

# MAINE STATE LEGISLATURE

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**LAWS**  
OF THE  
**STATE OF MAINE**  
AS PASSED BY THE

ONE HUNDRED AND EIGHTH LEGISLATURE  
AT THE

SECOND REGULAR SESSION

January 4, 1978 to April 6, 1978

FIRST SPECIAL SESSION

(No laws enacted)

September 6, 1978 to September 15, 1978

SECOND SPECIAL SESSION

October 18, 1978

THIRD SPECIAL SESSION

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# LEGISLATIVE MESSAGE

October 18, 1978

by

GOVERNOR JAMES B. LONGLEY

to the

SECOND SPECIAL SESSION

One Hundred and Eighth Legislature

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Mr. President, Mr. Speaker and Honorable members of the Senate and House of Representatives of the 108th Maine Legislature:

I wanted to meet with you briefly this morning for two basic reasons:

First of all, I want to thank the 108th Legislature for its response to the call of this special session to consider additional tax relief for the people of this state. I am deeply grateful for the positive and constructive attitude exhibited by a majority of the members of this legislature in response to this call.

Secondly, since this may be the last time we meet together, I wanted to say to you that it has been one of life's great experiences and challenges to be involved in the American Democratic process, a process that continues to be the greatest in the history of mankind. We have served together during times of great challenge for our state. We have not always agreed and there have been times when we have defended our own positions and publicly questioned and challenged the positions taken by others. However, I believe history will record our combined periods of service as one of fiscal responsibility balanced with humanitarianism, as one of concern and compassion for the priority of people needs, of commitment to fighting for the broad general interests of the elderly, the struggling working men and women having difficulty with inflation and taxes paying their bills, the youth who need and will need quality jobs to stay in Maine, fighting for the overburdened taxpayers in our state. . . among the most overburdened and short-changed in the country.

Yes, these have been our priorities, at least mine, and I believe most of yours. . . as contrasted with the narrow special interests fostered and festered occasionally by liberal spenders and special interests and some well-paid lobbyists who protect and promote the few at the expense of the many. By the same token, as a Governor who has had a short intensive course in Government, I am told and I do believe that this, the Maine Legislature, and, yes, the lobbyists for the most part, are among the best and most honest and free of taint and scandal in the country. In addition, as I hope you will demonstrate again today, when the chips are down, you're also among the fairest.

That is the major reason we are here today. By returning an additional \$20 million to the people of this state, we can further balance the scales of fiscal responsibility balanced with humanitarianism and further demonstrate to the people of Maine that their ability to pay is being given consideration in the decision-making process in Augusta and that we together, you and I, are both the representatives as well as real lobbyists for the people who are not here or also do not have paid lobbyists here in or around Augusta to represent them.

However, in fairness to this Legislature and to state employees and others looking to government for services, I feel I should also give you a brief update on the state of the state today. There have been some interesting developments in the last 24 hours.

First of all, we are convinced the state's finances are in excellent condition, far superior to what we faced four years ago. . . . two years ago. . . . and, yes, far superior now, even after we return another \$20 million to what the appropriations committee recommended and this Legislature endorsed a few months ago.

In that regard, let me be specific:

(1) When we ended the last fiscal year on June 30th, we brought forward into this new year a balance of \$13 million due to savings in government and accurate revenue projections, conservative on the sound, low, proven side, which has been our track record.

(2) As all of you are aware, revenues have been exceeding estimates, yes, even revised estimates, for several months and that positive trend continued into this fiscal year. As a matter of fact, revenues for July and August exceeded estimates by \$5 million.

It was at that point that we knew for a certainty that we could propose an additional \$20 million in tax relief for the people of Maine and still meet our other responsibilities, including collective bargaining with the remaining unit of state employees, for as you already know, we have finalized with good faith on both sides and the Legislature has endorsed and we are already meeting and paying fair increases and budgets to two state employee bargaining units who settled months ago.

In any event, with \$5 million already assured for the first two months of the fiscal year, we were then in a position to ask the Legislature to revise estimates by only an extremely conservative \$6 million for the remaining 10 months of the fiscal year. Based on these facts alone, this would have left a \$4 million balance after funds were appropriated for tax relief. In addition, we were informed that at least \$2 million of unexpended funds lapsed at the end of each year.

It is also important to note that, based on this information alone, the balance was and is better than the Appropriations Committee recommended to you and you left us in the Regular Session, because at that time, the \$4 million balance was to cover a 14-month period, whereas now, under our officially revised financial plan, our proposed \$4 million, the same amount you endorsed as fiscally responsible and adequate, we're now projecting to cover only 8 months as contrasted with your 14 months.

In addition to the recommendation and justification we shared with you supporting the refund of \$20 million of overpaid and overcollected taxes at the time we wrote you and called this Special Session, our revenues have actually further strengthened since that time and improved the need and the justification, if not the moral responsibility and duty to return this \$20 million to the taxpayers of Maine who paid in this money.

(3) Specifically, our revenues for September exceeded estimates by \$1.6 mil-

lion, and I am informed that we are already assured of an additional \$800,000 for October.

I respect and appreciate the good faith challenge presented in the past few days and I also appreciate the concern which has been expressed by some that funds must be available for any collective bargaining agreements reached in the final months of this fiscal year. I submit to you that the concrete financial data we now have is positive proof that we will have sufficient dollars to meet our responsibilities in that area and still not deny the people of Maine the tax relief they need and deserve. We are in better shape than the Appropriations Committee recommended to you and you endorsed and I approved of 14 months compared to the much shorter period of 8 months. In addition, I am advised as well as report that the Legislative History is quite interesting with respect to those supporting public employee collective bargaining in State Government.

Furthermore, while I respect the right of anyone, including public employees, to demonstrate, as long as it is within the law, and while I am tremendously impressed and appreciative of the overwhelming majority of State employees, the history and objective of collective bargaining was to take employee compensation out of the political arena, to eliminate pressure and lobbying and political activity from the commendable objective I, as Governor, and I believe you, as Legislators, want. . . . **fair salaries, fringes and working conditions for State employees arrived at under the Collective Bargaining Law.**

Under the Collective Bargaining Law that protects and benefits State employees, they are entitled to, as are the Legislature and Governor and people of Maine, discussion and debate at the bargaining table and not in the hallways or on your telephones, because that is what the Collective Bargaining Law was intended to correct and eliminate.

On that note, I want to again commend the Legislature for, almost without exception, honoring the collective bargaining process and as Governor, I want to go on record and say that whether the Public Employee Collective Bargaining Law survives or not and where it goes in the future, I believe, will depend on whether or not the Collective Bargaining Law is honored and respected. I believe it will survive only if it is honored and respected. I believe it will survive only if future Legislators and Governors do not allow politics and pressure to transgress the law or if public employees respect the law and do their pressuring and lobbying and posturing at the bargaining table under the law, as the collective bargaining law was designed to perform.

Frankly, I feel if public employees in the future show a disregard for the law, collective bargaining or otherwise, and try to have their cake and eat it too at the expense of the Legislative and executive branches of Government, at the expense and public service needs of the taxpayers and other innocent citizens, then I feel Public Employee Collective Bargaining will not succeed, at least as it was intended to operate and succeed to the mutual protection and benefit of public employees and innocent citizens and taxpayers outside of Government who are

entitled to have the laws protect them as well, rather than have the laws disregarded or used as a club against them.

I believe your Legislative liaison, one of the most dedicated, honest and fair persons I've ever met, Representative Bill Garsoe, will also say that our office of Employee Relations has bargained in good faith with State employees and will continue to do so. I think this is demonstrated by the fact that this Legislature has already approved fair agreements with two major bargaining units.

We haven't tried to win any Public Relations battle or bargain in the media. However, there are two sides to any story and you should know that I feel our office of Employee Relations, at the direction of Mr. Mosher, has and is trying to be fair and bargain in good faith with all state employees. In addition, I feel they should be judged by what they've done and I'm proud and grateful and I feel you should be as well for the reports of fairness and honesty and decency and professionalism we've received from A.F.S.M.E. and the Maine State Troopers Association, who I am told came to the bargaining table in good faith and I know received good faith in return and with show we signed contracts many months ago.

In any event, I say to you today that we are convinced we can meet all our responsibilities and still give the people of this State this very important and needed tax relief. We are equally convinced that the people will respond with a renewed confidence in government. The people of Maine, the people of America, want to believe, they want to have confidence in those of us in government. Please don't let them down.

In calling this session, we tried as best we could to submit a plan that could be philosophically embraced by the majority of the members of this Legislature and we tried to submit a plan that would directly return these overcollected dollars to the people of Maine. We have tried in every way to share this bill in advance with you and to answer your questions. We stand ready now to assist you in any additional manner possible as you begin these deliberations.

Because of the good faith which has been demonstrated by this Legislature in responding to the call of this Special Session, I pledge to give careful consideration to any bill that reaches my desk, and I will try in every way to respect the will of the Legislature, so long as I can be assured that \$20 million of the money that belongs to the people and was paid by the people of Maine is returned to the people of Maine.

Further on the subject of the state of the State you should know:

(1) We have underway studies prepared to share with the new Governor, whoever it is, transitional efforts towards my objective of doing everything possible to help the new Governor be the best Governor in the history of this State. To that end we are:

(A) Reporting to you that our unemployment rate in Maine is presently at 4.8%,

which is the lowest it has been since 1973. Also, the growth of our personal income continues to be very strong. However, folks, we are at a crossroads in this area. I say this because I am told that if everyone took jobs that were available, the unemployment rate, as low as it is now, could be cut in half. This tells me that the key has to be quality jobs and it tells me that we must do everything possible to widen the differential of what can be earned by taking these quality jobs as related to what can be collected from unemployment compensation or prolonging unfairly and unnecessarily workmen's compensation claims. In that regard, in the midst of attempting to correct or alleviate a situation in which I am advised Maine unfortunately has one of the most expensive and I'm told one of the most unfair Worker's Compensation systems in the country and it is now hurting us, as some of you well know and some of you have brought to our attention.

(B) We are planning to recommend to the new Governor for his presentation to the new Legislature a "Maine Plan" combining an anti-inflation program with a tax equity and tax reform proposal. Parenthetically, to the extent inflation is eroding paychecks and purchasing power and to the extent government spending should and could be limited or reduced, I am planning to present a budget and a plan to the new Governor whereby taxes could be further reduced twenty or thirty or even fifty million dollars beyond this \$20 million we hope you will return to the people of Maine today.

(2) The Indian Land Claims case currently appears to be moving closer to the direction the Attorney General and the Governor and some members of the Congressional Delegation have fought for, such as:

(A) Recognition that this is a Federal responsibility and that the State of Maine has been more than fair in meeting its responsibilities as contrasted to the Federal government's refusal to recognize our Indian Tribes in the past.

(B) That present Maine citizens, non-Indians as well as Indians, are innocent and should not be penalized by any liberal do-gooders that wanted to re-write history and penalize or deny equal rights to one group of citizens to unfairly enrich or benefit another group.

(C) That equal rights and equal protection under the United States Constitution do not allow any person or body to confiscate land. Furthermore, to the extent property rights are sacred, we do not have the right to stipulate that because one person or property owner owns one foot or one acre or more of land his or her rights are less sacred than one who owns a different amount.

(D) That there should be only one class of citizenship in Maine and this country, and that is first class. Therefore, Maine would not be a party to furthering any Federal policy that directly or indirectly could lead to a "Nation within a Nation" status for one group of citizens to either the advantage or disadvantage of one group of citizens as contrasted with any other groups to the extent of separate laws in the areas of civil or criminal jurisdiction or Maine laws governing matters relating to the environment and taxation. We cannot and must not be a divided



state. We must have one class of citizenship for all citizens, and that should be first class.

I will have nothing further to say on this matter until I have the benefit of the counsel of the Attorney General and have had an opportunity to study the written details as well as seek clarification on any questions. Furthermore, as has been my posture with the Congressional Delegation, as has been my posture with the congressional delegation as well as welcome and seek input from members of this Legislature and others to the extent available and necessary before publicly stating my position on what I am advised is a new direction and posture by the White House.

More than two thousand years ago, Aristotle said so well:

“If liberty and equality, as is thought by some, are chiefly to be found in democracy, they will be best attained when all persons alike share in the government to the utmost.”

Parenthetically, I feel this is the question the Legislature faces today. I hope and plead that you will meet this test of democracy and extend equal rights to the taxpayers of Maine who have done and are doing more than their share to pay for their paychecks and pocketbooks for you and for me, for others on the public payroll, but also those programs and people we support and promote with their tax dollars. This overcollection is their money. A rebate, according to the dictionary, is in the verbal form “to give back”, and in the noun form “part of the amount paid”, but I prefer the consumer standard form—give back what they’ve over-paid.

Let’s not practice a double standard or a standard twice if not ten times higher and harsher to give money back to 375,000 taxpayers than you’ve applied to spending their money or taxing them to take more and more away either through direct taxation or the worse cancer of inflation that automatically increases revenues that automatically increases their taxes and leaves them with less and less while those who spend get more and more.

I submit that history has proven, and will again today, that without a doubt, a democracy is indeed the best place to find liberty and equality and I further submit that we have before us today a golden opportunity to allow the people of the State of Maine to further share in the fruits of our democratic form of government in Maine and America.

Let us be as responsive and, yes, as quick to act to return money to the people as we have been in the past to take money from the people.

Thank you very much.