

# MAINE STATE LEGISLATURE

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ROADS - FINANCE - MAINE

STATEMENT OF EDWARD C. MORAN, JR.

on

Proposed constitutional amendment

LIMITING CERTAIN REVENUES TO ROAD PURPOSES

*opposition*

# STATE OF MAINE

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## Constitutional Amendment to be Voted Upon September 11, 1944

Penalty for wilfully defacing, tearing down, removing or destroying an Official list of questions submitted to the electors, or a specimen ballot, FIVE TO ONE HUNDRED DOLLARS.

HAROLD I. GOSS, Secretary of State

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Those in favor of the following proposed question will place a cross (X) in the square marked "YES"; those opposed will place a cross (X) in the opposite square marked "NO."

### LIST OF QUESTIONS

YES

NO

**"Shall the Constitution be amended as proposed by a resolve of the legislature, limiting to highway purposes the use of revenues derived from the taxation of vehicles used on public highways and fuels used for propulsion of such vehicles?"**

L.R.  
For release Friday morning August 4.

STATEMENT OF EDWARD C. MORAN JR.

on

PROPOSED CONSTITUTIONAL AMENDMENT

LIMITING CERTAIN REVENUES TO ROAD PURPOSES

When you go to the polls on State election day September 11, only about five weeks from now, TWO ballots will be handed to you; one, the regular ballot you expected, and the other a ballot on a proposed amendment to the Constitution of the State of Maine, reading as follows:

"Shall the Constitution be amended as proposed by a resolve of the legislature, limiting to highway purposes the use of revenues derived from the taxation of vehicles used on public highways and fuel used for propulsion of such vehicles?"

It is a reasonable assumption that not one citizen in a hundred even knows that so important a matter as an amendment to the Constitution of the State of Maine will be decided by the people only five weeks from now. Certainly the proponents of the amendment have not been telling the public anything about it! Is this another "pussy-foot" campaign, or a "conspiracy of silence", to put something over on the people of Maine? The people should vote "No" on a campaign of this type, as a general principle, and as a rebuke to that type of effort. When the proponents of a measure deliberately put on a silent campaign, or deliberately produce circulars and newspaper advertisements at the last minute, too late to be answered (a late campaign) they either don't think much of their cause, or of the intelligence of the people, or both.

Citizens should bear in mind that there are no special interests to fill the "campaign chest" of opponents to this amendment; the "interested money" all favors this amendment. There is no one to pay for speakers or circulars to oppose this amendment, so there probably won't be any. The citizen will have to depend upon himself to serve his own best interest.

The arguments for a "NO" vote are plentiful. Because there is an increasing number of individuals willing to place the public interest above personal profit, these arguments are addressed to road contractors who stand to profit selfishly and directly if this amendment passes; they are also directed to dealers in road material who likewise will "get theirs". They are similarly pointed to "associations" of such individuals, who sometimes feel they need to put across "programs" for the selfish benefit of their members as a reason for their continued existence, for more members and more dues. These arguments are addressed especially to gasoline dealers, some of whom mistakenly think they will profit, whereas they can profit only as the public prospers. These remarks are however particularly addressed to the overwhelming body of our citizens who will not directly profit personally and selfishly by the passage of this amendment, and who have no interest to serve in this case except the welfare of their State.

First, "Earmarking" of funds is bad public finance. Every authority on public finance opposes "earmarking" of any funds for any function of government. Not a single expert on public finance can be marshalled to the support of "earmarking". The reason is clear. There is no assurance that the proceeds of particular taxes will exactly meet the needs of any particular function of government, year after year; on the contrary, such funds are certain to be either too little or too much to serve the real needs of the function. Proper budget practice requires that the needs of each governmental function be weighed annually in its relationship to other functions and to funds available in the light of conditions then existing, and allocations made accordingly to each function. Therefore the proposed "earmarking" (ie, no "diversion") of funds means that year after year there would be available for roads either too little or too much money, and that other functions as a whole will correspondingly have too little or too much. As a sincere believer in and advocate of good roads, it is my belief that "earmarking" harms that excellent cause, and as a supporter of

other functions of government, opposition to this proposed "earmarking" is an obvious decision.

The recent depression is fresh enough in the mind of everyone, and the possibility if not the probability of repetition after this war is all too plainly evident. The proponents of this amendment are far-seeing enough to realize the probable results. If a depression comes, and relief costs again mount to fantastic heights, the people of Maine will either have to reduce cost of present governmental operations (roads especially, as most of the money goes there) or levy new heavy taxes (most difficult to levy and hard for our people to bear in a depression). The people's choice in such case would be clear; in a depression, they would reduce road and all other expenses as far as possible, rather than pay new taxes. The proponents of this measure want to make it impossible for the people to make this transfer of funds in an emergency by implanting such a prohibition in our State Constitution. This is the real purpose and objective of the proponents of this amendment.

If the argument for rigidly requiring that the proceeds of one or more taxes go to one function exclusively is valid, it is equally valid to allocate rigidly the proceeds of other taxes to other functions, and if that were done, where would we be? There could be no sound budget for the State of Maine; the budget would already be made by the people, and rigidly for all time to come, without any possibility of change to meet changing conditions as they arise, except by the very slow and cumbersome method of further amendments to the Constitution. The one fact that this proposal and logical extensions thereof would have the exceedingly dangerous result of ruining our State budget procedure is more than ample reason for a "NO" vote on this amendment.

Second, All real estate taxpayers should oppose this amendment. If these special taxes are allocated rigidly to roads only, just where do you think the extra money is coming from to pay for any emergency which may arise? Out of the real estate property taxpayer, of course! Real estate is already heavily overtaxed; certainly no additional tax burden should be levied on real estate.



Third, all the School people, and people interested in the schools, should oppose this amendment. The school system is in deplorable shape now because of the present Maine system of taxation. Certainly the present system should not be perpetuated and made even more difficult of change by nailing this amendment into the Constitution. School men who know that an insufficient portion of the tax dollar is now going to education should resent this effort by the "road crowd" to make their position even more difficult. Here in Maine we have already spent more of our tax dollar for roads, and less of it for education, than the average of all of the States, as shown by official figures of Bureau of the Census. The reason is of course that the "road crowd" have been a persistent selfish "pressure group", and nothing hurts good government today more than pressure groups.

Fourth, all those interested in any other function of government, such as police, library, health, institutional services, etc., should resent this effort of the "road crowd" to elbow itself into a preferred position. "On what meat has this our Caesar fed, that he has grown so great"? What causes the "road crowd" to feel that they are the most important function of government deserving special consideration granted to no other function?

Fifth, every citizen who may need and not get a job after the war and therefore require that some employment program be developed by the State, should oppose this amendment which would "divert" from greater social needs this large amount of tax money. Road building of course provides some jobs, but many skills can be put to more public benefit in a relief program than by digging ditches.

Sixth, many struggling local communities need state financial aid to perform their local functions of government. The passage of this amendment would remove all possibility of using these funds to meet local government emergencies.

Seventh, there is no necessity for the amendment. This "diversion of road money" is right now prohibited by Maine law, and there actually is no diversion. There can be no legal diversion now; of course illegal diversion is as possible under a Constitutional Amendment as under a Statute, if officials are so minded, because the Constitution is no more self-enforcing than a Statute. The federal "matching" law is quite an effective deterrent to "diversion", regardless of State statutes or the State Constitution. However, if the emergency is so great that the legislature feels the law should be amended or repealed it can now do so, and it is exactly that freedom which the "road crowd" is trying to induce the people to take away from themselves.


Eighth, this argument of "diversion" is specious anyway. Do the proponents of this amendment think that the taxes on the railroads should be returned to build railroad beds, or the taxes on cigarettes be used to provide cuspidors for smokers, or the taxes on utilities returned to build utilities, or the taxes on banks and insurance companies be used for something exclusively for their benefit? Of course not. If a general sales tax had been levied, gasoline would have been included as one of many items of taxes, as a matter of routine, and no one would have screamed that those taxes were being "diverted" if they went into the general funds of the State to meet the changing needs of the State, where they belong.

As recently as 1912 we had no State Debt. As of June 30, 1944, our State Debt was \$20,991,500, of which \$16,836,500 is for Highway and Bridge Bonds. We have already spent these special taxes, and gone heavily into debt besides, for road building. Yet the road people talk about diversion! Even the building housing the State Highway Commission in Augusta was built out of General funds and not "road money"!



Finally, the Constitution of Maine is already a hodge-podge, due principally <sup>to</sup> the road bond amendments of the past. If every citizen of Maine would just read our State Constitution there seems no doubt that he would agreed to that. Let's not make it still more of a mess by passing this amendment. This sort of thing doesn't belong in the Constitution anyway. During this century the most worthwhile accomplishment of our people, as regards their State Government, was the revision of our administrative organization under the leadership of Governor Gardiner in 1931, particularly the budget provisions. It was, however, only a partial job; the big task left to be performed is a complete revision of our State Constitution, and we certainly don't want any taxation system (which should always be subject to change as need requires) imbedded into the Constitution. As one of Governor Gardiner's "Citizens Committee of 17" which prepared the "Administrative Code" in 1931, I have a special interest in Maine State Government. In my capacity as a plain citizen I also have a big stake in State Government, no greater than that of any other citizen, but great nevertheless, because every citizen is profoundly affected by government. In these troublesome times it is my belief that any citizen should "speak up" when he thinks that by so doing he can contribute to the welfare of his State; on these bases I urge citizens of Maine to vote "NO" on this amendment Sept. 11.

August 1, 1944

  
Edward C. Moran Jr.,  
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