

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD
OF THE
One Hundred and Twelfth
Legislature
OF THE
STATE OF MAINE

VOLUME I
SECOND REGULAR SESSION
January 8 - April 2, 1986

The House was called to order by the Speaker.
Prayer by Father Lionel G. Chouinard, St.
Theresa's Catholic Church, Mexico.
The Journal of Monday, March 31, 1986, was read
and accepted.
Quorum call was held.

Rachel Leighton is replacing Sandra Brennan.

Sincerely,

S/Joy J. O'Brien
Secretary of the Senate

PAPERS FROM THE SENATE

The following Communication:

SENATE OF MAINE
OFFICE OF THE SECRETARY
AUGUSTA, MAINE 04333

March 31, 1986

The Honorable John L. Martin
Speaker of the House
112th Legislature
Augusta, Maine 04333

Dear Speaker Martin:

In accordance with Joint Rule 38, please be
advised that the Senate today confirmed, upon the
recommendation of the Joint Standing Committee on
Agriculture, the Governor's nomination of Donald W.
Buzzell of Fryeburg for reappointment to the Animal
Welfare Board.

Sincerely,

S/Joy J. O'Brien
Secretary of the Senate

Was read and ordered placed on file.

The following Communication:

SENATE OF MAINE
OFFICE OF THE SECRETARY
AUGUSTA, MAINE 04333

March 31, 1986

The Honorable John L. Martin
Speaker of the House
112th Legislature
Augusta, Maine 04333

Dear Speaker Martin:

In accordance with Joint Rule 38, please be
advised that the Senate today confirmed, upon the
recommendation of the Joint Standing Committee on
Agriculture, the Governor's nomination of Rachel
Leighton of Milbridge for appointment to the Animal
Welfare Board.

Was read and ordered placed on file.

Unanimous Leave to Withdraw

Report of the Committee on Utilities reporting
"Leave to Withdraw" on Bill "An Act Relating to the
Maine Public Utilities Commission's Regulation of
Cable Television Companies" (S.P. 839) (L.D. 2128)

Report of the Committee on Fisheries and Wildlife
reporting "Leave to Withdraw" on Bill "An Act to
Place a Sunset Provision in the Antlerless Deer
Permit Law" (S.P. 873) (L.D. 2203)

Were placed in the Legislative Files without
further action pursuant to Joint Rule 15 in
concurrence.

Ought to Pass in New Draft

Report of the Joint Select Committee on
Alcoholism Services on Bill "An Act to Make
Additional Allocations from the Alcohol Premium Fund"
(S.P. 505) (L.D. 1365) reporting "Ought to Pass" in
New Draft (S.P. 910) (L.D. 2277)

Came from the Senate, with the report read and
accepted and the New Draft passed to be engrossed.

Report was read and accepted, the New Draft given
its first reading and assigned for second reading
later in today's session.

Ought to Pass in New Draft

Report of the Committee on Energy and Natural
Resources on Bill "An Act to Amend the Classification
System for Maine Waters and Change the
Classifications of Certain Waters" (S.P. 557) (L.D.
1503) reporting "Ought to Pass" in New Draft (S.P.
915) (L.D. 2283)

Came from the Senate, with the report read and
accepted and the New Draft passed to be engrossed.

Report was read and accepted, the New Draft given
its first reading and assigned for second reading
later in today's session.

Ought to Pass in New Draft

Report of the Committee on Fisheries and Wildlife
on Bill "An Act to Modify and Update Certain Laws

Pertaining to Inland Fisheries and Wildlife" (S.P. 678) (L.D. 1759) reporting "Ought to Pass" in New Draft (S.P. 916) (L.D. 2286)

Came from the Senate, with the report read and accepted and the New Draft passed to be engrossed.

Report was read and accepted, the New Draft given its first reading and assigned for second reading later in today's session.

Ought to Pass in New Draft

Report of the Committee on Legal Affairs on Bill "An Act Concerning Access to Vital Records in Cases of Adoption" (S.P. 827) (L.D. 2087) reporting "Ought to Pass" in New Draft (S.P. 909) (L.D. 2276)

Came from the Senate, with the report read and accepted and the New Draft passed to be engrossed.

Report was read and accepted, the New Draft given its first reading and assigned for second reading later in today's session.

Ought to Pass in New Draft

Report of the Committee on Transportation on Bill "An Act to Amend Certain Motor Vehicle Laws" (S.P. 750) (L.D. 1914) reporting "Ought to Pass" in New Draft (S.P. 912) (L.D. 2279)

Came from the Senate, with the report read and accepted and the New Draft passed to be engrossed.

Report was read and accepted, the New Draft given its first reading and assigned for second reading later in today's session.

Divided Report

LATER TODAY ASSIGNED

Majority Report of the Committee on Agriculture on Bill "An Act Relating to Use of Sulfite as a Food Preservative" (S.P. 793) (L.D. 1994) reporting "Ought to Pass" in New Draft (S.P. 908) (L.D. 2275)

Signed:

Senators: ERWIN of Oxford
BLACK of Cumberland
CARPENTER of Aroostook

Representatives: MICHAEL of Auburn
DAGGETT of Manchester
SHERBURNE of Dexter
LORD of Waterboro

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

Signed:

Representatives: TARDY of Palmyra
MCCOLLISTER of Canton
AYER of Caribou
PARENT of Benton
BRAGG of Sidney
WHITCOMB of Waldo

Came from the Senate with the Majority "Ought to Pass" in New Draft report read and accepted and the New Draft Passed to be Engrossed as amended by Senate Amendment "A" (S-449).

Reports were read.

The SPEAKER: The Chair recognizes the Representative from Canton, Representative McCollister.

Representative MCCOLLISTER: Mr. Speaker, Men and Women of the House: I move the Minority "Ought Not to Pass" Report.

This might well be a good bill if it was a year ago, but by midsummer, the Department of Agriculture in Washington will be issuing rules and regulations covering the use of sulfide which will supersede our regulations anyway. The way this bill is written, it is going to be September before this bill can be implemented by the department, long after the federal government has passed its rules and regulations.

On motion of Representative Diamond of Bangor, tabled pending the motion of Representative McCollister of Canton that the House accept the Minority "Ought Not to Pass" Report and later today assigned.

Non-Concurrent Matter

Bill "An Act Relating to Boards and Commissions" (H.P. 1614) (L.D. 2269) which was passed to be engrossed in the House on March 27, 1986.

Came from the Senate passed to be engrossed as amended by Senate Amendments "A" (S-446) and "B" (S-448) in non-concurrence.

The House voted to recede and concur.

Non-Concurrent Matter

RESOLVE, to Permit Edgar Warren to Sue the State for Compensation for Injuries Incurred While He was a Ward of the State (H.P. 1377) (L.D. 1940) on which the Minority "Ought to Pass" Report of the Committee on Legal Affairs was read and accepted and the Bill passed to be engrossed as amended by House Amendment "A" (H-610) in the House on March 27, 1986.

Came from the Senate with the Majority "Ought Not to Pass" Report of the Committee on Legal Affairs read and accepted in non-concurrence.

The House voted to Insist.

(Off Record Remarks)

COMMUNICATIONS

The following Communication:

STATE OF MAINE
DEPARTMENT OF AUDIT
STATE HOUSE STATION 66
AUGUSTA, MAINE 04333

January 4, 1986

To the President of the Senate and the
Speaker of the House of Representatives

In accordance with Title 5, Section 243, Maine Revised Statutes Annotated of 1964, as amended, an audit has been conducted of the financial records of the Unorganized Territory Tax District for the fiscal year ended June 30, 1985.

The examination was made in accordance with generally accepted auditing standards and the Standards for Audit of Governmental Organizations, Programs, Activities and Functions, promulgated by the U.S. Comptroller General and, accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Within the scope of the examination, the financial transactions were appropriately handled, with such exceptions as may be noted in the accompanying commentary.

In our opinion, the exhibits and schedules contained in this report present fairly the financial position of the various funds of the Unorganized Territory Tax District at June 30, 1985, the results of operations and the changes in fund balances of such funds for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

S/Robert W. Norton
State Auditor

Was read and with accompanying report ordered placed on file.

The following Communication: (H.P. 1630)

MAINE INDIAN
TRIBAL-STATE COMMISSION
P. O. Box 87
Hallowell, Maine 04347

March 31, 1986

The Honorable John L. Martin

Speaker of the House
Maine House of Representatives

The Honorable Charles P. Pray
President of the Senate
Maine Senate

Dear Mr. Speaker and Mr. President:

In accordance with Title 30 MRSA §6205(5) and Joint Rule 36-A of the Maine Legislature, the Maine Indian Tribal-State Commission met on March 31, 1986 for the purpose of making a recommendation on LD 1717. With a quorum present a motion was made and approved by the required number of votes stating that the Maine Indian Tribal-State Commission recommends to the Maine Legislature the adoption of LD 1717 as amended to incorporate the provisions identified in Article #40 as amended at the Town of Perry's regular Town Meeting of March 18, 1986. A certified copy of Article #40 as amended is attached.

Please consider this letter as formal notice of the Commission's action.

Sincerely,

S/John G. Melrose
Executive Director

Was read and with accompanying papers ordered placed on file and sent up for concurrence.

The following Communication:

Department of Energy
Washington, D.C. 20585

March 27, 1986

Mr. Edwin H. Pert
Clerk, State of Maine
House of Representatives
Augusta, Maine 04333

Dear Clerk Pert:

Thank you for providing Secretary Herrington with a copy of the Joint Resolution enacted by the State of Maine Legislature regarding the nuclear waste repository program. We appreciate this opportunity to respond to your concerns regarding the draft Area Recommendation Report (ARR).

The Department is in an early phase of the site screening process which began in 1979 with a national survey to identify regions containing crystalline rock that may be suitable for isolating nuclear waste. Three regions containing 235 sites in 17 States were identified, and, in consultation with the States, a screening methodology using disqualifying factors and screening variables derived from the DOE Siting Guidelines was used to narrow the search for potentially acceptable sites. The draft ARR presents the results of the region-to-area screening process

and, using available literature only, identifies 12 proposed potentially acceptable sites in 7 States for further study in the area phase. Many of the factors raised in your resolution can be appropriately addressed only in the area and/or site characterization phases. Thus, DOE will conduct detailed analyses in these phases to determine the extent to which tourism or other economic activity may be affected by a repository at a particular site. Similarly, DOE will evaluate the condition of specific access routes (roads and railroads) in the vicinity of preliminary candidate areas in the area phase when field investigations begin. Any potential environmental and geologic conflicts would also be examined through field exploration and testing within and outside of the potentially acceptable sites, as necessary. IF DOE found unresolvable conflicts that meant a potentially acceptable site could not meet the Department's guidelines and the regulations of the Nuclear Regulatory Commission and the Environmental Protection Agency, then DOE would remove the site from consideration.

With regard to the time period for public comment, DOE believes that 90 days is appropriate because the crystalline States had previously reviewed and commented upon both the region-to-area screening methodology and the data base used in the draft ARR. Moreover, DOE provided the States with computer access to the data base in October 1985 to facilitate the States' review of DOE screening results and that data used in identifying candidate areas for further study. In addition, DOE has held numerous public briefings to inform the public regarding the region-to-area screening process. Oral testimony presented at subsequent public hearings and written comments received during the comment period will be considered.

Finally, the 90-day comment period is consistent with the time for public review afforded the first repository program's draft Environmental Assessments. And, as in the case of the draft Environmental Assessments, we will consider late comments to the maximum extent feasible.

We appreciate your interest in this important program. Should you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,

S/William J. Purcell
Associate Director for
Geologic Repositories
Office of Civilian Radioactive
Waste Management

Was read and ordered placed on file.

The following Communication:

MAINE STATE LEGISLATURE
Augusta, Maine 04333

Joint Select Committee on Alcoholism Services

March 31, 1986

The Honorable John L. Martin
Speaker of the House
112th Legislature

Dear Speaker Martin:

We are pleased to report that all business which was placed before the Committee on Alcoholism Services during the second regular session of the 112th Legislature has been completed. The breakdown of bills referred to our committee follows:

Total number of bills received	2
Unanimous reports	2
Leave to Withdraw	1
Ought to Pass	0
Ought Not to Pass	0
ught to Pass as Amended	0
Ought to Pass in New Draft	1
Divided reports	0

Respectfully submitted,

S/Thomas H. Andrews
Senate Chair

S/Alfred L. Brodeur
House Chair

Was read and ordered placed on file.

ORDERS

On motion of Representative McSWEENEY of Old Orchard Beach, the following Order:

ORDERED, that Representative Richard P. Ruhlin of Brewer be excused March 31 for the duration of his illness.

Was read and passed.

REPORTS OF COMMITTEES

Ought to Pass in New Draft

Representative McHENRY from the Committee on Utilities on Bill "An Act to Amend the Charter of the Passamaquoddy Water District" (Emergency) (H.P. 1313) (L.D. 1829) reporting "Ought to Pass" in New Draft (Emergency) (H.P. 1631) (L.D. 2299)

Report was read and accepted, the New Draft given its first reading and assigned for second reading later in today's session.

Divided Report

Majority Report of the Committee on Judiciary on Bill "An Act to Require Criminal History Record Information Prior to the Bailing of Certain Offenders" (H.P. 1325) (L.D. 1860) reporting "Ought to Pass" in New Draft under New Title Bill "An Act Establishing a Commission to Implement Computerization of Criminal History Record Information" (Emergency) (H.P. 1627) (L.D. 2295)

Signed:

Senators: CARPENTER of Aroostook
CHALMERS of Knox
SEWALL of Lincoln

Representatives: KANE of South Portland
ALLEN of Washington
COOPER of Windham
PRIEST of Brunswick
MacBRIDE of Presque Isle
PARADIS of Augusta
LEBOWITZ of Bangor
DRINKWATER of Belfast

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

Signed:

Representatives: CARRIER of Westbrook
STETSON of Damariscotta

Reports were read.

Representative Paradis of Augusta moved that the House accept the Majority "Ought to Pass" Report.

The SPEAKER: The Chair recognizes the Representative from Damariscotta, Representative Stetson.

Representative STETSON: Mr. Speaker, Men and Women of the House: Again, this is like the bill yesterday that I don't disapprove of the principle involved but I think we are going in the wrong direction again. This calls for the appointment of a blue ribbon commission to implement computerization of criminal history records. The fact of the matter is that this is going to take another couple of years to accomplish what the original bill sought to do this year. By the time the commission has completed its study and its report, and it has gone to the legislature, the state of the art will have changed so, that the commission report will be out of date.

I think it is a shame that we have to go through this commission process. We have the expertise within the Department of Corrections, within the Department of Computerization if you will, to take care of this matter and I don't think it needs a bunch of bureaucrats and legislators to sit on a commission and work this thing over for a couple of years. We should get on with the war and get it accomplished this year. That is why I am on the Minority Report.

Subsequently, the Majority "Ought to Pass" Report was accepted, the bill read once and assigned for second reading later in today's session.

CONSENT CALENDAR

FIRST DAY

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

(S.P. 862) (L.D. 2176) Bill "An Act to Authorize the Treasurer of State to Temporarily Invest Excess Money Including Unspent Bond Proceeds in Tax-exempt Obligations" (Emergency) Committee on State Government reporting "Ought to Pass"

On motion of Representative Gwadosky, was removed from the Consent Calendar, First Day.

The Committee Report was read and accepted, the bill read once and assigned for second reading later in today's session.

(H.P. 1210) (L.D. 1717) Bill "An Act Relating to the Passamaquoddy Indian Reservation" Committee on Judiciary reporting "Ought to Pass"

There being no objection, the above item was ordered to appear on the Consent Calendar later in today's session 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:

(H.P. 1489) (L.D. 2105) Bill "An Act Providing for the 1986 Amendments to the Finance Authority of Maine Act" (C. "A" H-613)

(S.P. 861) (L.D. 2175) Bill "An Act to Continue Use of Computer Match Programs to Determine Eligibility of Public Assistance Recipients" (Emergency)

(H.P. 1569) (L.D. 2219) Bill "An Act to Provide Technical Assistance to Schools on Truancy, Dropouts and Alternative Educational Programs and to Amend the Permanent School Fund" (C. "A" H-618)

(H.P. 1497) (L.D. 2110) Bill "An Act to Amend the Maine Osteopathic Student Loan Program" (C. "A" H-619)

No objections having been noted at the end of the Second Legislative Day, the Senate Paper was Passed to be Engrossed as Amended in concurrence and the House Papers were Passed to be Engrossed as Amended and sent up for concurrence.

PASSED TO BE ENGROSSED

RESOLVE, to Establish a Commission to Examine

Problems of Tort Litigation and Liability Insurance in Maine (Emergency) (H.P. 1624) (L.D. 2289)

Was reported by the Committee on Bills in the Second Reading and read a second time.

Representative Allen of Washington offered House Amendment "A" (H-622) and moved its adoption.

House Amendment "A" (H-622) was read by the Clerk and adopted.

The Resolve was passed to be engrossed as amended and sent up for concurrence.

PASSED TO BE ENGROSSED

Bill "An Act to Amend the Law Relating to Group Health Insurance" (H.P. 1615) (L.D. 2273)

Was reported by the Committee on Bills in the Second Reading, read the second time, Passed to be Engrossed, and sent up for concurrence.

PASSED TO BE ENGROSSED

As Amended

RESOLVE, Authorizing the Exchange and Sale of Certain Public Reserved Lands (H.P. 1516) (L.D. 2145) (C. "A" H-615)

Bill "An Act to Amend the Charter of the Lucerne-in-Maine Village Corporation" (Emergency) (S.P. 720) (L.D. 1843) (H. "A" H-620 to C. "A" S-436)

Were reported by the Committee on Bills in the Second Reading, read a second time, the Senate Paper was passed to be engrossed as amended in concurrence and the House Paper was passed to be engrossed as amended and sent up for concurrence.

SECOND READER

LATER TODAY ASSIGNED

Bill "An Act to Clarify the Role of Cooperatives under the Maine Milk Pool" (S.P. 707) (L.D. 1832) (S. "A" S-439)

Was reported by the Committee on Bills in the Second Reading and read a second time.

On motion of Representative Whitcomb of Waldo, tabled pending passage to be engrossed and later today assigned.

(Off Record Remarks)

ORDERS OF THE DAY

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

Bill "An Act to Authorize Preferred Provider Arrangements in Maine and to Establish a Cash Reserve Requirement for Health Maintenance Organizations" (H.P. 1625) (L.D. 2290)

TABLED - March 31, 1986 by Representative BRANNIGAN of Portland.

PENDING - Passage to be Engrossed.

On motion of Representative Brannigan of Portland, retabled pending passage to be engrossed and later today assigned

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

HOUSE DIVIDED REPORT - Majority (9) "Ought Not to Pass" - Minority (4) "Ought to Pass" as amended by Committee Amendment "A" (H-608) - Committee on Energy and Natural Resources on Bill "An Act Concerning the Protection of the Natural Resources on the Lower Penobscot River" (H.P. 1395) (L.D. 1967)

TABLED - March 31, 1986 by Representative MICHAUD of Medway.

PENDING - Motion of same Representative to accept the Minority "Ought to Pass" as amended Report.

The SPEAKER: The Chair recognizes the Representative from Medway, Representative Michaud.

Representative MICHAUD: Mr. Speaker, Men and Women of the House: I withdraw my motion.

The SPEAKER: The Representative from Medway, Representative Michaud, withdraws his motion.

On motion of Representative Michaud of Medway, the bill was recommitted to the Committee on Energy and Natural Resources and sent up for concurrence.

On motion of Representative Carter of Winslow, the House reconsidered its action whereby Bill "An Act Providing for the 1986 Amendments to the Finance Authority of Maine Act" (L.D. 2105) (C. "A" H-613) was passed to be engrossed pursuant to Consent Calendar rules.

The Committee Report was accepted and the bill read once.

Committee Amendment "A" (H-613) was read and adopted and the bill assigned for second reading later in today's session.

(Off Record Remarks)

The following item appearing on Supplement No. 1 was taken up out of order by unanimous consent:

PASSED TO BE ENACTED

An Act to Authorize the Establishment of Veterans' Homes in Northern and Southern Maine (H.P. 1604) (L.D. 2258)

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.

The following item appearing on Supplement No. 2 was taken up out of order by unanimous consent:

BILL HELD

LATER TODAY ASSIGNED

Representative Dillenback of Cumberland moved the House reconsider its action whereby Joint Resolution Memorializing the Maine State Retirement System to Make Further Limitations on Investment and Divestiture of Public Funds in the Republic of South Africa and Namibia (H.P. 1623) was adopted.

On motion of the same Representative, tabled pending his motion and later today assigned.

(Off Record Remarks)

By unanimous consent, all matters having been acted upon requiring Senate concurrence were ordered sent forthwith to the Senate.

On motion of Representative Rydell of Brunswick, Recessed until four-thirty in the afternoon.

(After Recess)

The House was called to order by the Speaker.

The following items appearing on Supplement No. 3 were taken up out of order by unanimous consent.

PAPERS FROM THE SENATE

The following Communication:
The Senate of Maine
Augusta

April 1, 1986

Honorable Edwin H. Pert
Clerk of the House
State House Station 2
Augusta, Maine 04333

Dear Clerk Pert:

Please be advised that the Senate today joined in a Committee of Conference on the disagreeing action

between the two branches of the Legislature on Bill, "An Act to Revise the Energy Building Standards Act" (H.P. 1385) (L.D. 1954).

The President appointed on the part of the Senate the following:

Senator Usher of Cumberland
Senator Kany of Kennebec
Senator Hichens of York

Sincerely,

S/Joy J. O'Brien
Secretary of the Senate

Was read and ordered placed on file.

Ought to Pass in New Draft/New Title

Report of the Committee on State Government on Bill "An Act Concerning the Day-care Program at Augusta Mental Health Institute" (S.P. 829) (L.D. 2089) reporting "Ought to Pass" in New Draft under New Title Bill "An Act Providing for the Lease of Unused Space or Facilities Owned by the State" (S.P. 917) (L.D. 2291).

Came from the Senate, with the report read and accepted and the New Draft passed to be engrossed.

Report was read and accepted, the New Draft given its first reading and assigned for second reading Wednesday, April 2, 1986.

Ought to Pass

Report of the Committee on Agriculture reporting "Ought to Pass" on Bill "An Act to Reorganize the Maine Potato Industry" (S.P. 876) (L.D. 2205).

Came from the Senate, with the report read and accepted and the Bill Passed to be Engrossed as amended by Senate Amendment "A" (S-450).

Report was read and accepted and the bill read once.

Senate Amendment "A" read by the Clerk and adopted and the Bill assigned for second reading Wednesday, April 2, 1986.

Divided Report

Majority Report of the Committee on State Government reporting "Ought to Pass" as amended by Committee Amendment "A" (S-443) on RESOLVE, Creating a Maine Commission to Commemorate the Bicentennial of the United States Constitution (Emergency) (S.P. 813) (L.D. 2045)

Signed:

Senators: ANDREWS of Cumberland

KERRY of York

Representatives:

LACROIX of Oakland
HICHBORN of LaGrange
BOUTILIER of Lewiston
GWADOSKY of Fairfield
DILLENBACK of Cumberland
DESCOTEAUX of Biddeford
NADEAU of Saco
WENTWORTH of Wells
COTE of Auburn
SPROUL of Augusta

Minority Report of the same Committee reporting "Ought to Pass" as amended by Committee Amendment "B" (S-444) on same bill.

Signed:

Senator: HICHENS of York

Came from the Senate with the Majority "Ought to Pass" as amended Report read and accepted and the Bill passed to be engrossed as amended by Committee Amendment "A" (S-443)

Reports were read.

On motion of Representative Gwadosky of Fairfield, the House accepted the Majority "Ought to Pass" Report, the bill read once.

Committee Amendment "A" (S-443) was read by the Clerk and adopted and the bill assigned for second reading Wednesday, April 2, 1986.

Divided Report

TABLED AND ASSIGNED

Majority Report of the Committee on Taxation reporting "Ought Not to Pass" on Bill "An Act to Require Legislative Review and Approval of Sales and Use Tax Exemptions Every 5 Years" (S.P. 748) (L.D. 1912)

Signed:

Senators: DIAMOND of Cumberland
EMERSON of Penobscot

Representatives: MCCOLLISTER of Canton
CASHMAN of Old Town
SWAZEY of Bucksport
TARDY of Palmyra
JACKSON of Harrison
INGRAHAM of Houlton
ZIRNKILTON of Mt. Desert
NELSON of Portland
WEBSTER of Cape Elizabeth

Minority Report of the same Committee reporting "Ought to Pass" as amended by Committee Amendment "A" (S-441) on same Bill.

Signed:

Senator:

TWITCHELL of Oxford

Representative:

MAYO of Thomaston

Came from the Senate with the Minority "Ought to Pass" as amended Report read and accepted and the Bill passed to be engrossed as amended by Committee Amendment "A" (S-441)

Reports were read.

On motion of Representative Mayo of Thomaston, tabled pending acceptance of either report and tomorrow assigned.

Divided Report

Majority Report of the Committee on Human Resources on Bill "An Act to Provide a Reasonable Increase for State Reimbursement to Boarding Care Facilities, to Allow for Periodic Cost-of-living Adjustments and for Other Purposes" (S.P. 814) (L.D. 2046) reporting "Ought to Pass" in New Draft under New Title Bill "An Act to Provide a Periodic Cost-of-living Adjustment in the State Reimbursement to Boarding Care Facilities" (S.P. 918) (L.D. 2292)

Signed:

Senators: GILL of Cumberland
GAUVREAU of Androscoggin

Representatives:

MELENDY of Rockland
MANNING of Portland
SEAVEY of Kennebunkport
PINES of Limestone
ROLDE of York
NELSON of Portland
TAYLOR of Camden
KIMBALL of Buxton
SIMPSON of Casco

Minority Report of the same Committee reporting "Ought to Pass" in New Draft Under New Title Bill "An Act to Increase the Minimum Flat Rate Reimbursement and to Provide a Periodic Cost-of-living Adjustment in the State Reimbursement to Boarding Care Facilities" (S.P. 919) (L.D. 2293) on same bill.

Signed:

Senator: BUSTIN of Kennebec

Representative:

CARROLL of Gray

Came from the Senate with the Majority "Ought to Pass" in New Draft report read and accepted and the New Draft passed to be engrossed.

Reports were read.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Nelson.

Representative NELSON: Mr. Speaker, Men and Women of the House: I move that the House accept the Majority "Ought to Pass" Report.

L.D. 2292 is the Majority "Ought to Pass" Report

and L.D. 2293 is the Minority "Ought to Pass" Report. I would hope you would accept the Majority Report. The Majority Report has everything the Minority Report does except for one important basic thing. We, the majority of the committee, believe that a half a loaf is better than none, so our report says that there would be an increase for these people who have needed this increase for a very long time to adjust the cost of living to reimburse boarding care facilities. That cost of living adjustment would begin in July of this year and then be increased in January of next year and increased every January from that year forward.

The Minority Report says that they will be paid a minimum of \$600 a month, flat rate, and then get the cost of living. That appropriation is \$994,000; the Majority Report is \$136,935. I think we are talking about something we all cared about and that it was important that these people get a raise.

As I said, the majority of the committee believe as I said before, half a loaf is better than none.

The SPEAKER: The Chair recognizes the Representative from Gray, Representative Carroll.

Representative CARROLL: Mr. Speaker, Men and Women of the House: I stand alone in the House from the committee to urge you to not accept the Majority Report so you can accept the Minority Report.

My House Chair has stated very accurately that there is only one minor technical difference between the two and that is that the cost of living increase goes with both reports. I just want to make that very stale loaf of bread a little more easier to swallow for those people who own small boarding homes.

The Representative from Portland mentioned that everybody wanted to have that increase but it was going to cost a lot of money. I say to you that that loaf that she was talking about, the half of loaf we are going to let these people have, has been sitting in the cupboard for years and now is never going to be able to be swallowed and, if it is, they are going to be falling further and further behind.

The department, in their wisdom, says that if you have a six bed boarding home or less than six bed boarding home, you can only be reimbursed a flat-rate of \$400, some odd dollars. The audit division of that department broke down the cost of running one of those six bed homes and it comes out to a mere sum of \$672. It is ironic that when the department comes in on one hand and says we can't afford to pay these people any more than what we are paying them now and we have to keep flat rates the way it is, but then they define boarding care in a bill submitted to this legislature under Joint Rule 24 from that department, that boarding care means eating-lodging services -- it also includes personal supervision, protection from environmental hazards, diet care, care concerning grooming, hand and foot care, skin care, mouth and teeth care, shampooing, bathing assistance in ambulation, supervision and assistance in the administration of medication, assistance in activities, daily life and physical exercise.

It seems really ironic that if I had somebody who had to go into a boarding home and there were seven beds, I could get a full cost reimbursement for me to provide all those services. With six beds, all I could get is \$400 to provide those services. I would urge the House to reject the motion so we could proceed to accept the Minority Report.

The SPEAKER: The Chair recognizes the Representative from Limestone, Representative Pines.

Representative PINES: Mr. Speaker, Ladies and Gentlemen of the House: I fully agree with my committee person, Representative Carroll from Gray, that it would be nice if we could offer that to all our boarding homes. I feel very strongly that they are giving us a service that is unique to this state in the small homes that are giving homes to those who are no longer able to stay in their homes.

However, I think the Majority Report, which I am asking you to please support, is a more reasonable approach to increasing their funding. It will be a cost of living this year, again in July, again in January and then once again every January. Our monies are tight and when we slice the pie, we have to slice it thin. It will give them some relief, not a lot of relief.

Instead of sending a bill down to the table that has no chance to pass, I ask your support for the Majority Report and show these people out there who are giving their heart and soul to care for those who aren't able to stay in their homes, a home to share for the rest of their lives.

The SPEAKER: The pending question before the House is the motion of Representative Nelson of Portland that the House accept the Majority "Ought to Pass" Report. Those in favor will vote yes; those opposed will vote no.

86 having voted in the affirmative and 12 in the negative, the motion Majority "Ought to Pass" Report was accepted, the Bill read once and assigned for second reading Wednesday, April 2, 1986.

REPORTS OF COMMITTEES

Unanimous Leave to Withdraw

Representative McHENRY from the Committee on Utilities on Bill "An Act to Amend the Charter of the Camden and Rockland Water Company" (Emergency) (H.P. 1351) (L.D. 1887) reporting "Leave to Withdraw"

Representative McHENRY from the Committee on Utilities on Bill "An Act to Create the Lincolnville, Camden, Hope, Searsmont and Belmont Water District" (H.P. 1379) (L.D. 1942) reporting "Leave to Withdraw"

Were placed in the Legislative Files without further action pursuant to Joint Rule 15 and sent up for concurrence.

CONSENT CALENDAR

FIRST DAY

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

(S.P. 854) (L.D. 2166) Bill "An Act to Clarify the Authority of Municipalities to Raise and Appropriate Money for Financial Assistance to Water and Sewer Districts" (Emergency) Committee on Utilities reporting "Ought to Pass" as amended by Committee Amendment "A" (S-445)

(S.P. 797) (L.D. 2004) Bill "An Act to Amend the

Drug Enforcement Law" Committee on Judiciary reporting "Ought to Pass" as amended by Committee Amendment "A" (S-440)

(S.P. 817) (L.D. 2062) Bill "An Act to Increase the School Bus Purchase Limit" Committee on Education reporting "Ought to Pass"

(H.P. 1254) (L.D. 1764) Bill "An Act to Limit Preferential Taxation within a Unitary Business" Committee on Taxation reporting "Ought to Pass" as amended by Committee Amendment "A" (H-628)

(H.P. 1436) (L.D. 2027) Bill "An Act Concerning the Waldo County Budget Committee" (Emergency) Committee on Local and County Government reporting "Ought to Pass" as amended by Committee Amendment "A" (H-629)

There being no objections, the above items were ordered to appear on the Consent Calendar of Wednesday, April 2, 1986, under the listing of Second Day.

CONSENT CALENDAR

SECOND DAY

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

(H.P. 1210) (L.D. 1717) Bill "An Act Relating to the Passamaquoddy Indian Reservation"

No objections having been noted at the end of the Second Legislative Day, the House Paper was Passed to be Engrossed and sent up for concurrence.

PASSED TO BE ENGROSSED

Bill "An Act to Make Additional Allocations from the Alcohol Premium Fund" (S.P. 910) (L.D. 2277)

Bill "An Act to Amend the Classification System for Maine Waters and Change the Classifications of Certain Waters" (S.P. 915) (L.D. 2283)

Were reported by the Committee on Bills in the Second Reading, read the second time and the Senate Papers were Passed to be Engrossed in concurrence.

PASSED TO BE ENGROSSED

As Amended

Bill "An Act to Modify and Update Certain Laws Pertaining to Inland Fisheries and Wildlife" (S.P. 916) (L.D. 2286)

Was reported by the Committee on Bills in the Second Reading and read a second time.

Representative Jacques of Waterville offered

House Amendment "A" (H-634) and moved its adoption.

House Amendment "A" (H-634) was read by the Clerk and adopted.

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

PASSED TO BE ENGROSSED

Bill "An Act Concerning Access to Vital Records in Cases of Adoption" (S.P. 909) (L.D. 2276)

Was reported by the Committee on Bills in the Second Reading, read the second time, the Senate Paper was Passed to be Engrossed in concurrence.

PASSED TO BE ENGROSSED

As Amended

Bill "An Act to Amend Certain Motor Vehicle Laws" (S.P. 912) (L.D. 2279)

Was reported by the Committee on Bills in the Second Reading and read a second time.

Representative Theriault of Fort Kent offered House Amendment "A" (H-633) and moved its adoption.

House Amendment "A" (H-633) was read by the Clerk and adopted.

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

PASSED TO BE ENGROSSED

Bill "An Act to Amend the Charter of the Passamaquoddy Water District" (Emergency) (H.P. 1631) (L.D. 2299)

Was reported by the Committee on Bills in the Second Reading, read the second time, the House Paper was Passed to be Engrossed and sent up for concurrence.

TABLED AND ASSIGNED

Bill "An Act to Authorize the Treasurer of State to Temporarily Invest Excess Money Including Unspent Bond Proceeds in Tax-exempt Obligations" (Emergency) (S.P. 862) (L.D. 2176)

Was reported by the Committee on Bills in the Second reading and read a second time.

On motion of Representative Higgins of Scarborough, tabled pending passage to be engrossed and tomorrow assigned.

TABLED AND ASSIGNED

Bill "An Act Establishing a Commission to Implement Computerization of Criminal History Record Information" (Emergency) (H.P. 1627) (L.D. 2295)

Was reported by the Committee on Bills in the Second Reading and read a second time.

On motion of Representative Stetson of Damariscotta, tabled pending passage to be engrossed and tomorrow assigned.

TABLED AND ASSIGNED

As Amended

Bill "An Act Providing for the 1986 Amendments to the Finance Authority of Maine Act" (H.P. 1489) (L.D. 2105) (C. "A" H-613)

Was reported by the Committee on Bills in the Second Reading and read a second time.

On motion of Representative Carter of Winslow, tabled pending passage to be engrossed and tomorrow assigned.

The following items appearing on Supplement No. 4 were taken up out of order by unanimous consent:

PETITIONS, BILLS AND RESOLVES REQUIRING REFERENCE

The following Bills were received and, upon the recommendation of the Committee on Reference of Bills, were referred to the following Committees, Ordered Printed and Sent up for Concurrence:

Energy and Natural Resources

Bill "An Act Relating to Air Emission Licenses in Nonattainment Areas" (Emergency) (H.P. 1634) (Presented by Representative VOSE of Eastport) (Cosponsors: Senator CARPENTER of Aroostook, Representatives TAMMARO of Baileyville and MOHOLLAND of Princeton) (Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 27)

(Ordered Printed)
Sent up for concurrence.

Human Resources

Bill "An Act to Extend the Deadline and Increase the Appropriation for the Special Select Commission on the Administration and Financing of General Assistance" (H.P. 1635) (Presented by Representative MANNING of Portland) (Cosponsors: Representatives NELSON of Portland, TAYLOR of Camden and Senator BERUBE of Androscoggin) (Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 27)

(Ordered Printed)

Sent up for concurrence.

Labor

Bill "An Act to Require the Workers' Compensation Commission to Study the Causes of Delay and its Effects on the Participants in the Workers' Compensation System" (Emergency) (H.P. 1636) (Presented by Representative BEAULIEU of Portland) (Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 27)

(Ordered Printed)
Sent up for concurrence.

The following item appearing on Supplement No. 5 was taken up out of order by unanimous consent:

PETITIONS, BILLS AND RESOLVES REQUIRING REFERENCE

The following Bill was received and, upon the recommendation of the Committee on Reference of Bills, was referred to the following Committee, Ordered Printed and Sent up for Concurrence:

Taxation

Bill "An Act to Make Certain Revisions in the Maine Tax Laws and Appropriations from the General Fund" (Emergency) (H.P. 1638) (Presented by Representative CASHMAN of Old Town) (Cosponsors: Representative MAYO of Thomaston and Senator TWITCHELL of Oxford) (Submitted by the Department of Finance and Administration pursuant to Joint Rule 24)

(Ordered Printed)
Sent up for concurrence.

The following item appearing on Supplement No. 6 was taken up out of order by unanimous consent:

PETITIONS, BILLS AND RESOLVES REQUIRING REFERENCE

The following Bill was received and, upon the recommendation of the Committee on Reference of Bills, was referred to the following Committee, Ordered Printed and Sent up for Concurrence:

Appropriations and Financial Affairs

Bill "An Act to Authorize a General Fund Bond Issue in the Amount of \$7,700,000 for Various Projects at the University of Maine" (H.P. 1639) (Presented by Representative ROBERTS of Farmington) (Cosponsors: Senator PEARSON of Penobscot, Representatives BROWN of Gorham, and LISNIK of Presque Isle)

(Ordered Printed)
Sent up for concurrence.

The Chair laid before the House the following matter: Majority Report of the Committee on Agriculture on Bill "An Act Relating to Use of Sulfite as a Food Preservative" (S.P. 793) (L.D. 1994) reporting "Ought to Pass" in New Draft (S.P. 908) (L.D. 2275) which was tabled earlier in the day and later today assigned pending the motion of Representative McCollister of Canton to accept the Minority "Ought Not to Pass" Report.

On motion of Representative Michael of Auburn, retabled pending the motion of Representative McCollister of Canton that the House accept the Minority "Ought Not to Pass" Report and tomorrow assigned.

The Chair laid before the House the following matter: Bill "An Act to Clarify the Role of Cooperatives under the Maine Milk Pool" (S.P. 707) (L.D. 1832) (S. "A" S-439) which was tabled earlier in the day and later today assigned pending passage to be engrossed.

Subsequently, the Senate Paper was Passed to be Engrossed as Amended in concurrence.

The Chair laid before the House the following matter: Bill "An Act to Authorize Preferred Provider Arrangements in Maine and to Establish a Cash Reserve Requirement for Health Maintenance Organizations" (H.P. 1625) (L.D. 2290) which was tabled earlier in the day and later today assigned pending passage to be engrossed.

Representative Brannigan of Portland offered House Amendment "A" (H-627) and moved its adoption. House Amendment "A" (H-627) was read by the Clerk and adopted.

The Bill was passed to be engrossed as amended by House Amendment "A" and sent up for concurrence.

The Chair laid before the House the following matter: Joint Resolution Memorializing the Maine State Retirement System to Make Further Limitations on Investment and Divestiture of Public Funds in the Republic of South Africa and Namibia (H.P. 1623) which was tabled earlier in the day and later today assigned pending the motion of Representative Dillenback of Cumberland that the House reconsider its action whereby H.P. 1623 was adopted.

The SPEAKER: The Chair recognizes the Representative from Fairfield, Representative Gwadosky.

Representative GWADOSKY: Mr. Speaker, Ladies and Gentlemen of the House: I hope the House does move to reconsider its action. My understanding is that an amendment is going to be offered to this Resolution that will make this Resolution far more palatable to many of us who have had problems with it. I would certainly hope that you would vote to reconsider so the amendment can be offered.

The SPEAKER: The pending question before the House is the motion of Representative Dillenback of

Cumberland that the House reconsider its action whereby H.P. 1623 was adopted. Those in favor will vote yes; those opposed will vote no.

A vote of the House was taken.

90 having voted in the affirmative and 13 in the negative, the motion to reconsider did prevail.

Representative Sproul of Augusta offered House Amendment "A" (H-632) and moved its adoption.

House Amendment "A" (H-632) was read by the Clerk.

The SPEAKER: The Chair recognizes the Representative from Augusta, Representative Sproul.

Representative SPROUL: Mr. Speaker, Men and Women of the House: Briefly, all this does to the Resolution is include category five, a category where a rating compliance of Sullivan Principles of various companies is given. The Resolution, as it was originally presented requested the Maine State Retirement Fund to be divested of funds from those companies that had a rating not in the one or two category — categories one and two are companies which do have a good compliance record with the Sullivan Principles. The reason those companies are in category five is that they have not had a sufficient history to be rated. So, I would encourage you to support this amendment.

As a matter of fact, when this was discussed by the State Government Committee in work sessions, it was our impression that category five was going to be included at that time, it wasn't, and that is why the amendment was necessary.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Baker.

Representative BAKER: First, I would like to move the indefinite postponement of this House Amendment.

Mr. Speaker, Men and Women of the House: First of all, even though I wanted to vote against the reconsideration, and I did, considering that someone wished to offer an amendment, I felt that it only fair that I give them the opportunity. I realized that I would take a chance in seeing this Resolution watered down further than the Resolution I already presented.

First, let me explain to you why I have not included category five within this Resolution. The Sullivan Code, some call it the Sullivan Principles, was drawn up by Reverend Leon Sullivan, a black clergyman in the mid 1970's. It was Reverend Sullivan's hope that by having American corporations sign a set of principles which, in essence, say that American corporations operating in South Africa would operate under fair labor standards in hopes that that might strike a compromise between those people who wanted to divest all money from corporations operating in South Africa. Those principles have been in effect since 1978.

Persons like myself believe that the principles are not that effective because they only affect approximately one percent of the work force in South Africa and it has been very difficult to monitor the effectiveness of it. Also, even if those conditions in the work place were improved, once the workers left the work place, they were still subjected to the same apartheid law.

Reverend Sullivan has strengthened his principles, but last year when we were debating a Resolution, not quite the same as this one, Reverend Sullivan wrote an article that appeared in the New York Times. I am going to read a section of the

point that Reverend Sullivan was making from the Colby College Resolution that was adopted last October. Colby College decided that they would divest all of their money from those companies operating within South Africa, where as our Resolution simply goes after a tiny fraction of that. I quote, "Despite these contributions by America's leading corporations, that the most recent amplification of the Sullivan Principles recognizes that changes in the work place are no longer sufficient. The latest Sullivan guidelines pledge signatory companies to work for the elimination of apartheid itself, the Reverend Leon Sullivan, the author of the principles has called for the withdrawal of all American companies from South Africa, if apartheid is not legally ended by May of 1987." What that means is that government would enter into meaningful negotiations with the black leaders for power sharing based on a one vote, one person, rule. That is the principle.

It also states on Page 10 of the report to the Board of Trustees by the Advisory Committee on investment responsibility of Colby College -- that while the top two categories mean that these companies are making good progress, corporations not in these categories, that includes category five, have failed to demonstrate adequate initiative in the past, it is therefore likely that they would fail to do so in the future. Since these principles have been in effect since 1978, and since I believe these companies have had ample time to sign, I do not feel they should be included.

Finally, I wish to point out that the State of Connecticut, in June of 1982, passed a law for divestment from companies that were not in the top two categories of the Sullivan Code and affected between \$70 million and \$100 million dollars. Iowa -- divestment of all those companies not in the top two categories of the Sullivan Principle. Maryland -- not in the top two categories of the Sullivan Principles. Massachusetts -- total divestiture. Minnesota -- total divestiture. Nebraska -- those that are not in the highest categories. Rhode Island -- and so forth. But each state that takes the path of partial divestment has used the top two categories as their standards. I feel that we should do the very least.

Finally, my position initially was to pass a bill for total divestiture. I have modified my stance greatly. I have modified my stance to the point where the press makes fun of the fact that this is a weak Resolution and it has been known that several members have made comments that, not only is this a weak Resolution, in some peoples opinion, that it doesn't do anything and if they could support something, they would support total divestiture. That is very nice; unfortunately, they don't have a vote in here. I have modified that stance to accommodate concerns. I accommodated the concerns of the Maine State Employees Association who did not want this put into statute. With their assistance, we drafted a Resolution, which the Maine State Employees Association supports. The Governor has supported this and the State Treasurer.

Since last year, when the retirement board made \$22 million worth of divestments and in the process made \$3 million in selling off these shares, the total amount of money invested in corporations invested in South Africa grew from \$98 million at the time of the hearing in March of 1985 to \$122 million

as of the last report that I asked for from the retirement board. I cannot tell you whether that means that more stocks were bought in these companies or whether the total value has increased. Probably it was a little bit of both. What I have seen here is actually a gain in dollar value. The Resolution simply asks the board to set a target of one-third, concentrating those companies, not in the top two categories of the Sullivan Principles. I feel that it is a significant compromise, I feel it is a workable compromise, it is a compromise that basically says, you will follow the prudent man rule and we are telling them, if you are going to lose money, don't do it. We tell them, follow prudent man. That is why I cannot support the amendment because I feel the amendment would simply water it down even more and render this, close to being meaningless.

The SPEAKER: The Chair recognizes the Representative from Oakland, Representative Lacroix.

Representative LACROIX: Mr. Speaker, Men and Women of the House: I would like to pose a question through the Chair. The Board of Trustees of the Maine State Retirement System under 5 MRSA, Section 1061 is governed in its investments policy by the prudent man rule which states that "the trustees shall observe the standards in dealing with the trust assets that would be observed by a prudent person dealing with the property of another."

In the opinion of the Board of Trustees, it would not be managing the assets of the Maine State Retirement System within the compounds of the prudent man rule if it is prohibited from investments in many of the largest publicly held corporations in the United States. Since the Resolution calls for the divestiture of a third of the the total current holdings, and since this Resolution proposes this be done consistent with the requirements of the prudent man rule, isn't then, this Resolution in conflict with the position of the Board of Trustees of the Retirement System, who have indicated that the future divestiture, as represented by this Resolution, would be a violation of the prudent man rule?

The SPEAKER: The Representative from Oakland, Representative Lacroix has posed a question through the Chair to anyone who may respond if they so desire.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Baker.

Representative BAKER: Mr. Speaker, Men and Women of the House: I will respond to that. My answer is that I do not believe that this Resolution is in contradiction to the prudent man rule, anymore than I believe the Resolution of last year was in contradiction to the prudent man rule.

We are dealing with a billion dollar portfolio. If \$122 million of that portfolio is invested in companies doing business in South Africa, we are talking about approximately a tenth. If we are setting a target of a third of a tenth, we are talking about even a smaller amount of that portfolio to be affected. The point is, that there is enough stock, non-South African stock, on the market that could be bought.

I will give you an example -- Gulf Oil. We buy from Gulf Oil, withdraw from Mobile and put it into Gulf Oil, that is just an example. Apple Computers, non-South African -- a good investment. This Resolution was drafted, keeping in mind that the diversity of the portfolio could be maintained because we are concentrating on a very small part of

the portfolio. That is why I believe it could be done prudently.

While I believe we should follow this prudent man rule, the last point I want to leave with you is that, if slavery were a good investment, would we make an investment in it? I think apartheid is a very bad investment.

The SPEAKER: The Chair recognizes the Representative from Augusta, Representative Sproul.

Representative SPROUL: Mr. Speaker, Men and Women of the House: I find myself in a little bit of a difficult situation debating the Representative from Portland, Representative Baker, because, as he knows, had that original legislation come out, I would have been an extreme minority and I am sure would have surprised a few people in this body by being perhaps one of three or four in the committee in support of it.

However, to get the debate back to the amendment where it rightfully belongs, you have heard about the responsibilities that the trustees of the Maine State Retirement System have in their obligations to follow the prudent man rule. The amendment, quite simply, breaks firms doing business in South Africa into three categories. You have companies which have a good record of following those Sullivan Principles and making headway. You have companies which are doing a very poor job at making headway. The third category are those companies which simply are not rated. The question comes -- those companies that are not rated, do you presume that they are doing a bad job or do you presume that they are doing a good job? The purpose of this amendment is to make the divestiture from those firms from the companies which are doing definitely a poor job and giving the benefit of the doubt to those companies which are not rated.

That is all this amendment does. I hope you vote against the motion to indefinitely postpone. I request a roll call on that motion.

The SPEAKER: The Chair recognizes the Representative from Fairfield, Representative Gwadosky.

Representative GWADOSKY: Mr. Speaker, Men and Women of the House: I guess I am a little reluctant to speak today because there was a time this afternoon when I thought that we were actually going to reach a compromise and we were fairly close on this particular issue of this amendment. This is really just a minute portion of this whole issue. I do feel it is incumbent to comment on a couple of the remarks that have been made in terms of the whole issue of South Africa -- simply to put it in perspective what we have done as a legislature.

During the last couple of years, the State Government Committee has dealt with the issue of South Africa and divestiture. The original bill was presented to us by Representative Baker, along with some others. We had an extensive hearing on that bill, a number of subsequent work sessions, and the decision was made last year to hold that bill over to this session in lieu of a Resolution which had unanimous support of the State Government Committee, and a Resolution that was, in fact, adopted by this legislature last year. As Representative Baker indicated, last year at the time of that Resolution, we had nearly \$100 million worth of stocks in companies that did business in South Africa. As he has also explained, there is a rating system involved for companies that do business in South Africa, it is

called the Sullivan Principles.

At the time of the Resolution last year, 90 percent of the firms, we as the State of Maine were currently invested in, had signed those Sullivan Principles; approximately 10 percent had not signed the Sullivan Principles. The Resolution, which we passed last year, asked the State Board of Retirement System to divest any stock that we had that hadn't signed the Sullivan Principles and it also suggested and asked them to look into other ways to divest.

As of January of this year, the Retirement System reported back to State Government Committee and said, in fact they had, they had divested all of their non-Sullivan stock out of their portfolio amounting to some \$22 million, that was divested last year as a result of the Resolution we passed. They made approximately \$3 million on that divestiture as Representative Baker has indicated. That may be a little bit misleading because of the fact that the market is so strong now, almost anything they sell is apt to make money.

If you take a look at what happened this year, the State Government Committee began to look at the bills, Representative Baker was very helpful in supplying information about other states, other municipalities, other institutions, in terms of their divestiture efforts and exactly they have done, and to what degree they have done it. The committee explored a number of ways to divest and exactly what was the appropriate way to do it. I think every person in this room agrees with the basic premise that we disagree about apartheid -- the system of racial discrimination in South Africa and that, obviously, the basic premise these divestiture efforts across the country is that, by divesting, we can put pressure on the South African government, we can make a statement about our feelings about divestiture on the whole.

Some people might mention, why would anybody, why would any company be in South Africa in the first place, given the violence and turbulence in South Africa? What we have to keep in mind is that we are talking about multi-national corporations. Of all the corporations that we are currently invested in, only one handful of these companies have more than one percent of their total investment in South Africa. In other words, they have investments in numbers of countries and only about five of these companies have more than one percent of their total company's investment in South Africa.

What we are talking about is that it could be a showroom with two or three employees, for example, at an airline agency. We can make the case that these types of people are not exploiting the blacks in that particular situation.

I think we also want to talk about impact. I think you can go both ways on this -- what impact will it have for us as a state to divest. We are one of fifty states -- if you took the total involvement of the entire country in terms of total investment, of U.S. dollars, we would still be a minority compared to European investment. I think you have to question that. Some people have said, in that case, this just a gesture that we are making. I would disagree. This is a statement and what you have to keep in mind, as Representative Baker has said, that it is not just our state, it is our state combined with other states who may be considering a limited form of divestiture. Other municipalities are doing this now.

I think you have to balance that political statement some people would like to make with the possible risk. I am talking about the risk to the retirement system. We want to think about whose money is it we are talking about when we make this political statement. I have had individuals, who are proponents of this bill, come up and tell me, if I were a member of the State Retirement System, I would want to be divested. I thought that was very noble of them. I have also had these same people come up and tell me, don't worry about finding replacement stocks, because there are all kinds of them. It seems as though everybody is becoming an expert in investment policies. I think the concern is with the retirement system for many people.

We have an unfunded liability of \$1.2 billion that has to be met within fifteen years. Right now the market is high. Five years from now, I am not sure what the case may be. We have to meet that liability in fifteen years to the extent that, if we are not able to meet that liability because of restrictions or limitations that are placed upon the board in terms of social investing, the balance will have to be made up through the taxpayers who are the citizens of the State of Maine.

As I said, I don't think there is anybody here that disagrees with the premise of this for the most part, with the exception of this amendment, I think we are in total agreement at what we are trying to achieve. We are trying to find a thoughtful approach and the right approach to gradually ease out of this divestiture.

As bad as things are in South Africa, I think we also want to keep in our minds a picture of a retired state employee living on a fixed income, and say to ourselves, don't we have an obligation to the retirees of the State of Maine if we are going to be making any type of political statements with their money? Is it unfair for us to say just once, yes we are concerned about the problems that are taking place in South Africa, but this time, we are going to take care of our own first. If that is unfair -- but I don't apologize.

There has been a tremendous lobbying effort on this bill. I won't be surprised, one way or the other, as to what happens. For two years, we have worked on this bill, we never had an idea where the Governor stood until yesterday morning when we first saw the sheet that was passed out. We never knew where MSEA stood until yesterday afternoon. I don't think we are that far apart. All we are talking about, and I apologize to the members of the House for giving the background of this bill, because what we are discussing is the amendment that has been offered. I think it is so crystal clear in my mind that I was surprised, I thought it was an inadvertent error that it hadn't been put in in the first place.

As Representative Baker has indicated, there is a rating system for the companies that do business in South Africa. Representative Sproul alluded to them. The rating process is number one, making good progress; number two, making progress; number three, needs to become more active. Number five is the listing of companies, and my understanding is that there are approximately sixty-six new corporations which are not rated, simply you have to have signed Sullivan's Principles for over a year before Arthur Little, who does the reporting, will actually report about your status and categorize you into one of these classes.

If we don't put this amendment in, what we will be doing is saying, for those sixty-six companies that have just signed the Sullivan Principles (and I disagree with Representative Baker who has said that these companies have had eight years to do it because some of these companies have just gone into South Africa), we are going to divest of you immediately. We are not even going to give them a chance to work their way into this rating system. The only reason they are in category five is because it hasn't been a year since they originally signed the Principles and they haven't had a chance to be experienced and be rated by the Arthur Little Company.

I think the amendment is more than reasonable. I would also suggest that I know that the commitments are out there. I have seen the roll call sheets like everybody else. I know where the votes are probably going to fall. I don't think the commitments that were made were made on this amendment because, quite frankly, we didn't even notice this until yesterday, that this was left out.

The Resolution, if we pass it, will have the State of Maine divest one-third of \$122 million -- will have the state divest, if we pass it, of approximately \$45 million. We are not objecting to that, what we are saying is, that divestiture should take place in those companies which are not in category one or two. We are saying, please don't include category five, because these companies haven't even had a chance to be rated yet. That is all we are asking. I certainly would hope you would approve the amendment.

The SPEAKER: The Chair recognizes the Representative from York, Representative Rolde.

Representative ROLDE: Mr. Speaker, Ladies and Gentlemen of the House: I would just like to pose a question to anyone who would answer.

What part of our portfolio do these unrated companies represent? I am confused by the gentleman from Fairfield as to whether we are investing in these 66 companies or these are 66 companies that exist that are unrated?

The SPEAKER: Representative Rolde of York has posed a question through the Chair to any member who may respond if they so desire.

The Chair recognizes the Representative from Fairfield, Representative Gwadosky.

Representative GWADOSKY: Mr. Speaker, Ladies and Gentlemen of the House: I will be happy to respond to the question. Representative Baker and I had a discussion on that very issue just before we came into session. Quite frankly, we don't know which companies we are invested in that are in category five.

Category five is a total of 66 companies anywhere from Allegheny International, American Airlines, Bausch and Lomb, Bell and Howell, Black and Decker, GTE, Revlon, -- some of these have been in South Africa for a while, some haven't, but these are all brand new signatories to the Sullivan Principles.

I can't give you a specific answer on what percentage of our portfolio they make up.

The SPEAKER: The Chair recognizes the Representative from York, Representative Rolde.

Representative ROLDE: Mr. Speaker, Ladies and Gentlemen of the House: Then if I understand correctly, it could be that there is no part of our portfolio that is represented by these companies?

The SPEAKER: The Chair recognizes the Representative from Fairfield, Representative

Gwadosky.

Representative GWADOSKY: Mr. Speaker, Ladies and Gentlemen of the House: I know that there are some. I don't think it is more than six or seven but I can't give you a specific answer. I would be more than happy to find that information out though.

Representative Baker of Portland was granted permission to address the House a third time.

Representative BAKER: Mr. Speaker, Men and Women of the House: This is probably the first time in eight years I have spoken three times on any issue. I will be as brief as I can.

I have to answer some of the things that the gentleman from Fairfield has said. He alluded again to the retirees. Over the past few months, a number of the members who are state workers have been distributing a petition, which has not been completed, but they have been finding it very easy to pick up signatures. I have some of it right here in my hand. This petition signed by the state employees, who are in this system, are asking for total divestiture.

I might also point out that, not as a legislator, but I also am in this retirement system as a substitute teacher.

More importantly, the MSEA assisted in the draft of it. They have the most to lose; yet they have put themselves on the line by backing this Resolution.

As I said before, I feel because by May of next year, the whole Sullivan Principles may be a moot point anyway. The Resolution, as drafted now, is an adequate compromise and I do not feel we should put any more water on it.

The SPEAKER: The Chair recognizes the Representative from Cumberland, Representative Dillenback.

Representative DILLENBACK: Mr. Speaker, Ladies and Gentlemen of the House: I had a nice long speech prepared but I am not going to give it. This amendment is very important. As you know, Representative Baker put a bill in, which he was given "Leave to Withdraw" from the Committee on State Government. This is an aftermath of that. It is not what we understood it was going to be when he presented it to us. I think that you should give us the amendment.

The reason that the MSEA is going along with this right now, they tell me, is that they have the prudent man rule there. The prudent man rule says, if it isn't a good deal, don't do it, as far as your money is invested. They feel that was an escape for them and that if the retirement department didn't want to dismiss or get rid of one of their stocks or bonds, divest, if it was prudent rule not to do it, they wouldn't do it. They felt that was a way out. I don't think that is a way to do business. I think you should vote for this amendment and then we can discuss the rest of it.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Connolly.

Representative CONNOLLY: Mr. Speaker and Members of the House: I had thought maybe I would be able to stay out of the debate this afternoon but I would like to address some points that I think are represented in this amendment. I am one of those people, and I talked with my friend, Representative Baker, last night who was of the opinion that the original Resolution as it appeared on our calendar yesterday was very weak and that I had problems supporting it, but that I would, because I felt that

it is important for us as a state and as a legislature to make a statement. This particular amendment that Representative Sproul offers, to my way of thinking, waters down even further an already weak Resolution.

I am one of those who happen to believe that the only significant action that we, as a state, other states and other countries across the world, who are concerned about the question of apartheid, the only meaningful action that we can really take is to advocate for and to stand full square behind a total divestiture.

Massive economic pressure is really the only nonviolent strategy that seems to be left to people in the world community as a force to exert to avert what appears to most of us who follow the South African issue in the newspaper an inevitable blood bath.

The divestiture movement, particularly in the last year, year and a half, has grown considerably, not only in this country, spearheaded mostly on college campuses, but also in a variety of nations across the world. The South African Government is so afraid of the divestiture movement that they have made it a crime for anyone in their country to advocate or to speak out in favor of divestiture and have initiated and formed a task force to work to try to counteract divestiture movement across the world.

The Resolution, in my opinion, and if it is watered down would make it even more so, is weak because it bases itself on this whole question of the Sullivan Code and the Sullivan Principles and, in doing that, it really begs the central question which is a question of equality, a question of power, a question of one man, one vote.

Sometimes the debate in this country by well meaning people is often framed in the terms of an evolutionary movement. If we give it time, apartheid will somehow end. The reformers advocate that and say that we need to gradually proceed and that, over a period of time, apartheid will come to an end. They draw an analogy between apartheid and what happened in the civil rights movement in this country back in the 60's and early 70's. The central issue in South Africa, however, is the right to vote. The government of South Africa has made it perfectly clear that they are not willing to give black people in South Africa the right to vote. If they do, they recognize the fact that they then will lose power and the control of the country. That is what the issue is all about. All of the well meaning things that we can try to do, with Resolutions like this and other things, are not ultimately going to have any significance unless the South African Government is willing to deal with that central issue. If it is not an evolutionary process, it will result in a revolution, a violent revolution.

I think that this particular amendment that is being offered really serves no purpose and it is my understanding that some of the people that have gotten up and spoken on behalf of it were people who were going to vote against the original Resolution anyway, regardless of whether this had been included in it when it came out of committee.

If you want to talk, as Representative Gwadosky did, about having an impact, I would hope that you would follow Representative Baker's light and vote against the amendment and support the Resolution as weak as it is.

The SPEAKER: The Chair recognizes the

Representative from Lewiston, Representative Boutilier.

Representative BOUTILIER: Mr. Speaker, Ladies and Gentlemen of the House: May I pose a question through the Chair?

I would just like to ask the question -- if it is possible that there are companies who are currently within category three of the Sullivan Principles, who have been in South Africa as long, if not maybe even less time, than companies who are in category five but that the companies in category three are there because they signed the Sullivan Principle sooner than those in category five?

The SPEAKER: Representative Boutilier of Lewiston has posed a question through the Chair to anyone who may respond if they so desire.

The Chair recognizes the Representative from Lewiston Representative Boutilier.

Representative BOUTILIER: Mr. Speaker, Ladies and Gentlemen of the House: I would have to answer the same question and that there are companies who are in category three who have been in South Africa less time or the same amount of time as companies who are currently in category five. I personally feel that the bill, I agree with the Representative from Portland, this is a very watered down bill in its original form, with or without the amendment. I think it is a step in the right direction; therefore, I am going to vote for the amendment. I am going to vote against reconsideration because I think it further waters down the bill.

In a point of fairness, we are going to divest if we pass this Resolution from companies that are in category three and they have signed the Sullivan Principles. If we add category five with one and two, we are going to say to those companies that have waited, but have been in the same length of time as companies in category three, that we are not going to divest from you. That is not a fair proposition. If we are going to vote in favor of divestment, let's keep the original Resolution, but if you are going to vote against divestment on the original Resolution, don't hide that fact by saying you want to vote for the amendment.

Representative Sproul of Augusta was granted permission to address the House a third time.

Representative SPROUL: Mr. Speaker, Men and Women of the House: I just wanted to comment very briefly to the Representative from Portland, Representative Connolly. He stated that some of the support for this amendment was coming from people who were going to vote against the Resolution in the first place, that may be, but I personally am not in that category. I was planning on supporting the Resolution and I understood in committee that category five was going to be included because I brought up that question in committee at that time. As I stated, I was planning, even before he took a "Leave to Withdraw" on supporting a bill which would have been in statute.

The issue gets down to whether or not category five should be included.. It gets down to those companies which are not rated -- do you presume them to have a bad record or do you presume them to have a good record? Everything that we hold in our society, we always give the benefit of the doubt and that should go to our corporate citizens as well as to our individual citizens. I hope you support the amendment.

The SPEAKER: A roll call has been requested.

For the Chair to order a roll call, it must have the expressed desire of more than one-fifth of the members present and voting. Those in favor will vote yes; those opposed will vote no.

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

The SPEAKER: The pending question before the House is the motion of Representative Baker of Portland that House Amendment "A" be indefinitely postponed.

The Chair recognizes the Representative from Rumford, Representative Erwin.

Representative ERWIN: Mr. Speaker, I wish to pair my vote with the Representative from Sanford, Representative Hale. If she were here and voting, she would be voting yes; I would be voting no.

The SPEAKER: The pending question before the House is the motion of the Representative from Portland, Representative Baker, that House Amendment "A" be indefinitely postponed. Those in favor will vote yes; those opposed will vote no.

59 having voted in the affirmative and 73 in the negative with 17 being absent and 2 paired, the motion did not prevail.

(See Roll Call No. 274)

Representative Boutilier of Lewiston requested a roll call vote on the motion to adopt House Amendment "A".

The SPEAKER: A roll call has been requested. For the Chair to order a roll call, it must have the expressed desire of more than one-fifth of the members present and voting. Those in favor will vote yes; those opposed will vote no.

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

The SPEAKER: The pending question before the House is adoption of House Amendment "A".

The Chair recognizes the Representative from Rumford, Representative Erwin.

Representative ERWIN: Mr. Speaker, I request permission to pair my vote with Representative Hale of Sanford. If she were present and voting, she would be voting no; I would be voting yes.

The SPEAKER: The pending question before the House is adoption of House Amendment "A". Those in favor will vote yes; those opposed will vote no.

74 having voted in the affirmative and 58 in the negative with 17 being absent and 2 paired, the motion did prevail.

(See Roll Call No. 275)

Subsequently, the Resolution was adopted as amended by House Amendment "A" and sent up for concurrence.

On motion of Representative Vose of Eastport, the House reconsidered its action whereby Bill "An Act Relating to the Passamaquoddy Indian Reservation" (L.D. 1717) was passed to be engrossed.

Subsequently, the Committee Report was accepted, the bill read once and assigned for second reading

Wednesday, April 2, 1986.

(Off Record Remarks)

On motion of Representative Dexter of Kingfield,
Adjourned until Wednesday, April 2, 1986, at
eight-thirty in the morning.
