

# MAINE STATE LEGISLATURE

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**LEGISLATIVE RECORD**

**OF THE**

***One Hundred and Ninth  
Legislature***

**OF THE**

**STATE OF MAINE**

**SECOND REGULAR SESSION**

**January 2 to April 3, 1980**

**THIRD SPECIAL SESSION**

**May 22, 1980**

**THIRD CONFIRMATION SESSION**

**July 17, 1980**

**FOURTH CONFIRMATION SESSION**

**July 24, 1980**

**FIFTH CONFIRMATION SESSION**

**September 12, 1980**

**REPORT, HEARING TRANSCRIPT AND  
RELATED MEMORANDA OF THE JOINT  
SELECT COMMITTEE ON INDIAN LAND  
CLAIMS**

## HOUSE

January 8, 1980

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

Prayer by the Reverend Harlan DeBrun of the First Baptist Church of Waldoboro.

Rev. DeBRUN: Almighty Father, this morning we humbly call upon you recognizing our need for a wisdom greater than our own, thanking you for the new opportunities this day, and Father, we want to pray for world peace this morning, that there be a greater love for you and a greater love for others. We think of the hostages in Iran; we pray that you would be with them this day giving them safety and bringing them home soon. We want to pray for this body here assembled this morning, Father, asking that you would bless each person here, giving them wisdom and insight, concern and sensitivity for the needs of others and, above all, a unity.

We thank you for this day and ask your blessing upon it. In Jesus name we pray. Amen.

The journal of yesterday was read and approved.

## Papers from the Senate

From the Senate: The following Communication:

## THE SENATE OF MAINE

Augusta

January 7, 1980

The Honorable Edwin H. Pert

Clerk of the House

109th Legislature

Augusta, Maine 04333

Dear Clerk Pert:

The Governor having returned:

Bill, "An Act Relating to the Reporting of Use and Trafficking of Drugs in Maine Schools" (S. P. 469) (L. D. 1417) together with his objections to the same, the Senate proceeded to vote on the question: 'Shall the Bill become a law notwithstanding the objections of the Governor?'

According to the provisions of the Constitution, a yea and nay vote was taken. Fifteen Senators voted in the affirmative and thirteen in the negative, the Bill accordingly failed to become law and the veto was sustained.

Respectfully,

S/ MAY M. ROSS

Secretary of the Senate

The Communication was read and ordered placed on file.

The following Joint Order, an Expression of Legislative Sentiment recognizing that:

After 12 years of exploration, John S. Cummings, a Maine geologist, has located a very large commercially viable copper zinc sulphide deposit in Aroostook County, Northern Maine (S. P. 671)

Came from the Senate read and passed.

In the House, was read and passed in concurrence.

Petitions, Bills and Resolves  
Requiring Reference

The following Bills were received and referred to the following Committees:

## Aging, Retirement and Veterans

Bill, "An Act to Permit Participating Local Districts of the Maine State Retirement System to Amend Retirement Benefits for Policemen and Fire Fighters Prospectively" (H. P. 1665) (Presented by Mr. Theriault of Rumford) (Approved for introduction by the Legislative Council pursuant to Joint Rule 26.)

(Ordered Printed)

Sent up for concurrence.

## Taxation

Bill "An Act to Exempt any Tree Growth, within 250 feet from Oceans, Lakes, Rivers or Streams in Organized Municipalities, from the Tree Growth Law" (H. P. 1666) (Presented by

Mr. Nelson of Roque Bluffs) (Approved for introduction by the Legislative Council pursuant to Joint Rule 26.)

(Ordered Printed)

Sent up for concurrence.

## Transportation

Bill "An Act to Revise and Clarify Certain Provisions of the Motor Vehicle Laws" (H. P. 1667) (Presented by Mr. Davies of Orono) (Governor's Bill)

(Ordered Printed)

Sent up for concurrence.

## Orders of the Day

The Chair laid before the House the first tabled and today assigned matter:

JOINT ORDER — Relative to Joint Standing Committee on Aging, Retirement and Veterans be directed to report out a bill with cost-of-living increases for state employees (S. P. 669) — In Senate, read and passed.

Tabled—January 7, 1980 by Mr. Tierney of Lisbon Falls.

Pending—Passage in concurrence.

On motion of Mr. Morton of Farmington, the Order was indefinitely postponed in non-concurrence and sent up for concurrence.

The Chair laid before the House the second tabled and today assigned matter:

JOINT ORDER — Relative to introducing legislation, "An Act Appropriating Funds to Allow Maine State Retirement System Members a Cost-of-Living Increase" (H. P. 1587)—Read in House on January 3, 1980.

Tabled—January 7, 1980 by Mr. Tierney of Lisbon Falls.

Pending—Passage.

Thereupon, the Order received passage and was sent up for concurrence.

The SPEAKER: The Chair is very pleased to recognize in the back of the hall of the House a former member of this body, a former Governor of this State and a member of the United States Senate, Senator Muskie, who is with us, and I have asked him if he would come to the rostrum to address us at this time.

Thereupon, the Honorable Senator Edmund S. Muskie was escorted to the rostrum by the Sergeant-at-Arms amid applause of the House, the members rising.

The SPEAKER: The Senator has agreed to address us for a few minutes and then to respond to questions from members of the House. This would allow us an excellent opportunity, I think, to question the Senator on events in Washington, events which affect this State, and it couldn't be at a more appropriate time because of the problems that we are now facing in this country and in this world to have Senator Muskie with us. So, it is my pleasure to present to you Senator Muskie. (Applause)

Senator MUSKIE: Mr. Speaker and Members of the House: I almost feel I ought to apologize for taking your time this morning in this way. I had planned to come to Augusta, but it wasn't until yesterday that I learned I was scheduled to speak to each house again.

I have been listening to speeches from this rostrum since I first came here as a newly elected member of the legislature in 1947, and I have been listening to speeches from this rostrum and I guess making more than my share of them ever since. But it is always a pleasure to come back. In a very real sense, this is my political home, this House; I never aspired to the Senate until I reached Washington. I always found this a much more exciting and stimulating, interesting place to be than the Maine Senate ever appeared to be.

I am delighted with the Speaker's suggestion that we ought to devote some time, maybe most of the time, this morning to questions. That gives me a chance to get exposure to what is on your minds and on the minds of your constituents, as well as gives me an opportunity to

straighten out some of my thoughts about some of the problems that we face mutually, the citizens of this country, and as political leaders at the state and national level.

The Congress, of course, is in recess, one of the shortest recesses in the 21 years I have been in Washington, because we were in session until almost Christmas Eve with our work unfinished, and with a lot of that work, very important work, still to do and to complete. Of course, even in the short time that we have been in recess, other problems have arisen, particularly the invasion of Afghanistan, which even further complicates some of the other problems with which we were struggling prior to the recess.

Last night I had the opportunity, a very welcomed one, to attend the inauguration of the new mayor of the City of Lewiston. Those of you who are not Democrats can understand why I should have taken some pleasure out of participating in the inauguration of a mayor in Lewiston, but I was very interested in the renewed exposure to the democratic process (with a small "d") in a city in Maine. It drives home the point that the problems with which we struggle in Washington, often ineffectively, often with frustration, often meeting with the displeasure and disapproval of our constituents, are also reflected in government at the local level all across this country.

To hear the new mayor and members of the new council dealing with the local dimensions of these national problems is always, I think, a refreshing, interesting and useful thing to do.

Much to my surprise, the new mayor announced a federal grant of \$600,000, of which I informed him last Friday, for the rehabilitation of a public transportation center in Lewiston, a reflection, as I say, of the energy crisis and some of the changes in life styles that we are gradually going to have to accustom ourselves to in the years ahead. Those of you who are younger, of course, will be exposed to that new lifestyle over a longer period of time than those of us who are older.

Yesterday, I ran across a statistic that is not exactly new but was rather startling. It is estimated that, past and present, the total of all recoverable deposits on this planet amounts to two trillion barrels of oil. Of that amount, we have consumed 360 billion in the hundred years that we have been pumping oil, and if we were to continue to pump it at an annual increase in demand of 3 per cent, we would run out of that two trillion by the year 2,020. In order to maintain that kind of consumption, we have to discover a Saudi Arabia every six months, or discover a new Texas or Alaska every few weeks. Those statistics put in rather stark perspective the nature of the limitations on the world's oil supply.

When one considers secondly that the OPEC nations control about 75 per cent of the remaining supply and that the Middle East controls 60 of that 75 per cent, when one puts that in the context of the developments of Iran and even more relevantly Afghanistan in recent weeks, we come to appreciate that this supply, which is shrinking so rapidly, as I suggested, is located in the most unstable areas of the world—on the edge of the Soviet Union, right in the center of the area that the Soviet Union has now invaded for the first time directly with its own military forces, the first time since World War II and the beginning of the cold war. Surely, we must be struck with our vulnerability and the importance of doing something about it.

We have been struggling with this energy crisis, of course, since 1973, and we all remember it. It was even worse than the period last year when we had gas lines, oil shortages. But since 1974, we have increased our importation of oil from the Middle East by three million barrels a day; we have not decreased it, we have increased it. That, of course, is partially because American production from domestic

sources reached its peak in 1970 at about eleven and a half million barrels a day and has been declining ever since and will continue to decline.

It is true that we are writing into tax legislation in Washington and other kinds of energy legislation incentives designed to stimulate the maximum production from domestic sources. But I repeat that we would have to discover a new Saudi Arabia every six months or a new Texas and Alaska every few weeks in order to meet our demands for energy at the present time and our growing demands as projected at 3 per cent a year. So the domestic production, although going to try to sustain it at the maximum possible levels, is going to decline relative to our present consumption rates.

As we struggle with all of the options for dealing with this problem, and it is a problem, the one that we somehow seem to shrink from implementing fully—I have one caveat to that with respect to Maine that I will mention in a moment—is conservation.

On Sunday night, I saw a program, presided over by Dan Rather, it was an hour program on the potential for creating new energy by conservation. And in detail, such detail as you can get in an hour television program, Dan Rather presented the case that we can, by conservation, meet the President's goal of cutting our dependence on foreign oil by  $8\frac{1}{2}$  million barrels a day—by conservation. That, obviously, involves something more than simply turning down the thermostat or driving fewer miles. It involves changing the whole structure, the whole capital structure, of our country.

Our economy really began to boom following World War II, making use of the economic recovery which World War II stimulated, and the new technologies that the development of the weapons of World War II triggered, followed by the expansion of technology that the space program triggered, but also relying on cheap energy, we found ways to substitute cheap energy for human labor, which became increasingly expensive as we made available, found ways to make available to the average citizen, higher standards of living, meaning higher incomes, meaning higher labor costs, so we substituted what we thought was a justifiable perception of energy as being a cheap way to substitute for labor, labor saving devices at home, automation of industries and so on. All of that was made possible because we made energy cheap, so we built the capital structure, most of it, by and large, built since World War II by energy inefficiency of our home, to our automobiles, to our industries, to the way we built our cities, to the development of shopping centers around our cities, and we found every conceivable wasteful way to move about, to shop—energy wasteful ways. There were convenient ways, there were comfortable ways, there were more enjoyable ways in many ways, but energy wasteful. You can't just change that overnight. You can't change it by writing a law in Congress or here; you have to change it by changing our habits, and we are slowly beginning to do that.

There are ways to make existing homes energy efficient and some of them were demonstrated on this program I saw Sunday night, very interesting things, things I hadn't been aware of before, ways of tracing leaks around floor boards, around windows, around doors, in roofs, and ways of patching those leaks that are not tremendously or unacceptably expensive.

Business has done a good job of relatively conserving energy because the bottom line is profits. So the extent that you can save on costs, you can do so by saving energy.

Industry, since 1973, has conserved 6 percent of its energy consumption while at the same time increasing output by 12 percent—that is not a bad result; it could be better.

The most difficult detractable problem, of course, has been transportation in the automobile—that has come more slowly and it has

got to come. It has got to come more rapidly than it has.

The conservation objectives, which means changing the capital structure of our country, making that which is in place more efficient and making sure that as we replace it and expand it what we do is more energy efficient. There is no reason why, this program concluded, we cannot cut our consumption of energy by 30 percent without eliminating necessities, even without eliminating comforts that we come to take for granted with cheap energy. That cannot be done only by passing law, it cannot be done at all by passing law, but there are things, of course, we can do with legislation, that we should be doing, that we are doing, that we are not doing as efficiently as we should or could in large part because of differences of opinion as to what ought to be done and how it ought to be done.

We are dealing with enormous resources. For example, just to give you some notion, the President decontrolled oil, or began the process of decontrolling oil, to implement the legislation that was adopted in 1975. That will result in the 1980's in additional revenues to the oil companies conservatively estimated at \$1 trillion. In other words, the oil companies will receive, simply by holding onto oil, \$1 trillion more than they would have received before decontrol. That is an over-simplification but a conservative figure—\$1 trillion.

They speak of it, when we speak of taxing that, the windfall profits tax, they speak of it as a tax on them. The fact is, it is a tax on the consumer in that the tax is already imposed. Without a windfall profits tax having been enacted by the Congress at all, decontrol is exacting a higher price from consumers and that is being reflected in ever-growing revenues to the oil companies, ever-higher profits, and you know that.

You and I drive up to the gasoline pumps, we know how the price goes up almost weekly. In Maine, with the heating season upon us, you know what it means in terms of the cost of heating—an increase of 60 percent in one year. Those costs are climbing and they are going to continue to climb until we find ways to reduce the pressures on supply by conservation, by developing alternative sources of energy, most of which will take considerable time. Conservation is the real short-term way to reduce pressures on supply and upward pressures on prices, so I urge the conservation effort.

I have talked about energy, and I am not going to talk much longer because I want to get to questions if you have any, but to me, we are faced in the new Congress with an uncertain economic year, budget problems, an election year, the rapidly changing international scene, changes which almost mandate even greater budget costs. I don't envy myself, as Chairman of the Senate Budget Committee, this coming year. With the uncertainty of the economy, inflation continuing at a 13 percent annual rate, the cost to the federal budget and to the taxpayers, the threat of a recession, the potential cost to job holders and the economy and the budget, it is going to be a very unpredictable year in terms of undertaking the planning of the use of the nation's resources.

To me, the number one problem, and it is related, of course, to the energy issue, is inflation. I have been preaching restraint to the Congress, budgetary restraint, for two solid years, and I must say, the Congress has done better than previously in practicing that restraint. But the pressures upon the budget don't originate in the Congress, they originate elsewhere, in all of the pressures that are generated by the problems that people face in one form or another, for one reason or another.

Restraint is always easy to accept as an idea for the other fellow to practice. I hear about conservatives in Congress, liberals in Congress, and spending habits are attributed to liberals and saving habits to conservatives. Well,

let me tell you this in all candor—we have conservatives and liberals in both parties in the Senate. Conservatives have their own spending streak and liberals have a spending streak. Conservatives, and I am characterizing them broadly now, like to spend for defense and they like to cut taxes. Liberals like to spend for people's programs to meet people's needs. Either tendency results in bigger deficits—bigger deficits, you know, stimulate inflation at this particular time in the economic cycle, and when the two combine to undermine the federal budget, then my job is almost hopeless, but somehow we have to meet that.

When I try to impose discipline in Washington, then those who disagree with me because they are conservatives and want more defense spending or because they are liberals and want national health insurance, they get back to their constituents to bring pressure on the chairman of the budget committee and the members of the budget committee in order to make an exception to them. There can be no exceptions. There are priorities, yes, but they have got to be sensible priorities. There are priorities we have to give consideration to, legitimate, urgent immediate needs in national defense but also to the urgent immediate needs of those who have no other protection against the vicissitudes of life. You have to deal with both ends of the priority range in order to achieve a budget, not only one that pays proper attention to our security interests as well as to our instincts for compassion but that also makes it possible for us to live within the limits of the resources that the taxpayer can legitimately ask to provide and he, too, is a target, he and she, of inflation.

I keep getting these requests from department heads, from local groups of one kind or another, to figure appropriations in order to meet the onslaughts of inflation.

I go to church on Sunday. The pastor wants bigger contributions from his parishioners because of inflation. There seems to be the assumption that the individual American somehow has all of the answers to inflation, as though, he himself, or herself, is not also subject and there is no way for you, unless you have got a lot of political clout as a member of a powerful union or as a member of corporate executive boards or whatever. You don't have the clout, too many people in this state, to get your own protection against inflation.

So, inflation is the number one problem. I still consider it that, will continue to consider it that until we achieve fiscal restraint and a balanced budget at the federal level. That is going to impact on programs with which you are going to deal here in this legislature—no question about it. It is quite obvious to me that the pressure for a constitutional amendment to acquire a balanced federal budget is going to be resurrected this year, it is going to be considered on the Senate floor this year and there will be pressures for it this year.

An interesting thing here—I don't know how many of you read Jack Gilpatrick, the conservative columnist, but the subcommittee of the Judiciary Committee of the Senate reported out a constitutional balanced budget amendment just before the congressional recess and it will hit the floor about March or April. I think Gilpatrick got a copy of it and he came out against it—a conservative—because what the amendment says is that receipts and expenditures must be balanced. Gilpatrick got to the root of that one very quickly. He said, "After all, receipts and expenditures are what Congress says they are. If you adopt this balanced budget amendment, Congress then is going to define receipts and expenditures." just a very simple one, and the federal budget makes no distinction between operating costs and capital investments. They are all in one budget. We treat them all as operative, the only budget in America that does. I can just foresee if a constitutional balanced budget amendment is

adopted. Congress is going to separate operating from capital and immediately get 80 or 90 billion dollars to play with and you know how they can play with it. So, it is a problem, it is one like a piece of mercury—you push it here and it comes out there.

In any case, I have listened to problems from this rostrum now for 33 years. Each time the particular group of problems addressed seemed overwhelming but somehow we survived them, dealt with them and have gone on in freedom with an ever expanding living standard for more and more of our people.

A strange thing, with all these economic problems, unemployment has stayed virtually flat, a little below or at 6 per cent for almost a full year, and the economists have been telling us for all that time that we were headed for a recession. We still haven't gotten there; we probably will this year, but we haven't yet.

It is almost impossible to kill the life of this economic machine that we have created here in the United States or to slow it down, even in the interest of inflation but we have to do it, it is important or we can kill it, the machine, but will deal with these problems as long as we communicate, as long as we understand, as long as we accept restraint when it is necessary.

Well, I have talked long enough, but you know, I always do. I did last night, too, John, but if you have got some questions, I would be delighted to take them, and thank you for listening. (Applause)

The SPEAKER: The Chair recognizes the gentleman from Monmouth, Mr. Davis.

Mr. DAVIS: Senator Muskie: In a recent communication from an Alaskan legislator, and documented by the Speaker of their House and President of their Senate, he stated that oil could be produced in Alaska that could replace half of the oil now being produced by the OPEC nations. In fact, he further stated that Alaska could account for more oil than Saudi Arabia. He states that the current administration is stymieing the production by controlling over 60 per cent of the land. Could you tell us why?

Mr. MUSKIE: The question is a number of questions, really. Obviously, Alaska is a very important source of our oil requirements. I am trying to remember what—I think that when we finally approved the construction of the pipeline, which was a very controversial issue at the time, the estimate was that Alaska could supply one year's growth in our demand for oil. That is another way of putting it. I think the entire Congress is appreciative of the value of Alaskan oil. Whether or not that particular description of its potential is realistic, I would have no personal judgment, I would have to have somebody evaluate that for me.

With respect to the proportion of Alaskan land, that is federal property—by that is meant the property of the entire people of the United States, I think 60 percent may well be a conservative figure. We own federal lands in the western states that are very large, not just Alaska but all the western states, a very large part of the land area of those states, and they have a different perspective on federal ownership than we do in the east where there isn't very much. All we have in Maine is Acadia National Park and a little piece of federal forest down on the New Hampshire border, so we don't appreciate the problems that federal ownership of land generates for some of the states in the western part of the country, including Alaska. Alaska, of course, is the biggest. After all, Alaska is almost as large as the entire forty-eight. It is a little bit larger than Texas even.

Of course, an important issue there that isn't mentioned specifically in the question that you posed to me is the question of how much of that Alaska land area ought to be preserved as a wilderness park. It is one of the hottest issues from Alaska's point of view that is pending before the Congress at the present time and

hasn't been resolved as yet.

The SPEAKER: The Chair recognizes the gentleman from Lisbon Falls, Mr. Tierney.

Mr. TIERNEY: Senator Muskie: The very sobering message which you brought us on the question of conservation is one which I think the people of Maine have listened to very seriously. We have conserved on gasoline, and our reduction and consumption of home heating fuel and has been nothing short of astounding.

The question I have for you, however, is twofold. The first is, what is being done to bring that message to the rest of the country, which doesn't appear to be listening? And, more important, in the parochial sense what is being done to make sure that those of us who have conserved will not be punished by a future allocation system?

Mr. MUSKIE: With respect to the message, the message that Maine has heard is really not so much the words of any person but the voice of economics. Maine is a relatively poor state in terms of per capita income, a relatively cold climate, and those two facts, the economic fact and the fiscal fact, would force conservation upon the people. Of course, that is the argument of those who argue for letting prices go through the roof in order to achieve conservation or in order to impose a 50 cent a gallon gasoline tax to force conservation. Of course, it is possible to price these commodities so high that people will have to do without them even when they need them which, of course, raises the problem that I think has to moderate any price policy on energy, that we simply cannot commit it to be put at a point where actual needs are neglected because people are unable to afford energy costs.

Fortunately, the Congress finally toward the end of the last session, enacted a program of fuel assistance, that hopefully, will help bridge the gap between people's ability to pay for energy and their needs. The program is going to require some refinement polishing because it is very difficult to write laws of that kind which with precision identified the people in real need. So, you are going to find abuses, as you often do with these kinds of programs, but the important thing was to get a program in place commensurate it with the size of the problem this year. Fortunately, we have got that going for us.

With respect to Maine's record in conservation, I think it is probably better—I say "probably" because I haven't really looked at the conservation efforts of other states—probably better than any other state.

I think with respect to home heating oil, we have conserved something like 20 percent; with respect to gasoline, the last figures I have seen, we have about held our consumption level, which means, in real terms, that it has been reduced so Maine people have conserved. Maine industries I know have because of the profit motive but also because Maine workers have been willing to accept very chilly working conditions in order to protect their jobs and conserve energy.

I remember a couple of years ago at Bath Iron Works, in their working sheds, management and labor agreed to work in temperatures of 52 degrees. That is a demonstration of the awareness of Maine people to the realities of energy conservation.

With respect to allocation formulas in the future, of course if we go to decontrol, the question, as we are, supply, to a certain extent, would be determined by the market place but the market place isn't always the most equitable way in which to distribute supplies, as we have learned here in New England where our suppliers are by and large small dealers, independents which themselves tend to become economically vulnerable in the face of the giants and the giants become less and less interested in the marginal markets when their overall profits are so huge.

We are finding that, for example, with re-

spect to airline deregulations. I am having second thoughts about having voted for that as I begin to see airlines abandoning, not abandoning profitable routes, because there are more profitable routes on which to use their equipment. So, deregulation of airlines, I am beginning to have similar questions about deregulation in other areas of the economy. The marketplace is an important part of economic protection in this country, I believe in it, I believe in private enterprise, but the marketplace doesn't always meet the needs of people wherever they live. To some extent, you need to supplement the marketplace with compassionate and people-oriented public policy. That is the balance we have to try to strike.

The SPEAKER: The Chair recognizes the gentlewoman from Cape Elizabeth, Mrs. Masterton.

Mrs. MASTERTON: Senator Muskie: I, too, was very impressed with your remarks about the new conservation efforts and it brought into my mind a favorite theme of Henry David Thoreau. That theme was "simplify, simplify, simplify" and that may prove to be the keystone of our future life style.

I want to ask you a taxation question. This year in the Congress is there going to be any serious consideration of income tax indexing as an alternative to or a supplement to tax reductions?

Mr. MUSKIE: I have to say that I am opposed to income tax indexing unless you accompany it with its obvious compliment. Seventy-five percent of the federal budget is uncontrollable at the present time, which means, in part, that a lot of it is indexed. Social Security benefits are indexed. A lot of other federal expenditures, especially those dealing with people, income transfer programs, are indexed. You can't index the revenues, which means automatically reducing them, and index the expenditures, which means automatically increase them and hope ever to come up with a balanced federal budget.

It is perfectly true that inflation drives taxes up. It pushes people into higher brackets, but it also pushes up expenditures. Indexing, I think, is a dangerous kind. I can accept it with respect, something like Social Security, where people by and large have marginal incomes for the remainder of their lives. They ought to at least have that kind of reassurance with respect to the future. Even that, you know, doesn't really keep them even with the game.

There is a tendency on the spending side of the federal budget, even when law doesn't provide mandatory indexing to, in effect, index. For example, there are two ways to describe the current level of federal expenditures. One is current law. By that is meant that expenditures that are mandated by current law, including indexing. The second is current policy. By current policy, it means current spending plus indexing for inflation whether or not it is mandatory. The difference between the two amounts of tens of billions of dollars a year. If we were to go the full indexing route on both sides of the federal budget, we would be in an impossible situation. You have to make your choices. It sounds very fair, indexing of income taxes and I would benefit.

The SPEAKER: The Chair recognizes the gentleman from Windham, Mr. Diamond.

Mr. DIAMOND: Senator Muskie: There has been a lot of talk for the last few months — it comes and goes — we still hear it — regarding a 50 cents federal gas tax or higher. I am wondering, do our representatives in Washington understand that there are rural states, I am sure they do, but within rural states there are rural towns that do not have an option of public transportation. We start talking 50 cent gas tax or higher, we are talking about people who have to drive to work daily, we are talking about people who have to go to the store, have to go here and there without an option of any other motor transportation. I am wondering

what the attitude is — is that being considered seriously? If it is, do they, indeed, understand that there are people who have no options? There are people, if the tax goes up that high, our middle income people who have been supporting our economy for years and years will probably be the ones who are damaged the most.

Mr. MUSKIE: I don't believe in the 50 cent gas tax. I happen to believe that gas prices are going to go up steadily under their own momentum or the momentum of the OPEC countries and that a year from now we might well be paying 50 cents more because of the world price of oil as it impacts on domestic, but I don't see any justification for the government adding to the burden. To that extent, I would be surprised if there is any significant support for it in the Congress. I mention it only because there seems to be considerable support in editorial opinion around the country for that kind of a thing. These editors sit in their ivory towers, not all of them are ivory-tower minded, but that looks like the answer because it is tough and simple.

I was in Germany last Spring. The President asked me to go over and visit half a dozen countries on special missions and I happened to have a Sunday afternoon in Germany before my meeting with Chancellor Schmidt the next day, so we went down to take a trip on the Rhine River and that involved an automobile trip of about 50 miles. I tell you, that Sunday traffic was faster and more crowded than the beltway around Washington on a Sunday and gasoline was almost \$2.50 a gallon. I went into see Schmidt the next day. He began to chide me about our inability to conserve and about the low price of gasoline in the United States and I said, "Mr. Chancellor, I happened to spend about three hours on your autobahns yesterday and I can't see that you have done a heck of a lot about cutting down the consumption of gasoline even at \$2.50 a gallon" or whatever it was — it was over \$2.00.

The automobile is something that we apparently will spend money on before we will spend it on bread I think in some cases, literally. In any case, it is a very special problem and I don't think the 50 cent gasoline tax is the answer to it. I don't think Congress supports it and I happen to know that the administration has rejected it as an option for the President's budget this year.

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

Mr. MORTON: Senator Muskie: Local and county budgets, along with the state budgets, are things that concern me a great deal. I find that in the locality that I represent, they have done a splendid job in holding down their budgets this year, but, unfortunately, that doesn't mean the taxes will be held down and the property tax will be hit pretty hard for the simple reason our receipts are not going to be as great as they were in previous years and one of the big items in that is federal revenue sharing that comes direct to the municipalities and to the counties. Therefore, I would like to speak to one whom I feel is probably the guru of federal revenue sharing at the federal level and ask you what the future is of federal revenue sharing for the localities or the counties and for the State of Maine?

Mr. MUSKIE: This is the year, of course, when reauthorization has to be approved and the reauthorization periods have been five years, I think typically, so I think we have had it for about ten.

I think revenue sharing for localities is reasonably safe. There is a very vocal body of opinion — I don't know how large it is — in the Congress that would favor terminating revenue sharing in the states. In Maine, of course, this would, in effect, be cutting it back for localities, too, because I understand the state's share now goes to local pension funds or in some way is returned to the localities by the state. But

there is a body of opinion that would like to cut the state revenue sharing.

Now, the President, as you may recall, when he is running the first time, was also negative about state revenue sharing, but in preparing his budget, I understand, and this is no secret or private information, I just get this from general knowledge, he has changed his mind about state revenue sharing and he will support both in his budget. So, I think, one, revenue sharing for localities is safe. There will be a struggle over state revenue sharing. I don't know, I wouldn't dare to predict what the outcome of that will be, but I would say and urge those who are interested in state revenue sharing across the country that they better be mobilizing their troops for that struggle.

The SPEAKER: The Chair recognizes the gentlewoman from Lewiston, Mrs. Berube.

Mrs. BERUBE: Senator Muskie, unfortunately, Representative Morton took away part of my question which was on revenue sharing. However, as you know, this is administered by the local folks who have some sort of accountability with their own constituencies. On the other hand, there seem to be zillions coming in in accountable federal grants or programs. I was wondering what your views are and whether or not the trend should be reversed toward more general revenue sharing grants to the states and municipalities as opposed to grant programs such as Ceta, sir.

Mr. MUSKIE: My view has been for a long time, I developed it years ago, that it ought not to be all one or the other. I think that specific grant programs often serve a specific national purpose that would not be served if the funds were funnelled to the states and localities through a general revenue pipeline.

For example, I am not sure that we would have had the results in water pollution cleanup that we have had in this country and in this state — I am proud of the state's performance — if the money had just been handed over to the states initially without being focused on this particular problem.

So, what I think we need to do with these grant programs, and I suspect the new total in the new budget will be over \$90 billion; it is a lot of money, the whole federal budget. When I was a member of the State legislature, it was substantially less than \$90 billion, and we now send \$90 billion back in the form of grants of which \$8 billion is revenue sharing.

I think assistance to the states and localities ought to come in three forms — revenue sharing, block grants and then specific grants, but I think that the latter two need to be constantly reviewed because programs which initially had a purpose sometimes lose that purpose. Sometimes the purpose disappears; sometimes the problem is solved; sometimes we conclude it can't be solved by that means, so I think we have constant need to review them. We can often, I think, discontinue them, and that is why I have been for sunset legislation at the federal level, because I think we need to be forced to review these programs in order to make sure that monies which once seemed to be of high priority in a particular area might have a higher priority somewhere else. I think you need to be flexible enough to continue to shift, close down programs when they are finished, when they are proven inadequate, maybe fold them into the revenue sharing. You have got to have a lot of flexibility because we do not have unlimited resources. Our tax resources are as limited as our energy resources, so you have got to constantly (I hate this word) reprioritize, to use a Washington word, the resources that we devote to specific programs.

The SPEAKER: Senator, thank you very much. I would like to continue, I think there are a number of members who have additional questions but I promised the Senate that you would be there at eleven o'clock and, as usual, I am wrong. We will have an opportunity, after the Senate is over, to meet the Senator in my

office for coffee and doughnuts and all of you, of course, are invited. Thank you.

Whereupon, Senator Muskie, escorted by the Sergeant-at-Arms, retired from the hall of the House amid prolonged applause, the members rising.

#### (Off Record Remarks)

On motion of Mr. Vose of Eastport, adjourned until ten o'clock tomorrow morning.