

# MAINE STATE LEGISLATURE

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LAWS  
OF THE  
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND EIGHTH LEGISLATURE

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STATE OF THE STATE ADDRESS

BY

Governor James B. Longley

JANUARY 6, 1977

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*Mr. President, Mr. Speaker and Honorable Members of the 108th Maine Legislature:*

I appreciate the significance of this occasion and I am grateful for the opportunity to address you as the elected senators and representatives of the people of Maine. I congratulate each member of the 108th Legislature for his or her election to this position of public trust and service and, as Governor, I join with those who have returned to the Legislature in welcoming the new members.

Two years ago in my inaugural address to the 107th Legislature I said that time was running in a straight line for Maine. In retrospect, the past two years have been difficult times. However, just as the times in which we live determine to a large degree what each of us becomes and what we do with our lives, the times, to even a greater extent determine what government must be, should be, and hopefully what it will be for the people government must serve. Parenthetically, this is the difference between democratic countries like America and socialistic countries like England or communistic countries like Russia. The people end up serving the government in socialistic and communistic countries, whereas here in America the government is designed to serve the people.

While I feel the future for Maine is bright, as we all know, the immediate past has been challenging and difficult.

The unstable economy, the end of an era of almost unlimited federal subsidies and the education deficit inherited by the 107th Legislature and this Governor played large roles in dictating what government had to be these past two years. We had to control spending and we had to avoid new taxation to the maximum degree possible.

Time continues to move in that straight line for Maine as we commence the first year of our third century here in America.

While government may have been what it had to be the past two years, the future looks much brighter, and by working together I believe during the next two years we can start to demonstrate what government can and should be.

However, the future can only be bright for Maine if we make it so . . . if we place what is best for the people of Maine ahead of what is best for ourselves as individuals; ahead of political considerations; and ahead of the demands of special interests. We must consistently remind ourselves as we continue to face the straight line of time that it is our mission to make the time count for the people of Maine.

While each of you have been elected by your own constituencies, as Governor, I want to thank and congratulate each of you on behalf of all the people of Maine for stepping forward to serve, for being willing to stick your head above the crowd, and by serving, not by standing on the sidelines and finding fault. Your philosophy and commitment gives living proof and action to the rhetoric and message contained in the philosophy of a great organization as well as a person in that "It is better to light one candle than to curse the darkness."

Your term in this Legislature will most certainly be a time of great challenge, a time of reassessment of the role government should play in each of our lives. Perhaps never before in the history of our nation has there been a greater need for caution in the proposing and enacting of legislation. From all reports this Legislature should be commended for the caution and restraint it has displayed in the filing of legislation. While this could even shorten the session or reduce costs, regardless of what happens, it is evidence this Legislature is committed to good government. We must be careful to have government do what government should and must do, but we should be equally careful before imposing further restrictions and regulations on the lives of our neighbors and citizens of Maine. We must all keep in mind that the chief purpose of government should be not only helping those in need and helping people help themselves, but to guard freedoms and to only allow our freedoms to be limited or restricted to the minimum degree possible.

Each of us here has our own strengths and weaknesses, our own political philosophies, and, as Thoreau suggested, we all perhaps march to a different drummer. However, working together we shall indeed succeed, but the people of Maine will be the real beneficiaries. Parenthetically, the words of Dag Hammarskjold certainly apply here for he said, shortly before his death, "The responsibility for our mistakes is ours, but not the credit for our achievements."

On that note, I would like today:

- (1) To discuss with you the State of the State of Maine.
- (2) To highlight the emergency legislative program I will present.

## THE STATE OF THE STATE OF MAINE

In my inaugural address to the opening of the 107th Legislature, I said I felt we must take a dualistic approach to government. I said that first we must keep the store of government open to run the day-to-day operations of state government to the best of our ability. Secondly, I said we must pause and consider the direction we were going and our ultimate destiny.

Despite the inheritance of a multi-million dollar deficit from education overspending and despite the troubled economic times we faced, I believe the previous legislators and the executive branch of government not only kept the store of state government open but recapped and repaired the foundation on which governmental services to the people rests.

We have eliminated the deficits and balanced the budget with realistic and amazingly accurate revenue estimates despite predictions of substantial shortfalls. Credit for these accurate projections should go to the Budget Officer, Bill Siebert, and Finance and Administration Commissioner Jack O'Sullivan who stood by their estimates in the face of much criticism.

Very significantly, we have not only kept the store open—the previous legislature and the executive branch of government did much more—yes, despite reports to the contrary, the previous legislature and the executive branch of government, in addition to addressing the largest deficits and the most serious educational overspending problem in the history of this state also:

(1) Managed to continue every major spending program for people in need and actually, as in A.F.D.C., did more for those most in need. This is not to say that there are not spending and waste of dollars in governmental programs and departments of government. But hopefully—here again working together and with the continued support of the Legislature and the pursuit of programs of review, and correction and evaluation of unnecessary and wasteful programs—we would be in a better position to also do more for those who justifiably need more. By that I do not mean those who would rather take welfare than do their part and help provide welfare or those who are on the unemployment rolls but who could work if they would take jobs that are available and they are physically able to perform. I feel Augusta as well as Washington must do more to get people off welfare and unemployment rolls and back to work.

(2) We also instituted a long overdue program to attempt to compensate state employees on the basis of equal work for equal pay. Very candidly, the legislative and the executive branches of government initiated this study but it should be noted that state employee organizations had suggested this type study. The fact that the study did not please everyone, in every way, including the Legislature and the Governor, and the fact that the final legislation did not represent exactly what every single legislator or every single state employee or the Governor wanted as their ideal, is a tribute to our democratic form of government. No single legislator, no single labor leader and no single Governor has the right to dictate and thus, the final result is a tribute to the system we have and shall hopefully preserve.

In any event, I feel state employees have been treated very fairly despite the fact they found themselves the innocent victims of a coalition with those who would spend more rather than less in education and who succeeded in imposing a further tax increase over my veto on the backs of the people of Maine. Unfortunately, we added to the per capita tax burden of the people of Maine and discriminated against those who have helped make the American dream work as well as those single men and women who are or prefer to remain unmarried.

The previous Legislature and the Governor did provide Maine state employees one of the fairest if not one of the most generous salary adjustments of all Maine working groups and perhaps one of the few states that did this without layoffs despite overstaffing and too many state employees.

(3) As a state, we have paid our bills and met our obligations and by avoiding major tax increases on the people of this state, I firmly believe we have placed Maine in an excellent position to take advantage of the improved economy.

In effect, I believe this administration and the 108th Legislature are now in an excellent position to pursue the second objective we advocated in our dualistic approach to government. That objective is to move forward from a solid foundation of fiscal responsibility and chart the direction we are going to take.

(4) Also, with the help of the 107th Legislature and under the leadership of a dedicated Commissioner of Educational and Cultural Services, we have erased the education deficit. One of the sad commentaries on government is that far too often persons who do the work don't receive or take the credit they deserve unless they happen to be running for office or for re-election. In that regard, I hope I can speak for this Legislature in publicly thanking Sawin Millett, a former legislator who is now Commissioner of Education, for the outstanding manner with which he has taken on one of the most difficult assignments in government anywhere.

While the 107th Legislature was faced with a government that was what it had to be, I believe the State of the State at this time provides the 108th Legislature the challenge as well as the opportunity to take steps to show what government can, should and must be.

I am happy to report to this Legislature and to the people of Maine that I believe the state is on a sound financial course and I do believe the future is bright and to the extent this becomes a reality it will be as great a credit to the 107th Legislature and to dedicated state employees as it will be to the current legislative and executive branches of government.

By the same token, it would be unfair and a misstatement to say that all is right at this time with the state's economy and its employment picture. However, I think we can be grateful that there has been a stabilization in both areas.

We have been and continue to be concerned with the State of Maine economy and the outlook for the future.

However, the prescription is clear for attracting more industry, adding more quality jobs and broadening and deepening Maine's tax base.

I feel the prescription is that:

(1) We must hold the line on our per capita debt. We rank among the highest of the 50 states in per capita debt and this rank would be even higher if we were to consider our lower level of income and ability to pay back such debt.

(2) We must hold the line on our per capita tax burden. From 1974 to 1975, Maine was the only state in the nation which did not experience an increase in combined per capita state and local taxation. However, I feel our total tax burden is still too high. In 1974, we were 4th in the nation in tax burden. In 1975, we improved but were still 10th in the nation in tax burden, according to Commerce Clearing House statistics.

(3) We need to hold the line on education spending. In 1974, the National Education Association indicated that Maine ranked 12th in the nation in the percentage of personal income spent for public elementary and secondary schools. It is my understanding that the figures to be published this spring will rank Maine 7th in the nation in the percentage of personal income spent for public schools.

(4) We must develop limits on spending which are based on a proper tax mix and which reflect individual equity as well as ability to pay.

While there are a number of factors to consider in taking an economic "temperature" and estimating the health of the patient, the most important are people, jobs, income and profits. One of the great messages which has been enthusiastically received in our industrial development efforts is that we want companies to come to Maine to make a profit as well as to pay quality wages, because the two go together. It is more than coincidental that it appears that in America those companies that make the highest profits pay the highest wages.

After more than three decades of virtually no growth in population, it appears that the livability of Maine—our space, clean air and water, the magnificent coastline and mountains—are attracting increasing numbers of people to Maine. From 1970 to 1975 the census bureau estimated Maine's population growth at 6.6 percent or an increase from 994,000 to 1,059,000 persons. This rate of population growth for five years is substantially above the national average and it is more than three times the rate of population growth in southern New England.

The population growth represents both an opportunity and a problem. We can welcome new people to Maine and we can hope that the increase in population also represents some measure of success in our efforts to provide our youth the chance to stay or return to Maine by offering them quality job opportunities in Maine. At the same time, however, we must plan to avoid the problems of development and expansion that other states and areas have struggled with in the past. We must have action and not simply more plans without action or acceptable alternatives—and approaches for the use of our land and other natural resources.



Secondly, there is the measurement of jobs. While we recently noticed seasonal increase in unemployment, it is worth noting that our average rate of unemployment for the last six months was 7.8 percent compared with a rate of 8.5 percent in the same six months of 1975. While this is an improvement, the rate is still too high and we need to continue our efforts to reduce it by bringing more quality jobs to Maine. However, I think the Legislature and the Congress have got to make it possible for us to do as much to require a person to take a job they can perform as the laws now require as it relates to paying unemployment.

We should, however, also look at the positive as well as the negative side of the employment picture.

During 1975 there was a *net* increase of 10,700 jobs in Maine—4,800 in manufacturing and 5,900 in nonmanufacturing employment. The average employment in the first 11 months of 1976 was 365,400 persons. The number of persons working in non-agricultural wage and salary jobs is the highest on record.

We have a high quality work force. Our people are productive and they are adaptable. We are one of the top states in the nation in terms of having very little time loss due to work stoppages. Over the years our record of labor management relations has been generally outstanding. This is a credit to both labor and management.

As business struggles with production problems elsewhere, this record is beginning to work to our advantage. During 1975 and 1976, 33 new companies moved to Maine, providing approximately 3,500 new jobs for Maine workers. In the same two-year period, 20 firms have expanded in Maine, adding more than 1,500 new jobs. Some of these have been top national companies.

I think we can anticipate that our record will continue to work for us because the companies that have moved here have a story to tell. It can be summed up in five words, "We like it in Maine." The basic reasons, I feel, are our record of fiscal responsibility and the fact that Maine labor is productive and is willing to give an honest day's work for an honest day's pay.

The third point in assessing the Maine economy is income. This is the "bottom line" for the people of Maine. While we are still far from the top in income, there have been definite signs of improvement.

As reported in *Business Week* magazine, personal income in the first 9 months of 1976 in Maine increased by 12.2 percent as compared with the first 9 months of 1975. This is higher than the 9.1 percent gain averaged in New England and is higher than the 10.8 percent national average increase.

In people, jobs, and income we have done moderately well but it is obvious that we need to do more. Much of what will happen in Maine will necessarily be dependent on the economic recovery of the nation. Nationally, economists almost universally look toward a year of continued business recovery. On December 30, the U.S. Commerce Department issued its composite index of economic indicators for November. They indicated a

renewed expansion in the economy after a pause in the summer and early fall. The United States has experienced a jump in industrial production, a strong advance in employment, a rise in retail sales, good growth in personal income, and increases in the average work week, new manufacturing orders and building permits. The weakest point remains a need for a substantial increase in capital investment funds.

I agree with those who say that the rise in the national index indicates that the economy is improving and that we can expect further evidence in this regard in the months ahead. However, a substantial portion of what happens in this area in the future will depend on the policies and actions of the incoming administration in Washington.

A major area of economic concern the past several months in Maine has been the development and increased activity relative to the Indian Land Claims Suit. I would like to make two points in regard to that issue:

(1) Thanks to the hard work and dedication of the attorney general, the state treasurer and many other persons from within state government and from the private sector, I believe we have been successful in stabilizing what could have been a very serious financial problem. The problem is still with us and will require our continued attention, but I believe we have at least succeeded in placing the problem in proper perspective and in establishing a fair and organized method of dealing with the problem.

(2) I also want to say that the people of the State of Maine have every right to be proud of the relationship which has existed over the years between the Indian Community and other citizens of the state, and they can be even prouder that the relationship has continued in the wake of the land claims suit. Maine people have been caught in the web of a legal battle for which their generation or even the generations of their parents and grandparents were not responsible. Despite the picture that some might try to paint, Maine has historically met the needs of its Indian citizens perhaps to a greater degree than any other group, particularly for the past decade, even without the benefit of the federal assistance that has been extended in other states. At a time when much national publicity is being given to Indian land claims cases, it is a tribute to Maine people that they do not have to be ashamed or apologize for their current efforts toward serving and assisting the Indian community. I think the record of this Legislature and the state government in such areas as educational aid and human service assistance speaks for itself.

Maine did not wait for federal recognition of its Indians or a court order to provide services and programs which have been provided to Indians in other states by the federal government. In addition:

(1) Maine was originally the only state to have a Department of Indian Affairs, and the only state to provide such an extensive range of services to non-federally recognized Indians. Other states have set up commissions or departments, but for the most part they have been advisory in nature or small operations designed to coordinate federal-state regulations.

(2) Maine Indians have been afforded every service available to the general population of the state. In addition, in the most recent fiscal period

the Department of Indian Affairs administered a budget of \$727,000 to some 1,400 Indians living on reservations in Maine. This equates to approximately \$2,100 for a family of four and this is in addition to the other governmental services and assistance available to all citizens of Maine.

(3) ' Maine has been equally responsible in the area of education. The most recent figures show the state spending an average of \$821 per elementary student for the general population and \$1,624 per elementary Indian student.

The only point I want to make is that the facts speak for themselves and I genuinely believe this matter should be resolved in the courts, based on the facts.

The state has done nothing to interfere with the rights of Indians to pursue their legal claims and that will continue to be our posture. However, we will continue our efforts to keep this effort from damaging the economy of this state and to prevent it from hurting innocent people. In short, it has been and will continue to be our policy to protect the rights of all the citizens of Maine. Human rights tells us every person is equal and therefore, I submit it is as inequitable to discriminate against a person in the majority as a person in the minority. We must make sure that we do not extend preferential treatment to any one group, except those in need and unable to provide for themselves.

I simply want the Legislature and the people of Maine to know that this administration intends to continue to do what is right for all the people of Maine, including the Indian community. Unfortunately, all the facts of a given issue are not always reported and far too often persons in public life are not always willing to tell it like it is. The people of Maine have a right to be proud of the commitment their state has had in serving the needs of the Indian community and they have a right to know what we are doing and what we are trying to do.

So there will be no misunderstanding, you should know that this administration supports a continued effort to do what is right and fair by the Indian community as well as all other communities of Maine.

In the final analysis, I can report to you:

- (1) That we have held the line on spending.
- (2) That we have held the line on taxation with the one exception of which I think you are aware.
- (3) That the state is in sound financial condition.
- (4) And, that the state's unemployment and economic pictures look much brighter than they did 12 months ago.

We have strengthened a foundation. It's time to build again on our strengths, to clean our shelves of wasteful and bureaucratic programs and unnecessary boards and commissions and to further reorganize in order to improve our inventory and equally important our delivery systems.

Within the next few days, we will present to this Legislature full details of

our legislative program and our budget. While I will not attempt to detail either for you at this time, I will tell you that it is our intention to present to the 108th Legislature a budget which will improve services in needed areas but a budget which will be balanced and a budget which will not call for new taxes.

## EMERGENCY LEGISLATION

While I will present the complete details of our budget and legislative program within the next few days, I would like to discuss briefly and ask your support for two pieces of emergency legislation which we will be presenting for your immediate consideration:

(1) We must address at an early date in this session the new court ruling on the question of sovereign immunity and determine what steps the state must take to protect its interests and the interests of its citizens. The Supreme Judicial Court decided last year that government immunity, as a judicial doctrine, would no longer be recognized by the courts. However, the court, in effect, granted the state an extension of the doctrine through February 1st so that this Legislature could address the issue. The Office of the Attorney General has provided advice and counsel in this area and is drafting legislation which will address a fair and efficient mechanism for considering claims against the state and which will also provide for the defense of government employees who are parties to claims based upon the conduct of those employees while acting within the scope of their employment.

(2) I believe we have a golden opportunity early in this session to take positive steps to address several problem areas, in a special appropriations bill which we will introduce as an emergency measure.

When it became known that the state was going to receive some funds under Title II Public Employment Act, we made the determination to utilize these funds, not only to create temporary public works jobs, but to address real needs and real problems.

We feel we have done that in the special emergency appropriations bill we will be presenting you early in this session. I ask you to give immediate attention to this measure so these programs can get underway.

We have tried to address critical areas and issues, issues we will be confronted with in this session. In drafting this bill and allocating its resources we gave special attention to the needs in such areas as childrens protective services and related programs in the Department of Human Services, needs in the Department of Mental Health and Corrections, needs in the Department of Personnel and the Public Utilities Commission.

There was some question as to whether a legislative appropriation for the allocation of these funds was necessary. However, in a spirit of cooperation and because of our conviction in the executive branch that we must build and move forward together, we decided to ask your cooperation and support in

what we feel is a very important program. We also felt the Legislature should be fully aware of the steps the executive branch is taking in these areas so it will be in a better position to make related decisions later in the session.

As Governor, I seek the support of the 108th Legislature:

(1) In our continued efforts to harness the growth of state government and to emphasize quality instead of quantity.

(2) To help us avoid in Maine, before it is too late, the creation of a fourth branch of government—the bureaucracy. Frankly, I do not feel Maine is anywhere near the victim of government by the bureaucracy as is Washington or some other states, but we should only continue to avoid this providing we provide more support than restrictions or harassment for outstanding commissioners and leaders of government and provide them the tools with proper accountability to both the Governor and the Legislature.

(3) To join with us in serious attempts to examine the desirability of continuing a dedicated revenue approach in state government.

## CONCLUSION

Mr. President, Mr. Speaker, I think it is clear that in this session we are going to share many of the same goals and objectives.

In addition to asking this Legislature to help us build on the foundation we have, I would also ask this body to help us:

I want and need your help wherever and whenever possible.

I seek and will welcome your constructive criticism.

I pledge this and more from the Office of the Governor and the executive branch of government.

We have kept the store open in very difficult times. Let us now move forward together to better serve the people of Maine.