

# MAINE STATE LEGISLATURE

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# LEGISLATIVE RECORD

OF THE

**One Hundred And Seventeenth Legislature**

OF THE

**State Of Maine**

**VOLUME VII**

**SECOND REGULAR SESSION**

**Senate**

March 14, 1996 to April 3, 1996

**SECOND CONFIRMATION SESSION**

August 1, 1996

**SECOND SPECIAL SESSION**

**House of Representatives**

September 5, 1996 to September 7, 1996

**Senate**

September 5, 1996 to September 7, 1996

**Index to 117<sup>th</sup> Legislative Record**

**HOUSE AND SENATE LEGISLATIVE SENTIMENTS**

STATE OF MAINE  
ONE HUNDRED AND SEVENTEENTH LEGISLATURE  
SECOND SPECIAL SESSION  
JOURNAL OF THE SENATE

In Senate Chamber  
Friday  
September 6, 1996

Senate called to Order by the President, Jeffrey H. Butland of Cumberland.

Prayer by the Honorable R. Leo Kieffer of Aroostook.

**SENATOR KIEFFER:** Good morning. Father in heaven, Your Holy Spirit dwells in the soul of every good person. Help Your people to lead happy and useful lives. Help them to realize that patience and forbearance are prerequisites for action. In times of change and transition, gentleness and kindness, wipe the brow and gentle the nerves. This ship is on its final voyage. Protect it from the storms of vindictiveness and hurt feelings. Let nothing happen these final days that would leave lasting scars on the members or alienate shipmates. Amen.

Reading of the Journal of Yesterday.

**COMMITTEE REPORTS**  
**Senate**  
**Divided Report**

The Majority of the Committee on **TAXATION** on Bill "An Act to Amend the Law Concerning Tax Increment Financing"

S.P. 775 L.D. 1894

Reported that the same **Ought to Pass as Amended** by Committee Amendment "A" (S-603).

Signed:

Senators:

FERGUSON, JR. of Oxford  
CAREY of Kennebec

Representatives:

REED of Falmouth  
TUTTLE, JR. of Sanford  
TRIPP of Topsham  
KEANE of Old Town  
BARTH, JR. of Bethel  
MURPHY of Berwick  
GREEN of Monmouth  
DUNN of Gray  
DORE of Auburn  
POIRIER of Saco

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

Signed:

Senator:

HATHAWAY of York  
Which Reports were **READ**.

Senator **CAREY** of Kennebec moved that the Senate **ACCEPT** the Majority **UGHT TO PASS AS AMENDED** Report.

**THE PRESIDENT:** The Chair recognizes the Senator from Kennebec, Senator Carey.

Senator **CAREY:** Thank you, Mr. President. This bill has been worked over and over again and has finally come to a position where twelve out of the thirteen members of the Taxation Committee have been able to accept it. It's a job retention bill. It's an extension of the employment TIF that we enacted a couple of years ago. The employment TIF called for

any company that offered quality jobs - quality jobs meaning those jobs that offered both a retirement system and health insurance - that if those particular companies added fifteen employees to their payroll, then they could apply and, hopefully, get accepted for the ETIF, as it was called. There were no provisions made, however, for any company retaining employees that was going out of business. So, this bill came about. It has been called the Hathaway Bill; but it was intended originally, and is still intended, to help other companies that are, in fact, changing hands. A company going out of business has to be certified by the Commissioner of DECD that it is going out of business, that a new group is buying the firm, they are completely divorced from the old company, so there is no scam being played here. They then have to apply. They also have to offer the quality jobs, getting away from this twenty hour, no benefit-type of work. Hathaway, for instance, which is why the bill originally came before you, is the fourth largest employer in the City of Waterville and currently has 450 employees. Governor McKernan is heading up the new group that is coming in. They still have yet to satisfy some conditions that the City of Waterville is interested in, but they have said that they need both State and local participation. The local participation is still being worked out. The State participation is the return of 50% of the income tax that the employees pay. I say 50% because the ETIF law, and this is just an extension of it, has a provision for a 30% payment and a 50% payment. The 30% is for those communities that have a lower unemployment rate than the State average. The 50% is for those communities that have a higher unemployment rate than the State average. In the case of the City of Waterville, the unemployment rate averaged 8% in 1995. The limit on the bill is \$150,000. It is expected that the Hathaway would take about \$100,000 or \$120,000 of that and there is room for others to come in. There is a very short window. Companies have to have changed hands after September 1. The deadline for this program is the 28th of February, as far as sunseting; but that gives the next legislature a chance to see what has happened in the meantime and either continue it or drop it. I would hope that it is continued and I ask for your support. Thank you.

On motion by Senator **KIEFFER** of Aroostook, Tabled until later in Today's session, pending the motion by Senator **CAREY** of Kennebec that the Senate **ACCEPT** the Majority **UGHT TO PASS AS AMENDED** Report.

Off Record Remarks

Out of order and under suspension of the Rules, the Senate considered the following:

**COMMUNICATIONS**

The Following Communication:

**THE SENATE OF MAINE**  
**OFFICE OF THE PRESIDENT**  
**STATE HOUSE STATION 3**  
**AUGUSTA, MAINE 04333**

September 5, 1996  
The Honorable May M. Ross  
Secretary of the Senate  
#3 State House Station  
Augusta, ME 04333

Dear Madam Secretary:  
Please be advised that I have made the following appointment:

**Oversight Committee on Performance-Based Contracting;**  
pursuant to Public Law 1993, Chapter 737:

James W. Hennigar of Hinckley

Please let me know if you have any questions regarding this appointment.

Sincerely,  
S/Jeffrey H. Butland  
President of the Senate

S.C. 658

Which was **READ** and **ORDERED PLACED ON FILE**.

Senator **AMERO** of Cumberland was granted unanimous consent to address the Senate off the Record.

Senator **LAWRENCE** of York was granted unanimous consent to address the Senate off the Record.

On motion by Senator **LAWRENCE** of York, **RECESSED** until 10:00 o'clock this morning.

After Recess  
Senate called to order by the President.

The Chair laid before the Senate the following Tabled and later today assigned matter:

**SENATE REPORTS** - from the Committee on **TAXATION** on Bill "An Act to Amend the Law Concerning Tax Increment Financing"

S.P. 775 L.D. 1894

Majority - **Ought to Pass as Amended by Committee Amendment "A" (S-603)** (12 members)

Minority - **Ought Not to Pass** (1 member)

Tabled - earlier in the day by Senator **KIEFFER** of Aroostook.

Pending - the motion by Senator **CAREY** of Kennebec that the Senate **ACCEPT** the Majority **OUGHT TO PASS AS AMENDED** Report.

(In Senate, earlier in the day, Reports **READ**.)

**THE PRESIDENT:** The Chair recognizes the Senator from York, Senator Hathaway.

Senator **HATHAWAY:** Thank you, Mr. President, Ladies and Gentlemen of the Senate. First, I would like to preface my remarks by thanking Senator Carey for the great work that he has done. He has really, I think, served his constituents well and really put a huge effort into this bill and has carefully crafted it, I think, to satisfy as many people as possible. He has done an excellent job and I know the Committee certainly appreciated that. I think I will be opposing this bill and I would just ask the members of this Chamber to answer a couple of questions before they make their decision; because I think it's a very simple issue. I think the issue is really one of do we want to vote here for good politics, or do we want to vote for good public policy? It's easy, as elected officials, I think, to take the route of voting for good politics when we are voting for retaining jobs, because nobody wants to lose jobs in this State. We particularly, in a business that is really an institution in Maine, is a landmark here and is one that we have always been proud of; but, I think if we strip away the emotion

and the romance from this particular business itself and look at the public policy that we are setting a precedent with here today, I think there are some questions that we do need to answer first; and I ask you to consider these. Really, what we are being asked to do is to take taxpayers' money, this is not government money, it's not the State's money, it's taxpayers' money, and invest \$1.5 million over a ten year period in a business that has been failing and losing millions of dollars over the last several years, in an industry that is a mature industry that is suffering severely from foreign competition. I understand, and I think it is the free enterprise system, that we have, fortunately, a group of investors that are willing to come along and take a huge risk and, hopefully, turn the company around. For that I hope that they receive tremendous reward. I believe they will do that. What I am concerned about here is our constituents and our taxpayers. I don't think that we should ask our taxpayers to take the same risk as the investors. I don't think that's what the free enterprise system is all about. I don't think that we should be subsidizing million-dollar deals and multi-million-dollar deals like we are being asked to do here in this case, particularly when it has been so narrowly defined to one business in one city. I know that all of us have companies suffering the same fate in our districts and it's unfortunate. We need to devise some public policy to help those people. I will say that during the public hearing the testimony overwhelmingly supported that the best way to retain these jobs, and to create new jobs in this State, was to cut our income tax. Because the second question I would like to ask you is really who is paying for this and how are we paying for it? As you might remember in previous meetings in this Chamber, we worked very hard to bring and promised to bring, an income tax cut to the hard-working people of this State with the Income Stabilization Program that we put together. What we are being asked to do today is to take the money that we promised to people all across this State, who work hard to earn their money, who we have promised a tax cut to, that we are going to take that money that we are setting aside for tax cuts, individual income tax cuts, to place a bet on one company that, as I have said, has had an unfortunately very tough time and has lost millions of dollars in the last few years. I think that we promised this income tax cut to the people of the State of Maine, and we should deliver it. We shouldn't be playing with that money.

Another question that I would like to ask you, and I think I find disturbing about this bill, is we have put tremendous powers into the Commissioner to decide which company should fail and which company should survive by being able to certify these businesses and to certify who gets this type of financing in this case and in the future. I find that very dangerous. I find that to be tremendous interference by government. I find it almost a Dr. Kervorkian-type situation where we are giving this power to one person in State government as to who can decide which company lives and which company dies. I don't think that's what the free enterprise system is all about. I would just like to close by saying that, as I mentioned in the beginning, that if you are interested in good politics, you should probably vote for this bill. If you are interested in good public policy, I ask you to allow the Committee to

come back next session and really look at the policy as a whole and decide how they can help the people all across this State to create new jobs, rather than to try to take taxpayer money to subsidize, through corporate welfare, failing businesses, and, in this particular case, just one business. That's what I would be asking and I would ask those questions of you today. Mr. President, I would ask for a ye and nay vote. Thank you.

On motion by Senator HATHAWAY of York, supported by a Division of at least one-fifth of the members present and voting, a Roll Call was ordered.

**THE PRESIDENT:** The Chair recognizes the Senator from Somerset, Senator Mills.

**Senator MILLS:** Mr. President, Men and Women of the Senate. I share Senator Hathaway's skepticism about tax incentive schemes for industry. Whether it be to create new jobs or preserve old, I don't think the issue differs. I have been very concerned, in the last year or two, about reviewing some of our statutes that permit the State and local government to subsidize, very heavily, investments by major industries in capital equipment that is then used to replace local labor and put people out of work. I think we need to readdress and I am aware that we have done some of that in the last year or two. We have, in fact, looked at some of these tax incentive schemes in order to determine whether they are measuring up to the intentions that we had when we passed them. My enthusiasm, however, for the bill that is presently in front of you derives from the fact that it meets the criteria that I am concerned about. It is specifically tied to the retention of jobs. It is jobs oriented. It is targeted to the keeping of jobs in a labor-intensive industry. This is not a capital-intensive industry. It owns a building and some sewing machines. This is a building where people go to work every day, and have for a hundred years or more. The assistance that we render to this company will actually keep a large number of Maine people at work, satisfying one of the very fundamental values that I think we all worship. It's not an investment in capital equipment to replace labor. The other criterion that interests me is the fact that this particular business doesn't really have any in-state competition that I am aware of, no direct or tangible competition. We are not harming another Maine business by rendering some assistance to the Hathaway Shirt Company, not that I am aware of in any case. One of the tax increment schemes that really bothers me is when a community elects to grant public subsidies of one kind or another to a Wal-Mart, in order to put out of business a bunch of people on Main Street. That sort of behavior astonishes me, and creating laws that would permit that kind of thing astonishes me. I realize that our laws, in large measure, have been revamped to take care of that particular concern; but I use the example only to illustrate that this case, and the bill that you have in front of you, the way it is worded, makes it clear that these kinds of incentives can only be given to those industries that are suffering directly from foreign competition where wage rates are a lot lower.

Senator Hathaway has also suggested that the investors who are putting money into this enterprise stand to make an enormous reward. I haven't really heard that. I have followed the controversy for some time. He also mentioned that they are going to be incurring a major risk. I agree with that; and I

think that everybody who has been witness to this recent series of proposals understands that there is enormous risk; but the idea that the people that are investing in this are going to have a large windfall profit, and that we are only aiding and abetting that, I think is overstating the case dramatically. I think many of them are going to regard this as a success if they break even five or six years from now. They have told us bluntly that they are going into this enterprise knowing that they are going to lose money for the next two or three years. They know that because they are going to have to spend money advertising, if not the eye patch, then some other mode of promoting Hathaway shirts; and that's going to require enormous investments of capital in the back covers of slick magazines, and other places where Hathaway shirts used to be sold, before it was taken over by, unfortunately, by the management that has been running it for the last five or ten years. There really is no taxpayer risk to this. I challenge the assertion that there is. Let me tell you why. The only way that these investors get any money back from the State, or that the city gets any money back from the State, is if they actually pay wages from which they have withheld Maine State income tax, which they have turned over to whoever is running the show, and then they may get some of it back. They get a percentage of it back. So, the percentage they get back is like a commission on keeping Maine jobs. It's neat. If they fail, if they go under in two years, we don't owe them anything at that point. We only owe them in direct proportion to the dollars they put out into the hands of the workers that we are concerned about. It's very well designed. If we are going to engage in this interstate warfare, for either preserving or creating jobs, this is the way to do it; because we are not at risk. Right now, if we do nothing, we are at risk that 500 people are going to go home and go on welfare or general assistance. We are definitely at risk of their not paying any income taxes, maybe for a long time to come. That's a tangible risk. That's a risk I understand. All we are doing, by agreeing to this bill, is agreeing to share some of the risk associated, or reward those who are taking the risk, for preserving that stream of income and the stream of income taxes that will come into our State coffers.

I just need to make one final comment about the character of the labor force in Kennebec and Somerset Counties, and I think it's also true of Franklin and Piscataquis. I would like to comment on others, but I am not as familiar with them as I am with the people who work in mills in this region. I am intimately familiar with the character of the people who work in the mills of Somerset County and Northern Kennebec County. Probably 150 of the people that work at Hathaway live within towns that are in my district. I have represented people at the Hathaway and many other similar industries. We have been told over and over again in the national press that the shoe industry is dead in the United States of America, that NAFTA and the other trade arrangements that we have made internationally have put the nail in the coffin. We have been told over and over again that the textile industry is dead in the United States, that we need to rely on places like India and Sri Lanka and Hong Kong to be making our clothing and our shoes. You know, the one place I am familiar with in North America that has proven that

proposition dead wrong is Northern Kennebec and Somerset Counties, and Franklin and Piscataquis as well. We are employing as many people in the shoe industry now as we were back in the 1980's. We are making New Balance shoes up there like they were going out of style. Made in America. The only place in America, other than Bangor, where they are making a running shoe that can say that it is made in America. We have the Dexter Shoe Company up there that is doing extremely well. We have some woolen mills that are still doing well and turning a profit. All of these steel-cased panels you see that are used to divide one office from another, these mobile panels that are so popular, all the fabric is being made over in Guilford. They are employing dozens of people. We have a leather shop up in Hartland that seems to be very profitable and is doing very well, is very successful. Do you know what the reason is? When the industry started to go south, I'm not so sure that they found elsewhere people willing to go to work consistently every morning, day after day, year after year, for thirty or forty years on end. I don't know what it is, maybe it's the water that we drink, or maybe it's because we started out in a dairy industry and a farming industry. Maybe it's because we are agrarian descent and are used to working ninety or a hundred hours a week in order to make a living. I don't know what it is, but there is something rather extraordinary about the character of the people who go to work in the factories that I am familiar with in Somerset and Kennebec Counties. They enjoy the work. They enjoy rubbing elbows with their neighbors, sitting all day long at a sewing machine next to somebody else who is doing the same thing, bent over intently. It's the labor, the character of that labor that has drawn companies like New Balance and Dexter Shoe and the Hartland Tannery, has drawn investment into that region. My point is, if we can reward, and get some locally oriented investors in charge of the Hathaway eye patch, I think we will all be wearing Hathaway shirts again and congratulating ourselves for supporting that effort. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Harriman.

**Senator HARRIMAN:** Thank you, Mr. President. Good morning, Ladies and Gentlemen of the Senate. Let me pose a couple of questions to you, if I might. Would you be willing to invest your net worth in an investment that is clearly known to produce a product that is on the decline as our lifestyles change from an office environment to a home-based environment? Would you be willing to invest your net worth in a business that is under intense worldwide pressure, where the wages are lower and the work conditions are poorer than currently exist in Maine? I would think you probably wouldn't. I wouldn't, and haven't. What we have before us are some Maine people who are deeply committed to preserving Maine jobs and the heritage of a company that has existed for over 150 years. They are willing to take the risk to see if they can preserve those jobs, and the wages, and the benefits, and the work conditions, to maintain a piece of Maine's history, and to help the people who work in those jobs. From my perspective, what this bill asks us to do is to help create one of what I'm sure are several tools and options to help make that goal a reality. As the good Senator from Somerset, Senator Mills, pointed out, we are not putting State money at risk. We are creating a tool

for the people who are taking the risk of preserving those jobs, retaining those jobs, and, in this particular instance, the city, to see if this one tool in their toolbox can help make this opportunity happen. I would conclude, Mr. President, by suggesting that we have worked very hard in the last session of the Legislature to prove to people who take the risk of creating jobs in Maine that we want to work with, and not against, them. We spent much of our time talking about how we were going to help create jobs. This is an opportunity for us to demonstrate that we want to work with, and not against, existing Maine companies who have helped build the fabric of our economy for, in this case, over 150 years. So, to me, the opportunity to help retain some jobs is just as important as the efforts we put into creating jobs. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Kennebec, Senator Carey.

**Senator CAREY:** Thank you, Mr. President. Senator Hathaway has expressed to me that he basically is philosophically opposed to this. I can understand that, and I can appreciate his position, having shared it with me. He did ask who pays for this; and I would point out to him that the State, as an example, would receive, say, \$300,000 from the employees at the Hathaway. Of that, the State is willing to share \$150,000; because we, in Waterville, have a higher unemployment rate than the rest of the State; and, therefore, we fall into that 50% reimbursement category. So, the State would reimburse \$150,000 of those \$300,000 in taxes. The State has, then, a net gain of \$150,000. If the plant shuts down, and employees are let go, then the State receives zero. So, in fact, the State would have lost \$300,000 without sharing, or \$150,000 with their sharing. The Taxation Committee has been working on this bill. We created the ETIF bill based out of the task force that Senator Harriman and Representative Rowe sat on. When we talk about controls, we talk about controls for those people who are under tree growth, under shoreland zoning; and when he speaks about the Commissioner having to make a decision about who gets it, the decision will be made based on facts. Can he certify that the company was going out of business? Can we certify that they have a chance to make it? Governor McKernan is of the idea that for the first two years they will be losing money. They will not lose as much in the second year as in the first year; but they are willing to bet that they are, in fact, and they are betting. They are betting their monies. They are betting the monies of the investors that they can pull this off. There has been contacts with large, high class department stores, who have said that they are interested in having shirts made with their private label at the Hathaway. There is a major company in the State that has been approached about having their label on it, and directly under their label, "Made in Maine". To my knowledge that is a billion-dollar company right here in the State of Maine. So, this plant has a chance to survive. Under the ETIF law, the employment TIF law, if fifteen people are added to a workforce and they get retirement and health insurance benefits, then they would qualify. The 450 jobs at the Hathaway represent thirty companies employing fifteen people apiece to equal the 450 jobs. None have applied yet for the fifteen job limit, so you can see that this is a major step in doing what was intended.

**THE PRESIDENT:** The Chair recognizes the Senator from Lincoln, Senator Begley.

**Senator BEGLEY:** Thank you, Mr. President. I would start by simply saying that philosophically I am opposed to the bill. I am of the opinion that we can talk here of 450 jobs of people in whatever town you are talking about, and everybody is certainly sympathetic. I also hear, however, that there are investors out there who are perfectly willing to invest their money on a risk with a hope that after two, three, four or five years there will be some return. That has been, and hopefully will continue to be, the form of business that I support. I have supported it as strongly as anybody else. I am skeptical because of the track record over the past twenty years of supporting industries that are in trouble, receive support, and do not make it. Now I can't prove that on this company, or any other company. We heard from another speaker that there are industries in his area that are extremely successful because of the work ethic and the investments. They are doing it as a private, individual corporation. That has been the success of business in general. When you have a tendency to say that we are now going to do this for this company at a Special Session, particularly during a Special Session, when I don't know, as a voter today, how much investment is going to be needed, who is going to invest, if we don't pass this, will it go down the tubes? Why are we one of the first ones, and somebody will tell you that that is not the case, why are we some of the first ones, in government, to be asked, when we should probably be the last? Bankers have told us time and time again we are interested in supporting business. We would like to lend money to business. I say do it. Put your money where your mouth is and don't necessarily come back to the legislature, or the State of Maine citizens. The policy is not a good policy. I don't think that many of us would like to see five other businesses, and there is one in today's paper that is being reduced in the labor force, I don't think we would like to see five of those lining up at Mr. McBrierty's office in that fashion. Sympathy? Absolutely. Trust? I trust in investment. I trust in the investors if it is viable, and many people have told me that it is a marvelous product. The investments, and the investors, would say the risk is worth it. Then get it from private capital.

**THE PRESIDENT:** The Chair recognizes the Senator from Oxford, Senator Hanley.

**Senator HANLEY:** Thank you, Mr. President. I request permission to pose a question through the Chair, to anyone on the Committee who may wish to answer. I just would like to have some clarification, with respect to the revenue portion and the exact way the appropriation would come, as far as to fund the \$150,000. The first question would be, did the Committee discuss the possibility, either internally within the Committee or with the Governor's Office, of using the Governor's contingency fund for the \$150,000? That would be my first question. The second question is, if they hadn't, why not? Thank you.

**THE PRESIDENT:** The Senator from Oxford, Senator Hanley, has posed a question through the Chair to any Senator who may care to respond. The Chair recognizes the Senator from Kennebec, Senator Carey.

**Senator CAREY:** Thank you, Mr. President. There has been no attempt to go through the Governor's

office and getting to his contingency account; because this, in fact, is very similar to the ETIF, and parallels the employment TIF, but this is called a retention TIF. There are "E" and "R", they both fall under the same categories, except for the job closing having to be certified and new owners coming in. If someone would look at Chapter 669 in the current law, which was the report from the TIF people, is it my understanding then, that anybody who created fifteen new jobs and then would qualify, would then have to come back for an appropriation? Because the bill, as it was written, and as it is in law, calls for a cap of \$20 million that's available. This TIF represents less than 1% of that whole \$20 million. The law already provides that \$20 million is available. It basically goes back to the revenue forecasting committee to say that it is a loss of revenue, and that will be coming up for the following year, because the payment is made in July, supposedly, of 1997. So, that would fall into that year. It's my understanding in dealing with the Administration that the revenue forecasting committee will handle that as a loss of revenue for the State. It's also my understanding that the cap stays in place, as far as the \$676 million for income tax; but then, before the cap is reduced to give money back to all of the taxpayers in the State, and I don't know what the ratio is in particular increments, but this \$150,000 would come out of that before it goes to tax cutting. This is my understanding of it, which may, or may not, be correct.

**THE PRESIDENT:** The Chair recognizes the Senator from Oxford, Senator Hanley.

**Senator HANLEY:** Thank you, Mr. President. I would like to pose a follow-up question, to anyone on the Committee who would like to answer. I guess I am trying to get clarification in my own mind. The way this would work would be if the revenues on the income tax line came in, or did not come in over the \$676 million mark, those monies would be utilized to fund this ETIF program, rather than be returned to those lower and middle income Mainers who this Legislature passed the tax cap to benefit. Is that correct that this would be going to benefit the corporation rather than the low and middle income taxpayers of our State?

**THE PRESIDENT:** The Senator from Oxford, Senator Hanley, has posed a question through the Chair to any Senator who may care to respond. The Chair recognizes the Senator from Kennebec, Senator Carey.

**Senator CAREY:** Thank you, Mr. President. In answering the question, I would point out that the incremental return to the individual taxpayer is going to be a lot less than what the employees pay in the income tax to the State. That's number one, as far as the employees of the company. The amount of money that is going to be returned to the people, I recall, for instance, when Governor McKernan returned something like \$42 million to the people of the State of Maine in lump sums of, like \$12 or \$15. People were able to buy automobiles with that I expect. Whatever little money goes back to the people is going to be very small. I'm not trying to make light of your question. I hope I have answered it. I have another point as far as the agreement of the money going back to the corporation. The money is going to be, in this particular case, assigned to the City to help pay off any notes that they have to, which may exceed \$2 million in the purchasing of the mill or what have you. So, it is not going back to the corporation.

**THE PRESIDENT:** The Chair recognizes the Senator from Oxford, Senator Ferguson.

Senator **FERGUSON:** Thank you, Mr. President. In regards to Senator Hanley's question, I must remind the Senator, and indeed the Chamber, that if these 450 people are unemployed, the State is going to receive no revenue at all. This is done through the income tax. If they pay income tax, then 50% of what they pay will be returned to the investors. Senator Carey mentioned they, in turn, will use this for capital expenditures. This bill is very narrowly defined and almost exclusively relates to the Hathaway situation. It is important to realize that if people are unemployed, there is not going to be any TIF. If they are employed, and they are paying taxes, a percentage, which would be 50% in this case, with a maximum of \$150,000 per year for a ten-year period, would be returned to the investors to help retire the purchase of the building, as I understand it. I hope that answers your question. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from York, Senator Hathaway.

Senator **HATHAWAY:** Thank you, Mr. President, Ladies and Gentlemen of the Chamber. I would just like to clarify a couple of comments that I have heard, and try to answer a couple of questions that have been raised. First of all, to the good Senator from Somerset, Senator Mills, I think the foreign competition clause that you mentioned is no longer in the bill. Just so you will know that. Also, I did not say anything about windfall profits here. I think the free enterprise system, I believe in it, you know that. If people are willing to take a risk, they should be rewarded. I hope that happens in this case. I'm all in support of investors coming along to try to save this company, to take that risk, and to be rewarded in whatever the market tells them they should be rewarded. I am all for that. But, I am not for putting the taxpayers' money at risk. I just want to say that what we are doing here, this is not our money, this is the taxpayers' money. It's not our decision. It's not the government's decision as to whether this business, or any other business, fails or prospers. Those are not government decisions. This issue has been raised. Eastern Europe is littered with failed companies where the government has been too heavily involved. We are doing the same thing right here. This is the beginning of it, I will tell you this right now. We do it over and over and over again. We have to get back to the free market and the free enterprise system. The question was raised by the good Senator from Cumberland, would we invest our net worth in this project? He said he wasn't going to or that he had decided not to. That's fine. That's everybody's choice. The investors have that choice. That's not for the government to decide. That's for the people who want to be investors to decide. No one is forcing them to the table to make this decision. But, I will say this, that there are thousands of small business people all across this State who do invest their net worth every minute of every day. Every minute of every day small business people who have one, two, or three employees, they don't have a hundred employees. They can't take half of their employees' income tax to invest in their business. If we would let them do that, we would have job growth in this State like you have never seen before. Yet we want to continue to take the taxpayers' money to subsidize, through corporate

welfare, failing businesses in mature industries that can't compete with foreign companies at the expense of taxpayers, who we told, as the good Senator from Oxford said, we promised them a tax cut. We are taking this money that we promised would go back in their pockets to place a chip on this table. We are doing it at the expense of people who put their lives on the line, their families on the line, their net worth, their blood, sweat and tears every minute of every day. They cannot take advantage of this bill. They cannot take advantage of these government goodies that we are handing out. Until we decide, and realize, that the future of this State and job growth, is with our small business people, we are going to continue to suffer the consequences, many of which will be unintended. The good people of Somerset County who do work so hard will continue to work hard because that is their work ethic. It's not because of some government subsidy. I may have a couple of comments later, but that is it for now. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Franklin, Senator Benoit.

Senator **BENOIT:** Thank you, Mr. President. May it please the Senate. Frankly, I see this as an easy issue and I will not, in my brief statement, be saying a whole lot about specificity because that has already been covered by those who have spoken ahead of me. Hurricane Fran, as you know, is going through the South and wreaking havoc against people and property and affecting lives. I'm voting for this bill in order to prevent a potential financial storm from going through Waterville, Maine, and wreaking financial havoc on many lives there. Have you seen the bumper sticker "We Mean Business"? Now is our chance to put it to work. I see this as a category 2 financial storm to prevent. I have talked with my constituents who pay taxes. They want me to vote to help these people, and I will.

**THE PRESIDENT:** The Chair recognizes the Senator from York, Senator Carpenter.

Senator **CARPENTER:** Thank you, Mr. President. Men and Women of the Maine Senate. My district is also fortunate to have some excellent industries and the reason I feel they are in Maine is also the work ethic. Pratt and Whitney, Hussey Seating, Worldwide Seating, WASCO Products, York Manufacturing, I have quite a few. I also have industries that are watching this pretty carefully. It's an interest of mine. I have supported, I think, every economic and business and job bill we have had. I have been here eight years and I think I have supported them all. I have never been asked before, that I recall, to support something as specific as this bill. I have made up my mind that this one I am not going to vote for. If it does pass, I will be presenting one as soon as I can, or get somebody else to present it as soon as they can, to help out Sprague Electric. Two years ago they had 1900 employees. In today's paper they cut another sixty and now they are down to approximately 450 employees in Sanford. I think we are going to hear, very soon, that they are going to need help. I hope you can help everybody in the State. This bill isn't helping statewide. If we need something like this, we ought to make it, or another bill, take care of the whole state, not just a specific industry. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from York, Senator Hathaway.



Senator **HATHAWAY**: Thank you, Mr. President, Ladies and Gentlemen of the Senate. I would just like to say two words. Sugar beets.

**THE PRESIDENT**: The Chair recognizes the Senator from Cumberland, Senator Harriman.

Senator **HARRIMAN**: Thank you, Mr. President. Good morning, Ladies and Gentlemen of the Senate. In this past session of the Legislature we adopted the current ETIF law, and I submit that my colleague from York County, Senator Hathaway, could have stood up at that time and delivered the same comments that he did today, as reasonable and as logical and as passionately as he has delivered them today. Let me just suggest that in my little corner of Maine that I represent, as you probably do in yours, there is a company called DeLorme Mapping. David DeLorme that the good Senator from York, Senator Hathaway, described. The hard-working, blood, sweat and tears individual hiring two or three employees. In fact I am one of those employers in this State. With a dream and a commitment, today he is building a world-class software facility, employing hundreds of people in this State. Just like this issue before us, he was looking for all of the opportunities and options he could to bring all of the tools into his toolbox, to help build this business he is building in Yarmouth, Maine, to the forefront; and one of those was the TIF program. Twenty-two miles down the road is Gordan Grimnes, Brunswick Technologies, a small business who put his net worth on the line, hired a few employees, rented dilapidated old shoe factory manufacturing space. He has developed, in his marketing, world-class fiber technologies and has just moved into a state of the art facility, employing 50 to 100 people, taking advantage of this program. I'm not going to stand here and apologize to the people of Maine for trying to help 450 hard-working, Maine citizens, working in a traditional industry that is just asking us to help them put one tool in the toolbox to help preserve the jobs that have been there for over 100 years. Thank you.

**THE PRESIDENT**: The Chair recognizes the Senator from Androscoggin, Senator Cleveland.

Senator **CLEVELAND**: Thank you, Mr. President, Ladies and Gentlemen of the Senate. I will be supporting this bill, and I hope many of you are, as well. It seems to me that we talk a great deal, in this Chamber, about providing job opportunities and the mechanisms to do that. Public policy to provide the infrastructure and financing and funding for a variety of activities in this State is nothing new. We provide bond issues for potato houses up North. We help with the blueberry fields Downeast. We provide money for industrial parks and highways and bridges. We provide money to build facilities for new buildings to house industry that comes into communities. We have the Finance Authority of Maine that provides loans to individuals and takes risks with public money to do that. So, we have a whole variety of tools, and have for a long time, throughout the State, in a variety of means, tried to put in place those kinds of tools which help business provide jobs. This issue also, to me, as we talked about individuals and firms willing to put up their net worth, and invest and take a risk, are not individuals who are not unmindful of those risks. They are thoughtful individuals. They know the industry and they know the risks. I would suggest to you that one of the primary reasons that they are

doing it is because shirts are not made by machines, they are made by people. They are made by the employees and they know the quality of the employee here. You can go overseas and invest in a lower market rate. You can go to some other part of the country. But what you can't do is get the employee that you get in Maine. We have investors who are saying, "We have looked at this situation, and the business analysis is the reason the company isn't doing well. It isn't because we don't have good, hard-working employees. It's the way the business was managed. We are going to manage it in a different way, in different markets, and different products that are going to be able to be competitive. We know we are going to do that because of the people." They are willing to make an investment in 450 people. I think we are being asked to make an investment in 450 hard-working Maine people who have shown they can compete in the world class if the administrators operate the business in a way that they want to be competitive. I am prepared to go hand in hand with them and make that investment because I believe in those 450 people. The end result is if we don't invest in them, they are going to have to be going out of work and looking for a different job in a difficult market; and no one will have any income. I am willing to take that risk and I am going to proudly cast my vote and my confidence and trust in those 450 people. Thank you.

**THE PRESIDENT**: The pending question before the Senate is the motion by Senator **CAREY** of Kennebec, that the Senate **ACCEPT** the Majority **OUGHT TO PASS AS AMENDED** Report.

A vote of Yes will be in favor of **ACCEPTANCE**.

A vote of No will be opposed.

Is the Senate ready for the question?

The Doorkeepers will secure the Chamber.

The Secretary will call the Roll.

ROLL CALL

**YEAS**: Senators: **ABROMSON, AMERO, BENOIT, BERUBE, BUSTIN, CAREY, CASSIDY, CLEVELAND, FAIRCLOTH, FERGUSON, GOLDTHWAIT, HALL, HANLEY, HARRIMAN, KIEFFER, LAWRENCE, LONGLEY, LORD, McCORMICK, MICHAUD, MILLS, O'DEA, PARADIS, PENDEXTER, PINGREE, RAND, RUHLIN, SMALL, STEVENS, and the PRESIDENT, Senator BUTLAND**

**NAYS**: Senators: **BEGLEY, CARPENTER, HATHAWAY**

**ABSENT**: Senators: **CIANCHETTE, ESTY**

30 Senators having voted in the affirmative and 3 Senators having voted in the negative, with 2 Senators being absent, the motion by Senator **CAREY** of Kennebec to **ACCEPT** the Majority **OUGHT TO PASS AS AMENDED** Report, **PREVAILED**.

The Bill **READ ONCE**.

Committee Amendment "A" (S-603) **READ** and **ADOPTED**.

Under suspension of the Rules, **READ A SECOND TIME** and **PASSED TO BE ENGROSSED, As Amended**.

Under further suspension of the Rules, ordered sent down forthwith for concurrence.

Senator **CAREY** of Kennebec was granted unanimous consent to address the Senate on the Record.

Senator **CAREY**: Thank you, Mr. President. For the workers at the Hathaway, and for future workers who may fall under this provision, I thank you very much.

Senate at Ease  
Senate called to order by the President.

Senator **LAWRENCE** of York was granted unanimous consent to address the Senate off the Record.

Senator **SMALL** of Sagadahoc was granted unanimous consent to address the Senate off the Record.

Senator **AMERO** of Cumberland was granted unanimous consent to address the Senate off the Record.

On motion by Senator **RUHLIN** of Penobscot, **RECESSED** until 2:00 o'clock this afternoon.

After Recess  
Senate called to order by the President.

Out of order and under suspension of the Rules, the Senate considered the following:

**COMMITTEE REPORTS**  
**House**

**Divided Report**

The Majority of the Committee on **AGRICULTURE, CONSERVATION AND FORESTRY** on Bill "An Act to Implement the Compact for Maine's Forests"

H.P. 1390 L.D. 1892

Reported that the same **Ought to Pass as Amended** by Committee Amendment "A" (H-924).

Signed:

Senator:

**PARADIS** of Aroostook  
Representatives:

**SPEAR** of Nobleboro  
**AHEARNE** of Madawaska  
**PENDLETON, JR.** of Scarborough  
**HICHBORN** of Lagrange  
**TYLER** of Windham  
**KILKELLY** of Wiscasset  
**CROSS** of Dover-Foxcroft  
**STROUT** of Corinth

The Minority of the same Committee on the same subject reported that the same **Ought to Pass as Amended** by Committee Amendment "B" (H-925).

Signed:

Senators:

**CASSIDY** of Washington  
**LORD** of York

Representatives:

**DEXTER** of Kingfield  
**KNEELAND** of Easton

Comes from the House with the Majority **UGHT TO PASS AS AMENDED** Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-924) AS AMENDED BY HOUSE AMENDMENTS "B" (H-931), "D" (H-933) AND "G" (H-937), thereto.**

Which Reports were **READ**.

**THE PRESIDENT** Is it the pleasure of the Senate to **ACCEPT** the Majority **UGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (H-924)** Report, in concurrence?

The Chair recognizes the Senator from Washington, Senator Cassidy.

Senator **CASSIDY**: Mr. President, Men and Women of the Senate. Before we vote on this issue, I would like to discuss several concerns that I have had and expressed through the public hearings and our Committee work sessions and to all of you here for the last few days here. First of all, as you know, I am really opposed to the idea of us having a competing measure on the ballot to come up in November. I think it would be fair to give you some of the reasons why I am concerned about this and some of the risks that we will be taking by doing this.

As you know, in March this proposal that was initiated by a citizen's group, called the clearcutting ban initiative, came before our Committee. At that time we had 900 folks show up over at the Elks Lodge. The hearing went on for hours and hours and there was a great deal of opposition to that proposal. I think, hopefully, all of you are opposed to that proposal, as well. At that time, obviously, I needed to decide what was the best thing for our Committee to do. The options that we had at that time was either to implement that clearcutting ban, or to refuse it and put it out to vote. The other option that we had, after discussion with the Attorney General and the Secretary of State and the Commissioner of Conservation, the option of putting up an alternative proposal. After consulting with the Commissioner, and I'm sure he spoke with the Governor and all the folks involved, the decision was made at that time that it would be better to leave this as a straight up or down vote and put it out for the folks. As you know, the first reaction from the citizens of Maine on some of the early polling, without people understanding exactly what this proposal would do, was possibly 70% of the folks who may have, at that time, supported this clearcutting ban. However, folks didn't realize the other forest practice issues in that proposal that would really devastate our economy. Number one, not being able to harvest more than one-third of your wood over a fifteen-year period, and half acre openings in the canopies and so on and so forth. Once folks started to realize what this would do to our economy, how restrictive it was and so on, and the companies formed a pact and started to do a little advertising. The numbers immediately dropped to down to 49% that were opposed to this. I think it was only about 20% that would favor the clearcutting ban. It was clear to everyone, including, I think, the Governor, his administration, all of you, and probably everyone in this building, that this clearcut proposal would probably go nowhere this fall. In the meanwhile there was some discussion, and a group got together to decide if we should offer some alternative. I think the initial thought, from what I have heard from some of the paper companies and their representatives, was the possibility of putting on a fade-away measure, where we could put something on the ballot so if the clearcut failed, that would go into law; if not, it would fade away. The courts ruled that that was not possible to do. The only option would be this competing measure.

The Governor, and his folks who met, and I'm not really sure of all of the players that met during the summer, I guess there were people from the Natural Resources Council, some of the environmental groups, the paper companies and industry sort of met behind closed doors to put this proposal together that we have before us today. During that process, it was evident, when we got near the end, that some of the

negative feelings about the whole proposal, when they started to bring in some of the players who didn't have a chance to participate, like the small woodlot owners and a few other people. The problem with that whole process was this, it didn't bring all of the players into effect that should have participated in this thing. I would liked to have seen some legislators, people from our Committee or the Natural Resources Committee. I would liked to have seen some people that belong to the ban clearcutting group have a seat there. Obviously, the loggers, the small woodlot owners and all of those that were left out.

The big objection I had to this whole proposal was, number one, why are we spending the money to be here today, and to go through what we have gone through, and the public hearings we had last week, and the work sessions we have had this week, when we know we are going to beat the issue? The other thing is, we could deal with this thing in the next session, in the 118th, when we have time to work on a bill that has the magnitude of this. I said, during the hearing this week, I really feel if this bill had come to us in the first session of the 117th, probably we would have worked on it that winter, held it over, worked on it the second session and had twenty months or so to put this bill together, to cover all of the bases, to have all the people in place, to make sure that this was right. It's obvious that this has been a very rushed ordeal for everyone. I do commend the Committee for the work that they did in such a short period of time. But, the problem I have with offering this thing, and not having a clear up or down vote, was the fact that the citizens' group that did initiate that referendum, although I don't agree with the referendum, went through the process to collect 57,000 signatures. I feel, even though they are wrong, they should have their day on the ballot. We should be able to go and vote on that, and deal with this thing at the proper time. Those are my first two arguments. Why send this thing out when we know we can beat it? Let's keep it up or down, a simple yes or no. Often, my constituents will say, "Is this one of those referendums that I have to vote 'yes' when I mean 'no' and 'no' when I mean 'yes'?" I had people come up to me a few days after the last referendum a couple of years ago and say they didn't know if they voted the way they wanted to or not. This one was very simple. It was yes or no. So, that was the problem I had when I first said I was opposed to this thing, because everybody, including the paper industry and our Committee, met with the Governor. Everyone, except a small group of people, were saying do not go into a special session, we don't need to do this. I was really quite surprised with the advice of most of the people that he was soliciting were not in favor of this. I think there were only eight on our Committee that said not to do this and four or five others said do it. Those were some of the concerns I had. Then once I did see the bill, I see what's behind all of this in a lot of areas. One, and it was said at the public hearings, the problems we have with this is it's a situation where even some of the opponents, who got up and testified at the hearing, would say to us they were going to support the Governor but this reserve thing is totally ridiculous. We had one person who is a nationally recognized company in this State for their forest practices and what they have done and accomplished say that with this reserve the wood is going to die.

It's going to be insect infested. It is going to rot and blow down. We are going to have a fire and it will be a nature's clearcut. Here is a guy who was sponsoring the bill. The other thing that you have here is just another layer of bureaucracy. I did not run for the State Senate from Washington County saying I wanted to add another half million dollar fiscal note to the State budget. I did not run saying I need another layer of bureaucracy. I ran saying we need to streamline State government. I heard the Governor, at his inauguration, say we are going to have a leaner, meaner, State government. This is not leaner and meaner. It also infringes on the rights of property owners. We have enough rules and regulations in this State without adding this. The thing with the clearcut ban, as you know, it was only in the unorganized territories. This particular bill takes in the entire State.

The other problem I had with this bill, it was evident during the public hearings, the paper companies would stand up before us, and after about the fifth one, it was real evident that what they were saying to us is we have been in business for 100 years, it was almost the same tune, we have been doing it right. We have had the spruce budworm. We have had to salvage some wood. We are doing it right again. We are going to do it right even if this doesn't pass. We are going to implement this in October. As you can see, the audit report on this bill is totally voluntary. I don't see why we put into law a bill that folks are going to do only if they want to. It's not like this is Simon says. The other thing that I see in this audit, and I asked some of the folks as they were testifying, there is no question the paper companies seem to think that they have a bad public image. There is no question in my mind that folks in Maine are concerned about clearcuts.

As you know, the Maine Legislature introduced, in 1989, our present Forest Practices Act. Unfortunately, at that time, we had twenty some odd foresters working with the forest people in this State. Today we have eight foresters left. We have a bill that we haven't worked the way we were supposed to from day one. If we enforce the law that we have today, we wouldn't need to be doing this. Although the Forest Department, as by statute, did report back to our Committee in April of 1995, the results of what has happened since we implemented our present act, and there is no question that clearcutting has dropped off over the last five years. There is no question, even, with some of the numbers we have seen in this bill that the average clearcut is 33 acres. I think clearcuts are ugly, too. I also know that I have worked in the woods part time on my own lot, with lumber and firewood for my own use. Over the years I have raised Christmas trees. I have been out there and I know the evolution of what happens when we work our forests. There are times when we need to clearcut an area for some reason or another. As a matter of fact, last year, you may have read in the paper, we had a weird storm go through our area; and I had a lot tamarack, or hackmatack, whichever you prefer, that was all of the same age, in a shallow soil. We had 25 or 30 acres blow over during this freak storm. These trees were 75 to 80 years old. I had a forester come in and he said I had to cut all of them because the ones that didn't blow over would blow over once we clean it up. So, we have a three or four acre clearcut in

my 150 acres that doesn't look that ugly, but I know it doesn't meet the basal foot that is required under the present act. I did get the Commissioner to come and check me out to see what I was doing. Those things happen and we know there has to be exceptions to every law that we make, because there are some reasons why we could create hardships on people. So, those are some of the concerns that I see with the bill.

The biggest concern I see with the bill is this, we had three days of public hearings for two sessions. We had a half hour rotation of folks in favor of this bill and folks who opposed the bill and folks who were neither for nor against it, although we had a few people just jump up in that last area with a "Yes" button on who said they were neither for nor against. I did ask them to remove their button before they continued their discussion. But, what came out of those hearings was this, we had the professional lobbyists, who you have seen here in the corridors for the last two days, speak. We saw paper employees and forest products people who are in the industry but not necessarily professional lobbyists but who have an interest. Then we also had the people speak. We had the Governor's people there lobbying their proposals. We had the environmentalists speaking, as well. If you could, in your mind, picture taking the paid lobbyists and the paper industry and the environmentalists away from that, the rest of the people that I heard for those other half hours were very concerned about their rights to own land in this country. They were concerned about the continued spending of state funds. They were concerned about government in their life, and all those issues. That is what set in my mind. I am representing the people in Washington County, and the people of the State of Maine. Paid lobbyists, to be quite honest with you, have never had a real impact with me. Although I was accused several times during the session that I was paid off by the paper companies, I think they have learned this week that they didn't give me enough money or something, because I'm not paid off by anybody and I never will be. I fought this issue from the beginning based on the value of what I think is right and that's what we are here for, to do what we think is right for our people. My constituents are with me on this. I have been all over my district, talking with them, and they agree 100%.

The other thing that was so striking to me, and I'm just about finished, so just be patient, I was so amazed at the calls I was getting from the industry people. The people who are in the forest products industry, not the lobbyists, and also the testimony I heard when I met with them in the various communities where we were hearing. They would all say to me that I had to support the Governor. Of course, the professional lobbyists know you don't say that. It's like them asking me today, "How many votes do you think you have in the Senate?" I said I have one, that's all I know. I don't know how many votes we have in the Senate. What I am saying is I thought to myself, "Why are these people saying to me, Vinton, I wish you would support this but you are right. You are really right." I have had calls to my home and we had a citizen give testimony up in Presque Isle. He came up to me and said, "Senator Cassidy, the funniest thing happened to me today. A lot of the people who heard what I said told me it was tremendous testimony and they agree with me 100% but

they were there on company time so they had to say what they did, but I was right." I wondered why they were saying this. The reason they are saying it is because they don't understand the process. They just should have said to vote with the Governor and that's it, maybe that would have gotten to me. But those people don't understand the process. They were telling me what their heart was saying. I had another group come in here last week who was going to testify. I explained some things in the bill to them and said I couldn't understand why the group was testifying. They said the paper companies called them and told them to. I showed them this, this, this, this, and they said they still had to testify because their people told them they had to but they looked at it. I saw him leave the hearing later that afternoon and I haven't seen him since. When people realize what is in this bill, when they stand up and say that the small woodlot owners endorsed this, what you find out is that the Director of Forestry went and spoke to the Director of the Small Woodlot Owners. They took a vote and voted to support this compact. There are 1500 members they didn't poll, including me. If I had gone and spoke to the Board of Directors, you probably would have seen a different vote. So, I wasn't really impressed. We have a wide range of coverage. You may hear this afternoon that this group, this group, this group, and this group support this. The fact is there is a wide range of very shallow support for this.

Finally, what I will say is this, a few years ago, more than thirty, when I was in high school, I had an opportunity one time to participate in a sports camp put on by the University of Maine. At that time there was a wonderful guy named Brian McCloud, who was the head basketball coach. I can always remember what he told us kids one day. He said, "In basketball, normally a bad pass is followed by another bad pass." I hope here, today, that a bad decision for us to be here is not followed by another bad decision to pass this bill. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Aroostook, Senator Paradis.

Senator **PARADIS:** Thank you, Mr. President, Men and Women of the Senate. The pile of paper you see here is part of the work that has been done since January on this very issue. Many of us felt very guilty that so many trees literally bit the dust during these negotiations and talks. Whenever 55,000 people speak by putting their John Hancock to a document, it says something. It says that we have a problem. We had a problem, we were told, by the way we were managing our forests. That was a very clear message. The referendum did immediately cast a pall on the industry. Much of the investment, land acquisition, buying chain saws or equipment, came to a halt. Living in the northern reaches of this gorgeous state, we felt it immediately. There is a face to the impact of this proposed referendum. All the individuals involved in the forest products industry, to the environmentalists sitting around the table, for as many months as they have done it, is unprecedented. We always do it this way, legislatively. We always bring the people who are interested in an issue around the table, but I have never seen the extent of the work that was done here. The executive and legislative branches were involved to the extent they chose to be, as 75% are employed in other jobs it made it very difficult. I felt very confident that there was some excellent

work going. We were very impressed this week as we dealt with a room full of people while we were reviewing the compact in Room 113. I was always impressed with, no matter what the questions were, all there were were the two committees sitting and reviewing this compact; and there was question after question after question. I don't think there was one time when there was not an answer that was forthcoming or would be here in an hour. We were able to get the information. Maine is now an excellent place to do business. We have done a great job, as policymakers, to change some things that were impeding the business climate in this State. We have a pall that is continuing to hang over us. The perception remains, even after so many months, that the referendum was accepted. That has not lifted. We, as policymakers, are here today and we need to do something about it. I think we have a document here that will do just that. We have to put a stake in the monster that is lunging for the heart of the Maine citizens involved in the forest industry and all the ancillary industries that are related to the beautiful State of Maine. We have 90% of our area forested, 17 million acres are wooded. That's why this is here today. It's not a small or specious piece. We don't have the luxury of time and we deserve to put this gutwrenching issue behind us. We are remaining under this economic cloud. We know, living in Maine, we chose to live here even if it is very difficult, we have to be poor, but we know that we do what we have to do with what we have. This is what we have. I think it is a wonderful plan. I laud the people who put the amount of energy into this compact that made the document what it is today. I urge your support. Merci beaucoup.

**THE PRESIDENT:** The Chair recognizes the Senator from York, Senator Lord.

**Senator LORD:** Thank you, Mr. President, my Learned Colleagues. In 1989 the same group of people worked for what we called the Forest Practices Act. They worked for six months and sent it over to the Committee on Natural Resources. I think we worked for two or three weeks before we came up with the bill. It was agreed at that time that this was a good document. It was a good way for us to run our forests in the State of Maine. It was agreed at that time that they would let the Forest Practices Act work for five years. At the end of the five years it was looked over to see if there was any recommended changes or some different policies, or rules and regulations. They didn't wait for five years. One of the groups thought that after three years that it wasn't working and they had to make changes. That's what they tried to do and that's what they have been trying to do for the last two years. So, now we come up with this bill. I will predict that it won't be two or three years before you are going to be fiddling with this bill, also. There is no question in my mind. Last Tuesday morning I spent part of the morning down in Biddeford, at a restaurant down there, for a briefing of the bill from some of the people who are supporting it. I think there were nine Representatives and Senators there and a couple of selectmen and town officials. One of the people that was for the bill got up and said, "Now you can't tinker with this bill. This is the document you are going to leave alone. You just can't tinker with it, because if you tinker with it, the support is going to fall apart and nothing is going to be done." Well, folks, you know we worked on this, we heard the

hearings, and we made some major changes. I see the same people out there pushing it just as hard now as they did when they first had the bill.

There are some things that I think are good things in here, and there are some things that I think are bad. I'm going to list one. If you look on page 10, under the decision-making process, it says, "The Board shall, in its decision, by unanimous approval of its members." Now, I don't know about you, but I belong to an awful lot of different organizations and I have never heard of such a thing as unanimous approval. You don't do that in State government. You don't do that in town government. You don't do that in the federal government. To me this is dictatorship. One person on that committee can hold the rest of them hostage. Either you do what I want or I'm not going to vote for what you want. I don't believe that is democracy. I don't believe that that is the way to make decisions. You should either go by the majority or a two-thirds vote. This is one of the things that I think is the worst thing in the bill.

I know there has been a lot of time spent, but I think that I will agree with Senator Cassidy. We have a referendum question and we had the darned thing licked. There is no question in my mind. I think it was licked when the first vote came out and people were very much for the bill. But, I think, after some of these paper companies and some other people got some good advertising in the papers, I think a lot of the people who voted for the ban was hoodwinked; and they realized it; and it started to change. Then they came out with the economic results. We were going to lose 15,000 jobs. It was going to cost the economy of the State \$2.3 million. The people down my way said, "Look, those people up in the northern part of the State are working. If they can't work, they are going to go on welfare. Who's going to have to pay for the welfare? It's going to be the people down in the southern part of the State and it's going to hurt our economy." I think these things are what turned the thing around, and I think that we could be voting on the referendum question alone. Then, by gosh, it would probably go down in flames. I would hope that you would take this into consideration. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Waldo, Senator Longley.

**Senator LONGLEY:** Thank you, Mr. President. Men and Women of the Senate, I rise in support of the compact, and I would like to explain. This compact is not everything to anybody, it's something for many of us. It's an improvement on forest practices. All summer we have been learning about forestry. We have realized that the referendum poses a billion-dollar threat to our economy. We realize that people are concerned about clearcutting, too much clearcutting. Compliments of the Governor, environmental groups and paper companies and small woodlot owners and the Sportsmans Alliance of Maine, and a variety of people who normally fight, compliments of their willingness to get together, probably in a year when we need more people of diverse interest getting together and finding common ground than ever before, we have had this group get together and find common ground. We have a wonderful compact in front of us which, in addition to offering us chance to both defeat a complete ban on clearcutting, as in question 2A, the complete ban, we have an opportunity to improve forest practices. Out of the crisis around

clearcutting we have crafted an opportunity. If we want to live up to our motto of "Dirigo", "We Lead", I see this as an opportunity. Just as Percival Baxter stood before this body and tried to convince them of the importance of helping our forests, of realizing that our forests are both an economic base and an ecological base, and we merge that union and have sustainable forestry, or else the next generation of Maine children will have less opportunity. This compact, I say, is an opportunity for all of us to prove ourselves as leaders. We see something that we don't want passed. We built the momentum for the defeat of question 2A and, hopefully, today we will present to the people an opportunity for question 2B. I agree with the Governor. I hope that by the end of today, or tonight, or whenever we adjourn, that a lot of us can leave and can educate the people about the basics. I would just like to delve into the basics very quickly, because we are all going to have to educate, presuming that we can get enough votes here in this body today.

For you landowners, if you do not clearcut, this compact does not affect you. If you own land and clearcut less than five acres, this compact still does not affect you. If you clearcut more than fifty acres, we ask you to take a timeout and make sure that it is good, healthy clearcutting in the right places. It is restricting clearcutting to the right places, so we have sustainable forestry, so the next generation of Maine kids can go into those forests like we have been able to and can help develop our Maine identity, which is very much related to our forests. In terms of property rights, it respects property rights. It says, as I just said, if you are not clearcutting, we are not going to bother you. It says if you, in your town, start to develop an ordinance that will be more restrictive than what we possibly pass today, we simply say make sure that the landowners who may not be residents of that town get notice that their land will be discussed at a public hearing and then, possibly, at a town meeting. In terms of education, in my opinion, that is another way that we respect property rights. It is saying to all of us in Maine that forestry is real important. Let's take the time to understand what forestry is all about so that maybe the next time there is a referendum that is too drastic, before people sign, they will have the intelligent questions to ask. Thank you for listening to me. I encourage you to vote for the motion in favor of the compact which, hopefully, will become "2B for ME" and all of us. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Harriman.

**Senator HARRIMAN:** Thank you, Mr. President. Good afternoon, Ladies and Gentlemen of the Senate. I would like to begin my remarks by expressing a sincere, heartfelt thanks to everyone who has been involved in the moment we are facing today, for, indeed, I believe this public discussion and the work that has gone on up to this point proves one thing, and that is that Maine people do not believe that their forests are being used in a way that will assure sustainability for centuries to come. We have the opportunity to change that for the better - better for Maine's environment, better for Maine's economy.

Just as my good friend from Washington, Senator Cassidy, was candid with you, I hope that you, in

turn, will respect my opportunity to do the same, because I respect his position. It has come from within his heart and his deep-held beliefs, as do I. I want to start by saying it was not my choice to be here in special session. That power is granted within the Constitution of the State of Maine that allows one person, in this case our Governor, to call us into special session. That privilege that he or she has to do that has brought us to the opportunity today where we can come in here and say that we want to work together with the very people who are working in our forests, who are concerned about our environment and our future. Or, we have the message we will leave here today that says we don't care what you think. We know best and we are going home. So, if I could, Mr. President, I would just like to help you appreciate the perspective from which I come; and there are three of them.

When the citizens of Senate District 23 gave me the honor of sitting in their seat, and this is, indeed, their seat, not mine, one of the things I was asked to participate in was a project called The Maine Environmental Priority Project. This project started in an environment where there was complete hostility amongst people who use our environment and those who are passionate about preserving it. As a matter of fact, some of my colleagues in that first session asked me if I was crazy. Why would I want to get involved in a process where people barely talk to each other? Indeed, the early part of our work involved discussions of the interpretation of people's body language. They barely could sit across the table from one another and have lunch. Yet I submit to you today, three years later, these people look at each other with mutual respect; and they, together, have come up with a consensus on what Maine's environmental threats are. They have ranked them and they are standing behind them. One of them is called our terrestrial ecosystem, and I won't bother to describe all of the details to you. But, a major component of that, which was rated high in our work, was forest management practices.

The second perspective, Mr. President, that I bring to you is that of Chair of the Business and Economic Development Committee. We undertook a piece of legislation that you may recall was entitled the Jaakko Poyry Report. It was an exhaustive study, probably about six inches in depth, addressing all facets of the Maine paper industry making. The quality of the species of trees, the production of the workforce, the technological standing of the mills; and it became quite apparent that, except for a few isolated instances, we were losing ground in the worldwide competition. One of the specific recommendations was to create a Paper Industry Council, which I have the pleasure of chairing. This Council was put together for the sole purpose of advocating the benefits of, and the value of, the paper industry here in the State of Maine. It contains such diverse voices on there as a member of the Maine Audubon Society, a spokesperson for the railroad industry in Maine, the Commissioner of Economic and Community Development, legislators, and I could go on and on. We took a hard look at this so-called question 1 when it was before the Legislature. We invited numerous so-called experts to come in and help us understand the condition of Maine's forests. After much deliberation we unanimously, I underscore unanimously, agreed that the Paper Industry Council would recommend to the

Governor that he oppose question 1; and we pledged our support in helping to develop an alternative, a compromise that would not be as extreme. In my memory this is the first time that this diverse group of people have come together and said we can live with this. We want to work together with each other. We respect the needs of the environment as importantly as we recognize the value of this industry to our economy and the people affected by it. Some have argued, I'm sure, from their perspective they deeply believe that this is a so-called "takings issue". We are not telling anyone they can't cut their trees. If you put this in the perspective of the Forest Practices Act that was discussed by my good friend from York, Senator Lord, a few minutes ago, about the Forest Practices Act of 1989, where we created very large buffers between water bodies and clearcuts, that arguably could have been considered a huge takings. Yet I have not heard from anyone who has told me that the value of their land was taken because of that.

More importantly, Mr. President, I believe that Maine people will benefit from the opportunity to vote on this issue in several tangible ways. I think it is a national, indeed an international, opportunity to tell the world that Maine forest products are produced in an environmentally prudent way. In fact, I have the good fortune of knowing one of the companies that produces world renown furniture in the State of Maine. Do you know where that company buys their raw materials from? They buy them from Pennsylvania. Why? Because it is critically important to their customer base that the raw materials used in the manufacturing of this furniture be produced in a sustainable, environmentally certified way. This bill gives us a chance to do that. It creates an unprecedented opportunity to build on the relationships that I described to you a few minutes ago that started three years ago with the Environmental Priorities Project. We are telling those people, "Good job. We respect what you have done. We are going to work with you. We are going to work together to build a better future for our environment and our economy." If we say no, what are we telling them? Go away. We are not listening. It proves to the people of the State of Maine that their Legislature is listening and it has the courage to look beyond the horizon and do what is right for future generations. It also enables us to present, in a positive, forward-looking way, a positive image of what we stand for, not what we are against. I think it's about time that we do have an opportunity, particularly in an election year, to paint a picture for the citizens of Maine of what their economy and what their environment is going to look like. This bill gives them the opportunity, and that's all we are doing is giving them the opportunity to vote on that. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Franklin, Senator Benoit.

Senator **BENOIT:** Thank you, Mr. President. May it please the Senate. You have heard me say on more than one occasion that sometimes, in the halls of government, there is the gall of government. I think this compact is a prime example of that. I see it as another example of the gall of government. You know, this was a very simple situation just a few months ago. We had the Green Party that went through the hoops, put a referendum on the ballot in November to be acted upon. My constituents, to a man and woman,

said, "Benoit, you don't have to go down to Augusta on this. Let us vote it up or down. Make it simple. Don't fudge it up." I wrote an article for the Franklin Journal six weeks ago expressing my constituents' view to a man or woman when I saw them at the Shop 'n Save, or the library, or wherever. Now what do we have? Here we are. Why is it the bureaucrats down here in Augusta think that my constituents in Franklin County, Kennebec County and Somerset County don't have as many brains, or as much common sense, as the people down here in Augusta? Why is that? My people are just as smart, just as well-meaning as bureaucrats in Augusta. Do you know what it is? I see it as government. Let's use this example. If you don't feel that people in the State of Maine don't know enough to act upon the Green Party referendum, you need a compact. You are really saying, "Gee folks, you probably should be under guardianship." It's government by guardianship as I see it. I will never vote to support government by guardianship, because my constituents are just as intelligent as people down here who are bureaucrats in Augusta.

So, what are we going to have? Not one question, but three. That's fudging it up. Question 2 and 3, neither of the above. In the past two days I have had a couple of dozen calls. Now some of my constituents want me to make fudge. When they call me, they are somewhat out of breath, they are nervous. It was so simple a few months ago when we had one question. Vote it up or vote it down. Educate the people and get a vote on it. It's simple. I'll bet you this, 75% or 80% in my district would have voted it down. No fudge, no fancy stuff. I'll tell you what's really bothering me about this. Here we are, in two days, acting on such an important matter as this. It was just a couple of days ago that I saw the bill. My constituents, most of them, haven't seen it yet. We had a hearing process that was somewhat irregular. It was the best the Committee could do. Three hearings across the State, but still irregular. I feel like today there is a gun to my head. I do not like government by gun to my head. Deep down in their hearts my constituents do not want me to vote for that kind of government. I feel pressured on such an important issue as this. I feel pressured. Government by guardianship, no way. Government by gun to my head, no way. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Aroostook, Senator Kieffer.

Senator **KIEFFER:** Thank you, Mr. President, Ladies and Gentlemen of the Senate. I believe that L.D. 1892 is a classic example of why citizens back home, and people on the street, absolutely don't trust our Legislature. I am discouraged when I hear people say that, but this is the reason why. I'm not going to get into a lot of detail, the good or the bad side of this legislation. I believe that the amendments necessary to make it palatable would resemble the telephone book. I do believe in individual people's rights, and I would like to talk a little bit about how this piece of legislation came to be before us here today.

In spite of the fact that I totally disagree with the clearcutting referendum of the Green Party, the facts are that they did comply with the provisions of the Maine Constitution. They obtained the necessary signatures by petition, as required by the Constitution. The petition was submitted to the

Secretary of State and it was approved and accepted by him. I believe that these people are entitled to due process of law, the same as any of the rest of us are. I don't believe that the system should be tinkered with by the Governor, or by any other special interest groups. What kind of a precedent does this set for future citizen-based initiatives? Should the Governor, or any other special interest group, completely void of any elected officials, be allowed to circumvent the Constitution and squelch the efforts of people who have the courage to initiate a referendum, issued in accordance with the Constitution of Maine? I don't think so. Certainly, the Constitution provides for a competing measure. Common sense would certainly tell us that that competing measure should be discussed and either added or not added to the ballot in the same legislative session that the original citizen-based initiative was acted upon.

I believe that Representatives and Senators are elected by the people of Maine to represent their respective districts. Yet, there was not even one elected official represented on the group that drafted this piece of paper that is in front of you. A week ago last Monday I was here in Augusta. On the Thursday before I had had a copy of the draft of this legislation sent to me. I read it thoroughly on the long airplane ride that I had. Yet, on Monday, when I came in here and picked up a printed copy of the draft, it was completely different. On Tuesday I left to drive back to northern Maine, and I was able to obtain five copies of this piece of legislation. This was the day the hearings started in Lewiston. The hearings were held in Presque Isle on Thursday; and when the Committee arrived, they did have a small supply of copies of this legislation, 23 pages of it; and this was to be a public hearing for public input as to what the content of this L.D. contained. I think that's really giving people more credit than they are due that they could digest this document in a matter of fifteen minutes and then get up and present their position on it before the Committee. I can't even imagine that we can ask the public to ask anyone to act on this this fast. This is a document that is not different than the learning results bill that we worked so hard on last year and spent so much time on. Here we have a piece of legislation that is going to affect the citizens in Maine, statewide, for many, many years. It was crafted in a secret meeting, in a backroom, in an under-the-table deal, as far as I am concerned. And the contents of it were purposely withheld, not only from the Legislature, but from the public as well, in an effort to jam this through in a special two-day session. I sincerely ask you all to vote to defeat this measure.

**THE PRESIDENT:** The Chair recognizes the Senator from Lincoln, Senator Begley.

**Senator BEGLEY:** Thank you, Mr. President. I would ask, first of all, for you to answer to yourself, why was this special session called? Was it, and is it, a proactive issue? If you are honest, your answer has to be no. It is not proactive. It is reactive. It is a reactionary move as a result of a citizens' initiative. Those of you who support this compromise, where were you a year ago? Where were you when everybody was saying to you that somebody should do something? Legislature, paper companies, environmental groups, small woodland people, where were you? Now 58,000 people, whether

you agree with them or not, have brought about this special session, simply because in an issue such as this, a small group, probably not more than fifty to one hundred, sat down and said they can't do that. For crying out loud, we can do better than that; because they are now threatening us. That is reactionary. I don't believe in that, particularly when 58,000 people of our citizens had an issue that did give us a choice and does give us a choice. I do not see any referendum question that ever says you may only vote yes or you may only vote no. On the referendum question there is a box for both. There is a box for the paper companies to check, the woodland owner, the legislator, or anybody else who agrees or disagrees with that referendum. What this compromise does, if you call it a compromise, simply says to the rest of us that anytime we are threatened we are going to come in the side door and try to manipulate it. I saw this in the Department of Transportation referendum quite a few years ago, when two issues on one referendum with one vote. The law has been changed to stop that. I would say to you people, don't allow issues such as this, reactionary, to come in, as good as they are or anything else. I say to the paper companies and anybody else who worked on this, your issue should be proactive and go ahead and work to support the referendum or defeat it. Personally, I will work to defeat it. I would also work, as I am standing here today, to give those people the right to have that issue, and only that issue, on the ballot in November, 58,000 versus probably 100. It is an insult. Notice I did not say illegal, but, from my perspective, it is an insult to those people and to the initiative process. I hope you will defeat this motion. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Kennebec, Senator Carey.

**Senator CAREY:** Thank you, Mr. President. Fifty eight thousand people constitutes 4.5% of the people of Maine. So, 95.5% of the people in Maine haven't spoken. They are now being given an alternative to what the 4.5% of the people in this State have put together. It has been said more than once that questions, if you put more than a couple of questions together, and you are asking people to vote on them, then you will confuse them. I will tell you that we, who are sitting here, have been elected from a selection of one, or two, or three opponents. I hope you don't think that the people were confused when they sat us. I'm supporting the compact for a very simple reason. Environmentalists, large land owners, and mill owners, have been joined by the small woodlot owners to some degree. I would agree with Senator Lord that they are not unanimous in their position with us. Loggers, for instance, are opposed to this; but we have had environmentalists, land owners, large land owners, agree to a compromise. What I like about a compromise is nobody is ever satisfied fully with a compromise. All have had to give to be able to retain a little something. Let me carry it through the election. If defeated, we would be hard pressed to get the large landowners and the mill owners back together again to make concessions because they will have won at the polls. If passed, I could tell you that the environmentalists, who will be jumping for joy all over the place, because now they don't have to compromise, would never come back to the table. Either way, I could see that the people of the State, when a blue ribbon commission might be formed, and report back to the Legislature



some ten weeks after the election, would really be upsetting to the people who voted one way or the other; because it gives you the impression that the value of their vote means absolutely nothing, that we are going to continue along this way. The cleanest way to do it is really to have the compact on so the people will have the many choices that, I believe, they are able to work out.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Amero.

Senator **AMERO:** Thank you, Mr. President. Ladies and Gentlemen of the Senate. You know, it was only a little over twenty years ago that most of our school board meetings, town council meetings, even legislative meetings were held in secret. Then along came something known as the Right-to-Know Law. Since then public officials have always had to hold their meetings in public. I think that that was one of the best pieces of legislation that this body, in years past, has ever passed. I firmly believe that the public's business is just too important to be done in private. That's why I can't vote for this compact. I'm all for bringing the players to the table. I think compromise is what this legislative work is all about; but it's got to be done in the public eye, where anyone who wants to hear what is happening behind doors, open doors, can be available, where the media can be there to report to the rest of the citizenry, and where the long, yes, very long, legislative process takes place. That's another reason why I can't vote for this compromise; because I don't think it has been given the fair, public, airing that is needed to make good legislation. I urge you to vote against the compact and to vote for the Right-to-Know Law. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Somerset, Senator Mills.

Senator **MILLS:** Thank you, Mr. President and my Learned Colleagues. The issue today is not whether we are in favor of the compact or against the passage of the compact. The issue is do we want to let the voters of Maine have a third choice on the ballot, the third choice that was developed, some say, privately; but I am told that it was developed by the participation of fifteen of the largest landowners in the State, including the largest paper companies. It was developed with the participation of the Maine Forest Council, the small woodlot owners of Maine, of which I am a member, the Sportsman's Alliance of Maine, of which I am a member, the AFL-CIO, of which I am not a member, the Maine Audubon Society, the Natural Resources Council, the Nature Conservancy, the Maine Municipal Association, the Maine Chamber of Commerce, the Pulp and Paper Resource Council, the Pulp and Paper Association of Maine, and the Maine Coastal Heritage Trust, to name about a third of the organizations on this list. If this isn't the right to know, I don't know what is. We are telling all of those groups, all of those boards that participated, all of the executive directors that came to the table and bellied up to talk about these issues, you can't go on the ballot with this thing that you have crafted during the hot summer months of June, July, August, and September. We don't trust the public to have more than two choices because they are too stupid. Is that the message that we are trying to send out there? I don't want to be part of that message. I live in a democracy. I am not prepared to say today whether this compact is a good idea or a bad idea. I am fully prepared to say that it is a

good idea to present it to the public. Let them be educated about it during the next eight weeks and let them tell us what they want to do. If they say no to both, we don't want anymore government regulations, we don't want any further restrictions on clearcutting, fine. They have spoken. We have given them that chance. We haven't deprived them of that in any way. If they want a radical solution, as proposed by the Green Party, they will have their chance to check yes on that. If they want a more moderate solution, they will have a chance to check yes on that. We are giving them a range of three clear choices, and trusting, heaven forbid, to their intelligence, to tell us exactly what they want. I think many of us here, who so blithely say that the initiative, as originally formulated, is cold turkey, have got to think carefully about the heritage from which we come.

When I was fifteen years old I had the pleasure of working with a 76-year-old great uncle, who was born in West Farmington, and died there a year after my working for him. One of the things we used to do after supper was trot out behind the house, at six or seven o'clock in the evening, and wander up through the fields and up into the woods in back of the house. We would go about as far as his old legs would carry him. He would get up there in the woods and he would say, "You know, I haven't been to church since I was 14. Now I'm 76, and it's probably too late to start. This is my church, out here in the woods." I have grown up in that tradition for the last 53 years. I know many, many members of the Sportsman's Alliance of Maine who have grown up in that tradition, and many other citizens of the State. They are deeply disturbed, rightly or wrongly, they are very deeply disturbed by these large colored photographs on the front page of the Morning Sentinel, the Kennebec Journal. When the Green Party gets together its \$100,000, or whatever it needs to put on a TV campaign, those same photographs are going to be displayed to you on color television at 5:30 at night on channel 5, 6 and 13. We are going to get our noses rubbed in what the woods look like, or have looked like, in the last few years.

I personally understand, I think, and I have spent a lot of time trying to be educated on this issue. I understand why clearcutting is a perfectly valid and appropriate management tool. I understand about the impact of the spruce budworm, and how the Green Party is taking unfair advantage of the fact that our woods had to be cleared of timber that we either had to lose or move. We really had no choice in the '80's except to cut a large number of these townships that were cut over so dramatically. The visual impact has been against us. It has had an adverse impact. People who walk up and down Water Street in Skowhegan will tell you that if so and so over there buys your land, one of these people who cuts all the wood off and then subdivides it, if he buys your land, when he gets done with it, if a woodpecker comes along and flies over, he is going to have to pack his lunch. There won't be anything left. That kind of public concern on Main Street about people who are stripping land, and cutting it aggressively, we can't simply defeat that by saying, "Oh well, it will cost jobs if they vote yes on the initiative." I think the people want a selection of choices; and if they are well educated at what has been happening over the past ten years, and if they

are informed that we did pass the Forest Practices Act in 1989 that imposes significant restrictions on these clearcutting practices, I don't think the public knows that, I think they should know it. But, if they are well-informed about all of the issues, they can make up their minds as to whether they want to vote no, or which of the two yes votes they may wish to choose from. I'm not afraid to let the people make up their minds. I think that my constituents, at least, are intelligent enough to be informed on the issue and to vote for three choices, one of three choices, as opposed to two. I don't think that's asking a great deal of the electorate. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Oxford, Senator Hanley.

Senator **HANLEY:** Thank you, Mr. President, Men and Women of the Senate. I, too, like my good friend and colleague from Somerset, am a member of SAM and the Small Woodlot Owners Association of Maine, and nor am I a member of the AFL-CIO. I was not contacted by either of these groups to see what my position was to bring forward to have a vote. I guess I would pose a question through the Chair to the good Senator from Somerset. Was the good Senator from Somerset asked by either of these groups as far as his position on this issue?

**THE PRESIDENT:** The Senator from Oxford, Senator Hanley, has posed a question through the Chair to any Senator who may care to respond. The Chair recognizes the Senator from Somerset, Senator Mills.

Senator **MILLS:** Mr. President and my fellow colleagues. I became aware in the early part of the summer of 1996 of who the principle people were who were negotiating around a table, to see if they could come to terms on this. I was in contact with several of them. As far as I am concerned, I didn't care to come to that table. I knew full well that if I called up Mr. Vail, or Mr. Milliken, or some of the other people who have worked so hard on these matters, that I would have been very welcome. I think, it's my belief, that these people, when they went to work so publicly, when the publicity came out that the paper companies and the large landowners and these other interest groups were finally sitting down at the table, that that was responsible for turning the polls around as much as any other factor that we have seen. If we take away that option the residual appeal of this insidious initiative is not to be underestimated in this State.

**THE PRESIDENT:** The Chair recognizes the Senator from Oxford, Senator Hanley.

Senator **HANLEY:** Thank you, Mr. President. I appreciate the remarks of the good Senator from Somerset. I guess my concerns are those echoed by other members of the Senate, as far as those people sitting around the table, and what the environment was around that table. If the doors had been open in the room in which the table was located, and the press was able to be there, and the public was able to be there, and legislators were able to be there, I guess I may be taking a different stand here today; and I think we would have a different bill before us. I think, more than likely, that bill would have a closer reflection on the minority report. The good Senator from Kennebec said that in a good compromise they all had to give up something to retain something. I agree with the good Senator from Kennebec. I would ask the not so rhetorical question that my constituents are asking me, the small

landowners, the small woodlot owners, who have a family logging business, who have a small mill. What did they get and what did they give up? Scratch that. I know what they gave up. I know what the cost is to them, and I know what the cost is to the people of the State of Maine. Some of us ran on different campaigns. In fact we all had our own campaigns that we ran on. Mine, it's no secret to this Chamber, is less government intrusion on our lives, less government bureaucracy, using our money smarter, being more productive with our resources. I thought I had a colleague on the second floor who echoed the same concerns. In fact, I didn't have the campaign financing to draft my own book to tout those beliefs, but the Chief Executive Officer of this State did. In his book he said that we have enough government bureaucracy already and that we need to use our resources smarter. Well, Men and Women of the Senate, I would ask you to look through, as I'm sure you have, L.D. 1892, amendment H-924, amendment H-931, amendment H-933, amendment H-937, the legislation you have before you to vote on. Is this moving toward less government and using our money smarter or more effectively? In H-937 sixteen additional forest rangers, and we are creating a brand new Sustainable Forest Management Audit Board. Men and Women of the Senate, you have been around long enough as far as where we have taken a look at every board that has been created. We have looked at each other and said what is this board giving to us? We know what it costs us, but what does it return to the people of the State of Maine? Oftentimes the answer has been we don't know. The price tag just on H-937 is \$129,000. That's just the cost to the State. That's not the cost to the people of the State of Maine as far as to work within the Sustainable Forest Management Audit Board. I direct your attention to H-924, where they create a Natural Resource Education Advisory Committee. We are creating another committee. I know that's music to some ears in this Chamber. Not to mine. I think if the people of the State of Maine had had the opportunity to be at the table when this was being discussed, they would have said the same thing. They would have said, "Hold on a second here, I have rights, at least I thought I did, as a citizen of the State of Maine, as a landowner in the State of Maine, to utilize my property in a responsible manner." We already have the Forest Practices Act. We have already enacted that. The Natural Resources Committee, that initially enacted that, spent a lot of time with public hearings to generate the bill. They did not have a backroom, smoke-filled deal to just bless, that they were told don't you dare change a word because you are going to upset the apple cart. No, they started from scratch through the legislative process, through our democratic process, and brought forward a bill that people had an opportunity to read the bill beforehand, before they went into the public hearing, had an opportunity to make informed comments on the bill, rather than just be told what to say. I think that's what galls me the most. Here we are, elected Senators and Representatives to the State of Maine, and we are being told to bless this because so many people are supporting it, even though they supported, and it was crafted, not under the open eyes and ears of the public, but behind closed doors. Let me ask this question. Before you vote today, what type of precedent do you think you are setting? Do you want

every critical issue facing the people of the State of Maine to be crafted behind closed doors by the so-called stakeholders, and then have it brought to you and tell you not to change a word because we already have the compromise? Forget about the oath of office you took as a State Senator. Forget about that, because what we are asking you to do has a higher calling. It has a higher calling because other people say it has a higher calling, not because the people of the State of Maine have had an opportunity to fully be involved in the process. If this bill was presented anew in the 118th Legislature, it would take the entire session to work through the process. There would be many work sessions. The public would have an opportunity to be in on the discussions from the word go. They wouldn't come in at the end and say look at it but don't touch it. Men and Women of the Senate, we are not kids whose parents are telling us just leave it on the sideboard. Just look at it, but don't touch it, because it's for your own good. I guess I'm of the mind, as an elected representative, I have a responsibility to get in there and touch it and be able to work with it. We have not been given that opportunity here. We were told it's this way or the highway. I certainly don't want to be involved in setting a precedent from here on out when we have difficult issues, having the Governor put a select group together, behind closed doors, and then come out with a compromise, a compact, and say this is what you are going to use. Not with my vote. I think it's too important an issue for us to set that type of precedent. What happens when we start talking about personal privacy rights? Not property rights. Are we going to let that be chosen, are we going to let the Governor choose who is involved in making a compromise? I would like to think that we would open it up and that we would hold public hearings on a bill that has been presented to the Legislature, not as a done deal, but as a ball of clay to mold and to shape and to fashion that is responsible and respectful of the people of our State. That's what it is all about. That's what I see my role as an elected representative for the people of Oxford County. Mr. President, when the vote is taken, I request the yeas and nays.

On motion by Senator HANLEY of Oxford, supported by a Division of at least one-fifth of the members present and voting, a Roll Call was ordered.

**THE PRESIDENT:** Before the debate continues, the Chair would like to put on the Record that in referring to the Chief Executive, there are certain parameters that we need to be cognizant of. Mason's Rules says that "It is unparliamentary and inconsistent with the independence of a legislative body to refer to the name or the office of the executive in order to influence the vote."

I interpret that to mean that we shouldn't get up and say the Governor plans on vetoing this so don't waste your time, or the Governor supports this.

Mason's Rules continues, "It is in order in debate to refer to the executive, or the executive's opinions, with either approval or criticism when such references are relevant to the subject under discussion and otherwise conform to the rules."

I would hope that we would all keep that in mind for the remainder of the debate. The Chair recognizes the Senator from York, Senator Lawrence.

Senator LAWRENCE: Thank you, Mr. President. Men and Women of the Senate, I think it's important, with

all the emotion in this body, to go back to how we got into this situation. When I first came to the Legislature the Maine Forest Practices Act was passed. That was a lengthy debate and a lengthy hearing, one of the biggest ones I can remember. What came out of that was a very complex and complicated Act, designed to resolve problems that were seen in the Maine forest. The understanding at that time was that this Maine Forest Practices Act was going to be in place for five years, then the Legislature was going to come back and revisit it to see what changes needed to be made and see how it worked and see what improvements needed to be made. If I'm not mistaken, that was over six years ago. We haven't revisited the Maine Forest Practices Act. In fact, three years ago, when I was the Chair of the Natural Resources Committee, there was a bill that came in on clearcutting and the argument used against it was we needed to revisit the Maine Forest Practices Act within a year, so now was not the appropriate time to do it. When this Legislature was elected, there was a lot of hope and promise with this Legislature, and there was plenty of legislation in this Legislature to deal with the Maine Forest Practices Act, but nothing was done. This referendum came through the Legislature, and nothing was done. So, the referendum has gone out to the voters, and the voters are telling us that there is a problem, that corrections need to be made in the Maine Forest Practices Act, but they don't like the alternatives that are offered. Take this referendum or do nothing. We have a chance to offer them an alternative that they can vote for. My parents always told me there is always an excuse for doing nothing, but we are elected to do something. We must send them an alternative. We cannot go home being a do-nothing Senate. Thank you very much.

**THE PRESIDENT:** The Chair recognizes the Senator from York, Senator Lord.

Senator LORD: Thank you, Mr. President and my Learned Colleagues. It isn't very often that I like to correct a fellow member from York County, but I think Senator Lawrence has probably forgotten that we had a special commission appointed, and I think this commission spent \$75,000 looking at the Forest Practices Act, and I think that was two or four years ago.

**THE PRESIDENT:** The Chair recognizes the Senator from Penobscot, Senator Ruhlin.

Senator RUHLIN: Thank you, Mr. President, Ladies and Gentlemen of the Senate. First of all, I think I would like to take a moment to calm the fears of my very good friend, the Senator from Oxford County, to assure him that while these meetings were held, to the best of my knowledge there was no smoking involved, so there were no smoke-filled rooms. They were all stakeholders, but of course all of us in the State of Maine are stakeholders together. They were people who had an interest, and rightfully so, a vested interest in the problem that was before us. That problem was that we were all being offered a very radical solution to a perceived problem in the State of Maine, or nothing at all to be done. I listened to the people. I heard those people. I made it a point to listen. They wanted something done. They wanted an alternative. They did not want to go to the extreme that was being proposed. Those people, diverse in background, diverse in the beginning of their interests, but focused to the problem that we have in the State of Maine, and the

problem, regardless of what side you are on, or where you are coming from, the solution is one word, sustainability. Those people, with that diverse background, came to approach that problem of sustainability. I, for one, thank them. If I don't like the compact, I'm a legislator, I just want to assure you that I can vote it down. I could talk against it. I could change it in committee. So, let us go back to the process and see how it did evolve. Those people brought forth their concerns, their reasons for being at this point in time, their fears and hopes for the future and the sustainability of our forests, and tried to put them on paper. That process was open. There was never a locked door. Those doors were never closed. For those people who wanted to participate in a sincere manner, they were open, they were welcome. There was nothing closed about this. There was nothing hidden under wraps. There were negotiations, as any negotiations that go on, where you say you are not sure that this is going to be our finalized version, this may change, that may change. That's the art of negotiation. We do it every day here. I know, I spent years and years working on the workers' comp problem. Many times people would come to us and say are you working in a closed-door environment, because you are not telling us anything that is happening. We can't tell what's happening sometimes if you haven't drawn any final conclusions yet. I saw nothing unusual. I saw nobody trying to keep information from people. I saw people working diligently, trying to come up with a reasonable alternative that would protect the welfare of the State as a whole. That's what I saw. Then I saw, from that, a Chief Executive who said, and made the choice, that this should go to a special session. Once that decision was made, legislation from that information gathered from this so-called group in the backroom, which we now realize it wasn't, was put into bill form, like anything else. Of the 2,000 bills that we get during a session, not all of them, as a matter of fact, almost none of them, are garnered and developed in the middle of Main Street by talking to people. Most of them are from people who have a thought process, who have an end they want to achieve, and will work to achieve that end and put it down in writing. That's what happened here. That diverse group came together, put it down in writing, and put it into a bill form. They then followed the process which is clearly outlined. They found the proper legislative sponsors to bring that before this Legislature. It was then assigned to a committee, properly. That committee had, I think, complete, full and total work sessions, far better, far more extensive than most bills that we ever hear in this Legislature. They went through the express trouble of going throughout the State to make themselves available. If people were working during the day they made themselves available during the evening to take testimony. I served in the work sessions, the so-called mark-up sessions. Those were, I assure you, lengthy. Everybody, and I want to compliment the Chairman, who did an outstanding job, the good gentleman from Washington County. He did an outstanding job in making sure that everybody had a chance to make whatever comments they wanted to, as long as it was germane to the problem; to ask whatever questions they wanted to; to mark or change that bill in any way that they wanted to. Then the Committee voted on it. So, what you have before you today, I assure you colleagues in the Senate, is a

bill that was properly drafted, properly researched, properly sponsored, extensively heard from in public hearings, and lengthily and deeply worked on in work sessions. It is in a position now for your consideration. I hope that you will give it that consideration; and remember one thing when you do give it that consideration, the citizens of this State have asked for an alternative to achieve a long-range sustainability to their natural resource. A natural resource which we all stand together on in this thing, that is our forests. I hope you will take that into consideration when you vote for this compact. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Lincoln, Senator Begley.

Senator **BEGLEY:** Thank you, Mr. President. I have heard several comments on the floor, some of which I feel I must at least address. I hope we have faith in those people who have drafted this so-called compromise bill that if it does not pass, they will not sink back into no-man's land. They have said publicly, the report quoted by them, that they are interested. A comment was that, if we do not pass this, then we will not seat them again. If so, I hope we hand them a mirror and say please look in there and find the answer to nothing. I have heard a comment on the floor that we did not do anything for the last four years with the Forest Practices Act. I would say to those people again, take a mirror and find out where the answer lies. The situation of the timing, the referendum of the clearcutting, was back in November. Where was the proposal at that time to go through the regular process? It wasn't. Why it wasn't, I haven't the slightest idea, but it should have been. Again, I will tell you, from what I have heard, that you are bringing this here as a reaction and not a proaction. I have heard that we are going to give the citizens a choice of one or the other. In that I have heard that people have asked, I would like to know who. I would like to see 58 signatures who have asked for this compromise. I have not seen that. I don't see anybody who has tried to get that. All I hear is the citizens want a choice. I have told you they have a choice, yes or no, on the referendum. If it goes down, and in my opinion it should go down, then we, as legislators, you as representatives of the various interest groups, had better do something.

**THE PRESIDENT:** The Chair recognizes the Senator from Piscataquis, Senator Hall.

Senator **HALL:** Thank you, Mr. President. Ladies and Gentlemen, it's a very warm afternoon and I will be brief, but I do have a few comments that I would like to remind you of. When this thing started, I think some of you have forgotten, this was not to be a competing measure on the referendum. This was to be a bill in itself, to be enacted by a special session; and if the referendum passed in November, this would go away. Remember that? The Court said, "No you can't do that." So, that's why we are here today. I think it's wrong. You have an item on the referendum that the citizens put on there. If this is so great, as has been mentioned, let 58,000 people sign a petition to put this on there.

This, I don't care who says what, in my mind is a takings bill. Why would I vote on anything that I don't know what is going to happen seven months down the road? Some of you obviously have an awful lot more faith in the rules and regulations of the Administrative Procedures Act than I do. Half of

this speaks to it. Trust us, we'll do it later. We will have public hearings. We might not do what the public wants, and I could cite you case after case of that. And we wonder why the government is not trusted. Wow. It's scary. This is scary. I will grant you the public wants something done. Does the public own all this land out there? Do I own it? Do you own it? Show me your tax bill. You can't. Yes, you own a few acres here and there. I own a few. People that sent me here sent me here to represent them and their views. Mainly this, they were tired of people being in Augusta that knew more than they did. This is good for you. That's why I voted for that. Well, I have been here almost four years now and I have voted the way my constituents have asked me to vote. When I can't, I will go home and I will stay home. I'm not quite ready to do that. I have had many phone calls, not just in the last two days. I have had many people stop and talk to me, at the filling station, at the store, in my business. I have spoken to quite a few groups, upwards to seventy people. Guess what they have told me. I don't think people in my district are, in any way, different than people in your district. They told me to come down here and vote "no". Let us vote for that referendum the way it was meant to be. We will either vote it up or vote it down, but give us that opportunity. We are sick and tired of Augusta meddling with referendum questions. They always speak to the situation where it is always written you have to vote no to mean yes and yes to mean no. This is a little different, but it shouldn't be on there at all.

Do you think changes will be made if the referendum doesn't pass? Nobody wants to go through this again. I think there will be changes made, and I probably won't like a lot of them either. But, I am in hopes to be sent back here next winter to do that, and I will do it, but it will be a little bit different process, I guarantee you of that. This has gone too far, way too far. The folks back home don't want it. Regardless of who has talked to me in this building in the last two days, with the exception of two, none of you will vote for me. It's as simple as that. I listened to you. You have good arguments. I think my voters have better ones. Those are the people I will represent. That's why I will be voting "no" to putting this on the referendum. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Washington, Senator Cassidy.

Senator **CASSIDY:** Thank you, Mr. President. Men and Women of the Senate. I have been sitting here, for an hour or so, listening to all of the comments. I guess, as you know, I started the discussion this afternoon; but I really would like to just respond to some of the things that I have heard. I started listing what Senator said those, and there are so many comments that I need to mention, I am just going to say some of the comments I have heard, if it is okay with you.

First of all, I think we need to get back to the process. I heard Senator Harriman say to us that he worked on a commission of three years and here's the report, we have it. I heard Senator Lord say he worked on the Sustainable Forests Act for two years and finally got it. That's the process that we do when we go through legislation. I also heard of how open this process has been. I want to say to you I have talked to every community in the State of Maine in the last few weeks. I think my wife is about ready to tell me to withdraw my name to run this

fall, I have had so many hours on this. I have truly enjoyed it because I enjoy doing what is right for the State of Maine and what is right for the people in my district. I had a call last Friday morning. I was sitting at the kitchen table, going through some of the testimony that we had received in those three days prior, I got a call from the press. "Senator Cassidy, do you know that the group," and I don't know who all is in the group, we saw them for a week, "is meeting? I went to go to the meeting and they said it was a closed meeting to the press and I would have to leave." That's not an open meeting to me, when we see the press and public is not allowed to participate. You can say all you want to about how clear this was, and what went on, but I want to say to you the only reason the small woodlot owners got invited at the end was because there were complaints that they didn't participate. I had a list passed to me today that, I think, was presented by Senator Harriman and some other Senator, I don't remember who, they listed all the people who support this thing. Over one-third of these people are the people who called me at home and said, "Senator Cassidy, I'm with the Small Woodlot Owners, our people aren't with this. There are 1500 members. They polled the directors." There are people here from paper companies that said we have got a gun to our head.

I walked into Presque Isle with a lot of the folks I see sitting here in this room today, and my Committee. There was a stack on the table of this bill and citizens, who I'm sure don't see L.D.'s very often, were handed a 27 page document. We said, "We are having a public forum here, if you would like to comment on this." Give me a break. Who, as an average citizen, let alone we who deal with this, don't understand what was in that bill. The people were so upset and frustrated. I heard the paid lobbyists. I heard the paper companies. I heard the environmentalists. By the way, what the environmentalists were saying, to go along with Senator Hall, was this is a good start if we can get 15,000 acres of land, this is a good place to start. I heard the Green Party come in who was, in this case, wanted to leave this up or down, say this clearcutting deal we have here is a good place to start. I heard people get up and say we need to take an inventory of our assets in the State. They think this land belongs to the State. This is the United States of America. This is Maine. People own this land, 96% of the land in this State is privately owned. We have an opportunity to hunt, to fish, to camp, to walk through the woods on this private land. I think we are really lucky to have that. We had companies sit here and tell us they have been in business for a hundred years and they were going to be in business for another hundred years. People aren't going to go away. I heard Senator Mills say nothing is going to be done. Do you think with the sensitivity on this issue that we have heard in the last nine months that nothing is going to be done? If we could move onto the minority report, which we can't discuss, we could see that maybe something is going to be done.

I also want to share with you an experience that was very frustrating to our Committee the other morning. One of the staff attorneys came to our Committee to explain to us the vote. How will the vote be. We heard this is going to be real simple. I said, in committee, I know the people can decide on a vote with three choices. We did that with the

Governor. The next day, Jonathan Carter reminded me that we had four choices. I apologized. We can vote for three issues, no problem. Here lies the problem, we spent thirty minutes with staff people, one who is an attorney, discussing with two committees, trying to understand what could happen with this vote. We are here for two years anyway, some of us longer, and we could not understand what he was telling us for thirty minutes. Here was the problem. There is going to be three issues, and there are going to be three boxes. You can vote for the referendum. You can vote for this alternative, or none of the above. Three boxes, no big deal. The problem is if one of these items gets less than 50%, but more than 33%, it can go on a referendum later, after sixty days, for another vote. However, should none of the above get 51% or 55% or 60%, that doesn't count, if the other one got 33%. Can you imagine that? You can have 55% of the people in Maine say, "none of the above", but the Green Party gets 33% on their vote, so we go back to the polls in a special election, without a gubernatorial race, without a presidential race. They are going to get their people out and we are going to be dead in the water. This is the risk this compact puts the people in the State of Maine. I want to say here, you can say to me, "I know we will get 60% on question B, because we can spend our money." "We can do it." I heard the people speak. I heard the Green Party, and the folks who initiated the citizens' referendum come in there. As it was mentioned earlier, 57,000 of them signed. They do not like clearcutting. They said we are going to vote for our referendum. I had the folks who came in to speak to us, who are citizens who believe and live in America, who believe in land rights, who believe in the government out of their face, saying these are both terrible. One person said it's like being in the hospital and the doctor comes in and says he has some bad news, we are going to amputate both legs. The next day another doctor rushes in and says he has good news, they are only going to take one leg. Both of those are pretty serious situations. That's what this does. Those people are going to vote for none of the above, and the money that the industry will spend will get some votes for number 2, and probably a good percentage, but who knows what. You are not fooling the people of the State of Maine. The people in the State of Maine are much brighter than some people have given them credit for. They know the difference between yes or no. This is the risk you are taking. The risk I told the Chief Executive he was taking. It's the risk that people told me we were taking. This is the problem. This process was not open to the public. It didn't have all the players, including those folks who initiated the referendum. I don't agree with them, but they have the right to do what they did.

I was interviewed at noon, and this gentleman said, "Did you see the Bangor paper?" If you didn't see it, there was a picture of Jonathan Carter and me discussing. He wanted to know what I was talking about. I said if we could get a group together, would you people want to sit on that group? They have a right to voice their opinion. "Did you feel uncomfortable talking to Jonathan Carter?" I said, "I don't agree with him, but that doesn't make him a bad person. He is a human being. He believes in what he believes in. He should have a right. Somewhere we compromise on what we do. He's at this end of the pendulum, and the destruction that is

going on in the forests is on this end of the pendulum, somewhere in the middle is something that makes sense." I have faith in the paper companies, faith in the people of Maine, and faith in this Legislature, that we will deal with this in the 118th Legislature. It may take us through sessions, like it does for any major bill; but to give people a bill and say we are having a public hearing and we want your input, give me a break.

One other thing in the process. I said when we met, our Committee, to advise the Governor not to do this, you are going to give a forum for people to beat on us. So, he called me and said we were going to do this. I said, "You can have August to get your public hearings in." I started to line up the things with the Information Office, the dates, the times, the places, worked with the Co-Chair, Representative Spear, to try to do something. We wanted to have hearings in Washington County, Somerset County and Aroostook County. We were on a very short time span here. So, we decided to at least have three, one in the north, one in Augusta and one in the south. I really wish that we could have gone further south but, again, it was a compromise between us. So, I called to advertise those hearings. In the meanwhile my phone starts ringing from the Governor's staff and the Commissioner, and other people who said we only needed to have one hearing. I asked, "Why?" They said because they were going to beat on us. I said, "I told them that a week ago. We are having three hearings and the Legislature, once they get the bill, will make the decision." I got a call the next day from the Information Office. They didn't have approval for the three hearings. They weren't going to spend the money to advertise them. I asked, "Why not?" They said Senator Butland was out west so we couldn't do it. We only had approval for two so I said, "Let's get the two out, at least people will know." They said we couldn't do that. So, we lost a week. We have rules here that we will advertise public hearings for a given amount of time. One week of that was taken away from the people of the State of Maine. They didn't have the right to know two weeks in advance of when we were going to have a hearing. So, finally, President Butland gets back, we get the approval, we advertise the three hearings. Right from the start people did not want the public to know what was going on with this issue. The other thing, some of the legislators got up at the hearing in Presque Isle, I heard it at the work session, you can tinker with this but you can't change this. We were told, in our hearing, I was told on my phone at home, if you take the reserve out that's the Resource Council and the environmentalists are out of here. If you make the audit mandatory, the paper companies are out of here. If you do this, somebody is out of here. To tell you the truth, I was thinking this week, I ought to throw an amendment in to do this and to do that. I'm not going to play those games. I'm not going to try to get people to get out of here. I want this whole thing out of here. I hope you will join me. Do something that makes sense. Be fair to the people of Maine and beat this thing so we can go on and accept the Minority report. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Penobscot, Senator Michaud.

Senator **MICHAUD:** Thank you, Mr. President, Men and Women of the Senate. I hope you support this proposal. When I was asked to be a co-sponsor I

thought long and hard, because I did not get the clear message that Senator Benoit did when he said all of his constituents were opposed to this. There is a mixture of people in my district that do want an alternative proposal, and there are some who want an up or down vote. I thought long and hard. I think this is the best way to go. The Committee has done a fantastic job. Even though I do not agree with everything that is in the proposal, they have done a good job in putting this package together. They did amend it and I commend them for that.

I want to just make a couple of comments. There were statements earlier about how this is setting a precedent. This is not setting a precedent. The Legislature, in the past, has sent out a competing measure on a nuclear power issue back in the mid 1980's. I might add, the voters did turn that competing measure down and voted for the initiated proposal. There has been a lot of talk, and the good Senator from Washington, Senator Cassidy, had mentioned in his last remarks about public notice. Earlier, Senator Hanley had talked about public notice and things that are done behind closed doors. They specifically mentioned when the Forest Practices Act was first passed. Ladies and Gentlemen of the Senate, there were two forest practices bills back in 1989 that were drafted behind closed doors by a very small interest group. One was the Forest Products Council, and the other one was the Maine Audubon Society. They were done behind closed doors. But, when the Committee had dealt with that, just as the Committee had dealt with this bill, they dealt with it in public. Everything was done in public. Senator Harriman talked earlier, when he first spoke, about being able to deal with this issue. Forestry is an issue that is controversial in different arenas. I commend the groups for working together. The difference between 1989 and now is that it was an adversarial area when we dealt with it back in 1989. The groups were fighting against each other. They were not working together. That's the difference. This bill, they got together. After they got enough signatures for the petitions, they did get together to start working together to try to find common ground. One of the reasons that I believe the Legislature did not have to deal with this during the short session is because they were still working together to try to come to some common ground. As you saw earlier, by the different groups that support this, that they have done a fantastic job in working together. The Committee has done a fantastic job in addressing some of the concerns that they heard at the public hearing. Some of the concerns that some of the loggers had, they addressed some of those; and I commend them for doing so. Most importantly, and the reason why I support this, is because it does put out for the people to choose. It gives them an option.

I heard earlier that we will defeat this. We'll just keep going and we will defeat this. That's a guessing game. We have not seen the ban clearcutting ads that they will probably show on TV. Even if this is on, I'm not too certain that we will be able to. I'm dead set against that proposal, but I think it is important to be able to give the public a choice. I have all the confidence in the world that the public will do the right thing. I think it is incumbent on each and every one of us that we get out there, if this proposal is out there, to explain what's in it. Let the public choose whether they want to support

the ban clearcutting, support the compact, or support neither. It's an easy choice. It's one of the three. So, I would urge this body to adopt this report. There is an amendment, which was put on in the House, which I will oppose at the appropriate time if the body supports this, that I disagree with. But, I think it is important to adopt this so we can move on. If we want to eliminate, as Senator Hanley has talked of, the additional foresters, we will have the opportunity when that amendment comes before this body. Hopefully, this body will support the majority of the committee. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Hancock, Senator Goldthwait.

Senator **GOLDTHWAIT:** Thank you, Mr. President, Ladies and Gentlemen of the Senate. I suppose it's poetic justice that, having talked about this bill for a week solid, now that the moment of truth has arrived, I am losing my voice. I will do my best. There are three questions that I have been using to test out how I felt about this issue of the compact, and whether or not to put it on the November ballot. Those are: Is it better than what we have now? Is it a better starting point in January for revision than zero is? Does the compact have any fatal flaws that would cause me to say I have to vote against this no matter what else is in it? There has been a lot of criticism of this process by people who say that legislators weren't involved and who say that the people of Maine weren't involved. That's not really so different than our usual process. We are not often immediately involved in bills unless we are a co-sponsor or they are before our committee. Indeed, during the regular session there are so many things going on at once that public access to this issue has probably been greater over the course of the summer and this session, than it has on most of the major issues that we take up in our normal session. There have been comments made about the Right-to-Know Law, and how important it is not to conduct the public's business behind closed doors. I agree with that wholeheartedly. Yet, those words ring somewhat hollow to me when they are spoken by people who have met behind closed doors in this very building in the last 36 hours to discuss this very issue.

It has been said that putting this item on the November ballot is an insult to the people of Maine. I find that that outrage is also somewhat unjustified, because I believe that the real insult would be not to let the people choose. The referendum is still there. We haven't taken it off the ballot. We haven't changed it in any way. It is available to those people who want to support it and to those people who want to vote against it. The Constitution makes a very simple statement about competing measures. This is the direction that it gives us: "The measure thus proposed," meaning the existing citizens' referendum, "unless enacted without change by the Legislature at the session at which it is presented, shall be submitted to the electors together with any amended form, substitute, or recommendation of the Legislature, and in such manner that the people can choose between the competing measures or reject both." I agree with the good Senator from Aroostook, Senator Kieffer, that there would be merit to limiting, in time, when those competing measures could be prepared and submitted, which would give us much more time for debate. But right now that is the direction that the Constitution of Maine gives us about how to do this.

It is certainly no secret to any legislator that following the process is part of how we reach our goals. When my first bill received its first vote of support, I was prepared for a major celebration. Eleven votes later, I had learned a lesson that every new legislator learns, that it's a long hard process and there are many ways to address things. My initial sense that this was somehow not fair became replaced by my understanding that this is simply the process. Because this coalition of people have chosen to avail themselves of a constitutionally delineated route, to put an item before the voters of Maine, should not be a cause to criticize them. I have heard many people in the course of the session refer to various professional organizations that either support or oppose certain pieces of legislation, and say the professional association supports this and that's good enough for me. Suddenly now, with the list of associations and agencies that support this particular piece of legislation, we are saying they don't represent the constituents and we're not going to take their word for it, they didn't poll their members. I think that is inconsistent. This process has had some very serious problems. The biggest one for me is that it has ended very late. I had ten copies of this bill and ten days in which to distribute it to my constituents and to people who had been in contact with me about the clearcutting referendum, and to call experts in the field and ask their opinions, and to call the sponsors of the bill and ask what certain items in it meant, and to get feedback from the people in my district. I resent that, because that didn't let me do my job in a very effective manner. I put out a 200 piece mailing. I sent the bill on a side-by-side to every town office and library in my district. I held a hearing, because there were no hearings scheduled in my area. I did my best to get input from my constituents and what I heard was kind of a mixed bag. There were people who said that they wanted the referendum to stand alone on the ballot. At the hearing that I held they were in the majority. But, there were a significant number of people who said they would like to have a choice. So, the question that I asked myself is, why should I deny voters the right to make that choice? When I first read this measure, I didn't like it. There were a lot of issues in there that raised concerns for me, and some of them were what I initially considered to be what I call fatal flaws. Some of the municipal language, the requirement for unanimous votes, the requirement for face-to-face meetings with members of various departments and municipal officials, the property inspection aspects were very troublesome to me. Yet, as I had the opportunity to be here and discuss it with people who had participated in the process, I learned that most of the things to which I objected actually exist in our laws now. They are not new. They are simply called out here in a public enough setting, and on a public enough issue, that they are being recognized, or being made visible to the public in a way that they had not previously. For most of them, they are not new. You may disagree with them. They may need to be fixed. But, this is nothing that is being introduced new in this bill at this time.

The other criticism that I have heard of this bill is that it's a decoy. It's a shield to protect us from this citizens' referendum. As I have talked with people who have participated in this process, I

have come to believe that there is something more than that to this bill. It has merit in itself. It has good pieces in it. Is it perfect? Absolutely not. Far from it. But, there are parts of this bill that are of value and that are better than what we have now. Perhaps it would have been better if we had called this the Forest Practices Act, Part Two, to really suggest that what this does is to build on a process and a policy that was established a number of years ago. It's not something meant to supplant that, meant to replace it. It is the further extrapolation of our existing Forest Practices Act. Will this be amended again? It most certainly will. I don't imagine it will be very many years before there is a significant revision called Forest Practices Act, Part Three, because these are dynamic issues. They don't stay the same. We don't create policy that sits there, permanently, never needing changes. So, I see this as merely the next step in the evolution of Maine's forest policy.

There is an interesting coalition that has come together around this issue. The commitment of the leaders of the members of that coalition has impressed me. They did not strike me as people who had a gun at their heads. They struck me as people who had a growing excitement for this process, who may have come reluctantly to the table, but who are now genuinely committed to developing something better for forest policy in the State of Maine. One thing that I have learned about politics is that it doesn't do you much good to try and work on an issue if there is no heat. This issue has heat. This room has heat. It is difficult to move public policy forward if the voters are distracted and paying attention to something else. Right now, a larger number of voters than I have ever known before in my two years here is paying attention to this issue. The heat is there and it's time to work on this. I look at the citizens' initiative as sort of the Ross Perot of the woods. Nobody really wants it for President, but it has done a tremendous service in raising some very, very serious issues and in generating and focusing that heat on the forest practices of Maine; and we owe the people behind that referendum initiative a great debt of gratitude for performing that service for us.

I had a phone call today, as I'm sure most of you had one or two, that struck me as particularly generous, perhaps more generous spirited than any I have had in two years. It was from a man who participated in the process of putting this compact together. He had spoken to me several times this week and called me several times today. The final message said, "If I could just talk to you for two seconds." I called him up and he said, "Do what you think is right. I trust you. We have talked about this. I know you will vote your conscience and I don't want you to be under pressure from me or anyone else. I'm telling you to do what you think is right." So, I looked back at my three questions. Is it better than what we have now? Yes, it is a real step forward in forest policy for the State of Maine. Is it a better starting point than zero? Yes, the heat is there now. If we let that dissipate we are going to have a very hard time bringing that back in the cold winter months next year. Does it have any fatal flaws? It has a lot of flaws; and I will be an enthusiastic supporter of any efforts, starting in January, to correct those. Are those fatal flaws? No, they are not. After 36 hours of



anguishing through this decision, I have become a supporter. Not necessarily of this compact, but certainly a supporter of putting it on the November ballot. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Amero.

Senator **AMERO:** Thank you, Mr. President. Ladies and Gentlemen of the Senate, I have, in my hands, a letter here from the three selectmen of the Town of Waterford. I want to read portions of it to you, because I think I very much respect the opinions of local officials, because they are the people closest to their constituents. "The selectmen of the Town of Waterford do not support the Green Party initiated referendum, and we do not support the compromise alternative. There is no scientific, silvacultural, logical, or common sense basis for either proposal. The three page Green Party proposal is not a jobs bill. It will weaken the forest products industry, devalue the timberlands, and facilitate their purchase and conversion into a park. The Governor's twenty page alternative proposal, that has been drafted because the Green Party's three page proposal is too long, ignores landowner's rights and is a taking in the same sense that the Green Party's proposal disregards these issues. Neither proposal is really about clearcutting. Neither proposal will help promote good forest management. Both proposals are takings that will erode and diminish landowner rights and land value. The largest clearcuts in the State of Maine, by the present definition, are Portland, Lewiston, Auburn, Biddeford, Saco, Bangor, Augusta, and all other communities and built up areas. Included with these clearcuts are all ski areas, golf courses and existing agricultural and orchard acreages. Of all these clearcut areas listed above, agricultural land alone stands the best chance of reverting back to forest in the State of Maine. In comparison, all forest land that is harvested in any fashion reverts to forest land rapidly, providing varied habitats for wildlife, jobs, forest fire protection, etc. For these reasons, and many others too detailed to cover, we do not support the proposals of the Green Party and of the Governor. We do support, however, landowner rights."

If these three selectmen are willing to go out and bring their case to their constituents, and they are able to convince 51% of the people in their community that they should vote for none of the above; and if, by chance, 51% of the people in the State of Maine decide that they don't want 2A or 2B; if this should pass, they still lose. If either 2A or 2B receives 34% of the vote, that goes on the ballot once again. So, the people can't really say "none of the above" and be successful if one of the above gets one-third of the vote. So, I think that's one of the flaws in the way the ballot will be presented to the people of the State of Maine, and I'm glad that we receive letters like this from our municipal officials. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from York, Senator Hathaway.

Senator **HATHAWAY:** Thank you, Mr. President, Ladies and Gentlemen of the Chamber. First, I would like to thank Senator Cassidy for his courage and hard work in defending our Constitution in the past days. I know it has been quite a task. I think the issue here is very simple. I don't think it's about who belongs to SAM or the AFL-CIO. I don't think it's about clearcutting. I don't think it's about

forest management. I think it's much more fundamental than that. The issue is about an individual's right to own private property, which is a right given to us by God, which is guaranteed by our Constitution, and which is protected by our government, which on the first day that we met in this Chamber we all swore to uphold. The question is very simple. The people of Maine will decide who owns the land in the State of Maine. The government doesn't own it. The State doesn't own it. The people don't own it. Individuals in this country own land. The people who bring forth these referendums, if they don't like what people do with their land, then they should buy it, not steal it. This is nothing more than confiscation without representation, theft by deception. It is the beginning of tyranny. We heard a lot about compromise in this Chamber today. It seems to be a very important word and used very often lately. I hope, as we swore to do two years ago, that we will uphold our Constitution, that I will join a majority who will not compromise the Constitution of this State or of this country. Thank you.

**THE PRESIDENT:** The pending question before the Senate is **ACCEPTANCE** of the Majority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (H-924)** Report, in concurrence.

A vote of Yes will be in favor of **ACCEPTANCE**.

A vote of No will be opposed.

Is the Senate ready for the question?

The Doorkeepers will secure the Chamber.

The Secretary will call the Roll.

ROLL CALL

**YEAS:** Senators: **ABROMSON, BUSTIN, CAREY, CLEVELAND, ESTY, FAIRCLOTH, GOLDTHWAIT, HARRIMAN, LAWRENCE, LONGLEY, McCORMICK, MICHAUD, MILLS, O'DEA, PARADIS, PINGREE, RAND, RUHLIN, SMALL**

**NAYS:** Senators: **AMERO, BEGLEY, BENOIT, BERUBE, CARPENTER, CASSIDY, FERGUSON, HALL, HANLEY, HATHAWAY, KIEFFER, LORD, PENDEXTER, STEVENS, and the PRESIDENT, Senator BUTLAND**

**ABSENT:** Senator: **CIANCHETTE**

19 Senators having voted in the affirmative and 15 Senators having voted in the negative, with 1 Senator being absent, **ACCEPTANCE** of the Majority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (H-924)** Report, in concurrence, **PREVAILED**.

The Bill **READ ONCE**.

Committee Amendment "A" (H-924) **READ**.

House Amendment "B" (H-931) to Committee Amendment "A" (H-924) **READ** and **ADOPTED**, in concurrence.

House Amendment "D" (H-933) to Committee Amendment "A" (H-924) **READ** and **ADOPTED**, in concurrence.

House Amendment "G" (H-937) to Committee Amendment "A" (H-924) **READ**.

Senator **HARRIMAN** of Cumberland moved that House Amendment "G" (H-937) to Committee Amendment "A" (H-924) be **INDEFINITELY POSTPONED**, in **NON-CONCURRENCE**.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Harriman.

Senator **HARRIMAN:** Thank you, Mr. President. Good evening, Ladies and Gentlemen of the Senate. I hope you will join with me in passing the pending motion to Indefinitely Postpone this amendment which adds several hundred thousand dollars of cost. It

adds foresters that were not part of our understanding of the direction of this bill. It is not necessary. We don't need to spend the money. If you will support me in the pending motion, I have an amendment I would like to propose. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Oxford, Senator Ferguson.

Senator **FERGUSON:** Thank you, Mr. President. I would urge the Senate to adopt House Amendment "G". It seems to me, if we are going to implement this plan, we should put the assets in place in order to make it effective. It seems to me that these foresters are crucial to making this be a successful piece of legislation. I would urge that we keep this amendment in the legislation. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from York, Senator Lord.

Senator **LORD:** Thank you, Mr. President. My Learned Colleagues, I hope you will vote against the motion to Indefinitely Postpone this. One of the problems we have heard, because the Forest Practice Act hasn't worked completely, is because of the fact that we don't have the personnel to go out in the field and check the lots that we are clearcutting. If you don't think you are going to have clearcutting with this bill, you better whistle Dixie. You are going to have clearcuts with this bill; and if they are going to be out there, you better have the personnel out there to make sure they are doing the things properly. I hope you will vote against the Indefinite Postponement.

**THE PRESIDENT:** The Chair recognizes the Senator from Piscataquis, Senator Hall.

Senator **HALL:** Mr. President. I would like to pose a question through the Chair. In reading this amendment over, it calls for sixteen foresters. There are only eight of those positions that are currently funded. Yet positions for six, the last time I check six and eight were fourteen. I would like to know how come we have the difference of two positions.

**THE PRESIDENT:** The Senator from Piscataquis, Senator Hall, has posed a question through the Chair to any Senator who may care to respond. The Chair recognizes the Senator from Piscataquis, Senator Hall.

Senator **HALL:** Thank you, Mr. President. Seeing as no one cares to answer my question, anything as ill-written as this should be done away with. I urge you to vote for the pending motion.

**THE PRESIDENT:** The pending question before the Senate is the motion by Senator **HARRIMAN** of Cumberland that the Senate **INDEFINITELY POSTPONE** House Amendment "G" (H-937) to Committee Amendment "A" (H-924), in **NON-CONCURRENCE**.

The Chair ordered a Division.

Will all those in favor please rise in their places and remain standing until counted.

Will all those opposed please rise in their places and remain standing until counted.

20 Senators having voted in the affirmative and 8 Senators having voted in the negative, the motion by Senator **HARRIMAN** of Cumberland to **INDEFINITELY POSTPONE** House Amendment "G" (H-937) to Committee Amendment "A" (H-924), in **NON-CONCURRENCE**, **PREVAILED**.

On motion by Senator **HARRIMAN** of Cumberland, Senate Amendment "C" (S-606) to Committee Amendment "A" (H-924) **READ**.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Harriman.

Senator **HARRIMAN:** Thank you, Mr. President. Good evening, Ladies and Gentlemen of the Senate. One of the provisions in the motion that we just Indefinitely Postponed assured that there would be legislative involvement in the appointment process of the so-called Voluntary Audit Committee. What I have proposed before you, for your consideration, is that the seven-member Voluntary Audit Committee would be proposed and brought before the committee of jurisdiction that oversees matters regarding forestry, and that these people would, indeed, have to come before you for confirmation in the Maine Senate. I hope you will support me in the pending motion. Thank you.

On further motion by the same Senator, Senate Amendment "C" (S-606) to Committee Amendment "A" (H-924) **ADOPTED**.

On motion by Senator **RUHLIN** of Penobscot, Senate Amendment "B" (S-605) to Committee Amendment "A" (H-924) **READ**.

**THE PRESIDENT:** The Chair recognizes the Senator from Penobscot, Senator Ruhlin.

Senator **RUHLIN:** Thank you, Mr. President, Ladies and Gentlemen of the Senate. This is a technical amendment, only, to clarify language to ensure that traditional outdoor recreational activities, such as hunting, fishing, trapping, hiking, whatever, would be allowed in the ecological preserves that this compact creates, as though they were other public lands. In other words, there will be no distinction between them. That's what this amendment is meant to do. Thank you.

On further motion by the same Senator, Senate Amendment "B" (S-605) to Committee Amendment "A" (H-924) **ADOPTED**.

Committee Amendment "A" (H-924), as Amended by House Amendments "B" (H-931) and "D" (H-933) and Senate Amendments "B" (S-605) and "C" (S-606), thereto, **ADOPTED**, in **NON-CONCURRENCE**.

Which was, under suspension of the Rules, **READ A SECOND TIME** and **PASSED TO BE ENGROSSED, As Amended**, in **NON-CONCURRENCE**.

Under further suspension of the Rules, ordered sent down forthwith for concurrence.

Out of order and under suspension of the Rules, the Senate considered the following:

**ENACTORS**

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

An Act to Conform the Maine Tip Credit to the Federal Tip Credit

H.P. 1392 L.D. 1893  
(C "A" H-923; S "A" S-601)

Senator **LAWRENCE** of York requested a Division.

On motion by Senator **KIEFFER** of Aroostook, supported by a Division of at least one-fifth of the members present and voting, a Roll Call was ordered.

**THE PRESIDENT:** The pending question before the Senate is **ENACTMENT**.

A vote of Yes will be in favor of **ENACTMENT**.

A vote of No will be opposed.

Is the Senate ready for the question?

The Doorkeepers will secure the Chamber.

The Secretary will call the Roll.

ROLL CALL

YEAS: Senators: ABROMSON, AMERO, BEGLEY, BENOIT, CARPENTER, CASSIDY, FERGUSON, GOLDTHWAIT, HALL, HANLEY, HARRIMAN, HATHAWAY, KIEFFER, LORD, MICHAUD, MILLS, O'DEA, PARADIS, PENDEXTER, SMALL, STEVENS, and the PRESIDENT, Senator BUTLAND

NAYS: Senators: BERUBE, BUSTIN, CAREY, CLEVELAND, ESTY, FAIRCLOTH, LAWRENCE, LONGLEY, MCCORMICK, PINGREE, RAND, RUHLIN

ABSENT: Senator: CIANCHETTE

22 Senators having voted in the affirmative and 12 Senators having voted in the negative, with 1 Senator being absent, the Bill was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

Out of order and under suspension of the Rules, the Senate considered the following:

**ENACTORS**

The Committee on **Engrossed Bills** reported as truly and strictly engrossed the following:  
An Act to Amend the Law Concerning Tax Increment Financing

S.P. 775 L.D. 1894  
(C "A" S-603)

Senator BEGLEY of Lincoln requested a Division.

**THE PRESIDENT:** The pending question before the Senate is **ENACTMENT**.

Will all those in favor please rise in their places and remain standing until counted.

Will all those opposed please rise in their places and remain standing until counted.

21 Senators having voted in the affirmative and 3 Senators having voted in the negative, the bill was **PASSED TO BE ENACTED**.

On motion by Senator KIEFFER of Aroostook, the Senate **RECONSIDERED** its action whereby the Bill was **PASSED TO BE ENACTED**.

On motion by Senator HANLEY of Oxford, placed on the **SPECIAL APPROPRIATIONS TABLE**, pending **ENACTMENT**.

Senate at Ease

Senate called to order by the President.

Off Record Remarks

On motion by Senator BUSTIN of Kennebec, **RECESSED** until 7:00 o'clock this evening.

After Recess

Senate called to order by the President.

Out of order and under suspension of the Rules, the Senate considered the following:

**ENACTORS**

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

**Resolution**

**Competing Measure**

**Pursuant to the Constitution**

RESOLUTION, Proposing a Competing Measure under the Constitution of Maine to Implement the Compact for Maine's Forests

H.P. 1390 L.D. 1892  
(H "B" H-931; H "D" H-933; S "C" S-606 and S "B" S-605 to C "A" H-924)

On motion by Senator HANLEY of Oxford, placed on the **SPECIAL APPROPRIATIONS TABLE**, pending **FINAL PASSAGE**.

Out of order and under suspension of the Rules, the Senate considered the following:

**COMMITTEE REPORTS**

**House**

**Ought to Pass As Amended**

The Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS** on Bill "An Act to Authorize the Department of Human Services to Accept Federal Funds and to Make Certain Expenditures" (Emergency)

H.P. 1394 L.D. 1895

Reported that the same **Ought to Pass as Amended by Committee Amendment "A" (H-939)**.

Comes from the House with the Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-939) AS AMENDED BY HOUSE AMENDMENT "A" (H-941)**, thereto.

Which Report was **READ** and **ACCEPTED**, in concurrence.

The Bill **READ ONCE**.

Committee Amendment "A" (H-939) **READ**.

House Amendment "A" (H-941) to Committee Amendment "A" (H-939) **READ**.

Senator HANLEY of Oxford moved that the Senate **INDEFINITELY POSTPONE** House Amendment "A" (H-941) to Committee Amendment "A" (H-939), in **NON-CONCURRENCE**.

**THE PRESIDENT:** The Chair recognizes the Senator from Oxford, Senator Hanley.

Senator HANLEY: Thank you, Mr. President. First, let me state that this was a unanimous report from the Joint Standing Committee on Appropriations. The items in front of us, and this is the Governor's bill that was presented to us, it's a little known fact that the Governor did not even want to address this issue initially. He wanted to limit the special session to clearcutting only. After the Committee requested an opinion from the Attorney General's office, he found that the financial order that the Governor had proposed to fund the MACWIS system, and to pay Maximus their fee, needed to be done through legislative action. The Governor submitted the bill. We thought it was going to be solely limited to this one area, to make funds available for the operation of the MACWIS program, for the automated child welfare information system, as well as to pay the Maximus. What happened was there was another item that came about. That was the federal Congress and President Clinton signing into law the Federal Welfare Reform Act. In doing so, as all of you are probably well aware, it authorized the allocation of federal block grants to the states, but takes affirmative action of the legislative bodies within the various states to accept these funds. This is the part of the bill which is Part B. This is the part which is new territory, brand new ground, for

this Legislature to work with, as far as federal block grants for welfare programs. What the federal government did, and it took a long time to craft a compromise, was that they said that everything we had put out before was off the books. If you want to add these options on, it has to be done by the states. As you can well imagine, in the area of welfare reform, there was very heated opinions on both sides, as far as the two options that we are dealing with. In this bill, is a \$50 pass through. Without trying to go into too much detail, and lose you, if a recipient of benefits uses state assistance as far as to help garner child support, they can basically have a \$50 commission of the money coming in as an incentive to have this child support money come in and help offset the cost of these programs. This is what is known as a \$50 pass through. There are around 5500 recipients here in the State of Maine. The other issue is on legal immigrants. This is another option that the federal government wanted the states to explore, and to see whether or not they wanted to maintain that. The issue of legal immigrants is whether or not legal immigrants, who have, and I am in no way, shape, form, or manner profess to be an expert in the area of immigration and naturalization services or what the qualifications are, I do know that for legal immigrants you need to have a sponsor here in the states, to afford you that determination and allow you to become a legal immigrant. The issue that we are dealing with now, as far as whether or not legal immigrants, who should have had a sponsor, should also be eligible for welfare benefits. There are, in the best estimates, forty to fifty people in our state who would be, at this point in time, would be eligible for that. Those are the two big issues in Part B. The big issue that everyone agreed on was that in the block grants we would be entitled, Maine would, in this area, to \$78 million over the next twelve months, which is almost \$18 million more than what we currently receive and expend. If these monies would be held by the state and would take specific legislative authority to appropriate, that we are in agreement on. The issue now, as far as whether or not to maintain this pass through, the \$50 pass through, and maintain the legal immigrant status. Let me remind you, this was a unanimous committee report. We decided that rather than take this two-day session to debate the merits and demerits of the \$50 pass through and legal immigrants, we decided to put in the legislation a drop dead date, as far as the next 118th Legislature, because this is precedent setting. This is brand new. Federal block grants are brand new and is something that the 118th Legislature will be dealing with a lot more extensively than the 117th has, or will, in our remaining hours. The issue is whether or not we go along with the compromise of the committee, and I would like to see how far people are willing to support what they said earlier in the day as to what is being said now. The compromise was let's not have a full-fledged debate on the merits or demerits of the pass through or benefits to legal immigrants. Instead, let's put a sunset date of April 1. It was initially proposed to be February 15, because the Commissioner had said the Department would get on this early, they would have this figured out early on in the session. We just wanted to have it done as quickly as possible. The compromise was April 1, 1997 and that the pass through and the legal

immigrants, those benefits would be maintained until that time. This was a thirteen to zero report out of our Committee after a public hearing, after discussion, the compromise was reached. Now, the House has decided to go against the unanimous committee report to open this up. I would like to have thought that we would have given some faith and countenance in the thirteen members on the committee, but I guess that is not the case. I guess some compromises are good and other compromises are bad. I guess that's the only lesson I can learn from this. I would like to think that this Chamber would recognize the work of the Committee, would recognize that this is a difficult issue. It's one that bogged down this Legislature for quite a while and that we tried to take the best option available at this time. I would hope that this Chamber would support the Indefinite Postponement. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Knox, Senator Pingree.

Senator **PINGREE:** Thank you, Mr. President. Men and Women of the Senate. I would like to speak against the Indefinite Postponement of this amendment, and I would like to begin by discussing a few things said by my good colleague from Oxford, Senator Hanley. First, I think there is a tremendous difference between a compromise we were discussing earlier that took months and many people's work, and what we are talking about tonight. I, as a member of the Human Resources Committee, was invited to the public hearing on this, but was never notified about the work session. So, I wasn't even present when this compromise, so to speak, occurred. In terms of calling it a precedent setting event, this is a policy. These two activities that we were discussing, both the \$50 pass through and the support for legal immigrants, is something we currently do; and this would continue our doing this without a sunset. I don't think we are setting new precedent here. While federal block grants and many of the changes that are addressed in this bill are going to be very different for us, and that is why it's very important that we deal with it right now, both of these items are not precedent setting. In fact, I think they are very bad policy and this is a bad change to be making right now, here, in this special session. Sunsetting this on April 1, as a whole new legislature, to approve by a two-thirds vote, because it would be a supplemental appropriation to fund this, in a time when, I think, it's a decision that we should not be putting off for them, but deciding ourselves, here, now, in this measure that we are sending as an application for a block grant.

I want to go back a little, now that I have addressed those concerns, and just say, overall, how I feel about what we have been doing over the last two years with welfare reform and why I don't like these two particular measures. We have made serious changes in our welfare system and this block grant will be very serious, and much more strident, than what we are already doing. We had a proposal in our plan that said after two years you could no longer collect benefits. That would have started for us on July 1, but by accepting this grant we are now willing to go to October 1 to collect this extra money that we think will be important, to make the changes that we want to make in the system. We have already agreed to some much more strict rules than we were agreeing to during the last session. We have had tremendous success already in the changes in our

welfare reform. Over the last three years we have gone from 23,000 people collecting AFDC, down to 18,000 people, part of which is why we are able to collect more dollars, because we have had these changes. Over the last four years we have gone from \$40 million in spending down to just over \$20 million. I think we have made significant strides in the things that we were trying to do. This money will be very important for us to help get more people into the workforce and job training, in childcare, in the supplement that we are now giving to some people when they go to work to make sure that they have jobs. I think that it is very important for us to do. I do think that not sunseting these two particular provisions are very important. I don't even know how to begin addressing, and I hope other people will, the idea that we would deny legal immigrants, legal current residents of our country, benefits. I don't know about the rest of you, but my grandmother, my grandfather, my grandmother and grandfather on both sides came to this country from another country. They didn't come during a war. They didn't come during a time when it was very difficult to get support in their community. They came to a community where people spoke Swedish and Norwegian, but many people come into our country without that kind of support and ask for our help. To even think of denying them benefits is something I don't know how any person in this Chamber can possibly do. We are talking about fifty people in our State who currently receive these benefits, fifty people whose sponsor's income, and their income, do not total enough to help them get by. Many of them will become good, important, helpful citizens of our State. It's just too mean-spirited to imagine, as far as I am concerned, that we would deny them those benefits.

I think the second part of this bill that we want to talk about is just bad policy. The idea that we would deny \$50 in child support to a woman, usually, who is collecting AFDC that averages \$379 a month, again, doesn't seem like good policy to me. Allowing people to keep the first \$50 of that child support has been a tremendous incentive for this program that has brought in millions to our State. We have been able to collect millions of dollars over the last two years. We have set precedent for federal policy in the welfare bill, because our program was so good. I believe this \$50 of pass through is part of what makes it important. It allows an absentee parent, generally a father, to say, "I am going to give that money to my family, because I know the first \$50 goes to my family." The balance of any money collected from a family member where there are AFDC recipients goes to pay back. They have to pay back what they have received from the federal and state government. If you send in \$100 for your family, the first \$50 goes to your family; but the second \$50, two-thirds of it goes to the federal government and one-third of it goes to the state government. That means if we don't allow the families to keep this \$50, we are going to be sending even more of our child support collections to the federal government. How can that possibly make any sense? How can that give parents the incentive to do what is the right thing to do? It gives fathers an incentive, and it gives mothers an incentive to help participate in this program to help track down deadbeat dads, to help track down parents who aren't paying and have an incentive to do that. I don't understand how this could possibly be

good policy to sunset this when we have had such a successful program and such a good incentive. I just have to urge your no vote on Indefinite Postponement.

**THE PRESIDENT:** The Chair recognizes the Senator from Penobscot, Senator Faircloth.

**Senator FAIRCLOTH:** Thank you, Mr. President. Colleagues of the Senate, an important part of this discussion is about legal immigrants to this country. In this case, in the range of forty to fifty of them. I take my hat off to them. If family legend is correct, I am descended from illegal immigrants to this country. The story in my family is my great-great-grandfather was involved in one of the failed Irish revolutions and was sent to the penal colony in Australia and then snuck out of there and showed up here as someone who was a criminal. Of course, the other family legend is that he was a sheep thief. I'm not sure which family legend is correct; but in any case, the story goes that he was an illegal immigrant to the United States of America. In this case we are talking about people who have followed all the rules and all the procedures that this nation has set out for legal immigrants to this country. I think there are some important things to remember about these. One, I just respectfully want to disagree with my good friend, the Senator from Oxford, Senator Hanley, who said forty to fifty people. It's forty to fifty families. These are forty to fifty families with children in this situation. Another thing that is very important is that a high percentage of these children, I think it's interesting to note, are children who are American citizens. Let me repeat that. A high percentage of the children are American citizens. Their parents, the custodial parent, may be a legal immigrant; but, in many cases, the absent parent is an American citizen; and that child is an American citizen. How are we treating this one American citizen, a child on the street, versus another American citizen? I don't understand the distinction between those two American citizen children, although I must say to you that I don't see the distinction between a legal immigrant child and an American citizen. We have to treat them with the sense of justice that they deserve. These people followed whatever rules there were. They came here involved in work immigration, or marital immigration, or whatever form it is, that is in compliance with the laws of this country. It is also important to note that the vast majority of these children would be under ten years old, just as the vast majority of all children on AFDC are under ten years old. That's who we would be cutting off, children, a vast majority of whom are under ten years old, many of whom are citizens of this country, completely cutting them off from AFDC and from health care benefits, as well. That is a dramatic and draconian move that I certainly could not support in any way. These children get sick. What happens when these children get sick? I think that is something that we have to think about.

The other issue, with regard to child support enforcement, is one that is important to me and has been important to me throughout my service as an Assistant Attorney General and in this Legislature. I believe, more than any other issue, moral responsibility, personal moral responsibility, for your actions is something that I see has been deteriorating in this country over the past 25 years. I think that fundamental to improving that

situation is tough child support enforcement laws in this State. I'm proud to have been involved in pushing through tough child support enforcement laws. It is a horrible mistake, if we are to undermine one of the most meaningful and valuable elements of child support enforcement. As the good Senator from Knox, Senator Pingree, pointed out, when you have an incentive for the custodial parent to find out where that absent parent is, because the custodial parent is going to know that that \$50 is going to come to them. The absent parent will have an incentive, because they know when they pay, some of that money to support that child is not just going to go to the government. That money is going to go to my child. It's an important incentive for personal responsibility. It's an important incentive for societal responsibility. It would undermine societal responsibility if we were to undermine that law. I think it's a terrible move. These things are about the American dream, and they are about how we treat people who are immigrants to this country. It's a fundamental question. I think of a legal immigrant to this country, a man named Albert Einstein, who was a Jewish-American, who said that his goal in life was to behave as a true Christian should behave. I think that Albert Einstein, a legal immigrant, should be remembered in this debate tonight. These are children that we should care about. They are 5,350 children who don't deserve to be punished. When I went to Notre Dame, there used to be a lot of cheering at the stadium, at Knute Rockne Stadium. They would say "Hit him again! Harder! Harder!" It would be less than chivalric, I would say, to have women and children be the subject of such a chant. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Pendexter.

**Senator PENDEXTER:** Thank you, Mr. President. Men and Women of the Senate. I really can't believe what is going on here tonight. I have to ask myself if I am sitting on another planet. When the department approached me to be a co-sponsor, the one thing that was said to me was, "We don't want to get into a discussion about welfare reform, because it's not an appropriate time to be doing that in a special session. All we want to do is position ourself, legislatively, so that we can start the block grant. We can start kicking in the federal money that will be coming in. In the end it means we will get \$18 million, or so, more money." So, to keep us out of the debate of welfare reform, which is what we are doing now, what was said is we would like to keep these two options. We don't really want to change the plan at the moment, because to apply for the grant you have to submit your welfare plan. So, to keep us from getting into this big debate, we would like to keep the \$50 pass through, and we would like to keep the legal immigrant benefit. You need to understand that Congress, the Republican Congress, and the Democrat President, so this is bi-partisan agreement in Congress, folks, feel that that is not something that they want to fund in our plan. If states so choose those options, we have to pay for them. The idea was that we would keep these options in tact, because our plan covers it presently. So, it was presented in this fashion. At the next session, the 118th, then would get into the whole discussion of welfare reform; and we would amend our plan, depending on what the debate happens in the next session. You need to understand that there are

some people on the Committee who didn't want the options. They felt if it was good enough for Congress, a Republican Congress and a Democrat President, why would we want to put these options in our plan? So, as a compromise, folks, it was agreed to put a drop-dead date. Just to communicate to the next legislature that the intent of our action here tonight was to give the next legislature the message that we want them to have the debate with no strings attached. We didn't want to give the message that we think it ought to be in the plan and we want to keep it in. That's really the only idea behind the date. It was a compromise. The date was thrown around several times. It was agreed to do April 1, unanimous committee report.

I guess I just want to remind you about a few things. I don't disagree, necessarily, with the \$50 pass through. That's not the point. The point is that that decision is going to be made in the 118th. We will keep it for now. We have seven months with which to make that decision. The Department can be ready to come to the legislature the first week we are here in the next session. That's not a problem. There is going to be plenty of time, in the next session, to debate all these issues. It just really kind of bothers me; because I bought into it, figuring we wouldn't be getting into this debate. So, we shouldn't be getting into the discussion about are we going to continue the pass through, are we going to continue the legal immigrant issue? Because that is not the issue. That's the issue for the next session of the legislature, in the 118th. All we want to do here tonight is position ourself, federally, so we can start drawing down the money. Let me just remind you, as we have these block grants, that we are very free to do what we want. Let's say the next session decides, for example, that they want to continue the legal immigrant issue, or the option. We could, if we wanted to, say we will grandfather whoever is on it now; and from this moment on, we will not continue. We could do that. We can make our own rules with these block grants. But, if we make the date too far down, we will have more people to grandfather than perhaps we want. I would remind you, also, that this is an option; and Maine keeps the legal immigrant option, that if Portland thinks they have a problem right now, believe me, we will be a magnet for immigrants. We need to think about what the State positions itself in when we start putting options to our welfare plan that maybe other states won't do. I just give that for you to think about, because those are some issues that you need to think about. I guess I am really upset that we are now in a full-blown welfare discussion, which is what we were not supposed to be doing. It even upsets me more that you have a unanimous committee report and it is not respected anymore. You know the members on the Appropriations Committee. If they can all agree, I think we ought to say that we should respect that vote.

I guess while we are talking about welfare, let me put in my two cents worth. We all have ancestors who came to this country, but they didn't come to this country to be on welfare. They came to this country to work. They came to this country for the opportunity that it presents. They came to this country to start a business. They came to this country to start a family. They did not come into this country to be on welfare. There are laws in this country that say if you are going to come here,

legally, you need to be sponsored. There needs to be some responsibility placed on the sponsors. If they can't financially handle it, then they shouldn't be in the business of sponsoring immigrants. In fact, Congress did address that issue; and there are some new laws in place now that, if you are going to apply to sponsor immigrants, that you have to meet a certain financial criteria. It only makes sense, I think. So, I hope that we can all kind of calm down here tonight. This is not the place to be having welfare reform discussions. The whole point was to position ourselves so that by November 1 we could start drawing down our federal money. What you are really doing is jeopardizing the vote because you need a two-thirds vote to get this to happen, and you are now jeopardizing positioning ourselves for November 1 to start drawing down this money. I can say to you, if you want to jeopardize it, we don't have it. We can't spend it I guess, but I don't think that's what we want to do. The money, as we are collecting it, goes into an escrow account so that we will have that kind of money to have an appropriate discussion next session. So, I guess I would just ask you to regroup, please, and respect the unanimous decision of the Appropriations Committee. I apologize to the Committee, the members on the Health and Human Service Committee; but in the end it was not our vote. We weren't asked to vote on it. The Appropriations Committee just did the vote. They do that. So, I hope that you will support the Indefinite Postponement of this amendment; because the real intent of this legislation was just to position ourselves, to keep things normal to a time so that the session next year can really have a good, healthy debate with the players that will be here. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Kennebec, Senator McCormick.

Senator **McCORMICK:** Thank you, Mr. President. Men and Women of the Senate, I submit to you that if we wanted to keep things normal, if we wanted to keep things in the status quo, we would have left things the way they are until the next budget, until the end of the next budget cycle, and not hung poor women and kids out to dry, and fifty legal immigrant families out to dry, in the middle of a special session, with new legislators who are going to need to get up to speed on this issue. I'm sorry, it doesn't meet the straight-face test to me to think that we are not going to get into a welfare reform debate if we change the status quo, which the amendment from Appropriations is doing. This all seems very familiar to me, this tactic, this maneuver of taking certain groups, especially the poor. "Hit them again! Harder! Harder!" is getting to be the chant of the legislature, unfortunately. It's getting to be the chant of this country, unfortunately. It seems very familiar to me because it happened just a year or two ago with the health program for working families whose endeavors don't lift themselves out of poverty. Remember? We took that out, separated it out, threw it into the session where it had to have a supplementary appropriation and it was killed. I think it was killed very intentionally. I think this is an intentional maneuver. Can I remind us, and I'm glad that Senator Pendexter brought this up, absolutely, legal immigrants in this country did not come here to go on welfare. As a matter of fact, they pay for themselves over, and over, and over again, through work and taxes that they put into the

economy, much more than they take out. I submit, you can look up any study, I wish I had it here, but I have seen study after study that shows that legal immigrants are a plus to this economy. As a testimony to that, there are only fifty families, out of hundreds of legal immigrants, you know them, I am sure, in this State, who are working and paying taxes and contributing to our way of life. I hope that we vote to sustain what the good members, the bipartisan vote in the House, has done.

**THE PRESIDENT:** The Senator will defer. The Chair would remind members to please refrain from talking about the actions of the other body. The Senator may proceed.

Senator **McCORMICK:** Thank you, Mr. President. It should not surprise us that to change the status quo, as we have done, brings up a welfare reform debate all over again. To take away the \$50 pass through, which is the fundamental underpinning of our welfare reform, and our ability to get absent parents to pay, which is, as you all know, a stellar success in this state, and every other state that has done it. To take that away in the middle of a session, to rouge it over with the maneuver that we are not taking it away, but leave it to come, bare naked, in front of a new legislature in April of next year, just doesn't meet the straight-face test. This is a bold attempt to kill these two important welfare reform foundations. I urge you to overturn it. I would just close by saying the Senator from Cumberland, Senator Pendexter, mentioned that this was a compromise. That's funny. I heard another compromise. I thought that there was already a compromise. I thought that the Governor and the Commissioner had compromised with all the stakeholders that these two important parts, the pass through and legal immigrants benefits, would be kept in the budget until the next budget cycle, where they could be debated in a holistic way when we debate the budget. That compromise is the compromise I have heard of. That compromise was undermined by the actions of some people in this body, and also of the Appropriations Committee. I think you threw a wrench into the works; and now, you are right, we have a whole welfare reform debate. We have a choice. Do you know what I heard? The Commissioner's own father used to be a legal immigrant. He is 100 years old now. He used to be a legal immigrant, now he is a citizen. Probably most of our ancestors used to be legal immigrants, unless we come from Native American stock, or we are so blue blood that we can't remember back that far. I certainly can. I just urge us all to have a little compassion; and, in this case, our compassion can be in the form of continuity. We can continue the policy that has worked very well for Maine, for saving millions of dollars, for bringing millions of dollars more into the coffers in child support. The biggest economic plus of welfare reform that this State has ever done, we can continue that policy, clear through until the July 1, the end of the budget cycle, and debate these two important policy decisions in the context that we debate all important policy decisions; and that is together in the next budget. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Lincoln, Senator Begley.

Senator **BEGLEY:** Thank you, Mr. President. When the Appropriations Committee met and proposed, unanimously, the proposal of the date, the gentleman who, hopefully, because of his father's background,

has a great deal of empathy, the Commissioner of the Department of Human Services was asked would this hamper, in any fashion, his department and these two issues. His answer was no.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Rand.

Senator **RAND:** Thank you, Mr. President. I would like to pose a question through the Chair. First, I would like to make a statement. I believe, and firmly agree, with those good Senators who have spoken in defense of this amendment. The agreement, however it came about down in Appropriations, is one of the cruelest and mean-spirited things that has come this way. For anybody to be naive enough to think that we aren't going to have a welfare discussion when we are presented with this package, that astounds me. Having said that, I would like to know, since the Committee did, I'm sure, research this and look at all the angles, I want to know what the fiscal impact is on, naturally, my municipality, and on any municipality that is affected? The second question has to do with the legal immigrant status, denying welfare benefits to American children, American citizens who are children. Rumor has it that this is a suit, on the federal level certainly, waiting to happen, that there are going to be many suits filed. If, on this level, suits are filed, have you taken that into consideration? What kind of cost has been estimated? Since you have a unanimous report, I'm sure this has all been researched very carefully; and I really would like some answers. Thank you.

**THE PRESIDENT:** The Senator from Cumberland, Senator Rand, has posed a question through the Chair to any Senator who may care to respond. The Chair recognizes the Senator from Oxford, Senator Hanley.

Senator **HANLEY:** Thank you, Mr. President. I would be more than happy to respond to the good Senator from Cumberland's questions. They are very well put. The first issue, as far as what the impact is going to be on the County of Cumberland, predominantly the City of Portland. Let's look. Initially what this is, this is only two options that are being discussed today. I guess I would like to respond to the question in two ways. If this Legislature fails to enact this bill, with an emergency measure, there will be no pass through for the months of October, November, or December. Three months. That's what we are looking at right now as far as with the actions taken and the way the bill is presented before us now. Three months worth of loss on the pass through and legal immigrants. To be very candid with the good Senator from Cumberland, we did not anticipate the demagoguery that would come about, and that would jeopardize this bill from passing. So, in that instance, if the question is what happens if this amendment goes on and it fails the passage of two-thirds and isn't enacted until mid-December, no, we did not consider that. We thought, probably erroneously, that a unanimous report out of the Committee meant something. So, in that respect, to the good Senator, no, we don't know what the impact is. But, with the bill as proposed and given unanimous confirmation by the Committee, yes, we did address that. The pass through would stay intact. The legal immigrants would stay intact until April 1.

Let me state, as far as the supplemental budget, that was of concern to the good Senator from Knox, Senator Pingree. In the 115th, the 116th and the 117th we have always had a supplemental budget passed

before the first of March. That issue, and that is what we discussed in Committee, that issue can be resolved in the supplemental budget, and that discussion can take place. So there won't be a breakdown. If it is determined, as a matter of policy, and every time a new legislature convenes everything is on the table, so whether or not we include this pass through now, or the legal immigrants now, come the 118th, it's back on the table. What we are doing is we are ensuring that for the remainder of 1996 this pass through stays intact, the benefits to legal immigrants stays intact, and yes, we did think about that and we saw that that would be a continuation through at least April 1. Then, it's beyond the 117th's control. It is the 118th which will then make that determination. Let us not forget, every time a legislature convenes they can relook at every statute on the books currently. Every policy that members of this Chamber and the other Chamber may have fought for years to put on the books can be wiped off in the blink of an eye. So, did the Committee look at our crystal ball and see what the 118th Legislature would do? To the good Senator from Cumberland, no, we did not, because that is a decision for the 118th Legislature, one that they will deal with and one that they will deal with regardless of our action tonight. We want to maintain the continuity. If we don't have two-thirds to pass this, there is no continuity. October, November and December will have no pass through. There is an impact on your community, you can count on that.

Just so it is quite clear, members who vote against the unanimous committee report and think that they are going to get two-thirds vote in both chambers, in my estimation, in my humble opinion, are being unrealistic. I think that's where the cost will be. There won't be a cost, more than there would be on anything, I mean the 118th can get in and do away with the 90% for general assistance. They can reduce that down and that would have a greater impact. The next legislature can open up anything they want and determine anything. The bill in front of you, as endorsed unanimously by the Committee, will not have an impact on your community because it will continue the programs. Anyone who thinks differently has to be cognizant of what that impact is going to be.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Rand.

Senator **RAND:** Thank you, Mr. President. I would like to follow up. I'm afraid the good Senator from Oxford has me confused. If the intent of the Appropriations Committee was to make sure that we had continuity in both of these two, very important, issues, particularly important in my city, because we have large numbers here and we know who will be picking up the slack, the Portland property taxpayers. If that was the intent, why was the Governor's proposal, as it was presented to the Committee, amended? What am I missing here? If, in fact, the 118th, as we all know, can do whatever they want, everything is on the table, please give me the specific reason why this bill had to be amended? There has got to be a reason other than something that could be called petty and sneaky. There's got to be; because I am sure you wouldn't have anything to do with that, no members of the Committee would. So, what is the reason behind it since it is meaningless? Unless I have misunderstood you,



Senator, and I am willing to apologize for that if I have.

**THE PRESIDENT:** The Senator from Cumberland, Senator Rand, has posed a question through the Chair to any Senator who may care to respond. The Chair recognizes the Senator from Oxford, Senator Hanley.

Senator **HANLEY:** Thank you, Mr. President. I do accept your apologies, Senator. I thought I made my statements quite clear, as far as when I initially discussed why we should defeat, and Indefinitely Postpone, this amendment. The rationale is, from the Committee's standpoint, welfare block grants, the Federal Welfare Reform Act is landmark legislation. I think it is important that we all understand that. This is not a continuation of how things were done yesterday. The federal block grants is a totally different concept, as far as how you fund and how you operate the welfare program on the state level and at the federal level. Our concern was, in all due respect to the Senator from Knox as far as to not set a precedent that other legislators would say, wait a second, these block grants, which the Congress, Republican Congress and Democrat President signed into law, stated that these are options that we want the legislature to look at. I guess we didn't think it was our position, as far as for a brand new concept that the 118th Legislature would be looking at, to say wait a second, when you come in again the 117th has already decided this. This is brand new as far as the block grant program. It's brand new. We wanted to give the 118th, not so one side or the other could stand up and say wait a second, this issue has been decided. With all due respect to members of this Chamber, I have heard that argument before, so I speak from experience. Having been on the receiving end, as far as this is the way we did it before, this is the way we are going to continue to do it. That type of argument, I don't think, is appropriate. I do not want to be participating in stating that this is a new program, let's take all of the options, let's have not questions, so that when the 118th comes together, they don't debate this issue. They don't have to focus on this issue. This is brand new and it is our responsibility to make sure that the Legislature address those specific options which the Republican Congress and the Democrat President said needs to be addressed. That's where it is. That's the continuity. That's the continuation. That's the rationale. Once again, failure to get two-thirds vote on this bill is going to have an incredible cost for those municipalities as far as they will have additional people who will apply for general assistance. Once again, I would turn to as far as there is home rule authority, and those cities and municipalities can make that determination on their own. Let us make no mistake, failure to enact this will stop this program dead in its tracks for October, November and December. As long as everyone understands that, when they take their vote, I think that's important.

**THE PRESIDENT:** The Chair recognizes the Senator from Aroostook, Senator Paradis.

Senator **PARADIS:** Thank you, Mr. President. Men and Women of the Senate. Thank you to those who are sticking with us. I see many empty seats. It is scary, indeed, and I would say that possibly the Congress and the President have made the same misjudgement in terms of not knowing what's out there. Living on our border, up north, we were a people that was transferred from one country to the

other over night. We have children that are born in Edmunston, New Brunswick, at the hospital. Parents bring them home. They are people with no country. They are people who are Canadian-born and they are eighteen before they can choose to sign on the dotted line which way they want to go. If something happens to the American dad, the Canadian mom is stuck in Madawaska; and what are her options? If you are from Clair, New Brunswick, you will possibly be born in the hospital in Fort Kent, Maine. Canada is renown for reacting. We take years. If we start dumping children because they were born in New Brunswick, because of the geographical location of the hospital, it won't take them very long to respond and do the same to us. You dump our children and we will dump yours. It boggles my mind that nobody, and I am very grateful that somebody admitted that they knew nothing about immigration laws, and it shows. The questions could have been asked very easily, however. To take things for granted, to expect us to do something this horrendous, I tend to agree with my colleagues, we are totally admitting that we know not what we are doing. If we, as mature and experienced from having served on many committees, don't have a clue about this, how do we expect this new, young group coming in here next year to be so much more knowledgeable and sophisticated than we are? Je ne que pas. I don't think so. Merci.

**THE PRESIDENT:** The Chair recognizes the Senator from Androscoggin, Senator Cleveland.

Senator **CLEVELAND:** Thank you, Mr. President. Men and Women of the Senate. I agree, wholeheartedly, with all of those who have spoken in regards to the intent of the issue this evening was simply to allow us to access earlier, as soon as possible, the federal block grant money. We wanted to do that because it made some sense. It positioned this State in a better spot to begin to get that money, to begin to utilize some of it now, and to begin to, perhaps, have a little bit more resources than we would otherwise have. It was sound fiscal policy to bring it up while we had the opportunity and to access that money. That's what we wanted to do and it made some sense. The change of the policy has simply been imposed on us, not by that issue. The policy passed by this Legislature was to provide benefits to legal aliens, that's a policy now, and to provide the pass through. We had a discussion, we had votes, we passed the budget that includes that policy. If you want to stay consistent, you will stay with the policy we have through July 1, 1997. This isn't about money. We are talking about a three-month difference. Three months, between April 1 and July 1, where a few families might get a \$50 pass through. A few families who get \$50 a month, and fifty families, who are legal aliens, may continue to receive those benefits for three months. That money is miniscule. It's less than the money that they have spent in the last two days to have us here in this session. So, this isn't about money. This isn't about fiscal responsibility. This is about policy. Policy interjected, by the Committee, who chose to have an amendment that would change the policy before its normal expiration date of July 1. That's what this is about, and it's a very clever policy for the use of parliamentary procedure. Those who propose it know darn well that you would have to have a two-thirds vote to continue past April 1. They know that. They also know that you would have to separate it out as a separate issue, not as a part

of our overall budget, not as a part of our overall policy, not as a part of our overall expenditures where we look at all those issues and make decisions, but separately, with a brand new Legislature with a lot of new members. They further knew that to be able to implement policy change that they could do that with the threat of withholding the two-thirds necessary to do the right and fiscally responsible thing to access this money; because they know if they don't provide a two-thirds vote, they know that if you don't make the policy changes under this threat, then you are going to have to forego the benefits of getting the block grant. This wasn't haphazard. It wasn't fallen into accidentally. It was thoughtfully and meticulously thought out on how to position this issue so that those families that are getting \$50 a month, and the fifty families that are legal aliens, would be in a disadvantaged position. I don't think that's really the way to handle public policy. The position that we ought to be in is to handle that issue like we do always, through the budgetary process and through appropriations, to make the decision and implement it on July 1, when we would implement all of the others.

I would like to take a moment to talk a little bit about legal immigration, because I am a descendent of legal immigrants. My name is John Chabot Cleveland, and I am very proud of that Chabot. My grandparents were legal immigrants from St. Nazaire, Canada. We lived with them with my family. They spoke French. They were hardworking. They never took a dime in the ninety years that they lived with ten kids making \$10 a week. They never accepted a dime of public support. They always paid their taxes. They always played by the rules. The district that I happen to represent in Lewiston/Auburn, which I am extremely proud to represent, have hundreds of families who are legal immigrants. I know because I have met them door-to-door. I have met them in my church. I have met them at the beano games. I have talked to them about voting, and they would say to me, "We like you very much, Mr. Cleveland, but I am a legal immigrant. I can't vote because I am not a citizen of the United States, but good luck. I have chosen not to be a citizen but I am working hard. I have been here for twenty, thirty, forty years; but because of my culture and my background, I feel a little uncomfortable because I don't speak the language as well as some of the others. I have chosen not to become a citizen of this country." Those people are hard-working individuals with children. Perhaps, through no fault of their own, they are in an automobile accident. Perhaps, through no fault of their own, they have cancer. Through no fault of their own, they become ill or divorced or injured and they have no resources in which to care for themselves. This is not the time, in this bill, under these circumstances, to change public policy. Those of us who say maintain public policy are the ones who are not wanting to change anything, not wanting to interject new policy, but are willing to debate it on its merits and vote it up or down in the appropriate process that will exist in the next session, not to maneuver around to end that policy early and require a special vote by two-thirds, which is very difficult to get on issues of welfare and poverty in individuals who have little to no voice and who, oftentimes, don't receive much understanding or sympathy because it is easy to see them as

scapegoats. I'm sorry, but I can't accept that and I don't particularly enjoy being put in the position that you either vote my way or we are not going to do the thing that is right for this State.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Pendexter.

Senator **PENDEXTER:** Thank you, Mr. President, Men and Women of the Senate. Nobody is disagreeing, necessarily, with the values of the \$50 pass through. Arguments can be made, perhaps, for the legal immigrant issue. The issue here is that the debate on what the welfare plan and the block grant is going to look like belongs in the 118th. That's the issue. If it wasn't for this special session, what would have happened? We would have missed out on the money anyway. I mean, the debate on how our welfare will look belongs to the next legislature. All we are doing is positioning that legislature with no strings, so they can have an honest debate on all of the merits. They are going to be the players, not us. Our part here is to just position ourselves so we can start collecting the money early. That's really what it's all about. There are some of us who agree with what you are saying. That's not the issue. That belongs in the next legislative debate in the next session. They are the ones who are going to decide what our plans look like. The Department already knows, what is it, September 6? When we come in in January they can be very ready. They already know. Certainly, by April 1 we must be ready to do something. If the Department can get their act together, maybe the legislature, when they come in in January, can start working on welfare reform right away, instead of wasting a whole month. The issue is not whether we think the \$50 pass through is a valuable one, or we ought to continue it. That is not what we are here to do. We are here to position ourselves federally so we can start drawing the money, period. Some of us feel strongly that we need to send a message to the next legislature that they don't have to have strings attached to their discussion. They are free to do what they want. It's up to them to decide what options we want to pay for, or what we want to do. That's really the issue. So, that's why we ought to vote to support the unanimous report of the Appropriations Committee and support the motion on the floor to Indefinitely Postpone this amendment. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Rand.

Senator **RAND:** Thank you, Mr. President. Men and Women of the Senate. Quite frankly, I think there is an awful lot of double talk going on here; and I have not received, to my satisfaction, the answer to my questions. Nobody has mentioned the suits and who is going to have to pay for it when some American citizen, someone on behalf of an American citizen, who is denied benefits, sues. I want to know if there has been some kind of thought put into that and if there is any pricetag attached to that that you have any handle on. The other thing that I want to know is, since we have laws in this State, general assistance laws, that require municipalities to serve these families, should they need assistance, I think it is imperative that before I cast my vote, and probably I'm not the only one here who is very concerned about the fiscal impact on my municipality, I would like to know the dollar amount. What are we talking about here? We are talking about a three-month gap. If you have a significant number of

people who are affected, three months can put a great big hole in a city budget which already does not have anything extra in it now. So, we are not talking about home rule and how communities will be able to vote up or down whether they feed people who are in the street. We are talking about a state law that says municipalities do have to, in fact, serve these families. I would like the answer to both questions. I want to know what it is going to cost for those three months, should the 118th, with no strings attached, make these decisions in a way that I don't agree with. Also, has anybody anticipated any type of costs for suits? I think we are all very naive if we feel that American citizens who are denied their rights, that somebody somewhere won't sue. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Oxford, Senator Hanley.

Senator **HANLEY:** Thank you, Mr. President. My apologies to the good Senator from Cumberland. Let me try and be as clear as possible. For the \$50 pass through the cost is \$168,000 per month. If all of those individuals are in your district, that cost, if you voted to put Amendment H-941 in, if that is your vote to vote against the Indefinite Postponement, and you want to keep this in, the cost would be \$168,000 times three if every single one of those are in your district. So, we understand that. If you vote against the Indefinite Postponement that would be the cost if all 5500 people were in your district. As far as what happens after April 1, we don't have a crystal ball in the Appropriations Committee. The 117th don't have a crystal ball. The 118th can do whatever they want. It is a clean slate. They can decide that history has borne out that they have a supplemental budget in the middle of February, before March 1, for the last three sessions. The Legislature, at that point in time, can continue on through June 30 if they so choose. That's the issue. If you vote against the Indefinite Postponement measure we will not get the two-thirds and the cost, if all 5500 individuals were in your district, would be \$168,000 times three.

**THE PRESIDENT:** The Chair recognizes the Senator from Knox, Senator Pingree.

Senator **PINGREE:** Thank you, Mr. President. First, I have to talk about why this belongs in the 118th, and I just have to ask if this difficult policy issue, which would clearly be a tragedy to the affected groups, belongs in the 118th, then why has the Health and Human Services Committee been coming in every Friday this summer, and we will continue this fall, to investigate difficulties in our department and important policy decisions that we feel have to be made now and not put off until another legislature? I take my responsibility as a committee member very seriously and I don't want to make a bad policy now that will go into some other legislature. I think that's why our Committee has been meeting on other issues and asking for permission to continue meeting. I don't think that that flies, if we are willing to deal with those difficult issues, but we decide that this one has nothing to do with us and belongs in some other session. I also have to take issue with this continual reminder that this was a unanimous committee report. This was a unanimous committee report out of Appropriations; but these were two policy issues, major policy changes, that were made without a unanimous committee report from the Health

and Human Services. In fact, no vote, of our Committee and no presence of most of us when the decision was made. So, perhaps the funding issue was decided in Appropriations, but the policy changes were never decided by me as a committee member, and I resent the fact that I keep hearing this called a unanimous committee report, because policy changes were made without my Committee there. I also resent the continual reminder that, if we vote in favor of this amendment, we are killing this bill. I, in fact, will not be killing this bill by voting for that amendment. Anyone who votes against the bill will be killing the bill. If they want to hold my vote hostage by saying there is no compromise if I do that, then that's their responsibility. I, personally, will not be voting against this bill and I resent being told that not going along is me doing that. If we do not have a two-thirds vote on this, we will lose \$4.5 million over those three months of the \$18 million of the total bill. That is good money that would go into our welfare reform package. That is money that would go to childcare expenses for people who we are asking to get back to work, or get to work for the first time, for job training money, for subsidy money for jobs that we have found for people. That is \$4.5 million that we will be turning down if we can't get a two-thirds vote, which I will be voting for if we approve this amendment. I think that will be a tragic loss if we turn that away; because someone, without the vote of the Health and Human Services Committee, decided to make some policy decisions in a time when we shouldn't be making major policy changes.

Enough on procedure. I want to say one more thing about the \$50 pass through, just one more substantive thing that came to me this morning as we were discussing the Hathaway bill, which I voted for, and which I was willing to spend \$150,000 per year, of state dollars, to help support what I think is a very important source of jobs in our state. In that bill, in the changes to the TIF law, and in our existing TIF law, we are willing to give a company in Maine \$150,000 every year for ten years, if they do extremely well. If they sell that company, if they move out of state, we say good-bye, it was nice knowing you. We never say can we have our \$150,000 back, can we have a little something that you made in the windfall profits when you sold this corporation, or you moved to some other country. We never say we would like to hold you personally accountable for the investment the citizens of the State of Maine have made in your company. I was willing to go along with that. I said we have only come so far in TIF laws, this is what we have to do. I just want to explain, one more time, what happens with child support when it is collected. Fifteen or twenty years ago, as far back as we have records, if you collected AFDC money when you were going through a bad time, if it was a couple of years or five years, if you collected AFDC, some day down the road, when the non-supporting parent starts paying in, we take that money. We don't give it to you. We say you owe us. You owe us from twenty years ago when you got AFDC. You own us from three years ago when you got AFDC. That money belongs to the State of Maine and the federal government. One-third of it goes to the State of Maine, two-thirds of it goes to the federal government. We ask people to be far more accountable in that system than we ask all the grants and job training money and bond issues and everything we do

for everyone else that we subsidize businesses and incentive programs and everything else. We have a whole different standard there. Now we are saying the \$50 that you got to keep, you don't get to keep anymore. It's not yours, it's all going, two-thirds to the federal government and one-third to the state government. Now we are asking them to make an even more substantive policy change that we would never be willing to make in any other sector where we are willing to help out. To poor women, and their families, we are saying, "Sorry about that \$50. It's gone."

**THE PRESIDENT:** The pending question before the Senate is the motion by Senator **HANLEY** of Oxford that the Senate **INDEFINITELY POSTPONE** House Amendment "A" (H-941) to Committee Amendment "A" (H-939), in **NON-CONCURRENCE**.

The Chair ordered a Division.

On motion by Senator **LAWRENCE** of York, supported by a Division of at least one-fifth of the members present and voting, a Roll Call was ordered.

**THE PRESIDENT:** The pending question before the Senate is the motion by Senator **HANLEY** of Oxford that the Senate **INDEFINITELY POSTPONE** House Amendment "A" (H-941) to Committee Amendment "A" (H-939), in **NON-CONCURRENCE**.

A vote of Yes will be in favor of **INDEFINITE POSTPONEMENT**.

A vote of No will be opposed.

Is the Senate ready for the question?

The Doorkeepers will secure the Chamber.

The Secretary will call the Roll.

**ROLL CALL**

**YEAS:** Senators: **ABROMSON, AMERO, BEGLEY, BENOIT, BERUBE, CARPENTER, CASSIDY, FERGUSON, HALL, HANLEY, HARRIMAN, HATHAWAY, KIEFFER, LORD, PENDEXTER, SMALL, STEVENS, and the PRESIDENT, Senator BUTLAND**

**NAYS:** Senators: **BUSTIN, CLEVELAND, ESTY, FAIRCLOTH, GOLDTHWAIT, LAWRENCE, LONGLEY, McCORMICK, MICHAUD, MILLS, O'DEA, PARADIS, PINGREE, RAND, RUHLIN**

**ABSENT:** Senators: **CAREY, CIANCHETTE**

18 Senators having voted in the affirmative and 15 Senators having voted in the negative, with 2 Senators being absent, the motion by Senator **HANLEY** of Oxford to **INDEFINITELY POSTPONE** House Amendment "A" (H-941) to Committee Amendment "A" (H-939), in **NON-CONCURRENCE, PREVAILED**.

Committee Amendment "A" (H-939) **ADOPTED**, in **NON-CONCURRENCE**.

Which was, under suspension of the Rules, **READ A SECOND TIME** and **PASSED TO BE ENGROSSED, As Amended**, in **NON-CONCURRENCE**.

Under further suspension of the Rules, ordered sent down forthwith for concurrence.

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Senate at Ease  
Senate called to order by the President.

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Off Record Remarks

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Senator **KIEFFER** of Aroostook moved, pursuant to Senate Rule 25, that the Senate **SUSPEND THE RULES** for the purpose of **EXTENDING** past 9:00 o'clock.

The Chair ordered a Division.

19 Senators having voted in the affirmative and 13 Senators having voted in the negative, and 19 being less than two-thirds of the membership present and voting, the motion by Senator **KIEFFER** of Aroostook to **SUSPEND THE RULES, FAILED**.

Senator **KIEFFER** of Aroostook moved, pursuant to Senate Rule 25, that the Senate **SUSPEND THE RULES** for the purpose of **EXTENDING** until 10:00 o'clock this evening.

The Chair ordered a Division.

25 Senators having voted in the affirmative and 6 Senators having voted in the negative, the motion by Senator **KIEFFER** of Aroostook to **SUSPEND THE RULES, PREVAILED**.

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Senate at Ease  
Senate called to order by the President.

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On motion by Senator **LAWRENCE** of York, **RECESSED** until the sound of the bell.

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After Recess  
Senate called to order by the President.

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Off Record Remarks

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On motion by Senator **STEVENS** of Androscoggin, **ADJOURNED** until Saturday, September 7, 1996, at 9:00 o'clock in the morning.