

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

SENATE

Thursday, June 4, 1959

Senate called to order by the President.

Prayer by Captain William Ash of the Salvation Army, Augusta.

On motion by Mr. Stilphen of Knox,

Journal of yesterday read and approved.

Papers from the House

Bill, "An Act Restating and Revising the Law Governing Insurance Companies, Agents, Brokers and Fees." (H. P. 928) (L. D. 1312)

In Senate on June 2, passed to be engrossed as amended by Senate Amendment A (Filing No. 458) in non-concurrence.

Comes from the House, that body having insisted upon its former action whereby the bill was passed to be engrossed (without amendment), now asks for Committee of Conference.

The Speaker appointed as conferees on the part of the House, Representatives:

DENNETT of Kittery
HUGHES of St. Albans
SANBORN of Gorham

In the Senate, on motion by Mr. Carpenter of Somerset, the Senate voted to insist and join, and the President named as Senate Conferees, Senators: Carpenter of Somerset, Parker of Piscataquis and Lessard of Androscoggin.

Bill, "An Act Permitting Injured Employee Under Workmen's Compensation Act to Choose Physician from Panel Named by Employer." (S. P. 346) (L. D. 973)

The Senate accepted the Minority Report (OTP) of the Committee on Labor, and on June 2 passed the bill to be engrossed as amended by Senate Amendment A (Filing No. 459) and Senate Amendment B (Filing No. 460)

In House, Majority Report (ONTP) accepted in non-concurrence.

In the Senate, on motion by Mr. Hunt of Kennebec, the Senate voted to insist and join, and the President named as Senate Conferees Senators Bates of Penobscot, Pierce of Hancock and Hunt of Kennebec.

Conference Committee Report

The Committee of Conference on the disagreeing action of the two branches of the Legislature, on Bill, "An Act Exempting Certain Fraternal Societies from Property Taxes." (S. P. 473) (L. D. 1338) reported that they are unable to agree.

Which report was read and accepted in concurrence.

House Committee Reports
Majority — OTP New Draft A
Minority — OTP New Draft B

The Majority of the Committee on Appropriations and Financial Affairs on Bill, "An Act to Allocate Moneys for the Administrative Expenses of the State Liquor Commission for the Fiscal Years Ending June 30, 1960 and June 30, 1961." (H. P. 130) (L. D. 188) reported same in **New Draft A** (H. P. 978) (L. D. 1389) under same title, and that it ought to pass.

(Signed)

Senators:

ROGERSON of Aroostook
DUQUETTE of York

Representatives:

EDWARDS of Raymond
JACQUES of Lewiston
DAVIS of Calais
BRADGON of Perham

The Minority of the same Committee on the same subject matter, reported same in **New Draft B** (H. P. 979) (L. D. 1390) under same title, and that it ought to pass.

(Signed)

Senator

PIERCE of Hancock

Representatives:

BROWN of Ellsworth
SMITH of Falmouth
STANLEY of Bangor

In House, Majority Report accepted and bill in **New Draft A** passed to be engrossed.

In the Senate, on motion by Mr. Rogerson, the Majority report, ought to pass in new draft A was accepted in concurrence and the bill was read once; under suspension of the rules, the bill was read a second time and passed to be engrossed.

Majority — ONTP**Minority — OTP New Draft**

The Majority of the Committee on Welfare on recommitted Bill, "An Act Repealing Relative Responsibility in Old Age Assistance, Aid to the Blind and Aid to the Disabled." (H. P. 19) (L. D. 28) reported that the same Ought not to pass

(Signed)

Senators:

ROSS of Sagadahoc

Representatives:

STORM of Sherman

HARRINGTON of Patten

HANSON of Bradford

HANCOCK of Nobleboro

The Minority of the same Committee on the same subject matter reported bill in New Draft (H. P. 963) (L. D. 1365), under New Title: "An Act Relieving Children and Certain Relatives of Financial Responsibility in Old Age Assistance, Aid to the Blind and Aid to the Disabled." and that it Ought to pass.

(Signed)

Senator

BOUCHER of Androscoggin

Representatives:

REED of Woolwich

HEALY of Portland

RUSSELL of Portland

In House, Minority Report accepted and bill in New Draft passed to be engrossed.

In the Senate:

Mr. ROSS of Sagadahoc: Mr. President and members of the Senate, I am sure we all have compassion for our older citizens. I certainly wish that something could be done for these old age assistance recipients. To this end I suggested two things. One would be changing the schedule which tells the amount they have to pay now, or I suggested including three hundred thousand dollars in the supplemental budget for hospital aid, because when our older persons need help, they need it at no greater time than when they are hospitalized. But I understand that this item was deleted after consultation with the leadership of both parties.

Now, this bill concerns relative responsibility. As you probably know, at the present time, a child

must help contribute toward the support of his parents. There is a detailed chart and it shows the basis of the amount that he will contribute based upon his earnings and his dependents. If this legislation were passed no child would be required to help support his parents no matter how much money he made.

It is estimated that sixteen hundred persons would be helped at an approximate cost of a million two hundred and fifty thousand dollars but these sixteen hundred persons are the present cases, the known cases at the present time. If we should open this door wide and do away with it in its entirety the Lord only knows how many applicants there would be, but it might well run in to several millions of dollars. I repeat that I certainly would like to do something for these persons but I don't believe that we can afford this bill. It is with regret and still having respect and concern for our older persons in the state, that I now move indefinite postponement of the bill and accompanying papers.

Mr. BOUCHER of Androscoggin: Mr. President, I move that this bill lie upon the table until tomorrow.

Mr. ROSS of Sagadahoc: Mr. President, I request a division on the tabling motion.

A division of the Senate was had. Eight having voted in the affirmative and eighteen opposed, the motion to table did not prevail.

The PRESIDENT: The pending question is on the motion of the Senator from Sagadahoc, Senator Ross, that L. D. 28, in new draft, L. D. 1365, and both reports be indefinitely postponed.

Mr. BOUCHER of Androscoggin: Mr. President, I am sorry I was refused the privilege of tabling this bill until tomorrow. I have a lot of information on this subject coming from the producer of the bill. I have not been able to get it this morning. I was hoping to have it this afternoon and be able to debate it tomorrow morning. But I disagree with everything the Senator from Sagadahoc, Senator Ross said about the bill. It is a very good bill. It takes care of our older citizens whose children do not want

to make reports to the state, and the parents do not want to sue the children for support.

There are hundreds of cases where children refuse to support, refuse to file these statements of how much they earn so the parents suffer for it. The only thing I think where I differ with Senator Ross is the fact that he said it can't be done. In the French language there are no such words that say "It can't be done". It always can be done. You must find a way to do it. I know a lot of things in this legislature and in past legislatures where they said the story was that the money couldn't be found to do the things we wanted to do. I heard of "phantom revenue" at the last minute of one session, so that things could be done. I have heard of revising the figures of the budget at different times so that things could be done. There is a possibility that this could be done.

I wanted to advance this to the point where it would get on that famous table of needs and money. Senator Ross of Sagadahoc admits that he knows the need is there, he knows what is happening in the state, he knows that people are suffering because of the statements that have to be filed under the present law but there is only one thing he does not know how to do and that is to find the money.

I can assure the good Senator that if this Senate and the other Body want to find the money they could, I am very glad that he did not argue the demerits of this bill because I can't see any. I am glad he and I both agree that this bill is full of merit and the only question is the money. I am pleading with you to vote against indefinite postponement so that the bill may live to see the appropriations table, that famous table and if it had to die, let it die in the last hours of this legislature.

The PRESIDENT: The pending question is on the motion of the Senator from Sagadahoc, Senator Ross, that the bill be indefinitely postponed.

Mr. BOUCHER of Androscoggin: Mr. President, I ask for a division.

Mr. FARLEY of York: Mr. President, I voted not to table the bill. I am going along with Senator Ross,

and that is something new. I am going along on this. It is only an isolated case, but a gentleman in the other branch five months ago sent me a letter with reference to the mother of a lady in my community who was after some assistance. In the routine of checking they had discovered that the daughter was in a fine position and so was her husband and neither had any children. This member of the other branch wrote to me to confirm that and I checked.

Both were able and capable not only to take care of the mother but they could have taken care of two or three children if they had them. It is only an isolated case but I think it is something worth considering. It is getting pretty bad when those who have brought up their children and tried to teach them responsibility, get to the age when they are unable themselves to earn enough to get by on. I am going to support the Senator from Sagadahoc, Senator Ross, and it is quite a change for me.

Mr. ROSS of Sagadahoc: Mr. President, the Senator from Sagadahoc certainly appreciates the support of the Senator from York, Senator Farley. I am delighted that he is going to support me, but I certainly do agree with the Senator from Androscoggin, Senator Boucher, that this would be a good bill if we had the money, but just laying this on the Appropriations Table to see whether money will be available at the end would not necessarily accomplish the means because if there is money that can be found then we can put into the supplemental budget an item to cover more help for our old age recipients and it doesn't necessarily have to go along with this bill.

The PRESIDENT: The question is on the motion of the Senator from Sagadahoc, Senator Ross, that the bill be indefinitely postponed; a division has been requested.

A division of the Senate was had.

Twenty having voted in the affirmative and six opposed, the motion to indefinitely postpone prevailed.

Mr. STILPHEN of Knox presented the following Order and moved its passage:

ORDERED, the House concurring, that the Joint Standing Highways Committee be instructed to originate a bill setting the date in 1959 on which the people will vote upon the several bond issues authorized by the 99th Legislature in regular session.

Which Order received a passage.

On motion by Mr. Stilphen of Knox, ordered sent forthwith to the House.

Mr. ROSS of Sagadahoc presented the following Order and moved its passage:

ORDERED, the House concurring, that the Joint Standing State Government Committee be instructed to originate a bill providing for the date when the amendment to the Constitution to provide continuity of government in case of enemy attack, previously passed by this Legislature, shall be voted upon.

Which Order received a passage.

On motion by Mr. Ross of Sagadahoc, ordered sent forthwith to the House.

Senate Report Committee of Conference

The Committee of Conference on the disagreeing action of the two branches of the Legislature on Bill, "An Act Relating to Fishing for White Perch." (H. P. 88) (L. D. 135) reported that they are unable to agree.

On motion by Mr. Briggs of Aroostook the report was read and accepted.

Sent down for concurrence.

Orders of the Day

On motion by Mr. Dow of Lincoln, the Senate voted to take from the table the 8th tabled item being House Reports from the Committee on Education: Majority Report, Ought to pass as amended by Committee Amendment B; Minority report, Ought to pass as amended by Committee Amendment A; on bill, "An Act to Authorize the Construction of Housing for the University of Maine and the Issuance of not Exceeding \$24,000,000 Bonds of the State of Maine for the Financing Thereof." (H. P. 108) (L. D. 181) tabled by that Senator on May 27 pending acceptance of either report;

and on further motion by the same Senator, the Minority report, ought to pass as amended by Committee Amendment A was accepted and the bill read once; Committee Amendment A was read and adopted, and under suspension of the rules, the bill was read a second time and passed to be engrossed in non-concurrence.

On motion by Mr. Rogerson of Aroostook, the Senate voted to take from the Special Appropriations table Bill, "An Act Establishing a Minimum Wage" (S. P. 472) (L. D. 1337) tabled previously by that Senator pending enactment; and on further motion by the same Senator, under suspension of the rules, the Senate voted to reconsider its former action whereby the bill was passed to be engrossed.

On motion by Mr. Ross of Sagadahoc, under suspension of the rules, the Senate voted to reconsider its former action whereby it adopted Senate Amendment F to the bill; and on further motion by the same Senator, under suspension of the rules, the Senate voted to reconsider its former action whereby it failed to adopt Senate Amendment A to Senate Amendment F.

Mr. ROSS of Sagadahoc: Mr. President, we are talking about the minimum wage law and Senate Amendment A to Senate Amendment F. was offered two days ago, and this concerns persons attending an educational institution or on vacation therefrom. This was the language in the original bill. It was not added to "councilors" but "councilors" was added to it, and without this amendment it is my contention that many boys and girls in school at the present time will definitely be deprived of jobs in the future, so I move, without further debate, that Senate Amendment A to Senate Amendment F be adopted.

Mr. LESSARD of Androscoggin: Mr. President and members of the Senate, this is the very same question that was taken up here this past week on the same kind of amendment. You will recall that at that time I said that it would allow the exploitation of our boys and girls going to college and high school and it would be possible to get them to work at a much lesser price than

the dollar minimum. I still maintain that a boy or girl attending college, with the costs of going to college nowadays should be offered an opportunity to get a dollar an hour, and I abhor the situation whereby our high school children on their vacation time are exploited by the chain stores who pay them thirty or forty or fifty cents an hour.

I appreciate the fact that the matter has been taken up in caucus and I appreciate the fact that it has been decided to let the amendment go through. I, nevertheless, want to register my opposition to the amendment, and when the vote is taken I ask for a division.

The PRESIDENT: The pending question is on the adoption of Senate Amendment A to Senate Amendment F.

A division of the Senate was had. Nineteen having voted in the affirmative, and seven opposed, the motion prevailed, and Senate Amendment A to Senate Amendment F was adopted.

Thereupon, Senate Amendment F as amended by Senate Amendment A thereto was adopted and the bill was passed to be engrossed in non-concurrence.

On motion by Mr. Wyman of Washington, the Senate voted to take from the table the 4th tabled item being, bill, "An Act Relating to Hours, Vacations and Sick Pay for County Personnel." (H. P. 922) (L. D. 1304) tabled by that Senator on May 4 pending enactment; and on further motion by the same Senator, the bill was indefinitely postponed, in non-concurrence.

On motion by Mr. Wyman of Washington, the Senate voted to take from the table the 2nd tabled item being House Reports from the Committee on Taxation: Report A, Ought to pass; Report B, Ought not to pass, on bill, "An Act Relating to Taxation of Manufacturers' Inventories." (H. P. 509) (L. D. 722) tabled by that Senator on April 16 pending acceptance of either report.

Mr. WYMAN of Washington: Mr. President and members of the Senate: I move the indefinite postponement of this bill and both reports.

We plan on spending \$50,000 to study our tax problems. It seems to me it would be well to wait until we find out the results of this study before we attempt to change the method of assessing personal property in our municipalities.

Mr. HILLMAN of Penobscot: Mr. President and members of the Senate: The tax study would not have any effect upon this measure in any way, shape or manner. Our present law states that all personal property and real estate will be assessed and taxed as of April 1st. Most cities and towns in the State of Maine make every attempt to get industry in their towns. Most of these industries are of a manufacturing type, like shoe factories and other things like that. They carry a heavy inventory on April 1st. We know that that is unfair, so the City of Bangor and other towns throughout the State of Maine have taxed on a twelve months basis. In all fairness, there is some fault with that. For instance, if the assessors put a high valuation on personal property on any particular industry on a twelve-months basis the person being assessed cannot take it to court or cannot take it to the County Commissioners, because the city is taxing illegally. The statute says that the taxes should be assessed as of April 1st. I have a memo here from the Department of Taxation which says:

"The bill does not make taxable anything that is now exempt under the statutes. The bill simply provides that manufacturers' inventories of raw materials, unfinished and finished goods, shall be taxed on the basis of the average amount held by the taxpayer during the preceding year. At the present time such inventories are taxable, and are universally taxed; but until now have been taxed on the basis of the quantity on hand on April 1 rather than on an average.

"The bill is considered by this office to be necessary because of the effect of the decision of the Maine Law Court in the case of N. J. Gendron Lumber Company vs. Inhabitants of Hiram, 151 Me. 450.

"The foregoing decision was handed down in February of 1956. Prior to that time it was generally understood that manufacturers' inven-

tories were taxable on the basis of the quantity on hand on April 1 each year. The decision in the Gendron case cast very serious doubt as to whether such inventories should be taxed on the basis of the quantity on hand on April 1 or on the basis of the average quantity kept on hand for the preceding year. The only purpose of the bill is to resolve this doubt.

The question is not academic. A very difficult situation arose last year in the City of Bangor in connection with certain manufacturers. In that case the manufacturers took the position that the Gendron case applied and that the assessment should be on the basis of the average quantity on hand. It was because of this situation which had already arisen in Bangor, and which we know would arise again in other areas, that this office felt it was necessary for the law to be amended so that there would be no doubt."

Therefore, the motion to indefinitely postpone would be working a hardship on all of the areas in the State of Maine. As far as the tax study that the Senator from Washington, Senator Wyman referred to, I do not think it would have any effect on this particular situation. I hope that the motion will not prevail.

Mr. COFFIN of Cumberland: Mr. President and members of the Senate: I rise in opposition to the good Senator from Washington, Senator Wyman.

I come from a town that has several quite large shoe factories, and we have other manufacturers besides. We have run into this difficulty with the personal property tax relative to inventories.

Now we do have two companies that are in the habit of taking monthly inventories, and with these two we have no trouble whatsoever. They apparently total up twelve figures and divide them by twelve and give us an average figure, and we are very much satisfied with the tax return which they send to the board of selectmen. However, we are having considerable trouble with several others that see fit not to give us a correct inventory, and if they do give us an inventory it is going to be absolutely the lowest

one, whether it is January 1st or April 1st. We are having considerable trouble down there trying to straighten out these several concerns. I think this law will help us and a great many other cities and towns around us. I hope that the motion to indefinitely postpone does not prevail.

Mr. WEEKS of Cumberland: Mr. President and members of the Senate, I rise also in opposition to the motion to indefinitely postpone. In the first instance, I will confess that I am apparently out of touch with proceedings of present legal decisions regarding this particular subject but I do know that we have the problem in South Portland and we have been handling it in the way this bill would apparently make legal. I assumed it was legal all the time but it may be that by conference around the assessors' conference table we would arrive at a twelve month average and agree more or less on the tax. But it is particularly significant in reference to our tank farm and our oil companies. We have quite a number of them and the pipe line is continuously piping oil in, and of course piping it right out to Canada and it would be almost impossible to arrive at a fair tax upon total volume without averaging it out through the twelve months. If they wanted to, so far as April 1st is concerned, they could have all empty tanks there for one day if they wanted to. They also advance the problem in other types of activity.

Certainly I believe the act is desirable if it does remove a difficulty which the assessors are encountering. I certainly also agree that it would not be a matter for consideration in a tax study.

Mr. WYMAN of Washington: Mr. President and members of the Senate, as the two good Senators from Cumberland County have said, I think this is resolved in most cases very satisfactorily between the property owners and the local assessors. I don't think they have too much trouble and it is resolved mostly on an average basis but I think that in the cases where they do have trouble that this won't solve the answer. If the taxes are assessed as of the first of April the assessors can go look at the property and

have a pretty good idea what people have on hand, but if they depend on a figure set through the months of the year then they really have got to take the word of these people whom they admit are causing them trouble, or else they will have to go in the places of business and count the inventories once each month.

I am familiar with quite a number of states, and I think that the only state that has an average inventory method is the state of Ohio. This law of ours has been on our books for a good many years and I feel that it should be left the way it is and the local assessors should be allowed to continue as they have been doing.

Mr. PARKER of Piscataquis: Mr. President, I hesitate to rise on this issue except for one reason. I believe we have sufficient laws at the present time to take care of anything that this will do if it is placed on our books.

I agree with the Senator Wyman that it is now being handled very well in our towns and cities and I can see no reason why we need a law of this kind. Having served on the Board of Selectmen for many years I know that any board of selectmen that wants to arrive at a fair figure of taxation, nine times out of ten can do that under our present law by sitting down with the manufacturer or storekeeper or whatever sort of business you are taxing. I shall certainly go along with the Senator from Washington, Senator Wyman.

Mr. COFFIN of Cumberland: Mr. President and members of the Senate: I would like to answer the good Senator from Piscataquis, Senator Parker.

In our town it has been our experience that all of our tax troubles are with personal property, and most of the personal property is inventoried in our town. We have come up with a figure that we feel we are, to use a slang word, "cheated" in our town each year to the amount of about \$800,000 in taxable property, and we have no way of getting at this because of the present law.

I would like to say here that I do not believe that the average board of assessors in these small

towns, regardless of whether it is my town or other towns, are qualified to go into a factory and just walk through it in half an hour and tell anywhere near accurately what the inventories are. It is absolutely impossible. We have been through this experience so many times. I have spent already this year seven or eight nights in session with various concerns who object to sending in their books and figures, and they just want us to walk through and get at their inventory. Well, they know the inventory themselves. The last two sessions that we have had with factory managers one was this week and one the week before last, the meetings broke up with a very unsatisfactory result. Our board has estimated that we are losing \$800,000 worth of valuation right now, and we need that for our schools and other things.

Mr. HILLMAN of Penobscot: Mr. President and members of the Senate: Most of this trouble came about by the fact that we have had revaluations in most towns and cities whereby we valued on one hundred per cent of value. Prior to that time, of course, cities and towns could take it on a basis of fifty per cent or seventy-five per cent of the value of the product on hand. Perhaps in the case of the Senator from Piscataquis, Senator Parker, it probably would not affect the small towns, but it certainly does affect the large cities and towns.

Mr. WYMAN of Washington: Mr. President and members of the Senate: I still do not see how this is going to help to improve the situation, because the good Senator from Cumberland, Senator Coffin, would still be obliged to take the word of these people whose inventories he is valuing. If he goes in on the first of April and takes an expert with him he may get some idea, but according to this bill he has got to go once a month throughout the year or take their word for their inventories just as he is doing now.

Mr. COFFIN of Cumberland: Mr. President and members of the Senate: I would like to say that we have come to the conclusion in our town that we are one of the few towns in the state that has been reappraised in its real property, and

we have no trouble with real property, because it is done by experts. We had very little trouble except when we first did it. At the present time we have no trouble whatsoever. However, on these inventories we have come to the conclusion that we are going to bring in professional appraisers, and I know what that is going to mean. Some of these industries, such as shoe factories, are going to have a heavy inventory before their summer run and they are going to complain to high heaven when professional men come around and appraise their inventory. It is going to be terrifically high and it is going to be unfair. We feel that we are not qualified and not capable of walking through these plants in half an hour and saying that they have got half a million dollars' worth of stuff or a million.

The PRESIDENT: The pending question is on the motion of the Senator from Washington, Senator Wyman, that the bill, L. D. 722, and both committee reports be indefinitely postponed.

Mr. WYMAN of Washington: Mr. President, I ask for a division.

A division of the Senate was had. Two having voted in the affirmative and twenty-one opposed, the motion to indefinitely postpone did not prevail.

Thereupon, on motion by Mr. Wiley of Hancock, Report A, Ought to Pass, was accepted in concurrence and the bill read once; under suspension of the rules, the bill was read a second time and passed to be engrossed in concurrence; on motion by Mr. Woodcock of Penobscot, ordered sent forthwith to the engrossing department.

Thereupon, the Senate voted to

Recess until this afternoon at two o'clock.

After Recess

The Senate was called to order by the President.

Senate Committee Report

Mr. Thurston from the Committee on Highways, pursuant to Joint Order (S. P. 507) reported Bill, "An Act to Provide for the Date in Nineteen Hundred and Fifty-nine when

the Bond Issues Proposed by the Legislature Shall Be Voted Upon." and that the same Ought to pass.

Which report was read and accepted, and the bill read once. Under suspension of the rules, the bill was read a second time and passed to be engrossed.

Sent forthwith to the House.

On motion by Mr. Rogerson of Aroostook, the Senate voted to take from the Special Appropriations Table, bill, "An Act Relating to Sale of Spirituous Liquor in Class A Restaurants (S. P. 445) (L. D. 1295) tabled by that Senator pending enactment; and that Senator yielded to the Senator from York, Senator Fournier who moved that the bill be enacted.

Mr. PARKER of Piscataquis: Mr. President and members of the Senate, some time ago, a matter of six weeks, this bill was before this Body. At that time it was debated on its merits I believe, and at its conclusion I asked for indefinite postponement and I am very proud to say that there six of us who voted with me in opposition to selling hard liquor in restaurants.

It was my purpose, and has been for several days, that when this bill was taken from the table, that I would spend some time again in trying to defeat this bill. I have come to the conclusion that it is impossible to defeat it because I believe that no industry has the powerful lobby behind it as much as the liquor industry in the State of Maine.

However, I do believe that every person who voted for the bill, did so with the understanding, or the hope, that a Class A restaurant that would be licensed to sell hard liquor, would be of such capacity and of such type that it would be the very nicest type of restaurant in the State of Maine and in reading the bill, to my mind there is a very small difference that can be corrected by an amendment that would make it, I believe, something that we would at least tolerate and probably a great many might be proud of. In order to offer my amendment, Mr. President, I believe first I should explain what it is then under the proper legislative procedure, I have to ask that the

bill be reconsidered in order to allow an amendment because it is at the engrossment stage. Is that correct?

The PRESIDENT: The pending question is that of enactment and we would have to suspend the rules so that we can reconsider our action whereby the bill was passed to be engrossed.

Mr. PARKER of Piscataquis: Mr. President, first let me explain what my amendment does. It does two things. It says after the word "premises", the underlined punctuation and words "which has a seating capacity of at least fifty persons and which conforms to the laws and regulations as may be adopted by the Department of Health and Welfare for regulating the conduct and sanitation of such establishments."

Now if there is any member of this body that does not think that is a fair type of restaurant to be conducting this sort of business, I certainly hope that my thinking is wrong because I believe that any fair minded person will agree that if we are going to have this handled in restaurants we should have it only handled in restaurants that meet with this type of seating capacity and be handled in a clean and well lighted place of business. For that reason, Mr. President, I offer this amendment and before doing that I would move that the action of engrossing be reconsidered.

Mr. FOURNIER of York: Mr. President, I ask for a division.

The PRESIDENT: The pending question is whether or not the rules shall be suspended in order that the Senate may reconsider its action whereby L. D. 1295 was passed to be engrossed.

A division of the Senate was had.

Eight having voted in the affirmative and nineteen opposed, the motion to suspend the rules did not prevail.

The PRESIDENT: The pending question is now the enactment of the bill.

Thereupon, the bill was passed to be enacted.

being bill, "An Act Regulating Certain Insurance Sold in Connection with Credit Transactions." (H. P. 947) (L. D. 1343) tabled by that Senator on May 22 pending enactment.

Mr. LESSARD of Androscoggin: Mr. President and members of the Senate: I do not know how many of you have read this bill, but it is an act regulating life insurance sold by banks to borrowers.

Now this bill came out of committee sometime late in April. It was not the original bill. The original bill, I think, was a model bill which I think was presented by some group of insurance commissioners or insurance companies. This bill was redrafted and brought out late in April, and as a result many of the people involved in the banks claim now that they have not had an ample opportunity to look the bill over. Since that time they have had copies of the bill placed in their hands and they are a bit disturbed about it because it is a very complicated bill. I will be very frank and say that I had not looked at it until sometime last week. I did take it home over the weekend and studied it in order to find out exactly what it did. I might say that it is very complicated and there are some phases of it that could be objected to, especially in regard to the sale of accident and health insurance. Life insurance seems to be all right, that seems to be going along all right in other parts of the country, but there seems to be a great deal of trouble with this accident and health insurance, so much so that I understand that at the present time there is a great deal of trouble down in Texas in regard to claims of fraud. Also the State of Georgia is having trouble with it. In Ohio they had a law and now it has been repealed. I do think that there should be some control and I do think that the matter should be placed under the Insurance Commissioner. However, in view of the fact that this bill has both phases and it is very complicated, I think it should be given careful study. I think it is like our automobile finance bill four years ago which was rejected and recalled and two years later we did put on our books an auto sales finance

On motion by Mr. Lessard of Androscoggin, the Senate voted to take from the table the 5th tabled item

law which is one of the finest in the country. I think everyone agrees that it is a very fine piece of legislation and a very good law which was brought in by the industry. It protects the industry as well as the person who purchases an automobile, and also the bank which loans the money.

Those are the three phases which we must look out for: we must protect the borrowers, we must protect the banks and we must also protect the insurance companies that sell the insurance.

I understand that the chairman of the committee is going to present an order for the matter to be referred to the Legislative Research Committee, so at the next session we can bring in a good piece of legislation and in the meantime give some study to the banks, the borrowers and the insurance companies. Therefore I now make the motion that this be indefinitely postponed.

Mr. CHARLES of Cumberland: Mr. President and members of the Senate: I rise in a very peculiar situation. First of all, this piece of legislation came to our Committee on Business Legislation and it was one of a very few bills that was given a tremendous amount of attention by our committee, in fact our committee did one of the most unusual things in committee procedure that I have seen in a long time, and that is that after the public hearing had been held we discovered that there were many objections to the bill by both the insurance companies, the banks and the loan companies. The committee then decided that they would have a conference on the matter, and they invited all of those who objected to the bill to come to an executive session with the committee, to sit in with us and to bring in additions and deletions in order to decide on what type of a bill they wanted. We held that meeting and they came in and the majority of the objections were removed, but there still was indication that some of the banks and lending institutions were not completely satisfied. They desired more time and they made recommendations for a recess study. The committee then met again and decided the situation. The Insurance

Commissioner insisted that the bill was a good bill and that they would like to see it come out with a favorable report. We had further conference with the banks and lending institutions and we decided to come out with a unanimous "Ought to pass" report. Since then we have come out with a new draft and it has been given some discussion for the past five months, I have received several objections to the bill from these banks or lending institutions. I regret very much that some gentlemen's understanding could not be reached in this session, because the bill does have merit, as the Senator from Androscooggin, Senator Lessard, has stated. It is a bill that is in the interest of our consumer public, a bill that would give a person who wanted to make a loan or make a time-payment contract on merchandise an opportunity to know exactly how much insurance would be included and how much he would have to pay and what the coverage was. But, as I have been trying to tell you this afternoon, there is no unanimous approval of the bill, and I very reluctantly go along with the motion of the Senator from Androscooggin, Senator Lessard.

The PRESIDENT: The pending question is on the motion of the Senator from Androscooggin, Senator Lessard, that the bill be indefinitely postponed.

The motion prevailed and the bill was indefinitely postponed.

Mr. CHARLES of Cumberland presented the following Order and moved its passage:

ORDERED, the House concurring, that the Legislative Research Committee be and hereby is authorized and directed to study the necessity for regulation of credit life insurance and credit accident and health insurance sold in connection with loan or other credit transactions; and be it further

ORDERED, that the Legislative Research Committee report the results of its findings to the 100th Legislature.

Mr. COLE of Waldo: Mr. President and members of the Senate, I too, want to concur with the good Senator from Cumberland, Senator

Charles, as Chairman of the Business Legislation Committee. We as a committee did agree and believe that certain controls should be had in regard to time sales. As the good Senator from Androscoggin, Senator Lessard, has said, there have been many cases of fraud all over the country, especially in the southern part. So I really believe there should be controls and I am one that was more or less concerned with the sickness and accident portion of the bill. Therefore I agree that this should be something for the Research Committee to study.

Thereupon, the Order received a passage.

**Paper from the House
Out of Order**

Bill, "An Act to Appropriate Moneys for Capital Improvements, Construction, Repairs, Equipment, Supplies and Furnishings for Fiscal Years Ending June 30, 1960 and

June 30, 1961 and to Authorize a General Fund Bond Issue in the Amount of Six Million Dollars." (H. P. 973) (L. D. 1384)

In Senate on June 3, passed to be engrossed as amended by Senate Amendment A (Filing No. 478) in non-concurrence.

Comes from the House, passed to be engrossed as amended by Senate Amendment A, House Amendment H (Filing No. 477) as amended by House Amendment A (Filing No. 482) thereto, and House Amendment F (Filing No. 466), in non-concurrence.

In the Senate, on motion by Mr. Rogerson of Aroostook, the Senate voted to recede and concur; and the bill was ordered sent forthwith to the engrossing department.

On motion by Mr. Thurston of Oxford

Adjourned until tomorrow morning at nine-thirty.