

# MAINE STATE LEGISLATURE

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**LEGISLATIVE RECORD**

OF THE

***One Hundred and Tenth  
Legislature***

OF THE

STATE OF MAINE

**Volume I**

**FIRST REGULAR SESSION**

**December 3, 1980 to May 1, 1981**

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## HOUSE

Monday, April 13, 1981

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

Prayer by the Reverend Gordon Harris, Pastor of the Friends Church, Winthrop.

The members stood at attention during the playing of the National Anthem by the Oxford Hills Junior High School Band.

The journal of the previous session was read and approved.

**Papers from the Senate**

Bill "An Act to Expand the Jobs and Investment Income Tax Credit" (S. P. 558) (L. D. 1529)

Came from the Senate referred to the Committee on Taxation and ordered printed.

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

**Reports of Committees  
Ought Not to Pass**

Report of the Committee on Transportation reporting "Ought Not to Pass" on Bill "An Act Concerning Funds for the Maintenance for the Baxter Park Perimeter Road" (S. P. 320) (L. D. 910)

Was placed in the Legislative Files without further action pursuant to Joint Rule 22 in concurrence.

**Leave to Withdraw**

Report of the Committee on Business Legislation reporting "Leave to Withdraw" on Bill "An Act Requiring that Stuffed Furniture Sold in Maine be Fire Retardant" (S. P. 365) (L. D. 1084)

Came from the Senate with the Report read and accepted.

In the House, the Report was read and accepted in concurrence.

**Divided Report**

Majority Report of the Committee on Legal Affairs reporting "Ought Not to Pass" on Bill "An Act to Prohibit the Sales of Kegs of Malt Liquor to Nonlicense Holders" (S. P. 294) (L. D. 820)

Report was signed by the following members:

Senators:

CHARETTE of Androscoggin  
SHUTE of Waldo  
VIOLETTE of Aroostook

— of the Senate.

Representatives:

DUDLEY of Enfield  
STUDLEY of Berwick  
SWAZEY of Bucksport  
STOVER of West Bath  
McSWEENEY of Old Orchard Beach  
GWADOSKY of Fairfield  
PERRY of Mexico  
COX of Brewer  
SOULAS of Bangor

— of the House.

Minority Report of the same Committee reporting "Ought to Pass" on same Bill.

Report was signed by the following member:

Representative:

TREADWELL of Veazie

— of the House.

Came from the Senate with the Minority "Ought Not to Pass" Report read and accepted.

In the House: Reports were read.

On motion of Mr. Cox of Brewer, the Majority "Ought Not to Pass" Report was accepted in concurrence.

**Divided Report**

Majority Report of the Committee on Marine Resources reporting "Ought to Pass" on Bill "An Act to Deregulate the Bag Limit and Size Requirements of Striped Bass" (S. P. 369) (L. D. 1088)

Report was signed by the following members:

Senators:

SHUTE of Waldo  
DUTREMBLE of York

— of the Senate.

Representatives:

SALSBURY of Bar Harbor  
CAHILL of Woolwich  
VOSE of Eastport  
HANSON of Kennebunkport  
JORDAN of Warren  
CONNERS of Franklin  
CROWLEY of Stockton Springs  
FOWLIE of Rockland  
POST of Owl's Head

— of the House.

Minority Report of the same Committee reporting "Ought Not to Pass" on same Bill.

Report was signed by the following members:

Senator:

BROWN of Washington

— of the Senate.

Representative:

NELSON of Portland

— of the House.

Came from the Senate with the Majority "Ought to Pass" Report read and accepted and the Bill passed to be engrossed.

In the House: Reports were read.

The SPEAKER: The Chair recognizes the gentleman from Rockland, Mr. Fowlie.

Mr. FOWLIE: Mr. Speaker, I move we accept the Majority "Ought to Pass" Report in concurrence.

The SPEAKER: The Chair recognizes the gentlewoman from Portland, Mrs. Nelson.

Mrs. NELSON: Mr. Speaker, Men and Women of the House: I hope that you will vote against the motion to accept the "ought to pass" report for the following reasons:

First of all, there is absolutely no question that the striped bass is in serious decline. You have a paper on your desks and it states some further information on that. I believe that it is the wrong time to do away with the regulations.

It is a responsible approach for government to delegate the regulatory authority. Just last week, April 8 to be exact, this House voted to allow the Department of Inland Fisheries and Wildlife to regulate taking antlerless deer in certain municipalities and townships. That vote was 103 to 39; this is the same principle.

We must not take preservation away from the agencies delegated to do these things. We let the Department of Inland Fisheries and Wildlife make regulations on trout; we let the Highway Commission decide speed limits on some roads.

Now, the Marine Resource Advisory Council, which is composed of members of the fishing industry, and they are confirmed by the legislature, this council must give advice and consent on all rules proposed by the agency or initiated by the industry. This provides for a system of checks and balances.

The majority of this commission opposed this legislation; the public opposed this legislation. Maine Audubon Society opposed it; Sportsmen's Alliance of Maine opposed it; Strippers Unlimited opposed it, so did the Associated Sportsmen's Club of Cumberland Society, Portland Surfcasters, the Maine Line Fishers and the noted bass authors, John Cole and Steve Wilson opposed this; the Adam Club, manufacturer Robert Pond did, the Saltwater Sportsmen pulisher, Hal Lyman opposed it. In fact, the results, by official count, at two public hearings were opposed to this legislation. In Portland, the vote was 33 to nothing; in Biddeford, it was 25 to 10.

This piece of legislation is not in the best interest of the fish and it is not in the best interest of the fisherman. I urge you to vote no on the pending motion.

The SPEAKER: The Chair recognizes the

gentleman from Rockland, Mr. Fowlie.

Mr. FOWLIE: Mr. Speaker, Men and Women of the House: Maybe what I will do, I will just explain the bill briefly. Many of you probably don't know what a striped bass is and what this bill would do.

This bill prevents the Commissioner of Marine Resources from placing a size and bag limit on the taking of striped bass. Around 1969, the legislature, for conservation, passed a law that striped bass could only be fished by hook and line. Maine does not have a commercial fishery for striped bass.

Striped bass spawn in the Chesapeake Bay area and migrate up the coast throughout the eastern seaboard states. Only 10 to 15 percent of the striped bass make it to the Maine coast, because states such as Maryland, New York, Virginia, and Rhode Island have commercial fisheries.

A lot of states control the striped bass fishery by statute and not by regulations. Maine would be the only state that would control it by regulations.

I am not that familiar with the inland fisheries, but I am familiar with the coastal waters and marine fisheries, and control for the marine fisheries is done by statute. Lobsters are controlled by statute, herring, tuna, smelts, Atlantic salmon, striped bass, quahogs, scallops and worms, marine worms.

I think this bill is a good bill, and I hope that we will support the majority of the committee.

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

Mr. HANSON: Mr. Speaker, Ladies and Gentlemen of the House: I would like to add just a few words to my good chairman's comments on the striped bass situation.

The good Representative from Portland said the striped bass is on the decline. It has been, but it is coming back. To give an illustration, the Chesapeake Bay, where they commercially net the striped bass, the bottom has fallen out of the market this year because so many bass have returned. Up until two years ago, they were getting over \$3 a pound. This springtime, netting them unmercifully, they are getting 32 cents a pound, the best that they can receive for their catch.

The good Representative from Portland mentioned Hal Lyman. I would like to read a statement from Hal Lyman. "Chesapeake watermen have steadily complained that strippers are migrating out of the bay and are taking to the north never to return. With a higher 24 inch limit, the fish would return so that these fishermen would have a chance to harvest them." A lot of people to the south of us came to the Biddeford hearing, out-of-staters, and testified. I was at the Biddeford hearing, that is when I first became acquainted with this problem. I would say there were over 200 people there, and while the opponents to this, these regulations, the restrictions to be put on Maine and nowhere else on the Atlantic Coast, they were so disgusted that the majority of them got up and walked out. Over 40 to 50 were in the hallways, and that is when they asked for a hand vote. Even out-of-staters were voting on this bill.

I have told my colleagues, I won't say too much more because I think we understand the situation, but to give another illustration of Maine's impact, out of 11 states, a combination of commercial and sport landings, Maine is ninth. Under sport landing, with seven reporting, Maine is seventh. Maine does not need the strictest regulations so that the fish can go back and be butchered along the coasts of Rhode Island, New York, Delaware, Virginia, North Carolina and Maryland so that they can commercially fish.

The SPEAKER: The Chair recognizes the gentlewoman from Falmouth, Mrs. Huber.

Mrs. HUBER: Mr. Speaker and Members of the House: Although I realize I don't have much of a reputation as a striped bass expert, I

would like to correct a couple of remarks that have been made prior to my getting up here. You do have on your desks a communication from a constituent of mine. There is a misprint in it in the last paragraph. I would point out to you, it says, "It is worth noting that regulation and not statutory management is practiced currently in every New England State." That does contradict what Mr. Fowlie said. I think that my source is perhaps more correct than his.

In addition, I would point out that the paragraph goes on to say Massachusetts just completed their first public hearing on the 24 inch minimum size, and those who wish to see the striped bass increase in numbers here in Maine have only asked for an 18 inch limit.

I think it is important to note that restrictions and regulations in Chesapeake Bay, which is where these fish come from, are extremely rigid. The minimum size limits, open and closed areas and various times for catching them are all used to regulate the species. The Chesapeake Bay Waterman's Association has bitterly fought further regulation there, claiming that it will help little since all the female spawners, which are only present in the bay during spawning season, are taken along the coast with few restrictions, while in Chesapeake Bay all striped bass over 32 inches are protected.

I think many experts, and even some of us who are not so expert, believe that size can be a crucial factor in protecting the species. Basically what we need is cooperation between user and producer states. Right now, Maine is currently the only state on the east coast with no protective measures on this type of fishing.

I hope you will vote against the pending motion.

The SPEAKER: The Chair recognizes the gentleman from Yarmouth, Mr. Jackson.

Mr. JACKSON: Mr. Speaker, I don't know about population of striped bass in the state, but I would like to direct a question to the committee. Are we setting up a special exemption to the commissioners' rulemaking authority for striped bass alone? Are we getting ourselves into an area where we may end up with another special area such as the sacred salmon?

The SPEAKER: The gentleman from Yarmouth, Mr. Jackson, has posed a question to anyone who may care to answer.

The Chair recognizes the gentlewoman from Owl's Head, Mrs. Post.

Mrs. POST: Mr. Speaker, Men and Women of the House: As the gentleman from Yarmouth is very much aware, there are limitations on the commissioners' powers all the way through the Marine Resources statutes. In some instances, we have limited his authority by putting in statute laws such as the length of lobsters, the width on lobster traps, we have done the same thing with quahogs as far as the minimum size goes. We have in many areas of the Marine Resources statutes limited the commissioner's authority either directly or indirectly, and this is simply another limitation.

The SPEAKER: The Chair recognizes the gentleman from York, Mr. Rolde.

Mr. ROLDE: Mr. Speaker, Ladies and Gentlemen of the House: When I first heard of this, it was through one of my constituents, and the problem that I have is with the question of a maximum size regulation. I called somebody from the department, this was before we were back in session, and I asked, if you put a maximum size limit on that you could have only one fish that exceeds 32 inches, what happens if you catch a large fish, hook it in such a way that it can't survive but it exceeds the limit? Do you have to just throw it overboard? And the answer was yes, so that is why I am voting for this bill.

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

Mr. HANSON: Mr. Speaker and Members of the House: I had a conversation with a biologist

in the Marine Department as late as last Friday afternoon on whether we really should have these regulations or not. I want to give you a couple of his answers. On a creel limit—not really because we don't know. More fish on spawning grounds does not necessarily mean more young produce. Conditions on the spawning grounds is environmental conditions and they control the success of egg hatching.

Last year, class productions perceived by a very severe winter—it is not according to how many fish that Maine will be catching this year—18 inch, he said he opposed the 18 inch and the commissioner did not recommend 18 inches, by the way. He opposed the 18 inch because biologically it does not do the job that the conservation people are after.

I think we can move along; let's have the vote. I ask for a division.

The SPEAKER: The pending question is on the motion of the gentleman from Rockland, Mr. Fowlie, that the Majority "Ought to Pass" Report be accepted. All those in favor will vote yes; those opposed will vote no.

A vote of the House was taken.

96 having voted in the affirmative and 23 having voted in the negative, the motion did prevail.

Thereupon, the Bill was read once and assigned for second reading tomorrow.

#### Petitions, Bills and Resolves Requiring Reference

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

##### Education

Bill, "An Act to Define Eligibility for School Purposes and to Determine Financial Responsibility for the Education of State Wards" (Emergency) (H. P. 1344) (Presented by Representative Rolde of York) (Cosponsors: Representatives Gowen of Standish and Murphy of Kennebunk and Senator Clark of Cumberland) (Governor's Bill)

(Ordered Printed)

Sent up for concurrence.

##### Energy and Natural Resources

Bill, "An Act to Reduce the Time Required to Process Routine Environmental Applications by Allowing the Board of Environmental Protection to Delegate to the Staff Approval of Additional Routine Applications" (H. P. 1345) (Presented by Representative Mitchell of Freeport) (Cosponsor: Representative Huber of Falmouth) (Submitted by the Department of Environmental Protection pursuant to Joint Rule 24)

(Ordered Printed)

Sent up for concurrence.

##### Legal Affairs

Bill, "An Act to Amend the Northern Maine General Hospital Charter" (H. P. 1338) (Presented by Representative Martin of Eagle Lake)

Bill, "An Act to Limit the State's Retail Liquor Operations" (H. P. 1346) (Presented by Representative Soulas of Bangor) (Cosponsor: Senator Violette of Aroostook) (Governor's Bill)

(Ordered Printed)

Sent up for concurrence.

##### Special Sentiment Calendar

In accordance with House Rule 56, the following items (Expressions of Legislative Sentiment)

Recognizing:

The Augusta Sharpies Cossack Drill Team, first-place winners in Class B drill team competition at the Cherry Blossom Festival in Washington, D. C., on April 4, 1981; (S. P. 560)

Phil Emery, of Bangor High School, who has been named swimming coach of the year; (H. P. 1339) by Representative Tarbell of Bangor.

(Cosponsor: Representative Aloupis of Bangor)

Karen Hunter, of Bangor, Junior II Champion in the Women's division of the 1981 United States Ski Association National Amateur Freestyle Championships; (H. P. 1340) by Representative Tarbell of Bangor.

Bangor High School Co-Captains, Ann Dean and Deb England and their team for earning the Sportsmanship Award for 1981 at the State Girls' Class A Championship Meet; (H. P. 1341) by Representative Tarbell of Bangor.

Kevin Martin and Konrad Martin, of Bangor, who have been named by the Maine Interscholastic Swim coaches to receive all-state swimming honors; (H. P. 1342) by Representative Tarbell of Bangor.

Diane Folsom of Presque Isle, who has been named Schoolgirl Basketball Coach of the Year; (H. P. 1343) by Representative MacBride of Presque Isle. (Cosponsors: Senator McBreaire of Aroostook and Representative Lisnik of Presque Isle)

There being no objections, these items were considered passed in concurrence or sent up for concurrence.

#### House Reports of Committees

##### Ought Not to Pass

Representative Carrier from the Committee on Judiciary on Bill "An Act to Formalize the Restitution Process in the Maine District Court" (H. P. 1091) (L. D. 1288) reporting "Ought Not to Pass"

Representative McGowan from the Committee on Public Utilities on Bill "An Act Relative to the Jurisdiction of the Public Utilities Committee over Nonutility Attachments to Public Utility Plant" (H. P. 1017) (L. D. 1227) reporting "Ought Not to Pass"

Representative Brannigan from the Committee on Business Legislation on Bill "An Act to Permit Supermarkets to Remain Open on Sunday" (H. P. 778) (L. D. 923) reporting "Ought Not to Pass"

Representative Nadeau from the Committee on Election Laws on Bill "An Act Concerning Absentee Voting" (H. P. 312) (L. D. 314) reporting "Ought Not to Pass"

Representative Diamond from the Committee on Election Laws on Bill "An Act Concerning the Date on Which Local Referenda Questions Should be Voted on" (H. P. 1035) (L. D. 1254) reporting "Ought Not to Pass"

Representative Strout from the Committee on Transportation on Bill "An Act to Authorize the Use of Flashing Lights by Passenger Buses" (Emergency) (H. P. 390) (L. D. 433) reporting "Ought Not to Pass"

Representative Drinkwater from the Committee on Judiciary on Bill "An Act to Require a Mandatory, Minimal Commitment of Persons Acquitted of Criminal Charges as a Result of Mental Abnormality" (H. P. 1090) (L. D. 1287) reporting "Ought Not to Pass"

Representative Soule from the Committee on Judiciary on Bill "An Act Relating to Granting Witness Immunity in Criminal Proceedings" (H. P. 743) (L. D. 881) reporting "Ought Not to Pass"

Were placed in the Legislative Files without further action pursuant to Joint Rule 22, and sent up for concurrence.

##### Leave to Withdraw

Representative Bordeaux from the Committee on Public Utilities on Bill "An Act to Equalize Toll Charges for Residents of the Same Community Who Have Different Telephone Exchanges" (H. P. 189) (L. D. 202) reporting "Leave to Withdraw"

Representative Foster from the Committee on Labor on Bill "An Act to Establish a 9-hour Workday and 50-hour Week" (H. P. 902) (L. D. 1069) reporting "Leave to Withdraw"

Representative Lewis from the Committee on Labor on Bill "An Act to Establish Reasonable Limitation on the Recovery of Unemploy-

ment Compensation Benefits Overpaid in Nonfraud Cases" (H. P. 642) (L. D. 732) reporting "Leave to Withdraw"

Representative Foster from the Committee on Labor on Bill "An Act Concerning Reimbursement Payments for Unemployment Benefits Where Claimants have Resigned, have Retired or have been Discharged" (H. P. 601) (L. D. 678) reporting "Leave to Withdraw"

Representative Beaulieu from the Committee on Labor on Bill "An Act Relating to Unavailability Due to Illness under the Employment Security Law" (H. P. 464) (L. D. 516) reporting "Leave to Withdraw"

Representative Martin from the Committee on Labor on Bill "An Act to Improve the Financing and Administration of the Second Injury Fund under the Workers' Compensation Act" (H. P. 747) (L. D. 884) reporting "Leave to Withdraw"

Representative Leighton from the Committee on Labor on Bill "An Act to Adjust the Weekly Benefit Amount for Dependents of Unemployment Compensation Claimants" (H. P. 748) (L. D. 885) reporting "Leave to Withdraw"

Representative Gwadosky from the Committee on Business Legislation on Bill "An Act to Require that Retailers who Make More than 200% Profit Notify the Purchaser" (H. P. 736) (L. D. 874) reporting "Leave to Withdraw"

Representative Nadeau from the Committee on Election Laws on Bill "An Act to Improve Voter Registration Access for Potential Absentee Voters" (H. P. 344) (L. D. 392) reporting "Leave to Withdraw"

Representative Cahill from the Committee on Election Laws on Bill "An Act to Abolish the Application Procedure in Absentee Balloting" (H. P. 731) (L. D. 898) reporting "Leave to Withdraw"

Representative Kilcoyne from the Committee on Taxation on Bill "An Act Concerning the Sale of Certain Off Road Vehicles" (H. P. 769) (L. D. 906) reporting "Leave to Withdraw"

Representative Kane from the Committee on Taxation on Bill "An Act to Provide for a Local Excise Tax on Watercraft" (H. P. 1242) (L. D. 1467) reporting "Leave to Withdraw"

Representative Hanson from the Committee on Election Laws on Bill "An Act to Require Identification of an Individual Speaking in a Televised Paid Political Advertisement" (H. P. 973) (L. D. 1161) reporting "Leave to Withdraw"

Representative Diamond from the Committee on Election Laws on Bill "An Act Preventing Candidates in Primary or General Elections, or Members of their Immediate Families, who are Justices of the Peace or Notaries Public, from Registering Voters or Witnessing Absentee Ballots" (H. P. 869) (L. D. 1038) reporting "Leave to Withdraw"

Representative Webster from the Committee on State Government on Bill "An Act to Provide Free Access for Legislators to State Parks, Camping Areas, Beaches and the Maine Turnpike" (H. P. 1020) (L. D. 1230) reporting "Leave to Withdraw"

Representative Kany from the Committee on State Government on Bill "An Act to Provide that Legislative Documents and Senate and House Calendars be Printed and 8 1/2 Inch x 11 Inch Commercial Paper" (H. P. 855) (L. D. 1018) reporting "Leave to Withdraw"

Reports were read and accepted and sent up for concurrence.

#### Recommitted to the Committee on Judiciary Ought to Pass in New Draft

Representative Soule from the Committee on Judiciary on Bill "An Act Related to Forcible Entry and Detainer Hearings" (H. P. 377) (L. D. 415) reporting "Ought to Pass" in New Draft under New Title Bill "An Act to Amend, Revise and Codify the Landlord-Tenant Laws" (H. P. 1337) (L. D. 1531)

Report was read.

On motion of Mr. Hobbins of Saco, the Bill and all accompanying papers were recommended to the Committee on Judiciary and sent up for concurrence.

#### Divided Report Tabled and Assigned

Majority Report of the Committee on Energy and Natural Resources reporting "Ought to Pass" as amended by Committee Amendment "A" (H-195) on Bill "An Act to Amend the Site Location Law" (H. P. 935) (L. D. 1105)

Report was signed by the following members:

Senators:

McBREAIRTY of Aroostook  
REDMOND of Somerset

— of the Senate.

Representatives:

KIESMAN of Fryeburg  
HUBER of Falmouth  
AUSTIN of Bingham  
DEXTER of Kingfield  
MICHAUD of East Millinocket

— of the House.

Minority Report of the same Committee reporting "Ought Not to Pass" on same Bill.

Report was signed by the following members:

Senator:

O'LEARY of Oxford

— of the Senate.

Representatives:

JACQUES of Waterville  
DAVIES of Orono  
MITCHELL of Freeport  
MICHAEL of Auburn  
HALL of Sangerville

— of the House.

Reports were read.

Mr. Davies of Orono moved that the Minority "Ought Not to Pass" Report.

On motion of the same gentleman, tabled pending his motion to accept the Minority Report and tomorrow assigned.

#### Divided Report Tabled and Assigned

Majority Report of the Committee on Energy and Natural Resources reporting "Ought to Pass" on RESOLVE, Providing for Revision to the Land Use Regulation Commission's Land Use Handbook, Section 6, "Erosion Control on Logging Jobs" (H. P. 454) (L. D. 501)

Report was signed by the following members:

Representatives:

JACQUES of Waterville  
MICHAUD of East Millinocket  
HUBER of Falmouth  
DAVIES of Orono  
MICHAEL of Auburn  
MITCHELL of Freeport  
HALL of Sangerville

— of the House.

Minority Report of the same Committee reporting "Ought to Pass" as amended by Committee Amendment "A" (H-198) on same Resolve.

Report was signed by the following members:

Senators:

McBREAIRTY of Aroostook  
O'LEARY of Oxford  
REDMOND of Somerset

— of the Senate.

Representatives:

KIESMAN of Fryeburg  
DEXTER of Kingfield  
AUSTIN of Bingham

— of the House.

Reports were read.

Mr. Davies of Orono moved that the Majority "Ought to Pass" Report be accepted.

On motion of the same gentleman, tabled pending his motion to accept the Majority Report and tomorrow assigned.

#### Divided Report

##### Tabled and Assigned

Majority Report of the Committee on Energy and Natural Resources reporting "Ought Not to Pass" on Bill "An Act to Limit the Storage of Spent Fuel at Nuclear Reactors" (H. P. 1007) (L. D. 1203)

Report was signed by the following members:

Senators:

McBREAIRTY of Aroostook  
REDMOND of Somerset  
O'LEARY of Oxford

— of the Senate.

Representatives:

KIESMAN of Fryeburg  
HUBER of Falmouth  
DEXTER of Kingfield  
AUSTIN of Bingham

— of the House.

Minority Report of the same Committee Reporting "Ought to Pass" on same Bill.

Reports was signed by the following members:

Representatives:

MICHAEL of Auburn  
HALL of Sangerville  
MITCHELL of Freeport  
DAVIES of Orono  
JACQUES of Waterville  
MICHAUD of East Millinocket

— of the House.

Reports were Read.

Mr. Davies of Orono moved that the Minority "Ought to Pass" Report be accepted.

On motion of the same gentleman, tabled pending his motion to accept the Minority Report and tomorrow assigned.

#### Consent Calendar

##### First Day

In accordance with House Rule 49, the following items appeared on the Consent Calendar for the First Day:

(H. P. 964) (L. D. 1155) Bill "An Act to Increase the Limit of Indebtedness of the New-Port Water District from \$1,000,000 to \$1,500,000 — Committee on Public Utilities reporting "Ought to Pass"

(H. P. 1190) (L. D. 1414) Bill "An Act Relating to Seeking Work and Accepting Suitable Work to be Eligible for Extended Unemployment Benefits" (Emergency) — Committee on Labor reporting "Ought to Pass" as amended by Committee Amendment "A" (H-199)

(H. P. 12) (L. D. 6) Bill "An Act to Overrule Federal Preemption of Certain Maximum Rate Ceilings of the Maine Consumer Credit Code" — Committee on Business Legislation reporting "Ought to Pass" as amended by Committee Amendment "A" (H-200)

No objections being noted, the above items were ordered to appear on the Consent Calendar of April 14, under the listing of Second Day.

#### Consent Calendar

##### Second Day

In accordance with House Rule 49, the following items appeared on the Consent Calendar for the Second Day:

(S. P. 366) (L. D. 1085) Bill "An Act to Permit the City of Bangor to Increase the Number of Members on the Bangor School Committee" (C. "A" S-101)

(S. P. 337) (L. D. 965) Bill "An Act to Authorize a Bond Issue for Somerset County to Renovate the Existing Somerset County Detention Facility" (C. "A" S-104)

No objections having been noted at the end of the Second Legislative Day, the Senate Papers were passed to be engrossed in concurrence.

#### Passed to Be Engrossed

##### Amended Bill

Bill "An Act Relating to Radiological Exposure" (H. P. 555) (L. D. 631) (C. "A" H-194) Was reported by the Committee on Bills in

the Second Reading, read the second time, passed to be engrossed as amended and sent up for concurrence.

#### Passed to Be Enacted Emergency Measure

An Act to Implement Certain Cost Savings while the State's Unemployment Compensation Fund Remains in Debt (H. P. 845) (L. D. 1011) (C. "A" H-169)

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

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

Mr. SMITH: Mr. Speaker, could we have an explanation of this bill?

The SPEAKER: The Chair recognizes the gentleman from Portland, Mrs. Beaulieu.

Mrs. BEAULIEU: Mr. Speaker, Ladies and Gentlemen of the House: The purpose of this bill is to establish what they call a waiting period on the extended benefit aspects of our current unemployment programs. In other words, anyone who would apply for extended benefits would have to wait a week before they could collect.

According to the department, the establishment of this waiting week, had it been in effect in 1980, could have saved the fund nearly \$5 million, and on the extended benefit area, it would have saved something like a little more than \$700,000. It is a bill that I don't like, but I feel that the time is appropriate to take up the action, and it should save the unemployment fund a few dollars.

The SPEAKER: This being an emergency measure, it requires a two-thirds vote of all the members elected to the House. All those in favor of this Bill being passed to be enacted as an emergency measure will vote yes; those opposed will vote no.

A vote of the House was taken.

117 having voted in the affirmative and 3 having voted in the negative, the Bill was passed to be enacted.

Signed by the Speaker and sent to the Senate.

#### Passed to Be Enacted

An Act Further Amending the Planning and Zoning Statute (S. P. 183) (L. D. 461) (S. "A" S-94)

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

The SPEAKER: The Chair recognizes the gentleman from Cape Elizabeth, Mrs. Masterton.

Mrs. MASTERTON: Mr. Speaker, I wonder if I could have an explanation of this bill?

The SPEAKER: The Chair recognizes the gentleman from Falmouth, Mrs. Huber.

Mrs. HUBER: Mr. Speaker and Members of the House: The bill is Senate Amendment "A" under filing L. D. 461. I am quoting now from the amendment, which is the bill. "All subdivision plats and plans required by this section shall contain the name and address of the person under whose responsibility the subdivision plat or plan was prepared. It gives the person who buys the property an opportunity to contact the person who prepared that plat or plan, should there be any need to do so."

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

An Act to Facilitate the Development of More Placements in Boarding Homes that are Small, Homelike and Safe for Ambulatory and Mobile Nonambulatory Persons (S. P. 551) (L. D. 1516)

An Act to Exempt Guide Dogs from Registration Fee Requirements During the Raising Period in Foster Homes (H. P. 266) (L. D. 239) (H. "A" H-173) to C. "A" H-163)

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 to Include Energy and Economic Considerations in Assessing Proposals before the Land Use Regulation Commission, the Department of Environmental Protection and the Department of Inland Fisheries and Wildlife (H. P. 596) (L. D. 673) (C. "A" H-166)

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

The SPEAKER: The Chair recognizes the gentleman from Cape Elizabeth, Mrs. Masterton.

Mrs. MASTERTON: Mr. Speaker, I would like an explanation of this bill, please.

The SPEAKER: The Chair recognizes the gentleman from Orono, Mr. Davies.

Mr. DAVIES: Mr. Speaker and Members of the House: This legislative document has been substantially amended by the committee, so if you are looking at the original bill, you can tear it out of your book and throw it in the waste can because it has little or no relation to the bill that was passed out of the committee unanimously.

The proposal that we have on the calendar today for enactment simply allows the commission that right to allow an applicant to provide evidence on economic benefits. There is no requirement that the board consider them, but it simply allows for that information to be provided. It was an agreement that was arrived at after much dispute over the original bill, a great deal of disagreement. All members of the committee are now in agreement that this information should be made available but that the board should not be obligated to give it the same consideration that it gives other factors that are currently in the statutes.

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

An Act to Amend the Law to Provide a Lien for Sewer Rates for the Houlton Water Company (H. P. 622) (L. D. 705) (C. "A" H-168)

Was 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.

#### Finally Passed

RESOLVE, Authorizing the Bureau of Public Lands to Convey the State's Interest in a Certain Parcel of Land in Dixmont (S. P. 290) (L. D. 816) (C. "A" S-87)

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

The SPEAKER: The Chair would just like to announce to you that about eleven o'clock, or shortly thereafter, United States Senator George Mitchell will be here to address members of the House, and also a question and answer period. Just to illustrate how bipartisan I am, on Thursday, Congressman David Emery will be here for the same purpose, for presentation and also a question and answer period. Here is your opportunity to find out what is going on in Washington affecting the state, about \$150 million that you and I may have to find on October 1 of this year. So this may be an excellent opportunity for you to find out what is going on.

#### Orders of the Day

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

Bill, "An Act to Permit Knox County to Withdraw from the Maine State Retirement System" (H. P. 487) (L. D. 539) (C. "A" H-128)

Tabled — April 9 by Representative Nelson of Portland.

Pending—Passage to be Engrossed.

On motion of Mrs. Nelson of Portland, tabled pending passage to be engrossed and specially assigned for Wednesday, April 15.

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

An Act to Regulate Interest Rates on Life Insurance Policy Loans (S. P. 153) (L. D. 361) (C. "B" S-81)

Tabled — April 9 by Representative McKean of Limestone.

Pending — Motion of Representative Brannigan of Portland to Reconsider Passage to be Enacted (Roll Call Ordered).

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

Mr. BRANNIGAN: Mr. Speaker, Men and Women of the House: We have discussed this bill at length, and have voted on it on several occasions, and I would ask that you vote against reconsideration and let this bill go on to enactment, this bill dealing with policy loans and the ability to have variable rate life insurance borrowing powers on certain types of cash value life insurance. I would hope you would continue to vote to allow this practice to happen.

The SPEAKER: The Chair recognizes the gentleman from Limestone, Mr. McKean.

Mr. MCKEAN: Mr. Speaker, Ladies and Gentlemen of the House: The reason I tabled the bill is because I wanted an opportunity to talk to some more people in the insurance industry, which I did this weekend. I can honestly say, as a result of that talk, I am as confused as I was when I tabled the bill. There are so many unanswered questions that I find here it makes it kind of scary to me.

This doesn't affect myself and it probably doesn't affect a lot of people here in this House because a lot of use are of the age where we may not procure anymore life insurance. But I have children coming up, like a lot of you, and this is going to affect them, so I guess I am kind of looking to the future.

One of the questions I have on the bill is, and if it is answered then perhaps I don't have a problem, we are allowing a company to go to a variable rate of insurance. We are also saying that there are some companies that can stay at the 8 percent or whatever margin we have at the present time on these loans. I think the thing that is in the back of my mind is, we are borrowing two kinds of money — we are borrowing your money which is in the policy right now; you are also borrowing to a great extent those monies which you have, if you have done it, left in the policy known as a dividend and which pays a percentage of interest. In most cases, we are talking 6 or 6 1/4 percent or 5 3/4 percent at the present time. This interest figure that is given to us on our dividends is pretty well a flat rate figure. It doesn't rise or drop very much.

I think the basic question I have is, if we are going to allow a company to go to a variable rate following the Moody's Index, which allows a gradual, or maybe not so gradual, rise in interest rates on our money which we are borrowing back, our money which we have put in and left in in dividends for the company to further invest for you, so to speak, as a stockholder, then why shouldn't there be a mechanism for the dividend rate to also follow this variable index?

Of course, we realize in the world of business that this interest rate which we would get on our dividends would not be the same as Moody's index, that is impossible, because you have got to deduct the cost of doing business. But it just seems to me, if we are going to give the insurance people a break, why not give those people who are going to invest their money in the same business also an equal break which would allow that rate of interest which you, as a consumer, get to rise along with this wonderful variable rate that we are going to give the company?

I think there are two kinds of companies involved. We have got the company, and I see their point on this, that is lending a great ma-

jority of their money to a big policyholder. This is the guy who takes out a \$500,000 policy or a million dollar policy or whatever it might be. The reason I kind of see their point is because this is the guy that is going out and he is borrowing this money from the company at 8 percent and turning around and reinvesting it and making 15 or 16 percent on the money. Of course, this is a pretty good loss to the insurance industry, because a lot of these people are now pulling their money out of that policy and it presents a cash flow problem.

The small policyholder, which a lot of us are, now the company can, if they want to, stay at 8 percent. I have a fear that there are a lot of them that wouldn't stay at 8 percent, they would go to the variable business which may not affect us too much, but for those of you who do leave your money in dividends, and a lot of people do, they would rather leave it there, it is like a savings, why not give them a break along with giving the company a break? After all, it is their money you are talking about. It is not the insurance company's money, it is yours. I think something could be done along that line and the bill would probably be a little more palatable to a lot of us. I am hoping there might be a motion on the floor to put this thing back into committee and perhaps let them talk about what we are going to do for the guy who is putting his money in, the premium holder. We have got to think about him. To me, there are a lot more people in the State of Maine who buy premiums than there are people who sell policies, and I think we have got to look out for them, too.

This is the reason that I tabled it. This is the reason why today I am going to go along with reconsideration and perhaps put it back into committee and let them talk about this guy that is investing his money, you, you are investing your money. That is my concern.

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

Mr. BRANNIGAN: Mr. Speaker, Men and Women of the House: Thank you, Representative McKean, for asking several questions, bringing up several questions. I will try to go over the issue again, but I will try to mainly address the dividend issue which was brought up by Representative Hall last week. I answered him last week, I think I answered him correctly, but I think having checked with the Insurance Commissioner, I can answer a little more effectively this morning.

First of all, let me say, and let's not get confused, that the present situation is not 8 percent. The present situation is any percent, as long as it is a fixed percent. We have some filed as high as 15 percent. Maybe they are not sold yet, maybe no one has ever been sold one where if they ever had to borrow back it would be 15, but let's remember that the present law in Maine is that it be at a fixed percentage.

Let me talk about the dividend rate. As I understand it, dividend rates for those mutual companies, and now many of the other companies that are stock companies, have premium rates that vary, and that is the coming thing, that premium rates will vary over the life of a policy. But these dividend rates and these premium rates will reflect several things. It is my understanding, and I am no insurance man and I never have been and never will be, I don't even have any of this kind of insurance, but I have looked into this because Representative Hall asked last week and I believe he has a memorandum now from the Insurance Commissioner's office explaining his question about whether dividend rates will reflect changes in the company's earnings.

It is my understanding that divided rates already reflect the experience of the company. That experience is made up of three things, one is the expense of the company, two is the mortality rates and three is the earnings. As Representative McKean has just said, the earnings are having some problems now where they

could be investing at regular going rates but people, because they have this low borrowing power, are borrowing out of their policies, and these are the larger policyholders, usually. The small policyholders are, therefore, suffering because their dividends are reflecting a lower earning power. Rather than being able to invest at 10 or 12 percent, they are being borrowed at 8 and 6 percent.

It is my belief in talking with the Insurance Commissioner, before this bill was supported by the insurance commissioner's office, before this bill was supported by the entire committee as far as allowing a variable rate, this issue was discussed as to whether any kind of special tag needed to be put on this kind of insurance and it was decided it was not because dividends do reflect earnings. So I believe that any kind of further attachment to this kind of policy will not be necessary.

I want to further reiterate and ask you to vote against reconsideration, allow this to go on. This kind of a policy, it is my understanding, will reflect the lowest cost and better dividends because people will be borrowing from it only when they have to. We would be coming back to the practice of having borrowing when necessary, which in the past has been 10 or 15 percent of policyholders, rather than now up into the 50 and 60 percent of policyholders, especially large policyholders, and therefore the small policyholder is subsidizing them.

The SPEAKER: The Chair recognizes the gentleman from York, Mr. Rolde.

Mr. ROLDE: Mr. Speaker, Ladies and Gentlemen of the House: I have stayed out of this debate so far, and I never intended to get into it because insurance is not my thing and I find it as complicated and as boring as I am sure all of you do.

I had accepted the argument of the gentleman from Portland, Mr. Brannigan, the other day that this bill would help small policyholders, that it was a consumer bill, in other words, and I voted with him. But I had a nagging feeling afterwards that something about his argument wasn't quite right, and I questioned myself as to whether I had voted right. Then back in my apartment, I found a copy of written testimony that had been offered at the hearing on the bill by a friend of mine in the insurance business in opposition to this bill. So I changed my vote the other day and I have done some more research since then and I am going to stick with my opposition and vote for reconsideration, and these are the reasons:

(1) This is an industry bill. It was written by the American Council of Life Insurance, which is a collection of a trade group of some 475 giant insurance companies. It is going to be introduced in all states. There was an article in the New York Times, December 26, 1980, and I will quote from it. That article said: "The industry has been lobbying to abolish state set interest ceilings on policy loans. It wants a variable rate provision for all new policy loans. The notion of the industry doing this to help consumers is an idea that I must greet with a certain amount of skepticism." In fact, the New York Times article does give reasons for the industry action; mainly, the losses they have suffered from a cash drain when policyholders in large numbers began to take out loans on their whole life policies.

Again I will quote: "Nobody went insolvent but there were companies that took big losses." This was a statement from Maureen McGrath, Senior Counsel of the American Council of Life Insurance. However, nowhere in the Times' article does it say that this legislation is being rushed through to help consumers and the small policyholders, only that it is to help the industry.

Mr. Brannigan's seductive argument was that only the big policyholders are borrowing and that that leaves the small policyholders to take up the slack by receiving smaller dividends to credit against their premiums.

Let's take a look at these so-called dividends. I use the term "so-called dividends" because that is exactly what they are called in U. S. Treasury Decision 1743 where these dividends were ruled to be not dividends but "merely a refund of overcharges".

This brings us to the complicated question of what is whole life insurance and what is term insurance, and does the argument now raging in the insurance industry over the two forms of life insurance enter into this debate? Whole life or cash value is the type of insurance against which you borrow and which has been the leading type of life insurance sold for many years. It is the most profitable and pays the highest commission to its agents. The premiums are very high in the early years, artificially high, and as the Treasury decision says, the overcharge is merely held in trust by the company issuing the policy, and when returned as a so-called dividend, as we have seen, is "merely a refund of overcharge."

Term life insurance is much cheaper. It is simply straight protection like auto insurance. You just keep renewing it as long as you want.

Aggressive firms like Fireman's Fund have gone into selling term or annual renewable insurance in a big way. In an article in the Wall Street Journal about this in 1979, it happened to say that a Federal Trade Commission study had shown the yield of savings on whole life insurance was only 1.3 percent, an argument that Fireman's Fund and other term insurance sellers have been using to good advantage in selling term insurance.

How much this present bill is being used by the industry that sells whole life to make it more palatable to stay in that lucrative business that I raise without having a definitive or knowledgeable answer, but I suspect that this is a factor.

So, being uncertain on this important point, and suspicious, I think I, for one, will fall back on the simple common sense arguments that have been made by the gentleman from Biddeford, Mr. Racine, and the gentleman from Lewiston, Mr. Pouliot, that here are people who want to borrow their own money and through our action will now have to pay this variable rate, which at this point would be about 14 percent for it instead of 6 or 8 percent if we pass this bill.

Bailing out an industry by charging higher rates to consumers is hardly my idea of a bill that helps consumers. I think we heard the same sort of argument about the oil industry not too long ago, how we would all benefit if we would just let prices go up. Something within me just won't let me accept that argument today about the insurance industry, and I am going to vote to reconsider this bill.

The SPEAKER: The Chair recognizes the gentleman from Biddeford, Mr. Racine.

Mr. RACINE: Mr. Speaker, Ladies and Gentlemen of the House: I would like to try to impress upon you the importance of voting yes to reconsider the action that we took last Thursday. If we reconsider, then this will give us an opportunity to recommit this complicated bill back to the committee. I feel very strongly that we should recommit this bill to give us an opportunity to work on it and try to come up with something that will not only benefit the insurance company but will also benefit the consumer, the individual that has a certain amount of money that he has paid into a policy that he can borrow.

Over the weekend, I had the opportunity to look further into this particular bill. I was wondering if possibly I was locked into a situation that I should not be in. I want to be fair about this, just like everybody else.

Before I go on, I would like to make one comment here that I am not connected in any way, shape or form with any insurance companies. I don't have an axe to grind and I am doing this strictly on my own because I feel very strongly that the consumer is the individual that is being



taken over the coals, and this is the only reason why I am attempting to get this bill recommended to our committee so we can work on it.

Over the weekend, as I previously stated, I had an opportunity to talk to four different insurance salesmen. What I did, I presented Committee Amendment "B," which is the amendment which we adopted. Within the amendment, there is a provision that the monthly corporate bond yield bill be as published by Moody's Investor Service, Inc., or — listen to this—any successor thereto. What does that mean? I don't know; I haven't the slightest idea. Or, in the event that the Moody's corporate bond yield average is no longer published, a substantially similar average established by regulation issued by the superintendent.

Now, the first question that this raised was, is this the same department that just recently approved a 25 percent increase in the workers' comp rate? I said, I believe that it is, I am assuming, I am not quite sure. Think about this—think, let's assume that the Moody's corporate bond yield average is no longer published. We are giving someone a lot of power, and I think this will have to be reconsidered.

Another thing that the people question in the bill is that there was a provision permitting an adjustable maximum interest rate from time to time. Now, when someone borrows on an insurance policy, the variable rate at that time will apply. However, if it goes up, then the individual will have to pay more, and, conversely, if it goes down, he should be paying less, but the kicker here is the fact that the way the bill is written, it says that the maximum rate for each policy shall be determined at regular intervals, at least once every 12 months but not more frequently than 3 months. The question that this raised—if the interest rates go up, then undoubtedly the insurance companies are going to determine their rate within the three-month period and adjust the rates accordingly. However, if the interest rates go down, on the basis of this bill they could wait 12 months. So, who will suffer again? The poor little consumer. This is why I feel you should vote to reconsider this bill and then let's recommit this to the Committee on Business Legislation.

There is another item that I would like to clarify. It has been said two or three times in our debate that the committee unanimously agreed to a variable rate. Based on the committee report, you have to go along with it. However, when this bill was discussed in our work session, there were three or four of us that were definitely opposed to any variable rate. We felt that there was a good possibility that we would lose the argument on the floor, so we decided to go along with a minus 2, which was better than nothing. This is why there was a unanimous report. However, the unanimous report on a variable rate was Committee Amendment "A", a minus 2, and Committee Amendment "B" was the full Moody interest rate.

I also checked with my insurance friends over the weekend about the fact that if there are two policies that are available, one at 8 percent and one at the variable rate, would they introduce both policies? The answer was, it depends on what the insurance company will dictate. In other words, they will set the rules. If they want to push the variable rate, that is the one that is going to be sold, because the salesman's livelihood depends on his ability to sell and his livelihood depends on the fact that he must have a job to be able to do this. So again, this will depend on what the insurance companies will want the salesmen to sell, and as I am standing here, I have no doubt in my mind that the only policy that will be pushed will be the policy that will authorize the variable rate.

Again, in closing, I wish you would vote yes to reconsider, and if we do this, then I think the motion to recommit to the committee will be in

order. I think we can sit down and work something out that is agreeable and fair to both sides of the coin, to the insurance industry and also to the consumer.

The SPEAKER: The Chair recognizes the gentleman from Yarmouth, Mr. Jackson.

Mr. JACKSON: Mr. Speaker, Ladies and Gentlemen of the House: If this debate goes on much longer, I am sure we are going to hear why the striped bass bill shouldn't pass either.

We have talked about all kinds of things, most of which have nothing to do with the piece of legislation in front of us. One of the comments that was brought up before was that the industry, the NIIC, is not interested in the consumer. I would point out to you that the National Insurance Consumer's Organization, NICO, has a heavy influence in the NAIC that a friend of mine, Jim Hunt, is very active in and he helped us work on the ROR legislation, life insurance disclosure, and certainly if anyone is, I guess I can use the term liberal and consumer oriented, Jim Hunt is.

The National Consumer Law Center is in support of it and they also worked on the drafting of it. I feel there has been a lot of consumer input into this particular legislation and that you can't dismiss it as being just the nasty insurance lobby. If you want to talk about lobbies, I suppose we can tar almost every bill that comes through here with that brush in some way or form. I suppose on striped bass we could talk about the sport and fishermen groups and things like that. There is always a group that is interested in these things. I think we should look at the content of the legislation.

Another thing that was talked about was term life. We are not talking about term life, we are talking about whole life, we are talking about whole life solely, the mutual companies, the stock companies. We talked about dividends. I am still not quite clear what people's problems are here. If we are talking about a stock company, there certainly is a great many things that go into the making up of what they will use as a dividend, where it will come from, what the rate will be. I don't really think we are getting into that.

The basic question we are talking about is whether we are going to pass a bill that will substitute an 8 percent rate or variable rate in place of a state law that we now have that allows any rate that you want to put on. It has been pointed out that these rates have gone as high as 15 percent. This would guarantee that we wouldn't see rates that high.

I don't think the bill should be recommitted to the committee. Again, in debate here we have seen just about everything tried that you can think of, and now we are down to the old chestnut of finally, if there is nothing else you can do, turn it back to the committee and argue for that.

The committee considered it, we spent a lot of time on it. Three members of the committee obviously have doubts on the thing. They lost their amendment and they tried to kill the bill and they haven't been able to kill the bill, so now the argument is put it back to the committee.

I hope very much that you will vote not to reconsider and that we can end this debate and get on to other things.

The SPEAKER: The Chair recognizes the gentleman from Brooksville, Mr. Perkins.

Mr. PERKINS: Mr. Speaker, Ladies and Gentlemen of the House: I would like to first answer Mr. McHenry's question about dividends. Dividends are only accumulated at about 5 or 6 percent; yet, the companies are earning anywhere from 10 to 15 percent.

The second question I would like to take a crack at is the one where the companies are hurting. How many of you read in the financial pages of the Press Herald the increase in surplus of a very fine company in this state for 1980? That increase was 37 percent. I doubt very much if they are hurting very badly.

One thing has not been taken up. Do you realize that if you have a variable rate and you take money out, the remainder will go down faster and you will end up with having less insurance. I think you should understand that, because if you take money out and don't continue to pay on your policy, the policy goes on to what we call term insurance, and your term insurance will not last as long, which will mean that you will have less insurance, that your period of insurance will be much less.

Ladies and gentlemen, I don't know what to do with this bill, and I have been in the business 40 years. I don't think you do either. In my opinion, I don't want to be a guinea pig, I think we should wait. Nothing is going to happen in the next year, nothing is going to happen in the next two years, regardless of the horror stories you may have heard. Companies are still going to use, in the majority, 8 percent in this state.

Remember that this bill has not passed in 50 states. It has only been introduced in 24, and I can tell you now, until such time as they are able to pass this legislation in New York State, we will still have the 8 percent. So I suggest that maybe it might be well to vote against reconsideration.

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

Mr. BRANNIGAN: Mr. Speaker, Ladies and Gentlemen of the House: Not to cover every point that has been brought up but just to clarify some, that this bill was not drafted just by the insurance companies. It was drafted with the insurance companies, the American Council of Life Insurance together with the National Association of Insurance Commissioners, those people that we depend on to regulate and to protect us. There is no way that I have ever said that I thought the insurance companies were out to do some great and good things for the consumer. They want to offer low cost insurance, that is their business to offer low cost insurance. That is my understanding why we have this bill before us, one of the ways to offer low cost insurance.

I would ask you not to reconsider. We do not need this back in the committee. It has been discussed, those who wished to have voted "ought not to pass" could have. They come up with another kind of index for this kind of variable rate insurance, and that is what is before us and the only thing before us today.

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

Mr. POULIOT: Mr. Speaker, Ladies and Gentlemen of the House: I don't wish to stand up here and speak very long this morning because I think my colleagues have said it very well, but there is one thing that I would like to address. It has been argued in the hallways that passage of this bill will increase dividends to policyholders and benefit the little guy since the insurance company will be earning more money by investing in higher yield instruments rather than lend it out to policyholders at lower rates.

Ladies and gentlemen, there is absolutely nothing in this document or the bill to ensure that the added revenues will be used to increase dividends or reduce the premiums. There is nothing to ensure that the savings will ever reach the policyholder. I ask you to vote to reconsider.

The SPEAKER: The Chair recognizes the gentleman from Brooksville, Mr. Perkins.

Mr. PERKINS: Mr. Speaker, Ladies and Gentlemen of the House: Just two things. One, my good friend, Mr. Brannigan, suggests that this bill was made up by the NAIC. Frankly, it doesn't work that way. The companies make up the bill and then they submit it to the NAIC. NAIC does not have enough staff to make up any bill. Two, I wish to say that we should reconsider the motion.

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

Mr. MCHENRY: Mr. Speaker, Ladies and



Gentlemen of the House: I do hope that we do reconsider this bill so that we can either recommit or kill it and then have a study order. I am willing to vote for a study order, but if you honestly believe the insurance industry is out there to help the consumer, you've got something else coming, because those people are not going through bankruptcy. As Mr. Perkins said, they have 35 percent profit.

The SPEAKER: The pending question is on the motion of the gentleman from Portland, Mr. Brannigan, to reconsider whereby the Bill was passed to be enacted.

The Chair recognizes the gentleman from Mars Hill, Mr. Smith.

Mr. SMITH: Mr. Speaker, I would like to pair my vote with the gentleman from Eliot, Mr. McPherson. If he were here, he would be voting no and I would be voting yes.

The SPEAKER: The Chair recognizes the gentleman from Oakland, Mr. Canary.

Mr. CONARY: Mr. Speaker, I would like to pair my vote with the gentleman from Waterville, Mr. Jacques. If he were here, he would be voting yes and I would be voting no.

The SPEAKER: The Chair recognizes the gentleman from Waterville, Mrs. Kany.

Mrs. KANY: Mr. Speaker, I would like to pair my vote with the gentleman from Calais, Mr. Gillis. If he were here, he would be voting no and I would be voting yes.

The SPEAKER: The Chair recognizes the gentleman from Old Town, Mr. Pearson.

Mr. PEARSON: Mr. Speaker, I would like to pair my vote with the gentleman from Van Buren, Mrs. Martin. If she were here, she would be voting yes and I would be voting no.

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

Mr. BROWN: Mr. Speaker, I would like to pair my vote with the gentleman from Old Town, Mr. Paradis. If he were here, he would be voting no and I would be voting yes.

The SPEAKER: The pending question is on the motion of the gentleman from Portland, Mr. Brannigan, that the House reconsider its action whereby this Bill was passed to be enacted. Those in favor will vote yes; those opposed will vote no.

#### ROLL CALL

YEA — Berube, Boyce, Brodeur, Brown, A.; Carroll, Clark, Connolly, Crowley, Curtis, Davies, Davis, Day, Dudley, Erwin, Fitzgerald, Gavett, Gowen, Gwadosky, Hanson, Jordan, Kane, Kiesman, LaPlante, Laverriere, Lisnik, MacBride, MacEachern, Macomber, Mahany, Martin, A.; Masterman, McGowan, McHenry, McKean, Murphy, Norton, Paradis, P.; Paul, Perkins, Perry, Pouliot, Prescott, Racine, Randall, Reeves, J.; Reeves, P.; Richard, Ridley, Rolde, Sherburne, Small, Smith, C.B.; Soulas, Stover, Strout, Swazey, Telow, Theriault, Vose, Wentworth.

NAY — Armstrong, Austin, Baker, Beaulieu, Bell, Benoit, Boisvert, Bordeaux, Brannigan, Brenerman, Brown, K.L.; Cahill, Chonko, Conners, Cox, Damren, Dexter, Diamond, G.W.; Diamond, J.N.; Dillenback, Drinkwater, Foster, Fowlie, Hayden, Hickey, Higgins, H.C.; Higgins, L.M.; Hobbins, Holloway, Huber, Hunter, Hutchings, Ingraham, Jackson, Jalbert, Joyce, Kelleher, Ketover, Kilcoyne, Lancaster, Lewis, Livesay, Locke, Lund, Masterton, Matthews, McCollister, McSweeney, Michael, Mitchell, E.H.; Mitchell, J.; Nadeau, Nelson, A.; Nelson, M.; O'Rourke, Peterson, Post, Roberts, Salsbury, Soule, Stevenson, Studley, Thompson, Tuttle, Twitchell, Walker, Webster, Weymouth.

ABSENT — Aloupis, Callahan, Carrier, Carter, Cunningham, Hall, Leighton, Manning, Michaud, Moholland, Tarbell, Treadwell, The Speaker.

PAIRED — Brown, D. - Paradis, E.; Canary - Jacques; Gillis - Kany; Martin, H. - Pearson; McPherson - Smith C.

Yes, 60; No, 68; Absent, 13; Paired, 10.

The SPEAKER: Sixty having voted in the af-

firmative and sixty-eight in the negative, with thirteen being absent and ten paired, the motion does not prevail.

Sent to the Senate.

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

SENATE REPORT — "Ought to Pass" as Amended by Committee Amendment "A" (S-99) — Committee on Aging, Retirement and Veterans on Bill, "An Act to Clarify the Application of Military Service Credits to Retirement Benefits for Employees of Local Districts under the Maine State Retirement System" (S. P. 274) (L. D. 783)

Tabled — April 10 by Representative Nelson of Portland.

Pending — Acceptance of the Committee Report.

Thereupon, the Report was accepted and the Bill read once. Committee Amendment "A" (H-99) was read.

The SPEAKER: The Chair recognizes the gentleman from Portland, Mrs. Nelson.

Mrs. NELSON: Mr. Speaker, Men and Women of the House: There seemed to be some concern as to whether this piece of legislation would allow collective bargaining. There was no question in our mind when we put the committee amendment on that it did, but there was some question, so I would like to amend the committee amendment.

I would like to offer House Amendment "A" to Committee Amendment "A" and move its adoption.

House Amendment "A" (H-201) to Committee Amendment "A" was read by the Clerk and adopted.

Committee Amendment "A" as amended by House Amendment "A" thereto was adopted and the Bill assigned for second reading tomorrow.

The SPEAKER: The Chair is pleased to present to you the Junior Senator from Maine, George J. Mitchell. (Applause, the members rising) Senator Mitchell then addressed the House as follows:

Mr. Speaker, Members of the Legislature: It is a great pleasure to be here this morning. One of the nice things about the position I now hold is that I get a chance to speak in impressive locations, and I must say that I have not spoken in any that is more impressive than this one. Anyone who is interested in government in Maine must, of course, be interested in the workings of the legislature.

Before I begin, I want to tell you about another interesting location at which I spoke a few weeks ago. I was invited to speak at a Bible Church in a rural part of Maine; no Senator had ever been there, so it was a festive occasion, and the preacher who introduced me gave a very lengthy and diffusive introduction. Some members of the audience may have thought it was exaggerated; I found it highly factual and accurate, and when he finished he concluded by saying I have been placed in the Senate by the hand of God. A few days later, I was at a meeting in Washington with the Governor and Congressman Emery and Congresswoman Snowe in which we were discussing the proposed budget cuts and their effect on Maine and it was a very difficult time, and at the conclusion of the meeting, I told the story and then I congratulated the Governor on his elevation. I have heard him called a lot of things, but never before that one. I then gave to Dave and Olympia a little portion of the Bible that I had clipped out which said, "What the Lord hath wrought, let no man put asunder" they don't seem to be following that biblical advice, though.

Just before Congress recessed for Easter, the Senate took the first step in reducing the federal budget deficit in 1982. We passed what is known as a reconciliation resolution, approving spending reductions of nearly \$37 billion.

That was a significant step and it received a great deal of attention in the press.

There is another part of the federal budget process now working its way through Congress that has received much less publicity than the spending cuts but which may in the long run be more meaningful. I refer to the proposals to combine a large number of federal categorical grant programs into a few block grants.

Certainly, this part of the President's program will have a significant effect on your role and the role of every state legislature in our society. If enacted as proposed, the block grant program will make your task much more substantial out in some ways more difficult.

The administration proposes to combine over one hundred categorical grant programs into four basic block grants. Three of them will cover a wide range of services. They are education, social services and health services. Each of those three block grants will combine a large number of categorical programs. One block grant, the fourth, will be narrowly targeted. That is called the hardship assistance block grant, and it will combine only two categorical programs; the low income energy assistance program and emergency assistance under the Social Security Act. Although it is the smallest of the four block grant programs, it is a very significant one for Maine.

Categorical grant programs have been favored by some because they are specifically targeted and they provide maximum control toward meeting national objectives. Those very attributes have created some opposition, especially the high degree of central control.

Block grants, on the other hand, transfer control to the states. So if these proposals become law, your role in the delivery of government services will be significantly expanded. Your role will, of course, be more difficult because they are proposed to be funded at 75 percent of the total at which the categorical programs were funded in 1981.

With some reservations, I favor the block grant concept. In most cases the overall administrative costs should be less, so more of the money should get to those who are supposed to be helped. And I believe that you are in a better position than the Congress to evaluate the competing needs of Maine people.

To the extent that it may make your task more difficult, it, of course, makes it more challenging and ultimately more satisfying.

There is clearly a consensus among the American people who want government programs to be responsible, to meet needs, who want government services delivered effectively and want to see waste in government ended.

This consensus is grounded in the recognition that the resources available to government at all levels are limited and must be used with restraint. But the existence of a consensus for restraint ought not to be mistaken for a broader consensus than it really is. While there may be a consensus to prune an overgrown government, there is not, in my judgement, a consensus to chop down the whole forest.

For whatever disagreement may exist about the nature and extent of government services, there are few, if any, who deny the fundamental role of government in our society. There are some problems which can only be dealt with by government. For example, only the national government can provide for our national defense. Only the government can guarantee the liberty and civil rights of every citizen.

There are some other specific problems which yield only to a national solution. Tomorrow, here in Augusta, the Senate Committee on the Environment of Public Works will be holding a hearing on the problem of acid rain. Acid rain is a phenomenon which has existed for many years but of which we have only recently become aware. When coal is burned in Pennsylvania and Ohio, sulphur and nitrogen oxide is emitted into the air, travels hundreds of miles and is deposited in Maine in the form of

rain or snow. No matter what we do in Maine to clean up our air, if we stop emissions from every industrial plant in Maine, we could not, by that act, control acid rain here in Maine, because it originates in other states hundreds of miles away. On problems like this, there can only be a reasonable national solution, and that is something that we are going to be working toward, coming up with at this hearing and in the Senate later this year.

But it is the convergence of the two attitudes that I have just described—the need for government action at the fundamental level of society, and the need for restraint in moving beyond that level that makes this a challenging time for all of use involved in government.

You will have a difficult problem, as you already have, in establishing priorities and matching limited resources to what must at times seem like unlimited needs. It is a difficult task but it is not a new one. Defining the proper role of government in our society is a problem that has been with us since our society was founded. Although times change and circumstances change, although new problems demand new solutions, certain principles endure. And so still relevant today are the words spoken over a century ago in this building by one of Maine's greatest men.

Joshua Chamberlain was a Civil War hero, President of Bowdoin College, Republican Governor of Maine for several terms. In his inaugural address in 1870, he described the purpose of government in these words—"A government has something more to do than to govern and levy taxes to pay the governors. It is something more than a police to arrest evil and punish wrong. It must also encourage good, point out improvements, open roads of prosperity and infuse life into all right enterprises. It should combine the insight and foresight of the best minds of the state for all of the high ends for which society is established and to which mankind aspires. That gives us much to do."

Today, 110 years later, we still have much to do, and in your efforts you have the prayers and the good wishes of all Maine people. Thank you all very much. (Applause)

(Off Record Remarks)

After the question and answer period, Senator Mitchell concluded as follows:

Senator MITCHELL: I would like to end by telling one story. Most of the Democrats have heard this, but I feel that the Republicans shouldn't be deprived. One of the questions I am asked frequently as I travel around the state is how I like being a Senator, and especially how does it compare with having been a Federal Judge. Like most things in life, some of it is good and some of it is bad. This is one of the good things, the chance to come here and meet and talk with you. But it is not all good, and one of the bad parts is that as a Senator, a politician, I don't get the respect to which I became accustomed as a judge. When I was a judge, I had a robe on and I sat in an elevated position in the court room and everybody was very polite to me. If I would get a lawyer, and there are a few of them here, stand up and argue a case, I would rule against them. They would say, "Thank you, Your Honor." Now, as you all know, when you cast a vote when someone doesn't like, they don't say thank you, they call me a lot of names and Your Honor is not among them, just as they call you a lot of names.

But the main difficulty is in preserving your sense of dignity. It is very easy to be dignified as a judge, very hard to be dignified as a politician. This story illustrates the problem. Last fall, I was invited to a reception at a farm in North Vassalboro. When I arrived, the farmer said, Senator, before we begin the reception, would you mind coming out back in the pasture and having your picture taken with two of my cows? Well, I have been asked to do a lot of

foolish things before and didn't mind too much. Would you mind telling me why, as we walked out in the pasture dodging all the natural obstacles in the field, and he said, well—and this is a true story—there is no dairy industry to speak of in Saudi, Arabia, and the government there is buying 19 prize heifers from all over the United States trying to find some that will adapt over there so they can have a domestic dairy industry in Saudi, Arabia. He said, we thought it would be nice if you had your picture taken sending these cows off. Besides, he said, there is a photographer from the Waterville Sentinel there and you might get your picture in the paper.

So we went out, we had the picture taken, and sure enough, the next morning in the Waterville Sentinel my picture appeared—Two prize heifers headed for Saudi Arabia; Senator Mitchell sees them off. About a week later, I was over in Sidney going door to door, and I knocked on the door of one farmhouse, an elderly Maine gentleman answered the door and I introduced myself. He said, I know who you are. I said, how do you know that? He said, I saw your picture in the paper with them two cows. I said, what did you think about it? He looked me right in the eye and said, Sonny, I am a Republican, I think we ought to keep the cows here and send you to Saudi, Arabia.

Thank you all very much, I have enjoyed it.

Thereupon, the Sergeant-at-Arms escorted Senator Mitchell from the Hall of the House amid prolonged applause, the members rising.

On motion of Mr. Racine of Biddeford, Adjourned until nine-thirty tomorrow morning.