

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

One Hundred and Tenth

Legislature

OF THE

STATE OF MAINE

SECOND REGULAR SESSION

January 6, 1982 to April 13, 1982

INDEX

FOURTH SPECIAL SESSION

April 28, 1982 and April 29, 1982

INDEX

FIFTH SPECIAL SESSION

May 13, 1982

INDEX

SECOND CONFIRMATION SESSION

July 16, 1982

INDEX

STATE OF MAINE
One Hundred and Tenth Legislature
Second Regular Session
JOURNAL OF THE SENATE

Augusta, Maine
March 29, 1982

Senate called to order by the President.

Prayer by Father Valmont R. Gilbert of Saint Augustine's Church of Augusta.

FATHER GILBERT: Let us pray. O God of goodness and mercy, to Your fatherly protection we commend the members of the Senate this morning. We know that from You, all that is good comes to us. We pray that You will let Your sun of justice shine in the hearts of all who are here present. Send Your Spirit on these men and women who have come together to deliberate on important issues which will help our people in Maine. In their deliberations may they render justice to all concerned.

Father, make them creative and purposeful senators who see in those they represent Your image, since Scripture tells us that man was created to Your image. May their work during this Session of the Legislature give praise to Your name and bring peace, happiness and justice to all who reside in our great State of Maine. This we ask in faith. Amen.

Reading of the Journal of yesterday.

Papers From the House
Joint Orders

Expression of Legislative Sentiment recognizing:

Angie Emery, who has been chosen Franklin County Farm Bureau Queen. (H. P. 2242)

Richard Meader, head basketball coach at Thomas College, who has been named Coach of the Year in NAIA District Five. (H. P. 2243)

Carmen Dame, of Massabesic High School, the only 1,000-point scorer in the history of the school. (H. P. 2244)

Sean Crotty, of Kennebunkport, who has been elected governor of the 1982 Model State Legislature at Bates College. (H. P. 2245)

John D. McGuire, of Lewiston, who has been named a recipient of the Jefferson Award. (H. P. 2246)

Sharlene Hooper, of Machias, winner of the Maine finals of the Wrangler Jeans Country Star Search Contest. (H. P. 2247)

The top 10 students at Oxford Hills High School: Joseph Shropshire, of South Paris; Stacie Ramsay, of South Paris; Arnold Twitchell, of Oxford; Carla Bailey, of South Paris; Cathy Scribner, of South Paris; Noreen Bell, of South Paris; Bonnie Hill, of Harrison; Shelley Rosenberg, of South Paris; Timothy Witham, of South Paris; and Patrick May, of Norway. (H. P. 2248)

John Hutchins, of Buxton, upon attaining the high rank and distinction of Eagle Scout. (H. P. 2249)

Paul Jones, of Minot, recently named chairman of the Agricultural Advisory Council and Maine's Poultryman of the Year for 1982. (H. P. 2254)

Flossie Lancaster, of Dexter, a very lovely and special lady, who will be joined by family and friends on March 29, 1982 to celebrate the 100th anniversary of her birth. (H. P. 2255)

Jeff Durand, son of Mr. and Mrs. Richard Durand of Caribou, chosen salutatorian of Caribou High School for 1982. (H. P. 2258)

Jane Umphrey, daughter of Mr. and Mrs. Wilmont Umphrey of Caribou, chosen valedictorian of Caribou High School for 1982. (H. P. 2259)

Come from the House, Read and Passed.
Which were Read and Passed, in concurrence.

Joint Resolutions

Joint Resolutions in Memoriam:

WHEREAS, the Legislature has learned with deep regret of the death of Willis Parsons, of

Otisfield, a beloved public servant of that locality. (H. P. 2250)

WHEREAS, the Legislature has learned with deep regret of the death of Gil "Gilson" Johnson, of Old Orchard Beach, a former combat marine fighter. (H. P. 2251)

WHEREAS, the Legislature has learned with deep regret of the death of Carroll W. Millett, of Norway, who lost his life while on duty as a police officer in South Paris. (H. P. 2252)

Come from the House, Read and Adopted.
Which were Read and Adopted, in concurrence.

(Off Record Remarks)

Communications
State of Maine
House of Representatives

March 26, 1982

Honorable May M. Ross
Secretary of the Senate
110th Legislature
Augusta, Maine

Dear Madam Secretary:

The Speaker appointed the following conferees to the Committee of Conference on the disagreeing action of the two branches of the Legislature on Bill "An Act to Adjust Fees for Licenses issued by the Real Estate Commission" (H. P. 1809) (L. D. 1794)

Representative JALBERT of Lewiston

Representative KELLEHER of Bangor

Representative LANCASTER of Kittery

Respectfully,

S/EDWIN H. PERT

Clerk of the House

Comes from the House, Read and Ordered Placed on File.

Which was Read and Ordered Placed on File, in concurrence.

Committee on Fisheries and Wildlife

March 25, 1982

The Honorable Joseph Sewall

President of the Senate

State House

Augusta, Maine

Dear President Sewall:

The Committee on Fisheries and Wildlife is pleased to report that it has completed all business placed before it by the second regular session of the 110th Legislature.

Total number of bills received 11

Unanimous reports 10

Ought to Pass 3

Ought Not to Pass 1

Leave to Withdraw 2

Ought to Pass as Amended 3

Ought to Pass as Amended

New Title/New Draft 1

Divided Report 1

Respectfully submitted,

S/ANDREW J. REDMOND

Senate Chairman

S/ROBERT A MacEACHERN

House Chairman

Which was Read and Ordered Placed on File.

Committee on Judiciary

March 26, 1982

The Honorable Joseph Sewall

President of the Senate of Maine

State House

Augusta, Maine

Dear President Sewall:

In accordance with 3 M.R.S.A., Chapter 6, Section 151 and with Joint Rule 38 of the 110th Legislature, the Joint Standing Committee on Judiciary has had under consideration the nomination of Millard E. Emanuelson of Machias to the position of Judge-at-Large of the Maine District Court.

After public hearing and discussion on this nomination, the Committee proceeded to vote on the motion to recommend to the Senate of the 110th Maine Legislature that this nomination be confirmed. The vote was taken by the

yeas and nays. The Committee Clerk called the roll with the following result:

YEAS:

3 Senators

8 Representatives

NAYS:

0 Senators

0 Representatives

ABSENT:

0 Senators

2 Representatives (Rep. Hobbins,

Saco & Rep. Soule, Westport)

11 members of the Committee having voted in the affirmative and 0 in the negative, it was the vote of the Committee that the nomination of Millard E. Emanuelson be confirmed.

Sincerely,

S/DANA C. DEVOE

Senate Chairman

Which was Read and Ordered Placed on File.

The PRESIDENT: The Joint Standing Committee on Judiciary has recommended that the nomination of Millard E. Emanuelson be confirmed.

The pending question before the Senate is: Shall the recommendation of the Committee on Judiciary be overridden? In accordance with 3 M.R.S.A., Chapter 6, section 151, and with Joint Rule 38 of the 110th Legislature, the vote will be taken by the yeas and nays. A vote of YES will be in favor of overriding the recommendation of the Committee. A vote of NO will be in favor of sustaining the recommendation of the Committee.

Is the Senate ready for the question?

The Doorkeepers will secure the Chamber.

The Secretary will call the Roll.

ROLL CALL

YEA—None.

NAY—Ault, Brown, Charette, Clark, Collins, Devoe, Dutremble, Emerson, Gill, Hichens, Huber, Minkowsky, Najarian, O'Leary, Perkins, Pray, Redmond, Sewall, C.; Shute, Sutton, Teague, Trafton, Trozky, Violette, Wood, The President, J. Sewall.

ABSENT—Bustin, Carpenter, Conley, Kerry, McBreairey, Pierce, Usher.

No Senators having voted in the affirmative and 26 Senators in the negative, with 7 Senators being absent, and none being less than two-thirds of the membership present, it is the vote of the Senate that the Committee's recommendation be accepted. The nomination of Millard E. Emanuelson is confirmed.

Senate Paper

Senator BROWN of Washington (Cosponsor: Representative VOSE of Eastport) presented, RESOLVE, Authorizing Washington County Vocational-Technical Institute to Lease the Fishing Vessel, Fish Finder. (S. P. 961)

(Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 27.)

Which was referred to the Committee on Education and Ordered Printed.

Sent down forthwith for concurrence.

Order

An Expression of Legislative Sentiment recognizing:

Stuart R. Dexter, of Orono, recipient of the Maine Recreation and Park Association's 1982 "Citizen Award," for his years of volunteer service to Orono youth. (S. P. 962) presented by Senator DEVOE of Penobscot.

Which was Read and Passed.

Sent down for concurrence.

Committee Reports.

House

Ought to Pass

The Committee on Local and County Government on, RESOLVE, for Laying of the County Taxes and Authorizing Expenditures of Washington County for the Year 1982. (Emergency) (H. P. 2253) (L. D. 2102)

Reported that the same Ought to Pass pursuant to Joint Order (H. P. 1846).

Comes from the House, the Resolve Passed to be Engrossed.

Which Report was Read and Accepted, in concurrence, and the Resolve Read Once and Tomorrow Assigned for Second Reading.

Ought to Pass — As Amended

The Committee on Public Utilities on, Bill, "An Act to Encourage Fuel Diversity by Increased Use of Natural Gas." (H. P. 1956) (L. D. 1929)

Reported that the same Ought to Pass as amended by Committee Amendment "A" (H-689).

Comes from the House, the Bill Passed to be Engrossed as amended by Committee Amendment "A".

Which Report was Read and Accepted, in concurrence, and the Bill Read Once, Committee Amendment "A" was Read and Adopted, in concurrence, and the Bill as amended, Tomorrow Assigned for Second Reading.

Ought to Pass in New Draft

The Committee on Aging, Retirement and Veterans on, Bill, "An Act to Remove Restrictions Preventing Persons Elected to the Legislature from Receiving Certain Benefits." (H. P. 2158) (L. D. 2058)

Reported that the same Ought to Pass in New Draft under New Title, "An Act to Remove Restrictions Preventing State Retirees from Receiving Certain Benefits", (H. P. 2260) (L. D. 2106).

Comes from the House, the Bill, in New Draft, Passed to be Engrossed.

The Committee on Local and County Government on, Bill, "An Act to Amend the Charter of the Lucerne-in-Maine Village Corporation." (H. P. 1783) (L. D. 1773)

Reported that the same Ought to Pass in New Draft under Same Title, (H. P. 2257) (L. D. 2105).

Comes from the House, the Bill, in New Draft, Passed to be Engrossed.

Which Reports were Read and Accepted, in concurrence, and the Bills, in New Draft, Read Once and Tomorrow Assigned for Second Reading.

Divided Report

The Majority of the Committee on Health and Institutional Services on, Bill, "An Act Concerning Maine Emergency Medical Services." (H. P. 2050) (L. D. 2000)

Reported that the same Ought to Pass in New Draft under Same Title. (H. P. 2234) (L. D. 2092)

Signed:

Senators:

GILL of Cumberland
BUSTIN of Kennebec

Representatives:

NELSON of Portland
BRODEUR of Auburn
PINES of Limestone
MacBRIDE of Presque Isle
KETOVER of Portland
MANNING of Portland
McCOLLISTER of Canton
RICHARD of Madison
RANDALL of East Machias
WEBSTER of Farmington

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

Signed:

Senator:

HICHENS of York

Comes from the House, the Bill in New Draft Passed to be Engrossed as amended by House Amendment "A" (H-690).

Which Reports were Read.

The Majority Ought to Pass, in New Draft, Report of the Committee was Accepted, in concurrence. The Bill, in New Draft, Read Once.

House Amendment "A" was Read and Adopted, in concurrence, and the Bill, in New Draft, as amended, Tomorrow Assigned for Second Reading.

Senate

Leave to Withdraw

Senator TROTZKY for the Committee on Education on, Bill, "An Act Recodifying the Law Regarding Exceptional Students in Residential Placements." (S. P. 861) (L. D. 1990)

Reported that the same be granted Leave to Withdraw.

Which Report was Read and Accepted.

Sent down for concurrence.

Second Readers

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

House

Bill, "An Act to Eliminate the Requirement that Changes in the Public Utility Rates be Prorated." (H. P. 1790) (L. D. 1780)

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

House — As Amended

Bill, "An Act to Revise the Definition of Forest Land for Purposes of the Tree Growth Tax Law and to Require Notification of Landowners' Obligation to Reapply." (Emergency) (H. P. 2178) (L. D. 2068)

Which was Read a Second Time.

On motion by Senator Collins of Knox, Tabled until later in today's session, pending Passage to be Engrossed.

Senate

Bill, "An Act to Revise the State Takeover Bid Law." (Emergency) (S. P. 957) (L. D. 2103)

Which was Read a Second Time.

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

Senator SUTTON: Thank you, Mr. President. Mr. President, I submit Senate Amendment "A" to LD 2103, under filing number S-440 and move its adoption.

The PRESIDENT: The Senator from Oxford, Senator Sutton, now offers Senate Amendment "A" to LD 2103 and moves its adoption.

Senate Amendment "A" (S-440) was Read.

The PRESIDENT: The Senator has the floor.

Senator SUTTON: Thank you, Mr. President. Ladies and Gentlemen of the Senate, the banking law, the proposed interstate banking law, which is LD 2100 on your calendar, includes in it a provision to reinstate the takeover provision that has been exempted under our present, where banking and financial institutions have been exempt under our current, takeover law.

Since it would be, if that should pass, it would be 90 days before it became law, this Amendment would reinstate the financial institutions into the takeover law, and would become effective immediately, since this is an emergency measure.

Senate Amendment "A" was Adopted. The Bill, as amended, Passed to be Engrossed.

Sent down for concurrence.

Bill, "An Act to Make Interstate Bank Ownership Possible." (S. P. 950) (L. D. 2100)

Which was Read a Second Time.

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

Senator DEVOE: Thank you, Mr. President. Members of the Senate, I find it incredible that a Bill of this magnitude and import to the State could slide through the Senate without getting any debate. I think that some questions deserve to be asked about it and that's my intention this morning in speaking on this matter.

One of the principle arguments that has been used in support of this interstate banking bill is that it's going to help bring capital into the State of Maine. Now, I never was aware that so far as banks were concerned, that Maine was

capital poor. I've talked with Mr. Bullock in Bangor, and he tells me it's been 10 years since they have had to participate a loan, because of its size. He believes it's also true for Depositor's Trust in Augusta.

The maximum loan, I think, that can be made by either one of those banks to a single customer is in the order of \$8,000,000, which is a sizable amount of money.

So, I find it hard to believe that this Bill, which I'm told has had upwards of 15 to 16 lobbyists working on it, for quite a while, is going to slide through here without this Body raising any questions on this matter.

If, in fact, banks have been capital poor, how is it that at this hour, in our State's history, that this problem first appears and presents itself? Financial institutions have never been shy about lobbying when they felt there was a change needed in State laws. Is it only in 1981 and 1982 that Maine has become "capital poor"? Or has this problem existed before?

Can someone on the Committee advise the Senate of what banks, up to now, operating under our present laws, have been unable to meet the needs of their customers, because we didn't have enough capital in this State?

As I look at this Bill, I don't view it as an interstate banking bill. I view it as a foreign bank takeover bill, pure and simple. We are able to participate loans. Banks in Maine are able to get other banks in Maine, or out-of-state banks, to assist them in handling truly big loans.

Another argument that is used in favor of this Bill is that it's going to help shareholders of Maine banks, and after all, who are we talking about, but the shareholders? Well, if this were not the State Senate, if this were a banker's convention, I would say vote for this Bill because if you are going to a banker's convention, then you are going to be thinking about banks, and you're going to be thinking about shareholders and directors, who are holders of large blocks of stock in the bank that they either help to manage, or help direct.

I think we have to take a little broader point of view in this Body. I grant you, it is very likely that shareholders, officers, and directors, who are shareholders in Maine banks are very likely going to benefit handsomely. I don't doubt that, that is a legitimate desire for bank officers, and directors, and shareholders to want to obtain for themselves. But I ask you, if Citibank were to take over the control of Depositor's Trust, or Merrill, or any other one of your large Maine banks, it would seem to me a logical corollary of that action that loan policies and practices that have gone along very nicely up to now, for Maine bank customers, and I think we have to think of the customer of the Maine bank, the long-term customer of the Maine bank, who for years has borrowed money and helped that particular bank grow, it would seem to me something that could very easily happen, is that some third assistant vice president in New York City is all of a sudden going to be making bank policy for Depositor's Trust, or for the Merrill Trust, or Maine National Bank, or any other bank that might be taken over. All of a sudden, the customer of that Maine Bank, who for years has gone in and dealt with a local lending officer, is all of a sudden going to be told, gee, I'm sorry, we've got to tighten up our requirements. There have been no problems in the past, but some third assistant executive vice president in New York City is now sending the message down the chain to Augusta, or Bangor, or Portland.

All of a sudden some large customer of the bank in New York walks into New York and applies for a gigantic loan, and there's some capital readily available that can go to make up part of that loan that's nesting up in Augusta, or Bangor, or Portland. So that capital will be siphoned out of this State, and deprive the customers of Maine banks the chance to do business with the bank that they have helped grow, that they've been a good customer of for years

and years and years.

Now these are some of the concerns that I have. If someone on the Committee can address these concerns, I would appreciate it. Thank you very much, Mr. President.

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

Senator SUTTON: Mr. President, thank you. Ladies and Gentlemen of the Senate, there are others, I'm sure, that would care to respond in kind to some of these questions. I will just briefly make a few comments in the event that there are others who would like to respond.

I find the fact that there are lobbyists lobbying this Bill as a rather light reason for suggesting that it might be a problem type bill.

The fact that there hasn't been any debate yet leads me to believe that there is strong faith in the Business Legislation Committee, who has heard all the testimony on this Bill and put together a new draft of a piece of legislation that has been discussed with all the people of the Senate and the Legislature to the point where it really wasn't necessary to do an awful lot of debating on this floor.

Let me respond to just a couple of things. Interstate banking is, in fact, if not in law, taking place right now, and has been for some time. As I mentioned the other day, we're not here to decide whether we should have interstate banking or not, because the Legislature made that decision in 1975, when it passed the original bill in this regard. The only difference being, at that time that the bill wasn't as tight and it didn't look after the customers and the voters of the State of Maine in the manner that this piece of legislation does. All it required at that time was for New York, or Boston, or Massachusetts, or someone to say, hey, we'll let you in. We wouldn't even be here discussing this right now, because some of our bigger banks would probably have already been taken over by these institutions. So that's really already been discussed.

I'll have to admit that I did have some, and do have some, of the same concerns that the good Senator from Penobscot has, Senator Devoe.

You know, I thought, and I thought, and I thought about this Bill. I am a director of a bank. I am a customer of a bank. I have done business with a bank that was taken over. I have done business with a bank that was merged. I've watched the changes.

I have, also, watched the business community of Maine, where large institutions have come in and where, as the result of the growth of the large institutions, the small institutions around them have grown and prospered to a point that they wouldn't have probably without the impetus of the larger institutions.

I have thought about what would happen if my loans had to go to Boston, or New York to be approved, but I watched them go from my town, to another town, to another town. I have watched the calibre of the people I was dealing with change. I watched the expertise, the technology, all the way along the line, change and increase. As a businessman, I can assure you that my fears were not grounded.

One of the things the Bill does, it purports to bring more capital into the State. I'm not sure that that's the only reason that we have this Bill. Certainly, it is not.

There is reason to think, though, that because of the minimum requirement that you must have before you can take over a bank in Maine, that some of the smaller banks, if they should fall into this category, will have to have some infusion of capital to make them qualified.

Also, there is a provision that this minimum must be maintained. By the way, that starts out at \$5,000,000 and then goes to \$7,000,000 after five years. That has to be maintained. That's not a lot for Depositor's, but that's a lot for a small bank.

I think it's going to help the small banks. I think it's going to help the business commu-

nity. I really couldn't bring myself to be parochial to the point where I let the concerns that the good Senator from Penobscot mentioned deter me from supporting this Bill.

I was a little surprised when Mr. Bullock, after testifying in favor of the Bill as a bank employee, turned around and voiced some concerns as a citizen. Interestingly enough, the concerns that he voiced were some of the same concerns that I had. I can tell you, I thought an awful lot about it. Those of you who have talked with me have heard me voice some of the same concerns.

It doesn't bother me that there are some shareholders that are going to make some money out of this, or could make some money out of this. Bank stocks are not and have not been the most attractive investments on the stock market over the years. They certainly aren't the highest traded in securities.

I find that most of the people that hold Maine bank certificates do it because they want to be part of the Maine business community, part of the Maine financial community. They certainly aren't going to get awful big capital appreciation. Dividends have usually been pretty good, but they haven't of late. We know that in the thrift institutions that it's just been disastrous. The commercial institutions haven't been faring an awful lot better.

You're probably all aware that Sears has gone into the banking business. They have said that they are going to have a financial institution in every Sears store and outlet in the United States. We are not set up, at this point, to regulate this type of thing. It's going to make it very, it's going to make it even more difficult for our commercial and financial institutions to compete with folks of this nature. Certainly there are going to have to be some efficiencies. There's no question about it.

By the way, in one of these banks that I watched be merged, some employees did get let go. You know, this is kind of a fact-of-life. They were all re-employed. The bank is more efficient, and it's going to be more prosperous as a result of it. The customer of the bank are going to be better served.

The fact that banks can participate and are participating loans out-of-state does bring out-of-state capital into the Maine market. By the same token, the bank that's participating has got to pay for this. At the same time, they're going to have to pass this charge along.

So, I really am not all that concerned about watching the practices of our banks change. In fact, I'm not sure that some of them shouldn't change, and don't need to change. The Maine banking institutions, the whole Maine banking climate is one of the finest in the United States. It is on the leading edge of the whole banking world.

I think that interstate banking is inevitable. We have made the decision that Maine should be part of it. I think it should be part of it now. I honestly believe that it's going to be better for the bank's customers, the bank employees, and last but not least, the bank shareholders.

So I would urge you to look progressively on this piece of legislation. It is going to be good for the State of Maine. It is going to happen. It is going to be better for us if it happens now, instead of next year or the year after. I did not come to that conclusion easily, ladies and gentlemen.

This Bill, in its redraft, has been tightened up in every conceivable way to protect the Maine bank customer, and the Maine bank employee. It is probably, again, a piece of model legislation, as far as the banking community is concerned. Under the federal guidelines right now, there are already all kinds of ways that interstate banking can be brought about surreptitiously. It's happening right now.

So I suggest we be up front about it. We get our house in order, which we have done with this piece of legislation, and that we move forward for the betterment of the financial cli-

mate, condition of the State of Maine, and move this piece of legislation along. Thank you.

The PRESIDENT: The Chair recognizes the Senator from Somerset, Senator Redmond.

Senator REDMOND: Mr. President and Members of the Senate, it would be remiss if I didn't stand up here and pass on to you my thoughts, as I've had a little bit of experience in banking. I agree with Senator Devoe, the Senator from Penobscot, I, also, agree with Senator Sutton.

However, in my travels, I have had the occasion to discuss banks. I have had the occasion to find myself in Switzerland. I have found myself discussing banks on my own as a freelancer in Trinidad and Tobago. I have had many conversations with some consuls, who are very frequently called on about business in Trinidad and Tobago more especially during the winter.

Ladies and Gentlemen, I have also been the president of a small commercial financial institution. My responsibilities were to stimulate some activities in the area that the bank served. Therefore, I think perhaps you would like to have some of my comments on this very important piece of legislation.

I don't feel that I have all the information. I have not had much of a chance to analyze the Bill. I, too, would like to ask many questions. I will wait until it comes up later.

However, I think, as the good Senator Sutton has stated, whether we want to or not, the handwriting is on the wall. However, I have problems in my decision-making process when these thoughts come through my mind, it kind of makes my blood boil.

Who is going to shape the people of Maine's destinies? Is it a group of bankers in New York City, or Boston? Or is it some people in this great State that we all enjoy living in, that we are working hard trying to make it a better one?

I don't believe that people from Chase Manhattan Bank, or other banks, or perhaps banks from maybe, banks that are owned by some people of the OPEC countries, who are raising hell with this State here at the present time. I think that perhaps this Bill will go through. I think that perhaps those who have worked hard on it, I think that they really believe that they're right. I think that perhaps, after it's gone through, and after interstate banking is here, and after our destinies are shaped by people from the Chase Manhattan Bank, then these experts in banking will regroup. They'll come and preach to us what it takes is regionalization of capital. Our capitals must be spent in the region, where they are earned or acquired. They will tell us, this is an old story. Ladies and Gentlemen of the Senate, since year one, this is how finance has been conducted.

So I just want to express my thoughts on interstate banking. I do not know the details of the Bill. However, I would ask this Legislature to really take a good look at this and make sure that it's in the interests of the good people of Maine.

There is no question, but it is my belief that our capital must be spent in the region.

Now, some of us do not like to see our capital go to Merrill Lynch. However, what really has happened? How come Merrill Lynch comes here and get a lot of our capital? I would like to ask those people who are interested in banking here, how come? I've even heard some people make threats, you know, if you're going to take your money to Merrill Lynch, well then when it comes to United Funds or some other organization, I hope that you'll go and get the people from Merrill Lynch.

Ladies and Gentlemen, in this State we are proud. I don't think that this Bill has been given sufficient thought. I don't think that we're had enough information on it. I think that we should take our time. I'm not against it. I'm not against it, but I think we should take our time.

I do not believe that we should only listen to

lobbyists and a few scare tactics and so forth. I think we should take our time, because this is a very important piece of legislation.

You know that the people of Maine have a reputation all over the world. They are unique. This is why I believe that our capital, the people of Maine trust their bank director, that they know, the bank director knows, he understands them. They are, they have a lot, they are much freer, they can think more freely because they trust those whom they are signing their home or signing their farm or their business to. They give them a mortgage. They are very, very careful about giving a mortgage to some banker from New York, or from Boston.

I think this has a lot to do, Ladies and Gentlemen, we have all found over the years that motivation is what makes people tick. Well, the people of Maine tick only when they understand what's going on, and when they understand the people.

So I'll leave you with these few remarks. I hope that you will give it some very careful thought.

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

Senator MINKOWSKY: Mr. President and Members of the Senate, as you may recall, when this Bill came out last Friday, I guess I was the only one to speak on it at the time. That was primarily for the purpose of motivating or stimulating some debate, as this particular issue is passing through the Legislative Halls. Unfortunately at that time, I guess no one was that interested in discussing the issue.

Since last Saturday, for the first time in the 16 years since I've been here, I was finally contacted by a banker. I was overwhelmed. In fact, I was really at a loss for words. His first assessment was, I would like to apologize to you, Senator, for not contacting you about this particular Bill. That's about the extent of it. There was no real, constructive, rational reasoning that went on beyond a particular point.

You may recall last week in our debate, or the single vociferous stand that I took on this particular Bill, was that a banker in a small community, and I emphasized outside of my Senatorial District, made the following assessment: "A strong conviction that something must be done is apparent of many bad measures."

I mulled over that over this weekend again, and came across some other interesting articles, in the various Maine newspapers. I think they were of significant value to put them in the record, if for no other reason.

One article stated, "the main reason banks acquire other banks is to improve their own earnings. Accordingly, takeover banks will be planning to exact efficiencies from the Maine banks they acquire. They will probably consolidate data processing, auditing, planning, marketing, and back room operations such as check filing, proof and customer inquiry. This will reduce potentially one fourth of the Maine banks' staff."

To assume that some part of this cost saving would be passed back to the consumers requires more faith than I have, but to assume that there would be a drastic reduction of employment seems logical. If one out of every four employees of those six big banks were let go, the loss of jobs, it would require about 1,000 people in loss of jobs.

Believe it or not, Maine's technology is already far ahead of most major banks. The Instacard banking system, which permits banking in supermarkets and drugstores has over 45 sites, and 30 plus banks participating in it. Several banks already have automated teller machines. Maine is already on the leading edge of bank technology.

The article goes on the state; "the reason this takeover bill is being supported is very simple. There is a chance for stockholders of the larger Maine banks to reap a substantial

windfall profit. Perhaps their stock will sell to the takeover out-of-state banks at twice its current market value. Many of the bankers who favor this Bill stand to personally gain substantial sums." There is absolutely nothing wrong with this, but when people testify in favor of this Bill, or against it, it should be made quite clear for who they speak. Do they speak for the Maine bank stockholders, for themselves, for the Maine bank employees, for the takeover out-of-state banks, for the municipalities, for the corporate loan prospects, or finally for the retail public?

I'm just wondering if we are fully cognizant of all the ramifications of this particular Bill.

On the financial page of the Portland Press Herald, March 27, 1982, another article appeared: "Depositor's ups bid for Canal Corporation." It's absolutely interesting to see how stocks can be raised from in the areas of \$9.25 per share up to \$30 per share, in anticipation of what this Legislature might impulsively do without fully scrutinizing everything that is before us.

Let me reiterate one more point. I said previously I have no interest in any small commercial private bank in the State of Maine. I do not have any in my Senatorial District, or I might add, in the City of Lewiston. I don't own any bank shares or stock. I can't afford them to start off with. I'm not on a board of directors.

My concern primarily rests with the long-range effects of what we'll have in the State of Maine for the future banking processes.

I'm not committed to any lobbyists. That was brought out earlier relevant to this issue. I was pleased that they would share with me their points-of-view. My concern is for the general welfare of the people of the State of Maine.

I don't like to see us move emotionally or impulsively on an issue of this magnitude, without first applying reason and logic.

Last evening on television, a commercial came across which is a correlation to what I'm about to say. One of the large wine maker's commercial went somewhere's to the effect, "I will sell not wine before its time." And Ladies and Gentlemen of the Senate, my feeling this morning is "I will vote for no Bill before its time."

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

Senator COLLINS: Mr. President, I am pleased that this matter is having full debate this morning. It does indeed deserve it, because it is a measure that may effect commerce in Maine significantly in the years ahead.

I am a small shareholder in a Maine bank, and have had connections with the banking business for many years. My connections have been, however, mostly oriented from the viewpoint of the consumer, because in my profession I have represented many small business people and many people seeking to build homes, or to finance other personal activities.

It is concern over the long-range future of Maine's economy that prompts me primarily in supporting this measure. Maine ranks 49th among the 50 states in commercial bank deposits per capita. That of course limits the ability of Maine banks to finance some business activities, many of which are very vital in preserving Maine jobs and perhaps in creating new jobs.

I have worked with small banks and with larger banks in the financing problems of modest sized Maine industries. Even with the resources that we now have in Maine banks, as a result of amalgamations over the past 15 years, there are still occasions where it is necessary to go out-of-state to find the additional capital to meet the need of a particular industry. Those matters are worked out today by participations with New York and Boston banks on occasion, but there are times when that participation would be more readily available if the out-of-state bank had some direct

stake in a Maine banking institution.

What I hear most clearly this morning, is let's not hurry, let's study, let's think. I submit to you that sometimes it is mistake to wait too long to observe where the economy and the history of the country is taking us. There are a lot of forces in this country that are much greater than we are, greater than we can control. There are times when we do well to get in step with those forces, rather than simply sit by and resist them.

I think that this is one of those times. Across the country today, we are seeing inter-relationships between commercial banks and thrift institutions, by which I mean, mutual savings banks, and savings and loan institutions, primarily. Some of our thrift institutions are in difficulty. They are stuck with fixed rate mortgages that are much below the current cost of capital. Some of those institutions are finding it necessary to seek partners among the commercial banks. One of the features that hasn't been discussed yet in this Bill, is that that sort of movement would be facilitated. Behind the scene there are banks in California rescuing banks in New York and vice versa, as between commercial and mutual savings types. In some ways this has to be done through very obtuse methods, that I will not try to discuss, they are perfectly legal methods. They do complicate the system of banking and finance as we have known it.

Sears Roebuck has been mentioned, American Express, there are a number of other international corporate giants that are getting involved in finance. So, as we look at this, and we should look at it with critical eyes, of course, we need to consider what the trade-offs are.

I grew up on a small town and I practice law in a small city, and in the earlier days of my work there, there were 2 commercial banks, and 2 thrift institutions, and they were home owned. Then the banking movement toward larger units began to be known in this State, as they have been known all across the country. Finally one of the commercial banks merged with a larger bank and then the other commercial bank did that. I was concerned, I wondered would there be local attention given to our needs? Would the money stay in my county or would it go to the big money centers? I watched that process very carefully and I found as time went along, that money for the needs of our community was more available, more readily available than it had been under the local ownership. I found that the services provided by those banks improved more rapidly than they had under the local ownership. I found that the personnel stayed the same, there was some shuffling back and forth between different towns as people were promoted and moved around, but the career ladder became more available to those people. A lot of Maine people were helped into better careers and opportunities within their own State, because of expanded career ladders within a larger organization.

Then I was asked to be a director of one of these larger banks, and I was able to have more intimate access to the figures, and every year I would study the figures to see whether in my county the amount of deposits had a similar relationship to the amount of loans as had been the case before we had these larger units. I found that more money was coming back into my county than was going out. We were finding greater investment in the business facilities that were needed to produce the jobs.

So my fears about capital drainage were answered at that level of banking. I have every reason to believe that, that would be the case if we expand our opportunities to include interstate banking.

I am frank to say to you that when I began to study this and think about it more than a year ago, I had the same apprehensions that have been expressed by the Senator from Somerset, and the Senator from Penobscot, but as I stud-

ied the trend of finance and banking across this country, and read reports of national studies, done by the United States government, and private studies done by economists for universities. I began to have the feel that whether we like it or not things were going to move in the world of finance. Institutions were going to change and the question was, would we change or would we put our heads in the sand and say no, we don't want to go along with the times?

One of the things that I think that we ought to recognize is that there is room here in the State of Maine for various types and sizes of financial institutions. The fact that we have had an amalgamation here in Maine of our small local banks into about 6 large banks has not meant the death of those small local banks that chose to be small and local. They have survived by providing good personal service. I think that they will continue to survive by providing good personalized service. They will not be able to finance large industries or even large local businesses to the extent that they might wish to, but they can still provide services, home mortgages, financing of automobile purchases, and their personal property needs.

I submit to you that this Bill is geared to give Maine businesses and individuals access to a broader range of financial resources, and surely this should not be feared by anyone who wants to build a stronger economy in Maine.

We want good jobs in Maine, we want a strong financial base in our State. I submit to you that these Maine banks will continue to be directed by Maine residing directors, the shares may be held in large part out-of-state, but I expect that they will continue to be held in important part by Maine shareholders just as has been the case as we move from the local bank to the larger state-wide bank.

I submit to you that it is time to take a look at where the country is going with financial institutions and I hope that the State of Maine will be among the first to recognize that trend and be a part of it.

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

Senator CHARETTE: Thank you, Mr. President. Women and Men of this Senate, I too, as Senator Collins, am a small shareholder in one of our Maine banks, and also, my employment for the last 15 years has been to provide computer services to some of the smallest banks in the State up to the largest.

The interstate banking Bill is, I believe, one of the most important pieces of legislation to be considered by this Legislature.

Even though the title of the Bill relates to interstate banking, the Bill contains within it a number of important provisions to give greater flexibility to Maine banks to get together on a Maine bank-to-Maine bank basis in terms of a merger, an acquisition or other important forms to make Maine banks stronger.

The Bill then addresses two methods of strengthening Maine banks. One by means of interstate banking provisions, and the other by means by a number of provisions amending and clarifying the law to make it easier for Maine banks to become stronger by joining together.

There are major advantages to Maine by adopting the changes which the Legislation proposes. Maine banks now are significantly limited in their ability to finance new businesses and business expansion. This greatly limits economic development in the State with the result that there are less jobs and lower wages.

Maine is the second poorest State in the nation and an affiliation with larger banks from out-of-state will mean that new capital resources will be available in Maine.

Because of the way that the Legislation is drafted, Maine will have excellent control over the way that out-of-state banks can operate. There are provisions in the Legislation which prevent any significant draining of Maine deposits out-of-state.

This Legislation is drafted so that Maine

banks will be more efficient. They will have greater flexibility in determining their own future.

It is clear as can be that new and innovative services in banking are first provided by the bigger financial institutions which have the resources and expertise to develop them.

Maine banks need to be able to take advantage of that kind of flexibility and Maine ought to be first in doing that. Once other states have moved, Maine banks will lose their advantages in being considered prime investment opportunities, once bank holding companies, or out-of-state banks can invest in or acquire banks anywhere in the country.

I don't believe and I have not seen any evidence to show that this is going to mean trouble for Maine's smaller community based banks. The fact of the matter is that probably the smallest of banks are in the best position to cope. It is the medium sized banks, those that are in the majority in Maine, that are going to have their problems in the current economic situation.

This Legislation is the product of work of a great number of people who brought to bare Maine expertise in drafting a piece of Legislation that will benefit Maine citizens, and help Maine banks while at the same time keeping control over the situation.

Maine's banks must be able to compete with current and future difficult economic times.

We have to look forward to non-banking institutions, such as investment firms like Merrill Lynch, American Express, Sears Roebuck, offering a wide-range of bank like financial services without any restrictions on their ability to do business across state lines.

This Bill is a bill supported by the Administration, by the Commissioner of Business Regulations, and it has been carefully reviewed by the Superintendent of Banking. It is my belief, my very, very strong belief, that if we do not pass this Legislation, to allow Maine banks to keep and maintain a viable kind of position in a very, very difficult economy then the net result to Maine citizens and depositors is going to be a very negative one. Therefore, I urge you to vote for this piece of Legislation. Thank you.

The PRESIDENT: The Chair recognizes the Senator from Somerset, Senator Redmond.

Senator REDMOND: Mr. President and Members of the Senate, I would have a question to pose. It is, why is this Bill an emergency? Number one, why is this Bill an emergency? I would also like to add a few words.

I've been listening to these eloquent Senators who are advocating the emergency, and the urgency of the passage of this Bill. However, I still have some reservation, because I could think of a few stories, however, I do not, in the interest of time, I will not relate any of these stories.

If, in fact, it is an emergency, and our Maine bankers' only solution to solve the problem of finance in this great State is to sell ourselves out to the people of New York, if that is the only solution they can come up with, well so be it. I guess we might just as well go ahead with it, and forget about more studies and more talks in it.

However, I have mentioned to you my thoughts on it. Senator Devoe has. Senator Carroll Minkowsky has. Ladies and Gentlemen, I move that this Bill be Recommended to the Committee on Business Legislation for a study.

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

Senator CLARK: Thank you, Mr. President. Mr. President, Men and Women of the Senate, I would oppose the motion from the good Senator from Somerset, Senator Redmond, that this Bill be Recommended to the Committee on Business Legislation and ordered studied.

There really isn't a great deal that I can add to the debate here this morning. Our Senate Chairman, Senator Sutton of Oxford, has ad-

equately covered the background twice.

Interstate banking exists today. Interstate banking was incorporated and accepted by this Legislature back in 1974 became effective in 1975 as the result of an expensive intensive Governor's banking advisory committee. The result of which was the complete recodification of the laws dealing with the financial institutions in this State.

At that time, this Legislature and this State accepted the concept of interstate banking.

However, at that time, included in the concept was a reciprocity provision, which LD 1891 and its redraft, LD 2100 eliminate. We are removing the reciprocity provision, which was not exercised in the interim between the effective date of that measure and today.

In place of that reciprocity provision, this Legislature proposes, as the result of the recommendation of the Business Legislation Committee, a redraft of 1891 in the form of 2100, which is a measure that is not only progressive, but prudent.

I have served for the past decade on the Joint Standing Committee of Business Legislation. I have been deeply and consistently and continually involved in the restructuring of laws governing Maine's financial institutions. I'm pleased and proud to co-sponsor this Bill, with the Majority Floorleader, the good Senator from Knox, Senator Collins, along with two other members from the other Chamber.

At the hearing on this Bill, broad support was received. It was a lengthy hearing. It was, in a traditional sense, a really good public hearing. At that time, there were only two opponents, and Senator Sutton has alluded to the unusual appearance of a high banking officer who supported it on behalf of Merrill bank shares in Bangor, with its 5 banks and 50 branches, and then, as a major shareholder, opposed it, expressing some concerns which I hear echoed in this Chamber.

How I would like to make all of your fears and concerns all better. I guess I can't. Today's experience in this Chamber is very similar to one I experienced when I was the House Chair of that same Committee 6 years ago, when we were debating the points of the recodification of the laws dealing with Maine's financial institutions. All of the fears that I heard expressed in that Chamber at that time, and incidentally, and coincidentally, echoed also in this Chamber, haven't come to pass. All of those fears and concerns were not realized. I don't know what I can do here this morning to allay your fears and concerns as, I believe, sincerely expressed.

I can share with you, as has been the practice, in this Chamber and in this Legislature, historically, a series of news articles on both sides of the issue. It certainly depends on which side of the issue you find yourself.

Currently, interstate banking does exist, as I mentioned, with reciprocity. We seek to allow and permit the affiliation of commercial banks over state lines, through LD 2100. Such changes in the law are imperative to permit commercial banking organizations to compete on an equal basis, with financial service companies such as Merrill Lynch, American Express, Chearson, Sears Roebuck, Prudential, Marsh, as well as many others that operated nationwide networks. That, Senator Redmond, of Somerset, is why Merrill Lynch and the rest of those kinds of organizations are draining capital from this State.

You see, that is a non-regulated industry. They have an unfair advantage over the banking industry in this State and this nation. They are not regulated as keenly as is the banking industry. The banking industry is the very backbone of this country. It is the backbone and the source and the base of good strong economic development.

I remember the good old days, and I'm sure there are bankers who can allude to those good old days. I would refer you to an article which I

read in the March 1982 volume 2 of *Maine Today*. It's called, "the Three Five Three Days." Bank managers jokingly recall, the three five three days. That's when the customer walked through the bank doors, bright and early, making a deposit at 9 a.m. In return the bank paid a 3% interest for the funds. By noon the bank manager had picked up the phone and invested the money in, for example, railroad bonds, that paid 5%. By 3 p.m. he was out on the golf course.

Those days of passive bank management are gone. They are over. The rapid evolution of the banking industry demands increased leadership and increased innovation.

LD 2100 is a Bill which provides more than adequate protection, in my opinion, for the citizens and the industries and the shareholders of Maine. If I had, had my druthers, and seldom do I have them, some of the protections incorporated into LD 2100 might not have been there, because I honestly believe it's somewhat overprotective.

There is no reason to allow a non-resident bank holding company, which has experience and contacts throughout the financial world, from having the same thing under conditions favorable to Maine citizens here in Maine. History has shown that local banks have nothing to fear from increased competition. There are already enacted interstate banking ownership statutes in states like Iowa, Delaware, and South Dakota, that do not necessarily mirror LD 2100, but there are proposals being considered in Alaska, Georgia, and Illinois, which again, do not mirror LD 2100, but I believe, will reflect LD 2100 with increasing detail, because our Bill, as was the bill back in 1975, is model legislation. Model, not because it is a product of some will-o'-the-wisp's whim on behalf of some bureaucrat, or some officer of a Maine bank.

LD 1891, redraft LD 2100, is probably one of the most perfect pieces of legislation to be introduced to this Legislature. It was refined 4 times, that I know of. It is the result of contacts State-wide through the banking industry, with private citizens, with people who have developed admirable reputations relative to financial institutions, private citizens and legislators.

It has had not only a fine public hearing, but multiple work sessions, and an additional public meeting to which all legislators and interested citizens were invited, at which time the leaders, or the people responsible for administering and enforcing and utilizing, should they wish to, this piece of legislation, respond to the concerns at that time.

We invited out-of-state bankers to Maine, multiple times. The banking superintendent, Don DeMatteis, has responded, well beyond the call of his duty, to the concerns of not only all the members of the Committee on Business Legislation, but colleagues in both Chambers, and to Maine bankers.

The Commissioner of the Department of Business Regulation has made himself and his office and his staff available to respond to all concerns that were tended in his direction.

Interstate bank ownership, as well as interstate bank activities, are going on throughout this country today. It's only a matter of time before legislation passes throughout the states individually or at the federal level.

Interestingly enough, the federal reserve has recently adopted new capital adequacy rules that are very disadvantageous to banks with less than \$1,000,000,00 in assets, which includes all Maine banks.

Interstate banking is no more fearful than international banking. International banking is available and readily could be exercised today. Are we saying that an out-of-state bank should not be allowed access to Maine's banking institutions, and yet, for example, the bank of Japan can be? For there are no prohibitions on that kind of activity.

Senator Redmond of Somerset has expressed concern about the Arabs and their takeover. That is possible today. Yet, interstate banking, without reciprocity, is not.

We all have reservations when we are faced with a decision. Many of us are not, other than reluctant, to make changes. Sometimes we even fear changes, doing something different, doing something differently from that which we are used to doing.

The Committee on Business Legislation pondered seriously this Bill. I would urge that this Chamber accept the Majority Report, allow the Bill through Second Reader, and through Passage to be Engrossed, rather than Recommitting it. There is no sense to Recommit a Bill that reflects such extensive, even judicial consideration and attention as has this Bill.

LD 2100 is a recognition and response to the real world, the real world of finance, that is occurring in our State, and in our nation. It is a further attempt by our great State of Maine to lead the way in placing all types of banks on an equal footing, and to place all of them on an equal footing with their non-bank competitors.

Let's not kid ourselves. If the states did not devise their own plans for interstate banking, the federal government will do it for them. I would rather the federal government not do it for us.

Why now is there hurry? The answer is, there is no hurry. This Legislation is not an emergency measure, but it is timely. I am not a believer in legislation by crisis. I much prefer the orderly, deliberate approach represented by the New Draft, LD 2100. It provides for a substantial commitment to funds and for continuous high level reinvestment of those funds in Maine, under ground rules written by our Legislature, drawing upon personal knowledge of the unique requirements of our own citizens, and our own business community. There is absolutely no way in which passage of LD 2100 could hurt Maine. There is every good reason to seek the benefits that this Legislation would provide.

The PRESIDENT: The Chair recognizes the Senator from Somerset, Senator Redmond.

Senator REDMOND: Mr. President and Members of the Senate, the good Senator from the Committee on Business Legislation has referred to some of my comments. I would like to kind of refresh my memory. Seven years ago, I remember sitting in a stuffed committee room, of Business Legislation. I was interested in the small, I wanted to preserve the small independent banks in the State, here.

I had to work all evening getting prepared to say my piece, to see if I couldn't change her mind, but the Superintendent of Banking, at the time, got up before me. He elaborated so well, that there was practically nothing that could stop this piece of legislation, because it was coming. He predicted that in 5 or 6 years there would be only 5 or 6 banks left here in this State.

This was the only solution to take care of all the problems that our banks had. Today in 1982, we're going through the same thing. Now we have to have interstate banking.

I would, also, submit to you, Ladies and Gentlemen of the Senate, that international banking is available now. The international, big international banks are craving to pick up business for imports or exports from the State of Maine. They are looking forward, writing us letters. They send people to conventions. They are just craving for that kind of business, and every once in a while they get some.

I would like to once more state that because all the arguments I have heard here, don't seem to fit in with my arguments and my fears, because actually the people of Maine are concerned. It is the service to the people of Maine that banks must be concerned with, not fulfilling some dream and not fulfilling some projections of our planners that come from these prestigious colleges, these prestigious schools

of management, government, and business.

Ladies and Gentlemen, I submit to you that the American nation, in the last election, expressed their thoughts about bigger government is better. They have very clearly expressed their thoughts, to the point that we are going through the trials and tribulations of returning government to the people.

I think we are living through some times that our posterity is going to feel. Some of the decisions that are made today. I submit to you again, why should we stick with the old school of thoughts that bigger is better?

I think we should put a lot of thought into that, Ladies and Gentlemen. Incidentally, I would also like to add, some of those who are involved on the Committee on Business Legislation, does South Dakota have interstate banking? Another question I would like to ask, does South Dakota have a government owned and operated bank of their own?

Ladies and Gentlemen of the Senate, I would like to just briefly read to you an editorial from the Ellsworth American, which was distributed at the request of Representative Salsbury, "Thursday, March 25, Interstate Banking. The interstate banking Bill, LD 1891, is a piece of legislation that deserves the study of a year or two in order to understand its provisions, and the effect it would have on Maine enterprise. The Maine Legislature deliberated for more than a year when it framed the existing bank legislation. The differences of opinion on the effects of this legislation make it perfectly clear it should not be rushed to passage."

The PRESIDENT: Is the Senate ready for the question?

The Chair recognizes the Senator from Knox, Senator Collins.

Senator COLLINS: I would request a quorum bell before the vote is taken.

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

Senator SUTTON: Mr. President and Ladies and Gentlemen of the Senate, just briefly. If you don't mind debating it as long as you want to debate, but do us all a favor and don't be ludicrous and Recommit this to Committee. It's been studied, and studied, and studied. The good Senator from Somerset, if given the opportunity, will talk it to death if we don't reconsider it.

So let's get this out of the way and then vote on the Bill.

The PRESIDENT: The Chair will order a Division.

Will all those Senators in favor of the motion by the Senator from Somerset, Senator Redmond, that LD 2100 be Recommitted to the Committee on Business Legislation, please rise in their places to be counted.

Will all those Senators opposed, please rise in their places to be counted.

8 Senators having voted in the affirmative and 19 Senators having voted in the negative, the motion to Recommit does not prevail.

Which was Passed to be Engrossed.

Sent down for concurrence.

Senate—As Amended

Bill, "An Act making Allocations Related to the Alcoholism Prevention, Education Treatment, and Research Fund for the Expenditures of State Government for the Fiscal Year ending June 30, 1983." (S. P. 832) (L. D. 1940)

Which was Read a Second Time.

On motion by Senator Collins of Knox, Tabled until later in today's session, pending Passage to be Engrossed.

Bill, "An Act Concerning Payment of School Committee Debts." (S. P. 749) (L. D. 1752)

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

Sent down for concurrence.

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

Senator TROTZKY: Mr. President, in relation to Resolve, Authorizing Washington County Vocational Technical Institute to Lease the Fishing Vessel, Fish Finder, I would move the Senate Reconsider its action whereby this Bill was referred to the Committee on Education.

The PRESIDENT: The Chair would advise the Senator from Penobscot, Senator Trotzky, that this matter has been sent forthwith, therefore it is no longer in the possession of the Senate.

Out of Order and Under Suspension of the Rules, the Senate voted to consider the following:

Enactor

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

Emergency

An Act to Revise the Education Laws. (S. P. 897) (L. D. 2042)

Comes from the House, Recommended to the Committee on Education.

On motion by Senator Trotzky of Penobscot, Recommended to the Committee on Education, in concurrence.

There being no objections all items previously acted upon, with the exception of an item previously held, were sent forthwith.

(Off Record Remarks)

On motion by Senator Pierce of Kennebec, Recessed until 3:00 this afternoon.

Recess

After Recess

The Senate called to order by the President.

Out of Order and Under Suspension of the Rules, the Senate voted to consider the following:

Communication Department of Audit

March 22, 1982
TO GOVERNOR JOSEPH E. BRENNAN AND MEMBERS OF THE ONE HUNDRED AND TENTH LEGISLATURE

In compliance with statutory requirements, I submit herewith the 62nd Annual Report of the State Auditor for the fiscal year ended June 30, 1981.

We have made extensive examination of major pertinent transactions. We do not make a detailed examination of all recorded transactions on the general books of the State for the year. We did, however, make a detailed examination of accounting records, procedures and internal controls, and verified financial transactions on a selective basis in our post audits of the activities of the various State Departments, Agencies, Boards, etc. during the year. The results of these audits, together with comments, observations and audit findings and recommendations are contained in our individual audit reports submitted to the respective State Departments, Agencies, Boards, etc.

Based on the scope of our examination, it is our opinion that, except for the exclusion of certain trust and operating fund transactions and balances recorded and controlled locally by State agencies and not reflected herein, the financial position and operating results of the various State Departments, Agencies, Boards, etc., of the State of Maine for the fiscal year ended June 30, 1981 has been fairly presented in conformity and with generally accepted accounting principles applied on a consistent basis.

Statements and schedules pertaining to the financial position of the various operating funds of the State of Maine at June 30, 1981 may be found in the Annual Report of the State Controller.

I would like to express my special appreciation to the staff of the Department of Audit for their continued loyalty and devotion to duty and to the State Officials for their cooperation with this department.

Respectfully submitted,
S/GEORGE J. RAINVILLE
State Auditor

Which was Read, and with accompanying report, Ordered Placed on File.

Committee on Audit and Program Review

March 29, 1982

The Honorable Joseph Sewall
President of the Senate
State House
Augusta, Maine

Dear President Sewall:

The Committee on Audit and Program Review is pleased to report that it has completed all business placed before it by the second regular session of the 110th Legislature.

Total number of bills received	1
New Draft	2
Divided Report	1

Respectfully submitted,
S/JAMES A. MCBREAIRTY
Senate Chairman

Which was Read and Ordered Placed on File.

House of Representatives

March 29, 1982

Honorable May M. Ross
Secretary of the Senate
110th Legislature
Augusta, Maine
Dear Madam Ross:

The House voted today to Adhere to its former action whereby it Failed to Enact Bill "An Act Relating to the Compensation of Public Utilities' Commissioners" (H. P. 1921) (L. D. 1903)

Respectfully,
S/EDWIN H. PERT
Clerk of the House

Which was Read and Ordered Placed on File.

ENACTORS

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

AN ACT to Provide Retired Teachers, State Employees and Beneficiaries with a Cost-of-living Increase. (H. P. 1891) (L. D. 1877)

On motion by Senator Huber of Cumberland, placed on the Special Appropriations Table, pending Enactment.

AN ACT to Identify Freshwater Wetlands. (H. P. 2236) (L. D. 2094)

On motion by Senator Huber of Cumberland, placed on the Special Appropriations Table, pending Enactment.

AN ACT to Require Reporting of Abuse of Elderly or Incapacitated Adults. (S. P. 779) (L. D. 1847)

On motion by Senator Huber of Cumberland, placed on the Special Appropriations Table, pending Enactment.

AN ACT to Provide State Funding for Literacy Volunteers. (S. P. 847) (L. D. 1982)

On motion by Senator Huber of Cumberland, placed on the Special Appropriations Table, pending Enactment.

AN ACT Concerning Need Under the School Lunch Program. (H. P. 1774) (L. D. 1764)

AN ACT to Promote Local Control of Hazardous Waste Facilities. (H. P. 2014) (L. D. 1984)

AN ACT to Revise the Military Laws of the State. (H. P. 2072) (L. D. 2020)

AN ACT Concerning the On-site Storage of Spent Nuclear Fuel. (H. P. 1928) (L. D. 1911)

AN ACT to Amend the Banking Code Regarding the Investment and Lending Powers of Thrift Institutions and Regarding Service Corporations. (S. P. 942) (L. D. 2083)

AN ACT to Authorize Municipalities to Establish and Maintain Employment Offices. (S. P. 860) (L. D. 1993)

AN ACT to Allow the Chairman of the Public Utilities Commission to Make Sure that a Commission Member is Present at Certain Hearings. (H. P. 1755) (L. D. 1745)

AN ACT to Revise the Greater Portland Public Development Commission. (H. P. 1970) (L. D. 1945)

AN ACT to Clarify and Make Corrections in the Inland Fisheries and Wildlife Laws. (H. P. 2200) (L. D. 2079)

AN ACT to Amend the Certification Process for Admission into Public Mental Retardation Institutions and to Clarify the Jurisdiction of the District Court. (H. P. 2228) (L. D. 2086)

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

AN ACT Authorizing Husson College to Confer a Degree of Bachelor of Science in Nursing. (S. P. 786) (L. D. 1851)

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

Senator TROTZKY: Mr. President and Members of the Senate, I passed out to you a few sheets here, which I hope you might look at.

The University of Southern Maine is the lead campus in nursing education of the University system. This past February, the National League of Nursing accredited the University of Southern Maine School of Nursing for 8 years, which is the longest term possible.

The league also requested and received permission to use their report as a national model in nursing education.

The chancellor's newsletter of the University of Maine, which came out March 16, 1982, states, "a major development is the offering of the nursing baccalaureate degree program to the University of Maine at Orono, beginning in the fall of 1982." In other words, this coming fall, the University of Maine is going to offer a baccalaureate program in nursing.

Let me state right now that a baccalaureate program in nursing is a program that also involves liberal arts, humanities, and sciences. A baccalaureate is a broad program.

On the last page which I passed out to you, I just want to read what has taken place, because I think this is what the issue is with this Bill here; "the passage of this Bill is going to foreclose the possibility of a quality program in nursing at the Orono campus."

Statements were made very clearly here, for example, Chancellor Patrick McCarthy said, "that U of Maine has tried unsuccessfully to negotiate a program with Eastern Maine Medical Center over the past year and a half. EMMC wants complete control of the clinical faculty, which would prostitute our degree of authority and the curriculum."

Stanley Evans, Trustee Chairman of the University and also a physician at Eastern Maine Medical Center, stated, "they, meaning Eastern Maine Medical Center, have not been willing to sit down and negotiate the kind of give and take negotiations that are necessary if you are going to involve an institution like the University of Maine."

Now, I know that the vote was strongly against me the last time, but I feel it is a statement of conscience that I've got to make these statements here.

First of all, Husson College is a fine business college, and has a good reputation throughout the State of Maine and outside the State. Its science program is not of significance as the University of Maine at Orono, which is right near Eastern Maine Medical Center.

The State Nurses Association and the medical staff of the Medical Center are opposed to the Bill the way it is structured. The tuition at Husson College is going to be 3 times what it is at the University of Maine. The University of

Maine is going to put out, Eastern Maine Medical Center is going to put out student loans to pay this tuition which is 3 times higher. It's going to be like a company store school of nursing.

Third party payments are going to be used to subsidize the program. In other words, we're saddling the sick with subsidizing the education of nursing. The nursing program which they intend to offer is basically going to be used to provide nurses for the acute care facilities run by the Brawdon-Johnson Management Team.

I think it's extremely important, also, that in the report it states here, if you look at the report, which was the visitation committee, that revenues from tuition are \$502,000. The administrative total, is at \$245,000, you subtract the 2, and after the program is run, Husson College receives over a quarter of a million dollars in excess revenues from the nursing program.

Our obligation is to the students in the State of Maine, not the lobbyists, not different schools, but say what's the best program that's going to serve the public health of the people of this State.

We have an accredited nursing program already. Without Eastern Maine Medical Center working fully with the University of Maine, they can not have, in my opinion, a quality program, because this is the finest medical institution in eastern Maine.

A letter from Dean Conley of the University of Southern Maine, head of the nursing program, says both the University of Southern Maine campus and the Orono campus have the support. Courses and the biological, physical, social sciences and humanities to provide the essential components of a baccalaureate program.

A letter from one of the doctors, I think, expresses the whole issue very clearly, "my reason for opposing the Husson Bill concerns keeping education out of the hands of hospital administrators and in the hand of University educators where educational affairs more appropriately belong.

Another one states, "degrees come from colleges, not hospital administrators." This program is being paid for and subsidized by Eastern Maine Medical Center. They control the purse strings, and they will control the program.

Consequently, I am opposing this Bill because I believe in something which is called "academic integrity", and also believe that we have an obligation to make certain we have the best nursing school in the area. If we could have two, that would be fine. We could have a Husson College nursing program and a program at Eastern Maine Medical Center. That's fine, but Eastern Maine Medical Center controls this. They control the purse strings, as it states very clearly here in the visitation committee report, that Husson can not do it without Eastern Maine Medical Center.

Therefore, when Eastern Maine Medical Center gets this Bill passed today, the affiliation will be made with Husson, the University of Maine will not be able to have open negotiations to put together a good, quality nursing program for the benefit of the public in the State of Maine.

Mr. President, I request a Division.

The PRESIDENT: A Division has been requested.

Will all those Senators in favor of the Enactment of LD 1851, please rise in their places to be counted.

Will all those Senators opposed, please rise in their places to be counted.

20 Senators having voted in the affirmative, and 3 Senators having voted in the negative, LD 1851 is Passed to be Enacted and having been signed by the President, was by the Secretary presented to the Governor for his approval.

Emergency

An Act Relating to State Entitlement of Cer-

tain School Administrative Districts. (H. P. 1984) (L. D. 1956)

On motion by Senator Huber of Cumberland, placed on the Special Appropriations Table, pending Enactment.

Emergency

An Act to Implement the Single Trial Law. (S. P. 814) (L. D. 1910)

Emergency

An Act Relating to Emergency Closure of Contaminated Shellfish Areas. (H. P. 1734) (L. D. 1719)

These being emergency measures and having received the affirmative votes of 24 Members of the Senate, with No Senators having voted in the negative, were Passed to be Enacted and having been signed by the President, were by the Secretary presented to the Governor for his approval.

Out of Order and Under Suspension of the Rules, the Senate voted to consider the following:

Paper From The House Non-concurrent Matter

Bill, "An Act to Amend the Child Support Laws." (H. P. 2184) (L. D. 2070)

In the House, March 25, 1982, Passed to be Engrossed as amended by House Amendment "A" (H-671).

In the Senate, March 26, 1982, Passed to be Engrossed, in non-concurrence.

Comes from the House, that Body Having Adhered.

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

Senator DEVOE: Thank you, Mr. President. Mr. President, I move the Senate Recede and Concur.

The PRESIDENT: The Senator from Penobscot, Senator Devoe, moves that the Senate Recede and Concur with the House.

Is this the pleasure of the Senate?

The motion prevailed.

Communication Committee on Agriculture

March 25, 1982

The Honorable Joseph Sewall
President of the Senate
State House
Augusta, Maine
Dear President Sewall:

The Committee on Agriculture is pleased to report that it has completed all business placed before it by the Second Regular Session of the 110th Legislature.

Bills received in Committee	9
Unanimous Reports	8
Ought to Pass	2
Ought to Pass as Amended	2
Ought to Pass in New Draft	1
Ought Not to Pass	1
Leave to Withdraw	2
Referred to other Committee	0
Divided Reports	1
Bills held in Committee	0

Respectfully,

S/SEN. WALTER W. HICHENS
Senate Chairman

Which was Read and Ordered Placed on File.

Committee Report House

Ought to Pass in New Draft

The Committee on Marine Resources on, Bill, "An Act Concerning the Regulation of Atlantic Salmon." (Emergency) (H. P. 1986) (L. D. 1953)

Reported that the same Ought to Pass in New Draft under Same Title, (H. P. 2256) (L. D. 2104)

Comes from the House, the Bill, in New Draft, Passed to be Engrossed.

Which Report was Read and Accepted, in concurrence. The Bill, in New Draft, Read Once and Tomorrow Assigned for Second

Reading.

Out of Order and Under Suspension of the Rules, the Senate voted to consider the following:

Communication Committee on Judiciary

March 29, 1982

The Honorable Joseph Sewall
President of the Senate of Maine
State House
Augusta, Maine
Dear President Sewall:

In accordance with 3 M.R.S.A., Chapter 6, Section 151 and with Joint Rule 38 of the 110th Legislature, the Joint Standing Committee on Judiciary has had under consideration the nomination of Ronald D. Russell of Bangor to the position of Judge-at-Large of the Maine District Court.

After public hearing and discussion on this nomination, the Committee proceeded to vote on the motion to recommend to the Senate of the 110th Maine Legislature that this nomination be confirmed. The vote was taken by the yeas and nays. The vote was taken by the yeas and nays. The Committee Clerk called the roll with the following result:

YEAS: 2 Senators

9 Representatives

NAYS: 0 Senators

0 Representatives

ABSENT: 1 Senators Sen. Kerry, York

1 Representatives Rep. Benoit,
So. Portland

11 members of the Committee having voted in the affirmative and 0 in the negative, it was the vote of the Committee that the nomination of Ronald D. Russell be confirmed.

Sincerely,

S/DANA C. DEVOE

Senate Chairman

S/BARRY J. HOBBINS

House Chairman

Which was Read and Ordered Placed on File.

The PRESIDENT: The Joint Standing Committee on Judiciary has recommended that the nomination of Ronald D. Russell be confirmed.

The pending question before the Senate is: Shall the recommendation of the Committee on Judiciary be overridden? In accordance with 3 M.R.S.A., Chapter 6, section 151, and with Joint Rule 38 of the 110th Legislature, the vote will be taken by the yeas and nays. A vote of YES will be in favor of overriding the recommendation of the Committee. A vote of NO will be in favor of sustaining the recommendation of the Committee.

Is the Senate ready for the question?

The Doorkeepers will secure the Chamber.

The Secretary will call the Roll.

ROLL CALL

YEA—None.

NAY—Brown, Bustin, Carpenter, Charette, Clark, Collins, Conley, Devoe, Dutremble, Emerson, Gill, Huber, Kerry, McBreairty, Minkowsky, Najarian, Perkins, Pierce, Pray, Redmond, Sewall, C.; Shute, Sutton, Teague, Trafton, Trotzky, Usher, Violette, Wood, The President, J. Sewall.

ABSENT—Ault, Hichens, O'Leary.

No Senators having voted in the affirmative and 30 Senators in the negative, with 3 Senators being absent and one being less than two-thirds of the membership present, it is the vote of the Senate that the Committee's recommendation be accepted. The nomination of Ronald D. Russell is confirmed.

Orders of the Day

The President laid before the Senate:

Bill, "An Act to Revise the Definition of Forest Land for Purposes of the Tree Growth Tax Law and to Require Notification of Landowners' Obligation to Reapply." (Emergency) (H. P. 2178) (L. D. 2068)

Tabled—Earlier in the Day by Senat COL-

LINS of Knox.

Pending—Passage to be Engrossed.

On motion by Senator Collins of Knox, Retabled for 1 Legislative Day.

The President laid before the Senate:

Bill "An Act Making Allocations Related to the Alcoholism Prevention, Education Treatment, and Research Fund for the Expenditures of State Government for the Fiscal Year ending June 30, 1983." (S. P. 832) (L. D. 1940)

Tabled—Earlier in the Day by Senator COLLINS of Knox.

Pending—Passage to be Engrossed.

On motion by Senator Collins of Knox, Retabled for 1 Legislative Day.

The PRESIDENT: The Chair will appoint as conferees on the part of the Senate, on Bill, "An Act to Adjust Fees for Licenses Issued by the Real Estate Commission." (H. P. 1809) (L. D. 1794)

SUTTON of Oxford

SEWALL of Lincoln

CLARK of Cumberland

On motion by Senator Pierce of Kennebec, Adjourned until 9:30 o'clock tomorrow morning.