

Nice Sales Tax Meets Setback In Upper House

Maryland Senate Committee Returns Unfavorable Report on Bill

Annapolis, Md., March 4.—Forty-five minutes after starting their deliberations on the tax program as recommended by Gov. Harry W. Nice, the Senate finance committee voted unanimously to return an unfavorable report on the 1 per cent consumers' sales tax.

Earlier in the day, Gov. Nice had opened the special session of the Maryland General Assembly with his message, the high point of which called for the sales tax as the hub of the relief program recommended by the Casey committee.

The finance committee's vote was announced by Senator J. Allan Coad, chairman, who said that the formal report would be returned to the Senate tomorrow. Immediately thereafter, the committee went back to study the other eight measures suggested in the Casey committee's report.

'Some idea of the unpopularity of the measure was gained in the Senate.

A bill providing for the sales tax, drawn up by Attorney General Herbert O'Connor, was sent to the upper house from Gov. Nice's office. Senator Coad, the Democratic floor leader, was asked to introduce the bill. He vigorously refused, and then President G. Lansdale Sasser asked Senator O. Straughn Lloyd, of Wicomico, newly elected Republican floor leader, to introduce the bill. He, too, declined.

Responsibility Dodged.

Nobody, it appeared, wanted to take responsibility for what was regarded as political dynamite. After the recess, however, Republican Leader Lloyd introduced the bill, saying he was doing so "by request."

In the House, however, the sales tax bill and other measures recommended by Gov. Nice in his message were introduced by Thomas L. Popp (Republican), of Allegany County, and occasioned no fireworks.

It is known that opposition to the sales tax is just as strong in the House as it is in the Senate.

The prospect is that the general sales tax bill will be defeated and the gross receipts tax extended to take care of the relief burden. The difference in the two plans is that under a general sales tax plan the consumer would pay a 1 per cent tax on every purchase over 10 cents. By the other, the merchant pays a 1 per cent tax on all sales after he has totaled them at the end of the month.

Gov. Nice's message today, said to be the shortest ever given by a Maryland chief executive and requiring 30 minutes to read, was in reality a digest of the report made by the Casey committee.

This committee, headed by William J. Casey, of Baltimore, was appointed by Gov. Nice to make a survey of the entire relief situation in the State with a view to developing a sound policy for dealing with the needy and the helpless.

Federal Grants Sought.

The highlights in the committee's report were a recommendation for a general sales tax and a recommendation that Maryland laws dealing with old-age pensions and unemployment relief be amended to conform with Federal laws, making it possible for Maryland to receive Federal grants.

In urging today's joint session to adopt these recommendations, Gov. Nice, in effect, asked that partisan politics be shelved.

"Never before in the history of Maryland," he said, "have we been confronted with so grave a problem, affecting the very existence of so many of our less fortunate men, women and children. This grave problem can only be solved by making our personal views subservient to the welfare of the entire State."

The present crisis, he said, was brought about by the action of the Federal Government in discontinuing its contributions for direct relief of the unemployed, and by the fact that the gross receipts tax, from which State relief funds are now derived, will expire March 31.

He said that the Works Progress Administration, which was to have absorbed all employables on relief, had not done so.

"There now remain throughout the State," he said, "18,773 cases requiring direct relief, involving the relief of over 75,000 persons, which indicates the present extent of this problem."

Politically, the convening of today's special session did not run true to form.

The Republicans in the Senate, in a surprise move, elected Senator Lloyd, of Wicomico, as floor leader, refusing to re-elect Senator J. David Baile, of Carroll County. This was regarded as a slap at Gov. Nice because Lloyd has several times criticized the executive, particularly in the matter of his appointments.

The Democrats re-elected Senator Sasser as president without a dissenting vote, and other officers likewise.

In the House, all was serene. Kent R. Mulliken, of Laurel, Democratic floor leader, did not carry through his threatened "revolt" against Speaker Emanuel Gorfine, of Baltimore. On the contrary, he seconded the motion when Gorfine was nominated for another term, and, after Gorfine was elected, escorted him to the rostrum.

Speaker Gorfine announced that Thomas E. Sweeney, of Baltimore, was ill and could not serve on the rules committee. He named in Sweeney's place William Gassoway, of Howard County, a member here tomorrow night. More than 300 veterans are expected to attend.

In the Senate, Milton L. Veasy (Democrat), Worcester, introduced a bill providing \$1-a-barrel tax on beer, the proceeds—estimated by him at \$1,000,000—to be applied to old-age pensions. The same measure was defeated in the last session.