

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

*One Hundred and First
Legislature*

OF THE

STATE OF MAINE

1963

DAILY KENNEBEC JOURNAL
AUGUSTA, MAINE

HOUSE

Thursday, January 10, 1963

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

Prayer by the Rev. Mr. Royal Brown of Gardiner.

The journal of yesterday was read and approved.

Papers from the Senate

From the Senate:

Resolve Proposing an Amendment to the Constitution Changing the Tenure of Office of Senators to Four-Year Terms (S. P. 2) (L. D. 2)

Resolve Proposing an Amendment to the Constitution Providing for Annual Legislative Sessions (S. P. 3) (L. D. 3)

Resolve Proposing an Amendment to the Constitution to Increase Municipal Indebtedness (S. P. 4) (L. D. 4)

Resolve Proposing an Amendment to the Constitution to Provide for the Apportionment of the House of Representatives (S. P. 10) (L. D. 20)

Came from the Senate referred to the Committee on Constitutional Amendments and Legislative Reapportionment.

In the House, referred to the Committee on Constitutional Amendments and Legislative Reapportionment in concurrence.

From the Senate:

Bill "An Act Providing for Vocational High Schools" (S. P. 5) (L. D. 5)

Came from the Senate referred to the Committee on Education.

In the House, referred to the Committee on Education in concurrence.

Tabled

From the Senate:

Bill "An Act Providing Access to Roads to Recreational Areas" (S. P. 1) (L. D. 1)

Came from the Senate referred to the Committee on Highways.

In the House, on motion of Mr. Wellman of Bangor, tabled unsigned pending reference to a committee.

From the Senate:

Bill "An Act relating to Sunday Sales of Liquor by Hotels and Class A Restaurants" (S. P. 6) (L. D. 6)

Bill "An Act Permitting Credit Sales for Liquor to be Consumed on the Premises" (S. P. 8) (L. D. 18)

Came from the Senate referred to the Committee on Liquor Control.

In the House, referred to the Committee on Liquor Control in concurrence.

From the Senate:

Bill "An Act relating to Term of Office of Department Heads Appointed by Governor" (S. P. 9) (L. D. 19)

Came from the Senate referred to the Committee on State Government.

In the House, referred to the Committee on State Government in concurrence.

From the Senate: The following Order:

ORDERED, the House concurring, that when the Senate and House adjourn, they adjourn to meet on Tuesday, January 15, at 10 o'clock in the forenoon. (S. P. 75)

Came from the Senate read and passed.

In the House, the Order was read and passed in concurrence.

The following Communication:

THE SENATE OF MAINE
AUGUSTA

January 9, 1963

Hon. Harvey R. Pease
Clerk of the House
of Representatives
101st Legislature

Sir:

The President of the Senate today appointed the following Senators as members of the Joint Select Committee on Municipal Affairs:

Senators:

CYR of Aroostook

CRAM of Cumberland

JACQUES of Androscoggin

The President also appointed the following Senators as members of the Joint Select Committee on Con-

stitutional Amendments and Legislative Reapportionment:

Senators:

PORTEOUS of Cumberland
JACQUES of Androscoggin
EDMUNDS of Aroostook
FARRIS of Kennebec
NOYES of Franklin

Respectfully,

(Signed) CHESTER T. WINSLOW
Chester T. Winslow
Secretary of the Senate

The Communication was read and ordered placed on file.

Petitions, Bills and Resolves Requiring Reference

The following Bill was received from the Clerk of the House of the 100th Legislature under the provisions of Joint Rule 19A and, upon recommendation of the Committee on Reference of Bills, was referred to the following Committee:

Municipal Affairs

Bill "An Act relating to Duties and Compensation of Council of Town of Oakland" (H. P. 4) (L. D. 24) (Presented by Mr. Sahagian of Belgrade)

Sent up for concurrence.

The following Bills and Resolves were received and, upon recommendation of the Committee on Reference of Bills, were referred to the following Committees:

Agriculture

Bill "An Act Abolishing the Maine Milk Commission" (H. P. 82) (Presented by Mr. Childs of Portland)

(Ordered Printed)

Sent up for concurrence.

Appropriations and Financial Affairs

Bill "An Act Creating the Bureau of Administration within the Department of Finance and Administration" (H. P. 83) (Presented by Mr. Bragdon of Perham)

(Ordered Printed)

Bill "An Act to Authorize the Issuance of Bonds in the Amount of One Million Dollars on Behalf of the State for the Purpose of Relocating the Boys Training Center at Hebron" (H. P. 84) (Presented by Mr. Chapman of Norway)

(Ordered Printed)

Bill "An Act Appropriating Moneys to Provide for Night Pay Differentials for State Employees" (H. P. 85) (Presented by Mr. Dennett of Kittery)

(Ordered Printed)

Bill "An Act relating to Payments to Towns in State in Lieu of Taxes" (H. P. 86) (Presented by Mr. Henry of North Yarmouth)

(Ordered Printed)

Bill "An Act Appropriating Funds for Dam Across Little River, Washington County" (H. P. 87) (Presented by Mr. MacGregor of Eastport)

(Ordered Printed)

Bill "An Act Appropriating Money to Match Funds for Elimination of Aquatic Growth" (H. P. 88) (Presented by Mr. Wellman of Bangor)

(Ordered Printed)

Resolve Appropriating Moneys for Spruce Budworm Control (H. P. 89) (Presented by Mr. Bragdon of Perham)

(Ordered Printed)

Resolve Appropriating Funds for Improvements at Indian Reservation at Pleasant Point (H. P. 90) (Presented by Mr. MacGregor of Eastport)

(Ordered Printed)

Sent up for concurrence.

Business Legislation

Bill "An Act to Incorporate the Fundy Loan Company" (H. P. 91) (Presented by Mr. Cartier of Biddeford)

(Ordered Printed)

Sent up for concurrence.

Claims

Resolve Reimbursing Bay Ferry Corporation for Loss of Its Business (H. P. 92) (Presented by Mr. Benson of Southwest Harbor)

(Ordered Printed)

Sent up for concurrence.

Education

Bill "An Act Authorizing the Municipalities of Dexter, Garland and Ripley to Form a School Administrative District" (H. P. 93) (Presented by Mr. Harrington of Dexter)

(Ordered Printed)

Bill "An Act to Reconstitute School Administrative District No.

2" (H. P. 94) (Presented by Mrs. White of Guilford)

(Ordered Printed)

Bill "An Act to Authorize the Municipalities of Amity, Cary Plantation, Haynesville, Hodgdon, Linneus, Ludlow and New Limerick to Form a School Administrative District" (H. P. 95) (Presented by Mr. Williams of Hodgdon)

(Ordered Printed)

Sent up for concurrence.

Election Laws

Bill "An Act Prohibiting Certain Activity at Voting Places" (H. P. 96) (Presented by Mr. Cartier of Biddeford)

(Ordered Printed)

Bill "An Act to Authorize a Bond Issue for Purchase of Voting Machines for Resale to Municipalities" (H. P. 97) (Presented by Mr. Dennett of Kittery)

(Ordered Printed)

Sent up for concurrence.

Health and Institutional Services

Bill "An Act Relocating Boys Training Center at Hebron" (H. P. 98) (Presented by Mr. Chapman of Norway)

(Ordered Printed)

Sent up for concurrence.

Highways

Bill "An Act relating to Construction of Picnic Areas Along the Maine Turnpike" (H. P. 99) (Presented by Mr. Hobbs of Alfred)

(Ordered Printed)

Bill "An Act relating to Turnpike Signs Designating Conditions in Maine" (H. P. 100) (Presented by Mrs. Kilroy of Portland)

(Ordered Printed)

Bill "An Act Providing for Area Directional Sign for Bethel on Maine Turnpike" (H. P. 101) (Presented by Mrs. Lincoln of Bethel)

(Ordered Printed)

Bill "An Act Providing Free Use of Maine Turnpike by Members of Executive Council and Legislature" (H. P. 102) (Presented by Mr. Linnekin of Limington)

(Ordered Printed)

Bill "An Act Providing for Boothbay Harbor Region Area Sign on Maine Turnpike" (H. P. 103) (Presented by Mr. Rankin of Southport)

(Ordered Printed)

Sent up for concurrence.

Industrial and Recreational Development

Bill "An Act relating to Definition of Industrial Project under Maine Industrial Building Authority Act" (H. P. 104) (Presented by Mr. Wellman of Bangor)

(Ordered Printed)

Sent up for concurrence.

Inland Fisheries and Game

Bill "An Act Permitting Hunting by Bow and Arrow on Swan Island, Hancock County" (H. P. 105) (Presented by Mr. Benson of Southwest Harbor)

(Ordered Printed)

Bill "An Act Increasing Bounty on Bobcat" (H. P. 106) (Presented by Mr. O'Leary of Mexico by request)

(Ordered Printed)

Resolve Regulating Ice Fishing on Lake Wassookeag, Dexter, Penobscot County (H. P. 107) (Presented by Mr. Harrington of Dexter)

(Ordered Printed)

Resolve Opening Kingsbury Pond and Mayfield Pond to Smelt Fishing (H. P. 108) (Presented by Mr. Laughton of Ripley)

(Ordered Printed)

Sent up for concurrence.

Judiciary

Bill "An Act relating to Filing Accounts by Corporate Guardians and Compensation of Guardians under Uniform Veterans' Guardianship Act" (H. P. 109) (Presented by Mr. Berry of Cape Elizabeth)

(Ordered Printed)

Bill "An Act relating to Discharge in Bankruptcy Under Financial Responsibility Law" (H. P. 110) (Presented by Mr. Humphrey of Augusta)

(Ordered Printed)

Bill "An Act Providing for Civil Commitment for the Treatment of Narcotic Addicts" (H. P. 111) (Presented by Mr. Pierce of Bucksport)

(Ordered Printed)

Resolve Authorizing Amanda Moreau to Bring Action Against the State of Maine (H. P. 112) (Presented by Mr. Welch of Chapman)

(Ordered Printed)

Sent up for concurrence.

Labor

Bill "An Act Revising Laws Relating to Panel of Mediators" (H. P. 113) (Presented by Mr. Bragdon of Perham)

(Ordered Printed)

Bill "An Act relating to Definition of 'Construction' under Construction Safety Rules and Regulations" (H. P. 114) (Presented by Mr. Littlefield of Hampden)

(Ordered Printed)

Bill "An Act Amending Certain Provisions of the Employment Security Law" (H. P. 115) (Presented by Mr. Jalbert of Lewiston)

(100 copies Ordered Printed)

Sent up for concurrence.

Legal Affairs

Bill "An Act relating to Reporting by Those who Treat Gunshot Wounds" (H. P. 116) (Presented by Mr. Choate of Windsor)

(Ordered Printed)

Bill "An Act Extending Eastern Daylight Time for Entire Year" (H. P. 117) (Presented by Mr. Philbrick of Augusta)

(Ordered Printed)

Sent up for concurrence.

Liquor Control

Bill "An Act relating to Hours for Sale of Liquor by Hotels and Class A Restaurants" (H. P. 118) (Presented by Mr. Linnekin of Limington)

(Ordered Printed)

Sent up for concurrence.

Municipal Affairs

Bill "An Act relating to Superintending School Committee of City of Ellsworth" (H. P. 119) (Presented by Mr. Anderson of Ellsworth)

(Ordered Printed)

Bill "An Act Amending the Charter of the Town of Houlton School District" (H. P. 120) (Presented by Mr. Berman of Houlton)

(Ordered Printed)

Bill "An Act relating to Fences Around Public Burying Grounds" (H. P. 121) (Presented by Mr. Birt of East Millinocket)

(Ordered Printed)

Bill "An Act relating to Elections in the City of Biddeford" (H. P. 122) (Presented by Mr. Cartier of Biddeford)

(Ordered Printed)

Bill "An Act Regulating the Pledging of Credit of the City of Biddeford" (H. P. 123) (Presented by same gentleman)

(Ordered Printed)

Bill "An Act Increasing Compensation of Mayor and Councilmen of City of Biddeford" (H. P. 124) (Presented by same gentleman)

(Ordered Printed)

Bill "An Act Increasing Salary of Mayor and Providing Compensation of Councilmen of City of Gardiner" (H. P. 125) (Presented by Mr. Hanson of Gardiner)

(Ordered Printed)

Bill "An Act relating to Purposes and Powers of Bar Harbor School District" (H. P. 126) (Presented by Mr. Smith of Bar Harbor)

(Ordered Printed)

Sent up for concurrence.

Sea and Shore Fisheries

Bill "An Act relating to Closed Season on Scallops in Bagaduce River" (H. P. 127) (Presented by Mr. Pierce of Bucksport)

(Ordered Printed)

Sent up for concurrence.

On motion of the gentlewoman from Portland, Mrs. Kilroy, House Rule 25 was suspended for the remainder of today's session in order to permit smoking.

State Government

Bill "An Act Providing for Approval of Legislature for Expenditure of Inland Fisheries and Game Expenditures" (H. P. 128) (Presented by Mr. Bragdon of Perham)

(Ordered Printed)

Sent up for concurrence.

Tabled

Bill "An Act relating to Appropriation of State Board of Arbitration and Conciliation" (H. P. 129) (Presented by same gentleman)

(On motion of Mr. Bragdon of Perham, tabled unassigned pending reference to a committee.)

Bill "An Act relating to Prohibition of Discrimination under Personnel Law" (H. P. 130) (Presented by Mr. Drake of Bath)

(Ordered Printed)

Bill "An Act to Provide for Acceptance of Federal Funds by State

Park Commission" (H. P. 131) (Presented by Mr. Pitts of Harrison)
(Ordered Printed)

Bill "An Act Changing Name of Maine State Park Commission to Maine State Park and Recreation Commission" (H. P. 132) (Presented by same gentleman)
(Ordered Printed)

Resolve Authorizing Treasurer of State to Convey Certain Land in Southport to Izetta M. Pinkham (H. P. 133) (Presented by Mr. Rankin of Southport)
(Ordered Printed)
Sent up for concurrence.

Taxation

Bill "An Act Imposing a Tax on the Unorganized Territory within the Maine Forestry District for Spruce Budworm Control" (H. P. 134) (Presented by Mr. Bragdon of Perham)
(Ordered Printed)

Bill "An Act Exempting Swine under Nine Months of Age from Taxation" (H. P. 135) (Presented by Mr. Henry of North Yarmouth)
(Ordered Printed)
Sent up for concurrence.

Towns and Counties

Bill "An Act relating to Certain Per Diem Fees of Deputy Sheriffs" (H. P. 136) (Presented by Mr. Choate of Windsor)
(Ordered Printed)

Bill "An Act relating to Sick Leave and Vacations for Employees of Sheriffs' Departments" (H. P. 137) (Presented by Mr. Hammond of Paris)
(Ordered Printed)

Bill "An Act relating to Travel Allowance for Jurors" (H. P. 138) (Presented by Mr. Smith of Bar Harbor)
(Ordered Printed)

Bill "An Act relating to Payment to Sheriffs for Attendance upon the Courts" (H. P. 139) (Presented by same gentleman)
(Ordered Printed)
Sent up for concurrence.

Transportation

Bill "An Act relating to License Plates for Disabled or Paraplegic

Veterans" (H. P. 140) (Presented by Mr. Hendsbee of Madison)
(Ordered Printed)
Sent up for concurrence.

A message came from the Senate, borne by Secretary Winslow of that body, proposing a Joint Convention of both branches of the Legislature to be held forthwith in the Hall of the House, for the purpose of extending to His Excellency, Governor John H. Reed, an invitation to attend the Convention and make such communication as he may be pleased to make.

Thereupon, on motion of Mr. Wellman of Bangor, the House voted to concur in the proposal for a Joint Convention. The Clerk was charged with and conveyed a message to the Senate to that effect.

The Clerk subsequently reported that he had delivered the message with which he was charged.

Orders

On motion of Mr. Wellman of Bangor, it was

ORDERED, that use of the hall of the House be granted to the Maine Highway Safety Committee on Saturday, January 19, 1963.

Orders of the Day

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

Senate Joint Order relative to Legislative Record. (S. P. 13) House Amendment "A" (Filing No. H-1) Read

Tabled — January 9, by Mr. Jalbert of Lewiston.

Pending — Adoption House Amendment "A"

The SPEAKER: The Chair recognizes the gentleman from Lewiston, Mr. Jalbert.

Mr. JALBERT: Mr. Speaker, very briefly, first I had the item tabled yesterday because I knew the members would want to hear it and I am sure the leadership also would want the members to read every order, but the situation on the amendment is that heretofore we would have besides the legislative record much later after we adjourn before the famous horse blanket, we had these different—every once in a while you would

see a small booklet of this printed record which was both behind the times when we finally got them and also would prove to be an added expense. And the Majority Leader and our good Clerk got together and decided to go through with this project presenting this House Amendment and I would like to commend them for having an eye for economy, and as a peace-loving citizen I now move the adoption of the Amendment.

Thereupon, House Amendment "A" was adopted, and Senate Joint Order as amended by House Amendment "A" was passed in non-concurrence and sent up for concurrence.

House at Ease

Called to order by the Speaker. The Senate then entered the Hall of the House and a Joint Convention was formed.

In Convention

The President of the Senate, Robert A. Marden, in the Chair.

The Convention was called to order by the Chairman.

On motion of Senator Porteous of Cumberland, it was

ORDERED, that a Committee be appointed to wait upon His Excellency, Governor John H. Reed, and inform him that the two branches of the Legislature are in Convention assembled, ready to receive such communication as he may be pleased to make.

The Chairman appointed:

Senators:

PORTEOUS of Cumberland
CAMPBELL of Kennebec
JACQUES of Androscoggin

Representatives:

ROSS of Brownville
TURNER of Auburn
WHITE of Presque Isle
MacGREGOR of Eastport
KILROY of Portland
FINLEY of Washington
KENT of Benton

Mr. Porteous, for the Committee, subsequently reported that the Committee had discharged the duties assigned it, and the Governor was pleased to say that he would forthwith attend the Convention.

Whereupon, Governor John H. Reed, attended by the Executive Council, entered the Convention Hall amid applause, the Convention rising.

The Governor then addressed the Convention as follows:

Mr. President and Members of The 101st Legislature:

During the next few months you will be dedicated to the task of working out the best solution to each of the problems presented by the hundreds of bills and resolves that will be referred to your joint legislative committees.

Among all of these bills and resolves no other area of debate will challenge your wisdom and judgment to the extent of those related to state finance.

With that conviction, and it is a conviction based on my experience in both the legislative and executive branches of state government, I have devoted much of my effort in recent weeks to a careful study of our income sources and the needs of Maine people that should be met at this time. The decisions I have arrived at, as reflected in the budget document, have been difficult.

The requests from the various department heads have had my careful scrutiny. I have had searching conferences with each of the department heads responsible for the major expenditures. Following these conferences I have made every attempt to reduce costs to the minimum reasonable needs to carry on state services at substantially the same levels as have been established by prior legislative action.

By this same conference method I have devoted an equal amount of time and study to our capital construction needs, and in this area I have made a determination of what the capital construction program should be.

I present these recommendations to you in brief form knowing that the carefully prepared budget document will detail these conclusions, item by item, for your consideration.

General Fund

Let us first consider the General Fund. For the biennium ending next June 30th, the 100th Legislature enacted measures providing

total General Fund appropriations of \$128,484,000. I have concluded that to maintain this same level of service we will be required to provide \$143,381,000 in the next biennium. This is an increase of nearly \$15,000,000 for the two year period. While all of this detail will be disclosed to you in the budget document, I would like to direct your attention to the major items making up this apparent 11.6 per cent increase in General Fund operating costs.

Using approximate figures for the biennium, the statutory provisions that provide for educational state aid to the municipalities has increased by nearly \$7,000,000. This comes as a result of increased foundation program expenditures by the cities and towns along with the state sharing in a greater number of school districts and the substantial increase in state sharing of the costs of local school construction activity.

In our other educational responsibilities, the University of Maine's operational needs require additional appropriations of more than \$1,100,000. The new state educational television program will require funds in excess of \$500,000 and increased state retirement costs for teachers' pensions amount to about \$1,700,000.

In summary, therefore, nearly \$10,300,000, or about 68 per cent of this problem is directly related to these four areas in our educational efforts. Each of these cost increases have been substantially predetermined by the actions of prior legislatures.

State wage costs will be up by about 3½ per cent annually in the next biennium and will require increased appropriations of nearly \$2,700,000. The related increases in state retirement contributions add another \$500,000.

There are, of course, numerous other changes — some increases and a few decreases, but in the interest of brevity I will not tabulate them here.

Thus, with an indicated need of \$14,897,000 for increased General Fund appropriations the few major items previously mentioned account for more than 90 per cent of the overall problem that the budget document presents to you.

Revenue Estimates

The Bureau of Taxation and other departments involved in the revenue projecting process have estimated, under current laws, that our General Fund undedicated revenue for the 1963-65 biennium will be \$130,656,000.

As I outlined previously, my basic recommendation for appropriations to continue the current level of state service amounts to \$143,381,000. As you can readily see, it will be necessary to obtain \$12,725,000 in new revenue in order to balance the Part I budget. Part I being that section designed to carry on General Fund services as approved and appropriated for by previous Legislatures.

Supplemental Recommendations

I now turn to those areas in which I have been convinced there is a proven need for increased or expanded services. These items have been carefully evaluated as to the priority of need and in my opinion are the minimum improvements we should strive to achieve in the coming biennium.

In summary form my recommendations are:

	Biennium Amount (to the Nearest \$1,000)
Department	
Adjutant General	\$8,000
Operating costs of three new buildings and one building custodian at Fort Williams	
Agriculture	\$36,000
Establish foreign trade division and poultry vaccine testing program	
Economic Development	\$141,000
Provide for additional industrial and recreational advertising; establish Boston tourist office; relocate New York tourist office; employ additional promotion representative	
Education	\$1,466,000
Provide \$512,000 to bring general purpose education subsidy payments to 100 per cent; \$5,000 to continue two vocational rehabilitation limited employees; \$32,000 for additional driver education grants; \$31,000 for operating expenses, new salary schedule, additional staff at the Maine Vocational Technical Institute; \$68,000 for educational tele-	

vision; \$318,000 additional operating funds for teachers colleges; \$500,000 operating funds for Presque Isle Vocational School

Executive \$8,000

Secretary, supplies and equipment

Finance and Administration \$170,000

New positions, additional personnel and equipment in Accounts and Control, Budget Office, Bureau of Purchases and Taxation

Health and Welfare \$625,000

Provide \$300,000 for extended medical assistance program; \$125,000 for A.D.C. unemployment grants; \$200,000 for increased foster home board and care payments

Judiciary \$75,000

Establishment of district court sites

Mental Health and Corrections \$596,000

Provide \$108,000 for new bureau of business management administrative costs; \$91,000 for increased operating expenses — Bureau of Corrections, Architectural Fund and additional probation and parole services; \$135,000 for boarding care program at Augusta and Bangor State Hospitals; \$158,000 to continue limited employees; \$62,000 for mobile park and forestry unit at prison; \$43,000 for two correctional officers and related expenses at the Reformatory for Men

Park Commission \$40,000

Establish Division of Outdoor Recreation

Scenic Committee \$30,000

Provide program of education

Sea and Shore Fisheries \$91,000

Increased operating funds, personnel, additional patrol vessels, \$46,000; establish lobster research program, \$45,000

State Employees \$1,082,000

Provide \$942,000 for longevity; \$140,000 to increase employee mileage allowance

State Police \$66,000

Additional troopers and other personnel (General Fund share — 25 per cent)

University of Maine \$500,000

Additional state grant

Veterans Affairs \$9,000

Reclassification of nine veteran representatives

Bond Interest \$510,000

Total \$5,451,000

To summarize, I am recommending a basic General Fund appropriation measure of \$143,381,000 and supplemental appropriations of \$5,451,000 — a total of \$148,832,000 in General Fund operating appropriations for the coming biennium.

Capital Improvements

Two years ago in my budget message I recommended that our capital construction appropriations be limited to the balances we could anticipate in the unappropriated surplus of the General Fund. I believed then and I believe now that if it were at all possible to balance the urgent needs against the modest \$4,030,000 estimated as available for construction purposes in the surplus account such a solution would be desirable.

However, desirable as it might be, the facts deny such a decision. We must, if we are to reasonably face up to the needs, give consideration to another general purpose construction bond issue and to do it with the full realization that principal and interest payments in future years must be appropriated from General Fund income sources.

In determining what capital projects should receive priority I have worked closely with the Bureau of Public Improvements. This agency has painstakingly arranged all the requests according to their urgency of need.

My final decision was that we should enact a capital construction program of \$22,577,000.

Since the Bureau of Public Improvements will submit a detailed report to you on all projects, I will simply summarize them in this message:

	Biennium Amount (to the Nearest \$1,000)
Department	
Adjutant General	\$41,000
Aeronautics Commission	3,047,000
Economic Development	23,000
Aroostook State Teachers College	61,000
Farmington State Teachers College	913,000
Fort Kent State Teachers College	462,000

Gorham State Teachers College	1,230,000
Washington State Teachers College	388,000
Maine Vocational-Technical Institute	386,000
Northeastern Maine Vocational Institute	366,000
Bureau of Public Improvements	\$1,805,000
Forest Service	103,000
Health and Welfare	54,000
Augusta State Hospital	693,000
Bangor State Hospital	505,000
Pineland Hospital	426,000
Boys Training Center	5,000,000
Stevens Training Center	248,000
Reformatory for Men	76,000
Reformatory for Women	148,000
Maine State Prison	467,000
Governor Baxter School for Deaf	35,000
Military & Naval Children's Home	29,000
Maine Port Authority	133,000
Maine Maritime Academy	205,000
Sea and Shore Fisheries	8,000
State Park Commission	1,462,000
Maine State Police	196,000
University of Maine	4,065,000
Total	\$22,577,000

To finance the capital construction program I recommend a General Fund Bond Issue of \$17,000,000, the use of \$4,000,000 from the unappropriated surplus, \$1,433,000 from a self-liquidating bond issue and \$144,000 from the Highway Fund.

The self-liquidating bond is for dormitories and dining facilities at teachers colleges, a principle established by previous Legislatures. The Highway Fund allocation is for 75 per cent of the cost of an addition to the State Police headquarters building. This is the same percentage ratio on State Police costs shared by the General Fund and the Highway Fund. A minor increase in the highway allocation may be necessary to include the \$144,000.

Financing the General Fund Requirements

At this point I will review the General Fund requirements indicated by the recommendations I have made.

Operating Revenues and Appropriations	
The basic appropriation measure	\$143,381,000
The supplemental appropriation measure	\$5,451,000
Total	\$148,832,000
Estimated General Fund Undedicated Revenue	\$130,656,000
Difference	\$18,176,000
The capital construction measures	\$22,577,000
From previously recommended sources	\$22,577,000

It is apparent, if these recommendations receive your approval, as I sincerely hope they do, we will require \$18,176,000 in additional General Fund revenue.

Taxation

In facing up to the vexing problems of taxation I have read and re-read the many published reports that relate to the problem. I have taken advantage of my associations with my fellow governors at the several conferences I have attended, and, of even more significance, I have talked with many, many Maine citizens. My carefully considered conclusion is that an increase from 3 per cent to 4 per cent in our present sales and use tax offers the best solution to our problem. The estimated biennial income from this sales tax increase is \$18,210,000. Assuming, as I recommend, that the change be made effective July 1, 1963 to be first reflected in August revenues.

Your first considerations, of course, are the facts surrounding the indicated needs for increased appropriations. If you conclude, as I am confident you will, that this 101st Legislature should meet these needs, you logically will consider what tax source can be enacted as fair and equitable. Certainly the existing sales tax collection machinery offers minimum collection and administrative expense and in my opinion is the best solution to the difficult problem.

At all times I shall be ready to review these major finance areas with you and with you consider alternatives as they may apply to

either the appropriation or the income side of these substantial finance problems that we must jointly face.

Highway Fund

The Highway Fund budget as presented provides for another progressive two-year highway program.

State aid, special state aid and town road improvement allocations are continued at the same levels as approved by the 100th Legislature.

All federal funds made available would be matched by appropriate state funds to support a record highway construction program for Maine in the amount of nearly \$59,000,000 for the biennium, including \$2,500,000 per year for state projects, advanced engineering and reconstructing highways at hazardous locations.

This budget is balanced by the use of \$2,000,000 from the unappropriated surplus of the Highway Fund for debt retirement plus \$7,000,000 from the proceeds of bonds as previously authorized by the Legislature and approved by referendum vote by the people.

I firmly believe that this budget, as presented, represents sound recommendations covering construction and maintenance of both our main highways and secondary roads, both of which are so essential to the economy of Maine.

I also recommend that this Legislature follow the procedures of prior sessions by recognizing the merit in making provisions for highway financing in the two years following the coming biennium. So far as we can now determine, additional highway bond financing should be authorized in the amount of \$5,100,000 for the continuation of the program in the biennium beginning July 1, 1965 and ending June 30, 1967. In your consideration of this recommendation I would point out these important facts related to the soundness of our past, present and, as recommended, our future highway financing. Actual bond retirement during the seven-year period, 1958-1964 inclusive, will total \$22,550,000 and is estimated at \$16,100,000 in 1965, 1966 and 1967, or a ten-year total of \$38,650,000. As a result of these substantial

highway bond retirements during this ten-year period, I project the total outstanding highway bonds to be \$43,950,000 at the end of 1967 and note that as long ago as 1953 this total of outstanding highway bonds was \$37,130,500, an increase of less than \$7,000,000 in fourteen years.

In consideration of the progressive highway program adopted by prior Legislatures, highway financing in Maine has been and, I am sure, will continue to be on a sound financial basis.

A final recommendation on the subject of highways is that in order to continue our policy of equitable taxing we should bring up to date the Maine highway-user tax study of 1960.

Liquor Commission

A financial problem of increasing urgency has been developing in the State Liquor Commission.

The maximum permanent working capital of the commission is limited to \$3,000,000. This limitation was established in 1945, since then 30 new stores have been added and gross sales have increased from \$18,000,000 to \$27,000,000.

The limitation has forced the commission to operate with an extremely marginal inventory. In many instances they have found it difficult to adequately stock their stores.

In order to correct this situation I recommend that the maximum permanent working capital of the commission be increased to \$3,500,000 and that consistent with current laws the Governor and Council could approve and transfer from the General Fund surplus, as available, permanent advances until the new maximum is reached.

Legislation will also be introduced to further improve the commission's efficiency.

Manpower Development

The Manpower Development and Training Act of 1962, a federal program, provides vocational and on-the-job training for unemployed and underemployed persons.

Training under the act is designed to provide workers with new skills and upgrade their present skills. This program has been op-

erated with a reasonable degree of success in this state.

Present financing is provided wholly by federal funds. However, with the fiscal year commencing July 1, 1964 it will become necessary for the state to appropriate matching funds in order to participate.

It is my desire that you lend a high priority in your deliberations to the continuation of this program.

Port Development

The State of Maine has a specific interest in the potential of expanding world markets. In order that the State be prepared to take advantage of its opportunities to participate in an expanded world trade program, it is necessary that we employ foresight and planning.

It is, therefore, my suggestion that a comprehensive study be made of one of Maine's greatest natural assets — its harbors.

It is envisaged that such a study should be the foundation of a systematic plan of future development.

In my opinion, a professional report on this subject should be provided for the consideration of the 102nd Legislature.

Conclusion

In conclusion, let me assert that it has been my objective in presenting this budget to strive for the continued progress of Maine, realistically meeting the increased requirements placed upon state services, while effecting all possible economy in government operations.

At this time I wish to acknowledge the assistance of Mr. Raymond C. Mudge, Commissioner of

Finance and Administration; Mr. Roland M. Berry, Budget Officer, Mr. Niran Bates, Director of the Bureau of Public Improvements, their staffs, and the heads of the various departments and agencies for their helpful cooperation.

I am sure we share a mutual concern for efficiency in state government, for providing needed services, and for the judicious expenditure of our tax dollars.

I am confident you will apply sound judgment to this budget and will dedicate your efforts in the coming months to resolving the vital fiscal questions before you.

In so doing, the 101st Legislature will earn the gratitude of the people of Maine who aspire as we all do, toward a better life in a progressive state. Thank you very much. (Prolonged applause, Convention rising)

The Governor and Council withdrew, amid applause of the Convention, the audience rising.

The purpose for which the Convention was called having been accomplished, the Chairman declared the same dissolved.

The Senate then retired to the Senate Chamber, amid applause of the House, the members rising.

In the House

The House was called to order by the Speaker.

On motion of Mr. Richardson of Stonington,

Adjourned until Tuesday, January 15, at ten o'clock in the morning.