

# MAINE STATE LEGISLATURE

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**Legislative Record**

OF THE

**One Hundred and Seventh Legislature**

(First Special Session)

OF THE

STATE OF MAINE

**1976**

KENNEBEC JOURNAL  
AUGUSTA, MAINE

**HOUSE**

Wednesday, February 25, 1976

The House met according to adjournment and was called to order by the Speaker.

Prayer by the Reverend Richard Merrill of Cumberland.

The journal of the previous session was read and approved.

**Papers from the Senate**

From the Senate: The following Joint Resolution: (S. P. 716)

**IN MEMORIAM**

Having Learned of the Death of Honorable Sumner T. Pike of Lubec Distinguished National and State Leader and Devoted Public Servant

The Senate and House of Representatives of the State of Maine do hereby extend their sincere heartfelt condolences and sympathy to the bereaved family and friends of the deceased; and further

While duly assembled in session at the State Capitol in Augusta under the Constitution and Laws of the State of Maine, do herein direct that this official expression of sorrow be forthwith sent to the family of the deceased on behalf of the Legislature and the people of the State of Maine.

Came from the Senate read and adopted. In the House, the Resolution was read.

The SPEAKER: The Chair recognizes the gentleman from Lewiston, Mr. Jalbert. Mr. JALBERT: Mr. Speaker, Ladies and Gentlemen of the House: I know time is of an essence, but I cannot in good conscience let us merely pass a resolution in memoriam of a leader without saying a few words concerning this departed gentleman.

I met Sumner Pike in Washington when he was first serving as an appointee under President Truman. He was then very devoted and dedicated to projects in his own area.

Sumner Pike resigned as the Chairman of the Public Utilities Commission, and I remember very well asking him one time why he left a post like he did in Washington and serve as a member of this body when you were secure in Washington. His answer was very brief, "because I love Maine, I love the area that I come from." And for those of you who knew him, you are well aware of the fact that anytime any committee went in the area of Lubec and found no place to stay, the invitation was there, the door was open and the table was set.

I know that in passing this resolution, every House member should, in very brief, silent prayer, mourn, in my opinion, the passing of not a Maine stater but a great American.

Thereupon, the Resolution was adopted in concurrence.

From the Senate: The following Joint Order: (S. P. 714)

WHEREAS, The Legislature has learned of the Outstanding Achievement and Exceptional Accomplishment of Diane Elizabeth Edmonds and Sandra Dillon of Belfast Area High School Who Have Been Selected to Represent Maine in the National High School Honors Band at Atlantic City

We the Members of the Senate and House of Representatives do hereby Order that our congratulations and acknowledgement be extended; and further

Order and direct, while duly assembled in session at the Capitol in Augusta, under the Constitution and Laws of the State of Maine, that this official expression of pride be sent forthwith on behalf of the Legislature and the people of the State of Maine.

Came from the Senate read and passed.

In the House, the Order was read and passed in concurrence.

**Study Report  
Public Utilities**

Committee on Public Utilities to which was referred the study relative to Water District Rate Proceedings, pursuant to S. P. 557 of the 107th Legislature, have had the same under consideration, and ask leave to submit its minority findings and to report that the accompanying Bill "An Act Relating to Water District Rate Proceedings" (S. P. 715) (L. D. 2245) be referred to this Committee for public hearing and printed pursuant to Joint Rule 3.

Came from the Senate with the Report read and accepted and the Bill referred to the Committee on Public Utilities and ordered printed.

In the House, the Report was read and accepted in concurrence and the Bill referred to the Committee on Public Utilities in concurrence.

**Non-Concurrent Matter**

Bill "An Act Concerning Municipal Appropriations to Incorporated Volunteer Fire Departments" (H. P. 1906) (L. D. 2093) which was passed to be engrossed as amended by House Amendment "A" (H-925) in the House on February 23, 1976.

Came from the Senate with the Bill and accompanying papers indefinitely postponed in non-concurrence.

In the House: On motion of Mr. Shute of Stockton Springs, the House voted to recede and concur.

**Petitions, Bills and Resolves****Requiring Reference**

The following Bill was received and, upon recommendation of the Committee on Reference of Bills, was referred to the following Committee:

**Business Legislation**

Bill "An Act Exempting Public Accountants and Certified Public Accountants from the Insurance Consultant Law and Deleting the 3-Year Limitation on Applications for Permits to Practice Accountancy" (H. P. 2084) (Presented by Mr. Sprowl of Hope) (Approved for Introduction by a Majority of the Committee on Reference of Bills pursuant to Joint Order S. P. 635 as amended)

(Ordered Printed)  
Sent up for concurrence.

**Study Report  
Business Legislation**

Mrs. Clark from the Committee on Business Legislation to which was referred the study relative to Require Home Health Care Coverage to be Offered in all Health Care Policies and Contracts, pursuant to H. P. 1673 of the 107th Legislature, have had the same under consideration, and ask leave to submit its findings and to report that the accompanying Bill "An Act to Require Home Health Care Coverage to be Offered in all Health Care Policies and Contracts" (H. P. 2088) (L. D. 2247) be referred to this Committee for public hearing and printed pursuant to Joint Rule 3.

Report was read and accepted, the Bill referred to the Committee on Business Legislation, ordered printed and sent up for concurrence.

**Study Report  
Natural Resources**

Mr. Peterson from the Committee on Natural Resources to which was referred the study relative to solid waste management, pursuant to H. P. 1669 of the 107th Legislature, have had the same under consideration, and ask leave to submit its Report "A" findings and to report that the accompanying Bill "An Act to Improve Solid Waste Management in this State" (H. P. 2089) (L. D. 2248) be referred to this Committee for public hearing and printed pursuant to Joint Rule 3.

Mr. Churchill from the same Committee submits its Report "B" findings and reports that the accompanying Bill "An Act to Improve Solid Waste Management" (H. P. 2090) (L. D. 2249) be referred to this Committee for public hearing and printed pursuant to Joint Rule 3.

Mr. McBreairey from the same Committee submits its Report "C" findings and reports that the accompanying Bill "An Act to Provide Funding for Action on Solid Waste and Litter" (H. P. 2091) (L. D. 2250) be referred to this Committee for public hearing and printed pursuant to Joint Rule 3.

Reports "A", "B" and "C" were read and accepted, the Bills referred to the Committee on Natural Resources, ordered printed and sent up for concurrence.

**Study Report  
Local and County Government**

Mr. Dam from the Committee on Local and County Government to which was referred the study relative to Proper Role and Authority of County Government in this State, pursuant to H. P. 1670 of the 107th Legislature, have had the same under consideration, and ask leave to submit its findings and report that the accompanying Bill "An Act to Enable Counties to Hire County Administrators" (H. P. 2092) (L. D. 2251) be referred to this Committee for public hearing and printed pursuant to Joint Rule 3.

Report was read and accepted, the Bill referred to the Committee on Local and County Government, ordered printed and sent up for concurrence.

**Study Report  
Performance Audit  
Recommended**

Mrs. Berube from the Committee on Performance Audit to which was referred the study relative to Annual Adjustments in the Standard of Need for families receiving Aid to Dependent Children, pursuant to H. P. 529 of the 107th Legislature, have had the same under consideration, and ask leave to submit its findings and to report that the accompanying Bill "An Act to Require an Annual Adjustment in the Standard of Need for Families Receiving Aid to Dependent Children" (H. P. 2093) (L. D. 2252) be referred to this Committee for public hearing and printed pursuant to Joint Rule 3.

Report was read.  
On motion of Mrs. Berube of Lewiston, the Report was returned to the Committee on Performance Audit due to an administrative error.

**Study Report****Local and County Government**

Mr. Dam from the Committee on Local and County Government to which was referred the study relative to Proper Role and Authority of County Government in this State, pursuant to H. P. 1670 of the 107th Legislature, have had the same under consideration, and ask leave to submit its findings and to report that the accompanying Bill "An Act to Change County Budgets to an Annual Basis" (H. P. 2094) (L. D. 2253) be referred to this Committee for public hearing and printed pursuant to Joint Rule 3.

Report was read and accepted, the Bill referred to the Committee on Local and County Government, ordered printed and sent up for concurrence.

**Orders**

Mr. Cote of Lewiston presented the following Joint Resolution and moved its adoption: (H. P. 2083)

**IN MEMORIAM**

Having Learned of the Death of Leo Lemay of Lewiston

The Senate and House of Representatives of the State of Maine do hereby extend their sincere heartfelt condolences and sympathy to the bereaved family and friends of the deceased; and further

While duly assembled in session at the State Capitol in Augusta under the Constitution and Laws of the State of Maine, do herein direct that this official expression of sorrow be forthwith sent to the family of the deceased on behalf of the Legislature and the people of the State of Maine.

The Resolution was read and adopted and sent up for concurrence.

Mr. LaPointe of Portland presented the following Joint Resolution and moved its adoption: (H. P. 2082)

**IN MEMORIAM**

Having Learned of the Death of Francis Kilroy of Portland

The Senate and House of Representatives of the State of Maine do hereby extend their sincere heartfelt condolences and sympathy to the bereaved family and friends of the deceased; and further

While duly assembled in session at the State Capitol in Augusta under the Constitution and Laws of the State of Maine, do herein direct that this official expression of sorrow be forthwith sent to the family of the deceased on behalf of the Legislature and the people of the State of Maine.

The Resolution was read and adopted and sent up for concurrence.

Mrs. Saunders of Bethel presented the following Joint Resolution and moved its adoption: (H. P. 2081)

**IN MEMORIAM**

Having Learned of the Death of the Honorable Harry M. Swift of Locke Mills, Maine

The Senate and House of Representatives of the State of Maine do hereby extend their sincere heartfelt condolences and sympathy to the bereaved family and friends of the deceased; and further

While duly assembled in session at the State Capitol in Augusta under the Constitution and Laws of the State of Maine, do herein direct that this official expression of sorrow be forthwith sent to

the family of the deceased on behalf of the Legislature and the people of the State of Maine.

The Resolution was read.

The SPEAKER: The Chair recognizes the gentlewoman from Bethel, Mrs. Saunders.

Mrs. SAUNDERS: Mr. Speaker, Men and Women of the House: Harry M. Swift was born in Greenwood, Maine on February 21, 1882. He graduated from Monmouth Academy in 1913 and married Florence Littlefield. Mr. Swift worked as a carpenter and builder in his earlier years and as a millwright in the local woodturning mill prior to his retirement. He served in the 79th Maine Legislature in 1919 and 1920 under Governor Carl F. Milliken, who was then serving his second term as Governor of Maine.

Mr. Swift served the Town of Greenwood as their selectman for 31 years. This year's town report is dedicated to Mr. Swift.

Thereupon, the Resolution was adopted and sent up for concurrence.

Mr. Birt of East Millinocket presented the following Joint Order and moved its passage: (H. P. 2085)

WHEREAS, The Legislature has learned of the Outstanding Achievement and Exceptional Accomplishment of the Wolverines of Schenck High School of East Millinocket Eastern Maine Class B Basketball Champions for 1976

We the Members of the House of Representatives and Senate do hereby Order that our congratulations and acknowledgement be extended; and further

Order and direct, while duly assembled in session at the Capitol in Augusta, under the Constitution and Laws of the State of Maine, that this official expression of pride be sent forthwith on behalf of the Legislature and the people of the State of Maine.

The Order was read and passed and sent up for concurrence.

Mrs. Clark of Freeport presented the following Joint Order and moved its passage: (H. P. 2086)

WHEREAS, The Legislature has learned of the Outstanding Achievement and Exceptional Accomplishment of Freeport High School Western Maine Class C Girls' Basketball Champions for the Year 1976

We the Members of the House of Representatives and Senate do hereby Order that our congratulations and acknowledgement be extended; and further

Order and direct, while duly assembled in session at the Capitol in Augusta, under the Constitution and Laws of the State of Maine, that this official expression of pride be sent forthwith on behalf of the Legislature and the people of the State of Maine.

The Order was read and passed and sent up for concurrence.

Mr. Rollins of Dixfield presented the following Joint Order and moved its passage: (H. P. 2095) (Cosponsor: Mr. Morton of Farmington)

WHEREAS, The Legislature has learned of the Outstanding Achievement and Exceptional Accomplishment of Mt. Blue Cougarettes Western Maine Class A Girls Basketball Champions for 1976

We the Members of the House of Representatives and Senate do hereby

Order that our congratulations and acknowledgement be extended; and further

Order and direct, while duly assembled in session at the Capitol in Augusta, under the Constitution and Laws of the State of Maine, that this official expression of pride be sent forthwith on behalf of the Legislature and the people of the State of Maine.

The Order was read and passed and sent up for concurrence.

Mr. Blodgett of Waldoboro presented the following Joint Resolution and moved its adoption: (H. P. 2096)

**IN MEMORIAM**

Having Learned of the Death of Edwin Collamore of Bremen Outstanding Community Citizen

The Senate and House of Representatives of the State of Maine do hereby extend their sincere heartfelt condolences and sympathy to the bereaved family and friends of the deceased; and further

While duly assembled in session at the State Capitol in Augusta under the Constitution and Laws of the State of Maine, do herein direct that this official expression of sorrow be forthwith sent to the family of the deceased on behalf of the Legislature and the people of the State of Maine.

The Resolution was read and adopted and sent up for concurrence.

Mrs. Clark of Freeport presented the following Joint Order and moved its passage: (H. P. 2097)

WHEREAS, The Legislature has learned of the Outstanding Achievement and Exceptional Accomplishment of Freeport Community Services, Inc. Which Under the Leadership of President Suzie Harding and Staff Volunteers Has Made A Truly Positive Contribution to the Citizens of Freeport

We the Members of the House of Representatives and Senate do hereby Order that our congratulations and acknowledgement be extended; and further

Order and direct, while duly assembled in session at the Capitol in Augusta, under the Constitution and Laws of the State of Maine, that this official expression of pride be sent forthwith on behalf of the Legislature and the people of the State of Maine.

The Order was read and passed and sent up for concurrence.

**House Reports of Committees  
Ought Not to Pass**

Mrs. Byers from the Committee on Business Legislation on Bill "An Act to Revise the Method of Evaluating Bids Submitted by Maine Bidders" (H. P. 1972) (L. D. 2161) reporting "Ought Not to Pass"

Was placed in the Legislative Files without further action, pursuant to Joint Rule 17-A, and sent up for concurrence.

**Consent Calendar  
First Day**

In accordance with House Rule 49-A, the following items appeared on the Consent Calendar for the First Day:

Bill "An Act Prohibiting the Use of Seine or Gill Nets on a Certain Portion of the Union River" — Committee on Marine Resources reporting "Ought to Pass" as amended by Committee Amendment "A" (H-927) (H. P. 1945) (L. D. 2131)

Bill "An Act Creating the Winter Harbor Utilities District" (Emergency) Committee on Public Utilities reporting "Ought to Pass" as amended by Committee Amendment "A" (H-928) (H. P. 1838) (L. D. 2003)

No objections being noted, the above items were ordered to appear on the Consent Calendar of February 26, under listing of the Second Day.

#### Passed to Be Engrossed

Bill "An Act Relating to the Right of Rescission Under the Truth-in-Lending Act" (S. P. 711) (L. D. 2234)

Was reported by the Committee on Bills in the Second Reading, read the second time and passed to be engrossed in concurrence.

Bill "An Act to Prohibit Telephone Charges for Information or Directory Assistance Calls" (H. P. 1911) (L. D. 2098)

Was reported by the Committee on Bills in the Second Reading and read the second time.

The SPEAKER: The Chair recognizes the gentleman from Gorham, Mr. Quinn.

Mr. QUINN: Mr. Speaker, I should like to move indefinite postponement of this bill and would speak briefly to it.

The SPEAKER: The gentleman from Gorham, Mr. Quinn, moves the indefinite postponement of this Bill and all accompanying papers.

The gentleman may proceed.

Mr. QUINN: Mr. Speaker, Ladies and Gentlemen of the House: I have a confession to make this morning. I suffered somewhat from guilt after this bill was voted yesterday. The oratory of the very skillful and able man from Westbrook had completely mesmerized me until I wasn't really sure how I was voting, and after the whole thing was done, I laid awake in bed last night and with this vague conscience troubling me, I wondered what I had done wrong during the day. And during the darkness of the night, a great light came to me and said, Quinn, you're a Democrat. I said, yes. This light then said, but you voted today for an anti-consumer bill. I said, well, in the course of voting with Mr. Laffin, and said, but I come from a Republican town. The light said, nevertheless, this bill is also a great harassment of private enterprise. You couldn't possibly vote for it as either a Republican or a Democrat.

The fact of the matter is, if this bill passes, you all will be paying for my carelessness. And as I said yesterday, when my daughters use those phones 20 times a day, you are going to pay for that use and I don't think you ought to.

I sincerely feel that this bill is not serio us legislation. I feel it sets a very dangerous precedent. I feel that while I, too, agree that the Public Utilities Commission is something less than ideal and while I, too, have horror stories about the performance of their duties, I don't feel that to nibble and pick at them a nickel at a time on these small items is any way to properly conduct the business of the state. I also feel that a bill such as this, if it does pass, would result in inequity, it would result in unfairness and it would clearly be, in all sincerity, an anti-consumer bill. Therefore, I can't vote for it.

Yesterday I was confused whether to vote right or left of green or red, and as I said, Mr. Laffin's extremely able persuasiveness had me totally confused. Today, I am not confused. If you vote yes

today on this motion I just made, you kill the bill.

The SPEAKER: The Chair recognizes the gentlewoman from Bridgton, Mrs. Tarr.

Mrs. TARR: Mr. Speaker and Members of the House: Since this is the morning for confessions, I also have one to make. As you may recall, yesterday I spoke on the floor of the House against this bill. I also signed the "ought not to pass" report from our Public Utilities Committee, of which I am a member. I am not quite as eloquent as Mr. Quinn, so I will simply say that I lost my head completely and I voted with Mr. Laffin and I am kind of sorry for that this morning. I had a few people come to me and ask me just what I had in mind yesterday, so I am real calm this morning and real sane and sensible and I will ask for your support for indefinite postponement of the bill.

The SPEAKER: The Chair recognizes the gentleman from Bangor, Mr. Kelleher.

Mr. KELLEHER: Mr. Speaker, Ladies and Gentlemen of the House: Myself, like Representative Tarr of Bridgton isn't quite as eloquent as the gentleman from Gorham, Mr. Quinn, but I can understand double-talk even as eloquent as his at times. The House had a hefty vote on it. If Mr. Quinn is so worried about this body infringing on any industry, handcuffing them, if he really feels that way, perhaps he ought to put a bill in to do away with the Public Utilities Commission as a whole.

The bill that Mr. Laffin represented yesterday is nothing earth shaking or alarming as far as this body is concerned in updating or annotating the public utilities as a whole. So I would suggest that you stand fast by your votes. This is a consumer bill. Mr. Quinn doesn't think so and I am sure he is willing to accept my position that I think that it is. We simply are paying for this now. It is a service that everyone seems to be used to. I know I very seldom use it but, nevertheless, it is there if I want it, and I don't want to be under the burden of maybe five or six calls that would be applied to me and that would be all before there would be a direct charge.

I would urge the House to vote against the gentleman's motion.

The SPEAKER: The Chair recognizes the gentleman from Buxton, Mr. Berry.

Mr. BERRY: Mr. Speaker, Ladies and Gentlemen of the House: I thought I had had enough of this yesterday after Mr. Laffin scored a victory that would override a veto, but I guess I would just like to say that I think everybody in here, including myself, would like to take a good swift boot at Ma Bell, but this bill doesn't give you an opportunity to do that. If that is what you desire to do, I would recommend that you wait until a bill comes in here that we can do that. The kick you are going to take at Ma Bell is going to end up in the consumers' pants.

I would remind you once again that I believe the PUC is perfectly capable of handling a situation like this and I do wish that the House would allow them to do that. If you don't feel they are capable, let's stop overlapping services right now. Let's put a bill in here to do away with the PUC and we will let the legislature regulate utilities. If we are going to do part of it, why not save the money and do all of it?

The SPEAKER: The Chair recognizes the gentleman from Yarmouth, Mr. Jackson.

Mr. JACKSON: Mr. Speaker, Ladies and

Gentlemen of the House: I can't claim to have had a great white light visit me in the night, nor was I particularly swayed by some of the oratory on this particular bill. I voted against it in the beginning. I voted against it, one, because I think the PUC should handle this problem and, two, because I don't particularly like the idea of paying higher rates so the people who are too lazy to pick up a phone book can do it for free, or can do it for a lower price.

If we would like to put in a bill such as this, I would suggest amending this particular bill and require an automatic 30-second delay from the time you ask for information until the time they give you the number. I think probably the whole problem comes from the fact that the phone company is sufficiently fast in giving the return that it becomes easier to do this than picking up a phone book. I hope very much we can kill this particular bill.

The SPEAKER: The Chair recognizes the gentleman from Standish, Mr. Spencer.

Mr. SPENCER: Mr. Speaker, Ladies and Gentlemen of the House: Mr. Quinn's great white light also stopped on its way back to Augusta in Standish. Although I am on the committee and signed this bill out "ought to pass," I have given it further thought and I really think it makes more sense to leave it up to the Public Utilities Commission.

The SPEAKER: The Chair recognizes the gentleman from Westbrook, Mr. Laffin.

Mr. LAFFIN: Mr. Speaker, Ladies and Gentlemen of the House: I am glad that there are members in this House who can go home here and have a green light show them that they made a mistake. We voted on the school bill yesterday. How many green lights did you see last night? A person got up on the floor today, my very, very good friend Mrs. Tarr. She did vote against it, because I have her voting record in front of me — you voted against me.

The issue here is not the PUC, the issue that is before us today is, are we going to let the New England Telephone and Telegraph Company continuously take money away from the people? That is the issue. The issue is not whether we dream about doing things that we made a mistake on the day before, the issue is not on second thoughts. We have all had time to understand this bill and read this bill. This bill is a bill for the people of this state. This bill is against the New England Telephone and Telegraph Company, and I personally am not opposed to them. But I do feel that we have an obligation, we have an obligation to the people of this state to present the best foot forward that we can have, and this is one way of doing it. We owe the people of this state something so that this giant corporation cannot move in and say every time they want to do something that they are going to do it.

I spoke yesterday about calling New York. This is a pattern. Don't let them fool you. They have professional men, they have lawyers, they have smarter men in the telephone company than will ever come before this House. They know what they are doing. This is a uniform pattern that they use all over the country. They pick a figure and they stick to that figure. They don't even know if it is true or not, they haven't even had a survey. Yet, they say this is the figure; we know it is a



figure. You ask them how they know the figure -- well, it is uniform.

I say to you ladies and gentlemen of this House, we beat the mighty giants yesterday and we are going to beat them again today, because we know that we are doing the right thing. We know that we are sticking up for the people of this state.

Mrs. Tarr has passed me a roll call, and I have a roll call, and I will apologize to her, she did vote for me on the roll call that she passed me and she circled it. I do want to thank you. I make mistakes, too, but this is not one of them. Supporting this bill is not a mistake. It is a bill that we can be proud of, and if you people have had the talk that I have had back in my home town about this telephone company, you wouldn't hesitate, you wouldn't hesitate one bit to vote to keep this bill as Mr. Kelleher on his motion yesterday.

I certainly hope the members of this House will continue to support this bill.

The SPEAKER: The Chair recognizes the gentleman from South Portland, Mr. Perkins.

Mr. PERKINS: Mr. Speaker and Members of the House: I am rather confused about this bill, but it has been implied by some of the debate that a charge should be assessed for the purpose of dialing information. Yet, I have heard nothing yet that would suggest or indicate how much of a saving there would be to the consumer if a charge were in fact made. Until and unless there is an answer to that charge, to that implied allegation from the debate that has been given, I would continue to support this bill.

The SPEAKER: The Chair recognizes the gentleman from Sanford, Mr. Nadeau.

Mr. NADEAU: Mr. Speaker, Ladies and Gentlemen of the House: The good Representative from South Portland, Mr. Perkins, brought out one of the points which I was going to. Another one that bothers me is that if this directory assistance charge should go through, how is Ma Bell going to implement this so-called exemption for the handicapped, the blind and other people. Mr. Laffin very distinctly showed us the trouble yesterday that they have had in New York, how they are going to have a handicapped person go to the office to get a form so they can be exempt. This sounds pretty ridiculous. How much is this going to cost? It is going to get sent back to the consumer again.

That is all I have to say now. I just hope you vote against indefinite postponement and when the vote is taken, I request the yeas and nays.

The SPEAKER: The Chair recognizes the gentleman from Gorham, Mr. Quinn.

Mr. QUINN: Mr. Speaker and Members of the House: In all seriousness, I think the two points raised by the gentleman from Sanford and the gentleman from South Portland are valid points and I think they tend to prove my argument. If anything is saved, if anything is saved, it is worth saving.

And secondly, instead of saying we don't know how they are going to do it so we should forbid them from it, there are things we don't know about it so we should forbid it, there are uncertainties as to how they might progress, so we should forbid it, I would rather say, let them go to the body that has been constituted specifically for this kind of supervision, specifically for this kind of analysis, the Public Utilities Commission. Let them put to them the proposal of just how they plan to do it and just how much money it will save and let the Public Utilities Commission decide. If

we don't like what they do, then we can pass legislation, but let's not say no until we at least know ourselves how much money it is going to save.

The SPEAKER: The Chair recognizes the gentleman from Ellsworth, Mr. DeVane.

Mr. DeVANE: Mr. Speaker, Ladies and Gentlemen of the House: Like Mr. Quinn, I attempted to speak with God last night and I am chagrined to say he said, "Harvey who?" So after having been left once again to my own devices, I gave the matter a little thought. The argument was interesting and compelling both ways. But I would point out to the gentleman from Sanford that the telephone company will continue to provide information service to those who ask for it because the public demands it. The question really then is, who shall pay the cost of the information service? Shall those people who choose to use it repeatedly pay it or should the company be able at least to address that situation, or will all the ratepayers pay it?

As I understand it, this would be effective only in the State of Maine. Any subscriber in the State of Maine is entitled to and can very easily get a directory from every place in Maine. The question really is, not will the phone company provide information service, it certainly will. The question then becomes, should everybody who has a phone pay for the service or should the people who repeatedly use it pay for it? I think the company should be able to address that situation before a regulatory commission.

The SPEAKER: The Chair recognizes the gentleman from Bridgewater, Mr. Finemore.

Mr. FINEMORE: Mr. Speaker, I would like to ask a question of one or two of the last speakers. I am wondering if getting the number of the Lord they had to get directory assistance or how they got the number?

The SPEAKER: The Chair recognizes the gentleman from Ellsworth, Mr. DeVane.

Mr. DeVANE: Mr. Speaker, for my part, sir, I got it from Linwood Palmer.

The SPEAKER: The Chair recognizes the gentleman from Buxton, Mr. Berry.

Mr. BERRY: Mr. Speaker, Ladies and Gentlemen of the House: I think if you are looking at this bill as a way to save money and a way to identify what you have saved, you are indeed making a mistake, because I don't think anybody can tell you how much money will be saved.

I can tell you this, and I am sorry I don't have the figures before me, but over the past five or six years, directory assistance requests have increased tremendously in the State of Maine, as they have all over the country, to the point where I mentioned yesterday that each month in Maine there are 1,700,000 requests for directory assistance.

I can tell you this, you may never know that you have saved a nickel if we start charging for directory assistance calls. But if we don't start charging for directory assistance calls, it most certainly is going to cost you a lot more money in some fashion or another than it is today, and the cost today for that service is \$2 million, which is considerably more money than it was five years ago.

The SPEAKER: The Chair recognizes the gentleman from Westbrook, Mr. Laffin.

Mr. LAFFIN: Mr. Speaker, Ladies and Gentlemen of the House: The telephone company will not tell you how much they

can save because they don't know. They always talk about how much it is going to cost them, but they don't say how much they save. Well, why weren't they interested in this bill six months ago? Why weren't they interested a year or five years ago? They didn't care then how much the people paid. Now, all of a sudden, they care how much they pay. Well, I will tell you why they care now, because they don't want my bill to become law, and if we stick to our guns, they will still care about it.

We know they will go and ask for more money because the vultures can't help it; they will do it anyway. But I do say to the members of this House, don't let the Public Utilities and don't let the New England Telephone and Telegraph Company weaken us, because we are not going to weaken. When they come up and say \$2 million, we have paid for that over the years. You don't think they would give you anything free, do you? If they say it is costing them \$2 million, that was put right in your rate and you paid for it, if they claim that. They claim a lot of things that I don't know are true -- maybe they are and maybe they're not. But the fact is, whatever they are claiming, we have paid for it. Now they say if we do away with that, our rates will go up; if we give them this, our rates will go down.

You know the telephone company is not going to lower anyone's rates, that is just lobbyist talk, and they are working hard to beat this bill. Why shouldn't they? It is going to mean millions of dollars to them. They are crying now because their stockholders don't have enough money to live on, and we are paying for it, the people of this state pay dearly for their telephone services.

The SPEAKER: The Chair recognizes the gentleman from Hope, Mr. Sprowl.

Mr. SPROWL: Mr. Speaker, could I please be excused pursuant to Rule 19?

The SPEAKER: The gentleman from Hope, Mr. Sprowl is excused pursuant to House Rule 19.

The Chair recognizes the gentleman from Orono, Mr. Davies.

Mr. DAVIES: Mr. Speaker, I would request an opinion from you. I was approached by one of the lobbyists from the telephone company this morning in the hallway to notify me that they were a little upset by the fact that I have not been given the phone books that I requested eleven months ago and they told me that the books are simply waiting for me in the lobbyist's car and anytime I want to pick them up, I am welcome to them. I have a question in my mind, I would like to vote with the good gentleman from Westbrook, Mr. Laffin. Am I under any pressure from the, having agreed to receive these books, does this put me in any jeopardy of conflict of interest?

The SPEAKER: The Chair would rule that based on the fact that the books are available and the fact that the gentleman from Orono, Mr. Davies, has made it public information, he is not in conflict of interest to vote on the pending question.

The Chair recognizes the gentleman from Lewiston, Mr. Call.

Mr. CALL: Mr. Speaker and Members of the House: I have been staying out of this debate for my own reasons, but I think that I learned some information last night from fairly good authority which may be true, and it was this. I was told that it is believed that in those states where the telephone company has been permitted to do what this bill would prevent, they have not been

happy with their own results. If that is so, it is just possible that if this bill does not pass, the telephone company may not undertake what they were planning to do because of results in other states.

I might add also that I am of the same opinion of those who feel that the Public Utilities Commission should be handling something like this and that we should not be interfering with their work.

The SPEAKER: The Chair recognizes the gentleman from Hallowell, Mr. Stubbs.

Mr. STUBBS: Mr. Speaker, Ladies and Gentlemen of the House: We have just listened to how some members of this body make their decisions, when they are home in bed and half asleep. I would suggest that the time to make the decision is when you are here wide awake listening to testimony with the bill in front of you.

I am quite impressed by the fact that there is only 1,700,000 requests for directory assistance per month here in this state. If you deduct the infants in the state, the imbeciles and those incapable of using a phone, this only represents approximately two requests for directory assistance per month, which I think is most reasonable. I would suggest that you support the gentleman from Westbrook and vote against indefinitely postponing this bill.

The SPEAKER: A roll call has been requested. For the Chair to order a roll call, it must have the expressed desire of one fifth of the members present and voting. All those desiring a roll call vote will vote yes; those opposed will vote no.

A vote of the House was taken, and more than one fifth of the members present having expressed a desire for a roll call, a roll call was ordered.

The SPEAKER: The pending question is on the motion of the gentleman from Gorham, Mr. Quinn, that this Bill, L. D. 2098, and all accompanying papers be indefinitely postponed. All in favor of that motion will vote yes; those opposed will vote no.

#### ROLL CALL

YEA — Ault, Berry, G. W.; Berry, P. P.; Berube, Birt, Bowie, Burns, Byers, Call, Carter, Clark, Curran, R.; Doak, Dow, Dudley, Durgin, Finemore, Fraser, Garsoe, Hewes, Hughes, Hunter, Hutchings, Immonen, Jackson, Jalbert, Kany, Laverty, Lewis, Lizotte, Lovell, Lunt, Mackel, MacLeod, McBreairey, Miskavage, Mitchell, Morton, Peterson, P.; Pierce, Quinn, Rideout, Shute, Smith, Snow, Spencer, Susi, Tarr, Teague, Torrey, Twitchell, Wagner.

NAY — Albert, Bachrach, Bennett, Blodgett, Boudreau, Bustin, Carey, Carpenter, Chonko, Churchill, Connors, Connolly, Cooney, Cote, Cox, Curran, P.; Dam, Davies, DeVane, Dyer, Faucher, Fenlason, Flanagan, Goodwin, H.; Goodwin, K.; Gould, Gray, Greenlaw, Hall, Henderson, Hennessey, Higgins, Hinds, Ingegneri, Jacques, Jensen, Joyce, Kauffman, Kelleher, Kelley, Kennedy, Laffin, LaPointe, LeBlanc, Lewin, Lynch, MacEachern, Mahany, Martin, A.; Martin, R.; Maxwell, McMahon, Mills, Morin, Mulkern, Nadeau, Norris, Peakes, Pearson, Pelosi, Perkins, S.; Perkins, T.; Post, Powell, Raymond, Rollins, Saunders, Silverman, Snowe, Strout, Stubbs, Talbot, Theriault, Tozier, Truman, Tyndale, Usher, Walker, Wilfong, Winship.

ABSENT — Bagley, Carroll, Curtis, Drigotas, Farley, Farnham, Gauthier, Hobbins, Leonard, Littlefield, McKernan,

Najarian, Palmer, Peterson, T.; Rolde, Tierney, Webber.

EXCUSED — Sprowl.

Yes, 52; No, 80; Absent, 17; Excused, 1.

The SPEAKER: Fifty-two having voted in the affirmative and eighty in the negative, with seventeen being absent and one excused, the motion does not prevail.

Thereupon, the Bill was passed to be engrossed and sent up for concurrence.

Bill "An Act Appropriating Funds to the Maine Chapter of the Epilepsy Foundation of America" (H. P. 1907) (L. D. 2094)

Reported by the Committee on Bills in the Second Reading read the second time, passed to be engrossed and sent up for concurrence.

The following paper appearing on Supplement No. 1 was taken up out of order by unanimous consent:

In accordance with House Rule 49-A, the following item appeared on the Consent Calendar for the First Day:

Bill "An Act Concerning Certain Financial Guarantees to be Made to Pine Tree Sugar Beet Growers, Inc., by the Maine Guarantee Authority" (Emergency) Committee on Appropriations and Financial Affairs reporting "Ought to Pass" as amended by Committee Amendment "A" (H-933) (H. P. 1861) (L. D. 2032)

On the request of Mr. Smith of Dover-Foxcroft, was removed from the Consent Calendar.

The SPEAKER: The Chair recognizes the gentleman from Dover-Foxcroft, Mr. Smith.

Mr. SMITH: Mr. Speaker, Ladies and Gentlemen of the House: If you will direct your attention for just a moment to Supplement No. 1, you will see that we have a bill, An Act Concerning Certain Financial Guarantees to be Made to Pine Tree Sugar Beet Growers, Inc., by the Maine Guarantee Authority. Just procedurally, it is our hope that I can give a brief explanation today of the bill, that prolonged debate will not occur today, that you will have time to read the amendment and to ask any questions you may have and then tomorrow we can get into the debate.

Just by way of background, I would like to run over the amendment for you a little bit and hopefully then we will be able to send it to the Senate and have it back at the enactment stage tomorrow where we can spend as much time on it as you would like.

This bill basically concerns itself with that group that is going to run the sugar beet plant, if in fact it gets going. That group is known as Triple A Sugar Corporation and is composed of ownership in the following proportions: 40 percent by the Pine State Sugar Beet Growers; 30 percent by Ackeley and 30 percent by Patzenhofer.

The problem that this bill attempts to address is that this plant simply needs renovations. It has deteriorated over a period that it has been sitting up there and must have a fair amount of money, which is estimated at approximately \$1.8 million spent on it before it can be used.

As you recall, Vahlsing defaulted and the Maine Guarantee Authority earlier came into possession of the plant and folded to a farmer's group, which is now in on the management group that is going to run the plant. Vahlsing has sued the Maine Guarantee Authority, claiming that they should have sold it to him, basically, and the difficulty here is that in order to get

anybody to loan the money that will be required for the financing of the renovations, there has got to be some sort of security or guarantee presented to the financiers.

We are told from every quarter that this suit is a very frivolous suit, that there is very little likelihood that it is going to be successful. This word comes from attorneys not affiliated with the state, from the Maine Guarantee Authority, and from attorneys for the state.

In order to provide this protection, what this bill says is that if in the slight chance that the Maine Guarantee Authority loses to the Vahlsing interests, the money that is paid by the management group if Vahlsing has sold the plant and if, in fact, Vahlsing actually pays the \$1.8 million which the counteroffer here in question would require. In other words, the state would not be liable to return the money for the renovations unless Vahlsing would pay the \$1.8 million if he were to win.

The second provision of the amendment simply provides that from the net operating profits of the operation each year, as computed by the State Treasurer, 60 percent of those net operating profits will be computed and the state's guarantee will be reduced by that amount.

That, basically, is the committee amendment, I know that it is a little complicated and is probably not clear by my explanation. I hope that you will all take the opportunity to come and talk with members of the committee and to Mr. Mahany and to others who have been involved with this, and we will try to explain it to you and it is my hope now that we can accept the committee report and run it to the Senate and have it back tomorrow in a position for debate and enactment.

The SPEAKER: The Chair recognizes the gentleman from Bangor, Mr. Kelleher.

Mr. KELLEHER: Mr. Speaker, Ladies and Gentlemen of the House: I took time to go down to the Appropriations Committee and sat through the entire hearing on this particular item that is before us today and there were a couple of questions raised down there that I thought should be mentioned here in the House this morning. One of them was that one of the participants with the group up there, Patzenhofer, his legal representative, is the fellow that I have the highest respect for from Bangor, Mr. Rudman, and one of the members of the Appropriations Committee raised the question of just what chance does Mr. Vahlsing have in being successful in this suit, because the implications that were given there before Mr. Rudman spoke, was that they were frivolous or a shot in the dark. The gentleman didn't answer it because he was not in a position to answer. One of the other arguments that was raised there that should this bill failed to be passed and it eventually did fall back into Mr. Vahlsing's hands, that there was quite a chance and a possibility that he would dismantle the plant, figures were given, it would be four or five million dollars worth of machinery, etc. and I don't know if these figures were accurate, but he would dismantle the plant and the taxpayers of the State of Maine would again get rooked financially as far as this venture was concerned. I don't doubt that maybe that is a valid question but the question ran through my mind, should the growers fail or this group fail up there, them getting a plant for \$1.8 million or whatever the cost

may be, what are they going to do with the plant, will they just dismantle it and again we lose six to seven million dollars in equity out of the building?

I make no motion on this bill but I would hope that this House would proceed very, very cautiously on this particular item. You know, you can only get stung in the head so many times and occasionally you get tired of the same bee buzzing around.

The SPEAKER: The gentleman from Bangor, Mr. Kelleher, has posed a series of questions to anyone who may wish to answer.

The Chair recognizes the gentleman from Cumberland, Mr. Garsoe.

Mr. GARSOE: Mr. Speaker, Ladies and Gentlemen of the House: I think that was a good question that was asked in Appropriations because I was the one that asked it. There was no way that I was going to support this bill in the form that it came before us, but I would just call your attention to the fact that we now have a unanimous support out of the committee and I think we can answer some of these questions, at least to the degree that it concerns this matter before us.

This bill, as originally written, was portrayed as a thousand-to-one shot on the question of Mr. Vahlsing winning his suit and, indeed, Mr. Rudman, when asked that question, would not give us such a guarantee. The bill also had some encumbrances in regard to the second mortgage that has now been relieved through letters from the Maine Northern Bank and from the 11 farmers who have undertaken this risk. I would portray this situation in this light, that we have here now an opportunity for a group of men from Aroostook, who have put up a substantial cash risk to themselves, to put into operation a sugar beet plant that has indeed been a bur under the saddle of the taxpayers of Maine for quite awhile, and I make no guarantees as to their degree of success but that is the status we have right now.

It has been complicated by the initiating of a suit by Mr. Vahlsing and I think what we are being asked to do here is to indemnify these gentlemen from Aroostook to the degree that they are going to be investing in renovations to the plant. Now, the question that was in my mind and in the minds of others on the committee was that given the history of this piece of business, we wanted to know exactly what the exposure to the State of Maine was going to be.

I didn't commune with the gentleman that Mr. DeVane did or Mr. Quinn, I communed with the Attorney General. We had a final conference with him this morning and I have here from Deputy Attorney General Martin Wilk, addressed to me: "Dear Representative Garsoe: This will respond to your oral inquiry whether L. D. 2032, as amended by the attached Committee Amendment," and this is the form in which you have it before you today, "would expose the state tax payments in excess of what the state will actually receive from the Nordic Sugar Corporation in the event that the specific performance or conveyance and sale of the sugar beet plant is awarded to Nordic Sugar Corporation, the answer to your question is, no." This has been our concern, that we not expose the state to any tax flow that would not be supplied by Mr. Vahlsing. This is the posture it is in today. But I think you should also be aware that we are gambling to the degree, one, that the plant can be successful but we are

in that posture now, that gamble has already been taken. We are also gambling on what I would have to repeat, as Representative Smith has, a remote possibility that Mr. Vahlsing is successful, that in the event that he is successful, we will not be obligated for one cent of state money unless it comes from Mr. Vahlsing himself.

Mr. Vahlsing is saying that he wants to buy that plant for \$1.8 million. In the event that he is successful with that suit, that \$1.8 million will be paid to the people who have renovated the plant and we will have lost the equity that we now have in the plant, that is the risk we are taking but I have to ask, what are we going to do with a plant that isn't being operated at all, and the chances are very good that if this guarantee isn't extended today, there will be no operation of the sugar beet plant and our equity, I submit, is a matter of conjecture.

The SPEAKER: The Chair recognizes the gentlewoman from Waterville, Mrs. Kany.

Mrs. KANY: Mr. Speaker, I would like to pose a question through the Chair to any member of the Appropriations Committee who may care to answer.

Mr. Garsoe was very informative and I appreciate it. This is a very tricky issue, and I simply ask if the Appropriations Committee inquired from Moody's or another bond rating agency what the effect would be on Maine's credit if the legislature passed such a bill as this, regardless if the money is available or not? It would appear to me that just the legislature going on record as supporting more funding for the sugar beet refinery might be a problem and I would ask that you answer that.

The SPEAKER: The gentlewoman from Waterville, Mrs. Kany, has posed a question through the Chair to any member of the Appropriations Committee.

The Chair recognizes the gentleman from Cumberland, Mr. Garsoe.

Mr. GARSOE: Moody's was not consulted but the question that the gentlewoman raised is what was uppermost in the mind of the committee, were we committing the State to another degree of indebtedness? I am satisfied, the committee is satisfied, the Attorney General is satisfied that, no, the financial exposure, the dollar flow to the state of Maine is in no way affected by this operation inasmuch as no monies will be paid except those received from Mr. Vahlsing.

I just want to add once more that no one should be under any illusion that we are not in effect saying that if this doesn't go, we will have lost the plant and whatever equity we have in it, but I would also point out that there is darn little equity in a sugar beet plant sitting up there rusting away. This figure of \$5 million that has been put out but there has been no solid evidence indicating that there would be a recapture of \$5 million. On the other hand, we have got to review the potential of this industry being revived in Aroostook and the intended benefits on the state and, in my opinion, it is worth a gamble, but it is a gamble.

The SPEAKER: The Chair recognizes the gentlewoman from Portland, Mrs. Najarian.

Mrs. NAJARIAN: Mr. Speaker, Ladies and Gentlemen of the House: I have a question which I would like to address to Mr. Garsoe or any member of the

Appropriations Committee if I can explain it so it is understandable.

Is it true that if we did not guarantee \$1.8 million towards the renovation, that if Vahlsing wins his suit and he buys this plant, then the \$1.8 million that he would pay the Guarantee Authority would go to pay for the original guarantee of \$1.6 for the farmers to buy the plant in the first place? Is that true or not?

The SPEAKER: The gentlewoman from Portland, Mrs. Najarian, has posed a question through the Chair to the gentleman from Cumberland, Mr. Garsoe, who may answer if he so desires.

The Chair recognizes that gentleman.

Mr. GARSOE: Mr. Speaker, Ladies and Gentlemen of the House: No, the way the gentlewoman has put the question, it is not true. There is in effect right now an agreement between Maine Guarantee and the farmers that in the event the suit is successful they get back their \$200,000 down payment and \$1.6 million mortgage, but that is an accomplished fact. The Guarantee Authority was then asked to make this type of a guarantee that we are considering here today and they felt it was beyond their legal authority to do it and suggested that they approach the legislature to see if this type of legislation would be approved.

So, if the suit is successful, the \$1.6 million mortgage, the \$200,000 goes back under an agreement that is in effect right now. What we are talking about now is that the purchase price and only the purchase price received from Vahlsing would be reimbursed to the people who are putting up the money that is now necessary to renovate the plant.

The SPEAKER: The Chair recognizes the gentlewoman from Owl's Head, Mrs. Post.

Mrs. POST: Mr. Speaker, I guess I would like to rephrase the question that Representative Najarian posed or at least what my question was and I think what she is getting at was the same thing. If we do not pass this bill and Mr. Vahlsing wins his suit and he pays us \$1.8 million and we have not passed this bill, don't we in fact then — aren't we able to keep that \$1.8 million? I guess what I am saying is that I realize there isn't going to be any expenditure out of state funds through this, if in fact Mr. Vahlsing comes through and purchases the plant, but it seems to me that it could result in a loss of potential revenue of \$1.8 million and I would like to have Mr. Garsoe or Representative Smith answer that question.

The SPEAKER: The gentlewoman from Owl's Head, Mrs. Post, has posed a question through the Chair to any member of the Appropriations Committee who may care to answer.

The SPEAKER: The Chair recognizes the gentleman from Dover-Foxcroft, Mr. Smith.

Mr. SMITH: Let me answer it this way, that if specific performance is awarded in the Nordic suit, title will revert to the Maine Guarantee Authority, okay? If Mr. Vahlsing then decides that he is going to pay \$1.8 million for the plant, it will be paid to the management group, the farmer, Patzenhofer, ACLI group, that \$1.8 million will be. There is an exposure and a risk here and we have got to calculate how great it is and whether we want to take that risk of \$1.8 million.

The SPEAKER: The Chair recognizes the gentleman from Wayne, Mr. Ault.

Mr. AULT: Mr. Speaker, Ladies and Gentlemen of the House: It is becoming



clear to me, based on Mrs. Najarian's and Mrs. Post's question, that the state is going to be out the equity, yes, but also going to be out another \$1.8 million. If Mr. Vahlsing wins the suit and we gave up this \$1.8 million, the state is going to reimburse the group that has refurbished the plant the \$1.8 million that Mr. Vahlsing is going to pay the state. He is going to end up with a refurbished plant for \$1.8 million, whereas if we don't pass this legislation and he buys it for \$1.8 million, he has got to go refurbish it himself for another \$1.8 million.

The SPEAKER: The Chair recognizes the gentleman from Cumberland, Mr. Garsoe.

Mr. GARSOE: Mr. Speaker, Ladies and Gentlemen of the House: I think we would be remiss if we didn't acknowledge openly right here now and have you all understand that in the worst event, the state has lost its equity in the plant. Now, there has been a value put on that of a \$1.8 million, just because this was the price that it was sold for, so we should regard it in that light. We lose the equity we have in that plant, but you also have got to consider what chance we have of turning that plant into a \$1.8 million. If the farmers are unable to proceed, there will be no equity to the plant, I insist that it will be sitting up there in Aroostook rusting away. So this is the gamble we are suggesting that you take and I am endorsing it and I hope we do. I think the potential is inherent.

You have to realize that there are some men in Aroostook that have put up some substantial sums of money. Now, I am saying this, they put up substantial sums of money after I just told you they are going to get it back, but they only get it back in the event this suit by Vahlsing is successful; they are fully at risk if this suit of Vahlsing's doesn't fly. They are fully at risk, they are committed to buy that plant, they have a mortgage, they have their personal notes signed and I say that this is the factor in my consideration that there is a potential here and we have got to balance that against the possibility and there is testimony that the possibility is remote, that Mr. Vahlsing will actually go through with his proposal that he has entered into the courts. It is a gamble and that is the stake, whatever equity is in that plant would be lost.

The SPEAKER: The Chair recognizes the gentlewoman from Portland, Mrs. Najarian.

Mrs. NAJARIAN: Mr. Speaker, Ladies and Gentlemen of the House: It seems to me that there is a substantial risk here, that if we pass this bill, then the total sum of money that the state is in fact guaranteeing of \$3.6 million. If Vahlsing wins his suit, he will only pay to the state \$1.8 million, so that the state would be obligated to pay to the Guarantee Authority an additional \$1.8 million.

It also seems to me that the risk here must be very high if Patzenhofer won't put their money into this. If the financial institutions aren't willing to do it and the Maine Guarantee Authority was not willing to do it, then the risk here must be higher than I think the gentleman from Cumberland thinks it is.

In fact, I have a letter from the Vice-Chairman of the Maine Guarantee Authority and I will just quote a bit of the last paragraph of it. He says, "In my view, the reason for the Authority's unwillingness to enter into such a guarantee is based upon two factors: (1) it

is felt that the state has made a sufficient investment and that we would be willing to risk the money which we presently have invested but would not risk any additional state funds; (2) the sugar beet project, although it now appears more encouraging, is far from being an assured success and does not warrant the potential investment of additional state funds."

The SPEAKER: The Chair recognizes the gentleman from Orono, Mr. Davies.

Mr. DAVIES: Mr. Speaker, Ladies and Gentlemen of the House: I have an additional question aside from the one that has been raised by several people already and that is, I have no objection at all to protecting the interests of the potato farmers or the sugar beet farmers in Aroostook County, but I wonder whether in fact if this bill would provide a protection for some foreign interests, namely, the Patzenhofer group from Germany, and I wonder if someone could address this, please?

The SPEAKER: The gentleman from Orono, Mr. Davies, has posed a question through the Chair to anyone who may care to answer.

The Chair recognizes the gentleman from Houlton, Mr. Carpenter.

Mr. CARPENTER: Mr. Speaker, Ladies and Gentlemen of the House: I will try to address a couple of questions of Mr. Davies in a second, but to the question that Mrs. Najarian raised, I am not an attorney but what we have been told, by we, the Aroostook County legislators have been told, under the legal theory of unjust enrichment that if Mr. Vahlsing should win his law suit, then he would not be able to assume control of that plant for \$1.8 million. He would also have to pay, in effect, damages, only in a reversed sort of way; he would have to pay for the renovations.

It is the feeling of the attorneys, both Maine Guarantee Authority attorneys, Mr. Rudman and others, that in fact he would pay more than \$1.8 million. He would have to pay for the renovations. All right, the problem arises now of getting Patzenhofer, which is a foreign company, there is on doubt about that, we have marketing and sales people plus the farmers, the three are all intertwined in this thing now. Granted we are guaranteeing their money. However, on the other hand, we have no money to put into this to renovate it. The farmers involved in Triple A Sugar have already gone on the line for — I think it is \$10,000 apiece, they have already put their own money into it. Now they are asking for the right to put 60 percent of their profits into this to reduce the state's exposure. I don't think there is a potential of losing state dollars, I don't think there is a potential for hurting the state's credit rating.

I have a letter also that I would like to read an excerpt from from the Maine Guarantee Authority. We have had several meetings with Mr. Atlass and the Maine Guarantee Authority and this is from Lloyd Allen and it says: "It has been reported the Maine Guarantee Authority might be somewhat upset if the legislature went over their heads and authorized a direct and further guarantees to Pine Tree Sugar or Triple A Sugar. The main reason the Authority stopped where they did in extending further guarantee of the additional investment in the project was because of the belief that to do so exceeded the legal capacities of the Authority." In other words, the arguments that have been

used in some editorials that if we pass this legislation we are going over the heads of a group that we set up to take care of this problem is not valid. They did not and I am not going to make a decision that if we extended their legal capacity that they would automatically go ahead and approve it, I think they would look favorably on it, based on conversation that I have had with the rest of the Aroostook County delegation. They didn't think they had the authority under the present law to extend this \$1.8 million guarantee.

I can see why some people are concerned, and somebody mentioned something about a bumble bee stinging you continually. I think people are concerned about the possibility of the State of Maine once more playing into the hands of Mr. Vahlsing. I would like to have you think about this though. If we do nothing, if we kill this bill, then that is exactly what we are doing, because at that time, Triple A Sugar might as well go ahead and negotiate with Mr. Vahlsing.

The necessary capital for renovations of plant will not be forthcoming. If we don't get it off the ground this year, we might as well go ahead and dismantle it and try to sell it. The contracts are signed for 15,000 acres, which is a break-even point, test plots were growing all over Aroostook County last year. The problem was small beets and low sugar content that we had before when we were in the sugar beet business, it no longer exists because of improved seed which came from Patzenhofer, came from Austria. We have their technicians, ACLI, the marketing people are among the finest in the world, they are among the recognized leaders in the sugar industry in the world. We have the expertise.

I voted last year, or I went along last year with the idea of giving this to the farmers and I made a public statement back home that I didn't think they could ever get it back to this point but they have done it. The same farmers that have been stung and beaten and kicked and some of them practically bankrupted by the same industry, had put their own money on the line and brought this thing back this close. This is the last stumbling block between us and a potential \$30 million industry.

I would ask you to very seriously consider this. This is it. We have the farmers, we have the contracts whereby if the farmer decides tomorrow that, sorry Triple A Sugar, I don't want to raise those 200 acres that I promised you, then that \$20,000 Triple A Sugar just picked up, because there is a hundred dollar an acre fine in the contracts if they do not grow.

The farmers are ready. The hearing was loaded with Aroostook County farmers on as bad a day as we have had this winter. They came down here. They are interested throughout the county. We are talking about a second crop for Aroostook County.

We do need this guarantee. We are not asking for any additional state dollars. We are asking for the privilege of putting 60 percent of our profit — by "our," I mean Triple A, I am not in any way associated with the sugar industry — but 60 percent of Triple A Sugar's net operating profits that we have put back in each year to reduce this \$1.8 million guarantee and I would sincerely ask you to help us on this problem.

The SPEAKER: The Chair recognizes the gentleman from Standish, Mr. Spencer.

Mr. SPENCER: Mr. Speaker, Ladies

and Gentlemen of the House: As I understand the situation right now, Mr. Vahlsing has a law suit against the state and for a price of \$1.8 million he can get a rusty sugar beet factory that needs repairs. If we pass this and the farmers go ahead and borrow the money and put in the additional \$1.8 million, as I understand it here, he will then have a law suit which will entitle him to buy a \$3.6 million renovated plant for \$1.8 million. Mr. Carpenter has suggested that under the doctrine of unjust enrichment, it would be possible to go after or to require Mr. Vahlsing to pay the second \$1.8 million, or part of it, because otherwise he would be receiving a value greater than what he originally contracted for.

My question to Mr. Carpenter and to anyone on the Appropriations Committee is, if it is a fact that the state would be able to recover the cost of these improvements from Mr. Vahlsing, why don't we include those costs in this bill and say that upon payment by Mr. Vahlsing of \$1.8 million, plus the cost of these improvements, then we would guarantee the amount? If we don't do that, it seems to me that we are opening the door to give Mr. Vahlsing a \$3.6 million renovated plant for the original price of \$1.8 million, which makes me nervous.

Mr. Garsoe of Cumberland was granted permission to speak a third time.

Mr. GARSOE: Mr. Speaker, Ladies and Gentlemen of the House: Both the gentleman from Portland and the gentleman from Standish have taken this beyond the subject that we are discussing here today. It may well be that the courts will order Mr. Vahlsing to pay on the basis of unjust enrichment. We have no way of controlling that, and when you add up the money that is put into the plant and then say we are losing \$3.6 million, these are things that we aren't going to be deciding. This is going to be determined in the court.

The point of this piece of legislation is, are we willing to extend this guarantee to the point of not to exceed \$1.8 million in the event that Mr. Vahlsing is successful and gets conveyance and transfer of title of that piece of property? That is the question we are being asked here today, to extend it now into the by-ways of what may transpire in a court suit is to take away from the question we are being asked.

I just want to restate very briefly that our concern in the committee was that we didn't want to expose the State of Maine to one more penny than had been poured down the drain in that operation so far. So you are faced with the proposition that it will either sit there and rot, we will stop calling it worth \$1.8 million then, perhaps, or somebody is going to take it and go with it and we are going to protect them to the extent of the money that they put in to renovate the plant.

The court decision will address the question of unjust enrichment, damages are also a factor in this, but it doesn't concern us here today. We are simply being asked to say, are we willing to back the proposition to this point? We have a letter from the Attorney General saying that there is no new cash exposure for the State of Maine.

The SPEAKER: The Chair recognizes the gentleman from Kittery, Mr. Kauffman.

Mr. KAUFFMAN: Mr. Speaker and Members of the House: I have some questions and I would like to have somebody answer. I understand this plant has been inoperative for six years and I

understand the Maine Guarantee Authority acquired this plant through default or something. I would like to know what the condition of the plant is now, who has control of the plant now, who has been paying the cost for preventative maintenance, if any, or are we talking about a pile of rusty junk sitting in a building, that the plant today could not be put in operation unless several million dollars was spent to rework the boilers, the machinery and everything that has been rusted?

I understand there has been a lot of vandalism up there and that the plant itself is in very poor condition. I would like to have somebody answer those questions.

The SPEAKER: The Chair recognizes the gentleman from Houlton, Mr. Carpenter.

Mr. CARPENTER: Mr. Speaker, Ladies and Gentlemen of the House: In answer to the questions posed by Mr. Kauffman, the plant is now controlled by the Triple A Sugar Corporation. Renovations have been started to the tune of — dollarwise I can't give you — they have the plant in the posture now with the people ready to bring in sufficient money, new boilers, new equipment where it is needed and refurbish existing equipment to the point where if we can pass this legislation which in effect frees up this money, they will be ready to go this year. Not only will the plant be ready to go, but also the equipment used to farm the beets is ready to go out to the farmer.

One point that I would like to make that I neglected to make when I spoke earlier is that we have talked about this law suit. I realize we can't legislate based on what may or may not happen and we shouldn't be standing here quoting odds. We have talked with the attorneys, we have talked with a lot of attorneys both concerned with this, and others who consider this a frivolous, delaying tactic, because the gentleman knows that if he can delay this one more year, then he will in fact get that plant back.

If this legislation is passed, then once the suit is dropped, and I will give you my own personal opinion, I personally feel that if we pass this legislation, the suit will be dropped fairly soon, because the gentleman on the other side has lost. Once we pass this legislation, if the suit is then dropped, this legislation becomes null and void. This legislation is then done away with; we don't need it.

I would like to have you keep this in mind, this is not a continuing — and if the suit continues and it continues to be pending in court, there is no way we can hurry it up, if we could have, we could have pushed this thing along, we would have done it. But if it continues, then each year we will continue to reduce the state's commitment.

The SPEAKER: The Chair recognizes the gentleman from Waterville, Mrs. Kany.

Mrs. KANY: Mr. Speaker, may I address another question through the Chair to Mr. Carpenter or anyone else who would care to answer it? Do any of you have anything on paper which would indicate that the refinery would actually make a profit? I am concerned hearing about the price of sugar nowadays, that it has gone down since the original investment was made, and I am very much concerned about using the state's money at this time for such a venture.

The SPEAKER: The Chair recognizes

the gentleman from Bar Harbor, Mr. MacLeod.

Mr. MACLEOD: Mr. Speaker, Ladies and Gentlemen of the House: I think Mr. Garsoe and Mr. Smith have covered the financial aspects of this to the best of their ability and that satisfies me and the committee. With a lot of soul searching, I think many of us put our name on this in an "ought to pass" posture but we are in what I would call almost comparable to a poker game. You have got to either get in or out of the pot at this particular point.

You have a plant there. I will try to address my remarks to Mrs. Kany based on the figures that have been given to us. As Mr. Garsoe has said, and I think Mr. Smith has said, there is a gamble and there is a risk and we have our eyes wide open to this effect. However, things have been done to try to set some proof here in motion that sugar beets can be grown in Aroostook County. Test plots have been grown and they have come up with some figures. There are 200,000 tons of beets processed the first year at a purchase price estimated to be between \$3.6 million and \$5 million, so there is a feeling that exists by this group of gentlemen of which we have before us an agreement with the bank up there, 11 or 12 outstanding gentlemen have reached in their pockets as farmers, willing to gamble that they can bring sugar beets to a reality in this county.

The one thing that has stuck in my saddle, or side, since this has started or when it was first instigated was that we ran up to Aroostook County, or somebody did, and started a plant at a cost of \$30 million to the taxpayers of the United States and the State of Maine, and I think about \$10 million was to you and I here in the state.

Now, this is setting there idle. Do we want it to continue on that particular route, fall in the hands of an individual who we are assured that it will be dismantled for junk? I don't want to buy that. I feel like a lot of you here who are asking good solid questions this morning, are we involved in a future risk? Yes we are, ladies and gentlemen. However, more than 10,000 ton of the beet pulp that would be generated after they use them for the beet sugar, they feel it can be sold to dairy and beef farmers around for feed. There will be local and state taxes generated. They expect the first year to produce about 26,000 ton of sugar.

These two companies combined, with the expertise, with the Austrian company and the American concern, which has its outlets and chances to sell sugar, finally you have the components here, I feel very strongly to go ahead and run this company.

The SPEAKER: The Chair recognizes the gentleman from Perham, Mr. McBrearty.

Mr. MCBREARTY: Mr. Speaker and Members of the House: I am going to try to be very brief and to the point. Several years ago, when the sugar beet plant at Easton was completed, Freddie Vahlsing had open house, which included many important speakers and an excellent dinner. While having dinner, I told my wife that someday Freddie would buy the sugar beet plant from the State of Maine at ten cents on the dollar. A few months ago, my predication came very close to becoming true. If we don't pass this bill today and continue to let Freddie Vahlsing blackmail the State of Maine, my prediction will come true.

Personally, I know nearly all the farmers who have taken part in the sugar beet negotiations this past year. They have done what I thought was impossible by putting together the parts that could possibly give Maine a sugar industry. If we fail to pass this bill, we will not only be eliminating the last chance to get the sugar industry, but we will be letting Freddie Vahlsing beat the State of Maine once more.

We keep saying we need more industry and jobs in Maine. Do we want to give up a chance to have a good industry because of the thousand to one chance that Freddie Vahlsing might win his suit in court?

The SPEAKER: The Chair recognizes the gentleman from Farmington, Mr. Morton.

Mr. MORTON: Mr. Speaker, Ladies and Gentlemen of the House: I have one question I would like to address, probably to Mr. Garsoe. Mr. McBreairty just spoke about the gentlemen who put up the money for this and we have had other references to that. My question is, if this bill is passed, does it take those men off risk? In other words, they apparently risked assets to put this forward, but if we put this bill into effect, does it take those men off risk and leave the State of Maine at risk, because, of course, the idea of putting money out to risk is that eventually you are going to get a return on it. What is the State of Maine's return if the state does go at risk and loses?

The SPEAKER: The gentleman from Farmington, Mr. Morton, has posed a question through the Chair to the gentleman from Cumberland, Mr. Garsoe, who may answer if he so desires.

The Chair recognizes that gentleman.

Mr. GARSOE: Mr. Speaker and Members of the House: I think we want to be very careful to understand that we are at risk. We are taking a risk that whatever equity we have in that plant now is going to disappear, because we have a mortgage for a million-six and we have \$200,000 in cash. If nothing would have happened, that is just the way it would have gone. The risk would still be there that the sugar beet operation would be successful and that they could indeed pay it off. So there is a degree of risk to that. But in the event the Vahlsing suit is successful, the state will have gambled its equity in that plant and will have lost. This is taking the dimmest view of it.

The lady from Portland has brought up a proposal and I think the gentleman from Standish, too, that these improvements may well be awarded by the court as against unjust enrichment, in which case, the state would, if the figures match up, that there is a million acres in there and the court says you will pay \$3.6, the risk to the state would be gone, but I don't think we should look at it in that way, we should take the dimmest possible view, and the dimmest possible view is that we will lose whatever equity we have in that plant, that there will be no new flow of cash dollars against the state and that is what this amendment says, that no payments are to be paid on this guarantee until the cash is received from Freddie.

The SPEAKER: The Chair recognizes the gentlewoman from Portland, Mrs. Najarian.

Mrs. NAJARIAN: Mr. Speaker, Ladies and Gentlemen of the House: I don't really think that the issue before us now is whether the farmers can make a go of this or not. The issue is more whether Freddie

Vahlsing has a good chance of winning that law suit or not and then what the state's exposure is if he does. I am told by informal conversation that it is not all that impossible that he might win that law suit, because I guess the contract was signed and then the Maine Guarantee Authority reneged on that.

I can't answer Mrs. Kany's question about Moody directly, but I did ask a question more or less of Mr. Scribner, our State Treasurer, and his response was this — as long as the current limit can be retained, the overall limit on the Maine Guarantee Authority, no adverse credit rating could be expected. However, in the event bonds were ever issued against the \$1.8 million, an unfavorable effect on our credit rating would result. The result would occur when the bonds were issued and not at the present time. This bill could also limit future activities of the MGA and establish a new precedent.

I am not addressing those issues but will leave them up to you, as the implications are pretty clear.

Ladies and gentlemen of the House, I very reluctantly, because I am interested in the farmers succeeding in the sugar beet industry, but I do not think in this time, when our credit rating has already been reduced to Double A, when they are trying to restore it, in the event that Freddie would win this suit, our chances of restoring that to Triple A are indeed diminished or, in fact, would still be lowered further, so I very reluctantly move the indefinite postponement of this bill and would ask for a roll call.

The SPEAKER: The fact that the gentleman from Brewer, Mr. Norris.

Mr. NORRIS: Mr. Speaker, I was going to offer objection to this and ask for the first reading because I believe it is still on the consent calendar.

The SPEAKER: The fact that the gentleman from Dover-Foxcroft rose objecting to it being on the Consent Calendar, the pending question is acceptance of the committee report.

The Chair recognizes the gentleman from Wayne, Mr. Ault.

Mr. AULT: Mr. Speaker, Ladies and Gentlemen of the House: Mr. Garsoe has said that we have two alternatives here, either have on our hands a rusting hulk of a sugar beet refinery or else try to get the business going again. I would suggest to him and to you that there is a third alternative, and that is what Freddie Vahlsing is waiting for, I believe. If he gets possession of that plant, he is going to dismantle it and sell it for \$5 million, and there is no reason why we or the group that now controls it can't do that.

The SPEAKER: The Chair would ask the gentleman from Bangor, Mr. Kelleher, to please approach the rostrum for the purpose of acting as Speaker pro tem.

Thereupon, Mr. Kelleher of Bangor assumed the Chair as Speaker pro tem and Speaker Martin occupied his seat on the floor of the House.

The SPEAKER pro tem: The Chair recognizes the gentleman from Eagle Lake, Mr. Martin.

Mr. MARTIN: Mr. Speaker, Ladies and Gentlemen of the House: I rise in opposition to the pending motion of the gentlewoman from Portland, Mrs. Najarian, and I will do so for the following reasons. I think it is unfortunate that we are attempting to deal with a piece of

legislation like we have before us. It is unfortunate that we have a gun aimed at our head to some degree, but there is not much that we in the State Legislature can do about that, since we do not control the court system and we do not control the method that court action is going to be brought before us.

First of all, I must indicate to you that I am not speaking as Speaker of the House in any manner, shape or form, I am speaking as a Representative from Aroostook County who has been involved in the sugar beet industry since 1965, most of it downhill rather than uphill, involved in attempting to convince farmers in '65 that they ought to attempt to raise sugar beets, involved in the problems with Fred Vahlsing, the problems that we have had in losing eight to ten million dollars of state's money, the problems of EDA losing its investment on the federal level and obviously our federal taxes from that point of view.

We are here today with a piece of legislation which gives us an opportunity, and that is all it is, an opportunity, that Fred Vahlsing will not win, and that is the only thing we have in front of us. That is the only guarantee we can give you. Because if this piece of legislation is not enacted by this Legislature before the end of this month or the early part of March, there is one thing that I can stand before you and guarantee each one of you, the Triple A and farmers in Aroostook County will not have an opportunity to try to run the plant. Sugar beets will not be grown in Aroostook County. The availability of a second crop is going to be destroyed.

The Vahlsing suit is intended, in my opinion, in pure and simple language, as an harassment and attempt to postpone action and an attempt to prolong the decision. It is not aimed in any manner, shape or form to assist the farmers in Aroostook County to grow beets.

We have been assured by attorneys in the Attorney General's Office, the Maine Guarantee Authority and private attorneys that this suit can be dragged on for three years, at the very minimum, if Fred Vahlsing so desires. If that occurs and this bill is not in fact enacted, there is no way that farmers can put a package together in order to grow sugar beets. There is no question in my mind, however, that if we pass this bill, the danger is there, and it is, that we could lose a million-eight. That is to say that that million-eight in fact could come to the State of Maine if Vahlsing were to win his suit.

Let's back up just a moment and see where all of this started. It started with the Maine Guarantee Authority. By the way, I have a bill to do away with it, and that is why I do, because I believe they have been totally ineffective, they have destroyed the credibility of our state for helping businesses in this state, but that is where the problem started. They sort of gave Freddie Vahlsing an option for a million-eight and they sort of then took it away. That sort of created a problem and why we have this bill here. That is the issue — that is the issue.

We have attempted to do everything we possibly could, to take whatever angle we could to try to bring this piece of legislation in any other approach than we have before you.

Editorially the Bangor Daily and the Portland Press Herald, which you all have read, said we are giving the plant away. We might well be if Fred Vahlsing wins his



suit. But what happens three years down the road if he doesn't win the suit and we don't have a plant anymore that can produce sugar beets, and we have new sugar beets that have been grown? Who wins in the final analysis, the people of Maine and Aroostook County or Fred Vahlsing? We have a gun at our heads, I understand that and I don't like it, but that is the only basis under which we can operate here today.

If you wish to kill whatever possibility there might exist to grow sugar beets in Aroostook County, then please vote to indefinitely postpone this bill. If, however, you think that there is one slight hope that we can do something, then please support passage of this bill. I will be more than happy, to all of you who come into my office and ask questions, who have raised issues with the problems of this bill, to respond to any question that you might have.

The SPEAKER pro tem: The Chair recognizes the gentleman from Waterville, Mr. Carey.

Mr. CAREY: Mr. Speaker, I have one question of the gentleman from Eagle Lake that should be answered on the record. I spent two years on a committee with the now President of the Senate investigating MIBA, but Vahlsing in particular, during the 105th Legislature. I would ask the Speaker, Mr. Martin, this one question. Sir, if Fred Vahlsing were to win his suit, even given an outside chance, would the people of the Aroostook County area ever grow sugar beets for him?

The SPEAKER pro tem: The gentleman from Waterville, Mr. Carey, has posed a question through the Chair to the gentleman from Eagle Lake, Mr. Martin, who may answer if he chooses.

The Chair recognizes that gentleman.

Mr. MARTIN: Mr. Speaker and Members of the House: It is a very difficult presupposition that we have, it is hypothetical. My answer would be, and based on not fact in any manner, shape or form, but my feeling is that Aroostook County farmers would not grow sugar beets for Fred Vahlsing.

The SPEAKER pro tem: The Chair recognizes the gentlewoman from Portland, Mrs. Najarian.

Mrs. NAJARIAN: Mr. Speaker and Members of the House: When I made my motion to indefinitely postpone, I made it very reluctantly. I know this is a very serious issue and of great concern particularly to Aroostook County and to the state, and to give people more time to think about it, study it and look into it, I will withdraw my motion to indefinitely postpone.

The SPEAKER pro tem: The gentlewoman from Portland, Mrs. Najarian, withdraws her motion to indefinitely postpone.

The Chair recognizes the gentleman from Lewiston, Mr. Jalbert.

Mr. JALBERT: Mr. Speaker, I ask that this bill be tabled for two legislative days.

Whereupon, Mr. Martin of Eagle Lake requested a vote on the tabling motion.

Thereupon, Mr. Jalbert of Lewiston withdrew his tabling motion.

The SPEAKER pro tem: The Chair recognizes the gentleman from Lewiston, Mr. Jalbert.

Mr. JALBERT: Mr. Speaker and Members of the House: The reason I asked to table is because I have had at least seven questions asked of me in the last half hour. Three of them I could answer and four of them I could not. By his own

admission, the gentleman from Eagle Lake, Mr. Martin, has said there are many questions that could be answered, that he would be delighted to have his office open to answer any questions. I am fully aware of the fact that he knows this problem very well. I know something about it, but I am not as well versed in the program as the gentleman from Dover-Foxcroft, Mr. Smith, the gentleman from Cumberland, Mr. Garsoe, who really has done a yeoman's job on amendments and on the situation for the committee. I think a lot of you who have listened to him answer the questions will attest to that. I am certainly not as well versed as the gentleman from Easton, Mr. Mahany and the other sponsors, Mr. Finemore, Mr. LeBlanc, and Mr. Carpenter.

I am trying to help, and I recognize and realize the strength of the Speaker and I recognize and realize, however, that he is sitting in Mr. Kelleher's seat at present, but I would strongly suggest that somebody make a motion to table this bill other than me after listening to my words so that some of these questions can be answered.

The SPEAKER pro tem: The Chair recognizes the gentleman from Eagle Lake, Mr. Martin.

Mr. MARTIN: Mr. Speaker, I think the gentleman from Lewiston, Mr. Jalbert, has posed, I think, a consideration which we must take into account. What would be my hope would be following this procedure, and the reason I suggested it was because the Triple A Corporation has indicated that they want action one way or the other on the pending legislation and I think it is in that light why I suggested that it not be tabled.

My recommendation would be that we attempt to accept the committee report today. This afternoon, and I will be more than happy to schedule it as soon as I find a time and a place and will probably announce it before we leave for the day, an opportunity where people might be able to come and discuss the issue and then it would be on the calendar tomorrow for second reading and at that time would give us an opportunity to pursue it in floor debate and probably at that time the bulk of the answers would be forthcoming and the questions at that point might be responded to. So with that thought in mind, I would therefore suggest that we perhaps follow the process that I have outlined to the members of the House.

The SPEAKER pro tem: The Chair recognizes the gentleman from Easton, Mr. Mahany.

Mr. MAHANY: Mr. Speaker and Members of the House: I want to point out that it is very important that we get this legislation through as soon as possible. I think you see that there is a need for the urgency this morning.

The two parties that furnished the money, are responsible for the money, the renovations and so forth, had an option up to February 16 to stay in Triple A Corporation. February 16 has gone by quite a little. They want an answer right away. They have technicians that want to know what they are going to have for a job if they do have a job. Seed people are anxious to know if we are actually going to take the seed. That is in reserve, but the time they hold that reservation has gone by. That is one reason why I would object to the tabling for two days. Time is of the essence here.

The SPEAKER pro tem: The Chair

recognizes the gentleman from Lewiston, Mr. Jalbert.

Mr. JALBERT: Mr. Speaker, the explanation of the tabling has been well put by both the last two speakers. Could we then, in the essence of saving time so that we will also not be repetitious and so that we will get some valuable information and the minds of people will be more made up and can be made up so that we can get the information we seek, could we, without further debate, accept the committee report, give this bill its first reading? That will give us all day to talk to any member of the Aroostook County delegation, any member of the Appropriations Committee, go into the Speaker's office and we would be well versed and we would save a lot of time instead of rehashing it until four o'clock and then coming back and doing the same thing tomorrow afternoon. I urge you, Mr. Speaker, with the power of the gavel, to ask now that the committee report be accepted so we can go on and give it its first reading and then tomorrow it will get its second reading and we can argue about it.

The SPEAKER pro tem: The Chair recognizes the gentleman from Kittery, Mr. Kauffman.

Mr. KAUFFMAN: Mr. Speaker, Ladies and Gentlemen of the House: I don't know how many of you people here have ever seen a sugar beet. It was approximately six years ago, I was attending Fryeburg Fair in Northern York County and I saw these vegetables, whatever you call them, that I had never seen before. I inquired what they were and they informed me they were sugar beets. There had been several abandoned farms in northern York County and southern Oxford County that had been purchased by young people and they had tried and had successfully grown sugar beets. So I assure you right now, I think our economy in those particular areas could be helped out, from the farmer's point of view, if there was sugar beet processing plant in the State of Maine.

The SPEAKER pro tem: The Chair recognizes the gentleman from Cape Elizabeth, Mr. Hewes.

Mr. HEWES: Mr. Speaker and Members of the House: I appreciate that the hour is late and that the gentleman from Eagle Lake and the Aroostook County delegation are firmly behind this, but I think we are starting a bad precedent here. It seems to me that about \$10 million of state money has been poured down a rat's hole and it seems as though you are asking for a guarantee of \$1,800,000 more, which is a risky situation.

I don't understand why the people who are operating this plant cannot refurbish it themselves. That should have been part of their expenses when they got involved in this, it seems to me. I also have seen the building from the outside, anyway, and it is not going to collapse overnight. I am assuming there is somebody watching out, guards or somebody keeping security there, and I don't see why there is the talk about it deteriorating.

In response to the gentleman from Perham, Mr. McBreairty, we have heard year after year that this is the last chance to save the sugar beet industry, and then year after year it comes back.

I don't mind it going to second reader tomorrow and I appreciate the strength of the proponents, but I think we are starting a bad precedent, the state has lost about \$10 million now, and if there is little likelihood of success in court action, then why do we need this particular L.D.? In



fact, I think the court could very rapidly have a trial next month, if need be, and this thing could be brought to a head in a lot less than three years.

At this point, Speaker Martin returned to the rostrum.

Thereupon, the Sergeant-at-Arms escorted Mr. Kelleher to his seat on the floor, amid the applause of the House, and Speaker Martin resumed the Chair.

The SPEAKER: The Chair recognizes the gentleman from Caribou, Mr. Peterson.

Mr. PETERSON: Mr. Speaker, Ladies and Gentlemen of the House: With respect to what was just said, I would like to say that it is quite impossible to borrow money on anything in which there is a cloud on the title and MGA resold the property to the Aroostook farmers and after that Vahlsing sued, this created the cloud on the title and you can't refurbish the plant and borrow money and not give any security.

The SPEAKER: The Chair recognizes the gentleman from South Portland, Mr. Perkins.

Mr. PERKINS: Mr. Speaker, Ladies and Gentlemen of the House: I would like to pose an inquiry to anyone who might answer. In view of the fact that there are 12 other industries in Maine that the Maine Guarantee Authority has guaranteed their business operation and there are 12 firms that I understand are presently in trouble, representing somewhere in the order of \$15 million, are we going to be asked to deal with those in the same fashion as with this bill and come up with something more?

The SPEAKER: The Chair recognizes the gentleman from Eastport, Mr. Mills.

Mr. MILLS: Mr. Speaker, Ladies and Gentlemen of the House: I was here when the first vote was taken to establish a sugar beet plant in Aroostook. I have been convinced with all the ramifications down through those years. You have heard one testimony here this morning of people down in York and Kittery growing sugar beets. In Washington County, there is room up there for 7,000 acres of sugar beets and all of those things mean the economy of Maine across the whole entire state, and I am sick and tired of sitting in this legislature and having people get up on their feet and denounce and try to beat the economy of Maine. If we don't go with these things, we are going to be in worse trouble financially on our different programs in this state than we have been in in a long period of years. There is no question that you don't get anything unless you take a chance and try and I think we ought to pass this thing along and move the economy of Maine along with it.

The SPEAKER: The Chair recognizes the gentleman from Scarborough, Mr. Higgins.

Mr. HIGGINS: Mr. Speaker, Ladies and Gentlemen of the House: I would like to pose one further question if I might, I realize the hour is late but very simply it says that the guaranty shall be reduced by an amount equal to 60 percent of the net operating profits. I wonder if someone might inform us as to how much the operating profits have been in the past and what the possibility is in the future?

The SPEAKER: The gentleman from Scarborough, Mr. Higgins, has posed a question through the Chair to any member of the Appropriations Committee who may answer if they so desire.

The Chair recognizes the gentleman from Dover-Foxcroft, Mr. Smith.

Mr. SMITH: Mr. Speaker, there is no way that anybody can give you the figures for the future and I don't have the figures for the past, and I think with these kind of questions we ought to take the opportunity, if they are going to be raised, to answer them in the next 24 hours and there is really not much object probably in pursuing it here on the floor today and I hope that we will take the Speaker's advice and give this thing its first reading and if you have questions, I will be happy to work with any member of this House on it to get the answer but I can't answer it right now.

The SPEAKER: The Chair recognizes the gentleman from Orono, Mr. Davies.

Mr. DAVIES: Mr. Speaker, I would like to pose a question. I have a feeling that we are rushing this thing through and I have this terrible feeling that we, again, are going to fall into the situation similar to the Sobin-Chloralkalide Bill that we had during the regular session where there was a deadline given to legislature by which we had to act by the company we were going to benefit. I would like to pose a question whether, in fact, a deadline has been given to any legislator or any group of legislators on this matter and if they would care to answer this, I would be very appreciative.

The SPEAKER: The gentleman from Orono, Mr. Davies, has posed a question through the Chair to anyone who may answer if they so desire.

The Chair recognizes the gentleman from Houlton, Mr. Carpenter.

Mr. CARPENTER: Mr. Speaker, Ladies and Gentlemen of the House: In response to Mr. Davies question, no, there has not been any deadline given and I hope that nobody gets the impression from anything I said that we were trying to rush this thing through. Certainly I am very much in favor of getting this bill through as soon as possible because we have people waiting, you know, to give us the money to renovate, etc. It has already been discussed several times but certainly there is no deadline, and I honestly feel that every question that has been asked here today can be answered. Mrs. Kany's, Mrs. Najarian's, Mr. Davies' and all the rest, if the people who right now are opposed to this bill or nervous about this bill will just give the opportunity.

Secondly, in response to a little bit of what Mr. Higgins said, or the question that he posed and that is about the net operating profits, based on current levels of expenditures for running the plant, etc., etc., it is estimated with the 15,000 acres they have currently contracted that this would be a breakeven year. They prove they can run the plant, then the profit would not start until the next year as far as reducing this state commitment, if you want to call it that.

We can't say about the past because the beet has never been operated successfully. You have to remember, I believe Mr. Hewes from Cape Elizabeth said, every year I hear this is the last chance, this is the last chance, well, in my opinion, and I have lived in Aroostook County on a farm up there most of my life, this is the last chance. The farmers got burned, and as I said when I spoke earlier, I didn't think a year ago this time the farmers could do it. They wanted it, we voted to give it to them, I didn't think they could do what they have done so far — in other words, get the marketing people to get the renovations back to the point which they had. They have come this far. Because it is now owned by a Farmers Co-operative, the farmers are now, once again, behind it.

Any of you have never lived in Aroostook County perhaps cannot appreciate the desperate need we have up there for a second crop.

I was born and raised on a potato farm, we raised 65 acres of potatoes. We tried buckwheat, we tried barley, we tried oats, we tried everything, sugar beets are the only thing we have been able to find in the past 50 years that we think could give us a viable second crop to offset potentially poor years in potatoes.

When this was run by Mr. Vahlsing, in my opinion, it was not run correctly. There never was a profit from this, but I also mention the difference in the seed, the difference in the technology, etc. Mrs. Kany asked a question about profits also. I would just answer her question by this question, do you think that two of the most prominent sugar marketing agencies in the world would put their money into this — and they now own 30 percent each of this corporation — would they be putting their money into this if they didn't think, after a lot of research and a lot of study, that the Aroostook County farmer could grow sugar beets and the answer to that is very simply, no.

ACLI and Patzenhofer are not going to put their money into this to the point where they have — you know, they have put money into this, don't get me wrong. We are not asking for this as a first time thing, they have put money in, they are just not willing to go any further, so they would not be investing their money if they did not believe that we could grow the beets.

I would ask that you would give this bill a second reader and I will be glad to meet with anybody and I am sure that anybody in the delegation. The Aroostook County Delegation, by the way — I guess I am one of the few that got up and spoke today — stands solidly behind this. I will give the figure of the split, I believe it is at this point 16 to 1.

The SPEAKER: The Chair recognizes the gentleman from Cape Elizabeth, Mr. Hewes.

Mr. HEWES: Mr. Speaker, I would like to pose a question to you or one of the members of the Aroostook County delegation. Has it ever been thought of an Aroostook County Sugar Beet Authority or something of that nature being established along the lines of the Cumberland County Recreational Authority by which Aroostook County could raise the money itself and guarantee the money itself and not put the other 15 counties on the hook?

The SPEAKER: The gentleman from Cape Elizabeth, Mr. Hewes, has posed a question through the Chair to anyone who may answer if they so desire.

The Chair recognizes the gentleman from Perham, Mr. McBreairty.

Mr. McBREAIRTY: Mr. Speaker, Ladies and Gentlemen of the House: I know it will be quite hard to answer Mr. Hewes' question because it is quite difficult but I don't like to look at this as an Aroostook County deal. They have gone into other counties for contracts, they have already got them. They have gone into New Brunswick and Prince Edward Island. I think there is a good chance, if this thing goes, that we will bring beets in from New Brunswick, Prince Edward Island, we will increase the income of the railroads and everybody knows we need taxes, we have been hunting for a place to find them for the last few days. If this could generate any income, it would give us taxes to help all over the state.

I don't blame anybody from southern Maine or the cities or anywhere else to be suspicious of this thing because of the money that has gone into it, but believe me, I believe part of the problem has not been the farmers, not been the climate, it has been the person that was trying to operate it in the first place.

The SPEAKER: The Chair recognizes the gentleman from Standish, Mr. Spencer.

Mr. SPENCER: Mr. Speaker, Ladies and Gentlemen of the House: I would like to pose a question through the Chair and as a preface to the question, it seems to me that the reason the state gets into guaranteeing a loan is because the lender doesn't want to make the loan unless the state offers to guarantee it and what my question is, has anyone approached those people who are to make this loan to ask them whether they would go ahead with the loan if this bill were amended to require that the state's guarantee would be contingent on the payment of \$1.8 million, plus the reasonable value of the improvements entered into with this money? If we were to do that, then we would only be on the hook if Vahlsing were prepared to pay the \$1.8 million plus the value of the improvements that were made with our money and we wouldn't be giving him these improvement without his having to pay for them. My question is, has anybody explored that route?

The SPEAKER: The gentleman from Standish, Mr. Spencer, has posed a question through the Chair to anyone who may answer if they so desire.

The Chair recognizes the gentleman from Houlton, Mr. Carpenter.

Mr. CARPENTER: Mr. Speaker, Ladies and Gentlemen of the House: I apologize, I realize it is late, I think or I attempted at least to answer exactly the question just posed by Mr. Spencer in that it is the feeling of both Maine Guarantee Authority attorneys, the attorneys for Patzenhofer and all of the attorneys that we have talked to, that if these improvements are gone ahead with, that if by a remote possibility that Mr. Vahlsing should in fact win the law suit, that he would not be able to get the plant back for a simple \$1.8 million. We are sure of the \$1.8 million. This is the purchase price agreed upon and it is their opinion that the judge would also make a ruling and there again, we are talking opinions, we are not talking hard facts, but it is the attorney's opinion that the judge, if he awarded it to Mr. Vahlsing, he would also award to the state the amount of the value of the renovations that had been done.

The SPEAKER: The pending question before the House is acceptance of the unanimous committee report.

The Chair recognizes the gentlewoman from Auburn, Mrs. Snowe.

Mrs. SNOWE: I would ask for a division on the motion.

The SPEAKER: If you are in favor of accepting the unanimous "ought to pass" report, you will vote yes; those opposed will vote no.

A vote of the House was taken.

72 having voted in the affirmative and 18 in the negative, the motion did prevail.

Thereupon, the Bill was read once. Committee Amendment "A" (H-933) was read by the Clerk and adopted and the Bill assigned for second reading tomorrow.

(Off Record Remarks)

On motion of Mrs. Clark of Freeport,

Adjourned until nine-thirty tomorrow morning.