

# MAINE STATE LEGISLATURE

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**LEGISLATIVE RECORD**

OF THE

***One Hundred and Eleventh  
Legislature***

OF THE

STATE OF MAINE

**Volume I**

**FIRST REGULAR SESSION**

**December 1, 1982 to May 13, 1983**

STATE OF MAINE  
One Hundred and Eleventh Legislature  
First Regular Session  
JOURNAL OF THE SENATE  
Augusta, Maine  
April 25, 1983  
Senate called to order by the President.

Prayer by the Reverend Robert Curry of the First Congregational Church of Waterville.

REVEREND CURRY: Let us pray! Gracious God, in this spring time of the year, we give thanks for the beauty of the earth, and its promise of new life and productivity. In our lovely State of Maine, we welcome the green field, the waters so clear, and the vitality of the people.

Grant us wisdom this day as we deliberate, and open us to Your spirit of peace. May the people we represent prosper and bring to harvest the goodness You give for life's sharing. Amen.

Reading of the Journal of Friday, April 22, 1983.

(Off Record Remarks)

**Senate Papers**

BILL, "An Act to Provide for the Return and Proper Disposal of Pesticide Containers" (S. P. 501) (Presented by Senator WOOD of York) (Cosponsors: Representative DIAMOND of Bangor, Representative COTE of Auburn and Representative ALLEN of Washington)

Which was referred to the Committee on Agriculture and Ordered Printed.  
Sent down for concurrence.

**Committee Reports  
House**

**Ought Not to Pass**

The following Ought Not to Pass reports shall be placed in the legislative files without further action pursuant to Rule 15 of the Joint Rules:

BILL, "An Act Relating to Posting of and Permits of Signs under the Billboard Law" (H. P. 684) (L. D. 864)

BILL, "An Act to Establish a Bounty on Coyote" (H. P. 41) (L. D. 46)

BILL, "An Act to Grant Resident Status to Native Sons and Daughters for Purposes of the Fish and Game Laws" (H. P. 729) (L. D. 938)

BILL, "An Act to Permit the Trapping of Coyotes" (H. P. 730) (L. D. 939)

BILL, "An Act to Permit Hunting with a .22 Caliber Rifle during Raccoon Hunting Season" (H. P. 934) (L. D. 1217)

BILL, "An Act to Permit Hunting of Wild Birds on Sunday with Bird Dogs" (H. P. 1011) (L. D. 1336)

BILL, "An Act Concerning Use of the Term Wrestling" (H. P. 1069) (L. D. 1408)

BILL, "An Act Concerning the Disclosure of Information on Used Cars Sold by Used Car Dealers" (H. P. 538) (L. D. 691)

BILL, "An Act to Amend the Maine Traveler Information Services Law" (H. P. 723) (L. D. 932)

BILL, "An Act Regarding the Investment of Workers' Compensation Settlements" (H. P. 797) (L. D. 1037)

BILL, "An Act to Provide a Sales Tax Credit for Vehicles which are Sold when Another Vehicle is Purchased" (H. P. 599) (L. D. 742)

**Leave to Withdraw**

The following Leave to Withdraw reports shall be placed in the legislative files without further action pursuant to Rule 15 of the Joint Rules:

BILL, "An Act Relating to the Powers of the Department of Environmental Protection in the Granting of Temporary Permits and Licenses." (H. P. 545) (L. D. 697)

BILL, "An Act to Require that Employers

have a Leave Policy" (H. P. 801) (L. D. 1041)

BILL, "An Act to Prohibit Hunting on Davis Island, Lincoln County" (H. P. 547) (L. D. 699)

BILL, "An Act to Include 3-wheeled Vehicles in the Law Governing Snowmobiles" (H. P. 669) (L. D. 852)

BILL, "An Act to Provide a Surtax on the Income Tax in Place of the Property Tax to Pay the Costs of County Government" (H. P. 659) (L. D. 827)

BILL, "An Act to Provide for a Dedicated Increase of 2¢ in the State Gasoline Tax" (H. P. 738) (L. D. 947)

BILL, "An Act to Amend the Municipal Planning and Zoning Law" (H. P. 628) (L. D. 780)

BILL, "An Act to Provide for the Registration of Off-road Motorcycle-type Vehicles" (H. P. 361) (L. D. 419)

BILL, "An Act to Require the Registration of Off-road Motorized All-terrain Vehicles" (H. P. 822) (L. D. 1062)

BILL, "An Act to Allow Consumer Groups to Solicit Funding through Utility Bills" (H. P. 780) (L. D. 1009)

BILL, "An Act Concerning Insurance Coverage for Persons Referred by a Physician for Hospital Emergency Room Treatment or Evaluation" (H. P. 536) (L. D. 689)

BILL, "An Act to Retain Jurisdiction over Telephone Directory Revenues" (H. P. 803) (L. D. 1043)

BILL, "An Act Relating to Trade-in Credit for Special Mobile Equipment under the Sales and Use Tax Law" (H. P. 426) (L. D. 508)

**Divided Report**

The Majority of the Committee on Judiciary on BILL, "An Act to Amend Maine's Wrongful Death Law" (H. P. 398) (L. D. 481)

Reported that the same Ought to Pass as Amended by Committee Amendment "A" (H-141)

Signed:

Senators:

TRAFTON of Androscoggin  
COLLINS of Knox  
VIOLETTE of Aroostook

Representatives:

JOYCE of Portland  
DRINKWATER of Belfast  
LIVESAY of Brunswick  
HOBBINS of Saco  
HAYDEN of Durham  
SOULE of Westport  
FOSTER of Ellsworth

The Minority of the same Committee on the same subject matter

Reported that the same Ought Not to Pass.

Signed:

Representatives:

REEVES of Newport  
BENOIT of South Portland  
CARRIER of Westbrook

Comes from the House, the Majority Report Read and Accepted, and the Bill Passed to be Engrossed as Amended by Committee Amendment "A" (H-141)

Which Reports were Read and the Majority Ought to Pass, as amended, Report of the Committee was Accepted, in concurrence.

The Bill Read Once.

Committee Amendment "A" (H-141) was Read and Adopted, in concurrence.

The Bill, as amended, Tomorrow Assigned for Second Reading.

**Senate**

**Ought Not to Pass**

The following Ought Not to Pass reports shall be placed in the legislative files without further action pursuant to Rule 15 of the Joint Rules:

BILL, "An Act to Transfer Responsibility for Bridge Improvement and Maintenance on Reclassified Roads to the Department of Transportation" (S. P. 205) (L. D. 627)

BILL, "An Act Regarding Rate Increase Fil-

ings by Water Districts" (S. P. 412) (L. D. 1259)

**Leave to Withdraw**

The following Leave to Withdraw reports shall be placed in the legislative files without further action pursuant to Rule 15 of the Joint Rules:

BILL, "An Act to Establish Wage-based, Cost-of-living Adjustments for Retired State Employees, Teachers and Beneficiaries" (S. P. 209) (L. D. 630)

BILL, "An Act to Partially Exempt Retirement Pay from Maine State Income Tax." (S. P. 258) (L. D. 803)

BILL, "An Act to Require Manufacturers Selling Warranted Products in Maine to Maintain In-state Repair Facilities" (S. P. 293) (L. D. 898)

**Ought to Pass**

Senator DANTON for the Committee on Transportation on BILL, "An Act to Make the Single Axle Limit Uniform" (S. P. 131) (L. D. 318) Reported that the same Ought to Pass.

Which Report was Read and Accepted. The Bill Read Once and Tomorrow Assigned for Second Reading.

Senator DIAMOND for the Committee on Transportation on BILL, "An Act Amending the Display of Registration Plates for Truck Tractors" (S. P. 163) (L. D. 451) Reported that the same Ought to Pass.

Which Report was Read and Accepted. The Bill Read Once and Tomorrow Assigned for Second Reading.

**Ought to Pass — As Amended**

Senator SHUTE for the Committee on Legal Affairs on BILL, "An Act to Amend the Laws Relating to Fees for Nonresident Concealed Weapons Permit" (S. P. 428) (L. D. 1297) Reported that the same Ought to Pass as Amended by Committee Amendment "A" (S-71)

Which Report was Read and Accepted. The Bill Read Once. Committee Amendment "A" (S-71) was Read and Adopted. The Bill, as amended, Tomorrow Assigned for Second Reading.

Senator CLARK for the Committee on Business Legislation on BILL, "An Act to Amend the Social Worker Registration Act with Respect to Employment by Nursing Homes and to Foster Coordination with State and Federal Regulations Governing Required Social Services in Nursing Homes" (S. P. 24) (L. D. 25) Reported that the same Ought to Pass as Amended by Committee Amendment "A" (S-72)

Which Report was Read and Accepted. The Bill Read Once. Committee Amendment "A" (S-72) was Read and Adopted. The Bill, as amended, Tomorrow Assigned for Second Reading.

**Ought to Pass in New Draft under New Title**

Senator DIAMOND for the Committee on Transportation on RESOLVE, to Designate a Certain Portion of Route 1 to Old Orchard Beach Town Line as "Centennial Way" to Commemorate the Year of the 100th Anniversary of the Town of Old Orchard Beach (S. P. 214) (L. D. 635) Reported that the same Ought to Pass in New Draft under New Title, RESOLVE, to Designate the Saco Spur from Route 1 to its Intersection with Ocean Park Road as "Centennial Way" to Commemorate the Year of the 100th Anniversary of the Town of Old Orchard Beach (Emergency) (S. P. 500) (L. D. 1506)

Which Report was Read and Accepted. The Resolve in New Draft under New Title Read Once and Tomorrow Assigned for Second Reading.

**Second Readers  
Senate**

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

BILL, "An Act to Establish a Chief Justice of the Superior Court" (S. P. 146) (L. D. 437)

BILL, "An Act Relating to the Investment of Funds in Litigation" (S. P. 343) (L. D. 1017)

BILL, "An Act to Establish a Workers' Compensation Hearing Exemption for Agricultural Employers' Liability Insurance Claim Disputes" (S. P. 358) (L. D. 1079)

BILL, "An Act to Clarify, Simplify and Improve Certain Sections of the Labor Laws of Maine" (S. P. 497) (L. D. 1503)

BILL, "An Act Concerning Probation and Suspended Prison Sentences" (S. P. 498) (L. D. 1504)

BILL, "An Act to Amend the Obscenity Laws" (S. P. 477) (L. D. 1438)

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

Sent down for concurrence.

#### Senate — As Amended

RESOLVE, Authorizing the Department of Marine Resources to Sell the Research Vessel Challenge and to Convert the Fishing Vessel Jubilee (S. P. 429) (L. D. 1298)

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

Sent down for concurrence.

#### Enactors

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

An Act to Permit the Public Utilities Commission to Authorize a Management Audit of a Public Utility (S. P. 345) (L. D. 1019)

An Act to Improve and Clarify the Rate-setting Procedures for Municipal and Quasi-municipal Water Companies (S. P. 480) (L. D. 1446)

An Act to Prohibit Shooting within 100 Yards of any Dwelling During Hunting Season (H. P. 167) (L. D. 198)

An Act to Eliminate Reports by District Attorneys to the Attorney General (H. P. 716) (L. D. 907)

An Act to Establish Vehicular Manslaughter as a Class B Offense under the Criminal Code (H. P. 905) (L. D. 1184)

An Act Concerning Inspection of Hotel Records by Police Officers (H. P. 927) (L. D. 1206)

An Act to Change the Definition of Firearm in the Maine Criminal Code (S. P. 328) (L. D. 973)

An Act to Define Cider (H. P. 711) (L. D. 902)

An Act to Amend the Laws Relating to Fees for Private Investigator and Security Guard Licenses (H. P. 775) (L. D. 1005)

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 to Provide for the Use of Major Credit Cards at Selected State Liquor Stores (S. P. 160) (L. D. 448)

Comes from the House, Failing of Enactment.

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

Senator PEARSON: I request a Division.

The PRESIDENT: A Division has been requested.

The Chair recognizes the Senator from York, Senator Hichens.

Senator HICHENS: Thank you, Mr. President. Before we take a vote on this Bill, I was disturbed the other day when I heard a fellow Senator say that he did not see any reason why we should not accept credit cards in our State Liquor Stores, because you could go into any of the agency stores in the State and buy liquor with credit cards. I checked around and called several of the grocers in the State, including the IGA agency stores in the York County, and I've been informed that they do not use major credit cards for the purchase of liquor in any of

these stores. So, I wanted to make that fact clear that you cannot go out and buy liquor in any agency store. I hope that we will not be able to buy liquor, or you will not be able to buy liquor with credit cards in any State Liquor Store.

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

Senator DANTON: Mr. President and Members of the Senate, the credit card bill is not a new bill, it's been here for the last three sessions that I'm familiar with.

Perhaps the good Senator from York is right, maybe some agency stores don't allow credit cards, but if they should want to take credit cards, they can take credit cards. That's their option. If you want to use a credit card at a hotel, motel, or restaurant that serve liquor, you can use it. This is not a wet or a dry bill. This is not a Bill that Senator Danton from York thought up and introduced. It's a Bill that was put in by the Administration. It's a revenue producing Bill. It's allowing the State, if they so choose, to use them in selected stores, they can do that.

The liquor industry in the State of Maine, whether anyone likes to believe it or not, is not the healthiest industry we have. I know there is a lot of concern as to whether we should stay in the liquor business or not. If we do not allow the Bureau of Alcoholic Beverages to use certain tools to make it profitable for them to be into a State controlled liquor business, the day is going to come when those who want to get out of the State controlled business are going to be able to make a very valid case.

Our State Liquor Stores for years have been trying to get on a computerization of cash registers. They have never been able to do that because they have never had the funds to do it. Those that serve on the Appropriations Committee and have served for the last two or three terms, they know the Bureau has appeared before them, asking for money to get into this.

The pilferage, whether it's in-house or out-of-house, is a very costly thing to the State of Maine and to the Bureau of Alcoholic Beverages. This Bill here will more than buy those computerized cash registers for them, not needing funds from the General Fund, they can raise their own.

I would hope that the Senate, today, would Enact this Bill. Let it go down to the other Body. I'm sure the other Body hasn't been that favorable to it. At least, the point that I'm trying to make, this is not a wet or dry issue, it's just a good business issue. Thank you.

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

Senator HICHENS: I request a Roll Call.

The PRESIDENT: A Roll Call has been requested. Under the Constitution, in order for the Chair to order a Roll Call it requires the affirmative vote of at least one-fifth of those Senators present and voting.

Will all those Senators in favor of ordering a Roll Call, please rise and remain standing until counted.

Obviously more than one-fifth having arisen a Roll Call is ordered.

The Chair recognizes the Senator from York, Senator Danton.

Senator DANTON: Mr. President, may I have the Secretary please read the Committee Report.

The Committee Report was Read.

The PRESIDENT: The pending question before the Senate is Passage to be Enacted.

A Yes vote will be in favor of Enactment.

A No vote will be opposed.

The Doorkeepers will secure the Chamber.

The Secretary will call the Roll.

#### ROLL CALL

YEA—Baldacci, Brown, Charette, Clark, Danton, Diamond, Dow, Dutremble, Erwin, Minkowsky, Najarian, Perkins, Pray, Sewall, Trafton, Twitchell, Usher, Violette, Wood,

The President Gerard P. Conley.

NAY—Bustin, Carpenter, Collins, Emerson, Gill, Hayes, Hichens, Kany, McBreaarty, Pearson, Shute, Teague.

ABSENT—Redmond.

A Roll Call was had.

20 Senators having voted in the affirmative and 12 Senators in the negative, with 1 Senator being absent, L.D. 448 was Passed to be Enacted, in non-concurrence, and having been signed by the President.

Sent down for concurrence.

An Act to Amend the Laws Relating to Transportation or Cutting of Christmas Trees (H. P. 851) (L. D. 1101)

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

#### Orders of the Day

The President laid before the Senate the first Tabled and specially assigned matter.

HOUSE REPORTS—from the Committee on State Government on BILL, "An Act to Establish a State Bank" (H. P. 807) (L. D. 1047)

Majority Report Ought Not to Pass.

Minority Report Ought to Pass.

Tabled—April 19, 1983 by Senator CARPENTER of Aroostook

Pending—Acceptance of Either Report.

(In House, Majority Report Read and Accepted)

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

Senator VIOLETTE: Mr. President, I move that the Senate Accept the Majority Ought Not to Pass Report.

The PRESIDENT: The Senator from Aroostook, Senator Violette moves that the Senate Accepts the Majority Ought Not to Pass Report of the Committee.

The Chair recognizes the Senator from Aroostook, Senator Carpenter.

Senator CARPENTER: Mr. President, Ladies and Gentlemen of the Senate, I would invite the Members of the Senate to take the Bill out, take a close look at what the Bill proposes to do.

This is a Bill sponsored for at least the second time by a Member of the other Body and cosponsored for at least the second time by myself. It was first brought to my attention a number of years ago by one of the most conservative constituents that I happen to have in my hometown of Houlton. I thought this is a whacko idea, a State bank? Then I started to look at what we presently have, and what a true bank might give us.

The Bill you have embodied in LD 1407 is essentially a duplicate of State Bank of North Dakota. You all know North Dakota that's that hotbed of radicalism out in the mid-west where they do all kinds of wild crazy liberal things. They created their own State Bank in 1919, sixty-five years ago, they created the State Bank. To my knowledge, the private banking industry is alive and well in North Dakota. It would be my guess that the private banking industry in the great State of North Dakota is a whole lot more competitive than it is in the State of Maine.

Since this Legislature has been in session this winter, we've seen a report issued by the State Planning Office which says that the banking industry is essentially non-competitive in Maine. This Bill would propose to put in place a State bank and compete, which would cooperate by the banks.

I'm not going to bore you this morning and belabor the issue. I don't really expect it's going to pass. I'd like to have you stop and think about one thing and that is: what do we have presently in place in the State of Maine that relates to this whole issue? We have the burden, but not the benefits. We have the Maine Guarantee Authority. We have the Small Business Loan Authority. We have the various and

sundry guaranteeing agencies. What does that mean? That means that when there is a project brought in that's deemed to be worthy, the State stands the risk. If the project goes kaplunk our tax dollars and the tax dollars of the people that we support ante up. What if the business is successful? What if the project takes off and is very successful? What does the State get out of that? Zero! Nothing! We may get jobs. We may get a spinoff in the economy of the area. You stop and think about what we have right now. We have essentially, a prop under the private banking interest which can only work to the detriment of the Maine taxpayer and that's where I think we're wrong.

This Bill would propose to consolidate all of those propping agencies, all of those guaranteeing agencies, and say that if the State's money is going to be at risk, then the State should stand to benefit, as well as the State, as it presently does, stand to carry the burden.

I understand that there was some sentiment on the Committee that this would be too competitive, I guess would be perhaps the proper word, for private banks because of the tax exemptions the State entity would have and all of that. Those are minor things that could be worked out. Those are things that could be looked at and compared to the State of North Dakota and see how they run their bank and how they make their bank competitive with the private banks. That's all we're asking for.

Presently, we have something like 65% of all the venture capital in this State is tied up in three or four banks or bank holding companies, or subsidiaries of banks. That's a pretty non-competitive situation. When you look in my area which is one of the more agrarian areas of the State. We're talking about the Farmer Home Administration, pulling back, funds are just drying up. More and more the private banking industries is coming here and saying take more authority upon yourselves to guaranty loans. Go ahead and take the burden, if it goes bad, you stand behind it; if it goes well then we'll benefit from it. That's not right and this Bill seeks to remedy that.

I don't stand here and tell you that this is a perfect Bill. There are some problems with the Bill which could be worked out, but before they can be worked out, we'd have to defeat the pending motion, the motion that we Accept the Ought Not to Pass Report. I would ask that you do that and Mr. President, I'd ask for a Division on the Acceptance of the Report.

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

Senator VIOLETTE: Mr. President, Ladies and Gentlemen of the Senate, this is indeed the second time that the Committee on State Government has heard this Bill and once again, the Majority of the Committee, as a matter of fact 12 to 1 Report, if my memory serves me correct, Ought Not to Pass.

I think, basically, it is very difficult to draw an analogy to the North Dakota situation and that's for a couple of reasons. One is that when the Bank in North Dakota was first begun, that in a sense what at the inception of the banking industry in North Dakota. This is very different from the State of Maine where we have a very well-established banking system in this State. If one is to draw some analogies to the North Dakota system, I think there are substantial differences between this Bill and the system that operates in North Dakota. The investment in loan provisions governing the conduct of the Bank of North Dakota, business, as contained in their state law, are very safe and conservative investment choices.

The only major areas of risks are straight, conventional, farm real estate loans. Then banks must have, two dollars of collateral value for each one dollar loaned and permission to participate in other banks loans. All the rest of the categories are either government, guaranteed programs, or extremely liquid money market type investments. The people of

North Dakota have told the bank that they want only minimal risks taken with their state's fund.

I think if you turn to L. D. 1046 No. L. D. 1047, Section 112, "Bank Investments" opens with the statement, "the following are included among the investments which the bank may make." This is subtly, but substantially different from the North Dakota language and its larger list of delineated investment powers. That phrase takes on added significance when read in conjunction with subsection 1, of section 1102, which permits the Maine bank to do everything that any other commercial bank in the State can do. I suggest to you that commercial banks are a risky business, which can involve a large loss potential.

For instance, in 1982, Maine, state chartered commercial banks experienced loan losses of 6.9 million dollars and State chartered savings banks experienced loan losses of 1 million dollars. Additionally, Federal chartered financial institutions experienced loan losses of 3.5 million in 1982.

I cite these statistics only to show you that if Maine gets into the commercial banking business, it should be prepared to realize its losses on some of its investments. I suggest that if the Legislature wants to make soft dollar loans to farmers, students and fishermen, they create a new State aid agency and not delude yourselves into thinking that a commercial bank will be the panacea for all our economic ills.

I think, though, that however if the Legislature chooses to limit taking risks, risks taken by the State Bank and have it conduct its affairs in the fashion of the North Dakota Bank, it will reduce its loss potential but more importantly, it will add serious adverse affect on the State's economy.

As Legislators, you should wonder whether Maine's economy desires or needs a bank that invests over half of its funds outside of the State. A State Bank similar to the Bank of North Dakota will not meet the purposes set forth in the Bill.

Allow me to cite just one example of the potential adverse affect the proposed State Bank will have on Maine's private banks, our citizens and economy. The State Treasurer's Office at this point has about forty-three million dollars invested in the Maine banking system now. This is an average amount that it carries in various Maine state banks.

If forty-three million dollars is withdrawn over the next two years, credit-worthy Maine citizens will be refused loans as Maine banks rebuild their liquidity. Lacking loans bank profits may have the potential of falling.

Furthermore, the borrowers, Maine home buyers, homebuilders, businessmen, industrialists, consumers will not be able to finance its purchases. The sellers will not be able to sell, and I believe, and it was the belief of the Committee that the Maine economy will suffer.

I think it is for these reasons and those that I expressed at the outset that Maine is in no way in the same position that the State of North Dakota was at the beginning of this century. Our situation is very different. In addition to this the operation of the Bank of North Dakota is a very conservative operation, extremely conservative, particularly with respect to the areas that Senator Carpenter has expressed a desire that this Maine bank become involved in.

So, it is my hope today that the Senate will endorse the Majority Ought Not to Pass Report of the Committee. Thank you.

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

Senator WOOD: Mr. President, Men and Women of the Senate, I am under no illusion that this Bill stands much of a chance but I think that it is a time when we can make some appropriate statements about the need for legislation of this type or similar legislation.

In the field of agriculture, a field that I have

been concerned about since I have been in the Legislature, we have seen an erosion of our banking communities support for agriculture. You would be shocked to know how much our banking community is not participating in agricultural loans.

The Federal government has financed most of the agricultural loans in the State, well up into I am going to say, 80% or 90% of the loans come from the Federal government. We are seeing cutbacks in Washington and our farming community financially is in a precarious position, because there is only one bank in the State of Maine that has an agricultural loan officer onboard. If you went into the mid-west, any size bank, you would find an agricultural loan officer; in Maine there is no such breed. There is one person making agricultural loans.

We run the risk of putting this industry in jeopardy if we do not find another mechanism when the Federal loans start dying down, and they are dying down. We have seen it over the years. When I was on the Food and Farm Lands Study Commission five or six years ago, this was a problem and it has only gotten worse, it has not gotten better.

I think that it is time for us to either say to these banks, why aren't you making loans? You had better start making loans, or say if you are not going to make loans we are going to make them for you. This Bill might be the vehicle for doing that. I do not think that we should treat it lightly.

I am well aware that commercial banks are a risky business. I would only add that during the last ten years of recession, in this country, whatever town you went in it seemed like the only building that was going on was a new branch of the bank. So, although it is a risky business it is a profitable business.

I think that the State of Maine through the MGA has had all the risk and none of the profit, and it is about time that we turn that around.

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

Senator HICHENS: Mr. President and Members of the Senate, two weeks ago through the graciousness of our Senate President I was privileged to attend the National Council of State Legislators Conference; where I am Vice-chairman of the National Agricultural Committee. During one of the lunch hours I was discussing some of the problems of our State with the representatives from North Dakota and Michigan and I happen to think of our bank bill, at the time that North Dakota is the only state which has a state bank, and I asked him what he thought of it? He said that if you want some good problems to face in the State of Maine, he said, you want to vote for a Maine State Bank. He said, look at the problems some of these other states have had that have tried it. He said if I was you I would kill that bill, any time that I had the opportunity, and I'm glad that I signed the Ought Not to Pass Report.

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

Senator CARPENTER: Mr. President, just very briefly, obviously in any state if the State Bank Bill or any other issue is brought before the group of State Legislators, there are going to be people who are opposed to it, philosophically or whatever. I'm sure it's not an easy matter for the great State of North Dakota to run its bank, but I would just point out to you that they do a large amount of small business and farm financing and they also, I believe last year, turned over something like five million dollars' profit to the state's general fund.

I think the point that Senator Wood made should be listened to very closely, that's one of my major concerns given where I come from, and we've got a real serious situation in the farm land business in the State of Maine. We don't have any great concern by the private banks. Private banking activity in agriculture in the State of Maine is practically non-existent. You would be, as Senator Wood indi-

cated, shocked if you found out how little they are in participating.

Just two more points to address the concerns that Senator Violette brought out. He pointed out a couple of wording clauses in the Bill. That's what I thought committees were for, were to take care of problems like that. I didn't ask the Committee, when I spoke to them, a month ago. I didn't ask them to accept this Bill *carte blanche*, as is, where is. I asked them to take it and to develop a concept and to come up with language that was appropriate for the State of Maine.

The other thing, that the good Senator said was the State of Maine was not of the same situation as the State of North Dakota, in that in 1919 when the State Bank of North Dakota was started it was about the only bank in the state. It would seem to me that speaks well for my argument. If North Dakota could get a running head start on the private banking industry and still have a healthy private banking industry, it would seem to me that if we started dead even or behind, as we would be if this Bill were passed, that we wouldn't be too much a threat, and as far as the forty-three million dollars, or whatever the figure is, this certainly could be a phase-out period built into the Bill through the amendment process or whatever, so that we wouldn't destroy the private banking industry.

I think the State of North Dakota started this and then the private banking industry came in and became healthy, became competitive. The State of Maine at this point, could certainly, take this piece of Legislation and rework it into a situation where we could make it work in the State of Maine. Thank you.

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

Senator BALDACCI: Mr. President and Members of the Senate, I had the unfortunate problem of saying that a bill before my Committee was a lousy bill and it didn't make too many friends, with the sponsor, in particular.

As far as this particular Bill when it came to State Government and this North Dakota symposium that's been presented today is one in which you should go back to and find out that North Dakota actually developed a bank because the banks weren't loaning to agricultural interests, and they developed it along the lines of an agricultural cooperative.

I think that to present the arguments of competition in our banking industry when we regulate the banking industry and by itself the regulation is the form of competition. That is not a germane argument. I think that's why the Committee on State Government is not having any problems disposing of this particular Bill. If Senator Wood and the Senator from Aroostook, Senator Carpenter would like to present a bill and think that the banks aren't making agricultural loans, then I think that would be a different type of a bill on presentation. Thank you, Mr. President.

The PRESIDENT: A Division has been requested.

Will all those Senators in favor of the motion by the Senator from Aroostook, Senator Violette to Accept the Majority Ought Not to Pass Report of the Committee, please rise in their places to be counted.

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

23 Senators having voted in the affirmative, and 8 Senators having voted in the negative, the motion to Accept Majority Ought Not to Pass Report in concurrence Prevailed.

The President laid before the Senate the second Tabled and specially assigned matter.

An Act to Amend the Maine Consumer Credit Code (S. P. 219) (L. D. 656)

Tabled—April 22, 1983 by Senator PRAY of Penobscot

Pending—Enactment.

(In House April 14, 1983 Passed to be

Enacted.)

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

On motion by Senator Carpenter of Aroostook, Adjourned until 9 o'clock tomorrow morning.