

MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

AS PASSED BY THE

One Hundred and Fourth Legislature

OF THE

STATE OF MAINE

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THE KNOWLTON AND MCLEARY COMPANY
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1969

Messages
of
Governor Kenneth M. Curtis
to the
Special Sessions
One Hundred and Third Legislature
October 2-3, 1967
January 9-26, 1968
September 18, 1968

**REMARKS OF GOVERNOR KENNETH M. CURTIS
AT OPENING OF
FIRST SPECIAL SESSION OF 103rd MAINE LEGISLATURE**

October 2, 1967

Mr. President, Mr. Speaker, and Members of the 103rd Legislature:

I would like to extend my personal thanks for your willingness to respond to the call for this limited special session.

And may I say at the outset that I would like to express my sincere appreciation for the atmosphere of good will and cooperation that has been displayed in preparing for this special session during the last ten days by individual leaders and legislative members of both parties.

I know you will share with me the hope that this period of cooperation can continue while we discharge our obligations to complete some of the more urgent work left unfinished from the regular session.

The agenda for this special session, although limited, contains many important items appropriately classified as emergency measures that need careful consideration and enactment to continue and improve many state services.

The measures included in the call have been discussed by the elected leaders of both parties and represent items that have previously been exposed to public hearings and favorable action by your committees and for the most part have been accepted in the presented form by both houses of this Legislature.

Timewise, the most pressing items are those matters you may wish to appear on the referendum ballot November 7 of this year.

Rapidly increasing enrollment at our state colleges, vocational technical institutes, and the University of Maine have already strained existing facilities to the point where many young people desirous of further education face the risk of being turned away.

Your debate and your approval of new facilities at the regular session of the 103rd Legislature are indicative of your concern for the needs of education and improvements at our mental health and correctional institutions.

If it is your desire that these matters be referred to Maine people at the special statewide election scheduled for November 7, such action must be known by the Secretary of State no later than October 3, to assure the 30-day advance notice to the public and distribution of the printed absentee and regular ballots to our towns and cities.

For your consideration there have been drafted three Acts that would authorize separate bond issues for the Department of Education, for mental health and corrections, and the University of Maine.

Also to be considered for the November referendum is revised language on the proposed amendment to the Constitution that would insure the payment of industrial loans to fisheries and agriculture.

Three other items to clarify existing laws are being submitted.

One relates to the selection of jurors.

A second will empower the Indian Housing Authorities to operate sewer and water systems and thus become eligible for federal assistance, and a third will assure Maine farmers of the continuation of previous crop loan programs.

The Supplemental Appropriations and Revenue Act is in five sections.

Section "A" includes those items approved by the Joint Appropriations Committee and included in former Legislative Documents 1575, 1737, and 1738 with figures adjusted for the first year of the biennium to commence on January 1, 1968.

Included in Section "A" is the sum of \$4,368,000 to fund a pay plan that would increase salaries of classified and unclassified state employees paid out of the General Fund and provide that measure of reclassification which can be agreed to by the Legislative Research Committee working with the State Department of Personnel.

A review of the current problems facing state departments in the retention and recruitment of state employees is clear indication that some action should be forthcoming prior to January 1, 1968.

In order that we may benefit from the study of the current classification system being conducted by the Legislative Research Committee, it is suggested that salary increases to state employees be distributed by the State Department of Personnel after hearing recommendations from the Legislative Research Committee.

Another major item in Section "A" is the provision of General Purpose Subsidies increase to cities and towns for the second year of the biennium in the amount of \$5,986,997.

This money would be distributed in accordance with the Revised Statutes and the subsidy formula changes included in Section "C" of this act.

This suggested sum reflects that amount necessary to raise the current per pupil allowance from \$255 to \$290.

By this action the 103rd Legislature will have provided some \$68 million in General Purpose School Subsidies for this biennium which represents an increase of more than \$19 million over the last biennium.

Sections "D" and "E" include the revenue measures for funding the appropriations of Section "A" through a half cent increase on the present sales tax base and one cent increase in the cigarette tax. Effective November 1, these taxes would yield \$13,632,000.

The new sales tax table is included in Section "D."

When the regular session of the 103rd Legislature was concluded on July 8, it was generally agreed by all that it would be necessary to return at a later date to conclude its business.

It is history that this business was not completed because of an honest disagreement as to the best method of financing increased state services.

The desires and positions of all concerned have received full and lengthy debate.

I feel that we owe it to the citizens of the State and the programs administered by our state departments and agencies to meet in the spirit of compromise to agree on a way of financing these necessary expenditures.

That compromise would appear to be a position somewhere between that of our own deep personal convictions.

Section "B" includes items to be taken out of surplus.

Most of these items appeared in the defeated Question 8 of the September

referendum and represent minor repairs and installations and constructions which are essential to our several departments.

This sum of \$3,286,300 was carefully developed after review by the Bureau of Public Improvements in which some reductions were possible because of the expected lapse in the time of the effective date of these projects going into effect.

This surplus money also includes valuable additions to our state services previously agreed upon to be financed through bonding.

Also, from the surplus must be taken the new ferry boat authorized by the regular session of the Legislature which I held on my desk pending a review of the need for this purchase.

As related in my proclamation to you, your leadership and I have agreed that beyond the items in my call a second special session, probably early next year, will be necessary.

High upon the list after the proper evaluation will be the need to consider additional funding for the second year of the biennium for the University of Maine and some of our state colleges and vocational institutions.

The State must also adopt a comprehensive planning agency to continue to qualify for many of the federal programs that have been enacted in the last five years.

Most of you agree that the direction of Maine's development of our marine resources needs our attention at the special session.

Additionally, I know that many of you, as well as myself, have interest in certain special bills that would materially improve or add to our state services.

With this brief explanation of matters contained in the call for this special session, I leave you to your Legislative labors with the sincere hope that agreement can be reached to the benefit of Maine and her people.

COMMUNICATION OF KENNETH M. CURTIS, GOVERNOR OF MAINE,
TO THE SECOND SPECIAL SESSION OF THE ONE HUNDRED AND
THIRD LEGISLATURE OF THE STATE OF MAINE

January 9, 1968

Mr. President, Mr. Speaker and Members of the 103rd Legislature—

I would like to welcome you as you return to session to complete the work of the 103rd Legislature. In my proclamation calling the special legislative session of October, 1967, it was noted that this January meeting was necessary and would be called. You have already been asked to sacrifice more than the normal amount of time. Let me thank you for your willingness to attend this Special Session and say that all possible has been done to conserve as much of your time as possible and reduce the financial burden to yourselves and the taxpayers.

The elected leaders of both parties and a number of other members from the Senate and House have assisted in preparing the proposals included in my proclamation. Two months ago department heads and other responsible officials submitted requests for appropriations and legislation which they judged to meet the criteria of emergency matters you should consider. The professional financial staffs of both the executive and legislative branches have worked closely in reviewing the departmental requests. Their work has been guided by your Legislative leaders and the Governor's Office in a full spirit of cooperation. I wish to thank all those who participated in this budgetary process for cooperating in preparing a well-considered financial program which recommends expenditures within the limits of available funds.

This two-month period of consultation between legislative and executive spokesmen has resulted in a high level of agreement on both appropriations and prospective legislation. Naturally, there are a few areas where differences still exist or may develop as this Special Session commences its committee hearings and study of the proposed matters. But, I wish to affirm to you my belief that such differences in viewpoints should be fairly expressed and adjusted for the public good.

We do have a substantial agenda to accomplish and to act upon—some one hundred and twelve bills in all with at least thirty-one supporting my proclamation calling this session. Hopefully, the solid groundwork and serious effort that went into preparing for this Special Session will be reflected in your ability to decide these matters within the reasonably short period of time which, understandably, most of you desire.

In my call were included a number of items which do not in themselves require appropriating money.

Included is the customary bill for correcting certain errors and inconsistencies. There are several other bills for your consideration to clarify our existing laws. One would approve a contractual arrangement with the State of New Hampshire to construct a bridge spanning the Piscataqua River. Others involve clarifying the authority of school administrative districts and municipalities to authorize loans for school construction purposes. Another proposes a constitutional amendment to correct an inconsistency relating to the appointment of judges of probate.

For your consideration I am submitting several measures intended to assist our municipalities. First, with the approval of the Water and Air Environmental Improvement Commission I am recommending a bill enacted in other states to enable the State of Maine to pre-fund the Federal share of pollution control projects. One of the difficulties that municipalities face is the economic feasibility

of engaging in pollution abatement projects when Federal money is not readily available. This proposed procedure would remove that disability and substantially encourage projects now being delayed to restore the purity of our waters. As the Federal money is advanced for these projects, it would be used to reimburse the advances by the State.

Additionally, I am hopeful that you will permit the increase of the authorized interest rates for revenue bonds relating to industrial and recreational purposes. This adjustment is necessary in order to obtain financing for many projects which otherwise meet approval by the Maine Industrial Recreational Finance Approval Board.

To assist the municipalities which are engaged in urban renewal or Model Cities programs and in an attempt to create a better environment for the many families living in substandard housing, I am asking you to consider revising certain taxation and housing laws: first, to allow special assessment on public housing for low income groups; and secondly, to eliminate the referendum requirement under the Maine Housing Authorities Act.

At the November referendum the people authorized the credit of the State to be pledged to the extent of \$1 million in order to secure loans to Maine residents attending institutions of higher education.

In conjunction with the Federal program this will permit approximately \$12 million of loans to be made for our young people attending colleges and approved vocational schools. One of the major reasons for calling this session is to enact the necessary procedure to implement this student loan insurance fund.

During the Special Session in October about \$4.3 million was appropriated to increase salaries of State employees. I am now suggesting for your consideration an executive salary plan to provide equitable adjustments and assist in the recruitment of the most highly qualified personnel. The plan presented approximates that recommended by the Cresap, McCormick & Paget consultant report, which was submitted to the Legislative Research Committee last year. It appears to be a satisfactory compromise between the Legislature's rightful determination of maximum salaries, the Governor's need for some flexibility in establishing executive salaries, and a recognition that the salary levels of some of our highly responsible officials need to be adjusted.

In order to provide similar salary increases and meet other cost increases, I am recommending for the Fish and Game fund an increase in the resident hunting and fishing licenses.

I also recommend that you consider a limited lease arrangement to permit the harvesting of marine algae. The State of Maine stands at the threshold of greater development of its marine resources, and legislative action is necessary to advance that potential. The Legislative Research Committee, representatives from my staff, and other state department officials have been conscious of the need to recognize all rights of those who now obtain their livelihood in existing marine industries. I think the proposed bill provides the necessary protection for all and leads us closer to the day when greater harvests will be possible of the wealth locked in the sea.

Many of our school systems in the State of Maine have developed satisfactory agreements between teacher groups and local school boards to participate in negotiating certain matters that relate to working conditions of teachers. The recent court action requested by the City of Portland brought into question the legality of such agreements. Although the request for judicial action was withdrawn, the cloud should be dispersed that now hangs over the status of the

present agreements as well as the future relations between teacher groups and school boards.

We should all be concerned about the increased number of fatalities on our highways. Human error and mechanical failures cannot be eliminated from our life, but we should do what we can to curtail the increasing number of accidents. A highway safety bill is presented for your evaluation which would establish two instruments to combat the spectre of death and injury on the highway. The first would eliminate the requirement to post signs in an area where radar or other electronic devices are clocking speed. The second measure is a provision which would create the so-called implied consent provision in our laws. This means that a person arrested for an offense allegedly committed while driving under the influence of liquor could be chemically tested to determine the alcoholic content in his blood. Further, the appropriations bill requests funds to employ thirteen additional troopers.

There are two supplemental appropriations acts for your consideration. The first provides a \$60,200 supplemental appropriation to operate the Maine State Liquor Commission. These funds would increase the salary of the Chairman, increase travel expenses of the Commission members, and assist in the issuance of identification cards.

The principal appropriations act provides monies for expenditures of state government from the General Fund and the Unappropriated Surplus.

A large proportion of the appropriations are intended to improve our educational services. In 1967-68, \$126,776 is requested for the Department of Education and in 1968-69, \$647,378.

During the current year the University of Maine would receive an additional \$100,225 and \$1,350,000 in 1968-69. Oceanographic activity would be advanced at the University of Maine and other educational institutions through the expenditure of \$150,000 of these funds.

Including this Special Session request, the University of Maine will have received \$23,706,334 from the General Fund. During the previous two-year period the University received \$16,467,573. If you appropriate the requested funds, the University of Maine will receive a \$7,238,741 — or 44% — increase over the last biennium's appropriation. This Legislature deserves much credit for making available this additional money to support the largest of our educational institutions.

The appropriations bill includes \$68,950 this year of the biennium and \$150,600 for 1968-69 designed to improve conditions, particularly by providing additional personnel, for our mental health and correctional institutions.

In the appropriations bill are funds to carry out the scholarship program which is administered by the Department of Education. This higher education scholarship program was established by law. The State has adopted this obligation, and a number of applicants for the State of Maine scholarships are now in college and several hundred have applied for these scholarships for next September. We have an obligation to fund this program as long as the law is on the books.

The appropriations bill recommends \$700,301 for 1967-68 and \$3,162,135 for 1968-69 from the General Fund before adjustments are deducted.

From the unappropriated surplus of the General Fund, I am recommending appropriations that would total \$1,073,400. This includes \$50,000 to match the money already appropriated by the State of New Hampshire to fund the Bi-State Commission on Oceanography. It will provide construction money of \$245,000 for the Department of Education and \$378,400 for the Bureau of Mental Health and

Corrections, To the State Park and Recreation Commission \$100,000 would be assigned for land acquisition and historic site development.

Included is \$300,000 to the Bureau of Public Improvements for the necessary acquisition of land and development of parking facilities in the area of the Capitol site.

All of these requests have been carefully reviewed by departments, the Department of Finance and Administration, and the Legislative Finance Office. They represent desirable items to be financed by our existing surplus. These expenditures can be financed without any additional taxation. Raising estimates by \$4 million for the biennium, in accord with the experience of the past six months, and using surplus already available is sufficient.

The balances of appropriations and revenue are listed in the two tables below:

GENERAL FUND

**Summary for
2nd Special Session**

	1967-68	1968-69	Total
Balance — General Fund after Regular and First Special Session	\$ 24,759.02	\$ 21,468.11	\$ 46,227.13
Adjustments to Undedicated Revenue	(27,450.00)	129,618.00	102,168.00
Sales Tax Estimates Increased	2,000,000.00	2,000,000.00	4,000,000.00
	<hr/>	<hr/>	<hr/>
	\$1,997,309.02	\$2,151,086.11	\$4,148,395.13
Appropriations 2nd Special Session — Section A	\$ 700,301.00	\$3,162,135.00	\$3,862,436.00
Deductions — Sections B & C Legislative Documents in support of Governor's Proclamation	(100,000.00)	(233,750.00)	(333,750.00)
	120,494.42	394,755.00	515,249.42
	<hr/>	<hr/>	<hr/>
	\$ 720,795.42	\$3,323,140.00	\$4,043,935.42
Balance	\$1,276,513.60	(\$1,172,053.89)	\$ 104,459.71

SUMMARY—UNDEDICATED REVENUES VS. APPROPRIATIONS

Biennium Revenues and Appropriations Including Special Sessions

	1967-68	1968-69	Total
Undedicated Revenue	\$112,963,112.49	\$118,920,917.00	\$231,884,029.49
Appropriations	113,686,598.89	122,092,970.89	235,779,569.78
	<hr/>	<hr/>	<hr/>
Balance	(723,486.40)	(3,172,053.89)	(3,895,540.29)
Increase Estimates of Sales Tax and Other Revenues	2,000,000.00	2,000,000.00	4,000,000.00
	<hr/>	<hr/>	<hr/>
Biennium Balance	\$ 1,276,513.60	(\$1,172,053.89)	\$ 104,459.71
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During the two sessions of the 102nd Legislature there was \$190,643,000 appropriated by lawmakers to operate government for 1965 through 1967.

If this Legislature appropriates the recommended amount, it will have appropriated \$235,779,569 for the fiscal years of 1968 and 1969, an increase of \$45,136,569 from the General Fund.

The 103rd has so far spent \$8,980,000 of surplus, and my requests today include \$1,273,400 of additional appropriations from surplus.

I am also submitting for your consideration three bond issues. The first would provide \$2,750,000 for critically needed residential facilities at the Maine Maritime Academy and Farmington State College made necessary by rapidly increasing enrollments.

The second would provide \$384,000 as the State's contribution for water and sewerage systems at the Princeton Indian Reservation and for new Indian schools at the Penobscot Reservation, Peter Dana Point, and Pleasant Point to replace the present old, crowded facilities. The State must accept the responsibility for rapid improvement in educational opportunities and living conditions on our Reservations.

I have also suggested in my call that you consider resubmitting to the voters a bond issue of \$4,500,000 to construct a bridge across the Androscoggin River between Lewiston and Auburn. Both Houses of this 103rd Legislature approved this bridge in regular session, and its need is justified by the objective traffic counts of the Maine State Highway Commission.

In addition, I am requesting that you consider certain special legislation which would require appropriations totaling \$515,249.42 from the General Fund and \$200,000 from the Unappropriated Surplus.

An extremely important and farsighted bill would coordinate higher education by unifying the University of Maine and the five State Colleges under one Board of Trustees. To establish a central office for that purpose, \$103,700 is requested. This bill has been drafted by the special study committee created by this body in regular session. This committee has reviewed all proposals for coordinating higher education in Maine. They deserve to be commended for their conscientious work and for preparing enabling legislation worthy of their efforts and your most serious consideration.

Another important proposal presented to this body would establish a Bureau of Mental Retardation in the Department of Mental Health and Corrections. This is a proposal similar in intent to one considered in the regular session but was not funded. During recent months those with special interest in the field of mental retardation have agreed on the approach in this revised bill. A request of \$41,055 is proposed to establish the Bureau.

Also requiring separate legislation is a bill to create a State Planning Office. As Chief Executive, no one is more aware than I of our current deficiencies in our tools for a state information system and state planning. We cannot analyze present conditions and evaluate future alternatives without appropriate data and qualified professional staff. To take a good first step in this direction the appropriations bill includes \$100,000 for a data processing fund to better utilize automatic data equipment. The appropriations bill includes additional funds for the Department of Economic Development to increase its planning staff and more adequately service the regional and local planning activities. Strengthening the capability of the Department of Economic Development is essential to its success in fulfilling its assignment as the principal agent responsible for promoting Maine's economic development.

A bill has been submitted to create a State Planning Office. It would consist of four persons with a first-year budget of \$65,000. The planning legislation considered during the regular session has been carefully reviewed by many persons

from both parties and who represent several points of view. In my judgment the revision is a much improved bill which would permit the addition of this important management tool in the Executive branch of government. It would create a staff agency serving the needs of state government and not replace the planning functions now assigned to other state agencies.

I am glad to endorse this planning bill as revised. All told, for the purposes of improving our planning and information gathering capability, approximately \$250,000 is included in my proposals for your consideration.

Also in the field of economic development I respectfully recommend for your consideration revision of the law as it relates to regional planning which would facilitate the establishment of regional planning and development districts in the State of Maine. This will assure the inclusion of all our communities, improve the opportunity for balanced economic growth, and assist collection and interpretation of statistical information to plan regional growth.

Other bills desirable at this time include making permanent and funding a Planning Committee on Criminal Law Administration, the Committee on Aging, and the Committee on Children and Youth, and to make payments for Dutch Elm disease owed several municipalities.

I am also recommending \$200,000 for the Blind Children's Resource Center, which like some other deserving bills reached final passage at the regular session to die only for lack of funding.

There are two proposals of special interest to our State employees. The first, and one that would affect all State employees, would be the creation of a State Employees' Appeal Board. This would provide a board of three persons who would adjudicate and make final settlement on an appeal after an employee or his representative had followed a well established and fair procedure. Secondly, to ameliorate a particularly difficult personnel condition that exists in the correctional and mental health institutions, I am recommending a night pay differential for employees of the Department of Mental Health and Corrections.

As you are aware, the major justification for the October Special Session was the need to appropriate additional school subsidy money for the 1968 year. Our superintendents, teachers, and school officials maintained they needed to know the full extent of State subsidies in order to prepare their budgets for 1968. Based on a \$290 foundation this Legislature appropriated approximately \$6 million to answer this need and fulfill the State's obligation.

The foundation has traditionally been changed every other year. However, during this period of escalating school costs, retaining the \$290 foundation for the second consecutive year may provide a hardship and a possible slow-down of improvements in Maine public schools. You may therefore wish to raise the per pupil allowance to \$320, effective during the first year of the 1969-71 biennium. This would allow school officials this fall to prepare their 1969 budgets based on an anticipated increase in the State subsidy appropriation by the 104th Legislature.

The costs involved in such an increase are as follows: according to Department of Education estimates the cost of the general aid school subsidy program for the next biennium, at the present \$290 level, will require an additional appropriation of \$11.4 million above what has already been appropriated for this biennium. Therefore, a change to \$320 would require an additional \$14-15 million beyond this figure or a total of approximately \$25 million.

These recommendations have been formulated and prescribed to you consistent with the spirit of the Maine Constitution which envisions special sessions only on "extraordinary occasions." It is clear that a single session every two years and biennial budgets are no longer adequate to answer the needs of Maine State Government. We need annual sessions, and I sincerely hope that the 104th Legislature will put this needed reform before the people in the fall of 1969.

I am pleased to present to you this program of meaningful progress in a number of vital areas of Maine State Government without the necessity of obligating Maine people to an additional tax at this time.

To summarize, your adoption of this program would represent a record of substantial advancement for our State. Expressed in dollars and cents supplied by Maine taxpayers, you will have appropriated \$235 million worth of services, which represents an increase of more than \$45 million over the appropriations of two years ago.

Although we all recognize the great needs that still must be met within our State, needs that will very likely exceed the \$300 million request in the next biennium General Fund Budget, there is a real limit to what our revenue system can be expected to produce.

I express my personal good wishes for a productive session in which I am sure the measures included in the proclamation and others which you decide to consider will be properly and fairly acted on.

Kenneth M. Curtis
Governor of Maine

**CLOSING COMMUNICATION OF GOVERNOR KENNETH M. CURTIS
TO THE
SECOND SPECIAL SESSION OF THE 103rd LEGISLATURE**

January 26, 1968

Mr. President and Members of the Senate:

(Mr. Speaker and Members of the House of Representatives:)

For the third time I am honored to address you as you prepare to adjourn.

Much credit for the results of this special session is owed to those members of both parties who have cooperated so well to make this session productive.

Justice William J. Brennan, Jr., of the U.S. Supreme Court once wrote: "The law is not an end in itself, nor does it provide ends. It is preeminently a means to serve what we think is right."

I believe your deliberations of this session have been largely conducted in the spirit of Justice Brennan's statement.

I would like to mention in quick review some important accomplishments of this session,

Although this session was brief, several historic actions were taken.

Through direct appropriations and the submission of a bond issue we have made possible additional improvements in the educational and living facilities for our fellow citizens on our three Indian reservations.

Much has been done to supplement the existing opportunities at our institutions of higher education.

Thirty-two positions have been established at our state colleges and fifteen at our vocational-technical institutes.

A bond issue has been referred to the people to improve housing at the Maine Maritime Academy and Farmington State College.

The University of Maine has received \$1,850,255, which with previous appropriations, funds 98% of the University's biennium request and 46.4% more state assistance than provided last biennium.

A State College Loan Program has been created to make available \$12.5 million for student loans.

The State Scholarship Program has been continued on a limited basis for those presently in college.

I sincerely hope that both loans and scholarships will be widely used to aid Maine students.

It is most important to the youth of this State that the State Scholarship Program be expanded and fully funded by the 104th Legislature.

A monumental step has been taken to improve higher education opportunities for future generations.

The state colleges and the University have been unified with the promise of improved quality through a better coordinated higher education system,

During the ensuing months a strong, well-balanced board of trustees will be selected, and they will begin their important search for a chancellor.

They will face the enormous challenge of building a system of higher education that meets the needs of this State.

At this session both money and legislation have been provided to assure a more centralized information and planning system at the state level.

I intend to see that these modern tools of management are actively and properly used.

Advancement of the federal share of the pollution abatement projects should accelerate the willingness of municipalities to fulfill this obligation and will mean a rapid acceleration of the construction of a number of local sewerage disposal systems.

Our state effort to assure quality mental health care has been enhanced through increased appropriations, the creation without funding of a Bureau of Mental Retardation, and a bond issue for a residential facility in northern Maine.

We are all concerned with our increasing highway fatalities. As a partial answer to this problem, this session funded thirteen additional State Police and adopted legislation to remove certain restrictions on the use of devices for measuring speed.

Driving while impaired has been established as a criminal offense.

I regret your decision not to create the Maine Planning Committee on Criminal Law Administration. This committee would have enabled us to conduct professional research in order to review and propose improvements in the laws and administration affecting criminal justice.

Another innovation of this session was the establishment — for the first time — of a salary plan for most executives in the state service.

This procedure was long overdue and will assist the Governor and Council in recruiting and retaining capable agency heads within salary limits established by the Legislature.

There are other advances that could be cited — and there were worthy projects left undone.

But, having come to what is very likely the last meeting of the 103rd Legislature, I wish now to express my thoughts about the January, 1969 session that will soon occupy the attention of the next Legislature.

It is my sincere hope that we can turn greater attention to the needs of our mental health and correctional institutions, as well as more effectively deal with the problems of the poor.

There will be no abatement of demands for services by local and state governments.

To finance these necessary services during the next Legislature will tax our ingenuity as well as our resources.

I suggested in my opening message to this special session that this Legislature might want to increase the subsidy formula for 1969 to allow school officials to more adequately plan their budget requests to municipalities.

Although I believe that subsidies will need to be increased in 1969, I concur with this Legislature's decision to defer consideration of funding additional subsidies to the 104th Legislative session.

This State Legislature did not choose to change the formula. However, the present statutes express the intent of the Legislature to revise the subsidy formula each biennium consistent with educational expenditures in the towns.

Title 20, subsection 3722 of the Revised Statutes requires the Commissioner of Education to recommend amendments to the Governor by October 1 as a basis for my budget requests to the 104th Legislature.

I am confident that this process can be used to evaluate local education costs and to propose necessary increases in state assistance for both the 1969 and 1970 school years along with recommendations to correct inequities that may be in the present subsidy formula.

Preliminary projections by the Department of Education and the University of Maine indicate that their combined requests for the next two-year budget period will be \$55 million in excess of this biennium's appropriations.

Most of these additional costs will be required by school subsidy programs and the demand for student admission to institutions of higher education. I anticipate a General Fund Budget in January of 1969 of approximately \$300 million.

The leaders of both parties apparently now concur with this estimate.

Neither the economy of this State nor our tax system will expand rapidly enough to meet this anticipated \$300 million budget.

Your best thinking, as well as that of our citizen task forces and State Department officials will be needed to design a better tax system to yield the revenue that the State of Maine and its municipalities need.

To meet this challenge is the most important task facing both the Legislature and the Executive branch.

To fail in this responsibility will mean a substantial loss of the momentum that has improved state services during the past few years.

With this expression of both hope and concern for the future, I respectfully extend to you my best personal wishes for 1968.

**REMARKS OF GOVERNOR KENNETH M. CURTIS
AT OPENING OF
THIRD SPECIAL SESSION OF 103rd MAINE LEGISLATURE
1:00 P.M., WEDNESDAY, SEPTEMBER 18, 1968**

Mr. President, Mr. Speaker, Honorable Councillors, and Members of the 103rd Legislature:

The promotion of the general welfare through an effective partnership between government and industry is the goal of our modern private enterprise system.

Beginning with Alexander Hamilton's treatise on manufacturing and ending with today's sophisticated and complex programs to assist agriculture, transportation, financial institutions and other industries, we have, perhaps more than any other nation, recognized the inherent interrelation of a good business climate and the public interest.

We all know the mutual dependence of a healthy industry, good wages and an efficient labor force.

We, in Maine, understand that economic growth is a keystone upon which our other institutions — both private and public — must depend for adequate support.

The quality of our schools, our social services, our hospitals and our correctional institutions derive directly from our economic base.

So, it is in this American and Maine tradition of promoting industrial enterprises, that I and your elected legislative leaders, agreed to call this third special session of the 103rd Legislature.

The extraordinary nature of this occasion stems from the need to expand an existing historic shipyard to support the application to the United States Navy by the Bath Iron Works and cooperating concerns for the DX destroyer contract.

If the Department of Defense awards the full contract to Bath Iron Works, their current employment would increase to over 10,500 workers.

Including the present salaries, Bath Iron Works would expect a yearly payroll of over \$50 million, sufficient to support a community of forty to fifty thousand.

This is big business by any standard, and the State of Maine has been asked to help.

In Bath Iron Works' own words, "To be competitive, the State's guarantee is a must."

A competitor for the DX program now has a \$130 million shipyard being built by the State of Mississippi using tax exempt industrial bonds.

One state agency, the Maine Industrial Building Authority, will be asked to assist in this contract, by using the credit of the State to guarantee loans by private investors to Bath Iron Works, for approximately one-half of the fifty million dollar cost of expansion.

Direct state funds are not involved.

To accomplish this will require a constitutional amendment which will be voted on at the November 5 election, and a removal of the statutory restriction of eight million dollars for a single project guarantee.

As you know constitutional changes can only be voted on at the November election every other year.

If we do not place this question before Maine voters this November, we would not have another opportunity until November, 1970.

Also for your consideration is a bill which would provide the necessary costs to include this legislation on the November 5 ballot.

I wish to respectfully acknowledge the bipartisan manner in which planning for this session has been undertaken, both in the process of preparing the proposed bills and in the willingness to sponsor and support the legislation.

Furthermore, I wish to convey my hope that the legislation as drafted will prove acceptable, for I believe it represents a great demonstration of faith by Maine State Government in the future of one of our oldest and most respected industries.

But the benefits of the measures before you today will not be confined solely to one region of the State nor to the industry which most immediately plans to make application.

The significance of the proposed legislation goes farther than the specific project of Bath Iron Works.

For it recognizes that economic development by corporations of increased size and number is a real factor in the future of Maine.

If you act favorably on these measures today, you will have demonstrated to every industrialist in the nation that the State of Maine stands ready to do everything possible to provide the economic climate that modern technology and plant location desires and requires.

It is my hope that this is just a beginning.

I believe that we can and must pursue economic development aggressively.

Today's action is another step in that direction.