

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

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Legislature*

OF THE

STATE OF MAINE

1965

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DIVIDED REPORT—Majority (6)—“Ought to pass”—Minority (4)—“Ought not to pass”—Committee on Industrial and Recreational Development on Resolve, Proposing an Amendment to the Constitution Pledging Credit of State for Guaranteed Loans for Recreational Purposes. (H. P. 582) (L. D. 774)

Tabled—April 6, by Mr. Levesque of Madawaska.

Pending—Motion of Mr. Fortier of Waterville to accept Majority “Ought to pass” Report.

The **SPEAKER** The Chair recognizes the gentleman from Augusta, Mr. Katz.

Mr. **KATZ**: Mr. Speaker, Ladies and Gentlemen: L. D. 774 is part of the one, two, three punch which developed out of the Governor’s select committee on the state’s credit research. This was an unusual committee. It was comprised of the Chairman of the Dead River Company, the Commissioner of the Department of Economic Development, the President of the Central Maine Power Company, the President of the Depositors Trust and indeed a very distinguished panel of community leaders. They studied the question of the financial needs of the Maine community in the field of industrial development. They came up with the finding that recreation is the most important economic activity in the State of Maine. They also came up with a finding that there just is not adequate investment capital to expand the recreational development of the state at a proper rate.

This constitutional amendment was bi-partisan in support. It was sponsored by myself and by the distinguished barrister from Old Orchard Beach, Mr. Danton, and if indeed Maine is to live up to its exciting image as a four-season vacationland, if indeed we are not presently attracting adequate investment capital, this bi-partisan measure warrants your full support. It is state-wide in its appeal; it is financially sound in its approach; it is exciting in its implications, and it cries out for a fresh, forward-looking approach for the attraction of investment capital, and I hope that you support the

Majority “Ought to pass” Committee Report.

The **SPEAKER**: The Chair recognizes the gentleman from Hampden, Mr. Littlefield.

Mr. **LITTLEFIELD**: Mr. Speaker, Ladies and Gentlemen of the House: I was sent here to represent the people, the taxpayers of Hampden and Newburg. I do not represent a bank nor a recreational facility, and I shall oppose not only this bill, but all bills of this nature.

Now guaranteeing a loan for a recreational facility is entirely different from guaranteeing a loan for an industrial project, and I debated that point yesterday. This bill would have the taxpayer guarantee loans up to ten million dollars. With the recreation business in Maine being what it is, I believe the banks can make loans without the taxpayers guaranteeing all the money, and I would urge you to vote against the ought to pass report of this bill.

The **SPEAKER**: The Chair recognizes the gentleman from Old Orchard Beach, Mr. Danton.

Mr. **DANTON**: Mr. Speaker, Ladies and Gentlemen of the House: I too am here representing the people, and for that reason I am in wholehearted favor of this bill. The reason I am in favor of it, I would like to substantiate my position based on figures and not on conjecture and innuendo.

Yesterday, I went to the Department of Finance and Administration, and the Bureau of Accounts and Controls gave me a financial report which is available to any member of the House. I have always had the feeling that this state of ours is a farming state, it is a rural state and it is a recreational state. Geographically, we are not located so that we are able to entice or attract heavy industry. I think that we are being very unrealistic when we dream about getting General Motors, Ford, General Electric here in this state. The industries that we have here today belong here, and we should concentrate toward their expansion, toward their improvement. The paper mills belong here, boat building plants belong here, and the textile industry belonged here

at the turn of the century when we had a vast labor pool, when we had hydro-electric power available to them. But today the facts and figures will show that industry does not consider the State of Maine as being well geographically located in order for them to come here.

Now going through this book that I received yesterday from that department, I would like to point out in answer to the gentleman from Hampden, Mr. Littlefield, whom I have great respect for, that the state received \$40,779,000 from sales and use tax; from corporations they received \$495,000. Now if we are really interested about the taxpayer, we know where the state receives the amount of money that we here in the Legislature can allocate for the needs of our people. Now why did I pick out the sales and use tax? I picked it out because a great percentage of the sales and use tax is being derived from the tourist industry through the form of sales and use tax. I am not including the gasoline tax and other taxes, the cigarette tax, for example. I am only going on the sales and use tax and that is enough to make my point clear.

With the \$40,000,000 that we received from the sales and use tax, plus the \$46,000,000 that we receive from the federal government, we are able to maintain our operating funds in this state. All the other taxes combined, by this I mean taxes that are not dedicated to the highway department, combined, don't equal the money that we derive from the sales tax, and I have here today with me a report from the Sales Tax Division. In August of 1964 we received, our department received \$18,549,000 of taxable sales. Comparing it with November of 1964, I tried to get an off season report, eating, drinking and lodging places brought in \$5,000,000; that means that we dropped thirteen million dollars between the two months. This wasn't enough. I felt that I should have more comparison. July of 1964, the state realized from eating, drinking and lodging places another \$16,000,000. Dur-

ing the month of February, an off season, we realized four million dollars, another drop of twelve million dollars in one month of taxable sales.

I think that that indicates that our source of revenue today is from the tourist industry and not from the industrial industry. I think that we should encourage our industrial industry as much as we can. I think that it was wrong for us to put the Maine Industrial Building Authority before the Recreational Authority. We are in the recreational business and we are well located for the recreational business. This is our place where we get our most revenue, and the Governor, I felt, in his message, took a bold step forward in proposing that we develop this authority, and I am in full favor of this, and I urge you all to accept the Majority Report.

The SPEAKER: The Chair recognizes the gentleman from Waterville, Mr. Fortier.

Mr. FORTIER: Mr. Speaker, Ladies and Gentlemen of the House: I merely want to call your attention to the committee report, if you will notice, it was nine ought to pass and one ought not to pass, so I will leave the further debate of this bill to the co-sponsors, Mr. Danton from Old Orchard and Mr. Katz from Augusta. Thank you.

The SPEAKER: May the Chair correct the gentleman. The Committee Report was six ought to pass and four ought not to pass.

Mr. FORTIER: I am sorry, Mr. Speaker, I was looking at item eleven, I stand corrected.

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

Mr. COTTRELL: Mr. Speaker and Ladies and Gentlemen of the House: Since that Report has changed scores here, it has given me courage to get up here to speak. I think we all realize that all the states are trying to find a way to pay their increasing costs in education through the population growth and trying to cut down

their welfare costs by getting more jobs perhaps, and economically I think we all realize that we have three objectives: one, to attract more industry; two, to hold what industry we have, and number three, to develop our great natural resources.

I can agree with our representative from Old Orchard Beach. In the Christian Science Monitor last week it gives a little review of what other states are doing to compete for industry, and I agree with him because I think it is going to be too long in the future before we have too much industrial development in this state. Here is Governor Warren D. Knowles of Wisconsin announcing the appointment of a high level task force to scour the country for industry. Governor Otto Kerner of Illinois has made personal calls on industrialists in all the states in the mid-west. James A. Rhodes, Ohio's Governor, has made industrial development his whole program. Governor Roger D. Branigin of Indiana asks for funds to establish a liaison office in Washington, as did Governor Romney.

There are 10,000 agencies in this country competing for the one to two hundred new plants or the expansion of plants which might move somewhere. Here in the paper it is filled with advertisements of places to travel in Europe and Mexico and California. People can go many, many other places besides Maine, and I think that this is our greatest industry that we can develop, the recreational industry, and we will have to work very hard to develop that with all of the competitive advertisements, the rapid means of travel where people can go to Europe on the installment plan, buy a car on the installment plan without paying taxes, and I think this is a minimum step for this state to take if we are going to get more income here to do the things that we know we have to do, and so I should hope that this bill would go flying through this House quickly, and with great support.

The SPEAKER: The Chair recognizes the gentleman from Milbridge, Mr. Kennedy.

Mr. KENNEDY: I can't help but admire, ladies and gentlemen, the able and masterful presentation of the sponsors of this bill this morning, so I have little to do but report to you that this is of course in the Governor's message to you at the convening of the 102nd Legislature. And he says thus: "There exists a particular need for greater recreational planning services in Maine. We have but opened the door on this most important economic activity. The success we achieve in realizing the full potential of the state's recreational assets depends in large measure on how well we plan for the future.

"To stimulate the development of large recreational projects additional credit will be necessary. I recommend the creation of a Maine Recreation Authority to provide first mortgage loan guarantees for recreational enterprises.

"Legislation will be introduced to empower this Authority to extend the credit of the state to those projects that will generate widespread economic benefit.

"The loan authority limit will be set at \$10,000,000 and the minimum individual guarantee will be \$350,000. The Authority will provide one hundred percent guarantees on loans covering not more than seventy-five percent of the total cost of a single project."

Ladies and gentlemen, you fully realize my record relative to bonding and indebtedting the State of Maine, but the history of such projects throughout this nation has proven very successful. I don't have the figures; I am not prepared to debate this, because this was left to the sponsors of the bill, but I think you will find in the states of California, Florida and Arizona where such authorities are in existence, that the returns have been overwhelmingly in favor of such legislation.

The SPEAKER: The question before the House is on the motion of the gentleman from Waterville, Mr. Fortier, that we accept the Majority "Ought to pass" Report

on Resolve Proposing an Amendment to the Constitution Pledging Credit of State for Guaranteed Loans for Recreational Purposes, House Paper 582, L. D. 774. All those in favor of accepting the Majority "Ought to pass" Report will say aye; those opposed, no.

A viva voce vote being taken, the motion prevailed, the Resolve read once and assigned for second reading the next legislative day.

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

DIVIDED REPORT — Majority (9)—"Ought to pass"—Minority (1)—"Ought not to pass"—Committee on State Government on Bill, "An Act to Authorize a Bond Issue for Purchase of Voting Machines for Resale to Municipalities." (H. P. 546) (L. D. 768)

Tabled—April 6, by Mr. Danton of Old Orchard Beach.

Pending — Motion of Mrs. Wheeler of Portland to accept Majority "Ought to pass" Report.

The **SPEAKER**: The Chair recognizes the gentleman from Harrison, Mr. Pitts.

Mr. **PITTS**: Mr. Speaker, Ladies and Gentlemen of the House: Our State Government Committee has always been pretty conservative, but they happened to have a liberal day evidently when we heard this bill, and it came out of committee nine to one, ought to pass, which surprised me very much. I was the one that signed the "ought not to pass" Report. I have been asked a good many times why I signed this as I did. Well, I don't think it is a good bill and a bill that is not necessary at this time and the state shouldn't get into this particular branch of the bondedness. We have got plenty of large bonds to float here later on, and it is my opinion that if L. D. 774 should pass, sooner or later there will be another bureau set up, that will mean a high-salaried man at the head of that, and he will have to have a secretary, and now in these state offices they can't do anything without a filing clerk; that means three help and an office, and when the 103rd rolls around they are going to come in here and ask for

\$25,000 or \$30,000 extra money. I don't think it is a bill that is very urgent at this time and we could very well get along without it. Thank you.

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

Mr. **ANDERSON**: Mr. Speaker, Ladies and Gentlemen of the House: I wonder if we all realize the implications of this bill as the gentleman from Harrison, Mr. Pitts has stated. This bill will simply open the door for another costly ever-expanding bureau. If municipalities want voting machines, they can get just as good a deal from the local banks as they can from the state. We are encroaching too much on private enterprise. It is high time that we let our people do a little thinking for themselves. We are already in the real estate business and in the television business. Let's not go into the banking and wholesale and retail business. Mr. Speaker, I now move indefinite postponement of this bill.

The **SPEAKER**: The question before the House is on the motion of the gentleman from Ellsworth, Mr. Anderson, that this bill and its accompanying papers be indefinitely postponed.

The Chair recognizes the gentleman from Lewiston, Mr. Bussiere.

Mr. **BUSSIERE**: Mr. Speaker, Ladies and Gentlemen of the House: I wholeheartedly will support this motion for indefinite postponement. I have good reason for it, and I would like to speak briefly on it.

I have a copy of an article that was reproduced from the Reader's Digest of September, 1964, and you had a copy on your desk this morning and some last week, and I guess you have enough information on this bill that—enough to prove that we want to do away with these one-armed bandits. I would like to read the first part of this reproduction from the Reader's Digest there. "In the 1960 Presidential election, there was an early turnout of voters in the City of Chicago Precinct One. By 10:15 a.m., the voting machine showed 121 ballots cast. Poll