

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

Ninety-Ninth Legislature

OF THE

STATE OF MAINE

VOLUME II

1959
and
SPECIAL SESSION
1960

DAILY KENNEBEC JOURNAL
AUGUSTA, MAINE

HOUSE

Wednesday, May 13, 1959

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

Prayer by the Rev. Mr. Richard Hulburt of Hallowell.

The journal of yesterday was read and approved.

Papers from the Senate
Senate Reports of Committees
Ought to Pass in New Draft

Report of the Committee on Natural Resources on Bill "An Act relating to Augmenting of Stored Water" (S. P. 391) (L. D. 1135) reporting same in a new draft (S. P. 467) (L. D. 1363) under same title and that it "Ought to pass"

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

In the House, the Report was read and accepted in concurrence, the New Draft read twice and tomorrow assigned.

Divided Report

Majority Report of the Committee on Inland Fisheries and Game reporting "Ought not to pass" on Resolve Regulating Fishing in Cup-suptic River, Franklin County (S. P. 94) (L. D. 212)

Report was signed by the following members:

Messrs. HILLMAN of Penobscot
 CARPENTER of Somerset
 BRIGGS of Aroostook
 — of the Senate.

Messrs. MONROE of Monroe
 WHEATON of Princeton
 HARRIS of Greenville
 MOORE of Casco
 DUDLEY of Enfield
 DODGE of Guilford
 — of the House.

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

Report was signed by the following member:

Mr. CARVILLE of Eustis
 — of the House.

Came from the Senate with the Minority Report accepted and the Resolve indefinitely postponed.

In the House: Reports were read and the House voted to concur with the Senate.

Divided Report

Majority Report of the Committee on Public Utilities on Bill "An Act relating to Source of Supply of Bangor Water District" (S. P. 43) (L. D. 41) reporting same in a new draft (S. P. 476) (L. D. 1342) under same title and that it "Ought to pass"

Report was signed by the following members:

Messrs. MARTIN of Kennebec
 NOYES of Franklin
 HUNT of Kennebec
 — of the Senate.
 Mrs. KILROY of Portland
 Messrs. HAUGHN of Bridgton
 CYR of Fort Kent
 PIKE of Lubec
 WALTER of Waldoboro
 DOW of Eliot
 — of the House.

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

Report was signed by the following member:

Mr. PHILBRICK of Bangor
 — of the House.

Came from the Senate with the Reports and Bill indefinitely postponed.

In the House: Reports were read. The SPEAKER: The Chair recognizes the gentleman from Ellsworth, Mr. Brown.

Mr. BROWN: Mr. Speaker, I move that the House accept the Majority "Ought to pass" Report.

The SPEAKER: The gentleman from Ellsworth, Mr. Brown, moves that the House accept the Majority "Ought to pass" Report.

The Chair recognizes the gentleman from Bangor, Mr. Philbrick.

Mr. PHILBRICK: Mr. Speaker, I move that we concur with the Senate and I will speak briefly to the motion.

The SPEAKER: The Chair must advise the gentleman from Bangor that there is as yet no question of concurrence and that the motion of the gentleman from Ellsworth is the pending question. There is no disagreement between the two branches as yet. We have not acted on the report.

Mr. PHILBRICK: Well, may I speak to the motion?

The SPEAKER: The gentleman may speak.

Mr. PHILBRICK: Thank you. Mr. Speaker, Ladies and Gentlemen of the House: Two years ago the 98th Legislature passed an enabling act granting the Bangor Water District the right of eminent domain over several bodies of water. The primary source of water is Flood's Pond, the secondary Spectacle Pond and the tertiary, Beech Hill Pond.

One year ago the district sold to the general public \$4,000,000 in bonds whose security is represented by these various bodies of water.

If any of us assembled here were to borrow a sum of money from a bank and would offer our house and garage as security to back the loan and then sold the garage to a third party while contending that the house by itself composed ample security, we would be subject, and rightly so, to a jail sentence. This bill, for all practical purposes, attempts to do just that very thing, that is, to remove a portion of the security behind the bonds with the contention that the Bangor Water District does not require so much security. Whether or not this is so is not the issue. What concerns us is that the City of Bangor at the insistence of the state would bring about a definite breach of contract. This in turn would bring about suit by the bondholders and would very likely lower the heretofore high credit rating not only of the City of Bangor but also of the State of Maine.

The SPEAKER: The question before the House is the motion of the gentleman from Ellsworth, Mr. Brown, that the House accept the Majority "Ought to pass" Report.

The Chair recognizes the gentleman from Lubec, Mr. Pike.

Mr. PIKE: Mr. Speaker, the facts here are very much as the gentleman from Bangor has given them. Some of the figures as I've got them from the latest report of the Water District show a daily consumption for the Bangor area of three and a half to three and three-quarters million gallons. The present development at Flood's Pond gives an assured dry year supply of about seven million, roughly

about twice what they are using. The next pond, Spectacle, gives an assured yield of about four million more and that would give about eleven million gallons, roughly three and a half times what the present use in Bangor is and a little over twice what they figured would be the use in 1990. Now one has to agree that with Dow Field growing and with Orono and Old Town having water supply only slightly more palatable than Bangor's water supply — they are all hearty folks up there, that they will very likely be in for some good water so that the growth in consumption will probably be somewhat greater than they estimated.

We figured that taking of Beech Hill out would be no present and probably no future harm to Bangor. Beech Hill Pond is considerably lower in elevation than the present sources, would require a lot of pumping. It has, I think the figure given us, about three hundred cottages around the shore and an estimated value of a \$1,000,000. That sounded a little bit high to me for summer cottages but I'm perhaps — I didn't grow up in the Ellsworth, the Bar Harbor set, so they may have more expensive summer cottages than we do.

But any rate there are a lot of cottages around and if they ever came to take water out, out of there, it would involve a pretty rough sanitation problem.

Whether a breach of contract would be involved in the removal of this pond is a matter, I suppose, for lawyers. Some lawyers said it would be a breach, others said it wouldn't. The expert, a very eminent legal gentleman, originally from Maine, now in New York, who came down and said: "Well, we lawyers always use the rule of reason on this thing." His rule of reason was in this one that if we took two little ponds out of here, it would be all right, but if we took Beech Hill out, it would be all wrong. I suppose the rule of reason has some flexibility.

Now as to the security, I am pretty clear on that. The security for an operation like this or for almost any business operation is not, not the fixed property. The fixed property is probably usually

useless unless it can be put into operation. The real security behind these things is the earning of the organization, in this case the District. The earnings out of which the interest on these bonds will be paid, the interest and the expenses of the District, come from the water rates which will be paid by the users and those water rates are set under our state law as enforced by the Public Utilities Commission at a figure which will pay operating expenses, interest on the debt, and usually a little something in the way of a sinking fund. In this case, I believe the sinking fund is set in abeyance — there are serial retirements.

What is very difficult for me to see, that there is any real breach of contract here, and it is true that in the prospectus used in selling the bonds there was no definite mention that Beech Hill Pond would be used. This was about the reasoning of the majority of the committee when we made the report as we did. It seemed to us that we were doing a present wrong to the folks over to Beech Hill Pond with no present injury to the Bangor thing and as far ahead as we could see or as far ahead as human beings could see into the future, no injury there. I suppose the — I can't feel very strongly about it. I don't live in Bangor. I hate to drink the present water. They ought to have a new supply. I don't have any cottage on Beech Hill Pond, but that was about the line of reasoning we used in the Utilities Committee. Thank you very much.

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

Mr. COUSINS: Mr. Speaker and Ladies and Gentlemen of the House: Being from Bangor, I naturally have an interest in this matter. I disagree with the gentleman from Lubec, Mr. Pike, on whether or not this is a breach of contract. I do agree that eventually it would be thrashed out by lawyers somewhere, and the end result would be the expenditure of a great deal of money for legal fees. However, looking at it from a common sense standpoint, it would seem to me that this would have far-reaching implications, not only for water dis-

trict funds but for all securities of the State, both state and municipal, because in effect what we are saying if we pass this bill is that the to poverty rather than well being. law — pass some piece of law one year, you go ahead and take some sort of action on it and then the next legislative session we — the State may reverse themselves and take it away. It would certainly create a doubt in the minds of people concerning securities of the State, and I think it would have a very, very bad, bad effect.

Now, I call to your attention that Beech Hill Pond is the third source of supply in the Bangor Water District system as set out by Mr. Pike. There is no danger that we in the Bangor delegation can see to the camp owners on Beech Hill Pond. They are not going to be evicted from their camps. There is not going to be any taking of large areas, the most that would be involved would be an intake area which I understand would come in a non-populated portion of the shore right now. Great stories were spread around about how they were not going to be able to swim and have camps, and so forth and so on. Well, bear in mind that this is the secondary source. It is not the primary source, and that just would not happen. I hope that the motion does not prevail, and I hope that eventually we go along with the Senate and indefinitely postpone this bill.

The SPEAKER: The Chair recognizes the gentleman from Bridgton, Mr. Haughn.

Mr. HAUGHN: Mr. Speaker, Members of the House: I did not intend to get into this thing as I assured both sides I would leave it open for discussion for them, but in defense of the gentleman from Lubec, Mr. Pike, I must rise to speak to confirm his expressions to you people here this morning. He is correct and accurate in his statements. The committee in their wisdom felt that where this pond would not be used or the need of the pond for at least thirty-five or fifty years which is still unknown to even me or them, and in regards to the bonds I might say that the committee sought the advice of legal counsel from the PUC Commission

who is well versed in this particular field. He knows the answers because he is dealing with them every day, and he assured us that this would have no concern or direct concern with the bonds or the issue at stake.

Now two years ago, I must defend myself, I was on that committee that passed this bill out. I was House chairman of that particular committee the last session, with the gentleman from Bangor, Mr. Quinn, brought that out unanimous "Ought to pass" out of our committee. We were misled and misbelieved, the fact that it became a land grab in my opinion now after seeing and knowing the actual facts was not necessary or needed at that time within the District but they wanted it; they included it, and they received it. Our committee has been condemned by a certain few for our acts for passing it out in that fashion, but you gentlemen serving on the committees know that you take the facts presented to you and the merits of the individual bill and have no personal feeling in them except what you believe is right and just for those people who are concerned in the bill. We did such a thing two years ago. We had no opposition at the hearing on the bill and we find out later there was another gentleman who should have been concerned but evidently overlooked it or didn't feel it was serious enough at that time, but since then has found it has become a serious problem for the town in his area, so as I say, I assure the gentleman from Bangor, Mr. Philbrick, I would not speak on this, but I must come to the defense of Mr. Pike, the gentleman from Lubec and the nine other members who signed this majority "Ought to pass" report out and I thought I should convey that to the House, what I'm thinking.

The SPEAKER: The Chair recognizes the gentleman from Gouldsboro, Mr. Young.

Mr. YOUNG: Mr. Speaker, I rise in support of the motion of the gentleman from Ellsworth, Mr. Brown. This Beech Hill Pond is in the Town of Otis, a very small town, some three hundred camps around this pond, and I disagree with the

gentleman from Bangor, Mr. Cousins, when he says there is no danger of taking those camps, now that is the main purpose that the people are all stirred up about this thing down there is on account of losing these camps and the land around the lake. There is about, that makes about sixty per cent of the total valuation of the Town of Otis, and I hope that the motion of Mr. Brown does prevail.

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

Mr. PHILBRICK: Mr. Speaker, Ladies and Gentlemen of the House: I think we are all aware of the fact that the primary fear among the cottagers around Beech Hill Pond is that they will lose their cottages and that they will lose their boating and fishing, swimming privileges. I am sure that they should be reassured when they look at the facts of the matter. For instance, take Lake Sebago, that is the primary source of water for the City of Portland and there at Sebago you have your lake dotted with cottages. You have swimming, boating, fishing and camps everywhere, and that is their primary source. The same thing applies to China Lake which is the source of water for Augusta. There again you have cottages dotting the lake shore, and you have your swimming, and boating, and fishing. Now in the case of Beech Hill Pond this is not even the primary source. It would be a third source. Now it is true that there can be no fishing, swimming, boating, etc. at Flood's Pond which is a rather small pond and is our primary source, but after Flood's Pond there is Spectacle Pond which is the second alternative, and then you have Beech Hill Pond which is the third and there is absolutely no chance whatsoever that these people would lose their cottages, and they are really excited about absolutely nothing at all.

The SPEAKER: The Chair recognizes the gentleman from Stonington, Mr. Shepard.

Mr. SHEPARD: Mr. Speaker, I arise in support of the motion made by the gentleman from Ellsworth, Mr. Brown, that the House accept the majority "Ought to pass" re-

port and when the vote is taken I would request a division.

The SPEAKER: Is the House ready for the question?

The question before the House is the motion of the gentleman from Ellsworth, Mr. Brown, that the House accept the Majority "Ought to pass" Report in New Draft on Bill "An Act relating to Source of Supply of Bangor Water District," Senate Paper 476, Legislative Document 1342. A division has been requested.

Will those who favor the acceptance of the Majority "Ought to pass" Report please rise and remain standing until the monitors have made and returned the count.

A division of the House was had.

Seventy-eight having voted in the affirmative and thirty-two having voted in the negative, the motion prevailed.

Thereupon, the Bill was given its two several readings and tomorrow assigned.

Non-Concurrent Matter

Bill "An Act to Authorize the Construction of a Causeway Connecting Cousins Island with Littlejohns Island, and a Bridge and Causeway Connecting Littlejohns with Chebeague Island" (H. P. 145) (L. D. 201) which was passed to be engrossed as amended by Committee Amendment "A" in the House on May 4.

Came from the Senate passed to be engrossed as amended by Committee Amendment "A" and Senate Amendment "A" in non-concurrence.

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

SENATE AMENDMENT "A" to H. P. 145, L. D. 201, Bill, "An Act to Authorize the Construction of a Causeway Connecting Cousins Island with Littlejohns Island, and a Bridge and Causeway Connecting Littlejohns with Chebeague Island."

Amend said Bill, in Section 2, by striking out the last 3 words and inserting in place thereof the following:

'and retirement of bonds issued, except that such tolls shall not be reduced until the income from tolls for any one year shall exceed the

amount necessary to meet the charges enumerated herein.'

Further amend said Bill, in section 3, by inserting after the word "act" in the last line thereof the following:

', provided that said bonds shall be sold on the express condition that toll charges, once established, shall not be reduced until the income from such tolls shall exceed in any one year, the amount necessary to cover the cost of upkeep, maintenance, repairs and operation, and interest on and retirement of bonds issued'

The House voted to recede and concur with the Senate.

Non-Concurrent Matter

Bill "An Act Permitting the Building of Marinas in Lake Maranacook, Kennebec County" (H. P. 944) (L. D. 1336) which was passed to be engrossed in the House on April 28.

Came from the Senate passed to be engrossed as amended by Senate Amendment "A" in non-concurrence.

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

SENATE AMENDMENT "A" to H. P. 944, L. D. 1336, Bill, "An Act Permitting the Building of Marinas in Lake Maranacook, Kennebec County."

Amend said Bill by adding at the end thereof the following: 'Laurence H. Foster, his associates, heirs and assigns are hereby authorized and empowered to construct, maintain and control a wharf in the waters of said Lake Maranacook, the same to be located at a point within 75 feet north from the north side of the bridge across the Mill Stream, so called, on Bowdoin Street and adjacent thereto. In no case shall the wharf extend more than 18 feet into the lake from the low water mark.

Said wharf is not to be built on town land until he first obtains the approval of the voters of the Town of Winthrop at a special or annual town meeting.'

The SPEAKER: The Chair recognizes the gentleman from Readfield, Mr. Dumaine.

Mr. DUMAINE: Mr. Speaker, Ladies and Gentlemen of the House:

This amendment has been before us quite a number of times in the past. In order to clean up with the old troubles I wish that you would follow me to move to recede and concur.

The SPEAKER: The gentleman from Readfield, Mr. Dumaine, moves that the House recede and concur. Is this the pleasure of the House?

The motion prevailed.

Orders

Mr. Harris of Greenville presented the following Order and moved its passage:

WHEREAS, the members of the House have learned that Monday, May 11, was the birthday of Mr. Lancaster of Dixfield and that Tuesday, May 12, was the birthday of Mr. Dufour of Old Town,

BE IT ORDERED, that the members extend to Mr. Lancaster and Mr. Dufour their congratulations and best wishes for the entire year.

The Order received unanimous passage. (Applause)

On motion of Mr. Graves of Mt. Desert, it was

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

On motion of Mrs. Smith of Fal-mouth, it was

ORDERED, that Mr. Kinch of Livermore Falls be excused from attendance for the duration of his illness, that Mr. Doyle of Caribou be excused from attendance for the duration of his illness, and that Mr. Brown of Bangor be excused from attendance for the remainder of the week because of business.

On motion of the gentlewoman from Orrington, Mrs. Baker, House Rule 25 was suspended for the remainder of today's session in order to permit smoking.

House Reports of Committees Ought Not to Pass Tabled Until Later in Today's Session

Mr. Brown from the Committee on Appropriations and Financial Affairs reported "Ought not to

pass" on Bill "An Act Appropriating Moneys for Landscaping at Aroostook State Teachers' College" (H. P. 379) (L. D. 562)

Report was read.

(On motion of Mrs. Christie of Presque Isle, tabled pending acceptance of Report and assigned for later in today's session.)

Mr. Davis from the Committee on Appropriations and Financial Affairs reported "Ought not to pass" on Bill "An Act Appropriating Moneys to Construct a Women's Dormitory at the Aroostook State Teachers' College" (H. P. 378) (L. D. 561)

Report was read and accepted and sent up for concurrence.

Ought to Pass in New Draft New Draft Printed

Mrs. Smith from the Committee on Appropriations and Financial Affairs on Bill "An Act relating to Completion of Josias River Project in Ogunquit" (H. P. 708) (L. D. 1013) reported same in a new draft (H. P. 964) (L. D. 1368) under same title and that it "Ought to pass"

Report was read.

The Chair recognizes the gentlewoman from Lebanon, Mrs. Hanson.

Mrs. HANSON: Mr. Speaker and Members of the House: I move that we accept this "Ought to pass" report and I would like to speak on this bill.

The SPEAKER: The gentlewoman may proceed.

Mrs. HANSON: I am going to quote from two letters so that the figures and situation will be accurate. I am quoting from a letter from the Village Corporation Manager, Mr. Wardwell of Ogunquit, and the Chairman of the Perkins Cove Committee, Mr. Tower:

"The Josias River Project is the name the Federal Government has used in connection with dredging activities at Perkins Cove located in Ogunquit, Maine. In 1940 and 1941 the Ogunquit Village Corporation spent about \$50,000 to dredge what was then marshland and created a basin which has a mean low-water depth of five feet. A new industry for the Village was

established because of this dredging and a small commercial fishing fleet with larger boats than had ever been able to moor in this area appeared. Now there is an average income from mostly lobstering of approximately \$150,000. York and North Berwick, as well as from Ogunquit, now fish in Perkins Cove. This basin has attracted many summer visitors and also started a party boat business catering mostly to summer tourists who have been introduced to the State of Maine through the publicity given in this little basin. The Federal Government in 1951-1952 felt this project was worthy of another \$30,000 and did deepen some of the basin which had filled in, which enlarged the basin and deepened the entrance channel.

"Since then the Ogunquit Village Corporation has spent other monies on a set of ways for hauling and repairing boats, docks, floats and bulkheads to improve the little Harbor.

"This last year, the Federal Government again felt this project worthy of additional funds for enlarging by about one acre the mooring area at the Cove. This project, which was passed by Congress and has been signed by the President, called for the spending of about \$240,000. The Government asked the Village to pay twenty-five per cent of the cost or about \$60,000. The Village Corporation voted not to accept this as that amount of money would place the Corporation too far in debt, especially since they must spend a considerable amount of money on sewers and highways and parking lots to relieve congestion on Highway number one at the Village center. Being a Village incorporated within the Town of Wells, the Village does not have the power of taxation and consequently their income is limited to the amount received from the Town of Wells. The borrowing power also is limited by law. This is the reason for Section 1 of Legislative Document 1013, now in new draft 1363, asking for the right to borrow up to \$30,000 for this project.

"The Army Engineers say that with some modification of the original project, the Village still can get an additional acre at a some-

what lesser cost. This modification would cost about \$60,000.

"Under Chapter 90-A, State of Maine R. S. 1957, allowing for State of Maine participation of up to 50 per cent of the local government's cost on Federal Public Works Projects, we are asking the State of Maine to appropriate \$30,000 under this law, leaving the Village \$30,000. This amount they feel they can afford.

"Funds have been set aside in Washington by request of Margaret Chase Smith awaiting the decision of the State of Maine's Legislature regarding this amount. Of course, if the state does not help the Village will have to forfeit these government funds." Thank you.

The SPEAKER: The gentlewoman from Lebanon, Mrs. Hanson, moves the acceptance of the "Ought to pass" in New Draft Report. Is this the pleasure of the House?

The motion prevailed and the New Draft was read twice and tomorrow assigned.

Ought to Pass Printed Bills

Passed to Be Engrossed

Mr. Davis from the Committee on Appropriations and Financial Affairs reported "Ought to pass" on Bill "An Act relating to National Defense Education Program" (H. P. 383) (L. D. 566)

Report was read and accepted and the Bill read twice.

On motion of Mr. Stanley of Bangor, under suspension of the rules, the Bill was given its third reading, passed to be engrossed and sent to the Senate.

Mr. Edwards from the Committee on Appropriations and Financial Affairs reported "Ought to pass" on Bill "An Act Establishing a State Committee on Children and Youth" (H. P. 516) (L. D. 751)

Report was read and accepted and the Bill read twice.

On motion of Mr. Stanley of Bangor, under suspension of the rules, the Bill was given its third reading, passed to be engrossed and sent to the Senate.

Mr. Stanley from the Committee on Appropriations and Financial Affairs reported "Ought to pass" on

Bill "An Act relating to Disposition of Income on Public Administrator's Funds" (H. P. 431) (L. D. 637)

Report was read and accepted and the Bill read twice.

On motion of Mr. Haughn of Bridgton, under suspension of the rules, the Bill was given its third reading, passed to be engrossed and sent to the Senate.

**Ought to Pass with
Committee Amendment
Passed to Be Engrossed**

Mr. Brown from the Committee on Appropriations and Financial Affairs on Bill "An Act Reactivating the Committee to Review the Settlement Laws" (H. P. 381) (L. D. 564) reported "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

Report was read and accepted and the Bill read twice.

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

COMMITTEE AMENDMENT "A" to H. P. 381, L. D. 564, Bill, "An Act Reactivating the Committee to Review the Settlement Laws."

Amend said Bill by striking out in the 2nd line of section 3 the figure "10,000" and inserting in place thereof the figure "5,000".

Further amend said Bill by striking out in the 4th and 5th lines of section 3 the words "the purposes of this act have been accomplished" and inserting in place thereof the word and figures "June 30, 1961".

Committee Amendment "A" was adopted and, under suspension of the rules, on motion of Mr. Haughn of Bridgton, the Bill was given its third reading, passed to be engrossed as amended and sent to the Senate.

Mr. Brown from the Committee on Appropriations and Financial Affairs on Bill "An Act relating to Non-lapsing Funds of Present Biennium for Armory Repairs and Expansion" (H. P. 827) (L. D. 1178) reported "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

Report was read and accepted and the Bill read twice.

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

COMMITTEE AMENDMENT "A" to H. P. 827, L. D. 1178, Bill, "An Act Relating to Non-lapsing Funds of Present Biennium for Armory Repairs and Expansion." (Emergency)

Amend said Bill by striking out, in section 1, the underlined words "its purpose has been accomplished" and inserting in place thereof the underlined word and figures "June 30, 1961".

Further amend said Bill by striking out, in section 2, the underlined words "the purposes of the appropriations have been accomplished" and inserting in place thereof the underlined word and figures "June 30, 1961".

Committee Amendment "A" was adopted and, under suspension of the rules, on motion of Mr. Stanley of Bangor, the Bill was given its third reading, passed to be engrossed as amended and sent to the Senate.

Mr. Davis from the Committee on Appropriations and Financial Affairs on Resolve Appropriating Funds to Public Utilities Commission for Water Resources Investigation (H. P. 713) (L. D. 1018) reported "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

Report was read and accepted and the Resolve read once.

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

COMMITTEE AMENDMENT "A" to H. P. 713, L. D. 1018, Resolve, Appropriating Funds to Public Utilities Commission for Water Resources Investigation.

Amend said Resolve by adding a second paragraph as follows:

"The breakdown of the above appropriated funds shall be as follows:

	1959-60	1960-61
Personal Services		
	2,500	2,500
All Other		
	11,500	11,500'

Committee Amendment "A" was adopted and, under suspension of the rules, on motion of Mr. Aliberti of Rumford, the Bill was given its third reading, passed to be engrossed as amended and sent to the Senate.

Mr. Edwards from the Committee on Appropriations and Financial Affairs on Bill "An Act Providing for an Executive Secretary for the Highway Safety Committee" (H. P. 369) (L. D. 536) reported "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

Report was read and accepted and the Bill read twice.

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

COMMITTEE AMENDMENT "A" to H. P. 369, L. D. 536, Bill, "An Act Providing for an Executive Secretary for the Highway Safety Committee."

Amend said Bill by inserting after the Title and before the enacting clause, the following emergency preamble:

'Emergency preamble. Whereas, highway accidents constitute a grave danger to the people of this State; and

Whereas, the Maine Highway Safety Committee needs to coordinate its efforts in saving lives and property; and

Whereas, in order to do this effectively, a full-time employee is needed; and

Whereas, this Bill provides for a full-time executive secretary who will provide the coordination needed; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine, and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Further amend said Bill by striking out all of that part designated as Sec. 2 and inserting in place thereof the following:

'Sec. 2. Appropriation. There is hereby appropriated from the General Fund to carry out the purpose of this act the sum of \$5,000 for the fiscal year ending June 30, 1960 and \$5,000 for the fiscal year ending June 30, 1961. The breakdown of the above appropriated funds shall be as follows:

	1959-60	1960-61
Personal Services	\$5,000	\$5,000'

Further amend said Bill by adding at the end, the following emergency clause:

'Emergency clause. In view of the emergency cited in the preamble, this act shall take effect when approved.'

Committee Amendment "A" was adopted.

The SPEAKER: Is it now the pleasure of the House that, under suspension of the rules, this Bill be given its third reading at this time?

The Chair recognizes the gentleman from Bowdoinham, Mr. Curtis.

Mr. CURTIS: Mr. Speaker and Ladies and Gentlemen of the House: I do not intend to approve this bill. I would just like to draw the attention of the legislators to what this Highway Safety Commission and what we are accomplishing and what we are not accomplishing. Now we do have a director and a great many of us belong to the Highway Safety. And yet we are killing more people each year than we did the year before and we are having more accidents. Then why is this so?

As I view it, it is because the laws are not being enforced. The last session, the state department in their wisdom thought it would be to their advantage if we did away with the prima facie law and adopted speed limits, which we did. But there don't seem to be anybody who wants to enforce that law. I drive fifty miles a day coming up here and back, and I have been keeping a record of all those who break the law, who speed. This morning I found a truck driving sixty-five miles an hour — I have listed a great many. Monday I followed a car and he passed me, I was making sixty miles an hour and after he was a mile ahead, I knew the road, I timed him on how fast he was going and he was making about eighty-five miles per hour. He went out of sight at that time.

Now there must be some way, somehow, that we can stop this because this is what is happening. Practically every week, sometimes twice a week, we pick up the paper and find where someone left the road, turned over four or five times, killed somebody, may have killed two or three. What I am wondering is, this \$5,000 that is going to cost the people of Maine is

going to do any good. I hope it does, and I hope that each and every one of us as legislators appoint ourselves as a committee of one to take notice of what is going on and report these things and try to help and save lives. Now the fifty-two people who were killed in the State of Maine last year by accidents, there were fifty-two of them killed because of someone operating under the influence. The state department tells me that sixty-eight per cent of all the accidents were caused by operating under the influence. Now it is about time that our courts did something, it is about time that we as legislators, not only in this body but outside in our average day of life, try and impress upon the people that they must obey the laws or else the spending of money for highway safety doesn't amount to a thing.

The SPEAKER: The pending question before the House is — is it the pleasure of the House that the rules be suspended and this Bill be given its third reading at this time? Is this the pleasure of the House?

The motion prevailed and the Bill was given its third reading, passed to be engrossed as amended and sent to the Senate.

Mr. Edwards from the Committee on Appropriations and Financial Affairs on Bill "An Act Appropriating Moneys for Municipal Planning Assistance" (H. P. 737) (L. D. 1056) reported "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

Report was read and accepted and the Bill read twice.

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

COMMITTEE AMENDMENT "A" to H. P. 737, L. D. 1056, Bill "An Act Appropriating Moneys for Municipal Planning Assistance."

Amend said Bill by adding to section 1 a new paragraph as follows:

"The breakdown of the above appropriated funds shall be as follows:

	1959-60	1960-61
All Other	\$25,000	\$25,000

Committee Amendment "A" was adopted and, under suspension of

the rules, the Bill was given its third reading, passed to be engrossed and sent to the Senate.

Mr. Edwards from the Committee on Appropriations and Financial Affairs on Resolve Providing Matching Funds for Federal National Defense Education Allotments (H. P. 580) (L. D. 827) reported "Ought to pass" as amended by Committee Amendment "A" submitted therewith.

Report was read and accepted and the Resolve read once.

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

COMMITTEE AMENDMENT "A" to H. P. 580, L. D. 827, Resolve, Providing Matching Funds for Federal National Defense Education Allotments.

Amend said Resolve by striking out in the 2nd line the figure "84,934" and inserting in place thereof the figure "56,657".

Further amend said Resolve by striking out in the 3rd line the figure "84,934" and inserting in place thereof the figure "55,982".

Further amend said Resolve by adding a second paragraph to read as follows:

"The breakdown of the above appropriations shall be as follows:

	1959-60	1960-61
Personal Services	\$34,698	\$36,588
All Other	19,736	18,849
Capital Expenditures	2,223	545
	\$56,657	\$55,982

Committee Amendment "A" was adopted and, under suspension of the rules, the Resolve was given its second reading, passed to be engrossed and sent to the Senate.

Passed to Be Engrossed

Bill "An Act relating to the Classification of Prestile Stream in Aroostook County" (H. P. 661) (L. D. 954)

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

Amended Bills

Bill "An Act Revising the Probation and Parole Laws" (S. P. 334) (L. D. 910)

Was reported by the Committee on Bills in the Third Reading, read the third time, passed to be engrossed as amended by Committee Amendment "A" and sent to the Senate.

Bill "An Act relating to Reapportionment of School Directors of School Administrative Districts" (S. P. 345) (L. D. 972)

Was reported by the Committee on Bills in the Third Reading, read the third time, passed to be engrossed as amended by Senate Amendment "A" and sent to the Senate.

Bill "An Act to Authorize the County Commissioners of Cumberland County to Issue Bonds for Construction of a County Jail" (S. P. 264) (L. D. 677)

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

On motion of Mr. Healy of Portland, the House voted to suspend the rules and to reconsider its action whereby on May 12 it adopted House Amendment "C".

The same gentleman offered House Amendment "A" to House Amendment "C" and moved its adoption.

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

HOUSE AMENDMENT "A" to HOUSE AMENDMENT "C" to S. P. 264, L. D. 677, Bill, "An Act to Authorize the County Commissioners of Cumberland County to Issue Bonds for Construction of a County Jail."

Amend said Amendment by striking out all of lines 3 and 4 and inserting in place thereof the following:

'Referendum for ratification. This act shall take effect 90 days after the adjournment of the Legislature, only'

The SPEAKER: The question before the House is on the adoption of House Amendment "A" to House Amendment "C"; and the Chair recognizes the gentleman from Portland, Mr. Healy.

Mr. HEALY: Mr. Speaker, this is purely a technical matter and came to my attention by Professor Samuel Slosberg, our estimable and

genial legislative research general, and House Amendment "C" was originally drafted to provide for a referendum on the bill still contained in emergency preamble. The House by amendment has eliminated the emergency. This amendment is a technical one to make the referendum conform to the previous action of the House. That is all.

The SPEAKER: The question before the House is on the adoption of House Amendment "A" to House Amendment "C". Is it the pleasure of the House that this amendment shall be adopted?

The motion prevailed and House Amendment "A" to House Amendment "C" was adopted.

House Amendment "C" as amended by House Amendment "A" thereto was adopted.

Thereupon, the Bill was passed to be engrossed as amended by House Amendments "B", "C" as amended by House Amendment "A" thereto, and "D" in non-concurrence and sent up for concurrence.

Passed to Be Enacted

An Act relating to Weekly Benefit for Partial Unemployment (S. P. 72) (L. D. 122)

An Act Amending the Charter of the City of Augusta (H. P. 936) (L. D. 1323)

Finally Passed

Resolve for the Purchase of Fifty Copies of "The Story of Houlton" (S. P. 108) (L. D. 258)

Resolve Providing for Purchase of History of the Town of Unity (S. P. 152) (L. D. 373)

Resolve Appropriating Moneys to Aid Construction of Dormitory at Higgins Classical Institute (H. P. 853) (L. D. 1221)

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

Orders of the Day

The SPEAKER: Under Orders of the Day, the Chair lays before the House the first tabled and today assigned matter, House Divided Report, Report "A" reporting "Ought to pass", Report "B" reporting

"Ought to pass with Committee Amendment" and Report "C" reporting "Ought not to pass" of the Committee on Taxation on Bill "An Act relating to the Amount of the Annual Excise Tax on Railroads," House Paper 254, Legislative Document 365, tabled on April 29 by the gentleman from Pittsfield, Mr. Baxter, pending acceptance of any Report; and the Chair recognizes that gentleman.

Mr. BAXTER: Mr. Speaker, I now move the acceptance of Report "A" "Ought to pass" and would like to speak briefly to the motion.

The SPEAKER: The gentleman may proceed.

Mr. BAXTER: I think I have expressed myself previously with regards to this bill and the feeling of the majority who reported on Report "A" that it ought to pass. It seems to me at this time that the proper thing to do would be to accept this report and send the bill along to the other body pending the clarification of the financial picture of the state.

The SPEAKER: The Chair recognizes the gentleman from Freeport, Mr. Crockett.

Mr. CROCKETT: I ask permission to address the House briefly.

The SPEAKER: The gentleman does not need permission. The gentleman is in order.

Mr. CROCKETT: Mr. Speaker and Ladies and Gentlemen of the House: We have before us L. D. 365 on which we have several divided reports, two of them call for some elimination of the Railroad Excise tax and the other for a survey and report to be made to a later legislature as to what the state should do if anything for our railroads.

We have been told by the railroads that tax is ruining our railroads and unless something is done to relieve the roads on this tax then we will not have any railroads. We have been told that if the bill is passed the tax based on 1957 figures would result in giving back to the railroads the sum of \$1,250,000 yearly or \$2,500,000 biannually.

If we had a large surplus it would be one thing but here we are striving to find ways and means for some revenue for our general funds

by adding further taxes to some already heavily taxed commodities, as the automobile trade-in tax, liquors, cigarettes, increase in sales tax, possible tax the out-of-staters for motel and hotel accommodations while we pretend that we are striving for a large tourist and recreational business, and many other special taxes, with little regard for the widows and orphans and the little people, for what, to pay for not only needed state services but now to subsidize several large railroad corporations. They come before us and plead poverty but look at the large staff of registered lobbyists for the railroads, are they not feathering their own cause rather than curtailing in the interest of economy?

What is the apparent conditions of our railroads? Let us take a look of recent years, the Bangor and Aroostook paid dividends on its common stock of \$2.40 in 1957 and \$2.20 in 1958; the Canadian Pacific Railroad paid dividends on common stock of \$1.75 in 1957 and \$1.50 in 1958. Although the Maine Central skipped its dividend on common stock it paid \$5 on its preferred stock. We find the picture is not so gloomy as some would have us believe for if we check another angle the stock market, also the Maine Central paid no common stock dividend, the stock market reflects a healthy condition of this railroad, quote from a Maine security report on May 6 and coming down to this year a quotation bearing April 28, 1959 the ask price for the Maine Central Railroad in 1958 was 24½ and this year it is 34, an increase in value of about one-third, though we are told that if this tax is not forgiven we may lose our railroads. The picture of the Boston & Maine Railroad is somewhat gloomy in that they are losing about three million a year on commuters services in and around Boston but their legislature and the P. U. C. in their state is doing nothing to improve their lot, and may we ask ourselves why should we tax our people to help cover losses resulting principally from a condition existing within another state.

We all recognize the fact that we need our railroads but this does not mean that they should enjoy

all the services that this great state renders to them, their officers and employees, without requiring them to contribute for these services rather than to place it upon those who can least afford to pay.

There have been other railroads in recent years whose picture was more gloomy for example, the Chicago & North Western Railroad, in 1956, this one-time blue-chip line, the nation's fifteenth largest, was so decrepit that a trade publication termed it "the sickest Class I road west of Chicago." For every \$1 earned the North Western spent \$1.07. The president cut his payroll from 26,300 to 18,500 in sixteen months, and obtained some concessions from the Illinois Commerce Commission to close twenty-eight stations, raise fares to pay for new equipment, and inaugurate a ticket system that penalizes "foul-weather sometime riders," and came forward last year with about three million dollars profit.

How do we know that some of their troubles may not be in management as a whole, salaries paid to their officers and officials, feather-bedding of employees, obsolete equipment, property no longer needed in their business, advertising and promotions of their business?

I say to you, ladies and gentlemen, a million or two of dollars is a lot of money and it is not only one year but every year that the state will be subsidizing this industry when there are other means available to them to straighten out their financial problems.

We have been told that it is the maintaining of passenger service for the "foul-weather sometime riders" which has brought on their financial problem, if hardly anyone is riding the trains except that this service is being required for those "foul-weather sometime riders" then we should have a look into our own Public Utilities Commission. Why should any business continue with dead ducks that are sapping their life blood financially? But has not the answer already been given by our courts based on a recent act of Congress as I notice by a clipping recently appearing in the Sunday Telegram issue of March 8 of this year?

"Supreme Court Ruling Helpful to Railroads — New York — A Railroad won this week a significant test case upholding the right to discontinue unprofitable passenger service.

"The case could have important consequences on service throughout the country. It resulted from laws passed at the last session of Congress.

"Neither public regulatory bodies nor state or federal courts were a party to the service discontinuance — a sharp break from those past traditions which often have made it difficult for railroads to get out of money-losing situations.

"In this case the New York Central wanted to abandon ferry boat service across the Hudson River from Weehawken, N. J., to New York City. The boats serve commuters mostly.

"Commuter groups and the State of New Jersey protested. The case went to the Supreme Court, which ruled for the railroad. Thus a prime section of the new legislation was upheld.

"The Transportation Act of 1958 resulted from extensive hearings early last year before a subcommittee of the Senate Committee on Interstate and Foreign Commerce. At that time the railroads were suffering severe financial reverses.

"In its report on those findings the subcommittee said, 'The subcommittee is satisfied that the state regulatory bodies all too often have been excessively conservative and unduly repressive in requiring the maintenance of uneconomic and unnecessary services and facilities.'

"Therefore, the subcommittee said, jurisdiction should be taken from the state regulatory bodies and given to the Interstate Commerce Commission which 'would protect and further the broad public interest in a sound transportation system and would prevent undue importance being attached to matters of a local nature.'

"The act as passed by Congress and signed by the President had many features but those pertaining to passenger service provided:

"On interstate commerce:

"A railroad can discontinue any passenger service on thirty days

notice. However, the ICC can step in to investigate, postponing the discontinuance for a maximum of four months. The ICC must render a decision within that time.

"If the ICC rules against the road, the road must continue operations for at least one year from the date discontinuance notices were posted. Further, it must go through the whole process of posting notices and possible ICC intervention at the end of that year.

"On intrastate commerce:

"A railroad which wishes to abandon or reduce service must first go to the state regulatory body for approval. However, if that body doesn't approve, or if it does not take any action within 120 days, the railroad can then go to the ICC for authority to discontinue the service.

"The New York Central case fell into the interstate classification. The Central gave notice it would discontinue the ferry service. The ICC did not order an investigation.

"Commuter groups took the case to a federal district court, asking that the ICC make an investigation. This would have postponed the shutdown for four months, and might possibly have resulted in a continuation of the services on a year-to-year basis.

"The federal court said it had no power under the new law to order such an investigation by the ICC.

"On Monday of this week the Supreme Court affirmed the lower court's decision.

"Thus a way is open to roads to bypass state regulatory bodies and courts in discontinuing unprofitable passenger service — provided the ICC takes no action when discontinuance notices are posted."

In view of all this and in fairness to the railroads and the constituents whom we represent I do not see how I can in justice support two of these propositions calling for a decrease in this excise tax where it represents millions of dollars, but one calling for a survey I think should be supported by all of us to ascertain what is wrong with our railroads and what needs to be done first by the railroads and then what is needed to be done by the state. I want to go on record as not abandoning a million dollars

not only this year but every year, because some pressure group has within a short time painted a gloomy picture of our railroads — for this money has got to come from the little people, widows and orphans, who are less able to pay and for that purpose, to subsidize and support by tax relief a sick patient. Let us call the doctor in by voting for a survey, have a hearing where books and records can be gone into, testimony taken and any and all presented so that we can intelligently vote on such a large financial matter.

In this economic time when our state is hard pressed seeking new revenue to carry on not only its present state services but some new services — let us be penny-wise and not pound foolish, better spend a little for a proper survey and not throw away millions as though it were peanuts. Thank you.

The SPEAKER: The Chair recognizes the gentleman from Bowdoinham, Mr. Curtis.

Mr. CURTIS: Mr. Speaker and Ladies and Gentlemen: I rise to support the motion of the gentleman from Pittsfield, Mr. Baxter for this reason. Now if you folks will turn to L. D. 365 and read it, you will find how far in left field my good friend is, the gentleman from Freeport. Now this is an excise tax and it is based on not what the property is worth but upon what they earn. Now that is quite a peculiar sort of attack. There are different ones which are like, people have an excise tax, insurance companies do and it is based on what they earn and not on what they are worth. Now it is plain as you read over this what they want to do is because of no earnings, they just want to be considered the same as if there were earnings. Now this opinion that if they earn twenty per cent that they pay a very high tax. If they earn only ten per cent and so on down the line. Now this L. D. would just simply carry that forward where they are not earning anything. Now the loss in revenue traffic was some \$7,000,000 to our Maine railroads. Now are we going to ask them to pay a tax on a loss? Now you take our property tax which all industries are taxed with and there

is a statute which allows the assessors to take into consideration their financial condition. In other words they might be worth a half a million dollars but the tax rate might be fifty mills, but they have a right under the statutes of Maine to take into consideration their financial condition. Now that is all that this bill — this L. D. proposes to do, is to take into consideration their financial condition, and if we find that they earn more, you will find that this L. D. makes it so that they have to pay more. This is just simply something that is based on good common sense and good business common sense to keep our railroads in order, and we all know without going any farther, looking any farther, the condition that they are in, and I trust that this motion of the gentleman from Pittsfield does prevail.

The SPEAKER: The Chair recognizes the gentleman from Milo, Mr. Brockway.

Mr. BROCKWAY: Mr. Speaker and Members of the House: I also rise in support of the motion of the gentleman from Pittsfield, Mr. Baxter. By adopting this motion we will be able to get this bill on its way and at any time that we find it necessary it may be amended or tabled for further study.

The SPEAKER: The Chair recognizes the gentleman from Freeport, Mr. Crockett.

Mr. CROCKETT: Mr. Speaker, could I ask a question through the Chair of the gentleman from Bowdoinham, Mr. Curtis? He says they are in terrible condition financially. How is it they paid a \$5 dividend last year on their preferred stock? If they were broke, where did the money come from? It must be paid out of profits because of the law.

The SPEAKER: The gentleman from Freeport, Mr. Crockett, has addressed a question through the Chair to the gentleman from Bowdoinham, Mr. Curtis, who may answer if he chooses.

Mr. CURTIS: Mr. Speaker and the gentleman from Freeport, I think you know the answer without asking me and I think it is rather

silly for asking me the question. Of course they made a profit somewhat, but they did that from their freight. They are still going behind \$7,000,000 in the whole setup. In other words if they did not pay their preferred stock, some interest on that, they would default their bonds and what a mess they would be in. They simply would have to dig down in their pockets if they didn't make it they really would — if they want to stay in business they would have to dig down in their pockets and pay some dividend or they really would be out of business.

The SPEAKER: The Chair recognizes the gentleman from Lubec, Mr. Pike.

Mr. PIKE: Mr. Speaker, Members of the House: There are certainly two sides, and as I read the reports there are three sides to this question, possibly four. The receipts are a very welcome addition to the state's revenue. The loss of that tax would be a substantial detriment to the state's revenue. This is one side. The railroad tax originally came practically as a franchise tax on a monopoly. I think we realize that that monopoly is long gone. The railroads were very prosperous for a considerable period in the 1900's and perhaps up to the first World War. They are not prosperous any more. Our highway system has taken the major portion of their passenger revenue and a good portion of the high quality freight revenue that which can move more quickly and more economically by truck.

As to the passenger service, I do have really to defend my old Commission and I am glad our friend from Freeport read the horrible misdoings of some of the other state commissions. It does happen that since I went on as Chairman of our Utilities Commission in '53, between then and today, and I'm not proud of this, every single branch line of passenger service on the Maine Central has been eliminated. All but one of the passenger trains, one train each way on the Bangor & Aroostook has been eliminated. There is a passenger service, if you can call it that, on the Belfast and Moosehead Lake, one

passenger train hitched on to the rear of the local freight. This Utilities Commission has gone and has cooperated with the railroads, and I think properly, in trying to reduce their immense passenger losses. I do have to criticize to some extent the statement of the passenger losses. Those passenger losses are calculated on an old outworn Interstate Commerce Commission formula which charges the passenger service with its proportion of the cost of repairs, maintenance, depreciation of the right-of-way. This, I think, was proper except when you come to the present day you figure more properly what money would you save if you cut out the passenger service. You don't save the wear and tear on your rails except a very little. Those estimates of losses on passenger service are very, very high.

Now, the railroads have a pretty good case here. If they have passengers, I think in the case of the Maine Central Railroad, this particular tax ran considerably more than its net income. It happened that with increased cost, the freight rates have gone up, and the gross income has increased, though in the increased cost of operation, costs have gone up and their net income has reduced. Now this tax is based on its gross take. It is something the same tax I suppose as we have at Scarborough Downs, where any fellow who is foolish enough to bet money on a horse race gets nicked ten or fifteen per cent of the take and good for him, say I. In this case the railroad is trying not to be in the gambling business, but this is taken out of the first dollar it gets in before it can pay its conductors, its engineers, its bond interest, and in this case they get the money before the federal income taxes turn up. I am inclined to go along with the gentleman from Pittsfield, Mr. Baxter, in agreeing with his motion, I reserve the right as the matter goes farther to agree with some amendment which I am sure will be offered.

The SPEAKER: The Chair recognizes the gentleman from Harrison, Mr. Pitts.

Mr. PITTS: Mr. Speaker, Ladies and Gentlemen of the House: I would like to join with the pro-

ponents of report A and endorse the views that have been expressed in support of that report. The financial problems of the railroads that this bill seeks to correct are practically nationwide, and much has been said and written on the subject.

The great majority of the Taxation Committee has indicated by its reports that it favors some measure of relief for the railroads. This tax relief is, in my opinion, essential to the economic welfare of the state, and to the maintenance of a sound transportation system. We all realize that the final result will have to depend on the revenue picture, but I agree that we should consider this bill on its merits, and move it along to its logical place. I hope that the motion to adopt Report A does prevail.

The SPEAKER: The Chair recognizes the gentleman from New Sharon, Mr. Caswell.

Mr. CASWELL: Mr. Speaker, there is just one point that it seems to me hasn't been fully brought out here. We all agree that the railroads are in a bad spot and we don't wish for any further curtailment which is likely to take place in railroad services. We all realize, and it has been brought up here, that the passenger service is pretty much gone on branch lines. And in all likelihood some curtailment of freight service may be in the making if the railroads don't get some relief.

Now this morning the thought occurred to me and I called the Town Manager of Farmington. As you know probably the passenger service has been discontinued from Leeds to Farmington. In Farmington there are two passenger stations which were property of the railroad and were paying a considerable tax. One of these stations is now — both have been sold by the railroad — one of these stations has been purchased and is intended for some recreational purpose or something. The Town Manager told me that while the assessors have agreed that it was of no value to the present owner, they were taxing it rather than lose the property from the valuation book, they were taxing it or valuing it for \$250.00 where it had previously when the

railroad owned it it had been valued at — they couldn't tell exactly because that included other property, but apparently somewhere between \$800.00 and \$900.00. The other station on the west side of the river has been sold and that is — the building is still standing there but they are not receiving any — they aren't valuing it for anything because that was purchased by some tax-free organization for I don't know what purpose.

Now then, this loss which — this expense which the State will lose in excise tax it seems to me may be as further curtailment goes on, may be added to by the curtailment in municipal tax loss, and it seems to me that that is a point that should be borne in mind. If we should allow something in the way of relief to the railroads, it may result in less loss in municipal taxation, we would not be losing out of both pockets anyway.

The SPEAKER: The Chair recognizes the gentleman from Greenville, Mr. Harris.

Mr. HARRIS: Mr. Speaker, I would like to go on record favoring some tax relief for the railroads. I do reserve the right to amendment as far as the amount.

It has just been brought to my attention this last week that the Canadian Pacific Railroad is moving their office force from Brownville Junction. That is a town of, I would say, around 1200 population. That office crew runs between fifty and sixty. You know what that would mean to a small town of that size losing that payroll. Now this excise tax may not have anything to do with it, but it does show that they are curtailing, they are moving their office work to St. John as I understand, and the American boys that are employed in this office cannot go to Canada to work. If they do have a little tax relief, such things might not happen.

The Bangor and Aroostook Railroad which maintains its car shops in Derby have tried very hard to keep their men employed and they do contract work to keep them employed, and if we can give them relief in any way, I think they should have it.

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

Mr. HEALY: Mr. Speaker and Ladies and Gentlemen of the House: I am somewhat in sympathy with relief to the railroads. We are all on wheels; or riding on wheels; unfortunately it seems we are not on the iron wheels for the railroads, and when I look at the gory statistics of fatalities from automobiles, maybe we would all be better off if we were riding more on the railroads. Now I have had and probably the rest of the members of this House have received word from a great many people dependent on the railroads for their livelihood. It is conceivable that if this relief is not given to the railroads that their benefits, their pensions and their insurance and probably their payroll could be curtailed. Therefore, I would wish to go on record as concurring with the gentleman from Pittsfield, Mr. Baxter.

The SPEAKER: The Chair recognizes the gentleman from Perham, Mr. Bragdon.

Mr. BRAGDON: Mr. Speaker and Members of the House: I would like to be recorded as in favor of the motion of the gentleman from Pittsfield, Mr. Baxter. I believe that this present method of taxation of railroads under present conditions is grossly unfair, and I hope his motion does prevail.

The SPEAKER: The Chair recognizes the gentleman from Freeport, Mr. Crockett.

Mr. CROCKETT: Mr. Speaker, I would like to ask through the Chair from somebody close to the railroads, why they haven't used the power that is given to them for assistance by the United States Congress? Why should they come and plead poverty and ask the State of Maine to subsidize them or forgive them on their excise tax? Where is this money going to come from if it is allowed? It is you and me and the people back home that we represent that have got to make it up some way with a new tax. I say what is needed is a survey to know and give us the right to vote intelligently on the thing. There should be a committee appointed to survey their situation and report

back to the 100th Legislature, and I so make a motion if I am in order.

The SPEAKER: The gentleman is not in order with that particular motion. The motion prevailing and pending is the motion of the gentleman from Pittsfield, Mr. Baxter.

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

Mr. SMITH: Mr. Speaker and Members of the House: I have heard quite a few references to subsidy from my friend the gentleman from Freeport, Mr. Crockett. I see no subsidy in asking for relief from a burdensome tax that I believe is exorbitant and I can find no superior services that the State of Maine is rendering the railroads as referred to by this same gentleman.

The railroads build their right-of-way, maintain it at their own expense, and they have a tax on that right-of-way besides paying taxes to every municipality that the road goes through. In the beginning that was a franchise. The State protected the railroads by prohibiting other lines from being built parallel to them, and that was worth some money. In those days we had a monopoly, and if the tax was high and we needed a little more income all we had to do was increase the rates, but in recent years the state and the federal government have built for our competitors at state and federal government expense superior highways so that our truckers can move greater and bigger loads and move them faster and faster while we still maintain our own roads and pay a heavy tax. If the gentleman has any idea that we are asking for a subsidy, I hope that he will disabuse himself with that idea because I see no subsidy, we want no subsidy, we just want a fair deal.

The SPEAKER: The Chair recognizes the gentlewoman from Presque Isle, Mrs. Christie.

Mrs. CHRISTIE: Mr. Speaker and Members of the House: We have seen at least in my day, the railroad services reduced from the time when there was passenger service on all the branch lines to a time when all or practically all branch line service has been suspended because of lack of revenue. We have seen the service on the

main line reduced until now it is just about at the vanishing point. Someone has said that on the Bangor and Aroostook, there is only one train a day each way. I can remember when there were three trains a day each way. I feel that this bill is a very fair bill because it is based on the gross earnings of the railroads and I feel that it is important that we help them.

With our friend, Mr. Crockett of Freeport, I realize that there is a question of getting money to fill this void which will be caused by this bill, but I still feel that we cannot afford to let the railroads be entirely extinct in our State of Maine, and so I am in favor of the motion of the gentleman from Pittsfield.

The SPEAKER: The Chair recognizes the gentlewoman from Portland, Mrs. Hendricks.

Mrs. HENDRICKS: Mr. Speaker and Members of the House: Being in the trucking business, it may seem a little odd for me to be supporting this legislation to help the railroads, but I believe that this is very fair legislation and I have received many, many requests from constituents in my area asking me to support this, and I will abide by the wishes of those constituents and support this legislation.

The SPEAKER: The Chair recognizes the gentleman from Lewiston, Mr. Dumais.

Mr. DUMAIS: Mr. Speaker and Members of the House: I don't believe there is anything wrong with the railroads, I believe that the top echelon of the railroads are creating their own trouble. In other words, these railroads, the way they are operating today, they are not operating in an efficient manner. They went into the bus business; I was in the bus business and they drove me out, but they were driven out themselves. They went into the airplane business just about the time that I was thinking of buying the planes that they bought to run into Lewiston and to Bangor. And I don't think that they can make a success of that. There is nothing wrong with the railroads throughout the country that cannot be cured, but it seems here in Maine that everybody that is a friend or a relative of somebody on the rail-

road has got a position and a white collar job. We operate a junk yard in Tetford Mines, Canada, and we were trying to operate it like the railroad, with five in the office and three in the yard, and we found out that it didn't work, and I think this is the situation with the railroads. The railroads are loaded at the top, but there is nobody in the bottom to bring in the revenue, so therefore that's why the railroads are top heavy right now, and I think in any corporation, I go to Pratt & Whitney, and when they start to cut anywhere we have Mr. Quinn, we ask Mr. Reuther to cut their salaries, we begin at the top, and I think if the railroads did the same thing they wouldn't be in the predicament that they are today. I think their main trouble is trying to compete with efficient operators and they cannot do it. I couldn't compete with them because at that time Mr. Wescott had absolutely made up his mind that even if it cost them \$100,000 he would drive me out of business. Well my \$40,000 ran out and so did I. I will venture to say that the New York Central and all the railroads, and you read your Wall Street Journal, and you will find out that practically all the railroads have made a comeback, and it seems that over here in Maine they just cannot do it. They will charge you \$14.00 a ton to haul scrap iron out of the State of Maine, when we can ship out for 175 miles out of Tetford Mines, Canada to Montreal, Canada for \$4.40. They just are choking themselves because all their brother-in-laws and sister-in-laws and cousins and uncles and every relative that you possibly could name is drawing a top salary, and the thing to my estimation right here is top heavy at the top. If they start cutting at the top I think we can leave the railroads and they will get by by themselves.

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

Mr. COUSINS: Mr. Speaker and Members of the House: Being I suppose in the top echelon of the railroad group, I want to help my friend from Lewiston, Mr. Dumais out, and in accordance with my previously expressed thoughts, I am

going to be asked to be excused from voting on this which I am sure will relieve Mr. Dumais, because of interest.

The SPEAKER: The Chair recognizes the gentleman from Fort Fairfield, Mr. Edmunds.

Mr. EDMUNDS: Mr. Speaker and Members of the House: I would just like to say Amen to some of the thoughts that have been expressed here today. I certainly hope that the motion of the gentleman from Pittsfield, Mr. Baxter, will prevail.

In my area in Aroostook County I am associated with an industry whose very existence depends upon strong, healthy railroads. We are ever asking these railroads for new services. Within the past two years we have requested lower rates and we got them, we have requested a free icing service which was essential to keep us in competition in the summer months and we got it, and in addition to that we have asked for faster schedules, twenty-four hour delivery into Boston which has cost the road a lot of money, but they have done it in the interest of keeping our industry competitive. Now this has cost the railroad money. There are a thousand other justifications for this bill, but I think that these facts alone would justify keeping the railroads in a strong, financially sound position so they can give our industry what we need in order to be competitive, and I certainly hope that the motion of the gentleman from Pittsfield, Mr. Baxter, does prevail.

The SPEAKER: Is the House ready for the question? The Chair recognizes the gentleman from Fort Kent, Mr. Cyr.

Mr. CYR: Mr. Speaker, Ladies and Gentlemen of the House: I don't often get up and talk, and I don't like to do it, but I would like to have the members look up the records of 1911 wherein a senator from the County of Aroostook brought out that the Bangor and Aroostook Construction Company, which was a part of the directors of the Bangor and Aroostook Railroad, had contracted with the Bangor and Aroostook Railroad Company to construct a line between Ashland and Fort Kent at \$33,000 a mile, and brought out that the ac-

tual facts the road was constructed for \$8,000 a mile. Now in my mind there isn't any question that the Bangor and Aroostook Company has been over capitalized and that when they paid any dividend at all they are paying big dividends. I don't know anything about their finance or I don't know anything about their traffic, but I think it would be worthwhile for some gentlemen to look up those records and get wise that most of the railroads are over capitalized in my opinion. Thank you.

The SPEAKER: The Chair recognizes the gentleman from Monroe, Mr. Monroe.

Mr. MONROE: Mr. Speaker, we have been talking a great deal in the House about the obtaining of new industries here in the State. Without the railroads, I think the railroads have a great deal to do with it, if we don't have railroads you can't get industries. There are a great many small towns that are depending on the railroads which get considerable revenue from the railroads. You take the railroads away from them and they are down, the small towns in the state are in a bad condition anyway, and if there is anything that will help the small towns, I think we should keep it. I think the railroads is one of them. I should certainly go along with the motion of the gentleman from Pittsfield, Mr. Baxter, I hope it prevails.

The SPEAKER: Is the House ready for the question? The question before the House is the motion of the gentleman from Pittsfield, Mr. Baxter, that the House accept Report "A" "Ought to pass" on Bill "An Act relating to the Amount of the Annual Excise Tax on Railroads," House Paper 254, Legislative Document 365. The Chair will order a division.

Will those who favor the motion to accept Report "A" please rise and remain standing until the monitors have made and returned the count.

A division of the House was had.

Ninety-nine having voted in the affirmative and twenty-seven having voted in the negative, Report "A" was accepted, the Bill read twice and tomorrow assigned.

The SPEAKER: At this time the Chair would recognize the presence in the gallery of the House of four groups of school pupils, one group of eighth grade pupils from the Waynelete School of Portland accompanied by Mrs. J. W. Lenhere; a group of sixth grade pupils from the Pettingill School of Lewiston accompanied by Mr. Palmer and some of the parents; a group of twenty-six eighth grade students from Boothbay Harbor accompanied by Mr. Whitney, their Principal; and a group of twenty-five eighth grade students from Boothbay accompanied by Mr. Rosebloom, their Principal.

On behalf of the House, the Chair extends to all of you ladies and gentlemen a most hearty and cordial welcome, and we hope you will enjoy and profit by your visit here today. (Applause)

(Off Record Remarks)

The SPEAKER: At this time the Chair would request the Sergeant-at-Arms to escort to the rostrum the gentleman from Houlton, Mr. Ervin, to serve as Speaker pro tem.

Thereupon, Mr. Ervin assumed the Chair as Speaker pro tem amid the applause of the House, and Speaker Edgar retired from the Hall.

The SPEAKER pro tem: The Chair now lays before the House the second tabled and today assigned matter, House Report "Ought not to pass" of the Committee on Natural Resources on Resolve Authorizing the Release of State of Maine's Claim on T. 1, R. 13, W. E. L. S., Piscataquis County, House Paper 663, Legislative Document 955, tabled on May 4 by the gentleman from Belfast, Mr. Rollins, pending acceptance; and the Chair recognizes that gentleman.

Mr. ROLLINS: Mr. Speaker and Members of the House: This Resolve L. D. 955 tabled by me on April 17 and again retabled on May 4 is a resolve to correct a former resolve passed in 1943 by the Ninety-First Legislature. During the interim since April 17 I have decided from competent advice on good authority, including the Attorney General, that there would be a question as to the Supreme Court deem-

ing it a "Solemn Occasion" therefore might not return a reply, should I have been successful in passing such an order in this legislature, requesting a ruling.

It appears to perhaps be an action in equity through the regular channels of court procedure to correct a deed, should the 99th Legislature not feel it should correct its injustice done by an agent of the state in the performance of his duty in office, by failure to carry out the mandate of the 91st Legislature; namely by omitting Lots 15 and 28 from the deed dated September 3, 1943 — State of Maine to Harry F. Ross, authorized by Resolve of the legislature, approved April 8, 1943 for all interest of the State in Township 1, Range 13 W E L S Piscataquis County.

Now for the record I am going to read the copy of the Council Order, the background of this whole deal: "Council Order number 94, State of Maine, In Council, Feb. 4, 1940 — ORDERED, That upon payment to the State at the office of the State Treasurer, of the sum of two thousand dollars by Harry F. Ross of Bangor in full to date for all taxes now due the State on Township 1, Range 13, W. E. L. S., Piscataquis County, the Forest Commissioner is authorized and directed to cancel all deeds and other records in his department relating to claims for taxes on said Township 1, Range 13 as against Harry F. Ross or the Estate of Minnie Ross Holman. No claim is to be made by Harry F. Ross against the State for the value of the Gilbert Camps, so-called, in Township 3, Range 9, Piscataquis County. In Council, Feb. 7, 1940 — Read and passed by the Council, and by the Governor approved. Frederick Robie, Secretary of State".

Now for the record I am going to put in the Resolve: "Legislative Document No. 877, H. P. 1337, House of Representatives, March 30, 1943. Reported by Mr. Benn from Committee on State Lands and Forest Preservation and laid on table to be printed under Joint Rules. In the year of our Lord nineteen hundred forty-three. RESOLVE, Authorizing the Sale of T. 1, R. 13, W. E. L. S., Piscataquis County. Forest commissioner authorized to make sale. Re-

solve: That the forest commissioner be, and hereby is, authorized to make, execute and deliver to Harry F. Ross a deed in the name of the state, of all interest of the state in T. 1, R. 13, W. E. L. S., Piscataquis county, formerly owned by Minnie Ross Holman: Provided that the said Harry F. Ross pays to the treasurer of state the sum of \$2000 and the amount that would have been due to the state for taxes on the said property for the year 1943, if taxes had been assessed on the said property for the year 1943 as property of the said Harry Ross."

You will note that the Council Order reads "the forest commissioner is authorized and directed to cancel all deeds and other records." The Resolve reads: "All interest of state in T. 1, R. 13, W. E. L. S., Piscataquis County."

Mr. Ross believed the situation had been taken care of as agreed until he received a letter from Commissioner Nutting about a survey of the Public Lots in 1951 — lots which he believed were his property as for grass and timber, per agreement made with the Governor and his Executive Council in 1940 by Council Order No. 94 and subsequently by deed from Forest Commissioner Raymond Rendall, by authority of the 91st Legislature.

Under date of Nov. 20, 1951, Mr. Ross received the following letter: "State of Maine, Forest Service, Augusta — November 20, 1951 Mr. Harry F. Ross, Bangor, Maine — Dear Mr. Ross: Mr. Nutting has requested that I send you a copy of the deed which was given to you as a result of legislation in 1943. He also asked that I send you statutes which makes it unlawful to convey Public Lots which were forfeited for the non-payment of taxes.

"This information is enclosed for your use. You will note in the deed that the Public Lots, 15 and 28, are deleted. Very truly yours, Lillian Tschamler, Secretary."

The statute which is enclosed is Chapter 14, Revised Statutes of 1944, Section 87. It reads as follows: "If land is not redeemed in 1 year, it shall remain forfeited to the state. If any fractional part or interest represented by acreage in which such public reserved lots

shall not be redeemed as provided in the preceding section at the expiration of 1 year from the date of the land sale at which such interest was forfeited, then it shall be and remain wholly forfeited to the state, and shall vest in the state free from all claims of any former owner."

That is the statute which they based their claim on. Whereupon I advised Mr. Ross to seek permission to sue the State of Maine but he, being an honorable gentleman of the old school when a man's word was his bond, declined as he said he had made an agreement with the Governor and honorable council not to sue the State of Maine for the burning of the camps at Basin Pond by Thomas Perro and a Mr. Boulieu under orders of the Maine Forestry District, substantiated by this letter by Chief Warden Division H. I read this letter into the record: "Department of Inland Fisheries and Game—Warden Service — Patten, Maine, Sept. 22, 1937, Caleb W. Scribner Game Warden — J. F. Singleton Company, c-o Mr. John Largay, 54 Main Street, Bangor, Maine.—Dear John:

"In reply to your letter regarding the burning of the Basin Pond Camps will say, that it came out definitely at the prosecution of the case, State vs. Thomas Perro on Nov. 9th, 1936, that at the time Perro killed the deer on Katahdin Game Preserve, he was there with a Mr. Boulieu for the purpose of cleaning off these camps. In fact, when Warden Lowell W. Davis was checking and investigating on the fresh snow the next day, (that would be about the 7th) Perro's tracks led from the burning camp ruins to the deer kill. These were the only tracks in that vicinity.

"The prosecution report from the Deputy which I have does not seem to have the date of the violation on it but is in the records at Millicent Mep'l Court also at Augusta.

"Remember, this is only a tentative report to you on this matter but it seems clear to me that Perro told us that he was carrying out orders of the Maine Forestry Dept. in burning the camps. As I remember the whole affair there

was no secret about Perro's business that day on the Mountain.

"As soon as I have an opportunity, right away, will very carefully try to learn real person giving authority to burn the Basin Pond Camps.

"Expect I will be at the County Seat within a few days.

Very truly yours,

(Signed) CALEB W. SCRIBNER
Chief Warden Division
H"

Well he never told them any more because he was told to lay off. Therefore L. D. No. 1288 was introduced into the next Legislature, the 96th, in 1953: "Ninety-Sixth Legislature, Legislative Document No. 1288. H. P. 1138 — House of Representatives, March 4, 1953.

"Referred to Committee on Judiciary. Sent up for concurrence and ordered printed. H A R V E Y R. PEASE, Clerk.

"Presented by Mr. Fuller of Bangor.

"State of Maine — In the year of our Lord nineteen hundred fifty-three.

"RESOLVE, Authorizing the Release of State of Maine's Claim on T. 1, R. 13, W. E. L. S., Piscataquis County.

"Forest commissioner authorized to give quit-claim deed. Resolved: That the forest commissioner be, and hereby is, authorized to make, execute and deliver to Harry E. Ross a deed in the name of the state, of all interest of the state in timber and grass on public lots No. 15 and No. 28 in Township 1, Range 13, W. E. L. S., Piscataquis county, formerly owned by Minnie Ross Holman under deed of life tenure; provided that the said Harry F. Ross pay to the treasurer of state the sum of \$399.94, being the sum of the amounts that would have been due to the state for taxes on the said timber and grass since 1943, if taxes had been assessed on the said timber grass for those years as the property of the said Harry F. Ross, in accordance with the agreement of council order dated February 7, 1940, and the resolve of the ninety-first legislature, H. P. 1337, L. D. 877 of March 30, 1943, passed by said legislature."

This resolve was reported "Ought to pass" by the Committee on Ju-

diciary which was composed of ten eminent members of the Maine Bar, many of your acquaintances, namely: Reid of Kennebec, Ward of Penobscot, Harding of Knox, McGlaughlin of Portland, Fuller of Bangor, Martin of Augusta, Trafton of Auburn, Lowe of South Portland, Cianchette of Pittsfield and Fitanides of Saco. The Judiciary Committee reported that out "Ought to pass" and as I've read you the names, they were all eminent lawyers, who were qualified to pass on such an issue. The item was reported out in the House on Page 10 of the calendar of April 22nd. "Ought to pass — Printed Bills (Item 98) Mr. Fuller from the Committee on Judiciary reporting on Resolve Authorizing the Release of State of Maine's Claim on T. 1, R. 13, W. E. L. S. Piscataquis County (H. P. 1138) (L. D. 1288)

This unanimous "Ought to pass" report of the Judiciary Committee was tabled by the gentleman from Hodgdon, Mr. Williams and subsequently when removed from the table was indefinitely postponed on motion of the same gentleman. Now again in the 99th Legislature this Resolve was introduced for the Heirs of the late Harry F. Ross, this legislative document which we have before us which is the "RESOLVE Authorizing the Release of State of Maine's Claim on T. 1, R. 13, W. E. L. S., Piscataquis County. Forest Commissioner authorized to give quit-claim deed. Resolved: That the Forest Commissioner be, and hereby is, authorized to make, execute and deliver to the estate of Harry F. Ross a deed in the name of the State, of all interest of the State in timber and grass on public lots No. 15 and No. 28 in Township 1, Range 13, W. E. L. S., Piscataquis County, formerly owned by Minnie Ross Holman under deed of life tenure; provided that the estate of said Harry F. Ross pay to the Treasurer of State the sum of \$732.25, being the sum of the amounts that would have been due the State for taxes on the said timber and grass since 1943, if taxes had been assessed on the said timber and grass for those years as the property of the said Harry F. Ross, or his estate in accordance with the agreement of

Council Order dated February 7, 1940, and the Resolves, 1943, chapter 48," in your statutes today.

This Resolve you may note says Estate of Harry F. Ross to pay Treasurer of the State the sum of \$732.25, being the sum of the amount with interest that would have been due the State for taxes on said timber and grass since 1943.

This means that to adjust all differences in disagreement Mr. Ross has paid the sum of \$2000 on March 19, 1940 per letter of even date. This letter goes in the record: "Pattangall, Goodspeed & Williamson, Attorneys at Law, Depositors Trust Building, Augusta, Maine. March 19, 1940. Mr. Harry Ross, P. O. Box 746, Rockland, Maine — Dear Mr. Ross:

"We enclose original receipt from the Treasurer of State, dated March 19 for the sum of \$2,000 certified check. Very truly yours, (Signed) Robert B. Williamson."

The \$2,000 which I have just read the Treasurer had on March 19, 1940, plus the sum of \$364.13 with the filing of Resolve in 1943 which passed, plus the sum to be paid by his heirs an additional \$732.25, adding to a grand total of 3,096.38 to adjust all differences between an over valuation of T. 1, R. 13 owing to fire loss of 2,750 acres burned. I will read letter number eleven. This is a copy of a note that Mr. Ross talked with Holley and Lewis, which you all know that was the tax assessor Frank Holley and his assistant Mr. Lewis.

"State House, August 22nd. They agreed the valuation of 1 R 13 for tax purposes should be materially reduced. They suggested writing them a letter stating all the facts. My suggestion, which they approved, was to talk with W. J. Lannigan, get his ideas of the value before I wrote them. Write what value Lannigan thinks should be placed on this land for tax purposes. Before seeing Lannigan, look up and tabulate the values placed on the surrounding land." August, 1932 "The so-called burned area on Twp. 1, R. 13 consists of 2,750 acres in southwest one-quarter of the township around Lazy Tom bog. The burn seeded into white birch and poplar with scattering spruce and pine. The rest of the township has

been cut over and everything that would make a four-foot stick of pulpwood was taken, this done in order to salvage the moth-killed wood. (Signed) P. H. Hussey, Timber Cruiser, W. J. Lannigan, Hollingsworth & Whitney Co. concur-red."

Thus I have a total here now, a grand total \$3,096.38 to adjust the differences, plus the unlawful burning of the Gilbert Camps so-called at Basin Pond on or about the seventh of September, 1937 on T. 3, R. 9 by an agent of the state, property of Mr. Ross and the agreement on the part of Mr. Ross not to sue the state.

Ladies and Gentlemen of this 99th Legislature, the opponents will claim under Chapter 14, Revised Statutes of 1944, Section 87 which I have read to you. This we maintain was not a land sale in the meaning of the statute since a certified check drawn on the First National Bank of Rockland had been on deposit with the State Treasurer since March 19, 1940 as agreed by Council Order No. 94 dated February 7, 1940, awaiting proper adjustment via legal process. This is the authority for the legal process. This is another letter from "Pattangall, Goodspeed & Williamson, Attorneys at Law, Depositors Trust Building, Augusta, Maine. March 6, 1940 — Harry F. Ross, P. O. Box 746, Rockland, Maine — Dear Mr. Ross: "Mr. Holley objects to the irregularity of the settlement of the tax and fire loss through council order. He tells me he will enter no objection to the legislature authorizing the Forest Commissioner to deed the land at whatever price the legislature determines.

"We are taking steps to see that the council order is not rescinded without an opportunity for us to be heard. We have in mind that should it be rescinded, it would be well for the council to pass an order to the effect that the agreement was proper but could not be carried out through the council order.

"We will keep you advised of developments. Very truly yours, (Signed) Robert B. Williamson".

At no time during these deliberations, this legal process L. D. 877 which was passed by the 91st Legislature after a favorable report from

the Committee on State Lands and Forest Preservation which consisted of the following:

At no time during these deliberations was there ever any mention of public lots nor was there a mention in the body of the council order or the resolve passed in 1943. The resolve in 1953 which had the favorable report of the Judiciary Committee did spell out the public lots for the first time to correct the error of the state's agent, Raymond E. Rendall, who did not carry out the mandate of the 91st Legislature.

We maintain that that statute does not apply. Here in the state valuation book of 1942 is the first mention of the sale of land. How the state could sell the land in 1942 with a certified check for \$2,000 up in the Treasurer's office from 1940 is beyond me. "Piscataquis County Wild land sold the state for taxes, T. 1, R. 13, W. E. L. S., Sections 1, 2, 7, 8, 13, 14, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30, 31, 32, 33, 34, 35, 36 according to the plan of said Township returned to the State Land Office by Isaac S. Small in 1842 excepting two lots of 150 acres and 10 acres respectively in the southwest corner of section 31, exclusive of public lot heirs of Minnie Ross Holman thirteen thousand four hundred thirty-seven dollars." The whole thing was in question was that the money was there, it was just a question of adjusting between the state and the tax assessor and as soon as that was done the legislature passed the Resolve and he should have been reimbursed for the entire loss.

I trust that you may support me in the motion to substitute the bill for the "Ought not to pass" report of the committee.

This agreement of the Governor and Council was substantiated by the committee in 1943, passed by the 91st Legislature, was again substantiated by the "Ought to pass" report of ten lawyers on the Judiciary Committee in 1953. But in 1959 on this Resolve I was told by one member of the committee that they did not feel equal to judge this issue. I trust that he may arise and support me in fact in this statement. You, ladies and gentlemen sit here today as the general court of this state and certainly have jurisdiction

to correct any error, to see that the mandates of this or former legislatures are carried out to the letter. May you judge fairly, and I have confidence you will. The facts I have enumerated to you are all documented and in my possession.

Mr. Speaker, I now move the substitution of the Resolve for the Report, and when the vote is taken I request a division.

The SPEAKER pro tem: The Chair recognizes the gentleman from Woodstock, Mr. Whitman.

Mr. WHITMAN: Mr. Speaker and Members of the House: I hate to prolong this issue in any way but I do feel that without a doubt you are all thoroughly confused at this time, and I would like to clarify the position of the committee in reporting this out unanimously "Ought not to pass." This bill has been considered in the Legislatures, every Legislature I guess back to 1951, without any evident success. The committee had a lengthy hearing on this particular bill and without a doubt there were a great deal of legal technicalities involved as you can imagine from the previous presentation, and it was the committee's feeling that if there was an injustice done that it was within the means of the heirs of this estate to seek to have that injustice rectified through the courts. I think it is quite obvious to all that there is a great deal of law involved and it is a matter that the courts should decide upon. No, I do not understand why the heirs of this estate have not proceeded through the normal channels of court procedure. I am quite sure that it is not because they are afraid of court procedures. I have it from good authority that among the heirs of this estate, there are four members of the family that are members of the Bar, but for some reason or other they have avoided the courts, they have otherwise tried to bring this about through the Legislature, channels other than the court. For that reason we of the Committee felt that this bill should be passed out "Ought not to pass" and we recommended to the heir at the hearing that he should continue his endeavors in this line if he so desired, but through the proper channels of court procedure. For that

reason at this time I would now move that the Report and Resolve be indefinitely postponed.

The SPEAKER pro tem: The Chair recognizes the gentleman from Hodgdon, Mr. Williams.

Mr. WILLIAMS: Mr. Speaker and Members: I too would like to quote you a little bit of law. Chapter 16, Section 90 of the Revised Statutes of 1954, now we aren't dealing in this with the whole township of 1-13, we are dealing with the timber and grass rights on the public lots, one of these public lots being set aside for the building of schools if the township was ever settled, and the other one being set aside to help them build a church. Now the law says: "Timber and grass forfeited to be held for the benefit of the township. All timber and grass forfeited under the provisions of the preceding section shall be held in trust by the state for the benefit of the township in which such public lots lie, and shall be under the control of the forest commissioner as provided in the case of public reserve lots and plantations.

Now this property became tax delinquent in 1934 and was not redeemed by 1935, and there have been no taxes paid on it since. I have quite a lengthy discussion here and we of the Natural Resources did considerable work on this thing. We discovered that Township 1, Range 13 was owned by Mr. Ross, and a life lease was given by him to his sister, Minnie Ross Holman. This land was cut over in the early '30's by Great Northern Paper Company as operators, and taxes were allowed to become delinquent. At that time Ross owned the timber and grass rights on the public lot. In the early 1940's Mr. Ross decided the land might become valuable again, and well knowing he had forfeited the title to the State for delinquent taxes, he tried to obtain title through a Council Order. This was declared illegal by the then Attorney General, because the Governor and Council did not then have and still do not have the power to give title to real estate. This is the sole power of this body. The tax assessor and forest commissioner refused to carry out the Council

Order because they considered it illegal. A resolve was passed in the Legislature in 1943 directing the forest commissioner to deed the State's interest in 1-13 to Mr. Ross.

Now we have heard quite a lot about this original thing that went through the Legislature. Now the original bill was introduced by Representative Carroll McKusick of Parkman. In his remarks in the House on March 13, 1943, Mr. McKusick stated that the original bill authorized the forest commissioner to sell certain stumpage on this tract of land. In other words, Mr. McKusick wanted to sell for the interest of the State some pulp on what he considered State - owned land. Now in this same bill that was reported out by the State Land Committee, it was in a new draft, and instead of selling the pulp, it authorized the commissioner to transfer the title back to the original owner. Now Mr. McKusick got up and he said I wish simply to say that I have no further interest in the bill and do not sponsor the bill, it is simply a committee measure. On the motion of the gentleman from Greenville, Mr. Rollins, the bill was given its second reading. So much for the bill.

Now Mr. Rendall, the then forest commissioner, complied with the resolve. He deeded all the State's interest to Mr. Ross. He did not include the timber and grass on the public lots which the law says shall forever be held in trust. He gave the deed to Mr. Ross's attorney Fellows and Fellows of Bangor, a reliable law firm, one of these men afterwards became Chief Justice; the other a Representative to Congress. They accepted the deed and the incident was closed. Ten years later a resolve was introduced into the 1953 Legislature asking that the timber and grass on the public lots be returned to Mr. Ross for \$499.96. That looked like a mighty poor bargain and the resolve was indefinitely postponed. Now six years later we have it back here again. There seems to be to me no way for the Ross heirs to get hurt. They forfeited their claim in 1935 and the law plainly states a right so lost is lost forever. They have paid no taxes since. This resolve, if passed, would doubtless be of great

benefit to the few, but most certainly it would be a great loss to the many.

These public lots are not little garden patches, each one of them is a mile square and contains 640 acres. At present the Forestry Department estimates that each lot has about \$25,000 worth of salable pulp. It looks to me ridiculous for the people of Maine to present the Ross heirs with a gift of \$50,000 in return for \$743.00. Back through the years the people of Maine lost most of their timberland, and I personally think it is up to this Legislature to protect the public lots which are held in trust. I assure you that the State's title is perfectly good, or we would not have this resolve before us.

Every session we see raids on what little public land we have left on one excuse or another. I say to you we have very little left and it should be guarded accordingly.

Now in regard to this camp that was burned. This camp that was burned was not on this 1-13, but it was on 3-9 which is now part of Baxter Park, and at that time it was called the Basin Pond Camps. It was built by a Great Northern operator by the name of Pat Whalen to cut pulp on the township of which the Great Northern owned $\frac{3}{4}$ interest and afterwards bought Mr. Ross's $\frac{1}{4}$ share. Ross did not build the camp, never used it and under the ownership setup probably could not prove title. This looks to me like a phantom claim if ever there was one.

The SPEAKER pro tem: The Chair recognizes the gentleman from Milo, Mr. Brockway.

Mr. BROCKWAY: Mr. Speaker and Members of the House: I want to concur with the gentleman from Woodstock on the motion for indefinite postponement.

The SPEAKER pro tem: The Chair recognizes the gentleman from Belfast, Mr. Rollins.

Mr. ROLLINS: Mr. Speaker and Members of the House: Mr. Whitman, the gentleman from Woodstock, says that this bill has been to the Legislature right along every year. It was in in 1943 and passed the Legislature. It was in in 1953 and was indefinitely postponed,

and in again now in 1959. The reason for that span, as I have explained to you, in '43 Raymond Fellows, who was afterwards Chief Justice of the Supreme Judicial Court of Maine, received the deed and naturally Mr. Ross being an old man, up near eighty, he figured that it was okay. He didn't know anything more about it until he got that letter which I call to your attention about surveying the public lots in 1951. Of course we will admit there was oversight on both the part of Mr. Ross and his attorney, but nevertheless it was there, and I maintain that the mandate of the Council and the Legislature was not carried through. The reason that land he says is delinquent, it was all delinquent for the simple reason that they were dickering over the value on the land with the Tax Assessor, who finally admitted that the tax was too much and an agreement was reached on the value and the price for the taxes.

In the value of the land as the gentleman from Hodgdon, Mr. Williams states, there is six hundred acres on 15, possibly today there is three thousand cords of pulp on it, possibly fifty thousand of hardwood. On number 28 it is a swamp, two-thirds of it is a beaver bog, and at the most there might be a thousand cords of wood on it, but that is neither here nor there. The land belonged to Ross, the land should have been his, and any growth that was on it in twenty years would be naturally his growth just the same as on the other lots. It was at the time that the commotion was over the taxes that the land, the public lot and all had been stripped of everything that was worth a four-foot stick of wood, she was cleaned, besides, the 2750 acres that were burned over. I hope the motion does not prevail.

The SPEAKER pro tem: The Chair recognizes the gentleman from Bethel, Mr. Saunders.

Mr. SAUNDERS: Mr. Speaker and Members of the House: As a member of the Natural Resources Committee I would like to concur with my good friend from Woodstock, Mr. Whitman. This was a unanimous report of the Committee on Natural Resources. As most of you know these public lots are about

all the State can hope to hold as far as land and timber rights are concerned. The money that comes from these public lots is used for administrative and school funds and it is very vital in unorganized territories. The State did have a clear title and does have a clear title, and I assure you ladies and gentlemen that we certainly do not want to give away \$50,000 for \$732.00. I hope the motion to indefinitely postpone does prevail.

The SPEAKER pro tem: Is the House ready for the question? The question before the House is the motion of the gentleman from Woodstock, Mr. Whitman, that the Report and Resolve Authorizing the Release of State of Maine's Claim on T. 1, R. 13, W. E. L. S., Piscataquis County, House Paper 663, Legislative Document 955 be indefinitely postponed. A division has been requested.

Will those who favor the motion to indefinitely postpone this Resolve and the Report please rise and remain standing until the monitors have made and returned the count.

A division of the House was had.

Sixty-nine having voted in the affirmative and twenty-three having voted in the negative, the Report and Resolve were indefinitely postponed and sent up for concurrence.

The SPEAKER pro tem: The Chair lays before the House the third tabled and today assigned matter, Bill "An Act relating to Clerk Hire, Rental and Expenses of Waterville Municipal Court," House Paper 525, Legislative Document 760, tabled on May 5 by the gentleman from Enfield, Mr. Dudley, pending third reading.

The Chair recognizes the gentleman from Waterville, Mr. Lane.

Thereupon, on motion of that gentleman, the Bill was given its third reading, passed to be engrossed and sent to the Senate.

The SPEAKER pro tem: The Chair now lays before the House the fourth tabled and today assigned matter, House Report "Ought not to pass" of the Committee on Taxation on Bill "An Act relating to Additional Revenue by Severance Taxes on Severer of Timber or Producer of Timber Products," House

Paper 903, Legislative Document 1272, tabled on May 8 by the gentleman from Madawaska, Mr. Rowe, pending acceptance of the Report, and the Chair recognizes that gentleman.

Mr. ROWE: Mr. Speaker and Members of the House: Earlier today in the House deliberations I think something very significant happened. On Page 5, Item 1, the House in their judgment saw fit to pass an act exempting the railroads from certain taxes. I believe they did so for two reasons. Number one, because in their judgment they recognized a need, and number two, they expressed a willingness to meet this need by passing the money to finance this exemption.

I too have recognized which in my serious and pure judgment is a long overdue need in the State of Maine, and I am referring to the needs of our aged; I am referring also to the needs of our school children, and I have filed this tax to finance those two needs. I hope after the presentation gets through that I will not stand alone in attempting to meet those needs, and therefore, Mr. Speaker, I am going to move that the bill be substituted for the Report.

The SPEAKER pro tem: The question before the House is now the motion of the gentleman from Madawaska, Mr. Rowe, that the bill be substituted for the "Ought not to pass" Report.

The Chair recognizes the gentleman from Verona, Mr. Walsh.

Mr. WALSH: Mr. Speaker and Members of the House: We heard this bill in committee and one proponent and a good deal of opponents were there at that time. Now this tax would impose a tax upon a tax, in other words, this tax would be on top of the tax that we now pay on our wildlands in the State of Maine. Now at the present time our State tax on wildlands is 7¼ mills and of course added to that is our forestry district tax, county tax and school tax along with our road tax which brings our millage rate up to 34¾ mills on our wildlands tax. And most of this wood, in the pulpwood operators that come into these paper mills and one thing another,

they pay a manufacturers' inventory tax in the locality where they are located. So therefore, we felt that this tax at this time was not a fair tax in view of the fact that we also have a suggested increase in the wildland tax up to 10 mills which came out of committee with a five to five report. I therefore move the indefinite postponement of this bill and all accompanying papers.

The SPEAKER pro tem: The Chair recognizes the gentleman from Madawaska, Mr. Rowe.

Mr. ROWE: Mr. Speaker and Members of the House: I would like to give you my thinking, and I promise I will try to be as brief and concise as I possibly can in the presentation of the case for this tax here. I would like to review if I may first a few of the fundamental concepts involved with this particular tax. I have lined up several different points here to be covered and I would like to first of all cover for you if I may, what is a severance tax. Well simply defined, it is a tax upon individuals or firms engaged in extracting or severing reproduceable or non-reproduceable natural minerals or resources from the soil or water. Up until 1864 there was only one state in the union which had any type of a severance tax and this was the State of Michigan, and in the matter of government financing and government fiscal policy it is a relatively new type of tax. In 1920 there were only nine states which had a severance tax on their books, and presently today there are twenty-eight states. This is a new tax but it is a tax which is becoming more common to the forty-nine states. What are some of the resources that are taxed? Well some of them petroleum, natural gas, ore deposits, stone, sand, gravel, timber, barrel staves and even in the State of Mississippi they even go so far almost to tax the bungholes of barrels.

There are seven important points here to be covered and I will do so as briefly as I can, but I would like to remove possibly some of the stumbling blocks that may exist in our minds here. First of all I would like to discuss with you the constitutionality of this severance

tax, and I would like to quote from the Topical Law Reports of the Commerce Clearing House, Inc., New York, New York, on page 45 in the first paragraph they say this relative to severance taxes: "Severance taxes are usually held to be excise taxes rather than property taxes, and hence they are not subject to constitutional restrictions applicable to property taxes and they do not constitute double taxation when imposed in addition to property taxes or ad valorem taxes."

Now in the State of Maine Constitution in Article 9, Section 8 which deals with taxes apportioned and assessed according to valuation and a levy on intangibles, it is stated here: "All taxes upon real and personal estate, assessed by authority of this state, shall be apportioned and assessed equally, according to the just value thereof; but the legislature shall have power to levy a tax upon intangible personal property at such rate as it deems wise and equitable without regard to the rate applied to other classes of property." Then in an opinion laid down by the Supreme Court Judges there, they say in reference to this section: "This section does not prohibit the legislature from imposing other taxes than those on real and personal property. The legislature is left free to impose other taxes, such as poll taxes, excise taxes, license taxes, etc. It can impose such taxes in addition to, or instead of, taxes on property. It can subject persons and corporations to both or either kinds of taxation, or exempt them from either kind."

So traditionally within our Courts of the land, within our State Courts there, a severance tax has been regarded as an excise tax, and in the opinion of our Supreme Court Justices they have stated there that the legislature in their good judgment may in addition to all other taxes which are levied there, levy an excise tax.

There is another question that is possibly a difficulty, and I think it has already been mentioned by one of the committee members there, the question has been raised, does a severance tax constitute double taxation, and there again I

would like to quote from the Topical Law Reports again when they say on page 45, the first paragraph: "Severance taxes usually are held to be excise taxes rather than property taxes. Hence they are not subject to constitutional restrictions applicable to property taxes, and" underlining here, "do not constitute double taxation when imposed in addition to ad valorem taxes."

Not to prolong the case here at all, but to show you the equitability of this tax I would just like to refer to a table here that I have in my hand that has a listing of all severance taxes on major resources by states beginning — ending with the year 1956, they begin with Alabama, Arkansas, California, Colorado, Florida, Georgia, Idaho, Indiana, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Montana, Nevada, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Virginia and Wyoming and there may be some in addition to that time there.

I would like to review briefly if I can the arguments for a severance tax and the arguments against it and you can weigh this for yourself. Usually the arguments for a severance tax is number one, because they are — administratively they are easy to administer as opposed to a property tax. Number two, there are conservation arguments and the arguments of natural heritage that the government in some way or other should share part of the wealth of these natural resources. Number three, there is the argument of absentee ownership, that the State should in some way share in the wealth that is produced within the state instead of having to cut down on the revenue that is leaving the state. Number four is the argument of revenue productivity.

The arguments against the severance tax was number one, that it interferes with local financing, that it is unpredictable, that we have the question of how should the tax be distributed. Should it be distributed on the basis of origin or should it be distributed on some other basis? The arguments against the severance tax I have been very care-

ful in the drafting of my bill to take care of, and in this way here, and all the research work that I did, and all the severance tax experts, they all seem to agree that a severance tax should not be combined with a conservation law. That's number one. Number two here, says this severance bill here appears on your calendar, it in no way whatsoever changes the present manner or mode of property tax. Number two here, I have also handled the difficulty of how should the tax be distributed, and we avoid the difficulty that goes on and I think the main point of criticism here against the New Hampshire severance law is because the money comes into the general state fund and again we stay away from the problem of disturbing the local finance picture.

I should briefly handle the question here possibly of why this tax. I think any tax that we pass really is a serious problem and deserves our serious deliberation, and I think simply you can break taxes down into two categories. You can take the type of a tax there for instance that shifts income from one area of the economy to another area, and you can take the second type of tax which I would list as a progressive tax where instead of shifting income from one area of the economy to the other, the effect of that tax would be to increase real income.

Now I have had distributed on your desks this morning some papers which I would like to have you look at with me. The heading on one of the papers is called "Timber Consumption for the Year 1957." These were the latest figures which I received from the Forestry Department and they are figures released on pulpwood, hardwood and softwood for the year 1957 and they are only those figures of all companies reporting to the Maine Forestry Department. You will notice on the top of that sheet that in 1957 in pulpwood over 2,000,000 cords were consumed by these reporting corporations. In hardwood there were over 127,000,000 board feet, and in softwood there were over 400,000,000 in board feet. The severance bill as you have it before you, the tax factors

applied there are fifty cents a cord and twenty cents per thousand board feet. Based upon timber consumption for 1957, which is a very low year in Maine, the estimated revenue if we apply the fifty cent factor times the pulpwood times the hardwood and softwood consumed there, and it would bring in State revenue \$1,186,000.

Now why do I feel this is a good tax? For this reason here. I have number one, I have had to very seriously determine the ability of the people who are going to have to pick up the burden of this tax, their ability to pay. Number two, if you will take a look at the bottom of that sheet there, the people who have to assume the main burden of this tax I am presuming that they belong in the federal income tax excess profits tax structure there, and as we know, any firm earning under \$25,000 a year they must pay to the federal government thirty percent of their gross income. If they earn anywhere over \$25,000 a year they must pay fifty-two percent of their income to the federal government there. So although the revenue there that this tax would bring in for the state would be \$1,186,000 giving the federal income tax structure the real estimated cost per year based on 1957 figures would be a little over a half a million dollars. The other half a million dollars here would be recaptured federal income tax money. That is point number one as why I think this is an equitable and economically a sound tax.

Point number two here I would like to relate, and I don't have my latest income analysis figures because I released that to the committee and I haven't received them yet, but I have my analysis up to the year 1955, and I would like to give you an example and to quote from here as to how this tax would work. Number one, we should understand that a severance tax is a shifted tax although the severer becomes the collector of the tax, it works in the same sense as the sales tax works upon consumer items where the burden of the tax is passed on to the purchaser or to the user. Now obviously in the State of Maine here I have a list of pulpwood companies here and

the hardwood consumers and softwood consumers. Most of them do fall into the high fifty-two percent federal tax bracket. Now I can just take one here for instance, Great Northern Company in the year 1951. They paid to the federal government over \$7,000,000 in taxes, they had a net income there after all taxes were removed of nearly \$5,000,000. Now I go up to the year 1955 because those are my latest figures on the sheet that I have before me, my other I don't have, in the year 1955 their payments to the federal government in federal taxes were \$4,600,000, their net income was over \$4,900,000. According to information released by the Great Northern Paper Company there, their maximum consumption of pulpwood per year is 600,000 cords. Now if this tax were in effect at that time in 1955 and assuming that they did consume in their production process there they did consume 600,000 cords of pulpwood, their tax to our state government here would be \$300,000. Now how would that affect their income structure there? Well instead of paying to the federal government \$4,600,000, they would have paid \$4,450,000. In other words the \$300,000 that they would pay to us in state revenue there, would be deducted and would be minus on their gross income. Their net income instead of being \$4,900,000 would have been \$4,814,000, so really what they would be paying in the way of state revenue would not be \$300,000 but would be \$150,000.

I feel that I could—I don't know whether I will be asked the questions, and I don't want to prolong the debate here. I have all the figures on all the other states, all the severance taxes that they use. I have figures on all the different types of forest taxes if I am asked those questions, and I can provide you with the answers. The tax factors that we are using here are comparable to New Hampshire law and a little bit less. I would only go back further, and I am not going to take up any more of your time. I think this morning we saw fit to recognize needs and the House must have indicated their willingness to finance those needs. I am in sympathy with the needs of the

stockholders of the railroads of Maine. I am in sympathy also with the long overdue and the neglected needs of our aged in the State of Maine. If we have indicated our willingness and we have recognized the needs of stockholders of the railroad companies of Maine, I am asking you people today to recognize the needs of our aged and to recognize the needs of our school children and to support this tax. And I would like to remind all those who filed the other L. D.'s over and above the Governor's recommendations for our teachers colleges that they must be financed, and I have financed them in this bill. I hope that I will not stand alone.

The SPEAKER pro tem: The Chair recognizes the gentleman from Harrison, Mr. Pitts.

Mr. PITTS: Mr. Speaker and Ladies and Gentlemen: This tax may be all right, but I would like to go on record as opposing it. Here is the way it would work down in Cumberland County. Down there now seventy-five percent of the pulpwood operated is hardwood which the bulk of that goes to the S. D. Warren Company. We get at roadside for that \$10.50 a cord, we pay \$5.00 for cutting it and \$4.00 for yarding it which leaves \$1.50 for stumpage, and it takes a lifetime to grow a stand of hardwood. Now if they take the tax out of this, it will mean a thirty-three and one-third percent tax. I haven't got a lot of figures to back up my statement but it is a fact. Anybody from that section will tell you in those three towns that I represent that that is the price we get for pulpwood and we get \$1.50 a cord for stumpage. If we have to pay fifty cents a cord of that for taxes, it looks to me as if we might just as well quit selling pulpwood.

The SPEAKER pro tem: The Chair recognizes the gentleman from St. Albans, Mr. Hughes.

Mr. HUGHES: Mr. Speaker, I am not going to speak for the bill or against the bill, but I would like to direct a question to the gentleman from Madawaska, Mr. Rowe.

The SPEAKER pro tem: The gentleman may proceed.

Mr. HUGHES: I notice the factors that are used in this computation

are fifty cents per cord and twenty cents per thousand board feet of lumber. It is quite common knowledge that it takes approximately two cords of pulpwood to make one thousand board feet, which to me seems to make the thing kind of inconsistent. I wonder if he could answer that question.

The SPEAKER pro tem: The gentleman from St. Albans, Mr. Hughes, has directed a question to the gentleman from Madawaska, Mr. Rowe, who may answer if he so chooses.

Mr. ROWE: Mr. Speaker and Members of the House: I am quite aware, if I may answer the question, of the number of feet in a cord, and I can only answer the question in this way, and the difference here is of course something that rests in your good judgment whether it should be there or whether they should be equalized, but in all states, particularly Mississippi would be one outstanding example, where the factors vary from item to item, and the severance experts have agreed there that administratively again it is very, very difficult to administer this type of law if you are going to have a multiple type of multiple value forms on different types of wood, but as I say again, that is all within the good judgment of the members of the House whether or not they feel that the factors should be equalized.

The SPEAKER pro tem: Does the gentleman consider his question answered?

Mr. HUGHES: I do not really consider the question answered, perhaps there is no answer, but that didn't do it.

The SPEAKER pro tem: The Chair recognizes the gentleman from Perham, Mr. Bragdon.

Mr. BRAGDON: Mr. Speaker, the gentleman from Madawaska has dealt wholly upon the tax on wood products in his presentation. I notice in reading the bill he has set up several other items of severance tax which I assume are included. One that I notice in particular is the tax on gravel. I wonder who is going to pay this tax, the guy that has got the gravel or are we going to have it added to the cost of our tremendous road construction program. That could

be a question if the gentleman cares to answer it.

The SPEAKER pro tem: The Chair recognizes the gentleman from Madawaska, Mr. Rowe.

Mr. ROWE: Mr. Speaker, in answer to the question of the gentleman from Perham, Mr. Bragdon, I would simply ask him, under consideration now is L. D. 1272, and section 1 clearly provides that this is a tax upon wood timber, and I might ask him what L. D. does he have under study at the moment?

The SPEAKER pro tem: The Chair recognizes the gentleman from Perham, Mr. Bragdon.

Mr. BRAGDON: I am referring to L. D. 1271, is that correct? I did this very hastily.

The SPEAKER pro tem: No, we are talking about 1272.

Mr. BRAGDON: I'm sorry.

The SPEAKER pro tem: The Chair recognizes the gentleman from Bangor, Mr. Cousins.

Mr. COUSINS: Mr. Speaker, Ladies and Gentlemen of the House: I will make my remarks very few and brief. Basically, the gentleman from Madawaska, Mr. Rowe, wants to levy a tax upon your wood industry, and I maintain, and so did the members of the Taxation Committee, that we are tampering with something which deserves better treatment than casually imposing a tax upon them. It was illuminating to notice that he picked out in showing the great amount of money that the various companies are making and their ability to pay the taxes, the years 1951 and 1955. Now if you remember back in the year 1951 and the year 1955 that was before the situation in the pulpwood industry and the newsprint industry had come to the point where we had a surplus of manufacturing capacity in the United States. Back in those days just as fast as they could turn out a roll of newsprint in Great Northern or St. Croix or Madawaska or anywhere else, there was a market for it. They needed newsprint. The same is not true now. Certainly the paper companies made money and they need to make money. Any corporation has to make money because they need a continual flow of capital for expansion and I call to your attention

the vast amounts of money spent for expansion within this State since World War II, expansion which has meant new jobs and money for people all over the State. As a matter of fact you all know from other speeches and from your reading that approximately one in three people in the State of Maine owe their livelihood to the paper industry, the forest industry in one way or the other.

Last year, 1958, Great Northern Paper Company had a net of \$628,000 which is far from the five, six and seven million dollar figure back before their sales market fell out from under them. They paid income taxes to the federal government in 1958 of \$711,000 and I get these figures from a report in the Portland Sunday Telegram, April 26, 1959.

I learned something in these hearings before the Taxation Committee that I did not know. I have always assumed that we produced pulpwood at a rate and at a cost in the State of Maine which compared favorably with other areas. I knew that there had been a tremendous growth in the wood producing areas in the south with the factories down there coming in, the plants coming in, but I still assumed that we were competitive and I was shocked to find that you can buy a ton of pulp in the State of Maine landed here for less than it costs to produce a ton of pulp in the State of Maine today. That is a shocking thing. And I am not talking about the so-called Russian pulpwood. You all know that they are landing pulpwood in the United States or have landed some in the United States and are selling it below cost which is part of their scheme of world conquest evidently, but you can buy from American mills in areas other than the north-eastern part of the United States a ton of pulpwood at less than you can produce it in the State of Maine.

This severance tax is a tax on a tax. Sure our mill tax is 7¼ mills, but in addition to that you have got the other taxes enumerated by the gentleman from Verona, Mr. Walsh. Actually they are paying over a million and a half dollars in taxes on their wildlands. Then you would throw on top of it a severance tax. I tell you that we

are fooling around with something that we don't want to, because our pulpwood industry and our timber industry isn't the solid thing that it was, and we can hurt not only our general tax situation eventually, but we can hurt an awful lot of jobs and hurt the State of Maine tremendously, and I certainly hope that the motion of the gentleman from Verona, that the bill be indefinitely postponed prevails.

The SPEAKER pro tem: The Chair recognizes the gentleman from Madawaska, Mr. Rowe.

Mr. ROWE: Mr. Speaker, I promise I won't take any more of your time other than three paragraphs here in reference to all the difficulties that have been brought up, and I think no finer thing that I could do than as to let a spokesman for the industry speak for himself in answer to the difficulties that have been brought up. I have in my hand here, this is not this year, this goes back as far as November 12, 1958, it appeared in the Bangor News, it comes from Portland, November 11, and the title on it says: "New England to Hold Own in Pulp Industry." I would like to read two short paragraphs there. "New techniques in hardwood pulping, the proximity of manufacturing facilities to large metropolitan areas in an era of rising transportation costs, and the traditional skills of New England paper makers are among the factors which promise to enable New England to maintain its present position in the pulp and paper industry," John E. Cowles, treasurer of St. Regis Paper Company told a meeting at the Portland Club here tonight." It goes on to say here: "Turning to the long-term outlook for the paper industry, Cowles cited the recent report of the Congressional committee on interstate and foreign commerce, which forecast in its report entitled, 'Pulp, Paper and Board Supply-Demand,' that demand will grow to 43,800,000 tons by the year 1965. This predicted demand would be an increase of 43 percent over 1957 production, Cowles said." The fifty cents per cord I think is really peanuts, I really do in my sincere feeling and judgment on it. It is up to you to decide for yourselves whether this is worth-

while to stack up against the needs that I have mentioned. I request a division.

The SPEAKER pro tem: The question before the House is the motion of the gentleman from Verona, Mr. Walsh, that the House indefinitely postpone the Report and all its accompanying papers on Bill "An Act relating to Additional Revenue by Severance Taxes on Severer of Timber or Producer of Timber Products", House Paper 903, Legislative Document 1272. A division has been requested.

Will those who favor the motion to indefinitely postpone, please rise and remain standing until the monitors have made and returned the count.

A division of the House was had.

Seventy-eight having voted in the affirmative and twenty-eight having voted in the negative, the Report and Bill were indefinitely postponed and sent up for concurrence.

At this point Speaker Edgar returned to the rostrum.

SPEAKER EDGAR: The Chair would take this opportunity to thank the gentleman from Houlton, Mr. Ervin, very much for his services as Speaker pro tem.

Thereupon, the Sergeant-at-Arms conducted the gentleman from Houlton, Mr. Ervin, to his seat on the Floor, amid the applause of the House, and Speaker Edgar resumed the Chair.

The SPEAKER: The Chair now lays before the House the fifth tabled and today assigned matter, Resolve Opening Long Lake, Aroostook County, to Smelt Fishing, House Paper 720, Legislative Document 1025, tabled on May 11 by the gentleman from Madawaska, Mr. Rowe, pending further consideration. In the House this Resolve was passed to be engrossed as amended by Committee Amendment "A". In the Senate engrossed as amended by Committee Amendment "A" and Senate Amendment "A" in non-concurrence. The Chair recognizes the gentleman from Madawaska, Mr. Rowe.

Thereupon, on motion of that gentleman, the House voted to recede and concur with the Senate.

The SPEAKER: The Chair now lays before the House the sixth tabled and today assigned matter, Bill "An Act Concerning Liability of Parents for Damage by Children," Senate Paper 58, Legislative Document 91, tabled on May 11 by the gentleman from South Portland, Mr. Earles, pending passage to be enacted, and the Chair recognizes that gentleman.

Mr. EARLES: Mr. Speaker and Ladies and Gentlemen: The purpose for which this was tabled until today not having been consummated, I would respectfully urge that you accept my motion to table this L. D. 91 and that it be specially assigned for tomorrow pending passage to be enacted.

The SPEAKER: The gentleman from South Portland, Mr. Earles, moves that this matter be tabled and specially assigned for tomorrow pending passage to be enacted. Is this the pleasure of the House? The motion prevailed.

The SPEAKER: The Chair now lays before the House the seventh tabled and today assigned matter, Bill "An Act to Continue the Citizens Committee on Survey of State Government," Senate Paper 321, Legislative Document 897, tabled on May 12 by the gentleman from Rockland, Mr. Knight, pending passage to be enacted. A roll call was ordered on this motion. The question before the House is on the final enactment.

The Chair recognizes the gentleman from Rumford, Mr. Aliberti.

Mr. ALIBERTI: Mr. Speaker, due to the fact that the gentleman who tabled this bill is not present today, I would like to move that this be tabled until tomorrow.

The SPEAKER: The gentleman from Rumford, Mr. Aliberti, moves that this bill be retabled and be specially assigned for tomorrow pending passage to be enacted. The Chair recognizes the gentleman from Rumford, Miss Cormier.

Miss CORMIER: Mr. Speaker, I would request a division.

The SPEAKER: A division has been requested.

Will all those who favor the motion to retable and specially assign for tomorrow rise and remain

standing until the monitors have made and returned the count.

A division of the House was had.

Fourteen having voted in the affirmative and eighty-eight having voted in the negative, the motion did not prevail.

The SPEAKER: The Chair recognizes the gentleman from Belfast, Mr. Rollins.

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

The SPEAKER: The gentleman from Belfast, Mr. Rollins, has moved the previous question. For the Chair to entertain the motion for the previous question, the Chair must receive the authorization of one-third of the members of the House. Will those who favor the Chair entertaining the motion for the previous question please rise and remain standing until the monitors have made and returned the count.

A sufficient number did not arise.

The SPEAKER: One-third not having arisen, the Chair is not authorized to entertain the motion for the previous question. The pending question is the passage to be enacted of this Bill.

This being an emergency measure, it requires the approval of two-thirds of all the members of the House. A roll call has been ordered.

The Chair will restate the question. The question is on the passage for enactment of this measure. If you favor the passage for enactment of this bill, you will say "yes" when your name is called. If you are opposed to the passage for enactment, you will say "no." The Clerk will call the roll.

ROLL CALL

YEA — Aliberti, Bacon, Barnett, Baxter, Beane, Boone, Bragdon, Briggs, Brown, Cape Elizabeth, Brown, Ellsworth; Cahill, Caron, Caswell, Clark, Cormier, Cote, Cousins, Couture, Cox, Coyne, Cyr, Augusta; Cyr, Fort Kent; D a n e s, Davis, Westbrook; Dean, Desmarais, Dostie, Dudley, Dufour, Dumais, Earles, Edgerly, Edwards, Raymond; Emmons, Ervin, Gallant, Hanson, Lebanon; Harrington, Harris, Haughn, Heald, Healy, Hendricks, Hendsbee, Hilton, Hodgkins, Jacques, Jalbert, Jewell, Johnson, Karkos, Kellam, Kilroy, Knapp, La-

charite, Lancaster, Lane, Lantagne, Lebel, Lemelin, Letourneau, Lindsay, Linnell, Lowery, Mathews, Maxwell, Mayo, Miller, Morse, Nadeau, Perry, Easton; Perry, Hampden; Pert, Pike, Pitts, Plante, Porell, Prue, Reed, Rollins, Rowe, Limerick; Rowe, Madawaska; Russell, Sanborn, Saunders, Smith, Falmouth; Stanley, Tardiff, Treworgy, Wade, Walls, Walsh, Warren, Wheaton, Whiting, Young.

NAY — Baker, Brockway, Call, Carter, Christie, Crockett, Curtis, Davis, Calais; Dennett, Dennison, Dodge, Dumaine, Dunn, Hancock, Hanson, Bradford; Hardy, H o b b s, Hughes, Kennedy, Mathieson, Philbrick, Rankin, Smith, E x e t e r; Storm, Trumbull, Walter, Weston, Winchenpaw.

ABSENT — Berman, Brown, Bangor; Carville, Chapman, Gardiner; Chapman, Norway; Choate, D o w, Doyle, Edmunds, Edwards, Stockton Springs; Frazier, Good, Graves, Hutchinson, Jewett, Jones, Kinch, Knight, Maddox, Monroe, Moore, Parsons, Shepard, Turner, Whitman, Williams.

Yes 96; No 28; Absent 26.

The SPEAKER: Ninety-six having voted in the affirmative, twenty-eight having voted in the negative with twenty-six absentees, the Bill fails of enactment.

Thereupon, the bill was placed on file and sent up for concurrence.

The gentleman from Fairfield, Mr. Lemelin, was granted unanimous consent to address the House.

Mr. LEMELIN: Mr. Speaker, I would ask the Sergeant-at-Arms to escort Miss Mary Ann Gurney, who is at the rear of the Hall, to the rostrum.

The SPEAKER: At the request of the gentleman from Fairfield, Mr. Lemelin, the Chair would request the Sergeant-at-Arms to conduct to the rostrum Miss Mary Ann Gurney of Fairfield. (Applause, members rising)

Mr. LEMELIN: Mr. Speaker and Ladies and Gentlemen of the House: Last Monday a little boy about four years old playing with his playmates along the river, fell into the icy waters of the Kennebec River, and the young Miss Gurney that

we have before us, hearing the child's cry jumped into the icy waters and rescued that little four-year old boy, and I assure you that the people of my town are very proud of Mary Ann Gurney who I now present to you.

The SPEAKER: The Chair is honored to present this young lady to the House. (Prolonged Applause, members rising)

The Chair deems it an honor and a privilege to have as its guest this young lady on the rostrum.

The Chair recognizes the gentleman from Bangor, Mr. Stanley.

Mr. STANLEY: Mr. Speaker, this is one time when the parents can be very happy about the acts of their children.

House at Ease

Called to order by the Speaker.

The SPEAKER: Again the Chair would express its deep appreciation of what this young lady has done, and if she will stay on the rostrum with me until we adjourn, I will be very happy to have you stay here.

The SPEAKER: Under Orders of the Day the Chair now lays before the House, item number one under Reports of Committees on page 2 of the calendar which was tabled earlier in today's session by the gentlewoman from Presque Isle, Mrs. Christie, and specially assigned for later in today's session, "Ought not to pass" Report of the Committee on Appropriations and Financial Affairs on Bill "An Act Appropriating Moneys for Landscaping at Aroostook State Teachers' College," House Paper 379, Legislative Document 562.

The Chair recognizes the gentlewoman from Presque Isle, Mrs. Christie.

Thereupon, on motion of that gentlewoman, the "Ought not to pass" Report was accepted and sent up for concurrence.

On motion of Mr. Wade of Auburn,

Adjourned until nine o'clock tomorrow morning.