

# MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

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OF THE

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of Commerce which is trying to bring in new industry but without too much success because we have such high freight rates. We do have the possibility of recreational facilities and with the coming of turn-pikes and better roads there is a chance that these people could come to our county much easier than formerly but in order to take advantage of this business we do need to develop the facilities and at this time we just don't have the financial ability to do it.

This recreational pool is similar to pools across the bay in New Brunswick, and last summer I observed the pools and they had a good number of visitors and they seem to be working on a very profitable basis. I think this is a practical proposal and it is one that would do a lot of good for Washington County and I hope that the motion of Senator Brown of Washington, will prevail.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Washington, Senator Brown, that the Senate accept the ought to pass report of the committee in concurrence.

A division of the Senate was had.

Twenty-two having voted in the affirmative and eight in the negative, the motion prevailed and the bill was read once, and under suspension of the rules was read a second time and passed to be engrossed in concurrence.

### Enactors

The Committee on Engrossed Bills reported as truly and strictly Engrossed, the following bills and resolves:

Bill, "An Act Creating the Maine Commercial Feed Law." (H. P. 254) (L. D. 352)

Bill, "An Act Amending Employment Security Law as to Disqualification for Benefits." (H. P. 779) (L. D. 112)

Bill, "An Act Relating to Benefit Eligibility and Definition of Unemployment Under Employment Security Law." (H. P. 780) (L. D. 1113)

Bill, "An Act Amending the Law Permitting Municipal Employees to Receive Federal Social Security Benefits." (H. P. 1086) (L. D. 1565)

Bill, "An Act Directing Review of Election Laws." (S. P. 23) (L. D. 14)

(On motion by Mr. Sinclair of Somerset, tabled pending enactment.)

Bill, "An Act Relating to Salary of Official Court Reporters." (S. P. 40) (L. D. 55)

(On motion by Mr. Sinclair of Somerset, tabled pending enactment.)

Bill, "An Act to Correct Inconsistencies in State Highway Laws." (S. P. 66) (L. D. 113)

Bill, "An Act Increasing Compensation of Clerks of the Law Court." (S. P. 290) (L. D. 789)

(On motion by Mr. Sinclair of Somerset, tabled pending enactment.)

Bill, "An Act Increasing Certain Fees of Sheriffs and Their Deputies." (S. P. 226) (L. D. 569)

Bill, "An Act Relating to Registration of Dealers in Boat Trailers and Temporary Registration Plates." (S. P. 391) (L. D. 1087)

Bill, "An Act Changing Name of Maine School for the Deaf to Governor Baxter State School for the Deaf." (S. P. 597) (L. D. 1601)

Resolve, Providing for State Pension for Beverly Ann Archer of Rumford." (H. P. 56) (L. D. 68)

(On motion by Mr. Hillman of Penobscot, tabled pending enactment.)

Resolve, Creating an Advisory Committee on Education." (H. P. 727) (L. D. 1031)

(On motion by Mr. Sinclair of Somerset, tabled pending final passage.)

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

### Emergency

Bill, "An Act Amending the Town of Milbridge School District." (S. P. 594) (L. D. 1600) Which bill, being an emergency measure and having received the affirmative vote of 30 members of the Senate was Passed to be enacted.

### Constitutional Amendment

Resolve, Proposing an Amendment to the Constitution Pledging Credit of State for Guaranteed Loans for Industrial Purposes." (S. P. 580) (L. D. 1581)

Mr. BUTLER of Franklin: Mr. President and members of the Sen-

ate, on this bill, I feel that we are, by enacting it, changing the entire philosophy of our state government. The bill itself is asking for an extension of credit. We are amending Article 9 of the Constitution by adding thereto a new section, and I will quote that section:

“For the purpose of fostering, encouraging and assisting the physical location, settlement and resettlement of industrial and manufacturing enterprises of the state, the legislature by proper enactment may insure the payment of mortgage loans on real estate within the state of such industrial and manufacturing enterprises not exceeding in the aggregate \$20,000,000 in amount at any one time and may also appropriate moneys and authorize the issuance of bonds on behalf of the state at such times and in such amounts as it may determine to make payments insured as aforesaid.”

Now this is nothing new except on the principle that the king can do no wrong. Back in 1872 the little County of Franklin in the town of Jay was having financial problems and they wanted to induce a concern in Livermore Falls to move to North Jay and accordingly they came down to the legislature and procured a special act, Chapter 716 which was approved on February 25, 1871.

“Whereas upon due investigation and consideration, we deem it for the benefit of the town of Jay and the people of the state, said town is hereby authorized to loan the sum of \$10,000 to Hutchinson and Lane in accordance with a vote taken by said town on the 21st day of April, 1870 for the encouragement of manufacturing in said town.”

And as a result of that vote and of that legislature's act, people in the town objected and they raised the issue and the issue was whether the act of the legislature was valid and whether the people should take private funds for that purpose. In reviewing the case which went to the Supreme Court in 16 Maine, Allen vs the inhabitants of Jay, the Court comes up with some very interesting language which speaks in a general manner of the sacredness of property and the sacredness of taxation and it also speaks of what

we now term as progress by borrowing on reserve, and it also speaks in a general way as to the need of that and the fallacy that once we extend credit we are not making progress, we are not extending but we are sacking and it also speaks in a very important way, I feel “No authority or even dictum can be found which asserts that there can be any legitimate taxation when the money to be raised does not go into the public treasury or is not destined for the use of the governmental divisions of the state.”

When we pass this we are changing our philosophy and we are invalidating I feel the right of equal protection of the law. We have at the same time before us, similar bills on a smaller scale in which counties are asking for the privilege of extending credit or making loans to schools or institutions which are yet to be considered by us.

We go on further, the courts states: “If this is to be loaned at all then it is practically a division of property under the name of the law. It is Communism incipient if not perfected”. And so I feel that if we are not at the parting of the ways are we going to change a philosophy which has made this state what it is? Are we going down the paths, because once we open this path, there are other paths of a similar nature which can likewise be formed. At the same time and at about a corresponding period of time, the little town of Farmington decided it wanted a railroad to come from West Farmington to Farmington and accordingly the town, through an act of the Legislature, received permission to extend its credit up to \$20,000 to induce the then Androscoggin Railroad to extend its line from West Farmington to Farmington so that the merchants there were able to take their merchandise from the yard and distribute it, and that case was contested, and that case went to the Supreme Court of the United States and there it was likewise said that the municipality did not have the authority and so I feel that this is more than just the passing of another bit of legislation.

We are on the threshold of deciding whether we are going to delve into and destroy the sacred-

ness of equal protection of the law and the protection of property. It makes no difference whether we are going to be loaning this money by extending credit or whether the state should reach out and say this or that should be taken for the benefit of others. We are distributing or redistributing our natural assets, our natural wealth. Is this really what we want to do? Personally I feel that it is not a measure which can be taken lightly.

At the hearing as this measure came before the Judiciary Committee there was only one man who spoke against the bill and then he, Mr. Baxter, only spoke in respect to the philosophy, wondering as to whether it was the thing to do. Now it is true that we cannot pick up a newspaper today especially the New York Times without noticing the ad which the Commonwealth of Pennsylvania have in there as a method of inducing business to come to that state. To me the little town of Jay is a symbolism on a small scale. We believe, by making it on a state scale and having declared, as we have declared it, to be a public necessity, without having incorporated the safeguards which the forefathers inserted for our protection, I hope that we will think carefully before dropping these safeguards in the fleeting hope of extending our credit and mortgaging our things for the benefit of these institutions, which of their own have not the means or the wherewithal to come within our state to meet the requirements.

By passing this on to you so that we may have, as we have not had a discussion of this on the floor, a record to show the philosophy which we have had and the philosophy which by passing this legislation we perhaps will be following in the future. When the vote is taken, Mr. President, I ask that it be by a division.

Mr. LOW of Knox: Mr. President and members of the Senate, the advertisement which I am holding in my hand, comes from the Wall Street Journal and it reads as follows: "The Pennsylvania Plan. One hundred per cent financing is available for your new plant." And that is an official advertisement of the

Pennsylvania Department of Commerce. It is a good illustration of what we in Maine are up against in our efforts to get new business. Pennsylvania is not one of the southern states about which we have heard so much; but rather, one of the solid, conservative, northern states like ourselves. Obviously if they are going to provide buildings for industry, and since many other northern states do so too, Maine must fight fire with fire or else face a bleak economic future. We can't stand still and watch the procession go by. Anyone who works for getting new business for Maine, will tell you that the greatest handicap that we have is the fact that we have no modern buildings available and they will tell you of case after case where we could have had good industries if we had had the buildings to house them.

What Maine needs most and must have is jobs. Jobs not only for the present working force, but jobs for our children so that we won't continue to export our most precious asset. Unfortunately most of our communities are comparatively poor and it is almost impossible for them to raise enough capital to build enough factories to provide enough jobs for the people who need them. Maine is one of the few states which is losing in population and it seems obvious that we must be falling behind in providing opportunities for work. The building authority is designed to supply this capital which singly our communities do not have, through the state guarantee of building loans. This may seem a radical way of financing for such a conservative state as the State of Maine, but I can assure you that out of hundreds of people with whom I have discussed this proposition, all except a small handful have thought that our great need justified our going ahead.

It reminds me of the story about the severe banking panic in 1907 in New York City, when every bank was pressed to keep solvent. J. P. Morgan summoned the bankers to his famous library and made them a proposition which he thought would take care of the troubled conditions in which they found themselves.

"But, Mr. Morgan," said one of the bankers, "that would mean using some of our reserve."

Mr. Morgan yelled back, "What in tarnation do you think you have reserves for?"

Maine has fine credit and when the end justifies the means we should use it and not just sit looking at it. It has been feared by some that the state would find itself with many empty buildings on hand and heavily in the real estate business. I believe that trouble of this nature will occur only rarely because above all things, I believe in the ability of Maine people to manage such an enterprise so that such losses would be kept at a minimum. I do not doubt for one minute that our best business men will be proud to serve upon the Board of the Authority which would be formed to administer the guarantee which will be made possible by this amendment and I know that our best brains will see to it that the Authority does the job it is supposed to do without doing things which are unsound or unlawful. Mr. President, I move final passage.

Mr. LESSARD of Androscoggin: Mr. President and members of the Senate, I would like to say a few words on this subject since in my community and the county which I represent and come from we have a development commission made up of our leading citizens. We also have one in the city of Auburn and we have been fairly successful in bringing a few new industries to our area. These have been provided for by private capital by means of loans from banks, mortgage loans and many private individuals have bought bonds to be redeemed over a period of twenty years.

However, I now find, I am told, so far as private capital is concerned, it is about all gone. They still have concerns who have been to see them and who require construction and they doubt very much that they will be able to get these financed by private capital. So it means they must go somewhere else. Someone must help to bring industry here. It is true, perhaps that we are changing the philosophy which prevailed back in 1872. However, I do want to bring to your attention that we are perhaps on the threshold of

whether or not we will have economic advancement in this state or economic disaster and if we are to take our place in the sun, if we are to attempt to continue as an industrial state, which we are partly, then we must do something. If the philosophy that we have now does not allow us to do that, then I say that it is time to change our philosophy. We have got to take these chances. We have got to try to help bring industry here. So I am in favor of the passage of this act for the industrial development of the State of Maine.

Mr. SINCLAIR of Somerset: Mr. President, I would like to ask that the bill be placed on the table and especially assigned for tomorrow.

The motion prevailed and the bill was tabled pending enactment.

On motion by Mr. Cole of Waldo, the Senate voted to take from the table Bill, "An Act Repealing Law prohibiting Riding with a Naked Scythe." (H. P. 454) (L. D. 629) tabled by that Senator on May 9 pending passage to be engrossed.

Mr. COLE of Waldo: Mr. President and members of the Senate, I think many of you possibly saw the article in this morning's paper where an old-timer wages a relentless battle with the scythe against nature. It seems to me that this bill should receive perhaps more justice than it has. It seems to have been lying here on the table pretty much all of the session and now it is getting along towards Memorial Day and I certainly hope that we adjourn this legislature before Memorial Day, and in rural areas the scythe is now still used to a great extent. Many of our cemeteries do require, according to this article, immediate attention of the fast disappearing scythe and snath. Many of you, I know, know that the snath is the so called handle of the scythe. To my surprise in talking with the good Senator from York, Senator Farley, he did not realize what a snath was. I certainly would like to invite him up to my place and show him some of these that are hanging now in the famous old apple tree. Mr. President, I present Senate Amendment A and move its adoption.