems to me this tax will not hurt and that we are accomplishing the purpose of taking care of the government of the State of Maine for the next two years. And after all, that is what we are here for. It seems to me that this will do it and so I offer Senate Amendment "J" and hope that it will receive a passage.

The PRESIDENT The Senator from Lincoln, Senator Palmer, offers Senate Amendment "J" and moves its adoption. The Secretary will read the amendment.

The Secretary read the amendment:

Senate Amendment J to H. P. 1695, L. D. 1273. "Amend said bill by striking out the underlined figures '2%' in the 1st sentence of that part designated 'Sec. 3' and inserting in place thereof the underlined figures '1%'.

"Further amend said bill by striking out the underlined figures '2%' in the 1st sentence to that part designated 'Sec. 4' and inserting in place thereof the underlined figures '1%'.

"Further amend said bill by striking out the 2nd and 3rd paragraphs of that part designated 'Sec. 5' and inserting in place thereof the following underlined paragraphs:

Amount of Sale Price	Amount of Tax
\$0.01 to \$0.24, inclusive	No tax
25 to \$1.49 inclusive	1 c

"Add 1 c tax plus the above rate for each \$1.00 or fraction thereof exceeding \$1.49."

"Further amend said bill by striking out all of that part designated 'Sec. 10' and inserting in place thereof the following underlined section: 'Sec. 10. Exemptions. No tax on sales, storage or use shall be collected upon or in connection with:

"I. Exemptions by constitutional provisions. Sales which this state is prohibited from taxing under the constitution or laws of the United States or under the constitution of this state.

"II. State and political subdivisions. Sales to the state or any political subdivision, or to the federal government, or to any agency of either of them.

"III. Motor vehicle fuel. Sales of gasoline and motor fuels upon which a tax is now imposed by the state, but the tax payable upon such fuels not used by vehicles on the highway shall be deducted from any refund of the gasoline tax sought by the purchaser."

"Further amend said bill by striking out all of that part designated 'Sec. 34' and inserting in place thereof the following underlined sentence. 'Sec. 34. Surplus. From the proceeds of the taxes collected under the provisions of this chapter, \$3,000,000 shall be apportioned to the several towns on the basis of their respective state valuations.'"

Mr. NOYES of Hancock: Mr. President, I shall vote against this amendment for reasons previously stated in today's session and need not now be repeated nor amended.

However, I want it understood that in the event that the majority of this Legislature in both bodies decide that this is the best method, the best tax bill, I shall vote for it if it reaches the enactment stage.

Mr. BOUCHER of Androscoggin: Mr. President and members of the Senate, I shall vote against this amendment on the same basis my good friend Senator Noyes from Franklin County has stated. He wants to be consistent. I want to be consistent. I realize that this is probably a better bill than the previous bill where it has reduced the amount from one per cent to two per cent and it has also sweetened the pill by sending back to the cities and towns of Maine some \$3,000,000 in the anticipated revenue of that tax.

But I am worried about what is going to happen in the future. The Senator from Lincoln, Senator Palmer, says we are working for today. We are today working for today, but we are also working for the future of the State of Maine. I feel satisfied that if we did pass a one per cent sales tax with no exemptions that at the very next session that levy would be increased. May I repeat, and I will be as brief as possible, that my years of experience have proven to me that the sales tax started from one cent and went up to six on cigarettes, that the gasoline tax started with

one cent and went to six or seven and every other tax I have known of has been raised in the amount of the levy from session to session of the Legislature.

I have also had the experience of seeing exemption dropped one by one. I realize that under this bill there is no exemption, that there is no danger on that point. That is why I like the bill a little better. But I am really worried that if we did pass a sales tax, be it one per cent or two per cent or one-half of one per cent or even one-quarter of one per cent, it will be with us forever and a day. If the amendment offered a constitutional amendment whereby this sales tax could not be increased in the future except by the will of the people of the State of Maine, I might seriously consider voting for it. But realizing that this amendment has no such offer, no such guarantee, that further sessions of the Legislature may not increase at will without consulting the people of the State of Maine, I shall vote against it.

Mr. TABB of Kennebec: Mr. President and members of the Senate, a little while ago, I produced an amendment for two per cent across the board and was defeated. I still maintain the same position that I did, that exemptions are a poor proposition for the State.

I am very glad to say that I am willing to go along with the Senator from Lincoln, Senator Palmer, on the one per cent sales tax across the board.

Mr. DENNETT of York: Mr. President, when the vote is taken, I ask that it be taken by the "yeas" and "nays".

Mr. PALMER of Lincoln: Mr. President, I would like for just one minute to refute the argument of the Senator from Androscoggin, Senator Boucher, regarding the sales tax of one per cent. I have heard over and over again in this session on other sessions of this Legislature, people opposing a sales tax because if it starts at one per cent or one-half of one per cent or one-quarter of one per cent, that eventually it is going to be up higher.

To me, that is not a logical argument at all. If the Senator can

agree or can guarantee that the cost of living in Maine is not going to increase for the next ten, fifteen or twenty years and that the cost of government, therefore, is not going to increase in the next ten, fifteen or twenty years, then I can say to him, certainly, this will not increase.

No one is here to deny today that in the past ten or fifteen years we have had terrific increases in the cost of living. I think that if the Senator will look back on the federal income tax, he will agree that it has grown immeasurably since the time of its institution years ago.

The question of how high a tax will go in a limited time depends on how high the cost of living goes and the cost of material that this government has to purchase and how high the wages and salaries go that have to be paid to carry on our system of government. It is not a logical argument at all to think we can hold a tax at a certain level, regardless of what it is, for certainly that line must fluctuate up and down with conditions as they exist.

If any one here can guarantee to me that the cost of government and the cost in our individual lives isn't going to increase in the next biennium, then I could guarantee that the cost of this tax of one per cent won't increase.

Mr. LEAVITT of Cumberland: Mr. President, I think there is a little confusion around here. At least, I have heard some evidences of it.

We voted to give this bill its second reading and then we immediately turned around and voted not to engross it. Without any further motion being made, Senator Palmer has now put in this amendment.

As I understand it, if this amendment carries, then we have amended the original bill and then that bill can be engrossed. Is that right?

The PRESIDENT: The Chair will inform the Senator that he is quite correct. The bill is in the stage of amendment.

Mr. LEAVITT of Cumberland: If Senator Palmer's amendment is defeated, then the original bill which we gave the first reading is eligible to be voted on again for engrossment. Is that true?

The PRESIDENT: The Senator is not correct in that statement. It has already had one vote on engrossment. If the bill is amended in any degree, it would have another vote on engrossment.

Mr. LEAVITT of Cumberland: But as the original bill, it can not be engrossed?

The PRESIDENT: Not unless it is voted to reconsider. Is that quite clear?

Mr. LEAVITT of Cumberland: It is clear but it is still confusing because I cannot understand how we can work on a bill which has been killed, which isn't still alive. And if it is alive, why can't we still vote to engross it?

The PRESIDENT: To clarify that point, the Chair would state as follows:

The motion to indefinitely postpone the bill failed. The bill then was put for a routine motion of passage to be engrossed and the vote thereby failed. The bill was still before the Senate and is still before the Senate and having not passed to be engrossed, is in the stage whereby it may be amended.

Mr. LEAVITT of Cumberland: But without amendment, we can not engross it. There will be no further vote to engross at the present time unless somebody asks to reconsider. Is that right?

The PRESIDENT: That is correct.

Mr. LEAVITT of Cumberland: All right, gentlemen. I think we have got it straightened out, in my mind at least. I still wish to say as I did once before, that I think the amendment which has been proposed by Senator Palmer is a very definite compromise—half an operation—and I think we will find ourselves with half an appendix when we get through and I move to vote against the amendment.

Mr. BOUCHER of Androscoggin: Mr. President, in rebuttal to what Senator Palmer from Lincoln has said concerning the future possible increases in the rate of the sales, I want to tell him that by his own argument he has convinced me that if we did pass the one per cent sales tax at this time, future legislatures would increase it.

Mr. NOYES of Hancock: Mr. President, I don't know that I understand as well as Senator Leavitt

does just what the procedure might be. But I rise to ask a question and would like the Chair to answer.

If we fail to adopt the pending amendment, I understand we still have the bill before us and it can be acted upon. It hasn't been indefinitely postponed. The bill is still in the hands of the Senate and is it my understanding that we can't vote again on engrossment? If we can't do that, what can we do?

The PRESIDENT: The Chair will state in an attempt to clarify the situation that if this or any other amendment to the bill fails, the question of engrossment will not be again before the Senate. The bill would then go back to the other branch with the endorsement, "Failed of" Engrossment.

If the bill is amended in any way, it would then go before the Senate for a further question of engrossment if amended. Is that clear now?

Mr. NOYES of Hancock: Yes, sir.

Mr. BOYKER of Oxford: Mr. President and Members of the Senate, I think I can answer Mr. Noyes' question in these words. If this bill does not go through, there are other bills that will give us whatever revenue we need.

Mr. ALLEN of Cumberland: Mr. President, with no thought of delaying this session, I move this matter lie upon the table.

The PRESIDENT: The Senator from Cumberland, Senator Allen, moves that the bill and accompanying papers lie upon the table.

A viva voce vote being had

The motion did not prevail.

Mr. LEAVITT of Cumberland: Mr. President, may I have a recess for about three minutes to prepare an amendment.

A viva voce vote being doubted

A division of the Senate was had.

Twelve having voted in the affirmative and eighteen opposed, the motion to recess did not prevail.

The PRESIDENT: The question now before the Senate is on the adoption of Senate Amendment J.

Mr. SLEEPER of Knox: Mr. President, I wish to heartily agree with the Senator from Kennebec, Senator Reid in the way he has spoken. I also have great respect for the Senator from Lincoln, Sena-

tor Palmer and I might make this prophecy. It is very plain to see that we will not get a two thirds vote on any tax measure that will come before this Body or the other Body, and I can plainly see that we do have a far sighted Senator. He got up about a week ago and made a statement which was ridiculed by some. I will almost prophecy that eventually this Senate and the House will have to amend the Noyes bill or any other bill. Personally, I hoped it might be an income tax bill but taking my oath of obligation seriously I do feel that the bulk of my associates and friends in Knox County would prefer a sales tax with exemptions. That is the reason I have voted for it against my personal convictions. I prophecy eventually that we will amend the Noyes bill or any other bill we might pass, by attaching to it a directed referendum as was the idea of Senator Haskell of Penobscot. If we do this the money will become available much sooner than if we pass the bill by a majority vote and wait for the people to initiate a referendum. That would take several months, if the bill passes—and it might if you make it attractive enough and they want the services. If we adopt the directed referendum and attach it to this bill or any other bill we can direct the people to vote on it the 15th of May or any time that the Secretary of State's department can make the ballots available. We should be thinking about that because it is now very apparent that we are not going to get a two-thirds vote on any tax measure. I cannot vote for any sales tax that does not exempt certain things.

Mr. NOYES of Hancock: Mr. President, I hesitate to get up again but I don't agree with the statement made by my good friend, Senator Sleeper that this legislature will fail in the final stages to get a two-thirds vote on a major tax measure and in opposing this amendment, I want it clearly understood that what I am trying to do is to get a test vote in this Senate to find out how many here favor a one percent tax as has been offered in the amendment and how many favor a two percent tax. And this is not the "Noyes" bill.

The PRESIDENT: The question before the Senate is on the adoption of Senate Amendment J, and the Senator from York, Senator Dennett has requested the Yeas and Nays. To order the Yeas and Nays requires the affirmative vote of one-fifth the members present.

A division of the Senate was had.

Obviously more than one-fifth having risen, the Yeas and Nays were ordered.

The Secretary called the roll:

YEA: Senators Christensen, Crosby, Fuller, Haskell of Cumberland, Palmer, Tabb, Wight — 7.

NAY: Senators Allen, Barnes, Eoucher, Boyker, Broggi, Brown, Collins, Dennett, Ela, Greeley, Haskell of Penobscot, Larrabee, Leavitt,

Marshall, McKusick, Noyes, Reid, Savage, Sleeper, Smart, Turgeon, Ward, Weeks — 23.

ABSENT: Brewer.

Seven having voted in the affirmative and twenty-three opposed, the amendment failed of adoption.

Mr. CROSBY of Franklin; Mr. President, the hour is getting late and I will move that bill, An Act Imposing a Sales and Use Tax be laid upon the table.

The motion prevailed and the bill was laid upon the table pending consideration.

On motion by Mr. Crosby of Franklin

Adjourned until tomorrow morning at ten o'clock.