

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

Ninety-Fifth Legislature

OF THE

STATE OF MAINE

VOLUME II

1951

DAILY KENNEBEC JOURNAL
AUGUSTA, MAINE

SENATE

Tuesday, May 1, 1951.

The Senate was called to order by the President.

Prayer by the Reverend Tom G. Akeley of Gardiner.

Journal of yesterday read and approved.

From the House

"Resolve Providing a State Pension for John Upham of Thomas-ton." (H. P. 1793)

Which was received by unanimous consent and referred to the Committee on Welfare in concurrence.

Bill "An Act to Authorize the Withdrawal of Southport from the Boothbay Region Community School District." (H. P. 27) (L. D. 10)

(In the Senate, on April 4th indefinitely postponed in non-concurrence.)

Comes from the House, that body having insisted on its former action whereby the bill was passed to be engrossed;

In the Senate, on motion by Mr. Weeks of Cumberland, the Senate voted to recede and concur with the House.

"Resolve, Permitting the Building of a Wharf in Maranacook Lake." (S. P. 556) (L. D. 1314)

(In Senate, on April 26th 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. Larrabee of Sagadahoc, the Senate voted to insist on its former action and ask for a Committee of Conference.

The Committee on Claims on "Resolve, to Reimburse the Town of Pittston for Support and Care of Robert Calnan, Otherwise Known as Robert Callman," (H. P. 878) reported that the same ought not to pass.

Comes from the House, recommended to the Committee on Claims.

In the Senate, on motion by Mr. Weeks of Cumberland, the Senate voted to recommit the resolve to

the Committee on Claims in concurrence.

The Committee on Public Utilities on Bill "An Act to Create the Bangor Water District," (H. P. 546) (L. D. 297) reported the same in a new draft (H. P. 1787) (L. D. 1347) under the same title, and that it ought to pass.

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

In the Senate, the report was read and accepted and the bill read once; House Amendment A was read and adopted in concurrence, and the bill as so amended was tomorrow assigned for second reading.

House Committee Report

The Committee on Agriculture on Bill "An Act Relative to Health Certificates in the Sale of Cattle," (H. P. 1464) (L. D. 1080) reported that the same ought to pass as amended by Committee Amendment "A"

Which report was read and accepted in concurrence and the bill read once; Committee Amendment "A" was read and adopted, and the bill as amended was tomorrow assigned for second reading.

The Committee on Claims on "Resolve to Reimburse the Town of Pittsfield for Support of Dianne K. Edwards," (H. P. 453) reported that the same ought not to pass.

The same Committee on "Resolve to Reimburse the Town of Clinton for Expenses Incurred for Support of William Pushaw," (H. P. 1603) reported that the same ought not to pass.

The same Committee on "Resolve to Reimburse the Town of Clinton for Expenses Incurred for Support of Bessie Sites," (H. P. 1602) reported that the same ought not to pass.

The Committee on Education on Bill "An Act Relating to School Subsidies," (H. P. 1304) (L. D. 859) reported that the same ought not to pass.

The Committee on Taxation on Bill "An Act Imposing a Sales and Use Tax for the Purpose of Raising

Additional Revenue." (H. P. 1030) (L. D. 546) reported that the same ought not to pass, as it is covered by other legislation.

Which reports were severally read and accepted in concurrence.

Communication

STATE OF MAINE
House of Representatives
Office of the Clerk
Augusta

April 30, 1951

Honorable Chester T. Winslow
Secretary of the Senate
95th Legislature
Sir:

The Speaker today appointed the following conferees on the part of the House on the disagreeing action of the two Branches of the Legislature on the following bill:

Bill "An Act Relating to Driving of Deer." (H. P. 1414) (L. D. 1022)

Messrs: PLUMMER of Lisbon
BAILEY of Woolwich
PATTERSON of Freeport

Respectfully,

HARVEY R. PEASE
Clerk of the House,

Which was read and ordered placed on file.

Mr. HASKELL, of Penobscot: Mr. President, I would like to ask unanimous consent to introduce a bill, and in explanation, the Legal Affairs Committee had a bill setting up the York School District. The bill went through in the normal way and has been signed by the Governor. It is now evident that the finance companies that are going to underwrite the bonds require a technical change in the emergency preamble only. It will require no public hearing. I have checked with members of the Legal Affairs Committee and there seems to be no need for reference to a committee. If the bill is accepted by unanimous consent, I will move that the rules be suspended and that it be given its two several readings without reference to a committee.

Thereupon, bill, An Act Relating to the Town of York School District was received by unanimous consent and under suspension of the rules was given its two several

readings and passed to be engrossed.

Sent down for concurrence.

First Reading of a Printed Bill

Bill "An Act Relating to Private Carriers in Operating Motor Trucks for Hire." (S. P. 566) (L. D. 1356)

Which was read once, and tomorrow assigned for second reading.

Senate Committee Report

Mrs. Kavanagh from the Committee on Public Health on Bill "An Act Relating to Registration of Dentists and Dental Hygienists," (S. P. 481) (L. D. 1144) reported the same in a new draft, (S. P. 567) under the same title, and that it ought to pass.

Which report was read and accepted, and the bill in new draft laid upon the table for printing under Joint Rule No. 10.

Passed to be Engrossed

Bill "An Act Prohibiting Claims of Damage to Motor Vehicles by Wild Animals and Birds." (H. P. 1759) (L. D. 1303)

Bill "An Act Relating to Guides' Qualifications, License and License Revocation." (H. P. 1783) (L. D. 1340)

"Resolve Granting a Pension to James E. Harvey, of Readfield." (H. P. 1785) (L. D. 1342)

Bill "An Act Relating to the Liquor Commission." (H. P. 1786) (L. D. 1346)

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

"Resolve in Favor of Allagash Plantation." (H. P. 1560) (L. D. 1337)

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

Bill "An Act Relating to Depositing Rubbish on Another's Land." (S. P. 103) (L. D. 154)

Bill "An Act Relating to Disclosure Commissioners." (S. P. 439) (L. D. 1002)

"Resolve Authorizing Maine General Hospital to Convey Certain Lands to Main Medical Center." (S. P. 547) (L. D. 1288)

Bill "An Act Relating to Open Season for Hunting Deer with Bow and Arrow." (S. P. 561) (L. D. 1348)

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

Sent down for concurrence.

Bill "An Act Authorizing Maine School of Music to Confer Degrees." (S. P. 116) (L. D. 206)

Which was read a second time and on motion by Mr. Palmer of Lincoln, tabled pending passage to be engrossed.

Emergency Measure

Bill "An Act Relating to Licenses to Hunt or Fish for Members of the Armed Services of the United States." (H. P. 1696) (L. D. 1276)

Which bill being an emergency measure, and having received the affirmative vote of 30 members of the Senate, and none opposed was passed to be enacted.

Orders of the Day

Mr. CROSBY of Franklin: Mr. President, I would like to inquire if House Paper 1780, Legislative Document 1318 Resolve Authorizing Re-classification of Highways is in the possession of the Senate.

The PRESIDENT: The Chair will state that the document is in the possession of the Senate having been held at the request of the Senator for reconsideration.

Thereupon, on motion by Mr. Crosby of Franklin, the Senate voted to reconsider its former action whereby the resolve was passed to be engrossed and that Senator presented Senate Amendment A and moved its adoption.

The Secretary read the amendment.

Senate Amendment A to L. D. 1318: "Amend said resolve by striking out the words 'and non-profit' in the 9th line thereof."

Which amendment was adopted and the resolve as so amended was passed to be engrossed in non-concurrence.

Sent down for concurrence.

Mr. CROSBY of Franklin: Mr. President, I would inquire if House Paper 1589, Legislative Document 1161, Resolve Authorizing the For-

estry Commissioner to Convey Certain Interest of the State in the Island in Cumberland County to H. Norman Cole of Gray.

The PRESIDENT: The Chair will state that the resolve is in the possession of the Senate having been recalled by Joint Order.

Thereupon, on motion by the same Senator, the rules were suspended and the Senate voted to reconsider its former action whereby the resolve was passed to be enacted, and to further reconsider its action whereby the resolve was passed to be engrossed; and that Senator moved that the Senate adopt Committee Amendment A.

The Secretary read Committee Amendment A.

Committee Amendment A to L. D. 1161: "Amend said resolve by striking out the figure '\$50' in the last line thereof and inserting in place thereof the figure '\$100'."

Which amendment was adopted and the resolve as so amended was passed to be engrossed.

On motion by Mr. Greeley of Waldo, the Senate voted to take from the table Resolve Prohibiting Fishing in Certain Parts of Swan Lake, Waldo County (H. P. 1225) (L. D. 779) tabled by that Senator on April 18 pending consideration; and on further motion by the same Senator, the resolve was indefinitely postponed in concurrence.

On motion by Mr. Greeley of Waldo, the Senate voted to take from the table House Reports from the Committee on Taxation on bill, An Act Imposing a Personal Income Tax (H. P. 1133) (L. D. 666) Majority Report "Ought not to pass"; Minority Report "Ought to Pass" tabled by that Senator on April 26 pending motion by Senator Allen of Cumberland to adopt the minority report.

Mr. MARSHALL of York: Mr. President, I move the acceptance of the Minority Report.

The PRESIDENT: The motion has already been made by the Senator from Cumberland, Senator Allen, to accept the Minority Report.

Mr. HASKELL of Penobscot: Mr. President and Members of the Senate, I suspect that I have the same

reluctance that nearly everyone else in this Senate has in debating this bill because I recognize that it is rather definitely tied in with the debate that I am told will take place at one-thirty this afternoon on another tabled matter. I am still undecided as to whether or not the record should be filled with debate on this measure and again this afternoon be filled with the same arguments relating to the other tax measure. Therefore, my contribution in this debate will be very modest and it will be limited to the reasons, I think, that an income tax type of measure ought to have reasonably serious consideration at this session.

In the first place, I don't think it can be logically argued that Maine is now taking substantially all of the income for state services from use and privilege taxes. Insofar as the taxpayer is concerned, he is not particularly well acquainted with whether his taxes are general fund or highway fund. With respect to the highway fund, the entire twenty-two or three millions of dollars that he pays, he pays on the basis of use, privilege or consumption, his driver's license for the privilege of using the car, his registration for the privilege of using that vehicle on the highway and his gas tax is again a use or consumption tax. The tax on malt beverages and liquor is also a use or consumption tax. The tax on tobacco products is also a use or consumption tax. It is my belief that the property tax is similar, a tax on his privilege of using real property in the State of Maine. His tax for the privilege of hunting and fishing is another use or privilege tax.

So that, except for the capital levies on estates, the inheritance taxes, it seems to me that our entire tax structure in the State of Maine is based on the need for use or consumption of goods and services and that may be the correct, proper and equitable basis for levying taxes. Certainly I am not enough of an economist to prove that it isn't. But if we look to the other states, to the other countries, to the history of taxation generally, I think any student will agree that somewhere there is a fair and equitable division between the tax

which is based on the need for use or consumption of things and services and a tax based on the income of a person or corporation.

The other forty-eight states in the Union are divided roughly as in this manner. I think some thirty-seven of them take some of the costs of state services from corporation income. I think thirty-four of them take some of the costs of services from individual income and I think twenty-nine of them take the costs of state services from a sales tax.

But it is interesting to note that with relatively few exceptions — and the outstanding ones are Ohio, Michigan, Indiana, Illinois and Florida—the states generally do as we have been doing and parenthetically, as I suspect we will continue to do, put into that income structure at least a segment of income that is based on the gross income of corporations or individuals.

I won't bore the Senate or fill the record with a long tabulation that would indicate that Alabama has sales and income, California has sales and income, Colorado has sales and income, Connecticut has sales and income and takes thirteen million from the franchise taxes, and so forth, because I know that the Senator from Hancock, Senator Noyes, is as well acquainted with those facts as I am.

I realize, too, that there is a substantial majority of this Senate who seriously believe, it appears, that the State of Maine should not tax the roughly eight hundred million dollars of individual income, as income, and that it should not tax the one hundred fifty to two hundred million of corporate income, and it may well be that they are right.

But I think before passing a sales tax measure, particularly as an emergency, and particularly in view of what few of us would deny, that is, that it is a measure that probably would be defeated in popular referendum, we ought to have fair, serious, considered debate on the income tax angle.

This, in my opinion, is not the bill, and I think it fair to outline what I think, at least, would be a fair and equitable bill. And I would like the record to show that in presenting this, I am not in any way,

shape of manner indicating to anyone that my views are any other views than those of my own. They certainly are not connected with any of the various business interests that I may have in the state. But I believe in a bill that provides a very modest, straight-line, income tax rate, and I believe two per cent is entirely adequate on individuals, a same two per cent rate on corporations, with an expedited referendum to go to the people, because I am thoroughly opposed to what I believe is a flaunting of our constitution by making a measure such as this, with its impact, an emergency proposition. And I also believe that with it, we should submit to the people an amendment to our constitution, as many states have, which fixes at a modest rate the top income tax rate that can be imposed on individuals or corporations. I believe that in that way we are accomplishing a better balance in the impact of the taxes to support state services.

I can't believe that practically every other state that does recognize the ability to pay through income for at least a modest part of state services can be entirely wrong. I have an idea that those who are most insistent in their opposition to an income tax have an honest fear of where that rate can go and I am one of them. And I believe that the other states that have put constitutional limitations on that—Massachusetts is one. I think—gives to them the protection that they are entitled to.

With the type of approach, it seems to me that we are accomplishing equity and fairness far better than we would be if we continue to have use and consumption the only basis upon which we levy taxes to support state service. I certainly have no feeling of bitterness against any tax measure. I think that comes with what little legislative maturity that I may have.

But I do plead with this Senate to give the proposition reasonably good consideration and I think in this body where there probably is from 150 to 200 years of legislative maturity we can in fair, sincere, honest debate thrash out the question and see for ourselves whether there isn't some merit in this type

of tax consideration. For that reason, I shall vote against the motion if the motion is to accept the Majority Ought Not to Pass Report, which I think it is, hopeful that this approach can at least stay before us. I recognize the majority feeling in this Legislature. I doubt that I will be among them but I predict that the sales tax will have sufficient support to pass. But this, Gentlemen, deserves honest, serious consideration. It is not presented with any thought of being equipped with a hatchet. There is a little bit of honesty in my feeling. It is not a Johnny-come-lately thought with me. But I do believe that this Senate would be wise to consider at least a small portion of state income coming from the income-tax type of support. And if we don't, it seems to me that we are concluding that the other taxing units in this country are wrong and it seems to me that we are telling the people of the State of Maine that we want them to give one hundred per cent support to state services by a tax approach that is based only on their need to use or consume goods or services.

Again, I believe that most of this debate ought to be at one-thirty this afternoon, but since the Senate is hesitant to open up the income tax, that is my modest contribution.

Mr. NOYES of Hancock: Mr. President and members of the Senate, I could agree with practically everything the Senator from Penobscot, Senator Haskell, has said pertaining to the method of taxation by which to carry on our state government if we were considering state government only and the method by which it is to be paid for but I think that in all fairness in arriving at the solution of our financial problem due consideration should be given to the state tax system not only at the state level but at the local level and the federal level as well. And in connection with the federal level of taxation it seems to me that the income tax field is pretty well preempted by the federal government.

It is interesting to note what other states are doing in the matter of state taxes and the Senator is quite right in those states he

has quoted, but it is also of interest to note that the recreational states, so-called, of which Maine is one, have established the sales tax in preference to the income tax. The reason for that is obvious.

It is also interesting to note in connection with the proposed bill which we now have before us under consideration that the dollars involved are not sufficient to enable the state to make any reduction in the already high property tax.

There are two things that I firmly believe. First, that the income tax in this country is too high and, second, that the property tax in the State of Maine is too high. The bill we have under consideration only adds higher taxes to the one and offers no reduction to the other.

It seems to me that we here in the State of Maine are facing a problem which we may be able to solve and benefit the State of Maine, or we can do the other way and aggravate an already bad situation. And referring to those people who now come to Maine and live in Maine because we have no income tax, it is true that there are people who come to the State of Maine and live here for that reason but I would call your attention to the fact that in addition to that if we could reduce our property tax in the State of Maine to a reasonable level we might bring additional people to Maine, especially those at the age of retirement, and in this day when under the threat of the atom bomb there is a trend toward decentralization of our large industries and a trend on the part of people to move out of our larger centers of population and move into our rural areas, if we in this legislature have the courage to pass tax legislation which will relieve the tax burden on those people who come to Maine and buy a home, I believe we would be taking a step in the right direction.

This measure that we have under consideration will not provide the necessary dollars and further than that, as I read the bill, the impact of it would fall entirely on the citizens of Maine while the other type of tax which we will have under consideration this afternoon,

I hope, will derive considerable dollars from people who come to visit us in this state.

Mr. HASKELL of Penobscot: Mr. President and members of the Senate, the Senator from Hancock, Senator Noyes, of course has a distinct advantage in debating against a bill that admittedly is not the answer if the income tax approach might have serious consideration. With that I agree. However, he would have been at the same disadvantage as I am had the original sales tax bill been here for debate but it has had careful and, from my viewpoint at least, appreciative work done upon it by the Committee on Taxation. It has been screened through both bodies so that it is in pretty good shape. I would like the Senate to remember it is voting on whether or not there should be further consideration of the income tax approach to the problem without the Constitutional amendment, I think I would vote against the income tax because of the danger that it might be the vehicle by which that rate could be written as high as the sky. I think that is very important. I think, too, that such a bill, properly drawn, should have favorable consideration by corporations.

The Senator from Hancock, Senator Noyes, has brought into the debate that which I tried not to. That is the merits of a sales tax bill. And in comparing what might be a modest corporation tax with this sales tax bill, I point out that the representatives of several corporations have told me that this sales tax bill as written would cost them more money than a modest rate income tax. I am not so disturbed with that as I am the likely impact of that sales tax bill on state industrial development by newcomers to our state or by the expansion of existing industry or enterprise.

The use or consumption type of approach is applied to capital expansion and to me, instead of offering regressive procedure to capital expansion by taxing all of the real property that goes into that new plant or new factory, instead of telling a newcomer who might want to come into the state and then form their economy by de-

veloping our payrolls, to tell him that regardless of whether or not the venture is successful, he must pay a two per cent sales tax on all of the brick and mortar that goes into his new structure and after it is erected, he must pay a two per cent sales tax on such of his operating expense items as do not lose their identity in the manufactured process.

I seriously and honestly wonder whether that sort of a thing doesn't offer to prospective industry, to those who would expand facilities, just a little bit more of discouragement than a modest tax on their income if the venture is successful. I have had many representing substantial industry say this.

The thing will cost us more money but how do we know where the income tax will go? We know that a four per cent net tax would cost us less money than this sales and use tax. I believe that some part of our state tax structure should be tied into income.

Now, the Senator has made a good point that the federal government has gone so far in the income tax field as to preclude any state from stepping in, itself, but since he wants to take on three levels of taxation, municipal, state and federal, I think he would acknowledge that in the State of Maine our municipalities collect some fifty millions of dollars and that I believe, at least, none of that is based on income. It is based on the need for individuals and corporations to occupy and use real property.

Now maybe if he would compare that figure of fifty million dollars with reasonably current federal income tax collections in the State of Maine and if he would analyze the comparison between those two figures, he might say to himself that the increase in federal tax rates insofar as they apply to the State of Maine even since 1940 have not been as great as is this fifty million dollars of use tax now collected by the cities and towns.

I agree that the best point he has got is made up by explaining the high federal tax levels. I admit that it impresses no one to point out that income taxes as such are deductible from your federal taxable income. I admit, too, that

many recreational states use a sales tax. I am not too sure of the moral honesty of impressing upon people the desirability of coming to visit them and have the legislative record show that at least a majority believe that we were the unmitigated suckers if we did not tax them. But there are states such as California and Vermont and Minnesota and Oregon and several others that do spend many more times what we spend in recreational advertising who have not sought to impress upon these visitors the desire for a pound of flesh and there might be some value in inviting people up here to be free of the inequities of the sales tax during their vacation.

I really suspect there is as much justice in that argument as there is in the argument of the Senator from Franklin, Senator Crosby, who says that if an income tax of two or three per cent is imposed, one of his wealthy citizens will move to New York so as to pay a six or eight per cent personal income tax. So that all I am pleading for is that the income tax type of approach have the debate and consideration that I think it deserves.

I regret that being a member of the Senate I am not privileged to introduce a tax measure of any kind. I acknowledge this isn't it, but I think with the same wisdom and care that the Senator gave to his bill, something good can come before this Legislature in this type of solution to our problem.

If I haven't said it before, I acknowledge the need for dollars for state service. I am not enthused with the emergency need for getting out of the state property tax in one fell swoop but I do again note the nine million dollars that is in the budget message and I suspect it is nearer eleven million when the L.D.'s are cleaned up and screened and put into that budget. And if we would be permitted to make a modest start toward retirement of the property tax, maybe down to six millions, maybe down to five and a half, establishing a trend that apparently was frozen in 1933, I can assure this Senate that an income tax with a ridiculously low rate can be made to do that job. And with constitutional limitations, I

suspect that type of approach would take off the spot that minority party whose two members passed the sales tax in another body and the other party that will join the minority party in having an awfully difficult question to answer to the people, the question being, "Why didn't we have a chance to speak on it? Why, with some 35,000 signatures that were not tossed in the wastebasket, didn't it have the serious consideration that it deserved?"

Mr. LEAVITT of Cumberland: Mr. President and members of the Senate, I had my first debate when I was about sixteen years old and attending Hebron. I have listened to thousands of debates ever since and been mixed up in a great many. In a legislative Body such as this, a debate is supposed to be carried with the idea of clarifying the subject. The school boys' debate is generally based on the fact that one tries to win whether he is right or wrong. In school, you argue on whatever side you happen to be assigned to so you often find yourself debating on a subject with which you are not entirely in sympathy. The technique then is to try to confuse the opponent.

We have been asked this morning to debate this income tax bill. We have all studied this thing for years, and there is not a person here who has not talked either for the sales tax or the income tax until blue in the face. We know all the arguments, and this debate today is not going to add one thing to our knowledge. But it can add a great deal to our confusion. We have had a great deal of confusion added here today. One proponent apparently for this tax so far as I can find out, although he still tells us he thinks the other one will pass and most everybody has decided that it will, he tells us we can do this or do that or perhaps now we can turn around and do something else. He would be for this bill if it has the constitutional amendment which would limit it and take the danger out. He wants us to be careful or we are going to get into trouble. He wants to take the sting out, wants to have a tax passed in a way that the people will have their say and yet he doesn't think

they should have their say. It is confusing to me.

We have talked and talked in this legislature ever since we came through these portals in January. I think a large majority of this Senate and a large majority of the people in this State realize that the only answer to this problem is a sales tax. It is not the only solution, but it is the best one. We should put our tax house in order. The cities and the towns should have access to real estate tax and they may tax heavily or lightly according to their needs. The state should go into the sales tax field. That is where we are in a great many of the taxes we now raise and that is where we should stay. The national government should try to stay in the income tax field.

As to which is the best tax, which is the wisest tax, there is no argument one way or the other. They are all good taxes if taxes must be assessed, and as somebody said very aptly, "Taxes are the price of civilization." Therefore we have got to have the sales tax, the income tax and the real estate tax. In a short while, the federal government, if the budget goes through, will be assessing the State of Maine as its portion, forty millions of dollars in new income taxes for the next year. The State of Maine is asking for eleven million dollars and I hope it will be raised by the sales tax.

People say we should not take eleven million dollars out of the people of Maine without their having a referendum and deciding the issue. Do the people of the State of Maine have anything to say about the forty million that the federal government will take in taxes? Why should they be so terribly ready to go into a revolution because we ask for eleven million? I meet people on the street every day while I am here and when I am in Portland, and they say to me, "Why don't you people hurry up and do this job and do it the way it should be done and not try to come back to us to solve your problem and perhaps save the skin of one or two who are afraid to vote for this tax. We know you need the money. You find the best tax and go ahead and vote for it."

I am satisfied and I think the majority here are satisfied that the State of Maine should go into the sales tax field because of the needs of the state. I have nothing against the income tax except the fact that the income tax is being paid in the federal government. I pay my share in the end just as big a tax in the federal government as they should assess and I shall pay my real estate tax to my city and I certainly won't fight against paying my sales tax to the State. I think if the people want to debate here and keep on debating for the next three hours, that is all right but I hope they will clarify the situation and try to see if we can get the evidence entirely bottled up if possible. I hope I haven't added to the muddle in what I have said. I do hope that when this vote comes, that we will vote against the acceptance of the Minority Report Ought to Pass on an income tax.

Mr. BROGGI of York: Mr. President and members of the Senate, I sincerely hope that the good senator from Cumberland isn't too irritated because we have had about twenty minutes of debate on the income tax and his favorite tax method has had several weeks of debate. I would like to call the attention of the Senate regarding the remarks of Senator Noyes this morning relative to Maine being an escape fairyland for those who fear atomic attacks. His remarks seem somewhat facetious to me and I don't think he is mindful of the fact that we have here in Maine several air bases at Limestone, Brunswick, Bangor and Sanford and the Kittery Navy Yard which has a wartime working group of twenty-odd thousand people. Any enemy of the country certainly would be vitally interested in these installations, I would think.

I think as a legislator that I have heard about enough on protecting these tax escapists who come into Maine. I am more interested in protecting my people, the residents of Maine, than the people who come in to escape taxes. We have some in our county, it is true, who come in because we have no income tax. A lot has been said for them, an awful lot. They have got a fine representation.

Yesterday I was in Mr. Slossberg's office and I found out that in the Department of Health and Welfare the State had a budget of two million dollars in 1935. The current budget with federal matching funds approximates twenty-five million dollars. That is nearly a thirteen hundred per cent increase. It is an increase at a time when everybody is working, when the government is in a defense effort, when people are advertising for workers and our economy is at a high point. I just wonder what would happen if peace were declared tomorrow and our economy happened to take a tailspin committed to a state-wide venture of twenty-odd million in the Health and Welfare Department, which, as I say, is a twelve hundred odd per cent increase over what it was fifteen years ago. I just wonder what would happen if our economy did take a tailspin.

As I said the other day, I think the real, equitable basis of taxation and the best yardstick to measure anybody's ability to pay for services, be it on any level, is their income, and I sincerely hope that the motion to uphold the Minority Report will prevail.

Mr. REID of Kennebec: Mr. President, I concur heartily with the remarks just made by the Senator from York, Senator Broggi and I ask that when the vote is taken it be taken by the "yeas" and "nays."

Mr. COLLINS of Aroostook: Mr. President and Members of the Senate, we are all familiar with the income tax and the sales tax by this time. It resolves itself into a question of which method we believe is the best method of getting the revenue that the state needs. Personally, of course, I feel that the sales tax is the best approach and I say that without any rancor against the income tax. I feel sure that from a personal consideration the income tax method would be easier for me to take care of. But I feel that the people of the State of Maine are willing to accept a sales tax and in an income tax, the possibility that has been mentioned by the Senator from Penobscot that the rates might go higher and higher is always a possibility and if his suggestion that a con-

stitutional amendment could be put in which would set a limit on that rate, I would be for that, but I think that he mentioned that in the State of Massachusetts they have a fixed rate. I believe that is so and yet while they have that fixed rate, it is my understanding that they add a surtax to it. That is, by another method, they increase the amount of that income tax and I have understood that that percentage of that surtax has risen up to a percentage of twenty-three per cent.

Now, we all have our likes and dislikes as to the tax and I think that the fact that the federal government is the predominant factor in income tax is the one that makes most of us hesitate to see it put on a state level.

So for that reason, I hope that the Minority Report will not be accepted.

Mr. DENNETT of York: Mr. President and members of the Senate, I rise in support of the motion of the Senator from Cumberland, Senator Allen, to accept the minority report of the committee. I do not rise in an attempt to confuse you. I will not insult your intelligence and say that I possess the ability to confuse you. I certainly do not. I will endeavor to be brief but I would like to take exception to several remarks that have been made here this morning.

First, in regard to these people coming into our state to evade paying a tax. I certainly hope that Maine will not set itself up as the last sanctuary for the tax evader.

Second, I would like to speak on the property tax. The statements have often been made that property taxes in the State of Maine are excessively high. I wish some of you who believe that property taxes in this state are high, could compare them with those in municipalities in our neighboring states. I speak particularly of the State of New Hampshire. I frequently travel in New Hampshire, almost as much as I do in Maine. In the town in which I reside, we have a sixty dollar tax rate with low valuation. I think in general low valuations follow throughout the state. The New Hampshire property

assessments are relatively high. A certain piece of property which I own that is probably valued on today's market between \$12,000 and \$14,000 in the town of Kittery is assessed by the State of Maine and the tax is \$138. If I had that same piece of property across the river in Portsmouth, on the basis on which they assess, I would be taxed approximately \$275. If that same property were in almost any city or town in Massachusetts, my tax would be in the vicinity of \$400.

These are not figures to confuse you. This is the truth.

We are not assessed highly in the State of Maine despite what you may think. Our assessments are low and our rates are high but actually what we pay in dollars and cents is relatively low.

A few years ago the State of New Hampshire abandoned the property tax field and I assure you, much to their sorrow. Taxes did not go down in New Hampshire, they rose by leaps and bounds and the fact that the state of Maine would drop out of the property tax field is no guarantee that our taxes would go down. In states that have gone out of that field it has worked just the opposite.

Another thing I would like to speak of is the fact mentioned by Senator Leavitt that we should leave the income field to the federal government. We should take up the sales tax field. I would remind the Senate that the State of Maine along with other states, levies a tax on cigarettes, tobacco and also a heavy tax on liquor and I do not think anyone would suggest that we drop out of these fields merely because the federal government taxes them more than we do ourselves.

It has been brought up that an income tax is filled with danger because we do not know how far the rate will go and we should have a Constitutional limitation upon it. I would leave this thought with you, those who are proponents of the sales tax. Have we any guarantee that the sales tax is devoid of this same danger, that the rate will forever remain the same and never increase. Members

of the Senate this is food for thought.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Cumberland, Senator Allen, to accept the Minority Ought to Pass Report, and the Senator from Kennebec, Senator Reid has requested the Yeas and Nays. To order the Yeas and Nays, it must at the request 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.

YEA: Senators Allen, Boucher, Boyker, Broggi, Brown, Dennett, Haskell of Cumberland, Haskell of Penobscot, Kavanagh, Larrabee, Marshall, Reid, Savage, Sleeper, Smart, Turgeon, Ward—17

NAY: Senators Barnes, Brewer, Christensen, Collins, Crosby, Ela, Fuller, Greeley, Leavitt, McKusick, Noyes, Palmer, Tabb, Weeks, Wight—15

Seventeen having voted in the affirmative and fifteen opposed, the motion prevailed, the minority report was accepted and the bill given its first reading; on motion by the Senator from Franklin, Senator Crosby, the rules were suspended and the bill was given its second reading.

Thereupon, on motion by Mr. Haskell of Penobscot, the bill was laid upon the table pending passage to be engrossed.

On motion by Mr. Crosby of Franklin

Recessed until one-thirty this afternoon, daylight saving time.

After Recess

The Senate was called to order by the President.

The PRESIDENT: At this time the Senator from Waldo Senator Greeley, has brought to the attention of the Chair that a group of students from Walker High School in Liberty, the class on American History, under the direction of Mr. Roger Stuart, is with us this afternoon and on behalf of the Senate the Chair bids them welcome.

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 on April 27th pending passage to be enacted.

Mr. BOYKER of Oxford: Mr. President and Members of the Senate Turn back, oh, time in its flight, just for tonight. I will ask, oh time in its flight to give us back the grand army for the Republicans for just today, those brave, stalwart men standing on the Rock of Ages, that I might hear again in our hour of indecision those words spoken to me by my soldier uncle as I in my young life went out into the world alone. These were his words: "Stand and stand alone if need be, for what you think is right."

I want to honor the Senator from Cumberland, Senator Allen, for the action he took in this Senate last Thursday forenoon when he stood, and stood alone, for a bill that he thought was right. In the afternoon of that Thursday a member of this legislature said those cruel and flippant words, and this is what he said: "Great men can change their minds but the common people do not know enough to do that."

I am one of those common people and I stand here opposed to a sales tax at this time because I believe that there can be other ways and better ways to solve the financial problems of our state government.

Let us in this Senate speak out what we have down in our hearts today. We believe that money is the root of all evil. Some of us believe that thousands of dollars, the tax payers dollars, can be saved in our system of government. Some of us believe that there is no bottom to the financial till of that government. We all agree that if this sales tax is passed and enacted into law it may well produce from fifteen to twenty millions of dollars, at least eight million dollars that our governor said in his budget message that he needs to carry on the duties of government as prescribed in our statute books. What will become of this extra ten million dollars? I say that with our present revenue, through our system of government and more particularly through at least one de-

partment of our state, we are going out and we are saying to our young men and our young women of Maine, and to the old as well as the young, "Sit down, sit down, we will come to thee, we will give thee thy breakfast, we will give to thee thy dinner, we will give to thee thy supper, come, feed on the state, be thou not ashamed."

Experience has shown us that in two years from now we will, those of us who come here, we will be asked to pass another tax measure; in four years it will be the same, another tax bill, and hence and hence until our state government hooks up with the federal government in a bonded agreement and through that combination every man, woman and child in the State of Maine will be controlled. I say, as I have said before, I am opposed to this over-exemption-burdened tax measure. And I say, as I have said before in this Senate, to tax and tax and tax excessively will in the end destroy any democracy.

Mr. BROGGI of York: Mr. President and Members of the Senate, this morning I was asked an honest question by a man who I believe is a sincere legislator, the Senator from Kennebec, Senator Tabb, who asked me, referring to my remarks of this morning when I said that the state in fifteen years had gone from a total of two million dollars to twenty-five million dollars, an increase of 1250 percent, how I could conscientiously stand up here and argue educational needs, increased educational subsidies, and raising our teachers' salaries and subsidies, and I am going to try to give him an honest answer.

Several weeks ago Senator Fuller, Senator McKusick, myself and the Chairman of the Board of Education Mr. Frank Hoy—and I am sure my remarks will be correct and if they are not I stand to be corrected by those gentlemen—at that time I said to Mr. Hoy, "Is there any ceiling in your opinion where this educational subsidy should go; in your opinion is there a limit or is there no ceiling? Of course if there is no ceiling it isn't my intent to stay on the ball game, I had rather get off." However Mr. Hoy assured me that in his opinion we

were fast approaching a ceiling so far as state subsidy in education should take place. I merely make those remarks to Senator Tabb to let him know that I certainly believe we have about reached the saturation point in education. I say that in all sincerity.

It is true in history that when we get to be known as an oligarchy or have a strong centralized control in any government, either a democracy or a kingdom or what have you, decadence starts in government. Many, many illustrations can be given of this. The only real, successful type of government to date in this world is a democracy with a two-party system. France as a nation has never ascended to the heights because of its multiple-party system, and that is the main reason—and I think every Senator here knows it—why a strong centralized control became the order of the day.

The words we have heard at this session: "The people are ignorant, the people don't know what they want, the people oppose all taxes, we have to do the work for the people because they don't know how," those words indicate to me that possibly a strong centralized control is starting here in our state.

In closing I would like to say that while I drove home last Friday I was wondering how it would feel to go home and feel that I had changed my position and broken faith with my people. Many of us have taken a stand on this measure from the very beginning. I was told when I came into this body that oratory wouldn't sway any votes and I am very sure no oratory of mine would change anyone's vote but my remarks are addressed to those thirteen or fourteen people who have held the line because they knew that was the tradition of their people and what their people want. They are representing the people who sent them here and I plead with this group to stick by your guns and go home and face your people and let them know that you did not shift your stand.

Mr. TABB of Kennebec: Mr. President, I would like to ask a question through the Chair of the Senator from York, Senator Broggi.

The **PRESIDENT**: The Senator may ask his question.

Mr. TABB: This morning the Senator from York, Senator Broggi, was told how much percentage the department of welfare went in a number of years and I asked him a question—and to be sure, I asked that question after the debate this morning as he has stated—but he has not as yet answered my question. I would like to know from the Senator how much percentage has the department of education gone in the same length of time as compared with the department of welfare.

The **PRESIDENT**: The Senator from York, Senator Broggi, hears the question and may answer if he sees fit.

Mr. BROGGI: Mr. President, Senator Tabb, members of the Senate, I can't give you the exact percentage because I don't know. However, I do know this: I come from a large community. The bulk of the increase has been in the form of equalization with small communities, which have major problems, getting a large proportion of the subsidy and that is the way it should be. In my community the percentage is a very small amount.

I might add that we have a document on our desks, L. D. 551, that will put my community at the very bottom of the list and will give some of those small towns I have reference to sixty-five percent of the entire educational cost. And those of us who believe in education and are sincere in that belief want all the children of the State of Maine to have equal rights and will vote for a document to give all the children equal opportunity with that which our children have. I can look it up and give you the figures but the increase has been largely used on an equalization basis, and that is the way it should be in my opinion.

Mr. DENNETT of York: Mr. President, when the vote is taken I request that it be taken by the Yeas and Nays.

Mr. NOYES of Hancock: Mr. President, we have debated this question of taxation in the State of Maine in this State House now for the last three or four weeks. Most of us have firm convictions one way or another as to which

method of taxation we choose to follow to raise the necessary dollars for the cost of government. I have stood here in this session and in past sessions attempting to act for the best interests of the State of Maine at the state level as well as the local level and I would say to the Senator from York, Senator Broggi, that unless something is done to change the tax structure in the State of Maine, that the children in these small towns of which he speaks will no longer be in existence. Unless something is done to modify, change and lower the tax burden on the property owners and the home owners in those same small towns, they can't go on as we have known it. I can remember back in the early 30's when these same small towns met in town meeting, assessed taxes and failed to collect the same due to the depression which we were then in. And I would point out to you that at that time the property tax wasn't much more than half then what it is today.

If we here in this Legislature fail to take notice of what has happened in the past, fail to look into the future as to what may happen and must happen, we are letting those same people down. True, the Senator from York comes from one of the larger communities in which they have property values, property to tax. That is only one of a comparatively few of our municipalities. Of our 492 municipalities, only thirty have a population of over five thousand. And when you get down into that 462, you find many towns that have no property to tax and when I say no property to tax, I mean, they have no industry. All they have is some strip of wild land and a few homes and we have in past legislatures and I fear in this legislature we are going to continue the procedure of adding a still further burden to those people who are making every effort to maintain a home.

I would point out to you as I have in the past that we have 140,000 home owners in the State of Maine and I would also point out to you that in your same small towns that the men and women who attain the age of sixty or sixty-five years own their own homes almost without exception.

We in this legislature through our neglect or failure to levy the tax to raise the dollars at the state level force those same towns to increase their taxes and increase the burden on those same home owners.

It would be far wiser on our part to levy the tax and have a tax structure in which those people during their earning and their spending days would contribute to the cost of government and in their later days might look forward to some relief from that property tax burden. That is one reason why I have stood here in the past and why I am standing here now in defense of those same people.

True, I have made the error as many others have, that our high tax rate and low valuation didn't make any real difference when the final results were determined, but actually there is a difference. We have an average tax rate of something in excess of seventy-five dollars on a thousand. Our assessors are human and our assessors make errors. By that high tax rate, when an error of assessment is made, you are multiplying that error by a large number and apparently we wish to make that number a little bit larger, thereby making a greater error. It is my contention that if we here in this legislature take a forward step and change our tax structure so that in the final analysis it would come out with a rate of twenty-five or thirty mills, we will be multiplying that error by a smaller number and thereby correcting in some measure the injustice of the present system. That, I believe is food for thought.

In this tax measure that you have before you under consideration, labor is opposed to it and I honestly can't follow their line of thinking. The man who works with his hands is exempted for the rent that he pays. He is exempted for the food that he buys. He is exempted for the fuel that he burns and there is no tax on amusements in this bill, no increased tax on tobacco and no increased tax on liquor. It seems to me that the tax he is paying is a tax on the clothing he buys and that, it seems to me, would be a very small amount of the pension that that same man

and his family would derive from government services which he demands.

Now, if it is the position and the contention of those same people who labor that they do not wish to contribute to the cost of government, that they wish some other form of taxation whereby someone with ability to pay, pay the bill, I fear the state of our democratic form of government and I believe the same people about which you hear so much, if they knew the truth, would be willing to say, "I will pay a small part of that cost for the government, which is what they would be doing under the tax bill you have under consideration."

It has been said here today by one of the opponents of the bill that it would raise too many dollars. I question that. And at the same time, the same speaker opposes the bill because there are too many exemptions. I don't believe that is consistent. I believe the tax measure we have here before us will raise between ten and eleven millions of dollars, half of which, or five and a half million dollars of which will be in the repeal of an existing tax. The impact of the tax on the people of Maine would, therefore, amount to approximately five millions of dollars and I can't for the life of me see where the danger lies and I hope that this bill will be passed for enactment.

Mr. BROGGI of York: Mr. President, I would like to ask the Senator from Hancock a question through the Chair if permissible.

The PRESIDENT: The Senator may state his question.

Mr. BROGGI of York: Mr. President, at the present time, education is subsidized on a sliding scale of approximately twelve or fourteen per cent to sixty-five per cent, the small towns that Senator Noyes has referred to, being in the sixty-five or sixty-odd per cent bracket and the so-called wealthy towns like my own who have forty-two hundred textile workers in it is being subsidized about fourteen per cent. Likewise, in snow removal, the towns have an equalization of thirty-five dollars to one hundred dollars.

I would like to ask the Senator how much further spread he thinks

would be right to make the situation equitable. Do you feel that the town should receive all of their education, part of it, eighty-five per cent or what? The present spread is about sixty-five per cent. What, in your opinion, is an equitable spread?

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

Mr. NOYES of Hancock: Mr. President, I don't know the answer to the question that the Senator propounds but I do know this—they need all of it.

We in the State of Maine at the present time are subsidizing our cities and towns to the tune of about twenty-two per cent of the cost of education in those cities and towns as against a national average of forty-three per cent. In other words, we are not doing much more than one-half of what is being done by other states for their cities and towns toward the cost of education.

Other states have recognized that cities and towns can not, through the real estate tax, provide the dollars to give their boys and girls the education which they so richly deserve and I stand here, and I think the Senator agrees with me when I say that we should increase those dollars at the state level. He would do it one way and I would do it another. The only difference between our thinking is that in addition to giving extended aid to the cities and towns, I would give the cities and towns further aid by reducing the tax burden already on them.

Mr. BOYKER of Oxford: Mr. President, I would like to state that in my remarks previously that I was giving this sales tax bill a name, an over-exemption burdened sales-tax bill. I said that I opposed this bill now today and to allay the fears of the Senator from Hancock County, Senator Noyes, as to the property tax in our different towns, in order that he may not lose any sleep over night, I am speaking from experience when I say that I have been a member of the board of selectmen in different towns and we had no trouble in collecting our property tax. And today, I believe I can say for every town in this state, "Leave us alone and we will

collect our property tax. We have no trouble."

Mr. DENNETT of York: Mr. President and members of the Senate, I would like to take issue with the Senator from Hancock on several points, particularly where he brings out the point that many of these towns have no industry to tax and therefore bear an excessive burden.

The community in which I reside is a town of over eight thousand souls. It is an industrial community without a single industry to tax. The work and the life in the community is supported by a naval shipyard that contributes not one red cent in taxes to the support of the town. I will go further than that. The Navy Department owns in our town 200 dwellings on which not a single cent in taxes is being paid, as I think every senator is well aware we can not tax a superior body. Neither do they make any payment in lieu of taxes.

Out of that community of 200 dwellings, we have approximately 400 children which are educated in our schools and they are educated at the cost of the taxpayers in that town. We also have no summer, residential property to speak of. Towns which have that sort of property are very fortunate. They can gain taxes and contribute little in return.

The whole impact of taxation in my community is felt by the home owner in the town. Yet, we really have no problem. We have a relatively low tax rate. We have schools as good as any in the State of Maine can afford. We have an excellent system of education. We have a very reasonable tax rate and we have no complaint from our citizens. I merely wish to show you what a town can do when its people get together and its town is well managed and I firmly believe that my town is well managed. And I will take issue and I will question the management in some towns where they have these terrific rates where there are few people, for my town is in exactly the same position as the other smaller towns are and some of this burden we have to bear is shared by no other town in the State of Maine.

If we have a sales tax, the impact of that will be felt more on the people of my community, perhaps, than any community in the State of Maine. It is industrial. It is not unionized. There is no union pressure on me whatsoever. A union does not exist in my town. My people are fairly well paid and they live very well. They do not complain but now complain about this tax which would impose a burden on them and I feel would help to support others in other communities where they are not so well managed as I feel that my town is.

Mr. LEAVITT of Cumberland: Mr. President and members of the Senate, I suppose it would be just as well if I didn't speak and I suppose anything that is said at the present time is utterly useless as most of the people sitting in these seats in the Senate have already made up their minds and most of them made up their minds weeks ago. Some of them made up their minds actuated by a desire to lay upon the state any problems now facing us. Others are actuated by fear, fear as was expressed here a short while ago that the cost of government is becoming too great and that eventually we will fall to our destruction as have other civilizations before us. Others are actuated by the fear that they will not return to these halls again. Others, who know they may return to these halls, fear lest they may not rise to heights because of the fact that they stood against taxes. Most of them agree that we must have better education or at least education equal to what we are now giving but for some reason or other they delude themselves or blind themselves to the fact that even this budget which is so great and which they are afraid of will only give us education on the same level that we are now paying out. There is no increase in education here. Simply we are keeping pace with dollar that is losing its value in purchasing power. Another fact to be taken into account is that more children are coming into our schools, the population in Maine is growing and therefore we need more money for education.

The department of education isn't trying to see how much money they

can take away from the people. They are simply saying to you people here, "Gentlemen, you believe that the children of the State of Maine of the present generation are entitled to a good an education as the children of the past generation; all we are asking for is a continuation on the same level but it is going to cost more."

If for any reason this Senate defeats a major tax bill this year it means that we must have less education for those children. In the health and welfare field most of the added costs which we are putting in is because of the fact that the dollar is worth less than it was before and it takes more money to support the people we already have on the relief rolls. Perhaps, as one Senator has intimated, it would be better to go back to the old system of poor houses, to have the children running around as ragamuffins on the streets, poor, destitute. It might be better to have the old men coming around to our back doors with a stick over their shoulder holding the few rags they have left, going from door to door begging. We all remember the tramps that used to come begging before we had the new system we are now under which eliminates such poverty as we used to know it. I believe that we in this state cannot go back to that system. I believe that most people realize that we must take care of a certain type of people.

The people who are opposing this tax legislation, as I have said, are activated by fears of all sorts and those people who are the most fearful will probably stand up here very shortly and say in answer to me, "I am not afraid, I am voting against this and I—

The PRESIDENT: The Chair must remind the Senator that he must not engage in personalities and must discuss the bill itself.

Mr. LEAVITT: It did not appear to me, Mr. President, that I had made any personal allusion.

The PRESIDENT: The Chair will state that he considers the Senator's remarks dangerously close to the borderline.

Mr. LEAVITT: Very well, Mr. President. However, gentlemen, I hope that when the vote is taken we will try to vote with the thought

of what is good for the State of Maine, what is good for the citizens of Maine and not for our own selfish interests.

Mr. BROGGI of York: Mr. President and members of the Senate, the reference to alms houses, poor houses and ragamuffins might or might not have been aimed in this direction. However, I would remind the Senator from Cumberland that I voted for an income tax and I will vote for an increase in luxury taxes and I presently have the increased mill tax on the table. I have conscientiously supported every tax measure in this Senate except the present one and I would also remind the Senator that the only tax measure he has supported is the present one.

Mr. PALMER of Lincoln: Mr. President, I ask a question before I begin. Is it permissible to quote from the record?

The PRESIDENT: The Senator may quote from the record.

Mr. PALMER of Lincoln: Mr. President and members of the Senate, in this debate on a sales tax, we have had frequent references by many legislators as to the reasons why we need additional moneys. More than once, reference has been made to the fact that our departments are growing, that our department heads over and over again are asking for increased revenues and that we should throw the scoundrels out and cut the budget to where we in this Legislature think it should be.

Now, I would like to cite just a little bit of history to this Senate this afternoon, realizing full well it may not do any good, but I would like to recite it just the same.

I have only been a member of this Legislature for three terms but I know of some things which have happened in three terms. I would like to quote and I would like to point out that when we speak of state government, we have two funds in this state, general and highway, but when we are speaking of trends in state government, we naturally think of both of these funds because the trend in one closely parallels the trend in the other.

In the past six years, we have had many things happen to increase state costs. First, many members of this Legislature, in fact the majority, voted regarding the highway fund, that the state should have not one and a half but permit two units of state-aid in building. We have adopted a town-aid road improvement fund to help the towns in the building of roads. No one objected to this change. It was a majority vote. It is law.

Every year that our Legislature meets, our Committee on Ways and Bridges or Highways has to meet for at least eight weeks and listen to selectmen from all over Maine crying for road resolves. And at the same time, well-meaning legislators back up their cry. Two years ago, the maintenance costs of the State Highway Department were increased because a majority of legislators felt that the state should take over the entire cost of maintenance. Now this to be sure is the highway fund, but it shows exactly what the thinking of this Legislature has been in the past six, eight, ten and twelve years in taking the responsibility, financial responsibility of the towns away and giving it to the State.

At the time when we wanted these bills, when we wanted the state to increase state-aid, when we wanted the state to give town road improvement, when we wanted road resolves, when we wanted to take over the maintenance costs, no one cried that various department heads were trying to cram down the throats of the people of Maine their programs. It wasn't the program of the department but was the program of the Maine State Legislature two years ago, four years ago, six years ago and eight years ago.

Now, if you will cross over to the General Fund, you will find the same thing to be true. I spent several afternoons in this session down in the Welfare Committee and I listened to legislator after legislator, many of whom, according to the record voted against taxes, yet came before the committee and asked for benefits, special resolve benefits for their people back home to relieve the towns of the responsibility of paying the cost of welfare.

That was not the idea of Dave Stevens. It was the idea of the representatives from the various towns and cities throughout the state asking for help from the State of Maine in their poor problems, their welfare problems. The same thing holds true for Old Age Assistance and Aid to Dependent Children. Whenever selectmen for these people in the towns see that there is a possibility that under existing law they can put them onto the state, they are very willing to do it. You can't blame them. But it is not the fault of department heads because those of us who progress to Legislature readily help them to increase these benefits.

I would quote now from a House speech the other day, "As to the responsibility or the lack of it which I have been accused of having, I am convinced that the impasse we have reached is not because of lack of responsibility to vote additional money but the lack of responsible representation in voting appropriations at both this session and in the past for expanding services that the people, the average citizen, does not demand or want."

I can agree with every bit of that except the last sentence which said, "That the average citizen does not demand or want," because we know, those of us who have been in this Legislature, that probably without exception, legislators have asked for these services at the request of the people who want these pensions and this assistance. But in the Department of Health and Welfare or the Highway Department, we pass in this legislature every year safety measures which require additional police force. All right. We have to pay for it. In practically every department of this state, legislators have special interests and those special interests prompt them year after year to introduce measures which make more effective the carrying out of the laws and regulations of that department. It is not the department heads, for they are not sitting here legislating. It is the legislators, themselves, and they are prompted most of the time by requests from citizens back home who want and demand these services.

So, I say that when we discuss

taxes and when we discuss the state's responsibility, we must recognize, even though we hate to, that many times, we, as legislators, have introduced these measures, not this year or not two years ago, but any time in the past, which have brought up the state's budget to where it is. We want the services but we hate to pay for them. The idea was good as long as there was no money involved. Yet, we were willing to vote for them. We were willing to increase the budget. We were willing to make the Highway Department or the budget in the Highway Department out of balance just as we know that it is today and we have voted to make our General Fund out of balance, ourselves, without thanks to anyone else, members of this Legislature and members of past Legislatures.

I do not say that the increase in the budget is due entirely to increased costs. Of course, it isn't. It is due to increased costs, partly, and those who argue it, certainly in their own individual lives must have felt the increase in costs. But in addition to that, the increase has come about because legislatures year after year have passed bills which call for more money and because we had a savings account in the past which has dwindled away, because we dwindled it, and in spending the money and not because it was our idea alone but because those whom we represent wanted the services.

We certainly can't say, then, that we are neglecting our duties when we now ask for moneys to carry on this same type of government which we have been voting for. I am sure that all of the Legislatures here didn't dream up the ideas of legislation, didn't dream up the bills and resolves during the past decade by themselves which today are costing the State of Maine money. They were dreamed up with the assistance of those back home who want these services. It is easy enough to want the service. It is a very different thing when it comes time to pay for it.

I want to make it clear once again that I, for one, oppose the thinking of many when they hurl over and over again these accusations at department heads. To be

sure, they have made errors and in many cases have had their own ideas but let us not, in an effort to avoid the issue of a tax, suddenly hurl all the responsibility on the department heads when there are those of us in the Senate and in the House across the hall who have voted at the request of those we represent for increased services and yet are refusing to vote for the taxes to pay for them. To me it all adds up to facing responsibility which is ours. If we want the services, alright; if we don't want the services, alright. But we know it is foolish to say that the people back home did not demand and want the services when year after year through the doors of the various committees we dish out the money for dependents, for pensions, and assistance, and roads, and everything else, and we see these selfsame legislators with their friends back home who want the services, asking for them and then refusing later on to pay for them.

Mr. BOYKER of Oxford: Mr. President, I would like to correct the statement made by the previous speaker, Senator Palmer. No town in our state has anything to say about their dependent children or their applicants for old age assistance. The Health and Welfare Department steps into the town. They do the investigating without asking for any advice from the selectmen of the town. They take those children out. They investigate the applicants for old age assistance without consulting the town in any one instance.

Mr. BARNES of Aroostook: Mr. President, it is not my purpose to extend this debate although I think everyone here would agree that this is probably the most important matter that faces the 95th Legislature.

This morning for the first time in the five sessions which I have attended and been a member of this legislature I voted against a major tax. Before I came to the legislature and during the first three sessions of the legislature that I attended and was a member of, I was in favor of a combination tax. Two years ago, through the importuning of some of my very good friends of the legislature, I went all out for an income tax even though it seemed to me at the time that the

general pulse of the legislation was opposed to that type of taxation. But I voted for it and I voted for them all, until this morning.

This is a matter that has not been touched upon in debate and I will discuss it briefly and that is the reason why I cast my vote against the income tax this morning. Each one of these taxes, the income tax and the sales tax have their faults and they have their virtues but apparently the pulse of this legislature is against the income tax and in favor of the measure now before us.

When I was a young lad I used to go into the woods for long tramps with my father whom I revered. He told me at one time how to make a straight snowshoe path across the field. He said, 'Fix your eye on an objective on the other side of the field and go straight toward it. Now if we want to cure the financial ills of the State of Maine which we all admit without exception, some of us think perhaps some departments, and they may be right, are spending too much money, but we all recognize the need. If we want to cure those financial ills it seems to me, as it did this morning, that we should fix our eyes on an objective and drive right straight toward it.

The situation today is different than it was six or four or two years ago and it is quite different today than it was at the start of this session of the legislature. Both of these taxes have their virtues and I for one would support and defend the one which seems most likely to succeed. The eyes of the people of the State of Maine are upon this Body of the Maine Legislature today. No one in his wisest fancy would doubt the need for additional state dollars and I say to those who are against the sales tax—and today, Mr. President, I will try not to say anything to stir up any rancour but those who are conscientiously against the sales tax are in a very different position than they were at the beginning of this session. At this time we had all the possibilities of raising revenue before us, and now in my estimation at least, we have but one left. If we fail today to adopt the only one remaining, with its

faults and with its virtues, we are leaving the question that faces us all and which we all agree must be met, unanswered. When we speak of objectives and looking into the future, if we don't adopt this tax today, I don't see where we are going. That will have to be explained to me by some members who are not willing to concede an inch. This is it, members of the Senate and let us when we cast our vote, vote with that thought in mind. If this is not the answer to the problem, in this particular legislature there is no answer to it and I don't subscribe to that line of thought.

Mr. BOUCHER of Androscoggin: Mr. President and members of the Senate, I did not intend to enter the debate on this question this afternoon. I am getting the impression that a steam roller is being brought in here to try to put in the minds of the Senators that there is no way out but a sales tax. I despise using steam rollers. I for one don't believe that there is no way out of our financial trouble but a sales tax. I am definitely opposed to a sales tax. I am committed to that and I will stand by my guns win or lose. I have voted this morning for an income tax. I will vote for any other tax that I think is a fair tax basing the burden on ability to pay regardless of whether the Senator here thinks I have Communistic ideas in making that statement. I still recognize ability to pay. I insist on that point.

I have not heard the true facts stated here but the reason that the sales tax is the only tax is the fact that some of the members of the legislature are committed to the abolishment of the property tax. I am not committed to that. I don't believe it is the proper time where we are millions of dollars in deficit apparently, to abolish the property tax. For one thing, I don't believe that the abolishment of the property tax is going to result in the effect that local taxes are going to be reduced to the same amount. And if they were and I say, "If they were" what benefit would there be to the tax payer? In place of paying it to the towns, he would pay it to the state through increased sales taxes.

I am reconciled to the idea that we do need more money if we are going to keep going what we have already built in the last ten years. Also I want to go on record that there is such a word as "Economy" and it would be practiced. I realize it would not be enough to make up for the four to four and a half million we are lacking through our proposed budget, but it would relieve to some extent. If we could economize, save a million dollars even every year, that certainly would mean a lot of tax money to the citizens of Maine, especially those in the low brackets. I have heard about everybody bearing an equal share of the tax burden I believe in equality. I believe every citizen should share in the burden according to his ability to pay. There is an old saying that says "You can't get blood from a stone." Let us not try to get blood out of a stone. Let's try to give the citizens of Maine a fair tax and as low an increase in taxation as we can and carry on for another two years when somebody else will take our place and carry the burden from there.

Somebody jokingly made the remark that we might raise the sales tax from two to four percent, in a bank in Lewiston yesterday and give the politicians a lot more money to spend so they could enjoy themselves. I don't want to be branded with that kind of statement. I will vote against this sales tax. I will vote for any fair tax to meet the requests of our Governor in his budget address, and no more.

Mr. HASKELL of Penobscot: Mr. President and Members of the Senate, I am sure that I have had my share of the legislative record today and I shall be very brief but since the Senator from Aroostook, Senator Barnes, has developed as an argument that unless twenty-two of us in this Body this afternoon vote Yes on this emergency measure we are unlikely to find any other vehicle by which real state needs can be met, I would like to point out here in this 68th legislative day that it might not be unreasonable to use one or two of those legislative days—and I am not attempting to becloud or con-

fuse the issue—to consider that which by token vote, seventeen members of this Body did not dislike too thoroughly this morning, and that compares, I think, with a record showing a maximum of eighteen who favor the bill before us. I think it is well within the ability of those who are able to write tax measures—and my hat certainly comes off to the taxation committee in that respect—to do that which was outlined this morning and to consider carefully the question of whether or not the privilege of use and consumption ought to have a partner in the state tax problems in the State of Maine.

I shall vote against this bill on the enactment this afternoon. I still remain one of those who has not said that I will never vote for a sales tax because I recognize the state need and I would have no one count me among those who say “cut down appropriations” and “let them eat cake.” I think I know enough about the state needs and state services demanded by the people to realize that we do need the money. I realize that sixty percent of the income to be raised by this tax when applied to reducing local property taxes will prove of very substantial benefit to the tax payers.

I hope that the motion to enact as an emergency measure does not prevail this afternoon. I would be equally firm in hoping that no major tax of a broad impact as long as our constitution remains as it is, is ever enacted as an emergency measure. I sincerely, conscientiously and honestly believe, Senators, that the intent of the basic document of the people of the State of Maine, the document that is written to protect the minority against overwhelming majority, puts upon you the duty to protect them by giving them that opportunity if they want to exercise it.

I do not believe in the fiction that I think exists in the action of taking out an October 1st date and setting up a July 1st date leaving in the bill the intimation that the property tax will be corrected next year and hanging a tax on that as an emergency.

I am not learned in the law. I have no idea what the courts an-

swer to that would be, but in my heart and in my conscience and my honest and sincere desire to so vote in this legislature as to live up to what I believe the Constitution of this state means, certainly prohibits me from voting for this or any other major tax as an emergency measure.

I admit I have voted for tax bills as emergency enactors. I think I voted for one some two years ago when some 95% of the major land owners came to the state legislature and said, “We want to increase the Forestry District Tax and we want it as an emergency.” My conscience was clear in that I believed we were not avoiding the intent of the constitution in voting that. I voted for increases in existing taxes since it was evident to me that the use of that facility, the same people as would be the payers of that tax required that or debt in its place. My conscience was satisfied with that.

Seriously, I believe that both branches ought to consider another solution. I do not believe it should be enacted this afternoon as an emergency enactor and for that reason I can't believe the Senator from Aroostook, Senator Barnes, is right in his conclusion that this is the one last chance to pass a tax measure that will solve our financial problems.

Mr. BARNES of Aroostook: Mr. President, the remarks of my friend, the able Senator from Penobscot demand a reply. Our founding fathers enacted a Constitution for the State of Maine and they protected the right of the people to be imposed upon by any laws except by a two-thirds majority of both branches of the legislature. I cannot recognize the right of the able Senator to write into that Constitution that tax measures were excepted from the emergency two-thirds rule. We had what might be called a companion bill to the one which by indirection he is introducing here today, to take the right of the people to invoke a referendum away from them on the tax measures and that must be submitted to the people to see if they want us to do that. Certainly the Constitution is clear now that if this legislature or any legislature passes any measure, including tax measures by

two-thirds majority, it become law and the referendum cannot be invoked.

I will not go into the same reasoning that I gave a week or two ago when the matter of an expedited referendum to the tax bill was first brought forth by the able Senator, but I simply say that as a lawyer the Constitution now is clear. The legislature is granted the right to enact taxation measures by a two-thirds majority.

One other thing that I cannot go along with that he has said here this afternoon and that is the possibility of some other solution to our financial problem. Before I proceed, Mr. President, I would like to inquire if I am correct in assuming I may mention past action of the other branch of the Legislature.

The PRESIDENT: The Senator may mention any action which is general knowledge.

Mr. BARNES: Mr. President, I will say to you and the members of the Senate, that the other branch of this legislature has considered at least three major tax measures this session. The vote was overwhelmingly against any measure except this sales tax which was passed by that Body as an emergency measure. In ancient days a Norse king by the name of Canute who made great success in the affairs of state and in conquering the country surrounding him became convinced that he had supernatural powers and he ordered his servants to convey him down to the seashore at the low tide and he ordered the sea not to come in upon him. He had to be picked up in his litter and carried back to his throne above the high water mark.

That may illustrate what lies behind the remarks I made a few minutes ago. I still believe, sincerely and earnestly in my own mind that I am right when I say this is the time and the eyes of the people of the State of Maine are not only upon us the 95th legislature, but on this particular Body of the 95th legislature.

The PRESIDENT: Is the Senate ready for the question?

Inasmuch as this bill, An Act Imposing a Sales and Use Tax has had its three several readings in the House and passed to be engrossed

and having had its two several readings in the Senate and passed to be engrossed, the Committee on engrossed bills having reported it as truly and strictly engrossed, the bill having passed in the House as an emergency measure and having been signed by the speaker, it now comes before the Senate for passage as an emergency measure.

In order for the bill to pass as an emergency, it requires the affirmative vote of two-thirds the duly elected members of the Senate. The Senator from York, Senator Dennett has requested the Yeas and Nays. In order for the Chair to entertain such a request, it must be by the bidding of at least 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 role.

YEA: Senators Allen, Barnes, Brewer, Brown, Christensen, Collins, Crosby, Fuller, Haskell of Cumberland, Leavitt, McKusick, Noyes, Palmer, Savage, Sleeper, Weeks, Wight.—17

NAY: Senators Boucher, Boyker, Broggi, Dennett, Ela, Greeley, Haskell of Penobscot, Kavanagh, Larrabee, Marshall, Reid, Smart, Tabb, Turgeon, Ward.—15

The PRESIDENT: At this time the Chair will state his position and direct a few remarks to the Senate, because in his opinion the time has come to talk facts and to dispel rumors.

As you all know the Chair has no opportunity to debate a question but may make a statement of his position before voting on any question. At this time as it is the privilege of the Chair, the President now makes this statement to set forth to you here in this Senate my position with regard to a sales tax and to challenge any reports not consistent with regard to a sales tax and to challenge any reports not consistent with this declaration.

For 10 years, I have stood steadfast against the enactment of a sales tax by the Legislature. My continuing opposition stemmed from a firm conviction that the state was not as sorely pressed for new revenue as sales tax sponsors would have had us believe at that time.

This is a new day and I am of the firm conviction that the time has now come when the state does require additional income to finance its operations. This is true for many reasons, not the least being the deflated dollar.

Failure of this 95th Legislature to give approval to the sales tax bill can only bring suffering to thousands of our people, curtailment of essential services and disruption of the financial structure of the state, the cities and towns.

That the sales tax has drawn vigorous opposition is understandable, yet it is to be hoped this opposition stems from an honest conviction that new income is not necessary or that the sales tax is not the proper money-raising vehicle.

I am sure that your vote today has been the result of your carefully considered judgment in the light of the facts, and I honor your convictions as it would be wrong for any member to be guided in his decision to approve or to disapprove by any thoughts of personal political advantage or political expediency.

The demand is made upon us that we act now in the best interests of the state with personal considerations of no moment.

For two legislative terms you have conferred upon me the second highest honor that can be given to a citizen of Maine. I accepted the presidency of this body knowing full well the heavy responsibilities which go with the office.

In the absence of a tie it is not my desire to hide behind the cloak of immunity of the President's chair or to escape recording my position on the sales tax bill.

In voting today you, as senators, have assumed the burden of your office by openly answering to a roll

call. As a fellow senator, it is my desire to share this burden with you and I now place myself on the public record as apportioning a sales tax.

I trust that none among you has ever doubted that my vote would be recorded, presidential immunity notwithstanding.

The PRESIDENT: The Secretary will call the name of the President.

The Secretary called the name of the President.

The President voted Yea.

Eighteen having voted in the affirmative and fifteen opposed, the bill failed of passage as an emergency.

Mr. CROSBY of Franklin: Mr. President—

The PRESIDENT: For what purpose does the Senator rise?

Mr. CROSBY: Mr. President, I would like to change my vote that I may be in the position to ask for reconsideration.

The PRESIDENT: The Secretary will again call the name of the Senator from Franklin, Senator Crosby.

The Secretary called the name of the Senator from Franklin, Senator Crosby.

Mr. Crosby of Franklin voted Nay, seventeen now having voted in the affirmative and sixteen opposed.

Thereupon, on motion by Mr. Crosby of Franklin, the Senate voted to reconsider its action whereby the bill failed of passage as an emergency; and on further motion by the same Senator, the bill was laid upon the table pending passage to be enacted and was especially assigned for Wednesday, May 2.

On motion by Mr. Crosby of Franklin

Adjourned until tomorrow morning at nine o'clock, Eastern Standard Time.