

# MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

*One Hundred and Third  
Legislature*

OF THE

STATE OF MAINE

Volume III

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Index

1st Special Session

October 2 and October 3, 1967

2nd Special Session

January 9 to January 26, 1968

KENNEBEC JOURNAL  
AUGUSTA, MAINE

**HOUSE**

Tuesday, June 27, 1967

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

Prayer by the Rev. Mr. Kenneth Brookes of Augusta.

The journal of yesterday was read and approved.

**Conference Committee Report**

Report of the Committee of Conference on the disagreeing action of the two branches of the Legislature on

Joint Order (H. P. 1193) relative to recalling Bill "An Act to Authorize Bond Issue in Amount of One Million One Hundred and Fifty Thousand Dollars for Construction at Pineland Hospital and Training Center and of Regional Care Facilities for the Severely Mentally Retarded at Bangor (S. P. 371) (L. D. 984) from the legislative files reporting that the Senate recede and concur with the House in passing the Joint Order.

(Signed)

HENNESSEY

of West Bath  
CARSWELL of Portland  
RICHARDSON

of Cumberland  
—Committee on part of House.

LUND of Kennebec

SNOW of Cumberland

ROSS of Piscataquis

—Committee on part of Senate.

Report was read.

The SPEAKER: The Chair recognizes the gentleman from West Bath, Mr. Hennessey.

Mr. HENNESSEY: Mr. Speaker, I was under the impression that when we brought this back to the House that we had brought it out of the legislative files and set it in motion. Now it appears that we didn't do that and we had to sign yesterday — the Committee had to sign to bring this out of the legislative files. So I'm a little mixed up in this. As it stands now, the only ones that have actually met is this—Mrs. Carswell, Senator Lund and myself. So actually to me this is not really a committee

report. I still think that the House should insist on this joint meeting.

The SPEAKER: The Chair recognizes the gentleman from Cumberland, Mr. Richardson.

Mr. RICHARDSON: Mr. Speaker and Members of the House: In order that there may be no misunderstanding on the part of the gentleman from West Bath, Mr. Hennessey, or any other person in the House, the Senate originally disagreed with our action in suggesting that this L. D. be recalled from the legislative file. We insisted and requested a Committee of Conference in order to keep this bill alive, in order to continue our efforts. The Committee of Conference was on the question of whether or not we would recall this bill. I signed the Committee of Conference Report, I am in full agreement with it, and I would suggest to the gentlemen from West Bath, Mr. Hennessey, that his best interests and the interests of those he's trying to assist would be served if we accepted the Conference Report, which will result in the bill being recalled — it will probably appear on our calendar this afternoon, supplemental calendar, and then we could start from there. But certainly the Conference Committee has done its work in taking the steps necessary to recall this bill from the legislative files, and the action of the Conference Committee I endorsed at the time and I am in complete agreement with.

The SPEAKER: The Chair recognizes the gentleman from West Bath, Mr. Hennessey.

Mr. HENNESSEY: I thank the gentleman from Cumberland, Mr. Richardson, and move to accept the report.

Thereupon, the Committee of Conference Report was accepted and sent up for concurrence.

**Papers from the Senate  
Non-Concurrent Matter**

Joint Order relative to Appropriations Committee reporting Bill to implement vocational training facilities in Northern Kennebec County (H. P. 1230) which was passed in the House on June 22.

Came from the Senate indefinitely postponed in non-concurrence.

In the House: On motion of Mr. Richardson of Cumberland, the House voted to insist and ask for a Committee of Conference.

#### Non-Concurrent Matter

Bill "An Act Providing for an Additional District Court Judge at Large" (S. P. 380) (L. D. 993) on which the House accepted the Majority "Ought not to pass" Report of the Committee on Judiciary in non-concurrence on June 21.

Came from the Senate with that body voting to insist on its former action whereby the Minority "Ought to pass" Report was accepted and the Bill passed to be engrossed, and asking for a Committee of Conference.

In the House: On motion of Mr. Darey of Livermore Falls, the House voted to insist and join in a Committee of Conference.

The Speaker appointed the following Conferees on the part of the House:

Messrs. SHUTE of Farmington  
QUINN of Bangor  
BELIVEAU of Rumford

#### Non-Concurrent Matter

Bill "An Act Creating a District Court Division of Northern Androscoggin and Franklin" (S. P. 544) (L. D. 1392) on which the House accepted the Majority "Ought to pass" Report of the Committee on Judiciary and passed the Bill to be engrossed in non-concurrence on June 22.

Came from the Senate with that body voting to insist on its former action whereby the Reports and Bill were indefinitely postponed, and asking for a Committee of Conference.

In the House: On motion of Mr. Beliveau of Rumford, the House voted to insist and join in a Committee of Conference.

#### Non-Concurrent Matter

Bill "An Act Improving Payment of Benefits under the Maine State Retirement System Law" (H. P. 1156) (L. D. 1653) which was passed to be enacted in the House

on May 19 and passed to be engrossed on May 15.

Came from the Senate passed to be engrossed as amended by Senate Amendment "A" in non-concurrence.

In the House: The House voted to recede and concur with the Senate.

On the disagreeing action of the two branches of the Legislature on Bill "An Act Increasing Compensation of Court Justices and Certain Department Heads (S. P. 695) (L. D. 1731) the Speaker appointed the following Conferees on the part of the House:

Messrs. PHILBROOK  
of South Portland  
HARRIMAN of Hollis  
STARBIRD  
of Kingman Township

On the disagreeing action of the two branches of the Legislature on Bill "An Act Increasing the Terms of Trustees for the Maine Maritime Academy (H. P. 1220) (L. D. 1736) the Speaker appointed the following Conferees on the part of the House:

Messrs. DENNETT of Kittery  
TRASK of Milo  
TRUMAN of Biddeford

#### Orders

On request of Mr. Benson of Southwest Harbor, by unanimous consent, unless previous notice is given to the Clerk of the House by some member of his or her intention to move reconsideration, the Clerk was authorized today to send to the Senate, thirty minutes after the House recessed for lunch and also thirty minutes after the House adjourned for the day, all matters passed to be engrossed in concurrence, and all matters that required Senate concurrence; and that after such matters had been so sent to the Senate by the Clerk, no motion to reconsider shall be in order.

Mr. Richardson of Cumberland presented the following Order and moved its passage:

ORDERED, the Senate concurring that the Clerk of the House, in her capacity as Executive Officer

of the Legislature when the Legislature is not in session, be and hereby is authorized with the approval of the Speaker of the House to employ whatever members of her staff may be necessary to complete the records of the House and conduct the business of the Clerk's office and payment for same to be approved by the Clerk and the Speaker. (H. P. 1234)

The Order received passage and was sent up for concurrence.

Mr. Richardson of Cumberland was granted unanimous consent to address the House.

Mr. RICHARDSON: Mr. Speaker and Members of the House: I think it might be helpful to all of us if we understand the present schedule and what we propose to do with respect to the various programs that we are concerned about, most particularly L. D. 1575, the basic document which carries with it — which presently carries the Republican funding proposal.

First of all, with respect to the statement by the Governor of yesterday with respect to a Conference Committee. At this point, of course, the bill, L. D. 1575 is not in a position where a Committee of Conference is indicated under the procedural rules of both the House and the Senate. Until there is a disagreeing action one party votes to insist and requests a Committee of Conference, the Committee of Conference created in that way is inappropriate. Now, of course, a Committee of Conference could be created by Joint Order and that would require the going back and forth.

The Republican leadership is willing to participate in any conference with any group that the Governor may suggest or that the Democratic leadership may suggest. If it is the desire of the Democratic members of leadership to have a Conference Committee made up of the President and the Speaker and the Majority and Minority Floor Leaders of both branches, the Republican Party would be glad to participate in that Conference, but I think it's important that all of us be honest with ourselves and recognize the fact

that whatever committee is brought about must have on it persons who are authorized to speak for the Governor and to make his views known.

Now, I think that a conference, while it might be helpful is not a substitute for the action that has to be taken on this floor by each one of us as individual legislators. Secondly, the length of our calendar indicates to you that other than 1575 and a couple of other thorny problems that confront us, this Legislature is very close to being able to close up its business.

Now, I intend to open L. D. 1575 to whatever amendment, including the 3 per cent sales tax if the Democratic leadership wishes to offer it, for the consideration of any amendments that are being proposed by the leadership of the Democratic Party for or on behalf of the Governor, or by any individual in this House who may feel that there is some validity to one of the alternate proposals or any one of the several that have been discussed. I ask you to forgive me for taking so much time to explain to you this situation but we have a short calendar. It is our present intention to reconvene later in the afternoon, at which time I hope that anyone who has any amendments or who wants to bring these things on — we will recede from engrossment or I will request that we do, you may offer any amendment that you wish to have brought for discussion before the House. Thank you.

Mr. Levesque of Madawaska was granted unanimous consent to address the House.

Mr. LEVESQUE: Mr. Speaker and Members of the House: I will be very brief. I think probably the remarks made by the gentleman from Cumberland, Mr. Richardson this morning leaves the door open for the Majority leadership and the Minority leadership to be able to meet together either after we recess this morning and find out what avenue we should pursue as far as opening 1575, and I am very sure that is also the wishes of the Governor that the leadership, the Majority leadership and Minority leadership could very well start the discussion and if the tax

measure now is not open for an authorized Committee of Conference that probably the ice can be broken by both leadership in a Committee jointly meeting after we recess this morning and thereby probably shortening the possibility of discussion of too many amendments to be attached to 1575. Thank you.

Mr. Jalbert of Lewiston was then granted unanimous consent to address the House.

Mr. JALBERT: Mr. Speaker and Members of the House: I want to know exactly where I stand this morning. Is it my understanding that 1575 will be opened so that amendments can be presented today? Is it my understanding, if I understood the Democratic Floor Leader correctly, that before this is done that there will be a sitdown to decide to agree or disagree? I want to know the answer to this question. Is it also my understanding that today any amendments that would be put into L. D. 1575, and it is common knowledge that I have one, is it my understanding that this or any amendments will be made possible to introduce today before L. D. 1575 is locked up again?

The SPEAKER: The gentleman from Lewiston, Mr. Jalbert, poses a question through the Chair to any member of the leadership who may answer if they choose.

The Chair recognizes the gentleman from Cumberland, Mr. Richardson.

Mr. RICHARDSON: Mr. Speaker and Members of the House: The answer to the first question is yes, we intend to recede from engrossment on 1575 in order to give the Democratic leadership an opportunity to offer whatever alternate funding program it may wish to offer and to offer — and I include in that the 3 per cent sales tax across the board, and to give an opportunity to any individual including the gentleman from Lewiston, Mr. Jalbert to offer any compromise alternate funding program however it may be described.

The answer to the second question is that, and I say this in all sincerity, I have never had an opportunity to participate in a con-

ference with the Governor about any legislative matter. I will be delighted to sit down with the members of the Minority leadership from the House and Senate or any other group at any time including right after today's recess to discuss this or any other problem that divides us. Now, that's a standing offer. It was made privately in January and it's still good on June 27.

Thirdly, it is our intention to open this bill up in order to make the way parliamentarily available for amendments to be offered and let them be considered on their merits on the Floor of this House and we then intend, after giving full opportunity for amendments, then proceed on with this session. You are all troubled as I know I am by the fact that we are being criticized for being the longest session. Whether that criticism is justified or not I am not going to debate with you, but I do suggest to you that we go ahead and get these amendments on, not have a study about whether a tax is good or bad — let's get the taxes out here and let's get them discussed and decided.

### House Reports of Committees Divided Report

Majority Report of the Committee on Appropriations and Financial Affairs, acting in accordance with Joint Order (H. P. 1229), reporting a Bill (H. P. 1232) (L. D. 1739) under title of "An Act to Authorize Bond Issue in the Amount of Four Hundred and Fifteen Thousand Dollars for Construction of a Multi-purpose Building at Fort Kent State College" and that it "Ought to pass"

Report was signed by the following members:

- Messrs. BERRY of Cumberland  
ALBAIR of Aroostook  
DUQUETTE of York  
—of the Senate.
- Messrs. JALBERT of Lewiston  
BRAGDON of Perham  
HUMPHREY of Augusta  
SCRIBNER of Portland  
BIRT of East Millinocket  
—of the House.

Minority Report of same Committee reporting "Ought not to pass" on same Bill.

Report was signed by the following members:

Messrs. DUNN of Denmark  
HINDS of South Portland  
—of the House.

Reports were read.

The SPEAKER: The Chair recognizes the gentleman from Perham, Mr. Bragdon.

Mr. BRAGDON: Mr. Speaker and Members of the House: I move the acceptance of the Majority "Ought to pass" Report of the Committee.

The SPEAKER: The gentleman from Perham, Mr. Bragdon, moves that the House accept the Majority "Ought to pass" Report of the Committee.

The Chair recognizes the gentleman from Denmark, Mr. Dunn.

Mr. DUNN: Mr. Speaker and Members of the House: I would just like to clarify my position on this bill. This item was omitted from the bond issue, which is item one under enactors, on my part for the simple reason that the Fort Kent college has been using the Armory for quite a period of time and that was still available I believe and we thought that they could get by without this at this time.

Thereupon, the Majority "Ought to pass" Report was accepted, the Bill read twice and assigned for third reading tomorrow.

#### Passed to Be Enacted Bond Issue

An Act to Authorize Bond Issue in the Amount of \$15,755,000 for Capital Improvements, Construction, Renovations, Repairs, Equipment and Furnishings (S. P. 691) (L. D. 1726)

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed. In accordance with the provisions of Section 14 of Article IX of the Constitution a two-thirds vote of the House being necessary, a total was taken. 128 voted in favor of same and 3 against, and accordingly the Bill was passed to be enacted, signed

by the Speaker and sent to the Senate.

#### Bond Issue

An Act to Authorize a Bond Issue in Amount of Seven Hundred and Fifty Thousand Dollars for Construction of a Dormitory at Maine Maritime Academy (H. P. 343) (L. D. 491)

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed. In accordance with the provisions of Section 14 of Article IX of the Constitution a two-thirds vote of the House being necessary, a total was taken. 121 voted in favor of same and none against, and accordingly the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

#### Bond Issue

An Act to Authorize Bond Issues in the Amount of \$325,000 to Provide Funds for the Construction of Regional Technical and Vocational Centers under the Provisions of Section 2356-B of Title 20, R. S. (H. P. 399) (L. D. 565)

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed. In accordance with the provisions of Section 14 of Article IX of the Constitution a two-thirds vote of the House being necessary, a total was taken. 107 voted in favor of same and 11 against, and accordingly the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

#### Passed to Be Enacted

An Act to Correct Errors and Inconsistencies in the Education Laws (S. P. 358) (L. D. 966)

An Act Reducing Maximum Amount and Duration of Small Loans and Establishing Equitable Rates for Small Loan Agencies (S. P. 373) (L. D. 986)

An Act to Clarify Authority of Complaint Justices and District Court Judges (S. P. 378) (L. D. 990)

Were reported by the Committee on Engrossed Bills as truly and strictly engrossed, passed to be enacted, signed by the Speaker and sent to the Senate.

An Act Regulating Snow Traveling Vehicles (S. P. 654) (L. D. 1666)

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed.

The SPEAKER: The Chair recognizes the gentleman from Enfield, Mr. Dudley.

Mr. DUDLEY: Mr. Speaker and Members of the House: I think enough has been said about this bill so by now the House must realize what a poor document it really is and we don't seem to want to spare the time to properly amend it. This is one of these types of bills that gets through the Legislature and makes a lot of work for lawyers after we adjourn and we could be calling it a lawyers bill. I hope that in view of the poor manner in which the bill is written and I am sure the House agrees with me that they don't like to put out legislation that is accomplishing nothing, making more of a problem than we have now, I now move that this bill is indefinitely postponed to save any further conversation.

The SPEAKER: The Chair recognizes the gentlewoman from Orrington, Mrs. Baker.

Mrs. BAKER: Mr. Speaker and Members of the House: I think we have debated this bill at length, it has been amended, some corrections have been made that were certainly an improvement to the bill. It may not be perfect, but I doubt if very many of the bills that we pass here are perfect. We have a great many corrections I notice in a good many of the laws, but I think this is a good bill. We need some regulations; this is a new field and I think that this regulation is provided for in this bill and it might interest the members of the House to know that New Hampshire last Wednesday passed a bill controlling and registering snow travelers. It was passed in one House and going to the other, and their bill was much more restrictive than ours. It required drivers licenses for snow travelers and the fee for registration was \$6 where ours is \$4 for the first year and \$3 for renewals, and I feel that this is a good bill and it would be a great mis-

take to lose it and have nothing on the books for the control of these comparatively new machines. And when the vote is taken, I request a division.

The SPEAKER: The Chair recognizes the gentleman from Enfield, Mr. Dudley.

Mr. DUDLEY: Mr. Speaker and Members of the House: I would like to bring you up to date on New Hampshire. The news says that the other branch in New Hampshire indefinitely postponed this bill, but they did go along with licensing the driver. Now, this I heard on the news just recently, on the eleven o'clock news, and if this bill met with defeat in New Hampshire only to the extent that they are going to register the driver—they are going to have, to have a license to drive them, and that was the latest from New Hampshire, and I just thought the House ought to know that this is the latest news from New Hampshire. Thank you.

The SPEAKER: The Chair recognizes the gentleman from Mars Hill, Mr. Dickinson.

Mr. DICKINSON: Mr. Speaker and Members of the House: As a dealer in Snowmobiles, I guess my personal interest would be better served if we were to kill this bill. However, I think there is more to it than that. This bill not only requires that the owners of Snowmobiles register them, be regulated, but it also requires that the dealers have a dealer registration and assume detail in connection with temporary registration. Now, I'm not soliciting handling a detail like that, having been through it as an automobile dealer and a boat dealer. However, there is considerable revenue involved here for the State in the registration of the several thousand Snowmobiles, and I just think that it is something that we should take a close look at. Now, my interest in Snowmobiles dates back quite a long while.

I have held conferences with the Attorney General's Department since 1965 on the various problems which arose. I believe that we have a real serious problem and that it's our responsibility to try to correct it. The gentleman from



Enfield, Mr. Dudley, has suggested that the bill might not be properly amended. I think it's a matter of opinion as to what constitutes proper amendments. Some of these amendments which have been proposed would cut the heart out of the bill and leave us with revenue of little consequence and no regulation over certain individuals who would be granted special privileges through these amendments in not having to comply with the proposed regulation. Even though it might suit me better to see this bill killed, it's for the good of the order that I waive my personal interests and I submit this for the consideration of all members. Thank you.

Mr. Dudley of Enfield was granted permission to speak a third time.

Mr. DUDLEY: Mr. Speaker and Members of the House: I realize that everybody can't get this L. D. out in a hurry and read it, but let me point out just some of my major objections, things that really bother me when I pass legislation in this House. And that is not to discriminate against any person or group of people. Now this bill might use somebody said, and it's been said here on many occasions, register all of these vehicles and they would run a thousand maybe. I don't dispute that. But I don't believe you are going to register them all when you say this "no registration shall be required for snow traveling vehicles owned and operated on snow or land which the person lives or land of which he has contractual rights." Now let me say to you, do you realize the major paper companies own towns and towns in this state and for their work, such as going through the woods, and their personnel, that doesn't cover, so they won't have to be registered. Do you realize that there are a lot of us in this House that own large tracts of land and we won't have to register, we have plenty of land which we can travel on. I think this is discriminating against the poor man that don't own a whole town, or half a town or a few hundred acres. This I object to.

It goes on further in the bill if you read it very carefully from page to page, this is a five page document, it doesn't say after you register where you can go, but it tells you many places you cannot go. Now, I say that when we sell a man a registration to go on the highway, he goes on the highway, all the highways in the State of Maine. When we sell him a license to run this snowmobile we sell him a license to go nowhere except on my land which I can post, which in many areas in which I come, they are giving damage to our shrubberies and trees. This is giving a child, and we're registering children by the way, the right to go on them and they think that once they get a license, children don't understand, they don't have this five page document before them. You issue them a license and they think we have sold them a license to run upon my land, to run upon people's shrubbery—Mister, because I've got a license I can show you, the kid will say. So, we're selling false hopes, we're telling him he has a license to do something he has no right to do. The bill don't say where they can go but it says every place that is mentioned they cannot go. I say that this is a ridiculous situation to sell a man a license with no place to go. And it's creating, it's making a situation that's bad now, many times worse than it is right now.

The SPEAKER: The Chair recognizes the gentleman from Mars Hill, Mr. Dickinson.

Mr. DICKINSON: Mr. Speaker and Members of the House: In answer to the gentleman from Enfield, Mr. Dudley, I would respectfully suggest that we have a situation here which closely parallels that existing with boats. The boat registration doesn't provide any particular area in which to operate, it merely gives the owner permission to operate his boat on the waters of the State. Thank you.

Mr. Dudley of Enfield was granted permission to speak a fourth time.

Mr. DUDLEY: Mr. Speaker and Members of the House: I just want to say that everybody has to

register boats, Great Northern Paper and Oxford Paper and the Eastern Corporation, and everybody, and myself. We all have to register our boats, but this bill provides only the poor people have to register theirs.

The SPEAKER: The Chair recognizes the gentleman from Stonington, Mr. Richardson.

Mr. RICHARDSON: Mr. Speaker and Members of the House: I would stand in opposition to the gentleman from Enfield, Mr. Dudley in his motion to indefinitely postpone and certainly hope that we would pass this bill. I would call his attention to the fact that no boat under ten horsepower has to be registered, no canoe has to be registered, no rowboat has to be registered, so this is not any more discriminatory in that respect. I would also point out that you can have a seventy or a hundred foot sailboat and if you have less than ten horsepower or no motor in it, you do not have to register it. I would also like to say that I think the various paper companies maintain thousands of miles of road in the State of Maine that the people can get permission to operate on, but which their registration fee and their license does not give them the right to operate on, so I would certainly hope that this bill would receive passage.

The SPEAKER: The pending question is the motion of the gentleman from Enfield, Mr. Dudley, that S. P. 654, L. D. 1666, An Act Regulating Snow Traveling Vehicles be indefinitely postponed. The Chair will order a vote. All those in favor of indefinite postponement will vote yes, those opposed will vote no and the Chair opens the vote.

A vote of the House was taken.

45 having voted in the affirmative and 78 having voted in the negative, the motion did not prevail.

Thereupon, passed to be enacted, signed by the Speaker and sent to the Senate.

An Act Revising Laws Relating to Licensed Small Loan Agencies (H. P. 468) (L. D. 681)

An Act relating to Hours of County Offices of Androscoggin County (H. P. 1045) (L. D. 1517)

Were reported by the Committee on Engrossed Bills as truly and strictly engrossed, passed to be enacted, signed by the Speaker and sent to the Senate.

An Act Applying Sales Tax to Charges for Fabricating Tangible Personal Property (H. P. 1207) (L. D. 1719)

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed.

The SPEAKER: The Chair recognizes the gentleman from Brewer, Mr. Robertson.

Mr. ROBERTSON: Mr. Speaker and Members of the House: It is indeed with reluctance and some regret that I must rise to oppose this measure this morning, with reluctance because at least two of the gentlemen who I consider very good friends are highly in favor of this bill, and secondly I procrastinated until now because principally I wanted to know what our tax program might be as far as our final decisions are concerned, and it is obvious we don't have these answers. So I feel I have an obligation to attempt to analyze the contents of this tax and to elucidate to a degree regarding its ramifications.

Now, this particular measure as I understand it, and I hope if the sponsors find I am in error in my interpretation that they will correct me, because I can be wrong particularly as far as the definition of tangible property is concerned, personal tangible property, and so forth. However, as I analyze this bill it appears to me that this measure which is before us would place a sales tax on labor as well as materials that go into the fabrication of machinery and this sort of thing. Now, I have been contacted by several paper mills and a textile mill regarding this particular measure.

In my attempt to try to explain what this is going to accomplish, I would like to give you a two or three examples. For instance if a paper mill at the present time buys from Beloit Iron Works in Beloit, Wisconsin, a piece of

machinery that costs \$600,000, if \$300,000 of that total cost is labor, it can be billed separately and the company pays for a tax on the \$300,000 or one half of the total cost of the item. This cannot only be true in a paper mill, it can be true in a textile mill or any other business or industry. A second example might be of paper mills have rubber covered rolls which are constantly being shipped back to the manufacturer for covering. This particular item 80 per cent is labor, 20 per cent is material. Presently the companies pay a tax on the 20 per cent. This bill will mean that they will pay on 100 per cent.

Let's take an example, the Androscoggin Foundry or the Millinocket Foundry who presently make castings for various industries in the State and out of State. At the present time these castings are based on the weight of the casting. If they are going to make a casting for \$1,000 they are going to charge for the material and the labor that goes into this, it's invoiced separately and paid separately. The Portland Company, Bancroft and Martin, fabricate for industry. They have a separate order sometimes to cover the labor and one to cover the material, and one order for fabrication may take care of several items. I feel in some respects this is going to be a little bit of a problem to competition as far as the State is concerned.

First, let's again take the Portland Company, they bid on a casting or a piece of equipment that is going to cost \$1,000. If they are forced to charge a tax on the second portion, or the half that is labor, say \$500, if the rate is 5 per cent and I guess I am speaking out of turn. Let's take the present 4 per cent, if the cost of that is 4 per cent, that's going to add \$20.00 to the cost of that. Now, if Portland Company is bidding with out-of-state bidders as they do, and this competition in bidding is very close sometimes on a bid of that \$1,000, easily you could win it by a \$20.00 margin. This will add to the cost of the item to the extent that they may lose this particular piece of business.

Now, this is just one instance; there could be several. I am not against a tax measure of this type, but I do feel if it's going to tax our industry to the point that it is going to present a problem then I am wondering if it's desirable as far as industry in the State of Maine, and looking at it from the viewpoint of the State of Maine whether it's advantageous to our State. Particularly if this type of tax is not prevalent in our neighboring states, I think when new industry comes into our State they consider very definitely various aspects and one of the things of course are the various taxes that they are going to be subject to because, after all, the overall cost of the item is the important thing to them.

These are just examples which I feel are going to come within the category of this particular tax. Now, I hope the sponsor will speak on this bill and bring out the points that perhaps I erroneously interpreted, at least, as I understand it; and that's the way that industry understands it and consequently I feel that if this is correct that perhaps this isn't the best measure for the State of Maine, and so I feel I have no alternative at this time but to move for the indefinite postponement of this bill.

The SPEAKER: The Chair recognizes the gentleman from Pittsfield, Mr. Susi.

Mr. SUSI: Mr. Speaker and Members of the House: I think it is very important that we pass this piece of legislation. I just went over to the Taxation Department and got an explanation of this bill which I believe states it more concisely than I could. The purpose of the bill is solely to close what could become a troublesome loophole in the sales and use tax law.

Ordinarily, when a person purchases an item of tangible personal property, he pays tax on the basis of the full price of that property which of course includes the cost of fabricating or manufacturing the property. However, under the present language of the sales and use tax law, if the manufacturer of the property undertakes to pass title to the materials prior to fabrication, or if the customer pro-

cures materials from one source and has them manufactured by another, tax applies only to the price charged for the materials. It does not seem reasonable that tax should be based upon the full price, including fabrication labor, of one item, but only upon the material cost of another, depending upon the manner in which the parties contract. The intent of the sales tax law certainly was to base the tax upon the full price of the item purchased.

Moreover, within the past several years a practice has developed, particularly among purchasers of heavy machinery, of utilizing this device to minimize tax liability. This is done by contracting with the machinery manufacturer to pass title to the materials and component parts before the machine which is desired has been manufactured. Not only does this result in a very unequal application of tax to substantially similar situations, but it also creates serious problems with respect to auditing, since the validity of any such arrangement depends upon how the parties actually conduct themselves. Furthermore, the problem is not necessarily restricted to heavy machinery, since an inquiry has recently been received as to the tax effect if one purchasing commercial art agrees to furnish the artist with the art board, the cost of which represents only a small portion of the charge for the finished product. If this situation remains uncorrected, it can be anticipated that attempts will be made to extend this practice into many other areas.

And this explanation goes on for another half a page here, but as you see it's in generalities and I think that it's notable for its understatement. To bring it right down into terms that we are acquainted with, we all pay sales tax if we go out to buy a power lawn mower that costs \$100, we pay \$4.00 tax on it and none of us even think of the possibility of attempting to arrange paper work so that we can break the purchase price of this item down into perhaps \$96.00 worth of labor and \$4.00 worth of iron and so saving ourselves some money because it's

such a small purchase. But the sales tax law as it was explained in this letter that I have from the Taxation Division was meant to apply to everybody and in these big ticket items that apparently just a few industries are purchasing, they are going through the necessary legal and accounting ramifications to skirt the payment of the tax law.

At the hearing there were several lobbyists who appeared and generally their presentation was along the lines that they are law abiding citizens, that they are certainly living within the law as it now stands, and that is true. But, what it boils down to is that if an outfit has enough resources to hire lawyers and accountants and all that's involved to rig their paper work, they can avoid paying the taxes that everyone else in this State is required to pay under the sales tax law because it just isn't practical to go through all of these maneuvers to avoid the payment of the small tax which is involved in the purchases of most of us.

I didn't realize how widespread this was getting to be. I was talking to a fellow running a little machine shop in my home town. It was the first work that he had done for one of these firms and had just completed the work, had billed them, but in the meantime his sales tax law came due and on this particular job the sales tax was several thousand dollars, over \$5,000 was the amount of the sales tax — not the amount of the item, but the amount of the sales tax. He paid the sales tax to the State, he had handled this transaction just as any other that he had ever done with the other citizens of the State of Maine, yet when he sent the bill to this firm, the firm sent back payment for the amount of the item but no sales tax and explained that they were exempt under the sales tax. Well, now, they had at the bottom of their purchase contract a bunch of gobbledegook and buried amongst it was this phrase "Tax is payable at the rate of 4 per cent on material used by vendor without any addition for vendor's shop or field labor, overhead or profit." Now, I think this is extremely inequitable.

I think it's a sad thing that we as legislators have not caught up with this sooner and have not plugged this loophole sooner. I think it is high time that we did it here today. Thank you.

The SPEAKER: The Chair recognizes the gentleman from Baileyville, Mr. Townsend.

Mr. TOWNSEND: Mr. Speaker and Members of the House: I would like to go on record with Mr. Robinson on this opposing this. We should try to encourage industry to come into the State of Maine. By putting a tax like this up, how are we going to get these companies to expand and industries to come in? Therefore, as I say again, I would like to concur with Mr. Robertson for indefinite postponement of this bill.

The SPEAKER: The Chair recognizes the gentleman from Perham, Mr. Bragdon.

Mr. BRAGDON: Mr. Speaker and Members of the House: I think I just a few minutes ago became aware that here is a bill that many more people in the State of Maine are interested in than I might have at first thought.

The other day — last Saturday to be specific — I paid a sales tax of \$460.00 on an item of what I would call fairly heavy equipment, which was fabricated in some place in the west and shipped in here. The cost of the item was between eleven and twelve thousand dollars. I did trade one in; of course I got no credit on what I traded in. The question which here occurs to me is, where do we draw the line in this field which we're now talking about? Certainly if — maybe if it's not lawnmowers, but is it going to be equipment that costs we'll say from ten thousand to a hundred thousand dollars, it seems to me we are opening up a tremendous field if I understand this correctly. Certainly if the gentleman from Brewer in his machinery, as steel, that he buys to fabricate a machine in a plant, I believe that these companies that are selling such equipment as I am talking about will certainly very shortly become aware of a method whereby all they will need to do would be to pay the tax on the steel and I think they would

be completely justified in doing it. Now I don't know whether I'm speaking for or against the gentleman from Brewer, but I am pointing out that I'm aware that we are opening up here a tremendous possibility. I went across the border Sunday, because I'm interested in what they're doing in other countries, and I saw — there is over there recently in Centerville — there has been established a filter plant. The building is probably 400 feet long by 150 feet wide, and in the yard over there the other day they had machines already fabricated in the nature of what I mentioned that I've just purchased, not that particular make, however, but they had machines that would have been valued sitting in their yard in the neighborhood of a million dollars, so you see I'm not talking about lawnmowers or peanuts. We really are in a big field here and I really don't know which direction we should go.

The SPEAKER: The Chair recognizes the gentleman from Brewer, Mr. Robertson.

Mr. ROBERTSON: Mr. Speaker and Members of the House: I think you can see why I oppose with reluctance this measure this morning. I've been going along with the Representative from Pittsfield fairly well up until this morning and I didn't want to break a record, but I can certainly see there are two sides to this question — whether or not we want to accept that the major companies in the State of Maine should have been getting away with this tax is one point. However, they have been and they have been doing it legally.

Now the question which rises this morning is merely whether or not we want them to continue to do this or whether we want to place the tax which we have before us on fabrication which, as the gentleman from Perham has stated, we are not talking peanuts now, because the millions and millions of dollars worth of machinery and parts that are bought by our major companies in the State of Maine add up to a lot of money. It's not unusual to buy a piece of equipment that's three hundred thousand

dollars — it's done frequently by our major companies. Of course there are other items that run a thousand dollars, but even a small piece of equipment that goes on a machine that has to be fabricated specially runs into money — these are big items, and it could be whether we want to look at it that way or not a major income-producing factor.

Now, I think it boils down to the situation whether we want to continue to let the industry and business of the State of Maine do it the way they are now and be taxed only on the materials involved in fabrication, or whether we want to put this tax on. It will become a little bit of a problem perhaps as far as competition to some of our companies in the state that compete with out of state companies as far as fabrication is concerned.

This bill does have many ramifications — I haven't gone into all of them because — you take now for instance, the company that makes paper, the raw materials which go into making up this paper are exempt. There are certain exemptions which our present tax allows. Now this has been one of them that the companies have taken advantage of because it is legal and has been interpreted as such. If we vote this bill through this morning we are going to take away that opportunity which industry has.

I'm not going to further belabor this situation. Perhaps I'm a little bit on the cantankerous side this morning because I just learned that my "Truth in Lending" bill down in the other body by a small majority was put on the Appropriations Table in an effort to kill the truth. That isn't going to affect my position here on this one, however.

I do feel in defense of industry we should defeat this bill. If you feel you want industry to pay a greater share of the tax, then you should vote against me. Thank you.

The SPEAKER: The Chair recognizes the gentleman from Portland, Mr. Scribner.

Mr. SCRIBNER: Mr. Speaker and Members of the House: I will

also have to take a different position on this bill than my good friend from Brewer, Mr. Robertson.

I have discussed this bill on several occasions with the Tax Assessor. He feels that very few industries are presently using this method for ordering their purchases on large machinery. This practice although if it did become wide-spread could certainly seriously jeopardize some of the sales tax revenue that we're now receiving. In his conversation with me the Tax Assessor said he felt that the majority of Maine industries, based on reports he gets from his auditors that they have not adopted this method, but there are enough of them that are doing it that he is seriously concerned and the legal interpretation of the present Statute is that this method is legal.

Mr. Robertson pointed out that some purchases run three or four hundred thousand dollars. I would say some of the items, particularly paper industry I believe, the price of a paper machine goes over a million dollars on occasion. I don't believe that we can have two different methods for people to adopt when they purchase an item of tangible personal property, and if we leave the law on the books as it is without adopting this bill today that's what we're going to have. It's going to be whether the purchase is large enough for you to go to the trouble of ordering this piece of property in a different method. I do believe that whatever method is adopted it should be uniform; that the price tag on the item shouldn't have any influence on which method you're going to use to order it. The only result would be in the long term would be a chaotic situation in the administration of taxes, and I don't know just what would happen to the revenue picture and it would certainly have a number of people that made this decision on ordering purchases it would affect the revenue estimates made by the Tax Assessor on which we as a legislative body have to rely. I don't believe that we should place these things in an inconsistent position.

The SPEAKER: The Chair recognizes the gentleman from Gardiner, Mr. Hanson.

Mr. HANSON: Mr. Speaker and Members of the House: Originally this was my bill which was presented for the department. Now I appreciate the very fine presentation from the gentleman from Brewer, as well as others, and I think that the gentleman from Pittsfield, Mr. Susi and from Portland, Mr. Scribner, and others have presented a very clear picture of the problem. Now when the sales tax was set up, it was the intent of the Sales Tax law certainly to base the tax upon the full price of the item purchased, and at the present time the State is losing approximately \$60,000 annually on the loophole that we do have in the law. As to the estimate of what the loss could be in the future we can receive no figure, but it could run into a rather large figure.

I think if you read this bill, which is the rewrite, that you will find in the very last section of the bill — "Fabrication charges. Charges for fabrication of tangible personal property in this State when such tangible personal property is delivered outside this State upon completion of fabrication" is exempt.

But other than that, why I claim that this came out of Committee unanimous "ought to pass," and I hope that the motion to indefinitely postpone does not prevail. Thank you.

The SPEAKER: The Chair recognizes the gentleman from Pittsfield, Mr. Susi.

Mr. SUSI: Mr. Speaker and Members of the House: It's been presented to us this morning that this bill was a bill to determine whether we should ask for a greater share of the tax from industry in Maine.

I say that it's a question of getting them to pay the tax the same as the rest of us have to pay. If we in the Legislature decide that industry or certain industry should be exempt from taxes under the sales tax, and want to pass a law that clearly spells that out, then I wouldn't argue with it — the majority prevails; but to allow these certain industries or any

other people or interests to skirt a law through the back door by legal machinations I think is a situation which should be corrected. I think that's the real problem before us here today, and I shan't get overly concerned about abuse of any of these certain industries. It just happens that they own something over half of the land area of the State of Maine and contribute something less than one percent of our revenue. If you don't see anything inequitable about that I think that you'd better have your eyes checked.

I'm not worried that their interests won't be protected, it just happens that about half of the lobbyists on the scene represent them. So I think in fairness now we should straighten out this glaring inequity.

The SPEAKER: The Chair recognizes the gentleman from Kennebunkport, Mr. Pendergast.

Mr. PENDERGAST: Mr. Speaker and Members of the House: I rise in opposition to indefinite postponement of L. D. 1719. I would like to point out to the House that industry has no income tax to pay here as they would have in other states, and the enactment of this bill could substantially help us in sharing our tax burden. I urge that you vote against the indefinite postponement. Thank you.

Mr. Robertson of Brewer was granted permission to speak a third time.

Mr. ROBERTSON: Mr. Speaker and Members of the House: I would like to request a yea and nay vote please.

The SPEAKER: The yeas and nays have been requested on the motion to indefinitely postpone. For the Chair to order a roll call it must have the expressed desire of one fifth of the members present and voting.

The Chair recognizes the gentleman from Bath, Mr. McMann.

Mr. McMANN: Mr. Speaker, is this the bill in which we have exempted the Bath Iron Works? May I ask the question of anybody that knows?

The SPEAKER: The gentleman from Bath, Mr. McMann, poses a question through the Chair to any

member who may answer if they choose.

The Chair recognizes the gentleman from Bath, Mr. Ross.

Mr. ROSS: Mr. Speaker and Members of the House: In answer to the question of the gentleman from Bath, Mr. McMann, this is not that bill at all; this is entirely a different bill.

Since I am talking on it as a member of the Taxation Committee, I realize the opposition to this bill from certain industries and I am sympathetic, and coming from the City of Bath, Maine this might have a small effect upon the Bath Iron Works, I also was in the heavy manufacturing in that city — but, there is a loophole now in our tax laws. It's possible to avoid — completely avoid the Sales and Use Tax primarily in heavy industry because machines are treated specially. At the present time you can buy fabricated parts assembled at the plant and if you have a particular type agreement then you can get away and accept this tax dodge. Now there's another reason, really, because that agreement must be approved by audit of the Taxation Department and they say it is virtually impossible to audit these type things and I think that a law like this, although it will hurt a little bit to certain heavy industries, I think that it is a necessity or all sorts of people are going to come under this tax dodge.

The SPEAKER: Is the House ready for the question? All of those desiring a roll call will vote yes and those opposed will vote no, and the Chair opens the vote.

A vote of the House was taken, and more than one fifth of the members present having expressed a desire for a roll call, a roll call was ordered.

The SPEAKER: The pending question is on the motion of the gentleman from Brewer, Mr. Robertson, that House Paper 1207, L. D. 1719, An Act Applying Sales Tax to Charges for Fabricating Tangible Personal Property be indefinitely postponed. All those in favor of indefinite postponement will vote yes; those opposed will vote no. The Chair opens the vote.

## ROLL CALL

YEA — Benson, Birt, Brown, Carrier, Clark, Cookson, Cushing, Foster, Fraser, Gauthier, Hewes, Humphrey, McMann, Meisner, Miliano, Nadeau, J. F. R.; Philbrook, Quinn, Rackliff, Richardson, G. A.; Richardson, H. L.; Robertson, Snow, P. J.; Snowe, P.; Townsend.

NAY — Allen, Baker, E. B.; Bedard, Belanger, Beliveau, Berman, Bernard, Binnette, Boudreau, Bourgoin, Bradstreet, Bragdon, Brennan, Buck, Bunker, Burnham, Carey, Carroll, Carswell, Champagne, Conley, Cornell, Cote, Cottrill, Couture, Crockett, Crommett, Crosby, Curran, D'Alfonso, Danton, Darey, Dennett, Dickinson, Driegas, Drummond, Dudley, Dunn, Durgin, Eustis, Ewer, Farrington, Fecteau, Fortier, Fuller, Gaudreau, Gill, Giroux, Hall, Hanson, B. B.; Hanson, H. L.; Hanson, P. K.; Harnois, Harriman, Harvey, Haynes, Healy, Henley, Hennessey, Hichens, Hinds, Hodgkins, Hoover, Huber, Hunter, Immonen, Jalbert, Jameson, Keyte, Kilroy, Label, Levesque, Lewin, Lewis, Lincoln, Littlefield, Maddox, Martin, McNally, Mosher, Nadeau, N. L.; Pendergast, Pike, Porter, Prince, Quimby, Rideout, Robinson, Rocheleau, Ross, Sawyer, Scott, C. F.; Scott, G. W.; Scribner, Shaw, Starbird, Sullivan, Susi, Tanguay, Thompson, Trask, Truman, Waltz, Watts, Wheeler, White, Williams, Wood.

ABSENT — Baker R. E.; Edwards, Evans, Hawes, Jannelle, Jewell, Kyes, Lycette, Minkowsky, Noyes, Payson, Roy, Sahagian, Shute, Soulas, Wight.

Yes, 25; No, 108; Absent, 16.

The SPEAKER: Twenty-five having voted in the affirmative and one hundred eight in the negative. The motion to indefinitely postpone does not prevail.

Thereupon, passed to be enacted, signed by the Speaker and sent to the Senate.

The following paper from the Senate appearing on Supplement No. 1, was taken up out of order by unanimous consent:



The following Order: (S. P. 707)

ORDERED, the House concurring, that the following Bills be recalled from the Legislative files to the House:

(H. P. 76) (L. D. 101) An Act Relating to Disposition of Tax on Transient Rentals Under Sales Tax Law.

(H. P. 251) (L. D. 359) An Act Providing for Sales Tax on Advertising.

(H. P. 121) (L. D. 147) An Act Repealing Trade-in Credit for Motor Vehicles Under Sales Tax Law.

(H. P. 287) (L. D. 407) An Act Relating to Taxation on Television Sets.

(H. P. 426) (L. D. 590) An Act Providing for a Luxury Tax on Luggage, Jewelry, Furs and Toilet Preparations.

(H. P. 122) (L. D. 148) An Act to Increase Cigarette Tax Two Cents.

(H. P. 123) (L. D. 149) An Act to Remove Sales Tax Exemptions on Rentals, Repairs, Installation and Servicing of Tangible Personal Property.

(H. P. 920) (L. D. 1329) An Act Establishing an Excise Tax on Livestock.

(H. P. 47) (L. D. 66) An Act Relating to Trade-in Credit for Watercraft Under Sales Tax.

Came from the Senate read and passed.

In the House:

The SPEAKER: Is it the pleasure of the House that this Order receive passage in concurrence? This being a Joint Order, to recall matters from the legislative files requires a two-thirds vote. All those in favor of this Order receiving passage will vote yes; those opposed will vote no. The Chair opens the vote.

A vote of the House was taken.

116 having voted in the affirmative and 11 having voted in the negative, 116 being more than two-thirds, the Order received passage in concurrence.

#### Orders of the Day

The Chair laid before the House the following Non-Concurrent items, numbers 1 through 30, which were tabled June 26 by Mr. Richardson

of Cumberland pending further consideration, and which came from the Senate indefinitely postponed in non-concurrence.

An Act to Provide Funds for Blind Children's Education, Inc. (H. P. 1) (L. D. 1)

(In House, enacted.)

An Act Providing Funds to Assist the Casco Bay Island Development Association to Create an International Vacation and Conference Center on Peaks Island (S. P. 327) (L. D. 862)

(In House, enacted.)

An Act relating to Housing and Meal Expenses for Legislators (S. P. 586) (L. D. 1551)

(In House, enacted.)

Resolve in favor of the City of Augusta (H. P. 7) (L. D. 19)

(In House, finally passed.)

An Act relating to Exceptional Children (H. P. 56) (L. D. 81)

(In House, enacted.)

Resolve Providing Funds for the Narraguagus River Water Control Program (H. P. 90) (L. D. 119)

(In House, finally passed)

An Act relating to Payment of Funeral Expenses of Recipients of Aid to the Aged, Blind or Disabled (H. P. 461) (L. D. 674)

(In House, enacted.)

Resolve Providing Funds for Fisheries Instruction and Literature Publication and Dissemination (H. P. 641) (L. D. 896)

(In House, enacted.)

An Act Appropriating Funds to Expand Services for Eye Care and Special Services Division, Department of Health and Welfare (H. P. 687) (L. D. 982)

(In House, enacted.)

Resolve relating to Retirement and Pension of Stephen A. Regina of Saco (H. P. 697) (L. D. 978)

(In House, finally passed.)

Resolve Providing for a Retirement Allowance for Lois Blackwell Goodwin (H. P. 721) (L. D. 1016)

(In House, finally passed.)

An Act relating to Law Clerks for the Judiciary (H. P. 929) (L. D. 1345)

(In House, enacted.)

An Act Providing Funds for Support of Civil Air Patrol (S. P. 295) (L. D. 734)

(In House, enacted.)

An Act Revising the Law Relating to Dealers in Securities (S. P. 389) (L. D. 1069)

(In House, enacted.)

An Act Authorizing Use of Electronic Voting Systems in Elections and Granting Rule-making Authority (S. P. 425) (L. D. 1079)

(In House, enacted.)

An Act relating to Fallout Shelters in Public School Buildings (S. P. 607) (L. D. 1589)

(In House, enacted.)

An Act Creating the Pest Control Compact (S. P. 630) (L. D. 1631)

(In House, enacted.)

An Act Repealing the Law Requiring Assessment of Municipalities in Aid to Dependent Children Grants (H. P. 12) (L. D. 24)

(In House, enacted.)

An Act Reactivating the Governor's Committee on Children and Youth (H. P. 261) (L. D. 382)

(In House, enacted.)

An Act relating to the Reimbursement of Board for Secondary School Pupils (H. P. 303) (L. D. 437)

(In House, enacted.)

Resolve to Authorize a Professional Review and Analysis of Maine's World Trade Potential (H. P. 495) (L. D. 708)

(In House, finally passed.)

An Act Providing Funds for a Redevelopment Plan of the Portland and South Portland Waterfront (H. P. 657) (L. D. 912)

(In House, enacted.)

Resolve for Construction and Erection of Statue to "The Maine Lobsterman" in Washington, D.C. (H. P. 661) (L. D. 916)

(In House, finally passed.)

An Act relating to the Administration of the Aid to Dependent Children Program, and Authorizing Work Experience and Training for Recipients of Aid to Dependent Children (H. P. 707) (L. D. 1002)

(In House, enacted.)

An Act Providing Vocational Education Loan Funds (H. P. 882) (L. D. 1294)

(In House, enacted.)

An Act Establishing a Consumers' Council (H. P. 1004) (L. D. 1471)

(In House, enacted.)

An Act Appropriating Funds to County of Lincoln, Town of Wiscasset and Town of Westport for Reimbursement of Funds Expended on Westport-Wiscasset Bridge Span (H. P. 1181) (L. D. 1683)

(In House, enacted.)

An Act to Establish the Division of Municipal Affairs in the Executive Department (H. P. 1184) (L. D. 1686)

(In House, enacted.)

An Act relating to Restoration to Service under State Retirement Law (H. P. 1187) (L. D. 1688)

(In House, enacted.)

An Act Creating the Maine Ocean Science Council (H. P. 1210) (L. D. 1722)

(In House, enacted.)

Thereupon, on motion of Mr. Richardson of Cumberland, tabled until later in today's session.

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

An Act Making Additional Appropriations for the Expenditures of State Government and for Other Purposes for the Fiscal Years Ending June 30, 1968 and June 30, 1969 (S. P. 700) (L. D. 1737)

Tabled — June 26, by Mr. Richardson of Cumberland.

Pending — Passage to be enacted.

Thereupon, on motion of Mr. Bragdon of Perham, the House voted to suspend the rules and to reconsider its action on June 22 whereby it passed the Bill to be engrossed.

The same gentleman then offered House Amendment "A" and moved its adoption.

House Amendment "A" was read by the Clerk as follows:

HOUSE AMENDMENT "A" to S. P. 700, L. D. 1737, Bill, "An Act Making Additional Appropriations for the Expenditures of State Government and for Other Purposes for the Fiscal Years Ending June 30, 1968 and June 30, 1969."

Amend said Bill in Section A by inserting after the paragraph captioned "MAINE STATE ARCHIVES" the following:

**MENTAL HEALTH AND CORRECTIONS, DEPARTMENT OF**  
 Augusta State Hospital  
 All Other \$32,300

Provides funds for automation of inventory method for depreciation purposes for Medicare Program'

Further amend said Bill in Section A by striking out all of the last 3 lines (same in L. D. 1737) and inserting in place thereof the following:

Total Section A \$85,252 \$82,633

Amounting to \$85,252 for the fiscal year ending June 30, 1968 and \$82,633 for the fiscal year ending June 30, 1969.'

House Amendment "A" was adopted and the Bill passed to be engrossed as amended by House Amendment "A" in non-concurrence and sent up for concurrence.

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

An Act to Appropriate and Provide Moneys for the Expenditures of State Government and for Other Purposes for the Fiscal Years Ending June 30, 1968 and June 30, 1969 (S. P. 597) (L. D. 1575)

Tabled — June 26, by Mr. Richardson of Cumberland.

Pending — His motion to reconsider failure of passage to be enacted.

Thereupon, on motion of Mr. Richardson of Cumberland, retabled pending his motion to reconsider failure of passage to be enacted and specially assigned for tomorrow.

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

An Act to Authorize the Issuance of Bonds in the Amount of Sixteen Million Eight Hundred Thousand Dollars on Behalf of the State of Maine to Build State Highways (H. P. 1174) (L. D. 1673)

Tabled — June 26, by Mr. Benson of Southwest Harbor.

Pending — Adoption of House Amendment "A" (H-449)

Thereupon, on motion of Mr. Benson of Southwest Harbor, re-

tabled pending adoption of House Amendment "A" and assigned for later in today's session.

Thereupon, on motion of Mr. Richardson of Cumberland,  
 Recessed until two o'clock in the afternoon.

**After Recess**  
**2:00 P. M.**

The House was called to order by the Speaker.

**Orders Out of Order**

On motion of Mrs. Baker of Orrington, it was

ORDERED, that Robert H. Hanson and Rebecca L. Hanson of Roseville, California, be appointed to serve as Honorary Pages for today.

Mr. Gill of South Portland presented the following Order and moved its passage:

ORDERED, the Senate concurring, that the Legislative Research Committee be directed to study in depth the adequacy of the physical plant and dormitory facilities at Stevens Training Center; and be it further

ORDERED, that a report of such study, together with any recommendations deemed necessary, be made at the next special or regular session of the Legislature. (H. P. 1235)

The Order received passage and was sent up for concurrence.

The following papers appearing on Supplement No. 2 were taken up by unanimous consent:

The following Communication:  
 THE SENATE OF MAINE  
 Augusta, Maine

June 26, 1967

Honorable Bertha W. Johnson  
 Clerk of the House  
 103rd Legislature  
 Dear Madam:

The President has appointed the following members of the Senate to the Committees of Conference on the following subject matters:

Bill, An Act Creating a Second Assistant County Attorney for York County. (S. P. 280) (L. D. 660)

Senators: JOHNSON of Somerset

LUND of Kennebec  
DUQUETTE of York

Bill, An Act to Abolish Imprisonment for Debt, and to Revise Laws Relating to Disclosures of Debtors (S. P. 680) (L. D. 1710)

Senators: MILLS of Franklin  
LUND of Kennebec  
HILDRETH  
of Cumberland

Joint Order, Relative to Interim Study Committee on Highway Revenues and Requirements (H. P. 1223)

Senators: JOHNSON of Somerset  
SEWALL of Penobscot  
HILDRETH

of Cumberland

Respectfully,

(Signed) JERROLD B. SPEERS  
Secretary of the Senate

The Communication was read and ordered placed on file.

The following Communication:

THE SENATE OF MAINE  
Augusta, Maine

June 27, 1967

Honorable Bertha W. Johnson  
Clerk of the House  
103rd Legislature

Dear Madam:

The President today appointed the following members of the Senate to Committees of Conference on the following items:

Bill, An Act relating to Coverage Under Employment Security Law (S. P. 456) (L. D. 1133)

Senators: BECKETT  
of Washington  
LUND of Kennebec  
NORRIS of Oxford

Bill, An Act Increasing the Terms of Trustees for the Maine Maritime Academy (H. P. 1220) (L. D. 1736)

Senators: WYMAN of Washington  
ROSS of Piscataquis  
VILES of Somerset

Bill, An Act Creating a District Court Division of Northern Androscoggin and Franklin (S. P. 544) (L. D. 1392)

Senators: HILDRETH  
of Cumberland  
LUND of Kennebec  
SNOW of Cumberland

Bill, An Act Providing for an Additional District Court Judge at Large (S. P. 380) (L. D. 993)

Senators: HILDRETH  
of Cumberland  
LUND of Kennebec  
SNOW of Cumberland

Bill, "An Act Increasing Compensation of Court Justices and Certain Department Heads (S. P. 695) (L. D. 1731)

Senators: WYMAN of Washington  
KATZ of Kennebec  
STERN of Penobscot

Respectfully,

(Signed) JERROLD B. SPEERS  
Secretary of the Senate

The Communication was read and ordered placed on file.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Darey.

Mr. DAREY: Mr. Speaker, may I inquire if the Chair has in its possession L. D. 993, Bill "An Act Providing for an Additional District Court Judge at Large"?

The SPEAKER: The Chair would advise the gentleman that not having given previous notice, it has gone to the other branch.

Mr. DAREY: Would I be in order now to ask that we reconsider our action?

The SPEAKER: The Chair would advise the gentleman that the matter is no longer in the possession of the House. (Off record remark by the Speaker)

#### House at Ease

Called to order by the Speaker.

The SPEAKER: The Chair now calls your attention to Supplement No. 3, relative to recalled matters.

Mr. Richardson of Cumberland was granted unanimous consent to address the House.

Mr. RICHARDSON: Mr. Speaker and Members of the House: Rather than suspending the rules and taking up each of the nine items which appear on Supplement No. 3, I think it might save time if I simply indicated to you that as an administrative procedure we felt that it would be appropriate for us to recall tax measures. In our

zeal to do so we have recalled two here that don't involve revenue gains, but revenue losses. Now, with that significant exception these are items which have previously been considered and rejected by this session of the Legislature. We inadvertently did not recall the income tax bill to the Legislative halls, but if anyone wants to introduce an order recalling it I will support it to the extent of bringing it back in here. The reason for our taking this position is that it has been suggested that we are unwilling to consider alternatives. Certainly we feel that these items have been rather decisively rejected, but at any rate if any person here or the Minority leadership wishes to incorporate these bills in any suggested alternative, they are here for that purpose and for that consideration and if none of them are to be offered, I would ask that they be retabled.

Mr. Levesque of Madawaska was granted unanimous consent to address the House.

Mr. LEVESQUE: Mr. Speaker and Members of the House: At this time I don't know whether it would be just a matter of academic, of trying to put a package comprising the different taxes to arrive at an amount that would be equal to the sales tax with the possibility of this being an alternate proposal to this House. These ventures might purely be academic on the part of both the Democrats and Republicans in this House. Although it may be to our advantage at this time that we retable these items with the possibility that either later today or tomorrow or as soon as is immediately possible, that some of these recalled matters might be implemented into a satisfactory program that can be passed at this session of the Legislature. At this moment, I fail to see where this would be possible under the present circumstances. So, therefore, I am relatively of the same feeling as the Majority Floor Leader that these might be wise to be laid on the table until at least tomorrow.

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

Mr. JALBERT: Mr. Speaker and Members of the House: Relative to this Supplement No. 3, I can recall that some of these were acted upon unfavorably earlier in the session. I can also recall that I introduced orders on some of them, recalling them, and at the time the thinking was that my action was to a degree, premature. Now, somewhere along the line I think we've got to decide that some things are not done prematurely. I think the time has come now to make our move and I certainly strongly suggest that these not be tabled, and I strongly suggest that these be put to a vote by roll call, now.

Mr. Levesque of Madawaska was then granted unanimous consent to address the House.

Mr. LEVESQUE: Mr. Speaker and Members of the House: In view of the remarks of the gentleman from Lewiston, Mr. Jalbert, and in view of the pending motion that he has made, that they should be voted now as individual bills or documents and that it be done by roll call, I fail to see where this would leave the door open for any fair or any compromise at all regarding any of these documents, so my request was that it be tabled until tomorrow with the possibility that if any or all of those can be implemented into a compromise, which is not very likely today but may leave the door open for another day.

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

Mr. JALBERT: Mr. Speaker and Members of the House: I might suggest that I did not make a motion, I made a suggestion and the purpose of my thinking is merely for us to know where we would stand in the area of compromise on these measures. I am not setting any policy here, I am just suggesting.

The SPEAKER: The Chair recognizes the gentleman from Madawaska, Mr. Levesque.

Mr. LEVESQUE: Mr. Speaker: I now move that these items that have been recalled, 1 through 9,

be laid on the table until tomorrow.

Thereupon, the following recall matters, on mention of Mr. Levesque of Madawaska, were tabled pending further consideration and specially assigned for tomorrow:

Majority Report of the Committee on Taxation reporting "Ought to pass" on Bill "An Act relating to Trade-in Credit for Watercraft under Sales Tax" (H. P. 47) (L. D. 66), which was recommended, and Minority Report reporting "Ought not to pass" which Reports and Bill were indefinitely postponed in the House on June 1, and which were recalled from the legislative files by Joint Order (S. P. 707)

Report of the Committee on Taxation on Bill "An Act relating to Disposition of Tax on Transient Rentals under Sales Tax Law" (H. P. 76) (L. D. 101) reporting same in a new draft (H. P. 1110) (L. D. 1577) under same title and that it "Ought to pass" on which the House insisted on May 25 on its former action whereby the Report was accepted and the Bill passed to be engrossed (in Senate, that body voted to adhere to its former action whereby the Report and Bill were indefinitely postponed), and which was recalled from the legislative files by Joint Order (S. P. 707)

An Act Repealing Trade-in Credit for Motor Vehicles under Sales Tax Law (H. P. 121) (L. D. 147) which failed on passage to be enacted in the House on May 4, and which was recalled from the legislative files by Joint Order (S. P. 707)

Majority Report of the Committee on Taxation on Bill "An Act to Increase Cigarette Tax Two Cents" (H. P. 122) (L. D. 148) reporting "Ought not to pass", as covered by other legislation, and Minority Report reporting "Ought to pass" on which the House accepted the Majority Report on June 7, and which was recalled from the legislative files by Joint Order (S. P. 707)

Majority Report of the Committee on Taxation reporting "Ought not to pass" on Bill "An Act to Remove Sales Tax Exemptions on Rentals, Repairs, Installation and Servicing of Tangible Personal

Property" (H. P. 123) (L. D. 149) and Minority Report reporting "Ought to pass" on which the House accepted the Majority Report on June 1, and which were recalled from the legislative files by Joint Order (S. P. 707)

Report of the Committee on Taxation on Bill "An Act Providing for Sales Tax on Advertising" (H. P. 251) (L. D. 359) reporting Leave to Withdraw which Report was adopted in the House on March 31, and which was recalled from the legislative files by Joint Order (S. P. 707)

Report of the Committee of Conference on the disagreeing action of the two branches of the Legislature on Bill "An Act relating to Taxation of Television Sets" (H. P. 287) (L. D. 407) reporting that they are unable to agree which Report was accepted in the House on June 15, and which was recalled from the legislative files by Joint Order (S. P. 707)

Report of the Committee on Taxation reporting "Ought not to pass" on Bill "An Act Providing for a Luxury Tax on Luggage, Jewelry, Furs and Toilet Preparations" (H. P. 426) (L. D. 590) which Report was accepted in the House on May 25, and which was recalled from the legislative files by Joint Order (S. P. 707)

Report of the Committee on Taxation reporting "Ought not to pass" on Bill "An Act Establishing an Excise Tax on Livestock" (H. P. 920) (L. D. 1329) which Report was accepted in the House on April 6, and which was recalled from the legislative files by Joint Order (S. P. 707)

The following Conference Report appearing on Supplement No. 4 was then taken up:

Report of the Committee of Conference on the disagreeing action of the two branches of the Legislature on

Bill "An Act to Make Allocations from the General Highway Fund for the Fiscal Years Ending June 30, 1968 and June 30, 1969" (H. P. 1173) (L. D. 1672) reporting that the Senate recede and concur with the House in passing the Bill to be

engrossed as amended by House Amendment "A".

(Signed) WALTZ of Waldoboro  
GILL of South Portland  
TRUMAN of Biddeford  
—Committee on part of House.  
FERGUSON of Oxford  
JOHNSON of Somerset  
RENY of York  
—Committee on part of Senate.

Report was read.

The SPEAKER: The Chair recognizes the gentleman from Sanford, Mr. Nadeau.

Mr. NADEAU: Mr. Speaker and Members of the House: May I ask, does this include the Highway Building?

The SPEAKER: The Chair would advise the gentleman that the Committee of Conference report does strike out the Highway Building, unless the Chair stands corrected. Is it the pleasure of the House that the Committee of Conference report be accepted?

The motion prevailed. Sent up for concurrence.

On motion of Mr. Richardson of Cumberland, items one through thirty that appeared under Orders of the Day, Non-Concurrent matters, and that were tabled until later in the day's session, were retabled pending further consideration and specially assigned for tomorrow.

(Off Record Remarks)

The Chair laid before the House item three under tabled and today assigned matters, tabled earlier in the day to later in the session:

An Act to Authorize the Issuance of Bonds in the Amount of Sixteen Million Eight Hundred Thousand Dollars on Behalf of the State of Maine to Build State Highways (H. P. 1174) (L. D. 1673)

Tabled—June 26, by Mr. Benson of Southwest Harbor.

Pending—Adoption of House Amendment "A" (H-449)

The SPEAKER: The Chair recognizes the gentleman from Waldoboro, Mr. Waltz.

Mr. WALTZ: Mr. Speaker and Members of the House: I certainly regret that this bill has been tabled

so often. The delay, however, has been caused in the main by the Committee of Conference action which was finally resolved this afternoon. As you all know, the Committee of Conference agreed with the amendment that I had and the allocation bill to deduct \$2,500,000 for a proposed highway building. Now, to justify my amendment for cutting 1673 from \$16,800,000 to the original ten which was all originally asked for, I wish to make the following suggestions. Obviously, the Highway receipts, current revenue if you will, could stand a million dollars reduction this year. If they could stand a million dollar reduction this year for a State Highway Building, it seems to me quite plain that they could also stand a cut, if you will, of one million dollars for the two following years. That makes \$3 million. They propose to take a million and a half from the Highway surplus which will not be presently needed, add that to the \$3 million.

Records show, and these I have obtained from the Legislative Finance Officer, I presume most of you have a copy or have had a copy of this in the past, that the current income of the Highway Department for the past three years has increased approximately four percent or roughly a million and a half dollars each year. I see no justification at the present time for believing that the trend will turn but I think that it is apt to continue at pretty much the same rate. If we use a million and a half dollar increase per year from current revenues, multiplied by five, would give us roughly in the neighborhood of \$5 million. Those three items add up to \$9,500,000 approximately. Now, if we take this \$6,800,000 off the bond issue it would still leave us a profit, or a surplus, whichever way you want to call it, of about two million and a half.

From the shall I say investigation or time that I have given to this study, I do not feel that the highway program over the next three years is going to suffer to any extent. I think there will be adequate funds to go along and take care of the program which

has been underway and which I think has been quite successful for the past several years. It might be of interest to you to know that the past year the interest on highway and bridge bonds approximated \$1 million. Now, I am definitely in favor of cutting down this type of expenditure. Whether or not you will concur with me in this thinking of mine, I do not know. I offer it and I have made no effort to lobby it for your consideration. Should you disagree with my thinking to the extent of meeting a \$6,800,000 reduction in this bond issue, I hope that some consideration may be given later on in the afternoon to a motion that I would like to make with respect to reducing this bond indebtedness by a smaller amount which I feel confident that every member in this House would be tempted to buy. I move the adoption of my amendment.

The SPEAKER: The gentleman from Waldoboro, Mr. Waltz, now moves the adoption of House Amendment "A".

The Chair recognizes the gentleman from Enfield, Mr. Dudley.

Mr. DUDLEY: Mr. Speaker and Members of the House: I, too am a Member of the Highway Committee and I have a lot of respect for the man who has just spoken to you and I know that he is very sincere in his endeavor. However, our Committee was nine to one on the Report for this bond issue as it now stands without the amendment and it is my understanding this is one field where our leadership in both parties has agreed amongst themselves and with the Governor. Now, one thing that I want to assure you that the 4% increase has been taken into consideration and discussed and allowed for in making this bond issue out. If this bond issue is reduced, this is L. D. 1673, is reduced from \$16.8 million the result will be found in the years later, in the years '69-'70. The Legislature has not provided financing enough for 1970 fiscal year. Allocating only \$8,819,931 of the \$16,800,000 for the fiscal year '68; the fiscal year '69, the balance provided for financing the fiscal

year 1970. What it amounts to is this. If we don't have this money available, this not saying they will have to use it, we may stand a chance of losing from eight to ten million dollars in federal funds and this is the reason we thought it wise to have this bond issue so it could be sold if necessary.

Now, let me say that you don't have to build any roads at all if you don't want to. You don't have to have any bond issue and I am one of those people that are quite conservative, but I will point out to you that we are not building roads even in this manner as fast as they are wearing out, and I think it would be a wise move on the part of this House if we accepted the recommendation of nine members of the Committee, the leadership of both parties, including the Governor, and this one item, let it be taken care of. Now, this House, the able gentleman from Waldoboro, Mr. Waltz, we went along with him in the allocation act and took away the building that was proposed and the House see fit to do this and the Conference Committee did and so this building has been taken care of. We have just so voted when we accepted the Committee report which has done away with the building. Now, as far as I know, this was the only, this was the major gripe in the whole highway appropriation so I do hope, this afternoon, that this House will accept the rest of the Committee's report, the Committee on Highway, and adopt the bond issue \$16,800,000 and let me say again that during the length of time that—before this is being sold, we will be retiring a lot of bonds.

Let me further state that this is not the way we have done it in the past, we have always financed, in all my years of being here, the Highway Construction has been financed four years in advance. Let me point out very clearly that this—even this bond issue only finances the highway program for three years. Now, this certainly doesn't meet with the approval of the Highway Commission, I can assure you of that. And the reason the Highway Commission and some of those interested went



along, they went along because they thought the building was going to be taken care of out of current revenue and out of surplus. And for that reason they went along with three year financing. So, bear in mind this one thing, in my closing, that even if we accept this \$16,800,000 we are only accepting three year financing where over the years we have always accepted four year financing. And I still think we should finance possibly for four years, but the leadership and the Governor agreed on this point and I don't want to get into any further hassle, I think we are in problems enough now, so I do hope that you will go along and accept this bond issue without the amendment for \$16,800,000. Thank you.

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

Mr. JALBERT: Mr. Speaker and Members of the House: I listened intently to the remarks of the gentleman from Lincoln, Mr. Dudley. I think he certainly has satisfied the majority of the House that—the members of the House that the building is out of this program. I certainly would commend this gentleman from Waldoboro, Mr. Waltz, for his tenacity in this matter; however, I feel that this, at this stage of the game, this has been a nine to one report, it went into Conference and I think it has been thoroughly thrashed out by the people, nine members of the Committee who should know. I think we should be ready to accept the result of the work of this Committee, made up of ten people, nine being one way and one the other, and for that reason, so that we can accept the bill as it is originally price tagged at \$16,800,000, I move the indefinite postponement of House Amendment "A".

The SPEAKER: The gentleman from Lewiston, Mr. Jalbert, now moves the indefinite postponement of House Amendment "A" to 1673.

The Chair recognizes the gentleman from Freeport, Mr. Crockett.

Mr. CROCKETT: Mr. Speaker and Members of the House:

The Highway program will provide the following:

Financing of highway activities for a three year period—namely July 1, 1967 to June 30, 1969 and July 1, 1969 to June 30, 1970.

Financing would be accomplished by the use of current revenue, transfer of \$1,500,000 from Surplus, bonds already authorized, plus authorization of new bonds in the amount of \$16,800,000. Bonds to be retired during the three year period will amount to \$12,707,000.

The regular construction program for the three year period will be financed, including State funds to match all federal moneys made available during the period. The supplemental construction program as announced by the State Highway Commission in December 1966 will be financed to the extent of \$4,416,752 over the three year period. The financing of the remaining \$1,583,248 of the \$6,000,000 supplemental construction program will be requested of the Legislature in the 1969 regular session.

The State Aid, Special State Aid and Town Road Improvement programs will continue on the same basis with \$9,650,000 of State funds being made available for these three programs during the next biennium.

Financing is provided for 15 additional State Troopers, 8 of these additional Troopers are needed for the new section of Interstate 95 to be opened in the fall of 1967 and for a 20-year retirement plan for State Police. The corresponding financing in the General Fund is included in the appropriations act for the General Fund.

Financing for the purpose of placing maintenance employees of the State Highway Department on five step salary ranges, plus the two longevity steps the same as other State employees is included. The cost of changing to the five step plan will be approximately \$430,000 per year starting with the second year of the next biennium.

Financing for a 5% increase in employees' salaries, effective July 1, 1968, is included at a cost of \$850,000 per year for Highway employees. This is in addition to the \$430,000 in Item 6.

The office space problem will be relieved for at least four years by making available additional space for several departments including the Governor and staff, the Legislature, Public Utilities Commission will be moved from the State House to the State Office Building; Education, Mental Health & Corrections, Agriculture, Forestry, Retirement, Personnel, Parks & Recreation and Taxation. This will be accomplished by moving the State Highway Department but that is out, you just voted that out so I'll skip that. I won't go on to read the rest of it because I say you can't do business out of an empty cart. My Dad told me that and I fully believe it. I've been a peddler around more or less and I know you've got to have merchandise and merchandise is money when you are building highways. We are wearing out the highways much faster than we are building them today and for God's sake, let's continue to keep Maine's reputation for good roads, by not cutting out this \$6 million. I thank you.

The SPEAKER: The Chair recognizes the gentleman from Bath, Mr. Ross.

Mr. ROSS: Mr. Speaker: I have two questions that I would like to pose to anyone on the Highway Committee. Why, in three months, it is exactly three months to the day from the time the first bill was introduced to this redraft, why did that raise from \$10 million to \$16.8 million, and is part of the highway building in this bond issue, and if not, now that we've cut the allocation bill \$2.5 million, why can't we reduce the bond issue by \$2.5 million?

The SPEAKER: The gentleman from Bath, Mr. Ross, poses a question through the Chair to anyone who may answer if they choose.

The Chair recognizes the gentleman from Enfield, Mr. Dudley.

Mr. DUDLEY: Mr. Speaker: I am sure that this was a lot of questions and I'll try to answer some of them. One of them is the highway — the employees 5% that came up during this time and it was decided that possibly state employees would get 5% — if they did highway employees would

have to get 5%. That's part of the question. They—also included in this is your Highway Town Road Improvement and your State Aid and these are figures are large enough to take care of — I have it in my desk, it would take me some time to dig it out on this short a notice. I hope I answered at least one of his questions and I can't remember exactly what the other one was — how they was put — it was things that come up during these three months and one of them being at least the 5% for employees and there were others. I can look it up and get you the — in my desk, but my desk is cluttered like everybody else's at this time.

The SPEAKER: The Chair recognizes the gentleman from Ellsworth, Mr. McNally.

Mr. McNALLY: Mr. Speaker and Members of the House: There is another thing that I understand is so, I believe that we have around a million dollar deficit in snow removal so that million dollars out of surplus going for buildings is going to be put to a pretty good use, it looks to me.

The SPEAKER: The Chair recognizes the gentleman from Houlton, Mr. Berman.

Mr. BERMAN: Mr. Speaker and Members of the House: I would like to pose a question through the Chair. We are talking about a bond issue now and there has been some mention of a 5% increase for state highway employees in a bond issue and somehow or other, this doesn't seem quite right to me.

The SPEAKER: The gentleman from Houlton, Mr. Berman, poses a question through the Chair to anyone who may answer if they desire.

The Chair recognizes the gentleman from Enfield, Mr. Dudley.

Mr. DUDLEY: Mr. Speaker and Members of the House: I don't think the 5% pertains to the bond issue as of today, but the bond issue is dealing with years hence and I suspect if we give a 5% increase today that a year from today or two years from today, that we can't take it away. So, the highway program will have to be

financed and this 5% will be recurring as years go on, I hope, and I suspect it will.

The SPEAKER: The Chair recognizes the gentleman from Waldo-boro, Mr. Waltz.

Mr. WALTZ: Mr. Speaker and Members of the House: I certainly wish to compliment Mr. Dudley upon his reply to the question of the gentleman from Bath, Mr. Ross. He states that there are certain increased expenditures in this bill or in the highway operating budget which necessitates more money. Granted, but they propose to take out two million and a half for this highway building without any of these other things suffering, so to me it just doesn't make too much sense. Here's another thing that I think, rather two of them that you should be aware of. Two years ago we passed a bond issue for \$9,500,000 which was predicated upon a four year span or in other words \$2.4 million per year. This year this bond issue of \$16.8 million is spread over a three year span which means a cost of \$5,600,000. Now, you mean to tell me that these additional expenses like some additional troopers, snow removal et cetera, is going to mean that the State is going to pay substantially in the neighborhood of \$3 million more? Here's another thing. In the estimate of the highway program current receipts they have listed \$42,200,000 for the year '67-'68 and \$42,850,000 for the year '68-'69; based upon this report, the receipts for the highway department which ended one July a year ago, it was slightly over \$44 million. Now, why should they make a cut of approximately \$2 million? I think this thing instead of going down the curve is upward. I still think there is considerable merit in deducting this \$6,800,000.

The SPEAKER: The Chair recognizes the gentleman from Portland, Mr. Sullivan.

Mr. SULLIVAN: Mr. Speaker and Members of the House: You know, I'm a little bit concerned. There is always reference to we're going to get so many millions from the Federal Government. The Federal Government also has to get

those from taxpayers, it's still taxpayers' money. Now it appears to me, maybe I had ought to stop and laugh at myself a little while, when you take that office building at two and one-half million dollars, it was the voters of this State that killed that, not any individual in this Legislature, and with all what seems to me to be camouflage no one has still answered to my point of view, logically, when you subtract the two and one half million from the \$16 million figure I've heard quoted, you still take two and one half million from the \$16 million whatever it was.

Now, if that isn't right, and I go along about 100% with Representative Waltz, and if by some chance we shouldn't give the Highway Department enough money you can still do it later. We probably will have to have another session. I think it's about time these bond issues, wherever possible, were cut a reasonable amount and I still contend that two and a half million dollars should come out of the proposed bond issue. Now if, when we get to next year, that isn't sufficient, we'll probably have to have a special session of this Legislature next year and then if any of these have been cut too low, we can still change them. Thank you.

The SPEAKER: The Chair recognizes the gentleman from Naples, Mr. Burnham.

Mr. BURNHAM: Mr. Speaker and Members of the House: As a member of the Highway Committee, I want to concur with the gentleman from Enfield, Mr. Dudley. He voiced my sentiments completely. And also, the gentleman from Freeport, Mr. Crockett. In partial answer to the gentleman from Portland, Mr. Sullivan, I think it was brought out that a million dollars was spent for snow removal, that is partial, that would take up a million dollars of this so-called highway building that he is talking about. Thank you.

The SPEAKER: The Chair recognizes the gentleman from Kingman Township, Mr. Starbird.

Mr. STARBIRD: Mr. Speaker and Members of the House: The longer I listen to this debate, the

more confused I get. This bill, this bond issue bill, says "the proceeds from the sale of said bonds shall be used for construction, reconstruction of roads and bridges in accordance with allocations made by the legislature." During this debate, unless my mind has got too muddled to comprehend what has been going on, I understand that there may be a 5% increase for highway employees included in here. From remarks made by the gentleman from Waldoboro, Mr. Waltz, several days ago in regard to this same matter, that the—somehow our office building which we have just successfully killed in another bill may be tied in here in some manner and I'd like to know just exactly what is coming in here under the cover of roads and bridges. If we're getting all of this material in here maybe we'd better be sure and kill the whole thing.

Thereupon, Mr. Dudley of Enfield was granted permission to speak a third time.

Mr. DUDLEY: I don't normally try to speak before this body three time although today it's happened twice. I'm sorry. I am going to try to point out some of the reasons why this was increased. I have now dug some literature out of my files and there were several L. D.'s that passed our Committee, snow removal reimbursement to the town, \$40 per mile. This was L. D. 16. State Retirement Benefits, straight mileage raised to 10c, this was L. D. 373. Improved State Retirement Law, this was L. D. 523. And as you look down through there were many of these. I won't go into it, there is about three pages and some of them run into a lot of money; time and a half pay was out, we didn't pass that. Public Arbitration Law was the next one 947. Study of a Bridge between Bath and Phippsburg is another one we passed, they are numerous, I've got some of them marked off and another L. D. 1339, to make a study of an expressway through Washington County.

There were many things that were added that our Committee felt as though should be entered into this thing and I am sure that the Department over there will

build as little amount of road as this House wants built, or as much as they want built, but I will assure you that this bond issue will not barely keep up with what we are now doing; in other words, there will certainly be a cut-back somewhere, there will have to be, because there are a lot of expensive items. Now, I might point out this, while I'm on my feet, at the beginning of the session we were handed a book of what they proposed to do in the next two years and the next four years and you was also handed a supplemental of what they intend to build under the supplemental budget and there is a lot of projects in this supplemental budget of which Representative Starbird has one, namely a bridge in his legislative district. Now, some of these was in the Supplemental Budget, now even this, even raising this amount of money, let me assure you that it is \$2 million short of meeting the Supplemental Budget of the State Highway as the ones in this folder that they gave you at the beginning of the session. So, it meets only the bare needs and even this doesn't cover the Supplemental Budget which they handed you by about \$2 million.

The SPEAKER: The Chair recognizes the gentleman from Houlton, Mr. Berman.

Mr. BERMAN: Mr. Speaker and Members of the House: I am not an accountant and I make no pretensions to understanding the particular problems of the accounting profession. However, I am reasonably conversant with the difference between a Capital Improvement and a recurring expenditure. I've heard mentioned this afternoon by my good friend, the gentleman from Enfield, Mr. Dudley, something about snow removal, I've heard mention about possible built-in pay increases, these seem to me to be in the nature of recurring expenses and if they are recurring expenses, I don't see what reason they have being put in a bond issue.

The SPEAKER: The Chair recognizes the gentleman from South Portland, Mr. Gill.

Mr. GILL: Mr. Speaker and Members of the House: I'm going to try and unravel this although I'm not a member of the Highway Committee. After four meetings of a Committee of Conference I feel like I know a little bit about it, and only a little.

First we'll discuss L. D. 1672. Now this is the Allocation Fund of which the Committee of Conference reported back on and has been disposed of. There was \$1 million for this building to come from current revenue, and \$1,500,000 from the General Highway Surplus Fund, and I think that this is where our confusion comes. We've taken out the building, so actually we have \$2.5 million here, and I believe Representative Berman is confused in an area where I was. I thought that this Highway Fund Bond Issue which is now before us was including these pay raises in the overdraft for the snow removal. However, the way I look at it, if I understand it correctly, is they are going to take this \$2.5 million from the former legislative document which is still in there and they're going to use one million of it for—in the overdraft on the snow removal, and I believe of this five percent for the state employees, and I believe this tends to clarify it a little.

At this point originally I was going to oppose the amendment of Mr. Waltz. However, at this point it would look like they have this \$2½ million and if they cannot justify it staying in there, I would at least be willing to go along with that type of amendment.

The SPEAKER: The Chair recognizes the gentleman from Sanford, Mr. Nadeau.

Mr. NADEAU: Mr. Speaker and Members of the House: After hearing all the remarks, I will say I am an accountant, and the figures must balance somewhere along the line, as Mr. Gill just explained some of the things that I had noted. If they would have had this gem of a building, what would you have done then about everything they were short about? What are they going to use it for now? Such as these pay increases, this loss of revenue in a highway snow removal, which gets me to think if

they run this highway snow removal I can well understand why they're a million dollars short if they run like this like they do the office building, and the way they take care of the summer program. I dare you to pass by one of those trucks if you don't see six of them hanging on a rake—in fact I think they only have one rake for every six people.

I can well understand why the snow removal were in a deficit of a million dollars, but that's beside the point. I still feel that if we leave them this fat surplus in the next session somehow along the line they'll have a little item in there—out of this surplus we want to build another state office building, and I think this is all that we're concerned about and I personally will support the amendment.

The SPEAKER: The Chair recognizes the gentleman from Freeport, Mr. Crockett.

Mr. CROCKETT: Mr. Speaker and Members of the House: The gentleman from Sanford evidently is not familiar with the conditions and the weather conditions that we have in the State of Maine here. Anything can happen—an emergency can happen and they need thousands of dollars. We had one here two or three years ago in Bangor. It cost several thousand dollars to get the town shoveled out.

As I said before, you've got to have money to operate an organization like this, which is the largest organization that you have practically in the State. It takes more money to operate. Roads are one of our great assets, to bring the tourists and to help our own people to get around in the State. Penny-pinching is all right, but I believe we have a man over there in the Highway Department that knows his business. Many states would like to have him I'm pretty sure—in fact I know that they have been after him, and we are fortunate to have a man of the type of Mr. Stevens.

Now if you try to make him short on funds you will want just as much as you're getting now, and you can't put a quart in a pint

bottle—and that's what you want to do, Mr. Nadeau.

The SPEAKER: The Chair recognizes the gentleman from Eagle Lake, Mr. Martin.

Mr. MARTIN: Mr. Speaker and Members of the House: I must admit that at this point I'm just as confused as everyone else, but I've been looking at L. D. 1673, and it says that the money shall be used to build state highways within the State of Maine. So I would pose the question to anyone who would care to answer it, and it is this. What if we were to pass this bond issue of sixteen million dollars, what else would they be using the money for then to build highways?

The SPEAKER: The gentleman from Eagle Lake, Mr. Martin, poses a question through the Chair to any member of the Highway Committee who may answer if they choose.

The Chair recognizes the gentleman from Enfield, Mr. Dudley.

Mr. DUDLEY: Mr. Speaker and Members of the House: Well I would say highways—he says highways—I would say highways and bridges, but I say the only way we get this straightened out for us members here sitting here today would have before us what we were given at the pre-legislative conference, and in that folder—I don't have mine available—but if anyone had it available they could easily explain this whole dilemma that we're trying to explain today without the facts. I don't have them before me, but if anyone's got them in there it's well set forth every dollar they're going to spend in the next two years, three years, and four years.

Now besides that they set forth a supplemental budget. They did this during the pre-legislative conference and if those figures are available to any of you members, if you'll present them here you can easily see where the money goes, because every project is listed and the amount of the project, and then they went so far as to list this supplemental budget. In this supplemental budget our Committee found that they're two million dollars short. Now this money that

is left over could very well go to—do some more on the supplemental budget. We increased the State Police by 15 members, they asked for 27 I think, and our Committee went along with 17. This was another big expenditure that hasn't been mentioned. However, when we took this State Police from 27 to 15 the money went back to the supplemental budget—or the supplemental account, so that merely increased the supplemental, the more we could build on the supplemental account.

Now if we pass this program that's before us today, we're still short about two million dollars on this supplemental and I don't have it before me—I hope some of you do, but that's about where we stand; without it before you I can't explain it much better.

The SPEAKER: The Chair recognizes the gentleman from Cumberland, Mr. Richardson.

Mr. RICHARDSON: Mr. Speaker and Members of the House: As you will recall we, last week or the week before, succeeded in having an order introduced to study highway revenues and study the relationship between the various classes of users and road deterioration, and after a couple of minor procedural hurdles in the other body, we now hopefully are going to have an Interim Study Committee on this question, and as I indicated to you at the time we wanted to have this study. We are delaying the inevitable perhaps by bonding, and at the time this bond issue came up for consideration I was advised, and I advised you, that the internal arrangements and transfers of funds within the Highway Department are pretty much in a province under the Highway Department because of the way we have this set up, and I don't propose to change that.

I do not believe—and in good conscience I would say this to my good friend from Houlton, Mr. Berman, I do not believe that we are bonding current services with this program. Now I know that it's an actuarial, an accounting nicety perhaps in the way they tell me this is to be done, but I say to you that even if we are at this point, because of the unwill-

ingness of this Legislature at this point to what I think is face up to a very real reality in our highway program, that this Interim financing program has the support of both parties and I would hope that we would be able to get this item through.

Now I understand that this sixteen million eight dollars should not be reduced by the corresponding cost of the Highway building. Now if that's not the case I hope somebody will table this bill until tomorrow morning, and let's find out. I certainly want to say that as far as bonding current services

I'm not in favor of that, never have been and never will be, and as I understand it we are not doing that in this instance.

On motion of Mr. Jalbert of Lewiston, tabled pending his motion to indefinitely postpone House Amendment "A" and specially assigned for tomorrow.

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(Off Record Remarks)

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On motion of Mr. Richardson of Cumberland,

Adjourned until nine - thirty o'clock tomorrow morning.