

# MAINE STATE LEGISLATURE

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**LEGISLATIVE RECORD**

OF THE

*One Hundred and Fourth  
Legislature*

OF THE

**STATE OF MAINE**

**Volume II**

**May 9, 1969 to June 17, 1969**

**KENNEBEC JOURNAL  
AUGUSTA, MAINE**

**SENATE**

Wednesday, May 28, 1969

Senate called to order by the President.

Prayer by the Rev. Robert W. Walden of Camden.

Reading of the Journal of yesterday.

**Papers from the House  
Joint Order**

ORDERED, the Senate concurring, that the Legislative Research Committee is directed to study the subject matter of the Bill: "An Act Increasing Certain Liquor License Fees", House Paper No. 1005, Legislative Document No. 1307, introduced at the regular session of the 104th Legislature to determine the adequacy of the existing fee structure and whether the best interests of the State would be served by enactment of such legislation; and be it further

ORDERED, that the State Liquor Commission is requested to provide the Committee with technical advice and such other needed assistance in this study as the Committee may require; and be it further

ORDERED, that the Committee report the results of its study to the 105th Legislature. (H. P. 1221)

Comes from the House, Read and Passed.

Which was Read.

On motion by Mr. Katz of Kennebec, placed on the Special Legislative Research Table.

**Joint Resolution**

Joint Resolution Supporting Lights on for Highway Safety Campaign for Memorial Weekend.

WHEREAS, the Maine Highway Safety Committee is sponsoring a "Lights on for Highway Safety" campaign over the forthcoming Memorial weekend; and

WHEREAS, driving with lights on during the day serves as a reminder that the holiday weekend is particularly hazardous calling for extreme caution, courteous and defensive driving; and

WHEREAS, the motoring public is aware that non-holiday driving is equally dangerous, it is always

receptive to programs which offer an individual opportunity to actively participate in the safety effort; and

WHEREAS, motorists are asked to comply with committee's "lights on" request from 6 p.m. on Thursday, the 29th of May until 6 p.m. on Monday, the 2nd of June; now, therefore, be it

RESOLVED: That the Senate and House of Representatives of the 104th Legislature, now assembled, commends and endorses the Highway Safety Committee's "Lights on for Highway Safety" program and urges all motorists to fully support their worthy objective; and be it further

RESOLVED: That a duly authenticated copy of this Joint Resolution be transmitted to Mr. Albert Page, Chairman of the Committee, in support of their effort. (H. P. 1222)

Comes from the House, Read and Adopted.

Which was Read and Adopted in concurrence.

**Communications**

State of Maine  
House of Representatives  
Office of the Clerk  
Augusta, Maine

May 27, 1969

Hon. Jerrold B. Speers  
Secretary of the Senate  
104th Legislature  
Sir:

The Speaker today appointed the following Committee of Conference on the disagreeing action of the two branches of the Legislature on:

Bill, "An Act relating to Contracts for Support" (H. P. 863) (L. D. 1105)

Messrs. BERMAN of Houlton  
BRENNAN of Portland  
LUND of Augusta

Respectfully,  
S BERTHA W. JOHNSON  
Clerk of the House

Which was Read and Ordered  
Placed on File.

**Senate Papers  
Joint Resolution**

Joint Resolution Commending the Lewiston Housing Authority Upon Dedication of Blake Street Towers.

WHEREAS, The Lewiston Housing Authority is a public body corporate, created in accordance with Statutes of the State of Maine, and established in the city of Lewiston, Maine; and

WHEREAS, said Authority, in conjunction with the Housing Assistance Administration of the Department of Housing and Urban Development, is the sponsor of federally designated Project Me-5-1; and

WHEREAS, said Project Me-5-1 is a six-story 107-dwelling unit housing for the elderly project for low-income residents of the City of Lewiston; and

WHEREAS, the said Project Me-5-1 has been designated by the said Lewiston Housing Authority as the "Blake Street Towers"; and

WHEREAS, the said Blake Street Towers has been completed substantially and has been available for occupancy since the first day of May in the year of our Lord, Nineteen Hundred and Sixty-Nine; and

WHEREAS, the said Blake Street Towers is the first such public housing for the elderly project under occupancy in the State of Maine; and

WHEREAS, the said Blake Street Towers shall serve as landmark for the senior citizens of the City of Lewiston; and

WHEREAS, the said Blake Street Towers is formally being dedicated on the 23rd day of May in the year of our Lord, Nineteen Hundred and Sixty-Nine; now, therefore, be it

**RESOLVED:** By the Senate and House of Representatives of the 104th Legislature, now assembled, that the officials of the Lewiston Housing Authority are hereby commended for taking the initiative in providing sound, safe and decent housing for the elderly citizens of the City of Lewiston, Maine; and be it further

**RESOLVED:** That a duly authenticated copy of this Resolution be sent to Mr. Arthur Bisson, Ex-Director of the Lewiston Housing Authority, along with best wishes to the residents of the Blake Street Towers in their new home. (S. P. 479)

Which was Read and Adopted.  
Sent down for concurrence.

#### **Committee Reports**

##### **House—Leave to Withdraw - Covered by Other Legislation**

The Committee on Taxation on Bill, "An Act to Relieve Elderly Persons from Increases in the Property Tax." (H. P. 48) (L. D. 49)

Reported that the same be granted Leave to Withdraw,  
Covered by Other Legislation.

Comes from the House, the report Read and Accepted.

Which report was Read and Accepted in concurrence.

##### **Ought Not to Pass**

###### **- Covered by**

###### **Other Legislation**

The Committee on Legal Affairs on Bill, "An Act Limiting the Liability of the Owner of a Credit Card or Other Like Credit Device." (H. P. 169) (L. D. 208)

Reported that the same Ought Not to Pass - Covered by Other Legislation.

The Committee on Legal Affairs on Bill, "An Act Relating to Use of False or Unauthorized Credit Devices." (H. P. 980) (L. D. 1264)

Reported that the same Ought Not to Pass - Covered by Other Legislation.

Come from the House, the reports Read and Accepted.

Which reports were Read and Accepted in concurrence.

##### **Ought Not to Pass**

The Committee on Retirements and Pensions on Resolve, Relating to Retirement Allowance for Hal G. Hoyt of Augusta. (H. P. 868) (L. D. 1110)

Reported that the same Ought Not to Pass.

Comes from the House, the report Read and Accepted.

Which report was Read.

Mr. Hanson of Kennebec moved that the Senate substitute the Bill for the Report.

The PRESIDENT: The Senator from Kennebec, Senator Hanson, moves that the bill be substituted for the report on Resolve, Relating to Retirement Allowance for Hal G. Hoyt of Augusta (H. P. 868) (L. D. 1110).

The Senator may proceed.

Mr. HANSON of Kennebec: Mr. President and Members of the Senate: There was a bit of confusion on this bill. In the first place, I suppose, because the amendment which was placed on it made it retroactive to January 1. I find now that the amendment is not on there, and it would change the price tag on this. I feel that this is a problem here which we should decide in the Senate, and I urge that you go along with me on this. The statement of facts are brief, but I feel that they do require a brief review.

Mr. Hoyt, after serving the State approximately 35 years as Director of Securities Division of our State Banking Department, retired on January 1, 1965. In making his application for his pension rights, he selected Option Three, which made provisions for retirement benefits for Mrs. Hoyt in the event that Mr. Hoyt should pass away first. This, of course, is a very normal selection since it is pretty well conceded by insurance statistics that women live longer than men.

On January 20, 1965, notice the date please, January 20, 1965, Mrs. Hoyt was taken ill. She was admitted to the Maine Medical Center in Portland, and she passed away on February 7, 1965. I understand that there is a 30-day period in which a retiree can change their option. That 30-day period expired for Mr. Hoyt on January 31, 1965. The purpose of this Resolve is to authorize the Retirement System to change the optional allowance.

Obviously, between the short period of time when Mrs. Hoyt was stricken and when she passed away in February, Mr. Hoyt's concern was for her welfare, and not his own. What this Resolve will do, it will recognize Mr. Hoyt's long years of public service in the light of these most unfortunate circumstances.

I have not been able to make a full review, but I point out in this session of the legislature, if I remember correctly, Legislative Document 1014, this Committee approved, and both branches, and passed to be engrossed, a resolve

retroactive to February 1, 1966, a retirement benefit for Charles Hubert of Shin Pond. His retirement was under the State Retirement System, and the amount of his retirement benefit was increased by the 103rd Legislature by Chapter Nine of the Resolves of 1967.

I feel that under extraordinary circumstances such as we have here, due to the illness of Mrs. Hoyt, and coming right over that period of time of January 31, that Mr. Hoyt naturally had his mind on her welfare, and the changing of the retirement option was just not in his mind at any time. This lapse went over the 30-day period, it was either by six or seven days, and he goes back to the Retirement System and requests to have the option changed. According to their laws or regulations this was an impossibility, and the only way that it can be changed is through an act of the legislature.

I know Mr. Hoyt personally. I feel that he was a very dedicated employee for the State. I am asking you to go along with this bill. I will admit it came out of Committee unanimously Ought Not to Pass, but that was because of the retroactive clause or amendment which I presume had been placed on the bill, and the possibility that it could open the door where many others might want the same consideration. But as far as I can find out, there are very, very few. I emphasize again, due to the circumstances, I feel that this should be passed.

Some of you might have in your files somewhere the cost of what would be entailed here and, allowing this to come effective ninety days after the adjournment of the legislature, it would be a net cost to the State of \$5,665.71, which reduces the amount a great deal from the figure that we had providing this was retroactive. I hope you will support me in my motion. Thank you.

The PRESIDENT: Is the Senate ready for the question? The pending question is the motion of the Senator from Kennebec, Senator Hanson, that Resolve, Relating to

Retirement Allowance for Hal G. Hoyt of Augusta, be substituted for the report. Is this the pleasure of the Senate?

The motion prevailed and the Resolve was substituted for the Report in non-concurrence.

Thereupon, the Resolve was Read Once and tomorrow assigned for Second Reading.

The Committee on Appropriations and Financial Affairs on Bill, "An Act Relating to Payment of Life Insurance Premiums of State Employees." (H. P. 1020) (L. D. 1328)

Reported that the same Ought Not to Pass.

Comes from the House, the report Read and Accepted.

Which report was Read and Accepted in concurrence.

#### Ought to Pass

The Committee on Legal Affairs on Bill, "An Act Amending the Charter of Portland Relating to Title of Chairman of the City Council." (H. P. 998) (L. D. 1300)

Reported that the same Ought to Pass.

Comes from the House, the report Read and Accepted and the Bill Passed to be Engrossed.

Which report was Read and Accepted in concurrence, the Bill Read Once and tomorrow assigned for Second Reading.

#### Ought to Pass

##### - As Amended

The Committee on Appropriations and Financial Affairs on Bill, "An Act Relating to Tuberculosis Sanatoriums." (H. P. 686) (L. D. 885)

Reported that the same Ought to Pass as Amended by Committee Amendment "A" (H-350).

The Committee on Judiciary on Bill, "An Act Relating to Release of Persons Found Not Guilty of Crime by Reason of Mental Disease or Mental Defect." (H. P. 601) (L. D. 782)

Reported that the same Ought to Pass as Amended by Committee Amendment "A" (H-390).

Come from the House, the reports Read and Accepted and the

Bills Passed to be Engrossed as Amended by Committee Amendments "A".

Which reports were Read and Accepted in concurrence and the Bills Read Once. Committee Amendments "A" were Read and Adopted in concurrence and the Bills, as Amended, tomorrow assigned for Second Reading.

#### Ought to Pass in New Draft

The Committee on Judiciary on Bill, "An Act Relating to Adoption of Children." (H. P. 862) (L. D. 1104)

Reported that the same Ought to Pass in New Draft Under Same Title. (H. P. 1218) (L. D. 1551)

Comes from the House, the report Read and Accepted and the Bill, in New Draft, Passed to be Engrossed.

Which report was Read and Accepted and the Bill, in New Draft, Read Once and tomorrow assigned for Second Reading.

#### Divided Report

The Majority of the Committee on Appropriations and Financial Affairs on Bill, "An Act Relating to Cost of Marketing and Advertising Farm Products." (H. P. 131) (L. D. 153)

Reported that the same Ought to Pass in New Draft and Under New Title: "An Act Relating to Inspection and Advertising of Farm Products." (H. P. 1219) (L. D. 1552)

Signed:

Senators:

SEWALL of Penobscot

DUQUETTE of York

Representatives:

LUND of Augusta

MARTIN of Eagle Lake

BRAGDON of Perham

BIRT of East Millinocket

JALBERT of Lewiston

BENSON

of Southwest Harbor

The Minority of the same Committee on the same subject matter reported that the same Ought Not to Pass.

Signed:

Senator:

DUNN of Oxford

Representative:

SAHAGIAN of Belgrade

Comes from the House, the Majority Ought to Pass in New Draft report Read and Accepted and the Bill Passed to be Engrossed.

Which reports were Read.

Thereupon, the Majority Ought to Pass in New Draft Report of the Committee was Accepted in concurrence, the Bill in New Draft Read Once and tomorrow assigned for Second Reading.

#### Divided Report

The Majority of the Committee on Claims on Resolve, Reimbursing Town of Orono for Support of Non-settled Cases. (H. P. 762) (L. D. 982)

Reported that the same Ought to Pass.

Signed:

Senators:

LOGAN of York

GORDON of Cumberland

Representatives:

LINCOLN of Bethel

CROTEAU of Brunswick

CURTIS of Bowdoinham

MORGAN

of South Portland

SHELTRA of Biddeford

MARQUIS of Lewiston

QUIMBY of Cambridge

The Minority of the same Committee on the same subject reported that the same Ought Not to Pass.

Signed:

Senator:

QUINN of Penobscot

Comes from the House, the Majority Ought to Pass Report Read and Accepted and the Bill Passed to be Engrossed.

Which reports were Read.

The PRESIDENT: The Chair recognizes the Senator from Piscataquis, Senator Martin.

Mr. MARTIN of Piscataquis: Mr. President, in view of the absence of Senator Quinn, I wonder if this could be tabled until tomorrow?

The PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Katz.

Mr. KATZ of Kennebec: Mr. President, directing our attention to the timing to the tabling, it is my understanding that Senator Quinn will not be back for the duration of this week.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Conley.

Thereupon, on motion by Mr. Conley of Cumberland, tabled and specially assigned for June 3, 1969, pending Acceptance of Either Report.

#### Divided Report

The Majority of the Committee on Education on Bill, "An Act Requiring all Municipalities to Become Members in a School Administrative District." (H. P. 510) (L. D. 681)

Reported that the same Ought to Pass in New Draft and Under New Title: "An Act Requiring the State Board of Education to Develop a Master Plan for School District Organization to be Submitted to Local Referendum." (H. P. 1208) (L. D. 1535)

Signed:

Senators:

STUART of Cumberland

KATZ of Kennebec

KELLAM of Cumberland

Representatives:

RICHARDSON

of Stonington

ALLEN of Caribou

MILLETT of Dixmont

CUMMINGS of Newport

WAXMAN of Portland

The Minority of the same Committee on the same subject matter reported that the same Ought Not to Pass.

Signed:

Representatives:

CHICK of Monmouth

KILROY of Portland

Comes from the House, the Reports and Bill Indefinitely Postponed.

Which reports were Read.

Thereupon, Mr. Katz of Kennebec moved Acceptance of the Majority Ought to Pass in New Draft Report of the Committee.

The PRESIDENT: The Chair recognizes the Senator from Oxford, Senator Dunn.

Mr. DUNN of Oxford: Mr. President, I would request a division on this matter.

The PRESIDENT: A division has been requested. As many Senators as are in favor of accepting the

Majority Ought to Pass Report of the Committee on Bill, "An Act Requiring all Municipalities to Become Members in a School Administrative District" (H. P. 510) (L. D. 681), will rise and remain standing until counted. Those opposed will rise and remain standing until counted.

The Chair recognizes the Senator from Kennebec, Senator Katz.

Mr. KATZ of Kennebec: Mr. President, before the vote is announced, is the matter still before us for discussion?

The PRESIDENT: Does the Senator care to change his vote? The Senator may ask for a roll call or may change his vote. The matter is not up for debate.

Mr. KATZ: Mr. President, are you suggesting I can change my vote as it appears on the Committee Report or as I voted just now?

The PRESIDENT: The Chair will announce the vote.

A division was had. Seven Senators having voted in the affirmative, and twenty Senators having voted in the negative, the motion did not prevail.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Berry.

Mr. BERRY of Cumberland: Mr. President, to afford the Majority Floor Leader a chance to speak his mind I move we reconsider our action.

The PRESIDENT: The Senator from Cumberland, Senator Berry, moves that the Senate now reconsider its action whereby the motion to accept the Majority Ought to Pass Report of the Committee did not prevail.

The Chair recognizes the Senator from Kennebec, Senator Katz.

Mr. KATZ of Kennebec: Mr. President, I thank Senator Berry for his courtesy, and immediately after I make a few brief remarks I hope you vote against his motion. I just want to point out to you that this bill is an extremely interesting one, and the vote is a very interesting one too. It shows more than anything else the emotion that is raised when one talks about school districting in the State.

The other body similarly dismissed this, even as we did this morning, although this in no sense was a mandatory bill. For those of you who haven't read into the bill, and it was a new draft that said that the communities which are not presently in districts would be required to vote on whether or not they want to go into a specific district, and that is all it did. It was a very, very pallid form, which I think could have encouraged a good many communities in the State to take a step that the local intransigence is preventing them from taking. I am absolutely confident, in all seriousness, that it could have led to improved educational opportunities for a good many youngsters.

The trouble with talking about districting these days is that we end up talking about money most of the time. We talk about the arrogance of directors and the fact that we are not responsible for communities. The communities are concerned with higher taxes, and the one target they can strike out at is the educational system. The educational system in many places has been the school district. I think this was a good sensible approach and, although we might jokingly say that we really clobbered it this morning, the fact is that we did not attack the problem of many youngsters in the State of Maine, particularly who are in small towns, who are not getting a fair shake. We can joke all we want about districting, but the kids are there, they are getting cheated, and they are growing up into a world where educational quality is important and they are not getting the opportunity for quality.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Berry.

Mr. BERRY of Cumberland: Mr. President, I withdraw my motion.

The PRESIDENT: The Senator withdraws his motion. Is it now the pleasure of the Senate to accept the Minority Ought Not to Pass Report of the Committee?

The motion prevailed.



**Senate  
Leave to Withdraw,  
Covered by Other Legislation**

Mr. Letourneau for the Committee on State Government on Bill, "An Act Creating a Human Rights Act for Maine." (S. P. 367) (L. D. 1280)

Reported that the same be granted Leave to Withdraw, Covered by Other Legislation.

Which report was Read.

The PRESIDENT: The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS of Franklin: Mr. President and Members of the Senate: This is a bill that I introduced and naturally I am curious to see what the other legislation is. I wonder if some member of the committee would enlighten us.

The PRESIDENT: The Chair recognizes the Senator from Washington, Senator Wyman.

Mr. WYMAN of Washington: Mr. President and Members of the Senate: Your Committee on State Government had a good deal of discussion over this bill and could really agree on nothing. It is coming out in three reports, if I recall correctly. One report is the bill as originally written, I think it is the McTeague Bill. Another is a sort of in-between bill, and the third bill is very, very mild. We tried to get together on one bill and we were unable to do it.

The PRESIDENT: The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS of Franklin: Mr. President and Members of the Senate: In order that the Senate and all its members may assist the good Senator and his committee in resolving their difficulties, I would request that this measure be kept alive by being tabled for a period of time so that we can see what this legislation is. If I understood the Senator's remarks - he was so far away from the microphone, it was a little difficult to—if I did understand his remarks correctly, he is coming out from the committee with a very watered-down and a very mild version of this bill, or some sort of this bill that really doesn't say anything. Is that a correct interpretation, Senator?

The PRESIDENT: The Chair recognizes the Senator from Washington, Senator Wyman.

Mr. WYMAN of Washington: Mr. President and Members of the Senate: I hope the good Senator can hear me better now. I did not sign a much watered-down interpretation of this bill; that was another report, but it has been signed by some of the members. I did not sign the strongest report. I signed one that is somewhat in the middle. I don't know if that answers the Senator's question or not.

The PRESIDENT: The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS of Franklin: Mr. President and Members of the Senate: I would request that someone interested in this subject generally would hold this bill, because we are completely in the dark as to the thinking of the committee at this point, and until we do see those bills, I think, we are entitled to keep this vehicle going.

The PRESIDENT: The Chair recognizes the Senator from Cumberland Senator Berry.

Mr. BERRY of Cumberland: Mr. President and Members of the Senate: I think, along with a lot of other Senators, we have sat here and seen some of our bills come out with unfavorable reports, and I am beginning to get the impression that Senator Mills feels that his legislation is extremely noteworthy and sacrosanct. It seems to me that we can debate the merits of this new bill when it comes out; I think that is the time to do it. I think toward the end of the session we ought to be going right through with the committee reports. I will support or fight Senator Mills at the right time and the right place, but I don't think we should take every bill of his and table it until he is fully satisfied that something is going to come of it.

The PRESIDENT: The Chair recognizes the Senator from Washington, Senator Wyman.

Thereupon, on motion by Mr. Wyman of Washington, tabled and specially assigned for June 3, 1969, pending Acceptance of the Committee Report.

Mr. MILLS of Franklin was granted unanimous consent to address the Senate:

Mr. MILLS: Mr. President, I just want to say that I didn't draft this bill. I approached the Senate Chamber one morning last winter, and I was asked by two very distinguished gentlemen to introduce this bill. I didn't have one thing to do with the language of the bill, and it isn't a pet bill of mine at all, but it represents a very great cause. I kind of resent having the inference made that I am jealously guarding this as one of my very own bills, because it isn't. I am very proud that I was asked to introduce it.

#### Ought to Pass

Mr. Wyman for the Committee on State Government on Resolve, Proposing an Amendment to the Constitution to Permit Insurance of Payments on Mortgage Loans Made for Service Enterprises and for Preservation of Certain Business Enterprises. (S. P. 391) (L. D. 1316)

Reported that the same Ought to Pass.

Mr. Berry for the Committee on Business Legislation on Bill, "An Act to Amend the Credit Union Law." (S. P. 402) (L. D. 1354)

Reported that the same Ought to Pass.

Which reports were Read and Accepted, the Bills Read Once and tomorrow assigned for Second Reading.

Mr. Hoffses for the Committee on Inland Fisheries and Game on Bill, "An Act to Make Allocations from the Department of Inland Fisheries and Game Receipts for the Fiscal Years Ending June 30, 1970 and June 30, 1971." (Emergency) (S. P. 478) (L. D. 1557)

Reported, pursuant to Joint Order 467, that the same Ought to Pass.

Which report was Read and Accepted, the Bill Read Once and tomorrow assigned for Second Reading.

#### Divided Report

The Majority of the Committee on Appropriations and Financial Affairs on Bill, "An Act Appropriating Moneys for Vocational and Technical Institute in Waterville." (S. P. 83) (L. D. 280)

Reported that the same Ought Not to Pass.

Signed:

Senators:

SEWALL of Penobscot

DUNN of Oxford

Representatives:

LUND of Augusta

BENSON

of Southwest Harbor

BRAGDON of Perham

BIRT of East Millinocket

The Minority of the same Committee on the same subject matter reported that the same Ought to Pass in New Draft and Under New Title: "An Act Appropriating Moneys for a State Vocational and Technical Institute in Waterville." (S. P. 477) (L. D. 1554)

Signed:

Senator:

DUQUETTE of York

Representatives:

SAHAGIAN of Belgrade

JALBERT of Lewiston

MARTIN of Eagle Lake

Which reports were Read.

Mr. Sewall of Penobscot moved that the Senate Accept the Majority Ought Not to Pass Report of the Committee.

The PRESIDENT: The Senator from Penobscot, Senator Sewall, moves that the Senate accept the Majority Ought Not to Pass Report of the Committee.

The Chair recognizes the Senator from Kennebec, Senator Levine.

Mr. LEVINE of Kennebec: Mr. President, I move that we accept the Minority Ought to Pass Report of the Committee, and I would like to speak on it.

The PRESIDENT: The Chair would inform the Senator that the motion before the Senate is the motion by the Senator from Penobscot. That would have to be defeated before the Senator could offer his motion.

The Senator may proceed.

Mr. LEVINE: Mr. President and Members of the Senate: Before I introduced this legislation here I was approached by the industries in Kennebec and Somerset Counties to establish a post - high school vocational school in Waterville. We met with the Waterville School Board and the Waterville School Board decided that the best approach would be, after I presented the Bill, to try to utilize the facilities that we have in Waterville. The City of Waterville has now a vocational school.

By talking to the Department of Education they tell me that Waterville High Vocational School is the best one in the State. The City of Waterville is building this summer an addition to their vocational school at a cost of a million and a quarter dollars. Most of the money comes from the State so, after talking to the school board in Waterville, they decided that the best way to establish a vocational school for the Kennebec, Somerset and part of Waldo and Franklin Counties would be to use the same facilities. The school board of Waterville voted unanimously to let the facilities be used for this purpose with no charge to the State.

This bill was in the committee for quite a while and I don't know what went on with it, but I went to see once Dr. Logan, the Commissioner of Education, and he told me that the State Board of Education is against new vocational schools at the present time. So, I asked him, when they met the next time, if I could come in and speak to them. So the next time the State Board of Education met, I think it was on April 25, I don't remember for sure, I was there and talked with them and asked them questions. They went along with the idea of establishing a post - high vocational school in Waterville, to be tried out for two or three years, and using the same facilities and equipment, so no new buildings would have to be built, and the cost would be far less per child than any other vocational school in the State of Maine.

The industry that we have in central Maine, they are paying big taxes and they are helping us to

carry the burden of the State of Maine. It is their money that goes into the University of Maine, it is their money that goes to the Highway Department, and I feel that we have to do something for them and for the youngsters, for the children, to get a good trade so they should be able to make a better living and be better citizens. If you don't do something for the existing industries - and I have letters from them, and I am going to read one of them - we might lose some of them in time. You know what happens when we lose industry. When we lost a couple industries, one was in Brewer, and the other one - the paper mill the other side of Bangor - the State had to step in and lend them some money and tried to get new industries. So, I feel, if you have good industries, we should try to cooperate with them and give them the manpower that they need.

Secondly, the State Board of Education thought that by trying what we are now trying to do in Waterville, to utilize the same facilities, that in time it will save the State a lot of money. If this can be worked out, and worked out good, there might not be a need to build new buildings. To build new buildings most of the money we use usually comes out from bonds. That has to be paid back and you have to pay interest on the money you borrow. You can work out a system where the same facilities can be used more than five or six hours a day, the State will greatly benefit from it. I would like to read now the letter from the State Board of Education that was sent to the Chairman of the Appropriations Committee, and I got a copy of it too.

"Memo to: Senator Joseph Sewall and Members of the Joint Committee on Appropriations

"From: Commissioner William T. Logan, Jr.

"Subject: L.D. 280 - An Act Appropriating Moneys for Vocational and Technical Institute in Waterville, sponsored by Senator Levine of Waterville

"Whereas the State Board of Education has opposed legislation creating any new post - secondary vocational - technical institutes, Senator Levine has approached the State Board with a special proposal.

"He is willing to amend his original legislative document to do the following:

"1. Have the legislature appropriate funds for the operation of a post - secondary vocational - technical program in Waterville - such a program to utilize the vocational - technical equipment and facilities of Waterville Senior High School in the fall of 1970 at times convenient to the Waterville School Board.

"2. The Waterville School Department will operate the program for the State Department of Education - employing all instructional personnel, maintaining equipment, etc.

"3. The Department of Education will set fees comparable to those charged at our other vocational - technical institutes and this tuition money will be turned over to the general funds of the state.

"4. Such a program should be experimental for approximately two years of operation. Future funding requests should be based on a thorough evaluation of the program.

"The State Board of Education endorsed such a proposal at its regular meeting on April 25, 1969."

I want to mention also that I don't know any of the members of the board, and just answer the questions that they ask.

I have another letter from Dr. Logan.

"Memo to: Senator Aaron Levine  
 "From: Commissioner William T. Logan, Jr.  
 "Subject: Utilization of Public Education Facilities

"At a time when educational costs are soaring, we hear a great deal about using our public school facilities for more than a five to six - hour day. Actually, there are many communities in Maine which do operate programs for adults throughout the school year.

"Bangor is a shining example of a school system which utilizes its resources to the limit of its ability. Bangor runs a regular high school program for adults who want a high school diploma. It operates a basic program for adults who have not reached the educational level to handle high - school level programs. In its Manpower Development and Training program it has programs to upgrade manpower skills, train mentally retarded teenagers and adults and numerous other skill programs.

"Two of our vocational - technical institutes operate extensive evening programs. Central Maine Vocational - Technical Institute serves just under 400 day students and over 1200 adults in the evenings throughout the year. Southern Maine serves less than 600 day students and about 1200 adults in evening programs.

"In other words, more qualified students can be served if operational money - not capital expenditure money - is available. Much greater use of existing facilities can be made, and your proposed legislation to utilize the Waterville High School vocational facilities for an evening program can serve as an experimental model to guide our thinking in the years ahead. We shall always have need of residential facilities for our widely scattered, rural population. But our urban citizens can be served in existing plants if we have the imagination to work out programs compatible with the regular daytime operation of these schools."

Now I have a letter here from one of our companies, that I am going to read, in Waterville. This comes from the Keyes Fibre Company:

"Statement for Post-High School Vocational School in Central Maine

"The Keyes Fibre Company has had and can be expected to have a continuing need for skilled people within its working force who are properly trained. This training in our opinion can best be accomplished by post - high school technical training schools designed

for those individuals who have indicated throughout their high school careers an aptitude for the particular trade or avocation being pursued.

"We expect within the next few years to employ additional machinists, mechanics, electricians, lab technicians, draftsmen and designers not only to meet the requirements caused by normal attrition but also to meet the needs of expansion throughout the United States and foreign countries.

"We further expect the machine die demands to continue as additional production equipment is acquired both here and abroad. The demand for specialized die equipment falls directly upon our machine shop, since their technical know-how and specialized machinery is able to provide this type of service most economically.

"This personnel necessary for continued growth will be sought primarily from qualified vocational schools rather than attempting to provide training internally. Our experiences over the last several years have demonstrated conclusively that post-high school technical training is superior to that which can be provided from any other source."

The Keyes Fibre Company maintains they make all the parts and all the dies for all their mills that they have now and the ones they are building. They have other buildings in Australia, Norway, Sicily, Mexico, Nova Scotia, Washington State, California, Indiana, Louisiana, the United Kingdom, and France.

By having a post-high vocational school in the Kennebec Valley will enable a lot of youngsters to go that can't afford now to go any other way. Some youngsters can't afford to go in Portland or Presque Isle, on account of financial reasons, and on account of room and board.

The need is there, the need was proven to the committee, there was a lot of businesses that testified, and I am sure the Chairman will agree with me that the need was there.

The post-high vocational schools, I feel, to my knowledge, whatever

experience I had with education—and I was a school teacher and I also lectured in a college of economics—will in time turn to two year colleges, I think. Any boy that graduates from a post-high school is a little more polished. He wants to make a better living for his family. He is better at the place where he works. I think it will benefit not just Kennebec County, Somerset County, Waldo County, or Franklin County, it will benefit the State of Maine in trying to get in more new industries.

The State of New Hampshire has a lot more vocational schools than we do, and they acquired in the last few years a lot more industries than we did. Of course, industry before they move in any place, first they want to know if there are qualified men available. This legislation will be very economical. If it works out well it really might be a saving for the State of Maine in money to build new facilities.

The PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator Sewall.

Mr. SEWALL of Penobscot: Mr. President and Members of the Senate: I seem to continually end up being the perennial skunk at the perennial lawn party. I don't relish this roll as a spoil sport.

I promised Senator Levine that I wouldn't debate this issue, and I don't intend to debate it, but I think it is incumbent upon me as Chairman of the Appropriations Committee to lay before the Senate the reasons which many of us felt were germane for not supporting his very sincere effort to establish a vocational school in Waterville. As the Senate will recall, we do have five vocational technical schools presently authorized here in the State. One is so new, it as yet does not have a building of its own to operate out of in Washington County. These schools do require substantial State Expenditures, and obviously the concept is very valid for them.

This school in Waterville is a new idea, in other words, the State would be using already built facilities, and the appropriation of \$98,000 which is the price tag on this bill would enable the State to

hire teachers and buy equipment for this school.

I believe I am right in saying that this was not an idea which germinated in the Board of Education here in the State. I think it is a concept which was thought of in Waterville rather than by the State Board of Education, and certainly their efforts are to be commended.

I think the Senate should realize that, again, we have a precedent here, and I think it would be entirely conceivable that, if this measure is passed, next session we would have many requests from other areas establishing this same type of school. I understand that presently that there are adult vocational education courses being given in this high school, and that the establishment of this new concept would displace the adult educational process.

I would also point out that there are many openings in the five vocational technical schools which the State is now already operating. The members of the Committee, the majority at least, felt that, while the concept is undoubtedly worthy, that at this time and in this place, due to our straitened financial circumstances, this was one other item that we just could not afford at this time. Thank you.

The PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Levine.

Mr. LEVINE of Kennebec: Mr. President and Members of the Senate: I agree with Senator Sewall that the price tag is \$90,000, but the tuition costs will be coming out of it, so it will lower it to \$70,000.

The second thing is that we have got to look out for the youngsters that can't afford to go to any other place. If it is a good thing, why don't we try it? I don't think that Senator Sewall will disagree with me that this is a good thing and a good approach. It will save us money, and we are definitely spending more than we can afford. So, why don't we try something that might save us money in the future and put this State in a better financial position.

The PRESIDENT: Is the Senate ready for the question? The pend-

ing question is the motion of the Senator from Penobscot, Senator Sewall, that the Senate accept the Majority Ought Not to Pass Report of the Committee. As many as are in favor of accepting the Majority Ought Not to Pass Report of the Committee will say "Yes"; those opposed will say "No". The Chair is in doubt and will order a division.

As many Senators as are in favor of accepting the Majority Ought Not to Pass Report of the Committee will rise and remain standing until counted. Those opposed will rise and remain standing until counted.

A division was had. Nine Senators having voted in the affirmative, and nineteen Senators having voted in the negative, the motion did not prevail.

Thereupon, The Minority Ought to Pass Report of the Committee was Accepted, the Bill in New Draft Read Once and tomorrow assigned for Second Reading.

#### Divided Report

The Majority of the Committee on State Government on Bill, "An Act Providing for a State Pilotage System for the Penobscot Bay and River, Maine." (S. P. 338) (L. D. 1136)

Report that the same Ought Not to Pass.

Signed:

Senators:

LETOURNEAU of York  
BELIVEAU of Oxford

Representatives:

DONAGHY of Lubec  
STARBIRD of Kingman  
RIDEOUT of Manchester  
D'ALFONSO of Portland

The Minority of the same Committee on the same subject matter reported that the same Ought to Pass as Amended by Committee Amendment "A" (S-199).

Signed:

Senator:

WYMAN of Washington

Representatives:

DENNETT of Kittery  
WATSON of Bath  
MARSTALLER of Freeport

Which reports were Read.

Thereupon, on motion by Mr. Wyman of Washington, the Minority Ought to Pass as Amended Report of the Committee was Accepted and the Bill, as Amended, Read Once.

Committee Amendment "A", Filing No. S-199, was Read and Adopted and the Bill, as Amended, tomorrow assigned for Second Reading

### Divided Report

The Majority of the Committee on Business Legislation on Bill, "An Act Relating to Qualifications of Savings Bank Trustees and Other Officers." (S. P. 406) (L. D. 1370)

Reported that the same Ought Not to Pass.

Signed  
Senators

BERRY of Cumberland  
LOGAN of York

Representatives:

SCOTT of Presque Isle  
TRASK of Milo  
SCOTT of Wilton  
CLARK of Jefferson  
HARRIMAN of Hollis

The Minority of the same Committee on the same subject matter reported that the same Ought to Pass.

Signed  
Senator:

LEVINE of Kennebec

Representatives:

GAUTHIER of Sanford  
PECTEAU of Biddeford

Which reports were Read.

Mr. MILLS of Franklin moved that the Senate accept the Minority Ought to Pass Report of the Committee.

The PRESIDENT: The Senator from Franklin, Senator Mills, moves the Senate accept the Minority Ought to Pass Report of the Committee.

The Chair recognizes the Senator from Cumberland, Senator Berry.

Mr. BERRY of Cumberland: Mr. President and Members of the Senate: This bill has interested me considerably. I have read the bill, of course, before the committee hearing, and I have read it several times since. I am wondering if Senator Mills, whose bill this is, would explain the need, the back-

ground, and certain details of the bill.

The PRESIDENT: The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS of Franklin: Mr. President and Members of the Senate: I am happy to respond to my friend, Senator Berry, who compliments me so often here, and tell him that this bill is a bill to update the banking laws in an area where they certainly need updating. The present law in regard to savings banks and management of savings banks, as is shown by this draft itself, provides that no person may have dual membership on the boards of two savings banks. That, of course, is in the public interest. If the public, or an applicant for a loan, is unable to obtain a loan at one bank, he shouldn't be automatically stymied or vetoed from his endeavor to get a loan from another bank. In other words, you might just as well not have two banks if you are going to have an interlocking directorate, an interlocking trusteeship. You might as well put them all together and just have one if they are going to be controlled by the same people.

Of course, it goes without saying, that when these committees meet to pass on loans an influential member of the board, if he is a member of another board in another bank, is more than likely to have his way, so that the public is not served by the existence of two banks if they, in effect, have an interlocking directorate. Now, that is the law today in regard to savings banks, as the statute as is reprinted in this bill points out.

Now, in the old days savings banks were very different from the national banks and they performed a different function, as we all know. They were principally in the real estate field and the holders of long-term time deposits, and they were not in the commercial field to any extent, making installment loans and that sort of thing. So, the customers or clientele of the savings banks didn't overlap with those of the national bank. So, it was felt by the founding fathers, or those who originally drew up the banking laws of this State, that

is wasn't so necessary to prevent the interlocking directorates in that type of situation. But everyone knows today that the savings banks and the national banks have grown together very closely, and particularly when you get into the smaller towns such as the town that I come from, where you do have membership on both boards. Also, it has been pointed out to me by high officials in one of the larger banks in Portland that this situation does exist, and has existed, to the detriment of the banks themselves and the public. Also from Bangor I have the same report, that one firm of lawyers up there, as a matter of fact, has its toe in the door, I think, of three important financial institutions. So, the public isn't particularly well served when monopolistic situations can be allowed to exist.

I would like to reverse the situation - I guess the good Senator has left now, he is tired of hearing me perhaps, but if he is within the hearing of the microphone, I wish he would return to the chamber and - there he is - tell me perhaps why he and Senator Logan feel that this shouldn't be extended, this principle that has been with us since the beginning of our banking laws in regards to the savings banks, why it shouldn't be extended to prevent the interlocking directorate between the savings banks and national banks? That is the view of the minority of this Committee, represented by Senator Levine, in this report, I haven't heard any argument anywhere, except that the bankers don't like it. That doesn't influence the Judiciary Committee particularly, but apparently has a lot of bearing on the decisions of the Business Legislation Committee. Aside from the fact that the banking lobby doesn't like it, and the banking associations generally have voted against it, is there any other good reason why this legislation shouldn't pass?

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Berry.

Mr. BERRY of Cumberland: Mr. President and Members of the Senate: Well, I think there are

some pretty good reasons why this legislation shouldn't pass, and I hoped that my confrere from Franklin would have been a little bit more explicit in his explanation of the need of the bill and, in particular, the background of the bill. In view of the lack of explanation, the best I could do in response to him would be to say that there are reports that this legislation was presented by Senator Mills to take care of a situation in Farmington with which he was extremely dissatisfied. I can be more explicit, and if this bill is still alive when this session ends today I will come back and be extremely explicit.

The PRESIDENT: The Chair recognizes the Senator from Franklin, Senator Mills.

The Chair would remind the Senate of Senate Rule Three: when the President speaks he shall address the Senate. When a Senator speaks he shall stand in his place and address the President. Senate Rule Four, the members, when referring to each other in debate, shall use in their addresses the title of Senator and, by way of distinction, shall name the county in which he resides.

The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS of Franklin: Mr. President and Members of the Senate: For any dereliction in obeying the rules in this body, I apologize, and I will do my best to conform. Mr. President, in keeping just as temperate as I can, I am not concerned about candor, and I am not worried about any revelations that may come about the source of this bill. I will be very explicit about where it came from and how it got on the calendar here, and the support I was given after it did come on.

I was asked by a banker, I was informed by a banker, as a matter of fact, in my home town that this was a very bad situation for local banking, because of the interlocking directorate between the savings bank, in my home town, and one of the national banks in my home town. I had no intimation or any desire to put in such a piece of legislation until I was asked, or told by this banker, that he couldn't



see any objection to it. Subsequently, the banking fraternity in their associations voted against it, and it kind of cooled him off; he didn't like to go against his association. Bankers aren't as independent as lawyers are, and they lock step a little better. But be that as it may, after it was introduced, I had lunch with a very important banking official in the City of Portland, and was informed that it was a good piece of legislation and that it would serve a good purpose in the Portland area. I was then told by people in the Bangor area that it was a good piece of legislation and it would serve the interests of the public in Bangor.

As I said, if there is any more candor, I don't like to name names, and I can tell you, but I don't think the gentleman should have his name spread on the record here who is serving on the two boards in Farmington. If you do want to do it, it is up to you, I think he is a close friend of yours - excuse me - I meant the good Senator from Cumberland, Senator Berry, he can do it if he wishes. I won't be that candid; he can if he likes. I think that we have explained why it is good, and that may not be persuasive but I submit that it does have merit.

The PRESIDENT: The Chair recognizes the Senator from York, Senator Logan.

Mr. LOGAN of York: Mr. President and Members of the Senate: If I may intercept this debate at this point, I would like to explain the basic reasoning of the Business Legislation Committee in this matter. It was felt that in the banking business, which is an important and complex business, that the directors of the banks, the trustees of the banks, need the best talent available. They need the most experienced talent available. You are not going to get this from the local businessmen. This bill prohibits trustees or officers of national banks; it says nothing about the trust companies, it says nothing about the savings and loan, it says nothing about credit union, but it is very specific in national banks. The committee felt that in the best interest, and for the best

administration of the savings banks in this State, that this bill should not pass. This was an objective viewpoint. Thank you, Mr. President.

The PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Levine.

Mr. LEVINE of Kennebec: Mr. President and Members of the Senate: I signed the Minority Ought to Pass Report of the Bill. The reason for it was that there was a time I needed this kind of legislation; thank God I don't need it now. When you go into a bank, you need money, and you need it bad, I mean, financially you might be sound, but you might be hard up at times, if one member of the board doesn't like you, or they find some reason to refuse you, and the same member serves on another board, I will guarantee you if you go into the other bank you will never get a nickel there. When you don't need it, sure they are good to you, the bank, they will let you have it, they will give you everything. But a lot of people who do need the money, they are basically honest, but they might be at times in financial distress, and if you have the same members serve in two banks it will definitely hurt the individual. Banks can loan money always, they don't have any problems to loan money. If one director in any bank, even now, if you put in for a loan, if any one director should say "no", 99 times out of 100 the loan is turned down and that is what we can't afford here, that if the same director goes and tells the other banks "we turned them down over there," he wouldn't have a chance to get his money in the second bank. That is why this legislation is necessary for the welfare of the business people in the State of Maine.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Berry.

Mr. BERRY of Cumberland: Mr. President and Members of the Senate: If I was remiss in my remarks and in my delivery I would apologize to the Chair.

The effect of this legislation in the smaller communities in the State, in the opinion of the Com-

mittee, can be disastrous and will be. Our small communities are not overloaded with people who have the qualifications in these towns to manage the small local banks. This has been one of the reasons behind the consolidation we have seen, which has been proceeding at break - neck pace recently.

If we were to pass this legislation, it would force the resignation of quite a few trustees of savings banks and directors of commercial banks in the small towns where there are not suitable replacements. I would hope that Senator Levine's comment, that a bad report in one bank gets telegraphed to another bank, would be based primarily, and I would hope solely, on the facts of the application which was made. I really feel, knowing the people around the State, some of whom are members of the legislature, that these trustees and directors are qualified, capable, conscientious men, and that if they get a "no" answer from one bank, the chances are pretty good they will get a "no" answer at another bank.

We did feel on the committee that this was basically poor legislation. My earlier comments as to the origin were entirely aside. They, however, were pin - pointed at a particular situation, which is probably not the way to put legislation on the books, and I invite your attention again to Senator Logan's comment that trust companies were not included, and the reason they weren't is what high-lighted the attention that this bill has received. I would hope that you would vote against the motion to accept the Minority Report, and I would request a division.

The PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Levine.

Mr. LEVINE of Kennebec: Mr. President, I want to answer the distinguished Senator from Cumberland, Senator Berry, that I don't think there is any shortage of qualified people to serve on the boards. Although I live in Waterville, I do business with about every community in the State of Maine. In most places very able people are eager to get on the boards. You will see in most of the banks

people there that should retire. They very seldom retire, any man that gets on the board of directors very seldom retires or is removed if he is good or bad. They are all good, there is no question about it, but there is no shortage of any people that are qualified in any small town or any big city. It is a job that doesn't pay too much, it has a lot of prestige, and there would be 500 people qualified for every vacancy on any board of directors.

The PRESIDENT: The Chair recognizes the Senator from York, Senator Logan.

Mr. LOGAN of York: Mr. President and Members of the Senate: Once again we are discussing here the security the people have that deposit in these banks. Once again I would point out that experience and ability are not a detriment in the running of a financial institution. Once again I would point out that this legislation is very specific and is directed against trustees of national banks. Thank you, Mr. President.

The PRESIDENT: The pending question before the Senate is the motion of the Senator from Franklin, Senator Mills, that the Senate accept the Minority Ought to Pass Report of the Committee on Bill, "An Act Relating to Qualifications of Savings Bank Trustees and Other Officers" (S. P. 406) (L. D. 1370). A division has been requested. As many Senators as are in favor of accepting the Minority Ought to Pass Report of the Committee will rise and remain standing until counted. Those opposed will rise and remain standing until counted.

A division was had. Fifteen Senators having voted in the affirmative, and fifteen Senators having voted in the negative, the motion did not prevail.

The PRESIDENT: Is it now the pleasure of the Senate to accept the Majority Ought Not to Pass Report of the Committee?

The Chair recognizes the Senator from Cumberland, Senator Conley.

Thereupon, on motion by Mr. Conley of Cumberland, tabled and tomorrow assigned, pending Accep-

tance of the Majority Ought Not to Pass Report of the Committee.

### Final Reports

The Committee on Inland Fisheries and Game submitted its Final Report.

The Committee on Liquor Control submitted its Final Report.

Which reports were Read and Accepted.

Sent down for concurrence.

### Second Readers

The Committee on Bills in the Second Reading reported the following:

Bill, "An Act Increasing Limits of Liability Under Financial Responsibility Law and Uninsured Motorist Law." (H. P. 145) (L. D. 171)

Bill, "An Act Establishing the Bureau of Geology and Mineral Resources Within the Forestry Department." (H. P. 944) (L. D. 1205)

Bill, "An Act Increasing Compensation of Councilmen and Mayor of City of Augusta." (H. P. 1205) (L. D. 1532)

(On motion by Mr. Conley of Cumberland, tabled and tomorrow assigned, pending Passage to be Engrossed.)

Bill, "An Act Relating to Approval of Secondary Schools." (H. P. 1202) (L. D. 1529)

Bill, "An Act to Regulate Home Solicitation Sales." (H. P. 758) (L. D. 978)

(On motion by Mr. Katz of Kennebec, tabled and tomorrow assigned, pending Passage to be Engrossed.)

Bill, "An Act Creating the Uniform Recognition of Acknowledgements Act." (H. P. 931) (L. D. 1192)

Bill, "An Act Relating to Realty Subdivisions." (H. P. 1215) (L. D. 1547)

Which were Read a Second Time and, except for the tabled matters, Passed to be Engrossed, in concurrence.

Bill, "An Act Relating to the Military and Naval Children's Home." (H. P. 1203) (L. D. 1530)

(On motion by Mr. Tanous of Penobscot, temporarily set aside.)

Bill, "An Act to Provide Funding for Police Professional Liability Insurance for Maine State Police Officers." (H. P. 855) (L. D. 1097)

Which were Read a Second Time and, except for the matter set aside, Passed to be Engrossed in non-concurrence.

Sent down for concurrence.

The President laid before the Senate the matter set aside at the request of Mr. Tanous of Penobscot: Bill, "An Act Relating to the Military and Naval Children's Home" (H. P. 1203) (L. D. 1530), pending Passage to be Engrossed.

The PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator Tanous.

Mr. TANOUS of Penobscot: Mr. President, having voted on the majority side of L.D. 1530, I move that the Senate reconsider its action whereby the Senate voted yesterday to accept the Ought to Pass Report of the Committee.

The PRESIDENT: The Senator from Penobscot, Senator Tanous, moves that the Senate reconsider its action whereby on Bill, "An Act Relating to the Military and Naval Children's Home," the Ought to Pass in New Draft Report of the Committee was accepted and the Bill given its first reading. Is this the pleasure of the Senate?

The Chair recognizes the Senator from Sagadahoc, Senator Reed.

Mr. REED of Sagadahoc: Mr. President and Members of the Senate: After this vote was taken yesterday I sort of assumed something was afoot. As I said yesterday, I hope that everyone voted what they felt was right. There seems to be a thought here that every other legislature has made a mistake in keeping this home open. I submit to you that maybe the past legislatures were correct.

Now, I have lobbied no one in these chambers. I can't help but feel, from just getting a few rumors that have been dropped around - and I don't think the Appropriations Committee maybe in this body is acting this way, but there are some, I feel, that are taking this as a test of strength, and feel that this will be

one of the great landmarks if this legislature takes and closes this home. I don't look upon it as any great accomplishment.

I am not one that goes around trading, putting this bill against that bill. I have been here quite a while, I know what goes on, and I don't like it. I may be wrong. I have said on this Senate floor that I may be wrong on this thing; maybe it should be closed. This was what I said to the Appropriations Committee before when we were tied up between the two bodies. I thought the agreement was to let it go to this other committee and let them make the decision. I think yesterday when I went through the thing I didn't bring this out, but I do feel that there was somewhat of an agreement here with this body. I can tell you this - and maybe I am wrong, but I don't think I am - if that other committee had come back with a unanimous Ought Not to Pass Report and agreed with the Appropriations Committee, I would have sat in my seat and I wouldn't have said a word. I wouldn't have uttered one bit of protest.

Now, I don't know what is going on at the other end - I hear all kinds of rumors and so on and so forth - but I feel that we have debated this on two different occasions, and yesterday we had a roll call - I threw the sheet away, and I may have some idea, of course, I was taking it down, but I like to forget the thing of those who voted for and against—but I am rather upset. I don't know what is going on. Maybe I will get an explanation. But I hope that this thing goes along, goes to the other body, and maybe something can be worked out. Maybe eventually it will be killed, but I hope that we don't reverse our decision at this time.

As I said, when politics with this type of thing are being played, I will call a spade a spade, and I think it is being done right now. I hope you will go along with me and we will get this bill over to the other branch in non-concurrence. Therefore, I oppose the motion to reconsider.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Stuart

Mr. STUART of Cumberland: Mr. President and Members of the Senate: I hope that we will give this six-man board a chance to run this home. As I said yesterday, I disapprove of the way it is being run now with the one superintendent down there and the State having nothing to do with it. I have great hopes for this board. This is something new, and let's see if they can't come up with something in the way of better programs for the children, involving other people, to reduce the cost of running this home. As I said yesterday, and I am very sincere, I would like to see another organization take this home over in the near future. If I am in this body two years from now, and if this home is not being run in a better way, then I feel certain that I will not be standing here debating to keep it open. I think a lot can be done, but we do need to give this board a try. I hope you will not change your votes from yesterday, and I request a division.

The PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator Tanous.

Mr. TANOUS of Penobscot: Mr. President and Members of the Senate: In answer to Senator Reed's remarks, I haven't played any politics with this bill, and I haven't gone around and tried to make trades with anyone nor has anyone tried to make any trades with me.

I voted with Senator Reed yesterday on this matter, and I voted with my heart perhaps because logically, thinking this matter out, and the House seems to concur with this because the bill was substituted for the report - and the House has a greater body than we have, and I am sure much more argument was presented in the House on it - and in listening to the good Senator, Senator Duquette, his argument also made a lot of sense as far as logic is concerned. Now, I certainly don't want to see any children on the street but, as Senator Duquette has mentioned, these children would be placed in homes where they would

be much better provided for than they are presently being provided for. It seems to me perhaps that ought to be the approach we should take on this issue. I sympathize with the position of Senator Reed on this matter, but I feel that in all logic we ought to follow suit with the House on this matter.

The PRESIDENT: The Chair recognizes the Senator from Sagadahoc, Senator Reed.

Mr. REED of Sagadahoc: Mr. President and Members of the Senate: I didn't mean to infer in any way that the Senator from Penobscot, Senator Tanous, had made a deal or anything like this. Yet, the facts are that this has been debated twice, and the gap has been a month or two, so I admit it cuts me pretty deeply.

I also have tremendous respect for the Senator from York, Senator Duquette. If he changes his mind, this is his business; it isn't mine. I do know that afterwards I talked with the Senator from Oxford, Senator Dunn - it was a long session and I guess we both had the same thing in mind - and he said "I hope we hear the end of this." I was hoping that myself.

If the other body doesn't go along with us, this report is dead, but I would like to get it back to them and see what their reaction is going to be. Certainly I know that if there is no money this home is closed. As I said before, I admire and respect the Appropriations Committee for putting the bill in and giving us this opportunity to debate it. The last time this effort was made no bill was presented. It just came out deleted in the current services budget. So, I have no ax to grind with the Appropriations Committee and I don't question their sincerity, but I do just feel that we have had enough chance, we have spoken on it on two different occasions, and it just upsets me that all of a sudden within a few hours this is coming about. Therefore, I hope that the motion does not prevail.

The PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator Tanous.

Mr. TANOUS of Penobscot: Mr. President, if the good Senator Reed from Sagadahoc does want to see this matter go back to the House to see what he can do with it over there, I will withdraw my motion. I do withdraw my motion.

Thereupon, the Bill was Passed to be Engrossed in non-concurrence.

Sent down for concurrence.

#### House - As Amended

Bill, "An Act Relating to Bank Reporting, Reserves and Loan Limits." (H. P. 542) (L. D. 721)

Resolve, to Reimburse Walter Ware of Benton for Well Damage by Highway Maintenance. (H. P. 802) (L. D. 1041)

Resolve, to Reimburse Norman E. Dudley of Waite for Well Damage Caused by Road Construction and Highway Maintenance. (H. P. 681) (L. D. 880)

Which were Read a Second Time and Passed to be Engrossed, as Amended, in concurrence.

#### Senate

Resolve, Proposing an Amendment to the Constitution Pledging Credit of the State for Guaranteeing Portions of Certain Home Mortgages and Housing Development. (S. P. 390) (L. D. 1315)

Which was Read a Second Time and Passed to be Engrossed.

Sent down for concurrence.

#### Enactors

The Committee on Engrossed Bills reported as truly and strictly engrossed the following:

An Act Relating to Suspension of Motor Vehicle Operator's License for Nonappearance in Court. (S. P. 398) (L. D. 1350)

An Act Creating Aroostook County Commissioner Districts. (H. P. 49) (L. D. 50)

(On motion by Mr. Violette of Aroostook, tabled and tomorrow assigned, pending Enactment.)

An Act to Authorize Municipalities to Incorporate by Reference the Provisions of Nationally Known Technical Codes Prepared by State or Regional Agencies. (H. P. 607) (L. D. 788)

An Act Relating to Compensation of Councilmen of City of Biddeford and Prohibiting Contracts of Councilmen and Mayor With the City. (H. P. 1055) (L. D. 1387)

An Act Relating to Hunting, Fishing and Trapping by Indians. (H. P. 1155) (L. D. 1477)

Which, except for the tabled matter, were Passed to be Enacted and, having been signed by the President, were by the Secretary presented to the Governor for his approval.

### Emergency

An Act to Clarify the Charter of the City of South Portland. (S. P. 451) (L. D. 1491)

This being an emergency measure and having received the affirmative votes of 27 members of the Senate, was Passed to be Enacted and, having been signed by the President, was by the Secretary presented to the Governor for his approval.

### Orders of the Day

The President laid before the Senate the first tabled and specially assigned matter:

SENATE REPORTS — from the Committee on Public Utilities on Bill, "An Act Creating the Maine Power Commission." (S. P. 351) (L. D. 1217) Report "A", Ought to Pass in New Draft Under Same Title (S. P. 471) (L. D. 1536) Report "B" Ought Not to Pass.

Tabled — May 22, 1969 by Senator Moore of Cumberland.

Pending — Acceptance of Either Report.

Mr. Moore of Cumberland then moved Acceptance of the Ought Not to Pass Report "B" of the Committee.

The PRESIDENT: The Chair recognizes the Senator from Aroostook, Senator Violette.

Mr. VIOLETTE of Aroostook: Mr. President and Members of the Senate: I rise to oppose the motion for the acceptance of the Ought Not to Pass Report "B".

I recognize that this item is one that you might say is highly charged, as we are talking about electricity. I also recognize that this bill, which is my bill, is one of

the few that has had the distinction of having been supposedly dealt the death blow by the leadership of both branches of the legislature just prior to its public hearing. So I recognize the tremendous odds that are against me here today in trying to convince this Senate that it ought to enact this legislation that I sponsored.

I have introduced this legislation, Mr. President and Members of the Senate, which is an Act to Create the Maine Power Authority, with the conviction that the passage of this bill could make a major contribution in an area that is of vital concern to all the citizens of our State. The commodity of electricity is one of the basic needs of all of us, whether that person be a plain housewife who pays the individual consumer bill, or the industrialist. The availability of this commodity to every user in plentiful supply, and at the lowest possible cost, is a matter that must be and should be of concern, not only to us as individuals, but of concern to our State collectively.

As we in Maine bend our efforts to make our State a place where its people can enjoy more of the fruits of our prosperous society, as we seek to create better and more job opportunities, as we try to keep pace with the other sections of the country in the competition for the average income of our families we recognize that there are basic ingredients that must be available to do the job. I feel that an abundant and reliable supply of electrical energy at the lowest possible cost is such a basic ingredient.

I believe that the State of Maine must concern itself with and engage itself in the development of plans, concepts and projects to insure an ample supply of low-cost energy to the residential and industrial users of our State, and to guarantee the protection of our environment. We know from the experience of every other part of our nation that the involvement of the public sector in the field of power generation and transmission has resulted in great benefits to the people of those areas, as well as to the benefit of the investor -

owned utilities themselves. The experiences in those areas are too numerous to discount them as being only coincidences.

I cite you the TVA region that has produced the lowest electrical energy rates in the country, and has resulted in vast industrial development, to the ensuing benefits of the people, and to the benefit of the privately - owned utilities as well in those areas.

I cite you the same situation that has come to pass in the great Pacific Northwest, where a blend of public, municipal and private energy has resulted in the construction and in the operation of vast industrial complexes based on low - cost electricity.

I cite you the experience in the Missouri Basin Region, the Colorado River Basin and the Pacific Coast, where these blends have resulted in lowering electrical costs and in producing growth and industrial development.

Closer to home we have the example of the power authority of the State of New York, a state agency such as the one proposed here, which has made tremendous contributions in that state in providing lower costs of electricity to a large area of the State of New York. This authority by 1966 had developed and made available, not only to publicly owned utilities, but also to privately owned utilities, a generation capacity of 3,200,000 kilowatts of hydro power. In 1967 Governor Rockefeller appointed a committee to define the future power policies of the State of New York and to recommend the objectives that the state ought to establish to achieve the lowest possible cost of electricity within that state. The recommendations of this committee that the New York Power Authority be expanded from solely the development of hydro power to the development of nuclear power was incorporated into legislation that was signed into law by Governor Rockefeller in May of 1968. At that time the Governor hailed this legislation as a unique partnership between government and private industry in meeting the future power needs of that state.

I would point out to you, Members of the Senate, that this action was taken by a Republican controlled legislature under a Republican Governor. The New York Power Authority is now engaged in constructing a large nuclear plant on Lake Ontario on a site that is to be acquired from Niagara - Mohawk, an investor - owned utility. This plant's basic equipment, that had been originally ordered by Niagara-Mohawk, is being made available to the New York Power Authority to construct this nuclear plant. Niagara - Mohawk has done this because it indicated that it recognizes it can share in the lower costs of electricity that will be produced from this plant being built and operated by the New York Power Authority.

We can also point to one of our sister states, the State of Vermont, which succeeded in lowering the cost to its residential users from the highest rate in New England in 1959 to the lowest average cost in 1964 through the vehicle of a public non-profit corporation then created for the purchase and transmission into Vermont, and being made available to all the utilities in Vermont, of a large block of power secured from the New York Power Authority.

Think about all these areas, Mr. President and Members of the Senate, the involvement of the people, through their government in all these sections of the nation, has come, regardless of what party has been in control in the legislature, and it has come because of an awareness that such involvement could and would contribute to the common good and it was in the best interest of the people.

It is not my purpose here this time to engage in criticism or point the finger at where the blame lies for the fact that our own State has electrical costs that are far above the national average, or that the New England area faces a major power shortage, a shortage so critical that by the end of 1970 there will be indeed trouble unless 300,000 kilowatts of publicly generated power can be transmitted

from New Brunswick through Maine to the other areas of New England in order to take care of their shortages. I submit to this Senate that such high costs of electricity and shortages have been a contributing factor to the fact that Maine is not growing and not developing at the rate of the rest of the nation, to say nothing of our sister New England States.

I submit to you that it is becoming a recognized fact that the public sector has an interest which must be taken into consideration in the development of power planning in our own State, as well as the New England area. Recent Federal Court decisions have so decreed.

Senator Muskie on May 6th, in announcing that he was filing an electric power reliability and environmental protection act in the Congress, stated that the public on a local and regional basis would have to be given a greater voice in deciding site locations for power projects. He said his legislation is based on the idea that all segments of the power industry must be included in plans for a region if reliability is going to be more than a pipe dream. He added that the public interest required a balanced power system, public and privately owned. He concluded also that he would continue the fight for the Dickey-Lincoln School Power Project.

Certainly the construction of the Dickey-Lincoln School Power Project would give the people of Maine a voice, a public voice, in planning decisions, which would rule out last minute emergency patchwork purchases of power in order to meet critical shortages.

But I say that the people of Maine cannot wait for federal assistance to establish this principle and a working relationship with our privately-owned utilities. The long-range planning for Maine's electrical needs involves the health and welfare of our entire State, and the adequacy of the supply of power and its reliability, to say nothing of its cost, will help determine the future economy of our State and its merits as a place in which to live and to work.

The bill that you have before you, Mr. President and Members of the Senate, is a redraft of the bill that I originally introduced which creates a seven-man commission, representing all of the segments of the public as well as the power industry in Maine, and charging this commission to study the needs, the power needs, of our State, and to make such recommendations and develop such plans and projects as it would feel to be in the best interest of the State, and to return such plans, specifications or planned projects to the legislature of the State of Maine for approval.

At the public hearing it was stated by a spokesman of the investor-owned utilities that, while they did not basically quarrel with the concept of the commission, there were certain provisions in the act which they felt they could not live with and which at that time required their opposition. These particular provisions related to the powers of eminent domain with regard to utility-owned properties and with regard to the ability or authority of such a commission to sell to certain customers, and pertained to the preference of selling power to publicly-owned utilities such generating capacities as this commission would construct before making it available to the privately-owned industries. After discussions on two occasions with chief officials of our three large privately-owned utilities in Maine, I agreed to remove these features from my bill, and I made every possible effort to meet their objections. The bill that you have before you is a bill that provides for these basic objections raised by the private utilities' spokesmen.

I submit to you, and I wish to state to this Senate, that some people look at this legislation as being a confrontation of public versus private interests. I personally take no great pleasure in engaging myself in controversies with our investor-owned utilities. I have publicly stated on many occasions, and I restate, that I look on our investor-owned utilities as being the major backbone of our electrical system in Maine and I, for one, feel that they always ought



to be in a position of being able to provide services to their customers and to be able to operate adequately and profitably in this State, and to grow along with the economy of our State. That has been my position and it is my position today, but I submit to you that the legislation that is now being considered is important as a major supplement to our electrical industry in Maine, and that it is needed in order to provide boosts to our investor-owned utilities and to allow the public sector to have a say in what is going to be the future course of electrical development in our State.

I hope Mr. President and Members of the Senate, that you will not go along with the motion of my very, very good friend, Senator Moore, that you will reject his motion. When the vote is taken I request a roll call.

The PRESIDENT: A roll call has been requested.

The Chair recognizes the Senator from Cumberland, Senator Moore.

Mr. MOORE of Cumberland: Mr. President and Members of the Senate: In spite of the fact that this type of legislation has been before the legislature several times, and the legislatures have been controlled by both parties, it has failed each time.

The Public Utilities Committee this year spent a considerable period of time on this bill, particularly because of the excellent and sincere presentation made by the good Senator from Aroostook, Senator Violette. You have to be strong-willed to oppose his convincing talk.

I suppose we could argue for hours on end the two sides of this bill but, to me, and the five of us who signed the Ought Not to Pass Report, we just couldn't see the State of Maine setting up a new bureau, even with only a ten thousand dollar cost, to establish the State Government of Maine in the electric power business.

I suppose if all the "ifs" were removed in a non-tax paying, non-stockholder organization, it definitely could produce power cheaper; this only stands to reason. But "ifs" outweigh this dream

at the end of the rainbow. Utilities, of course, are required by law to service the public in return for their exclusive territory. They are regulated by the Public Utilities Commission, and they can charge the public only what it costs them, plus a reasonable rate of return on their investment. The public Utilities Commission controls that too, the rate of profit that they can charge. The inescapable conclusion, therefore, is this - and it is a matter of basic economics. Each customer lost by private utilities means that this income must be made up by the rest of our customers that are going to have an increase in rates to make up for that loss.

The bill specifically would allow power commission sales to the United States agencies and Canadian provinces. This obvious spiral means simply this: that public and private power cannot compete in the same area, or private power companies will not survive. There is no place in the United States where this mixture does work.

Since the original out-of-state promoters put this type of bill in the State Legislature back in 1961, I want to point out what has happened: No. 1, the Federal Power Commission just announced that the highest power rates in the country are not in New England, but in the middle Atlantic States. New England has had a savings to their customers of \$41 million due to rate reductions since 1965. No. 2, the Maine Yankee is well on its way to supply a tremendous amount of power with the lowest cost fuel, atomic fuel, and the tie-in with New Brunswick and with REA is imminent within a year, putting us in the middle of the New England electric system, so we will no longer be at the end of the line.

Years of experience and expertise in a highly complicated field cannot and must not be quickly replaced by us with a new state agency, which will raise and spend millions of dollars without paying fair taxes and without any Public Utilities Commission regulation

whatever for the protection of the public.

There is one example I want to point out to you. If the Central Maine Power Company played the same game of paying no taxes, in the Town of Wiscasset, at the present time, without the atomic plant that is being built, they would pay a tax of \$2,000. As it is now, they pay the Town of Wiscasset \$550,000. So you can easily see that if we tax - exempted private utilities they could produce power cheaper, but who would run the government if no one pays any taxes?

This bill was not in the best interests of the State of Maine in '61, '63, '65 and '67, and definitely I can't see as it would be in '69, when you consider that we are having an atomic energy plant built here which is going to supply us with a lot more power.

Gentlemen, I want to bring out one point. We live in the greatest nation on the face of the earth, the most powerful, most productive, with the highest standard of living - we feed half of the world - and it isn't being done by the government being in business. It is done by private enterprise and private initiative, and that is what I stand for.

The PRESIDENT: The Chair recognizes the Senator from Androscoggin, Senator Boisvert.

Mr. BOISVERT of Androscoggin: Mr. President and Members of the Senate: Having signed Report "A", I think it is my duty to make a few comments on this bill. It is pretty hard for me to add to the presentation by Senator Violette from Aroostook County.

I agree with Senator Moore from Cumberland that this concept has been before the legislature since 1961. I disagree, though, that we can rely only on private enterprise. In this day and age government and private enterprise have to join hands for the greatest benefit of the people. I was here in 1961 and have been here ever since, and I always supported the concept of public power. It is not a partisan concept. In 1961 and 1963 Republican Senators in this august cham-

ber supported public power, and I am referring to ex-Senator Philbrick and ex-Senator Cyr from Aroostook County.

Since I was a boy I have heard and read about public power for the State of Maine from the federal level. In those days they were talking about the Quoddy Project, a project to harness the tides of the Bay of Fundy. That was kept in the news for many years. Not too long ago we heard about another concept, a plan to develop the hydro power of the St. John River. There again, the Corps of Engineers of our great country, after a thorough study, came out with a report that that was feasible. But you all know what happened in Congress, you all know the opposition to such a project. We hear again today that some of our own in the State of Maine will continue to fight for that federal project in the non-partisan State of Maine, but I am beginning to believe that this dream is getting farther away from us. I believe it has come to the point where the State has to look out for itself and, gentlemen of the Senate, this proposal before you, An Act Creating the Maine Power Commission, I think, is a piece of legislation that will do just that.

We gathered here early in January and we were faced with problems, the needs of our State, and the ability to pay for those needs. We have heard about taxes since that time, and we also have heard of the great needs of our people. To this day, the last few days of the month of May, we are not at a point where we can say exactly where we are going, although there seems to be a road to agreement ahead. Our problem is twofold. The population of our State has barely increased in the last decade. The costs of government have tripled in that same decade, and we have to rely on about the same number to pay the bills. We cannot turn back the clock, but I think this can be said: If the concept of public power had been accepted back in 1961, we would have public power in the lines today to invite industry to help build up the economy of our State, to create jobs for our youth.

Members of the Senate, I certainly hope that you will support Senator Violette from Aroostook County and give this legislation a real good try.

In closing, let me read from an article that appeared in the Sunday Telegram only a few days ago. The dateline is Washington. "Most adult Americans have grown up assuming that there will always be energy at the flick of a switch. Not so," says the outgoing Chairman of the Federal Power Commission, Lee C. White. He continues: "I have been astonished that there have been no proposals from the industry on what I regard as a problem so serious that we could find ourselves as a nation without an adequate supply of electric energy, and yet," White added, "as I see it, there really is not very much time left for developing procedures to insure that generating plants, transmission lines and right-of-way will be ready and available when required. Public opinion sometimes is slow to manifest itself, and yet there is example after example of where local opposition has either prevented or delayed construction of needed facilities." White predicted that "barring some action by Congress in the meantime, the utility industry itself will come begging to Washington within a couple of years for help in meeting their responsibilities to provide adequate and reliable electric service."

Today, through this legislation, we are offering the same thing to our own utilities. Thank you.

The PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Levine.

Mr. LEVINE of Kennebec: Mr. President and Members of the Senate: I endorse this legislation because I feel there is room in the State of Maine for public and private power.

When the Federal Government went in with public power there in Tennessee it helped build up that region. The Federal Government doesn't sell direct to the public; they sell to established companies. The only provisions put in is that it is at a set rate, that they can only charge so much for the power.

My good friend from Cumberland, Senator Moore, mentioned that the power rates were lower in the State of Maine in the last year or two. Let us look at the reason why they were lowered. They were lowered because the companies were afraid of the public utilities.

I think we should pass this legislation. There is room for both of them. It isn't going to drive any existing companies out of business, and the State Power Authority, if it is ever developed, if they ever build dams, they will sell the power to private companies, and then the private companies will distribute it to the public.

The PRESIDENT: The Chair recognizes the Senator from York, Senator Logan.

Mr. LOGAN of York: Mr. President and Members of the Senate: My reaction to this legislation is frankly a gut reaction. This calls for a massive dam project, as I understand it, that will flood the upper reaches of the St. John River, and I don't know whether this is justified or not in this Atomic Age. I understand that Maine is now selling power to other New England States. If this project goes in, presumably, we would be selling a great deal of power to the rest of the country, and this Senator is sick and tired of the resources of the State of Maine being exploited for the benefit of others. Thank you, Mr. President.

The PRESIDENT: The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS of Franklin: Mr. President and Members of the Senate: It has been brought to my attention that there has been an important court decision that I haven't been able to digest thoroughly. I would like to inquire of any Senator in support of this measure that may be more fully informed on it than I am in regard to the reference to Maine Yankee and its effect on the presently existing public power companies that do exist in the New England area. There are a few in Maine, I believe. There are the Rural Electrification people and what used to be the Madison Electric

Company, but whether that has gone over into private power or not, I don't know. I think there are two or three municipally - owned power plants in the State, distribution centers that buy their power, I think, from the larger companies. I am sure that in Massachusetts there is quite a number. I understand that there has been a decision from the Circuit Court, one of the courts, to the effect that the Maine Yankee proposition is a freeze on municipals, and that if it were allowed to go through, as it now stands, that it would squeeze them out and put them out of business. Of course, that isn't much business in Maine, but there is REA up north and one or two municipally - owned distribution companies, I think. Probably the good Senator from Cumberland, Senator Berry, who is in the business, could tell us better about this. I am not particularly informed factually, but is there anyone here who can tell us what the effect of this decision is on the Maine Yankee plant, if it does have an effect, and if it does have an effect on some of our operations that are now existing, particularly in Massachusetts, I think. I wonder if that could be further explained.

The PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Katz.

Mr. KATZ of Kennebec: Mr. President, I would allay the fears of the Senator from Franklin, Senator Mills, about the effect of the Wiscasset project because I recall very clearly the proponents of public power two years ago, or four years ago, indicated that this plant was a hoax, it was a promotion, and it would never be built. So, consequently, I would say the Senator has nothing to fear.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Berry.

Mr. BERRY of Cumberland: Mr. President and Members of the Senate: In answer to Senator Mills, there will be power available to all electric distribution systems in the State of Maine, the REA's, the municipals and the small private

power companies. It is believed that when Wiscasset generation comes on line that power will be produced at a significantly enough lower cost so that this savings can be passed on to the consumer. While I am on my feet, I would like to respond to one or two remarks that have been made. In the full spirit of being factual, and not trying to add fuel to the fire, I would enlarge on Senator Katz's comments relative to the statements that were made two and four years ago about the future of the Wiscasset Atomic Power Plant. He is correct in what he said, and I must add, to be in position to give you the whole facts, that certain interests associated with the public power people have done everything possible to delay this project and to hold it up. A direct result of these delaying tactics, which were expended in delaying many, many permits which were necessary at every level of government, from local to Washington, this delay which was occasioned is going to cost you and me more because our electric rates will not be as low as they could have been if this project had been allowed to proceed when it was first planned and hoped to be started. You may recall that within the month Central Maine Power Company has gone to the money market and is now paying 7½ per cent for its borrowed money. This is a pretty good argument, I suppose, for public power, because in other sections of the country they get their money for two per cent, and I guess you and I are paying the difference of 5½ per cent. So that is just a little history of the Wiscasset Plant, both the future and the past.

Chairman Lee White, who was mentioned here by Senator Boisvert, the retired Chairman of the Federal Power Commission, is a dedicated articulate proponent of public power. His lack of support for system - wide, country - wide planning has resulted in throwing fear into the management of private utilities across the country, that if they do attempt to get together, if they do attempt to plan system - wide for distribution,

power failures, large capacity generation, they are opening themselves up to federal prosecution for restraint of trade, an interesting weapon used by our federalists.

It is also interesting that this alleged lack of planning - and it is alleged because there is a good coordinated nation - wide planning going on—it is interesting that we now have come full circle, and that the break - up of the utility systems, which was done in the depression days, is now something we are trying to overcome and once again get back to a system - wide operation of planning.

Now, this particular bill has no objective of a concrete nature. It does not provide, as Senator Logan feared, for the construction of the Lincoln-Dickey Dam. It provides for no foreseeable construction. In the bill is the provision that there shall be no eminent domain unless the legislature approves it of existing utility systems.

There is nothing in the bill to prevent the construction of a generating plant, atomic or fossil fuel plant, and the construction of transmission lines and facilities to duplicate existing systems and to deliver power where desired. This can be done under the present bill. Needless to say, the expense of the construction and operation of parallel facilities is prohibitively expensive on the ratepayer. In other parts of the country in years gone by this has happened.

Another reason I believe this legislation is unnecessary is that, as has been pointed out, the public utilities systems in the State, the REA, the municipal systems, the small systems and the three big companies have a c t u a l l y got together now and are starting construction of the tie-line to bring power from New Brunswick to Wiscasset, where it will tie in with the line running from Wiscasset south. This will tie us in with a good strong electrical muscle with the rest of the maritimes and the country, and is a step in the right direction.

Reference has been made to the New York Power Authority, I would point out to the members of this body that the New York Power

Authority situation is far different from anything envisaged for the State of Maine. The New York Power Authority came into being because generation sites were available on the St. Lawrence River far beyond the capacity of private industry to develop. The New York Power Authority was created and its only, at present, source of power are these huge hydro installations. In turn this power, this cheap firm hydro power, was sold to the State of Vermont, and is the reason that Vermont has been able to have a significant decrease in its power rates. We don't have this situation in the State of Maine and, with further reference to Lincoln-Dickey, this is not firm power; this is peaking power, and it could not be used in the State of Maine, but would have to go south of the Maine - New Hampshire border to be used. So, if and when it does become available, it is very questionable whether it will result in a lower power bill for you and for me.

I think the existence of this Maine Electric Power Company construction program, to which reference has been made, is a concrete realizable thing which will result, in addition to Wiscasset, in savings and efficiency in operation. It certainly will mean a great deal as far as reliability goes.

One feature of the bill I invite your attention to is the tax immunity. Now, I am sure we all realize that the taxes that the utility pays, these taxes are paid with money which you and I pay when we pay our electric bill. But this money goes go back to the local property tax account and is of extreme significance statewide. The exemption of the facilities to be constructed under this bill, without any further legislative act, would be tax exempt, and would result in a significant loss of revenue if other facilities of existing public utility companies are outmoded or undersold.

The matter of eminent domain to take over the existing utilities has been stricken from the bill, but it is provided in the bill, upon legislative approval. I question the advisability of the State getting into the power business from a

purely practical operating angle. I have yet to see a State operation which can be run as effectively and cheap for the taxpayer as a privately controlled operation.

An additional feature of the bill is that it has no appeal from its rates to any other regulatory authority. I believe the removal of this feature is extremely objectionable.

For these reasons, I do support the motion of Senator Moore. If the time ever comes when we know that public power can result in lower costs to electric customers, I am sure that I would be one of the first to support it.

The PRESIDENT: The Chair recognizes the Senator from Knox, Senator Hoffses.

Mr. HOFFSES of Knox: Mr. President and Members of the Senate: I feel quite certain that many of you gentlemen, the people sitting in back of the Senate Chambers, and others hearing my voice, have doubtless long been wondering just what my position on this particular matter was going to be.

Many of you know that I introduced one of the public power bills two years ago. At that time there were some eyebrows raised that why should I introduce a public power bill. Being a man dedicated to the idea of private enterprise, being engaged in private enterprise, how could I possibly sponsor such a piece of legislation? Well, I will try to explain.

The bill which I sponsored, and which is before me a copy, the number of it being L. D. 1168, was the installation of a nuclear power producing generator within the confines of my own County of Knox. That, I suppose you could say, was a selfish interest. That I will not deny. But, above all, it was my feeling that by the implementation of a public power authority - and I use the word "authority" rather than "commission" because that was the title of my document - would provide lower cost power to the people of the State of Maine. During the deliberations of the proposed public power bill of two years ago, much to my complete amazement, an individual whom I have had the pleasure of knowing

for many years, one who is very closely associated with one of the private power companies of this State, made this statement: "There is room for public power and I believe it is not all bad."

At the time that we were discussing this legislation of two years ago, some of the benefits which were pointed out at that time I would like to explain to you a little later. Now, at the time that we were discussing these matters, there was a hue and cry that this was a hoax, that it was just talk by the private utilities that they were going to build a nuclear plant at Wiscasset. Well, I guess that all of us here now can bear witness that it was not; it was a reality. I visited that plant a short time ago and, although I am in the construction business in a small way, I was completely awed at the work which was going on at the Wiscasset Plant; it is unbelievable. So, we cannot say it was a hoax; it is a reality.

We now have a very recent announcement by the Maine Electric Power Company, which was released to the news media very recently, and in this release they have announced their proposal to build transmission lines of 345,000 voltage from New Brunswick into the State of Maine. I believe we all know that New Brunswick power is public power. Now, they did in their announcement, which was well pleasing to me, say that all of the state, municipal, co-operative or the investor-owned companies are invited and can become a part of this company.

It has been brought out earlier that the Big 11, so-called, are excluding the small private-owned and municipally-owned companies from participation in the Big 11 Power Loop. I had understood sometime ago that matter was before the Federal Power Commission, and it did disturb me that they would be exclusive and would not permit these small companies to participate. I am firmly convinced now that the Big 11 will be required to alter their plans and proposals and that they will be required to participate with the

small individual companies in the manufacture and the distribution of electric energy. I believe that this is a step in the right direction.

Now, I would like to explain to you what I believe the company man mentioned to me sometime ago, and which I said I would point out a little later, and that is the eventual establishment of public power in cooperation with private power. The Senator from Cumberland pointed out the savings in interest rates. I had a saving of approximately two per cent in the purchase of bonds, and the good Senator from Cumberland indicated that it was as high as five per cent. Now, we cannot say that this is going to damage or injure the tax structure, or that a public power operation is so much more beneficial than private. This savings of, shall we say from two to five per cent, is based entirely upon the purchase of the bonds from the big bonding companies which deal in millions and millions of dollars. Two years ago, when they were talking this matter up, I was in complete awe and could not comprehend the figures which they were talking about and which they were proposing. A two per cent savings on a nuclear installation, which we know will run probably in excess of \$200 million, a two per cent savings, certainly you gentlemen do not need a pencil and a pad of paper to know what that savings would be eventually to the ratepayer.

Now, it had been said that public power will not pay their just taxes. Well, I believe that the unification of a public power and a private power concept can save us many dollars through the government tax shelter which, if we remained entirely private companies, would have to pay to the government, and undoubtedly a lot of it would eventually reach the west coast, the south, where I do not believe that they need quite the money that we need here along the east coast.

This plant which is coming to reality in Wiscasset is very close to my constituency. I have very many of them who are working at the plant now and who are

receiving very good wages. The plan which the Maine Electric offers is going to bring lower cost power into the State of Maine. The bill which has been offered here by the Senator from Aroostook does not offer a complete plan of construction, other than the mention of Dickey - Lincoln School. My proposal of two years ago definitely stipulated a particular area and a development. I repeat to you, and I have before me, my remarks which I made at the public hearing of two years ago. I will not bore you with reading the whole statement, but I would like to point out that on Page 1 I was particularly interested in the beneficial price of electricity to the ratepayer, and my c o n c l u d i n g remarks, my last sentence, was that one point that must be kept constantly in mind, the welfare of the people of Maine.

Now, I believe sincerely that the power companies of this State are making an earnest effort, they are making a sincere effort, to provide lower cost power for the people of the State of Maine. For this reason, I am going to change my position on the bill relative to a Maine Power Commission, because I believe that our private power companies that we have in the State, and in New England, are making a sincere effort to bring to you and I lower cost electricity. This is a reversal of my position of two years ago, but I say to you here and now that if the power companies of New England do not continue to make a sincere effort, if their proposal which they offered here some two days ago is only a hoax, as some have said that it may be, then I will again shift my position in support of any means of electrical generation which will provide low cost power for the people of Maine.

I shifted my position on the Prestile Stream, I voted in favor of the Prestile Stream when it was presented to this legislature and, as you know, I vigorously opposed the company which is polluting this stream, and I voted in favor of the bill which would upgrade those waters. Now, I am not averse to shifting my position again. I shifted

it on Prestile, I am shifting it on public power, and I promise you that I will shift it back again if the occasion requires it.

The PRESIDENT: The Chair recognizes the Senator from Aroostook, Senator Violette.

Mr. VIOLETTE of Aroostook: Mr. President and Members of the Senate: I hate to speak further on this matter because I recognize you reach a point where further talk brings you diminishing returns, and I think that perhaps the Senate has sat too long already on this question. Yet I feel it is incumbent that certainly certain answers ought to be given to some of the statements that have been made by people who have talked on this bill.

First of all, I want to make it clear to you that I introduced this bill solely from my own conviction that it is a good thing and in the best interest of the people of Maine. I have no contact with outside interests. In fact, I very frankly told people who had been involved in some previous activities with regard to power authorities that I wanted no part of their help because I did not want my legislation to be tainted with supposedly working on a power commission bill because it represented interests of outside people, either in the financing field or otherwise, and I want this very, very clearly understood.

Now, there has been some talk on the question of taxation. We recognize, and it is recognized universally by people who are in the power field, and it is always brought up as an objection to a public power facility, that it does not pay its fair share of the taxes. For a while my good friend from Knox County, Senator Hoffses, was probably doing a better job than I may be able to do in explaining some of the questions of taxation and the questionable result of supposedly these things being free of taxes and the private utilities having to pay taxes. But I would submit to you that it is unquestioned that some of the tax-saving features are in the tax-free revenue bond financing of these, and this has been recognized by people in

the private power industry in other states as being one of the reasons why they have supported this type of legislation, actually encouraged it and gone into cooperative ventures with them. I cite no less a man than the present President of Consolidated Edison of New York, who is going into the atomic energy angle of the New York Power Authority, recognizing the savings that will result in the eventual cost of power that they will be able to purchase from this commission.

Now, this bill does definitely carry a tax feature that will return to the State of Maine an amount which would be up to ten per cent of the revenue received from the sale of power from this agency. I submit to you that that may, in the end result, be far more than Maine Yankee may possibly be returning to the State of Maine in taxes to Wiscasset or any other locality. So, this was not a free ride, and this feature was developed by the Legislative Committee on Power of the 102nd Legislature. We came up with this feature, feeling that it ought to make a tax contribution to the State of Maine, and this bill definitely provides for this situation. If any generating facility were constructed under this kind of an agency, I submit to you, that the end result may well be that it would result in a greater amount of taxes being paid to the State of Maine than a single generating facility being built. And I mention Maine Yankee being built in Wiscasset and paying a share of the tax load of that community.

Now, I am not accusing the builders of Maine Yankee of getting a free ride on taxes, but I do submit that certainly they are not paying the tax on the valuation of this installation. This is in the nature of things, because they certainly couldn't pay more than the tax appropriation of Wiscasset would require. But there is very definitely a good feature in this bill with regard to taxes.

I do want to mention another thing that has been mentioned by two or three people, and this is with regard to the construction of Maine Yankee. Now, I don't know what some people said two years



go with regard to Maine Yankee, as to whether it was a hoax, or whatever it was, but I stated two years ago, or two and a half years ago, before the legislative Public Utilities Committee, that I welcomed the construction of Maine Yankee. I welcomed it and I encouraged it, because it was doing what some of us thought should have been done a long time ago, that only through the construction of large generating facilities would we be able to receive some of the lowering cost factors in the cost of energy. I do want to say, however, that I have not considered it a total plus, as far as we in Maine are concerned, because fifty per cent of it is owned by outside utilities, or utilities outside of the State of Maine, who have a call on at least fifty per cent of our power, and if we should ever need it in Maine, why we can't get it. This is one of the things. I would have much preferred seeing Central Maine Power, or a combination of our three major Maine utilities constructing it themselves instead of having to go out and sell a part of the action to other utilities outside of Maine. I think we find ourselves in a situation today where, in order to be able to encourage the growth of our utility facilities in Maine, our own Maine utilities have to go out of the state and sell part of the action, which may not in the end be desirable for our own Maine utilities.

Mention has been made that through this legislation our private utilities would lose customers, and my good friend, Senator Moore, has mentioned that this commission could sell to federal agencies and could sell to countries outside of the state, or provinces. Now, let me assure you that our investor-owned utilities will not lose any customers under this bill. This is one of the features that I corrected. However, when you get into the field of major generation and transmission, you have to provide for contracting of exchange of energy as well as for its transmission, and this type of an agency might well like to buy power generated by a federal agency, or to buy power generated by another province in Canada or another

state, or to sell some of it. This is the reason why this kind of a feature is in the bill.

I do want to say to Senator Logan that this bill provides that this commission is required to insure that all of the electrical needs of Maine utilities and Maine consumers are met before it could send any of its power outside of the State of Maine. There is this provision in the bill.

I submit to you, Mr. President and Members of the Senate, that I don't want to unduly prolong this, but it is my very, very strong conviction and feeling that this bill is required, if we are going to be able to properly plan the eventual development of our utility system for the best interest of all of our people.

Now, I remember back in 1965 when I was down in Washington listening to the House Public Works hearing on the Dickey - Lincoln School Project, and listening to the private industry spokesman telling the Public Works Committee that there was no question but that their plans included that all the users and potential users in Maine, as well as in New England, were properly provided for in the future, and that they were extremely confident that their plans allowed for this. I recite a statement made by one of our own utility industry's spokesmen before the committee that we would expect to purchase from southern New England during 1970 and 1971 power from those areas in order to take care of the Maine needs. According to this spokesman, in opposition to the then Dickey-Lincoln School Project, there was no need for this project, that it would be a hydro-electric facility that would be obsolete before it was constructed, that it would produce unneeded power. But a few years later, in 1969, we see that hydro-electric power from New Brunswick will remove Maine, as well as the rest of New England, from what is called the unenviable position so far as electric supply is concerned, and this is the reason for the construction of a 345 KV transmission line from the New Brunswick

border through Maine into southern New England.

As late as two years ago the Legislative Power Committee of the 102nd Legislature pointed out to our people, as well as to our utility industry, that we were facing a shortage of power by 1972. We were again told at that time that we need not fear, that there was ample power and ample facilities in Maine and in New England to take care of our needs. Two years later we see the pressing need for importing from New Brunswick 300,000 kilowatts of power to meet a very grave crisis that is going to occur no later than January 1, 1971. So, I submit to you that there is definitely need for basic planning and for the involvement of our State in this type of planning. If we are going to keep pace with the rest of the nation, if we are going to provide for the basic electrical needs of our State and of our area, that we need to know what the plans are going to be. We don't know this.

We hear a lot of talk about the Big 11 Loop, and this has been paraded before every committee where I have appeared with regard to this type of legislation, and that this is going to solve all of our utility problems in Maine. But less than a year and a half ago a president of one of our major New England power utilities had to admit under oath before a hearing that the plans for the Big 11 Loop were not beyond a newspaper advertisement that had been placed in all of the major newspapers of our State. I don't know to what extent today the Big 11 Loop has developed beyond that, and I don't know what the NEEPOOL plan has developed beyond the statements that we have seen in the press. This was the basic reason why we need this legislation, Members of the Senate.

I am not interested in carrying on the fight with our private utilities. The anguish that a ny disagreement with anyone causes me, I guess, is beyond what I can explain to people. But I see here there is a basic need for this, and

this is why I am involved in this legislation.

Not more than three weeks ago one of the top officials of our major private utility in Maine, and I wouldn't embarrass anyone by citing his name, told me that he could see the real benefits of this type of an agency existing in Maine to construct large - scale generating facilities because of its tax - saving features and the resulting cost of lower generation of energy. Yet, in spite of this, these people are not willing to overcome their basic objections to the public sector becoming involved in this area, where I sincerely feel there is a need for the involvement of the public sector.

I hope, Mr. President, that the Senate will go along with my legislation.

The PRESIDENT: Is the Senate ready for the question? The pending question before the Senate is the motion of the Senator from Cumberland, Senator Moore, that the Senate accept the Ought Not to Pass Report "B" of the Committee on Public Utilities on Bill, "An Act Creating the Maine Power Commission." A roll call has been requested. In order for the Chair to order a roll call, under the Constitution, it requires the affirmative vote of at least one - fifth of those members present and voting. Will all those Senators in favor of ordering a roll call rise and remain standing until counted?

Obviously more than one fifth having arisen, a roll call is ordered. The Chair will state the question once more. The pending question before the Senate is the motion of the Senator from Cumberland, Senator Moore, that the Senate accept the Ought Not to Pass Report "B" of the Committee on Public Utilities on Bill, "An Act Creating the Maine Power Commission." A "Yes" vote will be in favor of accepting the Ought Not to Pass Report; a "No" vote will be opposed.

The Secretary will call the roll.

#### ROLL CALL

YEAS: Senators Anderson, Barnes, Berry, Dunn, Greeley, Hanson, Hoffses, Katz, Logan,

Moore, Peabody, Sewall, Stuart, Wyman and President MacLeod.

NAYS: Senators Beliveau, Bernard, Boisvert, Cianchette, Conley, Duquette, Gordon, Kellam, Letourneau, Levine, Martin, Mills, Minkowsky, Reed, Tanous and Violette.

ABSENT: Senator Quinn.

A roll call was had. Fifteen Senators having voted in the affirmative, and sixteen Senators having voted in the negative, with one Senator absent, the motion did not prevail.

Thereupon, the Ought to Pass in New Draft Report "A" of the Committee was Accepted, the Bill in New Draft Read Once and tomorrow assigned for Second Reading.

The President laid before the Senate the second tabled and specially assigned matter:

Bill, "An Act to Revise the Pharmacy Laws." (H. P. 1175) (L. D. 1496)

Tabled — May 23, 1969 by Senator Mills of Franklin.

Pending — Passage to be Engrossed.

On motion by Mr. Stuart of Cumberland, retabled and specially assigned for June 3, 1969, pending Passage to be Engrossed.

The President laid before the Senate the third tabled and specially assigned matter:

Bill, "An Act Relating to Defenses of Family Relationships in Civil Actions." (H. P. 168) (L. D. 207)

Tabled — May 23, 1969 by Senator Tanous of Penobscot.

Pending — Motion by Senator Beliveau of Oxford to Reconsider Indefinite Postponement.

The PRESIDENT: The Chair recognizes the Senator from Oxford, Senator Beliveau.

Mr. BELIVEAU of Oxford: Mr. President and Members of the Senate: Last week we discussed this bill at some length, and I don't intend to repeat the arguments that were presented, but only to remind the members of the Senate that this is not novel, unique or unusual legislation. This bill, which would permit civil actions between members of the family, presently exists in many of our states.

Under the present L.D. 207 husbands and wives would be permitted to sue one another, and also it would not be limited to any particular cause of action. Now, we intend, if we succeed today, to offer an amendment which would limit the claims to those arising out of an automobile accident, and also the further limit to prevent suits between husbands and wives. It is our intention to restrict this right to members of a family other than husbands and wives, because of the reasons that we presented last week, and that is that there is no reason in the world why, under our liability policies, members of a family should not be permitted to file claims against one another for injuries arising out of an automobile accident where a particular person was negligent or liable.

This bill would permit members of the family to sue one another for personal injuries in exactly the same way he can bring a suit today for such injuries if it is not between members of the same family.

I had occasion to do a little research on this to see exactly what states do permit it, and it appears that a majority of the states today do permit this type of claim to be filed. In most of these states it is not limited or, I should say, it does not prevent husbands and wives from filing claims against one another, but we intend to restrict this. As I say, our adjoining State of New Hampshire permits it. Their experience has been that it did not result in an increase in liability premiums, and that it has corrected a very real inequity. I believe I cited for you several instances last week where members of a family, particularly children, were involved in automobile accidents in which their father or mother were negligent, and they were able to recover under the liability insurance policy where there was severe injuries, permanent injuries, and there seems to be no real valid reason why this should not be permitted in this State.

It is not a statutory restriction. It is a common law restriction, so to speak, and it cannot be

remedied by the court; it has to be remedied by the legislature. We have to enact the change in the existing practice where under common law today the courts do not permit this in Maine. This is good legislation, it is needed, and, for that matter, it would not be compulsory. The insurance companies could easily prepare a contract which would make it discretionary with the person applying for the contract as to whether or not he wanted this type of coverage. It would only overcome a legal restriction that exists today. I believe it is a good bill and something that is badly needed here in Maine. I trust you will support my motion to reconsider the indefinite postponement.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Berry.

Mr. BERRY of Cumberland: Mr. President and Members of the Senate: While I was listening to Senator Beliveau there came to my mind a little one-act play that I think somebody could make some money on. We all remember one-act plays. We learned them and studied them in high school. They are pithy little things that have a message that is awfully easy to get across. This is a scene in the dining room of the average Maine home, at dinnertime, father is sitting at the head of the table, and in comes daughter. The father says to the daughter "How did you make out in court today, dear?" "Oh, the judge gave me a \$50,000 award against you." "Gee, that is too bad, I have only got \$20,000 coverage." "Oh, that is all right. Sell the old homestead, and just give me the proceeds." This isn't farcical; this is just what can happen.

We could have staged lawsuits. I don't say anybody would, but we could. This is real bad legislation. I don't disagree with Senator Beliveau very often, but I don't see any need for it, and I don't think it is good. I would ask for a division on the motion to reconsider and hope you would vote against the motion.

The PRESIDENT: The Chair

recognizes the Senator from Penobscot, Senator Tanous.

Mr. TANOUS of Penobscot: Mr. President and Members of the Senate: I don't know if you noticed in the paper this morning where a man has been indicted or is charged with cruelty to his son or killing one of his children. There are laws on the books which penalize parents for mistreating children, perhaps maiming them or beating them, cruelty to the point where they are permanently disabled or sometimes dead. We punish these people, we put them in jail for doing this, parents, I mean. We take their children away from them for doing things like this.

You can leave all this legal rigmarole out of this particular bill, and just go to the basic practicalities on it. You can leave the money part, if you want to, out as well. You can call it a lawyer's bill if you want to, but when I see a mother come into my office with a child that is permanently disabled, maimed, scarred, when there was a reckless father driving an automobile, and you tell that mother there is nothing we can do, we are sorry, because the law does not permit anything to be done against the father, you can't sue him. That is fine when that child is a youngster perhaps, until he reaches 21. Then the responsibility of the law says that you don't have to support that child any more. I ask you who is going to take on the burden of supporting that person who is maimed and permanently disabled? It is you and I, the taxpayers.

It comes down right now to a basic difference of who is to pay for this, the insurance companies that are in the business or the State of Maine, the taxpayers of this State? That is the issue. You can color this up all you want to with one act dining room areas if you want to, but when a child has been deprived of his full physical health as God made him, regardless of whether it is a negligent or drunken father, I say that he or his insurance carrier ought to pay that person, and not the taxpayers of the State of Maine.

The PRESIDENT: Is the Senate ready for the question? The pending question before the Senate is the motion of the Senator from Oxford, Senator Beliveau, that the Senate reconsider its action on Bill, "An Act Relating to Defenses of Family Relationships in Civil Actions," whereby the Bill was indefinitely postponed.

A division has been requested. As many as are in favor of the motion to reconsider will rise and remain standing until counted. All those opposed will rise and remain standing until counted.

A division was had. Fourteen Senators having voted in the affirmative, and sixteen Senators in the negative, the motion did not prevail.

The President laid before the Senate the fourth tabled and specially assigned matter:

Bill, "An Act Relating to Governmental Immunity in Civil Actions." (H. P. 557) (L. D. 738)

Tabled — May 26, 1969 by Senator Hoffses of Knox.

Pending — Motion by Senator Berry of Cumberland to Indefinitely Postpone Bill and Accompanying Papers.

On motion by Mr. Berry of Cumberland, retabled and tomorrow assigned, pending the motion by that same Senator to Indefinitely Postpone the Bill and Accompanying Papers.

The President laid before the Senate the fifth tabled and specially assigned matter:

Bill, "An Act Concerning Admissibility of Hospital Records and Copies of Records as Evidence." (S. P. 104) (L. D. 317)

Tabled — May 26, 1969 by Senator Conley of Cumberland.

Pending — Passage to be Engrossed.

Mr. Mills of Franklin then presented Senate Amendment "A" and moved its Adoption.

Senate Amendment "A", Filing No. S-195, was Read and Adopted.

Thereupon, on further motion by the same Senator, retabled and tomorrow assigned, pending Passage to be Engrossed.

The President laid before the Senate the sixth tabled and specially assigned matter:

Bill, "An Act Providing Notice or Severance Pay by Employers." (S. P. 156) (L. D. 474)

Tabled — May 26, 1969 by Senator Hoffses of Knox.

Pending — Passage to be Engrossed.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Berry.

Mr. BERRY of Cumberland: Mr. President and Members of the Senate: I notice this bill introduced by Senator Beliveau seems to provide a concept with which I am not particularly familiar. It seems to be a fairly significant change basically in providing for termination pay to employees when their employment is terminated. I can see situations where a financially impoverished company might have a little trouble meeting the requirements of this bill. I was wondering if Senator Beliveau would explain the need and perhaps a little bit more of the details of the working of this bill.

The PRESIDENT: The Senator from Cumberland has posed a question through the Chair, which the Senator may answer if he so desires.

The Chair recognizes the Senator from Oxford, Senator Beliveau.

Mr. BELIVEAU of Oxford: Mr. President and Members of the Senate: In answer to the good Senator's query, the bill would not place a burden on the employer. It would only require that the employer give a one-month's prior notice that he intends to go out of business. If he complies with this requirement, there is no need to pay any severance pay. If you will notice also, under Filing No. 184, the Committee Amendment to this, it would limit the application of this document to concerns, corporations or businesses which employ one hundred or more persons. It was not to penalize the small companies.

This bill received the unanimous report of the Committee on Labor, as did Committee Amendment "A". It is the intent of this bill,

very briefly, to avoid a repetition or recurrence of what occurred in Lincoln and Brewer last year. If you recall, the Standard Packaging Company, I believe, on a Friday served notice on its 1300 employees that it was terminating business, effective the following Monday. Of course, we all know the hardship this creates and causes to a great number of individuals and their families who were directly affected by this.

This is not a novel concept. The great majority of the labor contracts between labor and management in this State contain a provision which requires notice of cessation or going out of business. As a matter of fact, most of these contracts provide for payment of up to six months' pay for severance pay where a company is going out of business.

This bill has received the support of our Department of Labor and Industry. I don't believe it will impose a hardship on anyone. We all know that companies which employ a hundred or more have sufficient notice, they know they are going out of business, they realize well in advance that they intend to terminate their operations. This would merely require them to give one month's notice to their employees of their intent to go out of business. I trust that will answer the questions that were raised.

The PRESIDENT: Is it now the pleasure of the Senate that the bill, as amended, be passed to be engrossed?

Thereupon, the Bill, as Amended, was Passed to be Engrossed.

Sent down for concurrence.

(Off Record Remarks)

On motion by Mr. Hoffses of Knox, recessed until 3:30 this afternoon.

After Recess

Called to order by the President. The President laid before the Senate the seventh tabled and specially assigned matter:

Bill, "An Act Relating to Expenditures from Aeronautical Fund." (H. P. 72) (L. D. 72)

Tabled — May 26, 1969 by Senator Hoffses of Knox.

Pending — Enactment.

On motion by Mr. Katz of Kennebec, retabled and specially assigned for June 3, 1969, pending Enactment.

The President laid before the Senate the eighth tabled and specially assigned matter:

Bill, "An Act Relating to Damage to Private Water Supplies Resulting from Alteration of Highways." (H. P. 445) (L. D. 569)

Tabled — May 26, 1969 by Senator Hoffses of Knox.

Pending — Passage to be Engrossed.

On motion by Mr. Hoffses of Knox, retabled until later in today's session, pending Passage to be Engrossed.

The President laid before the Senate the ninth tabled and specially assigned matter:

HOUSE REPORTS — from the Committee on Health and Institutional Services on Bill, "An Act Relating to Welfare Assistance." (H. P. 687) (L. D. 918) Majority Report, Ought to Pass; Minority Report, Ought Not to Pass.

Tabled — May 26, 1969 by Senator Stuart of Cumberland.

Pending — Motion by Senator Greeley of Waldo to Accept the Minority Ought Not to Pass Report.

On motion by Mr. Katz of Kennebec, retabled and specially assigned for June 3, 1969, pending the motion by Mr. Greeley of Waldo to Accept the Minority Ought Not to Pass Report of the Committee.

The President laid before the Senate the tenth tabled and specially assigned matter:

SENATE REPORT — from the Committee on Highways on Bill, "An Act Providing for a Feasibility Study for a High Level Bridge or Vehicular Underwater Tunnel Across Fore River." (S. P. 416) (L. D. 1391) Ought to Pass in New Draft under New Title (S. P. 472) (L. D. 1544) Bill, "An Act Providing for a Feasibility Study of Alternative Methods for Crossing Fore River."

Tabled — May 26, 1969 by Senator Sewall of Penobscot.

Pending — Acceptance of Report. Thereupon, the Ought to Pass, in New Draft, Report of the Committee was Accepted, the Bill Read Once and tomorrow assigned for Second Reading.

The President laid before the Senate the eleventh tabled and specially assigned matter:

Bill, "An Act Relating to Time of Payment of Salaries of Members of the Legislature." (H. P. 1008) (L. D. 1310)

Tabled — May 26, 1969 by Senator Wyman of Washington.

Pending — Passage to be Engrossed.

Mr. Wyman of Washington then moved the pending question.

The PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Katz.

Mr. KATZ of Kennebec: Mr. President, might I ask the Secretary the status of this bill and its amendments at the moment?

The SECRETARY: This bill came from the House, the Ought Not to Pass Report "B" Read and Accepted. In the Senate, May 20, 1969, the Ought to Pass Report "A" was Read and Accepted in non-concurrence, the Bill Read Once, tabled, pending Passage to be Engrossed, after having been given its Second Reading.

Mr. KATZ: Mr. President, am I correct that this bill has not been amended?

The PRESIDENT: The Senator is correct.

Mr. KATZ: Mr. President, I had a feeling in its present form that this bill was to be amended in order to insure, purely and simply, that any member of the legislature might receive up to 50 per cent of his pay as a lump sum in the second year of the biennium. If this amendment has not yet appeared perhaps it is premature for us to pass it to be engrossed.

The PRESIDENT: The Chair recognizes the Senator from Washington, Senator Wyman.

Mr. WYMAN of Washington: Mr. President and Members of the Senate: I think this bill does have some merit, and the people that are interested in it told me they

would try to get an amendment so that the bill would be agreeable and acceptable to the Internal Revenue Bureau. I just got tired of tabling it, so I thought I would let it go along to the other body, but I am perfectly willing to have it tabled again to see if something could be worked out.

The PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Katz.

On motion by Mr. Katz of Kennebec, retabled and tomorrow assigned, pending Passage to be Engrossed.

The President laid before the Senate the twelfth tabled and specially assigned matter:

Bill, "An Act Revising the Law Regulating the Alteration of Wetlands." (S. P. 470) (L. D. 1528)

Tabled — May 26, 1969 by Senator Sewall of Penobscot.

Pending — Passage to be Engrossed.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Berry.

Mr. BERRY of Cumberland: Mr. President, we have an amendment prepared, but unfortunately it has the old L.D. number on it, so I must ask the indulgence of perhaps Senator Sewall to table this one more day while we get another amendment prepared.

The PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator Sewall.

Thereupon, on motion by Mr. Sewall of Penobscot, retabled and tomorrow assigned, pending Passage to be Engrossed.

The President laid before the Senate the thirteenth tabled and specially assigned matter:

Bill, "An Act Relating to Strikes of Insurance Agents." (H. P. 1108) (L. D. 1429)

Tabled — May 27, 1969 by Senator Logan of York.

Pending — Passage to be Engrossed.

Thereupon, the Bill was Passed to be Engrossed in concurrence.

The President laid before the Senate the fourteenth tabled and specially assigned matter:

Bill, "An Act to Give Relief to Elderly Persons from the Increasing Property Tax." (S. P. 474) (L. D. 1550)

Tabled — May 27, 1969 by Senator Wyman of Washington.

Pending — Passage to be Engrossed.

On motion by Mr. Wyman of Washington, retabled and tomorrow assigned, pending Passage to be Engrossed.

The President laid before the Senate the fifteenth tabled and specially assigned matter.

JOINT ORDER — Relative to Legislative Research Committee Study of Discharge of Oil into Tidal Waters. (S. P. 476)

Tabled — May 27, 1969 by Senator Katz of Kennebec.

Pending — Passage.

The PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Katz.

Mr. KATZ of Kennebec: Mr. President, it is my intention to ask that this be placed upon the Legislative Research Table, but it is not my intention to do this before there is any debate, if anyone wishes to debate it. If not, I will ask someone if they will put it on the Legislative Research Table.

The PRESIDENT: The Chair recognizes the Senator from Knox, Senator Hoffses.

Thereupon, on motion by Mr. Hoffses of Knox, placed on the Special Legislative Research Table.

The President laid before the Senate the sixteenth tabled and specially assigned matter:

Bill, "An Act to Provide Mandatory Penalties for Commission of a Crime with a Dangerous Weapon." (H. P. 1031) (L. D. 1361)

Tabled — May 27, 1969 by Senator Moore of Cumberland.

Pending — Passage to be Engrossed.

Mr. Moore of Cumberland presented Senate Amendment "A" and moved its Adoption.

Senate Amendment "A", Filing No. S-194, was Read.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Moore.

Mr. MOORE of Cumberland: Mr. President and Members of the Senate: This amendment that I am offering here today changes the wording of the bill from "dangerous weapons" to "firearms." There was some opposition to the words "dangerous weapons", and I didn't agree with it myself. This bill is mainly for firearms control. The other change in it, under the original bill, they increase the penalty for each section of the criminal statute to about double the penalty in the first sentence, and now, it has been revised back to the present penalty already in our statute, and that goes with the amendment, which does bring it back to the present penalty that is in the statutes today and limits the penalty on firearms.

The PRESIDENT: Is it the pleasure of the Senate to adopt Senate Amendment "A"?

The motion prevailed and the Bill, as Amended, was passed to be Engrossed in non-concurrence.

Sent down for concurrence.

The President laid before the Senate the seventeenth tabled and specially assigned matter:

Bill, "An Act Relating to the Statute of Limitations for the Malpractice of Physicians." (S. P. 85) (L. D. 279)

Tabled — May 27, 1969 by Senator Anderson of Hancock.

Pending — Motion by Senator Stuart of Cumberland to "Adhere."

The PRESIDENT: The Chair recognizes the Senator from Oxford, Senator Beliveau.

Mr. BELIVEAU of Oxford: Mr. President, will the Secretary kindly advise us as to the status of this Bill and Report?

The PRESIDENT: The Secretary will give the status of the bill.

The SECRETARY: The report of the Committee on Judiciary, unanimous Ought to Pass, as Amended, by Committee Amendment "A", was Read and Accepted in the Senate on May 15, 1969. The Bill on May 20, 1969, indefinitely postponed. Comes from the House, the Report read and accepted in concurrence, the Bill passed to be engrossed, as amended by Committee



Amendment "A" in non-concurrence. Tabled on May 27, 1969, pending the motion by Senator Stuart of Cumberland to adhere to our former action whereby the bill was indefinitely postponed.

Mr. BELIVEAU: Could I have the filing number of the Senate Amendment, please?

The SECRETARY: The Committee Amendment is Filing No. S-153.

Mr. BELIVEAU: Mr. President and Members of the Senate: We discussed this at some length two days ago. You will notice that the Senate Amendment changes the language in 279 to restrict the period on the statute of limitations to a period not to exceed six years, which again is the existing law as it applies to you and me and every other person in the State in an action or a complaint involving negligence.

Once again, I do not see where the physicians will be jeopardized or harmed in any way by extending the statute of limitations to where it once was. Originally, several years ago, physicians and those engaged in the healing arts were treated on the same level and in the same manner as the rest of the citizens of the State. Somehow a few years ago they managed to amend this bill to reduce their period of liability, so to speak, from six years to two years.

Now, we are not treating the physicians any differently than we are treating other professionals, so to speak, or other people involved in various occupations. This bill would place them in the same position in which every one of us here today find ourselves.

Again, this would not lead to additional malpractice suits, as has been suggested. In those States that do have statutes of limitations that are longer than two years, their experience has not been a resulting increase in malpractice claims. As I indicated earlier, we are very, very fortunate in this State that we do have people who engage in the healing arts who do so with such a high degree of care. But again, we have to consider here the best interests of the people of this State. We know of in-

stances where persons have been precluded and prevented from filing a claim or asserting a claim for malpractice because the two-year period had expired. Those are the people we should consider. They are the ones that we are to be protecting, or whose interest we must be looking after here today; not that of physicians.

Of course, we have also a responsibility to the physician to make certain he is not exposed to unfounded claims, that he is not harassed unduly, unreasonably, but that hasn't been the case here in Maine. I believe that if we adopt this bill that we will be returning the law as to the status of the physician where it should be, where it was not too many years ago. Accordingly, Mr. President and Members of the Senate, I urge you to oppose the pending motion to adhere.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Stuart.

Mr. STUART of Cumberland: Mr. President and Members of the Senate: As I said previously on this bill, the two-year limit is what they have in 32 other States and, as Senator Beliveau said, the doctors are practicing with a high degree of care. I ask again the question I asked before: why do we need this legislation? 32 States have exactly the same two-year statute of limitations, and I hope that you will stand by your action of the other day where we voted to indefinitely postpone this. Therefore, the motion now is to adhere, and I hope that you will support that motion.

The PRESIDENT: The Chair recognizes the Senator from Oxford, Senator Beliveau.

Mr. BELIVEAU of Oxford: Mr. President, I move that we recede and concur.

The PRESIDENT: The Senator from Oxford, Senator Beliveau, moves that the Senate recede and concur with the House.

The Chair recognizes the Senator from Cumberland, Senator Berry.

Mr. BERRY of Cumberland: Mr. President and Members of the Senate: The six-year limitation, as proposed in the amendment, seems to me to be a relatively excessive

period to expose professional people such as doctors to. I am sure that, in spite of the words of Senator Beliveau, that this will result in more malpractice suits. This has been the experience across the country. Nationwide there has been a phenomenal increase in both the number of suits and awards. This is bound, once again, to increase the cost of malpractice insurance to physicians and to increase physician's charges to us.

Myself, I am a registered, professional engineer. My liability is limited to one year after I have done something, like design a building and if it falls down, or some engineering work. It certainly seems to me that to say that a physician's work is less responsible, therefore he should be held accountable for five additional years, is very definitely in the wrong direction.

The problem of getting physicians and surgeons to come to the State of Maine to look after us is very difficult, particularly in our smaller towns. We could go right around this oval here and point out different towns that are woefully in lack of doctors right now, and to make it increasingly difficult or less attractive for doctors to move into the State of Maine, in my opinion, would not be in the best interest of the citizens. I would hope that you would vote against the motion of Senator Beliveau to recede and concur. I would request a division.

The PRESIDENT: The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS of Franklin: Mr. President and Members of the Senate: I will give you a little illustration of this rationale behind the bill. I was asked a few moments ago by my seatmate what is the need of a bill like this? I had a client come to me several years ago, a whole year after a child, a baby, that was less than an hour old, had been scalded by a negligent nurse in leaving a hot water bottle beside the baby, and drawing the water from the wrong tap which was excessively hot. Then a telephone call, and the hospital

being understaffed that night, the girl went off to answer the telephone, and when she came back fifteen minutes later the baby was scalded from her head to her thigh. It was not until a year afterwards that the family, having been advised by some other people that there indeed was a cause of action here — these were not people who were aware of all their rights — but the statute of limitations had half-way run already before they sought legal assistance. Many times the accident itself, or whatever has occurred, it doesn't get to their knowledge.

It is sad to relate that there is a great - I wouldn't say conspiracy of silence - but a great lack of information that comes out when an event like this occurs. There is a little black book that is kept by the hospitals which are designed to help them in the future to prevent occurrences such as do occasionally occur, but that is the most confidential record there. There is no information that comes out if they can help it. They protect each other, and the public, particularly the people who are less aware of what their rights are, are the ones who suffer from these things.

So, that this bill generally has been spoken of, this afternoon in particular, as extending it to six years. It says that in no event can it be more than six years. Actually the gist of the bill is that the two-year statute commences to run when the injury or the act of negligence is discovered, or ought to have been discovered, and then it says - the original bill didn't say anything about this six years - but the amendment cut it down to six years so that it never could be more than six years from the time when the event occurred. It is a fair-play amendment and I am sure it is a fair-play bill. I am sure that there isn't a lawyer around, I don't believe, but who recognizes it as such.

The PRESIDENT: Is the Senate ready for the question? The pending question before the Senate is the motion of the Senator from Oxford, Senator Beliveau, that the Senate recede and concur with the House.

The Chair recognizes the Senator from Cumberland, Senator Conley.

Mr. CONLEY of Cumberland: Mr. President, I request a roll call.

The PRESIDENT: A roll call has been requested. Under the Constitution, in order for the Chair to order a roll call, it requires the affirmative vote of at least one-fifth of those Senators present and voting. As may Senators as are in favor of ordering a roll call will rise and remain standing until counted.

Obviously more than one-fifth having arisen, a roll call is ordered.

The Chair recognizes the Senator from Cumberland, Senator Berry.

Mr. BERRY of Cumberland: Mr. President and Members of the Senate: I think a roll call is a pretty good idea. This is just another one of the series of trial lawyer bills which have as their purpose the increased court activity, increased trial activity, the sort of legislation that is very definitely against the welfare of the people of the State of Maine, and I cannot urge you too strongly to vote against the motion.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Conley.

Mr. CONLEY of Cumberland: Mr. President, as I understand it, the question is that if some doctor has committed malpractice then the citizens of the State of Maine should be protected.

The PRESIDENT: Is the Senate ready for the question? The pending question before the Senate is the motion of the Senator from Oxford, Senator Beliveau, that the Senate recede and concur with the House on Bill, "An Act Relating to the Statute of Limitations for the Malpractice of Physicians" (S. P. 85) (L. D. 279), which was indefinitely postponed in the Senate. It was passed to be engrossed, as amended by Committee Amendment "A" in the House. A "Yes" vote will be in favor of Receded and Concurring; a "No" vote will be opposed.

The Secretary will call the roll.

#### ROLL CALL

YEAS: Senators Beliveau, Bernard, Boisvert, Cianchette, Conley,

Duquette, Gordon, Kellam, Letourneau, Martin, Mills, Reed, Sewall, Tanous, Violette, and President MacLeod.

NAYS: Senators Anderson, Barnes, Berry, Dunn, Greeley, Hanson, Hoffses, Katz, Levine, Logan, Minkowsky, Moore, Peabody, Stuart, and Wyman.

ABSENT: Senator Quinn.

A roll call was had. Sixteen Senators having voted in the affirmative, and fifteen Senators having voted in the negative, with one Senator absent, the motion to Recede and Concur prevailed.

The President laid before the Senate the eighteenth tabled and specially assigned matter:

HOUSE REPORT — Ought to Pass as Amended by Committee Amendment "A" Filing H-354 from the Committee on Judiciary on Bill, "An Act Relating to Mandatory Discharge of Chattel Mortgages and Notes." (H. P. 929) (L. D. 1190)

Tabled — May 27, 1969 by Senator Moore of Cumberland.

Pending — Acceptance of Report.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Moore.

Mr. MOORE of Cumberland: Mr. President and Members of the Senate: I have had more calls on this bill than I did on the fluoridation bill, if that is possible.

This bill is a very serious one which, if passed, would nullify various portions of the uniform commercial code and practically eliminate present buying of credit loans, inventory loans, and floor-planning loans, so necessary in so many commercial businesses. The code has been passed in every state except Louisiana after years of studying and drafting.

L. D. 1190 would completely change various interrelated sections dealing with payment, discharge, and cancellation of obligations. It would mean the businesses such as automobile dealers or stores, who borrow seasonably on floor-planning or inventory loans, would have to have their security agreements discharged every time they paid a note, even though they would be borrowing again right off on the same secur-

ity. It would put additional title search expense, cost of new security instruments and recordings on their shoulders. It would mean that security agreements securing a series of notes or bonds, such as bond indentures, would have to be discharged when the first note was paid.

The uniform commercial code has clear - cut provisions now requiring clearing of old security agreements every five years. This would prevent the situation that Mr. Dyer was involved in prior to the code being enacted. In addition, any creditor under Number 9404 can demand that a creditor issue a termination statement upon written request.

So, I move indefinite postponement of this bill and all its accompanying papers.

The PRESIDENT: The Senator from Cumberland, Senator Moore, moves that Bill, "An Act Relating to Mandatory Discharge of Chattel Mortgages and Notes" (H. P. 929) (L. D. 1190), be indefinitely postponed.

The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS of Franklin: Mr. President and Members of the Senate: I am sure that the calls that the good Senator received were from one source, and one source only, the banking fraternity. There is nothing wrong with that, of course; they have a right to petition the legislature the same as anyone else.

They came before the committee and certainly put on an awful complaint about any tampering with the uniform commercial code in this direction. Let me assure the good Senator Berry from Cumberland, if he is here, that this isn't a lawyers' bill and it isn't a bankers' bill; the bankers don't like it. I guess, if anything, it is a merchants' bill, but I happen to like it. I see no reason why this very proper, legitimate request, which emanates as much from the consumers as can be, cannot be easily enacted into law, and a good purpose served by doing so.

Let's take the situation of real estate mortgages. You know that when you pay off a real estate mortgage that the bank sees to

it that the record is cleared of your mortgage. They go to the registry of deeds and they discharge the mortgage. They tell me that they do in Augusta they don't, but they certainly do in Franklin County, and I am advised that they do in Oxford County and in most of our other counties. They say that in Kennebec it is up to the customer to get his discharge on the record, but we are more accommodating in our banks up home. We have grown up with that idea that when you pay off the mortgage, the mortgage is on record for the protection of the bank, and then the bank is accommodating and discharges it on the record, which shows that you have paid it. When that has been forgotten, on occasion when I have acted as attorney for the person receiving payment, I know I have been severely criticized for not seeing to it that it was done. The person who has paid the note certainly is entitled to have that clear record.

What this says - and it isn't always, of course, that a personal note has with it a chattel mortgage or a secured instrument, an instrument of indebtedness, that is recorded in the registry of deeds, the Secretary of State, or the town clerk's office. Many times they are not recorded, but when they are, if you buy an automobile and the paper is recorded in the town clerk's office, and then a few months later you pay for that automobile, you pay off the note, what is there so wrong about expecting the person who receives the payment to then remove the record from the registry, wherever it is recorded?

I would refer you to the language of the amendment, which is the bill really. The amendment is Filing No. H-354, and it is Committee Amendment "A". It says: "Notwithstanding any other provision of law, a note shall be returned to the maker thereof at the time that it is paid by the maker." Well, of course, that is custom and that is the usage, and anybody who pays a note and doesn't get it back, well, he deserves to have his head examined. That does happen, and there is nothing unusual about that.

"The holder of such note receiving final payment shall cause any recordings of the security instrument to reflect the discharge of the obligation. It just merely puts into the commercial law what we have in regard to the real estate law, what is the practice in regard to the real estate law.

It is too bad that this is causing - you would think the banks were going to go out of existence if they had to do this. I have never seen a group, never seen a group, that could squeal so when anything affects them or affects their doing their business. This is really a routine thing, it is a fair thing, and a proper thing that should occur. If you are holding a note, you get the payment, and you have been protected by a recording, then you should clear the record so that the person's recordings would not accumulate in the town clerk's office.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Kellam.

Mr. KELLAM of Cumberland: Mr. President and Members of the Senate: I would merely like to agree with the comments made by Senator Mills in this matter. As it happens, I sponsored a similar bill as this about ten years ago, and faced considerable criticism from the bankers. It all boiled down to the fact that they felt that when they wrote the note they were receiving all the money a man could possibly afford to pay, and they didn't want to add another fifty cents to the note to take care of the discharge.

The present law they do, I believe, it is still the present law, they will give to the man a discharge if he requests it or demands it. This bill would merely require them to clear the record by recording the discharge in the same place they recorded the note or the mortgage. It seems to me eminently fair. I don't see how anybody could argue with the fairness of it. Far from causing difficulties, as I believe the Senator from Cumberland, Senator Moore, indicated, it would help considerably, because people who search the records of chattel mort-

gages in the town halls and so forth, frequently find a number of undischarged mortgages on record. Of course, then they have to ascertain whether these matters have actually been paid. This bill would merely require that the person taking the mortgage, once he has been paid, record the discharge. Of course, we all know that he would add the fifty cents, or whatever it cost to do so, at the time of the sale or the time the mortgage was being taken. In that way a title-searcher who happens to be looking up, say an apartment building, or something, or a house, or furniture that is going to be sold, he could find readily that the appliances that go with the building were paid for, or in fact were not paid for, and judge himself accordingly.

I think it is very worthwhile legislation, and the fact that we put a very, very slight burden on the bankers occasionally, I think they should really assume that this is part of their business and accept it, like we all do.

The PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator Tanous.

Mr. TANOUS of Penobscot: Mr. President and Members of the Senate: I hate to disagree with my good friend, Senator Mills, but I feel that I must on this issue. If you will refer to the amendment, and I am merely pointing out a practicality involved here, "notwithstanding any other provisions of law, a note shall be returned to the maker thereof at the time that it is paid by the maker." If any of you are aware of branch banks, which I am sure most communities have them, if you would look into it, you will find that the paper is usually held at the main office. I know in the Portland area you have twenty-six branch banks of the Casco Bank, and the paper is held at the main bank. I can well visualize an individual that would come into one of the branch banks, pay a note with money in hand, the banker would have to refuse the money because he doesn't have the note there to give to him. It might take a day or two days to get the note to

the branch office. Well, two days later that individual can well be without the money that he had two days before, plus there would be added interest two days later. I certainly feel that this would be a tremendous imposition that we are imposing on banks.

Frankly, I have been practicing law for fourteen years, and I have never heard of one case when a bank has tried to collect twice on the same note. I don't think this is the practice, usually they give a receipt showing the payment has been made, and a couple days later you get the note in the mail.

On the discharging part of it, of course, I won't comment on that, but usually an individual is definitely supplied with a discharge instrument, and if he so chooses to record it it is up to the individual. This would impose the imposition upon the bank to do it. I don't quarrel with that part of it, but certainly the first part of that amendment, in my opinion, would create a tremendous imposition on banks, and certainly would hamper many, many banks in our State. I know that in my area I have two branch banks, and it certainly would create quite an imposition upon them to properly carry out their work.

The PRESIDENT: The Chair recognizes the Senator from Aroostook, Senator Violette.

Thereupon, on motion by Mr. Violette of Aroostook, retabled and tomorrow assigned, pending the motion by Mr. Moore of Cumberland to Indefinitely Postpone the Bill.

The President laid before the Senate the nineteenth tabled and specially assigned matter:

SENATE REPORT — Ought not to Pass from the Committee on Judiciary on Bill, "An Act Relating to Control of Riots." (S. P. 141) (L. D. 423)

Tabled — May 27, 1969 by Senator Mills of Franklin.

Pending — Motion by Senator Logan of York to Substitute the Bill for the Report.

The PRESIDENT: The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS of Franklin: Mr. President and Members of the Senate: The pending question is to substitute the bill for the report. This bill has a lot in it, a good deal in it, and I am sure it will be fully discussed before we are through. It carries with it things that are worthwhile noticing by all of you, I am sure.

The principal thing that it calls for is the determination by the Attorney General that a state of emergency exists in the State or any city or town, and that when he makes that determination the Governor shall declare by proclamation that a state of emergency exists. In other words, it shifts from the power of the executive, the Chief Executive of the State, to the office of the Attorney General the power to declare martial law. That is in effect what this bill is. We have plenty of martial law at the present time on the statutes, and plenty of authority on the part of the executive to declare martial law, to call out the National Guard to quell riots.

This seems to me to be a useless piece of legislation, unless it is designed to enhance the power and authority of the Attorney General's Department of the State. I wish you would read it fairly carefully, because if you can find any other reason for it I would like to know what it is.

Traditionally the Chief Executive does run the State in the case of an emergency and does make declarations of martial law. He is the Commander - in - Chief of whatever army or whatever military forces we possess, and we do of course, in the form of the National Guard, the State Police, and on some occasions the civil defense forces. I can't see the reason for shifting to the office of the Attorney General any of these authorities. I do maintain that there is plenty of law at the present time to deal with such situations.

Can the gentleman, the spokesman for that office, the good Senator Berry, give us this explanation as to why we need to have this shift in authority to the Attorney General's Department of

traditional powers and duties of the Governor?

The PRESIDENT: The Chair recognizes the Senator from York, Senator Logan.

Mr. LOGAN of York: Mr. President and Members of the Senate: I am not the spokesman for the Attorney General's Office, but I am the sponsor of this bill. It is a bill that is quite broad in import, which I think should be explored and debated fully. I shall try to lay before you as fairly and fully as I know how what this bill would do and what the implications are.

In this first part of the bill, it reads: "Whenever a public crisis exists from rioting, mob action or similar public emergency," - I am going to leave off some intermediate words that will not change the context—"the Governor, upon his own volition, or on application of the municipal officials of any city or town, or on application of the county attorney of any county, or on application of the Attorney General, shall declare by proclamation that a state of emergency exists."

I quite agree with Senator Mills, the word "shall" seems to me to be too strong. Continuing: "Prior to the issuance of such proclamation, the Governor shall find that because of rioting, mob action that the normal and ordinary processes of state government are inadequate." Then it goes on to give the Governor, once he has made these findings and issued his declaration, quite broad powers to deal with civil disorders, control of traffic, control of places of assembly, establishment of curfew, close up the liquor stores, control firearms and inflammable materials, specifically gasoline, then it also provides that if the Governor is absent from the State the next person in the State would be empowered to make such a proclamation. It also provides that the Governor may deputize people to assist the police and grants them appropriate immunity.

There are two things on which our decision hinges. One of them is: does the Governor now have a clear mandate to do this under our civil defense law, which I think is the law in question? If I may,

I will read you the appropriate portion of the civil defense law: "Whenever any disaster or catastrophe exists, or appears imminent, arising from attack, sabotage or other hostile action, or by fire, flood, earthquake or other natural causes, the Governor shall by proclamation declare the fact that an emergency exists." Now, in none of these situations described here, except possibly hostile action, could the Governor be given the authority to deal with a riot. Certainly not attack, sabotage, fire, flood, or earthquake. But hostile action, in the context of the statute, pretty clearly means an attack by a foreign power. This is the first point of departure here. Does the civil defense statute indeed give the Governor a proper authority?

The second thing we must consider is: do we want the Governor to have these very broad powers? They are broad. It certainly establishes the office of the Governor in a position of great and absolute authority. These are the two areas which I submit for your consideration. I might add, repeating once again, I think the mandatory word "shall" is out of order and, quite frankly, I do not see the function of the Attorney General's Office in this picture, except that he is, I understand, our Chief Law Enforcement Officer. Thank you, Mr. President.

The PRESIDENT: The Chair recognizes the Senator from Aroostook, Senator Violette.

Mr. VIOLETTE of Aroostook: Mr. President and Members of the Senate: My reason for joining in the Ought Not to Pass Report was perhaps primarily due to the lack of time to fully study this bill and its broad implications. It does give broad powers to the Governor and, furthermore, at least as it is now worded, discretion as to whether or not upon application of any municipal official, county officer or Attorney General, that he would of necessity have to declare this proclamation. I guess it was the feeling of the majority of the committee that, not having time to really, fully study the implication of the bill, it was our feeling

that undoubtedly there were quite broad powers invested in the Governor under the civil defense statutes, and it might be a better safeguard at this time to report the bill out Ought Not to Pass, feeling that we did not want to enact this type of broad legislation, without really knowing and it being ascertained that we were really doing the right thing.

It does grant very, very broad powers of immunity to anyone who takes part in the policing action under this kind of proclamation, relieves him and gives him complete immunity for any wrongdoing that he may possibly do while in the course of taking part in the policing action under such a proclamation. This was the kind of feeling on the part of the committee, not really having the time to fully study it, and realizing its broad implications, that we felt we really didn't want to take a chance on putting it into law.

The PRESIDENT: The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS of Franklin: Mr. President and Members of the Senate: I did give it more consideration than the good Senator just referred to. I applied also my memory, which goes back quite a way in this area, long before young Senators like the Junior Senator from Oxford was born even, I recall being a committee clerk in this body in 1937, and there was trouble in Lewiston. People from Massachusetts came down to Lewiston, and didn't like it because the shoe factories in Lewiston were not unionized and were paying wages that were less than the shoe factories around Lynn and Brockton. So organizers came down to Lewiston to try to organize the shops there. In those days this was a riotous situation. This was a bad thing to occur before the days when collective bargaining, labor agitators, and that sort of thing were frowned on very much. The State got up in arms pretty much over this intrusion, this desire on the part of some of the shoe workers in Auburn and Lewiston to organize, and got a court in-

junction to stop them from their union activities. Whereupon some of these organizers flouted the injunction, and there were some threats of violence in the area. Unless you could say that these were people from Massachusetts, and therefore a hostile force, this was kind of a civilian uprising and difficulties in the City of Lewiston which apparently were going to get beyond the control of the local police. So Governor Barrows called out the state militia. They patrolled the streets and preserved order for some time.

I would say that if any riotous situation occurred today in any city or town in this State it is very inherent in the power of the Governor to quell that whenever it reaches beyond the power of local officials to cope with it. I am sure, and I haven't had the time to find it exactly in the statutes, but I am sure the power is spelled out very clearly that he may act in this area. I am sure that before he would act he would be consulted and he would be advised by the police, the Attorney General, and the civil defense people, and they would be working together as a team.

The thing that bothers me, as I said before, and I think it bothers the good Senator from York, Senator Logan, as well, that this would shift that authority by the use of that word "shall" over into the Attorney General's Office, where it really doesn't belong. It belongs with the Chief Executive of the State.

The PRESIDENT: The Chair recognizes the Senator from York, Senator Logan.

Mr. LOGAN of York: Mr. President and Members of the Senate: I think we all know the condition that has prompted this unfortunate type of practice. It is exactly the same thing we hope will never, never be needed here in Maine. This type of legislation has sprung from the sad experience of other states. The type of march we have now is different. These people are fully aware of the law, or at least there are people among them that are fully aware of it. The type of process of calling out the militia,



I am afraid it certainly would be called into question.

I think if the Governor is going to quell a riot he should have a clear authority to do so. It is questionable under present law, I think, whether he can close liquor stores, close gasoline stations and so forth. The immunity is very broad but, again, I think it would be difficult for the Governor to press military people, for example, or deputy sheriffs, or you or I, in service if they really needed it, unless you or I felt we had some immunity from any unforeseeable accident that might arise out of this. I think it would be a good idea to have this on the books. I think the Governor should have this authority should he need it. Thank you, Mr. President.

The PRESIDENT: The pending question before the Senate is the motion of the Senator from York, Senator Logan, that the bill be substituted for the report on Bill, "An Act Relating to Control of Riots" (S. P. 141) (L. D. 423). As many as are in favor of substituting the bill for the report will say "Yes"; those opposed "No". The Chair being in doubt will order a division. As many Senators as are in favor of substituting the bill for the report will rise and remain standing until counted. Those opposed will rise and remain standing until counted.

A division was had. Fourteen Senators having voted in the affirmative, and twelve Senators having voted in the negative, the motion prevailed.

Thereupon, the Bill was Read Once and tomorrow assigned for Second Reading.

The President laid before the Senate the twentieth tabled and specially assigned matter:

SENATE REPORT — Ought to Pass from the Committee on Judiciary on Bill, "An Act Relating to Communications Between Physician and Patients." (S. P. 224) (L. D. 664)

Tabled — May 27, 1969 by Senator Conley of Cumberland.

Pending — Acceptance of Report.

Thereupon, the Ought to Pass Report of the Committee was

Accepted, the Bill Read Once and tomorrow assigned for Second Reading.

The President laid before the Senate the twenty - first tabled and specially assigned matter:

Bill, "An Act Relating to the Water and Air Environmental Improvement Commission." (S. P. 332) (L. D. 1084)

Tabled — May 27, 1969 by Senator Berry of Cumberland.

Pending — Passage to be Engrossed.

On motion by Mr. Berry of Cumberland, retabled and tomorrow assigned, pending Passage to be Engrossed.

The President laid before the Senate the matter tabled earlier in today's session, Bill, "An Act Relating to Damage to Private Water Supplies Resulting from Alteration of Highways" (H. P. 445) (L. D. 569).

Mr. Greeley of Waldo then presented Senate Amendment "A" and moved its Adoption.

Senate Amendment "A", Filing No. S-200, was Read and Adopted and the Bill, as Amended, Passed to be Engrossed in non - concurrence.

Sent down for concurrence.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Conley.

Mr. CONLEY of Cumberland: Mr. President, I would inquire if the Secretary of the Senate is in possession of the Committee of Conference Report, L.D. 595, which was on yesterday's calendar?

The PRESIDENT: The Chair would answer in the affirmative, the Report having been held at the request of the Senator.

Mr. CONLEY: I would now move that we reconsider our action whereby the Senate requested the President to name a new Committee of Conference.

The PRESIDENT: The Senator from Cumberland, Senator Conley, now moves that the Senate reconsider its action of yesterday whereby the Senate voted to ask the President to appoint a new Committee of Conference on Bill, "An

Act Relating to Age Requirements for Kindergarten" (L. D. 595).

The Chair recognizes the Senator from Kennebec, Senator Katz.

Mr. KATZ of Kennebec: Mr. President and Members of the Senate: I must oppose the motion to reconsider. The Senate might possibly recall that this is the question of the entering age of youngsters in kindergarten, and it was a thrill and a pleasure for me to have been on the prevailing side with the Senator from Cumberland, Senator Conley.

Since it occurred I have softened my position. I said at the time that this was a very controversial area, and I didn't know the answer to it, but my impression was, from what I had seen and heard, that youngsters should not be further delayed; that early education was tremendously profitable. Somehow or other my comments got out around the State, and I have some delightful mail from all kinds of people all over the State asking me how could I be so wrong. I suspect that perhaps I was a little wrong, and I am willing to change my position and give it to those who apparently feel very deeply that I was wrong. That was the basis of my suggesting that we join in another committee of conference. It was purely and simply from a point of view of personal humility that I might have been wrong, so I hope the Senate permits me to swallow my pride and join in another committee of conference.

The PRESIDENT: The Chair recognizes the Senator from Cumberland Senator Kellam.

Mr. KELLAM of Cumberland: Mr. President and Members of the Senate: If the good Senator from Kennebec is bothered about the public relations on this matter, I am perfectly willing to accept all the blame for having children start school when they are five years old by October 15th of the year in which they are five years old, as the law now exists.

As the body may recall, we discussed this matter, not at great length but some, I am sure, a month or two ago, and the Senate at that time believed that a youngster who had reached his fifth

birthday by October 15 should be able to start the kindergarten year, which starts something around the tenth of September usually, or maybe by the fifth or so. In any event, he would in another month be five years old.

Years ago this used to be January 1st, and they moved it back to October 15th, and now there seems to be a move to move the age back to September 1st, in other words, making the person older all the time. It just strikes me that what the trend here is, it is just to abolish kindergarten all together, because if you keep making a youngster older when he is starting the kindergarten class you really are subverting the whole intention for it. Kindergarten, I think, comes from "kindy," meaning small, or youngster, or prior to school age. We used to call it subprimary back in Portland many years ago when they used to have a fourth-grade kindergarten. I think the term itself embodies the idea that these people are of a tender age and they are being prepared for school.

I object to having a new committee of conference simply for the reason that the matter was hashed out at some length, a committee of conference was appointed, and the committee of conference was unable to agree to change the present law. I think that report should be accepted and the law should stay the way it is. I have had some mail from teachers or professed teachers who say that they like to have the children a little bit older. All I could say to them is that if they really like to have the children a little bit older, instead of teaching kindergarten maybe they should try to teach the first grade. In that way they would be dealing with six-year-olds which is apparently what they desire to do.

Kindergarten is for young people who are too young for the first grade and, in my way of thinking, this is for people five years old or just about five years old.

I would hope that the body would reconsider the matter and that we would, in fact, accept the committee of conference report and, at least for this year, be done with this particular matter.

I would say that I have also had about the same amount of comment to the effect that people like the law the way it is now. Any person who has a youngster who they feel is too young, too immature to start kindergarten, under the present law is not required to start him in kindergarten. They can start him the following year. It doesn't really hurt anybody who does not feel that their youngster is ready, and by changing the law you would be making some youngsters considerably older than the rest a year later when they do in fact start kindergarten. I hope you will go along with the original wishes of this body.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Moore.

Mr. MOORE of Cumberland: Mr. President and Members of the Senate: I had the honor of serving on that very important committee of conference. As I recall, Senator Kellam, Senator Violette, and myself were on that committee, and our opinion was unanimous to leave it as it is. I don't think I would object too much if this was the 28th of March or the 28th of February, but I do object that on the 28th of May that we start having another committee of conference on something no more important than this. I certainly would support the motion of Senator Conley of Cumberland.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Kellam.

Mr. KELLAM of Cumberland: I would like to have a division on the vote.

The PRESIDENT: Is the Senate ready for the question? The pending question before the Senate is the motion of the Senator from Cumberland, Senator Conley.

The Chair recognizes the Senator from Kennebec, Senator Katz.

Mr. KATZ of Kennebec: Mr. President and Members of the Senate: The impact of the position that I am trying to foist on the Senate is to defeat the motion to reconsider. What this will let us do is voluntarily, find three volunteers, just to sit briefly and discuss

this, and not necessarily come to any predetermined position. I am under substantial pressures from certain members of the staff of the Senate that feel strongly one way or another. I would like a chance to review the position.

The PRESIDENT: The pending question before the Senate is the motion of the Senator from Cumberland, Senator Conley, that the Senate reconsider its action of yesterday whereby it voted to insist and ask for second committee of conference on Bill, "An Act Relating to Age Requirements for Kindergartens". A division has been requested. As many Senators as are in favor of the motion for reconsideration will rise and remain standing until counted. Those opposed will rise and remain standing until counted.

A division was had. Nineteen Senators having voted in the affirmative, and nine Senators having voted in the negative, the motion prevailed.

Thereupon, the Senate voted to Accept the Committee of Conference Report in concurrence.

On motion by Mr. Wyman of Washington, the Senate voted to take from the tabled the third tabled and unassigned matter:

Bill, "An Act Relating to Definition of Retail Sale Under Sales and Use Tax Law" (H. P 102) (L. D. 110).

Tabled - March 11, 1969, by Senator Wyman of Washington.

Pending — Acceptance of Either Report.

The PRESIDENT: The Chair recognizes the same Senator.

Mr. WYMAN of Washington: Mr. President and Members of the Senate: Your Taxation Committee has listened to sales tax exemption bills for more sessions than I like to recall, but it is my honest belief that there is less justification for passing this particular bill than for any of the previous proposals, which would provide for further erosion of the sales tax and depletion of the general fund.

Let's look at the picture. Here is a corporation with gross revenues in the \$6,000,000 - \$7,000,000 area; and if you grant

it the requested sales tax exemption on electricity used in its electrolytic process, it will save this company, on the face of it, \$80-\$90,000 per year. I made those figures a short time ago, and since I made them the sales tax has been changed to 5 per cent, so that exemption will amount to even more. Now, while the State will lose that \$80 - \$90,000 since this company is a profit - making venture, the Federal Government will pick up a little more than 50 per cent of this saving through the Federal Income Tax. So, as far as the company is concerned, we are talking about a saving of \$40 - \$45,000 per year.

However, there is only 40 per cent of the stock of this company owned by Maine corporations — 20 percent by the Bangor Hydro - Electric Company and 20 percent by the Penobscot Chemical Fiber Company. So, the actual saving to these two Maine companies would be 40 per cent of the above, or from \$16,000 - to \$18,000 per year. We are, therefore, saying, in effect, that for every one dollar we are going to divide between the Bangor Hydro - Electric Company and the Penobscot Chemical Fiber Company, we are asking the taxpayers of the State of Maine to contribute five dollars of their hard - earned money. Is this fair?

While the State can ill afford to lose the \$160,000 - \$180,000 per biennium, which would be lost to the State by this bill, what is far more disturbing than the loss of these dollars is the thought of where the enactment of this bill would lead us. This company claims that it should have exemption because the electricity disappears and isn't a part of the final product. So, let's look at a few other industries that with equal validity, perhaps greater validity, could come to us with the same claim for exemption from the sales tax for the electricity which they use.

It happens that I have some knowledge of the blueberry industry. In that industry in Maine, something more than 60 per cent of our product is frozen — and it takes a lot of electricity to freeze the product — and, after it is

frozen, you can't find the electricity in the frozen blueberries, any more than you can find the electricity in the chlorine and caustic soda used in Orrington.

Let's look at another big source of sales tax revenue on electricity used in the frozen potato industry in Aroostook County. I don't know how many hundred thousand tons of Maine potatoes are converted into frozen french fries; but, certainly, the sales tax imposed on the electricity needed to freeze potatoes is a very substantial sum of money.

If this particular use were related to a struggling venture it might deserve sympathy; but I am well convinced that, so far as profits to its owners are concerned, they don't need any State subsidy via a sales tax exemption on their electricity.

It is argued that this use of electricity is a new and dramatic use of electrical energy. To my personal knowledge, for at least the last fifty years, this same identical process of breaking salt into its two components, chlorine and caustic soda, has been used in many State of Maine pulp and paper installations. Right this minute Oxford Paper Company in Rumford is using this exact same process to make the exact same product. All that is new about the Orrington venture is that it is bigger, more efficient, and more profitable to its owners than the individual electrolytic plants so common in so many pulp and paper companies. Obviously, each has paid the sales tax since the sales tax was imposed upon the electricity purchased for this purpose.

To repeat myself, it is most disturbing to think that the State would lose \$80,000 to \$90,000 per year in order to give the federal government \$40,000-\$45,000 and in order to give this corporation the remaining \$40,000-\$45,000, with the end result that the Bangor Hydro Electric Company and the Penobscot Chemical Fiber Company will have \$16,000 to \$18,000 to divide between them. Even more disturbing than this loss of money to the State is the fact that there are innum-

erable uses of electricity by manufacturers here in Maine whose claim for exemption can be and will be as well or better supported than the present proposal. Truly, this is my real concern.

Those of us who have served in this Senate as long as I remember when the sales tax was first imposed, the provisions of the tax were harsher on industry than in most all of the sales tax states. This was a compromise worked out with industry, recognizing that if a corporation income tax were not to be imposed upon them, they then were willing to accept the sales tax on the electricity which they purchased, the coal or fuel oil which they purchased, and the new equipment which they purchased, the latter being subject, generally speaking, to the "use tax."

Now, if this measure is enacted, I can visualize all manner of industries coming to us and pointing up this *Orrington exemption*, reminding us that they are paying the sales tax on all the tangible property that they install in their facilities; but, if one particular segment, actually, a *special interest*, is going to be excused from paying the sales tax on the electricity used, others will present to the legislature, as soon as may be, justification for granting to them the same exemption, with the result of substantial erosion in our gross revenues from the sales tax on electricity.

The proponents argue that this exemption should be granted in the interest of fairness; but, is it fair to the other taxpayers to pass this bill which, until others apply for the same exemption, would actually be a law to benefit special interests?

It is my hope that common sense, fairness, and equity will support the majority position of your Committee on Taxation.

When the vote is taken I request that it be taken by a division.

The PRESIDENT: The Chair would inform the Senator that there has been no motion made yet in regards to this matter. The Chair understands that the Senator from Washington, Senator Wyman,

moves to Accept the Majority Ought to Pass Report of the Committee.

The Chair recognizes the Senator from Kennebec, Senator Hanson.

Mr. HANSON of Kennebec: Mr. President and Members of the Senate: I am a little hesitant about rising in opposition to our very able Chairman of our Taxation Committee. I presumed that I was going to have at least a day's notice on this so I could get my own papers in line. Nevertheless, I rise to oppose the motion. I am in favor of this bill, and I think that I was the only Senator that signed Ought to Pass for various reasons.

I felt then, and I feel now, that this is a fair bill which seeks not preferential treatment for an industry, but rather equal treatment. This bill does not add exemption to the sales tax law; it merely deals with the definition of retail sales under the law. It deals particularly with the definition of retail sales as it applies to the property consumed in the manufacture of property for later sale.

Now when the sales tax law was first enacted, it was felt that personal property which was sold as a raw material, or which was otherwise consumed in the manufacture of tangible personal property for later sale, ought not to be subject to the sales tax, probably because it was felt that if you tax things which went into a product you would have kind of a pyramid of taxes, or a tax on a tax.

Electricity is not treated this way, nor is fuel. At the time that the sales tax law was passed there were few, if any, industries in Maine that used electricity and the electrolytic process which this bill deals with. In industry electricity is generally used indirectly for heat, light, and energy to turn motors, lights and so forth. There were no industries, in other words, which used electricity as an integral and direct part of the manufacturing process and the way it is used in the electrolytic industry.

Now the I.M.C. plant in Orrington, which will be the primary but

not the only beneficiary of this bill, uses electricity in this way. Salt is run through some electrodes which carry very high electric current. The salt water lets the electricity pass through it, and the result is that the salt in the water is broken down into its elements, sodium and chlorine. Electricity, in other words, by working directly on the salt, breaks the bond which holds the sodium and chlorine together, causing them to break apart into separate molecules. A lot of electricity is needed to do this. I think, Mr. President, that you can see that this use of electricity is very different from the ordinary use of electricity. You can really say that the electricity as used in this electrolytic process is like a raw material. Just like the pulp and chemicals and felts and so forth that are used in the making of paper. This bill simply says that those raw materials and things consumed in making the paper, and so forth, are exempt and so should this use of electricity as a raw material.

The bill in this language is carefully limited so that this direct use of electricity will not be taxed. It does not touch other uses of electricity, not even for the Orrington plant or the I.M.C. company.

Some may say that this bill will set an unfortunate precedent by giving preference to one industry. To them I say this bill does not give any such preference; it merely eliminates inequality.

You will recall how industry and others reacted when the proposal was made in this legislature to tax factory disposal items to help finance the Part I Budget. This bill seems to put this electrolytic industry in the same status now enjoyed by other industries in Maine, that is, not having to pay sales tax on their raw materials or on their factory disposal items. It was the fear of the loss of this statute which caused such a hue and cry when the proposal to tax factory disposal items was made.

This bill will cost the State some revenue. As we have an increase in the sales tax, I would estimate possibly the figure of \$85,000 to \$95,000, and this is only an estimate

in my own mind. That is no reason to permit the present inequality to continue.

I will mention just a few of the things that the legislature has passed some years back. If I remember correctly, it was either two or four years ago that we passed a bill on the Bath Ship Yard, and the leather as used in the shoe industry, and there are many, many raw materials which are used.

This is the reason I signed this bill Ought to Pass, because I do feel that it is an inequality here, as well as in some other systems of our taxation.

I also have here in my hand a decision of the Law Court on the basis of evidence, and it was in regard to carbonated water just to use in coke. The decision which was handed down by the Law Court stated that carbonated water that was used in the manufacture of coke is exempt from the sales tax. I am not going to go into detail with this, because I have it here if anybody would care to see it. I, therefore, hope that the Senate will defeat this motion. When the vote is taken I would ask for a division.

The PRESIDENT: The Chair recognizes the Senator from Piscataquis, Senator Martin.

Mr. MARTIN of Piscataquis: Mr. President and Members of the Senate: I believe that you all understand this bill is creating another exemption under our sales tax laws. I feel that if this product was entitled to an exemption it would have had it through our Sales Tax Division of the Bureau of Taxation. I am afraid that, if we can stretch out and create other exemptions in this form, that there will be no end to them. It is going to create exemptions, and will create border line exemptions of other materials that are fairly similar to this present request. I would like you to bear in mind that this particular exemption will provide a sales tax loss to the State of almost a tenth of what is currently lost through the present exemption of the goods lost in the process of the manufacture.

I, for one, would like to repeal the whole bill and remove all these

exemptions. I certainly do not feel like adding on some more. I hope you support the motion of Senator Wyman.

The PRESIDENT: The Chair recognizes the Senator from Washington, Senator Wyman.

Mr. WYMAN of Washington: Mr. President and Members of the Senate: As the good Senator from Kennebec, Senator Hanson, stated, the estimate was \$85,000 to \$95,000 per year on a four and a half per cent tax. I was talking to Mr. Johnson yesterday, and he didn't figure how much more. I guess it is probably easy to figure, but what we are talking about losing is close to \$200,000 per year. IMC Chlor - alkaline has built an \$11,000,000 plant in the town of Orrington. The town of Orrington has placed a value for tax assessment on this property of only \$881,000, which is less than 10 per cent of the cost of the plant, and which results in a municipal tax of only \$37,007.04. Isn't this tax break enough for this plant? I don't begrudge this industry this real estate tax break, but I do think that, with this tax break, the taxpayers are going far enough.

After all, make no mistake about it, the attorneys for IMC Chlor - alkaline were well acquainted with the sales tax law in the State of Maine when this company came to Maine, and it doesn't seem fair for them to ask, a couple of years later, to have it changed for their special interest.

Already this Legislature has failed to grant exemptions from the sales tax on purchases made by non - profit children's homes, bible schools, and other worthy causes, all of which, in total, would have amounted to much less than the dollars involved in the present proposal. Further, we have eliminated the automobile trade - in tax exemption, which will throw a substantially greater burden on everybody and, particularly, on the working man whose automobile is really a tool of his trade since most must use their automobiles to go to and from work.

Now, do you think it fair to take some of these dollars which we are taking away from the non - profit children's homes, from

working men when they buy their automobiles, and others, in turn, hand this money to the wealthy and prosperous new - comer to Maine, a company which I am sure knew exactly what the Maine sales tax law required when it came to Maine? I think not.

Here we are near June 1st and nobody in this Senate can tell how much in additional taxes we will need to enact before we adjourn to satisfy the reasonable needs of the State of Maine. We hear about possible proposals to tax, barbers, beauticians, soft drinks, services in general, and many other sources. Therefore, how absurd would it be to pass this windfall, at the expense of the rest of the taxpayers of the State of Maine, and when we are in such straitened financial condition, as has been previously mentioned.

Once more, I hope you will support the Majority Ought Not to Pass Report of your Committee on Taxation. Thank you.

The PRESIDENT: The Chair recognizes the Senator from Knox, Senator Hoffses.

Mr. HOFFSES of Knox: Mr. President and Members of the Senate: I would like to pose a question. My question is: Of the finished product which this company sells, what percentage of that product is this particular matter of electricity? What percentage does it amount to of the total cost of the product? In other words, is it 50 per cent, 60 per cent, 80 per cent or what, of the finished product?

The PRESIDENT: The Senator from Knox has posed a question through the Chair, which any Senator may answer if he so desires.

The Chair recognizes the Senator from Washington, Senator Wyman.

Mr. WYMAN: Mr. President and Members of the Senate: I think this information was given at the hearing, and I think it is a substantial part of the product, but I think we are talking about opening a door for other industries to come in. The fact is that these people knew what the law was when they came into Maine and I can't see

as that has any great bearing on it.

The PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Hanson.

Mr. HANSON: Mr. President and Members of the Senate: I have one of the sheets we had before us at the hearing, and I would like to read a few of the statements. IMC's power bill represents 44 per cent of the manufacturing cost, and 92.5 per cent of the electricity purchased by IMC is consumed in an electrolytic process. The remainder of the electricity is used in the operation of motors, lights, and auxiliary equipment. Now this L. D. proposes that only the electricity consumed in an electrolytic process be exempted from the sales tax. A survey showed that 27 out of 46 states allow the exemption, and the nearest competitors in this industry are located in New York and New Jersey. I hope that I have answered the good Senator's question as to the percentage that is used. As to the cost, I cannot give it.

The PRESIDENT: The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS of Franklin: Mr. President and Members of the Senate: I thought I heard the remark - just to break this up a little - I thought I heard a remark a few minutes ago when the good Senator from Washington County said something to the effect that this plant had a tax valuation of \$800,000 and that was only ten per cent of what it cost. Do we take it that this is an \$8,000,000 plant and Orono is only taxing it on a 10 per cent basis? I am not familiar with tax administration very much in this State, but the two gentlemen that have been speaking on both sides perhaps could inform us, what is the State Tax Assessor doing? Originally that office of State Tax Assessor—I think he was Chairman of the Tax Equalization Board, or something like that - Frank Holly was the head of it many years ago, and the devise and purpose of the office was to equalize taxes, and do away with the inequities in

assessments, all over the State. When one of these giant industries comes in, and is able to get something like 10 per cent of its cost as its assessment, what are we doing in the State of Maine to correct that inequality, if anything. That is where tremendous disparity probably exists.

If you build a home for \$80,000 in my home town, if you could - no one has - but if you could, you would pay pretty nearly that much on an assessment of that much. Some great big plant goes up to Orono and spends eight million, how are they able to get away with an \$80,000 assessment? What are we as the State of Maine doing to correct it? Is the State Tax Assessor doing anything about it? If the I. P. Mill builds in Jay, and gets a tax break from the Town of Jay, it only pays a percentage of what is spent, what are we doing as the State of Maine to correct that inequality? Our homeowners are paying right through the nose all the time. I wonder if the Taxation Committee has looked into matters like this.

The PRESIDENT: The Chair recognizes the Senator from Piscataquis, Senator Martin.

Mr. MARTIN of Piscataquis: Mr. President and Members of the Senate: I would like to answer the question of Senator Mills. Our present law gives the State Tax Assessor the right, upon petition by the board of assessors of the municipality, to go in and revalue a particular industrial plant or particular property that is not valued in proportion to the other properties within the town. To my knowledge, this right is not exercised. Thereupon, if the State Tax Assessor would go in and do such a revaluation, and pass on the findings to the Attorney General there could be a court case out of this, but it has never been exercised to my knowledge, so nothing is done actually to protect the property owner of the State of Maine.

This item here has led us into a local property tax situation; it all ties in. You have a plant that has been constructed fairly recently at a cost of eleven million



dollars, with an eight hundred thousand dollar assessed value, with an outright tax contribution to the town of \$37,000; it just isn't right. We in turn, the legislature, will make another contribution to this particular industry in exempting sales tax. It is a vicious circle, and there is no end to it. I know the answer is not actually in the legislature; the answer is in enforcing our existing laws but they are not being enforced.

The PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Katz.

Mr. KATZ of Kennebec: Mr. President, may I approach the rostrum?

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#### Senate at Ease

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Called to Order by the President.

The PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator Tanous.

Mr. TANOUS of Penobscot: Mr. President and Members of the Senate: I am sitting here listening to the arguments pro and con on this issue. I had a few prepared statements on it. I would like to rebut some of the remarks made earlier. Frankly, and putting it plainly, I hate to see this Senate trying to bag one outfit inequitably and unjustly just because they are making a few dollars. I don't think this is right and I think it is class legislation. We have an exemption under the law which exempts everybody else in the category, and here is one firm in the State of Maine that is bagged to pay this tax, and I don't think it is right. Regardless of whether they are making money or losing money, it is the equity of the thing that counts.

The electricity, a question was asked of how much percentage was necessary in the cost, and it was 50 per cent of the cost. On the local tax issue that has been brought up here, that is immaterial. This is a local problem. Let them decide on the local level what they ought to tax this place as far as real estate taxes are concerned. I don't think this should be used as an argument to

refuse to give them an exemption which is equitable under the law.

We have talked of the process, of the manufacturing process, and it is a very simple procedure. It has been explained to you very well. There are many other industries in the State that have these exemptions, quite a few. The paper industry, for instance, pulp and wood, chemicals and lubricants, all of these. They are exempt from this tax. Why isn't this bill fair if the other people can have the benefit of it? I don't know, we get so much legislation here, we tend to pick at it, try to bag somebody just because they are making a dollar or refuse to give them the equity which they have coming to them because we feel it is unjust.

I think that we ought to give them exemption under the sales tax law, and if we are talking about exempting or removing the exemption from everybody else, let's do. I perhaps would support such legislation. Right now the others are exempt, and I say let's give them the exemption along with it. It is only equitable that we do this. It seems to me that a fair bill, if this is a fair bill, and a vote against it would in my opinion, continue what seems to be an unjust and discriminatory wrinkle in the law. Having this in mind, I hope we defeat Senator Wyman's motion, and pass this bill along. May I add also that this bill has received t r e m e n d o u s support in the House and it was passed over there.

The PRESIDENT: Is the Senate ready for the question? The pending question before the Senate is the motion of the Senator from Washington, Senator Wyman, that the Senate accept the Majority Ought Not to Pass Report on Bill, "An Act Relating to Definition of Retail Sale Under Sales and Use Tax Law" (H. P. 102) (L. D. 110). A division has been requested. As many Senators as are in favor of accepting the Majority Ought Not to Pass Report of the committee will rise and remain standing until counted.

A division was had. Sixteen Senators having voted in the

affirmative, and thirteen Senators having voted in the negative, the motion to accept the Majority Ought Not to Pass Report of the prevailed in non-concurrence.

Sent down for concurrence.

On motion by Mr. Hoffses of Knox,

Adjourned until 9 o'clock tomorrow morning.