

MAINE STATE LEGISLATURE

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Legislative Record

OF THE

One Hundred and Seventh Legislature

(First Special Session)

OF THE

STATE OF MAINE

1976

KENNEBEC JOURNAL

AUGUSTA, MAINE

HOUSE

Thursday, March 4, 1976

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

Prayer by Representative Louis Finemore of Bridgewater.

The journal of yesterday was read and approved.

Orders Out of Order

Mr. Farnham of Hampden presented the following Joint Order and moved its passage: (H. P. 2146) (Cosponsor: Mr. Shute of Stockton Springs)

WHEREAS, The Legislature has learned of the Outstanding Achievement and Exceptional Accomplishment of

HAMPDEN ACADEMY BRONCOS

STATE OF MAINE

CLASS A

GIRLS BASKETBALL CHAMPIONS

We the Members of the House of Representatives and Senate do hereby Order that our congratulations and acknowledgement be extended; and further

Order and direct, while duly assembled in session at the Capitol in Augusta, under the Constitution and Laws of the State of Maine, that this official expression of pride be sent forthwith on behalf of the Legislature and the people of the State of Maine.

The Order was received out of order by unanimous consent, read and passed and sent up for concurrence.

The SPEAKER: The Chair recognizes the gentleman from Farmington, Mr. Morton.

Mr. MORTON: Mr. Speaker, Ladies and Gentlemen of the House: One minute of your indulgence this morning. You will find three orders in connection with Mt. Blue teams and the Coach of the Year, Ray Caldwell, on your calendar today. As you will recall, last Wednesday you had an order for the Mt. Blue girls who were western Maine Class A champs. Unfortunately, they lost a tough one to the Hampden girls that are up there in the gallery this morning.

Thereupon, Mr. Morton of Farmington presented the following Joint Order and moved its passage: (H. P. 2149)

WHEREAS, The Legislature has learned of the Outstanding Achievement and Exceptional Accomplishment of

THE COUGARS

OF MT. BLUE HIGH SCHOOL

BOYS' BASKETBALL TEAM

KENNEBEC VALLEY

CONFERENCE CHAMPIONS

FOR 1976

We the Members of the House of Representatives and Senate do hereby Order that our congratulations and acknowledgement be extended; and further

Order and direct, while duly assembled in session at the Capitol in Augusta, under the Constitution and Laws of the State of Maine, that this official expression of pride be sent forthwith on behalf of the Legislature and the people of the State of Maine.

The Order was received out of order by unanimous consent, read and passed and sent up for concurrence.

Mr. Morton of Farmington presented the following Joint Order and moved its passage: (H. P. 2150)

WHEREAS, The Legislature has

learned of the Outstanding Achievement and Exceptional Accomplishment of

THE COUGARS OF

MT. BLUE HIGH SCHOOL

STATE CLASS B

FOOTBALL CHAMPIONS

FOR 1975

We the Members of the House of Representatives and Senate do hereby Order that our congratulations and acknowledgement be extended; and further

Order and direct, while duly assembled in session at the Capitol in Augusta, under the Constitution and Laws of the State of Maine, that this official expression of pride be sent forthwith on behalf of the Legislature and the people of the State of Maine.

The Order was received out of order by unanimous consent, read and passed and sent up for concurrence.

Mr. Morton of Farmington presented the following Joint Order and moved its passage: (H. P. 2151)

WHEREAS, The Legislature has learned of the Outstanding Achievement and Exceptional Accomplishment of

RAY CALDWELL

OF MT. BLUE HIGH SCHOOL

STATE CLASS B FOOTBALL

COACH OF THE YEAR

FOR 1975

We the Members of the House of Representatives and Senate do hereby Order that our congratulations and acknowledgement be extended; and further

Order and direct, while duly assembled in session at the Capitol in Augusta, under the Constitution and Laws of the State of Maine, that this official expression of pride be sent forthwith on behalf of the Legislature and the people of the State of Maine.

The Order was received out of order by unanimous consent, was read and passed and sent up for concurrence.

Papers from the Senate

From the Senate: The following Communication:

The Senate of Maine

Augusta, Maine

March 3, 1976

Honorable Edwin H. Pert

Clerk of the House

107th Legislature

First Special Session

Augusta, Maine

Dear Mr. Pert:

The Senate today voted to Adhere to its action whereby it accepted the Majority Ought Not to Pass report on Bill, "AN ACT to Prohibit Telephone Charges for Information or Directory Assistance Calls" (H. P. 1911) (L. D. 2098).

Respectfully,

(Signed) Harry N. Starbranch

Secretary of the Senate

The Communication was read and ordered placed on file.

**Study Report
State Government**

Committee on State Government to which was referred the study relative to developing a comprehensive administrative procedures act pursuant to S.P. 511 of the 107th Legislature, have had the same under consideration, and ask leave to submit its findings and to report that the accompanying Bill "An Act to Provide for an Associate Administrative Court Judge and to Revise the

Administrative Court Law" (S. P. 734) (L. D. 2283) be referred to the Judiciary Committee for public hearing and printed pursuant to Joint Rule 3.

Came from the Senate with the Report read and accepted, the Bill referred to the Committee on Judiciary and ordered printed.

In the House the Report was read and accepted and the Bill referred to the Committee on Judiciary in concurrence.

The SPEAKER: The Chair would inform the members of the House that the Journal you find in front of you is in error. It is a printing error, not based on the printed matter that was sent to the printer but as a result of a printing error by the printer, and it should have read "without my approval" rather than "with my approval" in the first line of the veto message.

The Chair understands also that the new printed calendar, which was printed by the KJ at their own expense to correct the error, is now in your possession.

Messages and Documents

The following Communication:

State of Maine

Office of The Governor

Augusta, Maine

March 3, 1976

To the Members of the
107th Maine Legislature:

I am today returning to the House of their origin without my approval L.D. 2196 (H. P. 2020), An Act to Revise the Laws Relating to Funding of Public Schools, and L.D. 2264 (H. P. 2112), An Act to Make Necessary Revisions in the Income Tax Law for School Funding Purposes.

This Legislature is to be commended for the education bill it has placed on my desk. While I embrace the statutory controls which were placed in this bill to avoid future deficits, I cannot support the funding level or funding method which places an additional tax burden on the people of Maine.

I made this decision, after careful study and research for the following additional basic reasons:

(1) **The funding of this legislation would raise total taxes in Maine and make a major change in tax policy without public hearings.** This legislation proposes an \$18.5 million increase in the State income tax without any assurance or guarantee that the taxes of individual property owners will be decreased. In many cases, individuals could be hit with an income tax increase only to see their property taxes remain the same or increase. We have had reports that some officials say property taxes will be lowered but historically this has not been the case.

(2) **While there is a general consensus that there has been overspending in education, this legislation fails to come to grips with this problem and, in effect, rewards the overspending with an \$18.5 million increase in the income tax.**

(3) **This Legislature and this Governor have established a track record for fiscal responsibility in other areas of government and the time has come for us to do the same in education.** Education spending has skyrocketed in large part because it has been funded on the basis of computer printout, not on the State dollars which have been available for education. This "porkbarrel seesaw" where everyone demands and receives more and more each year must be stopped. If we continue to have education funding by printout, we

are going to continue to turn individual against individual, community against community and school district against school district.

(4) While there is a compelling need for total tax reform in Maine this Special Session is not the time to bring it about and this piecemeal approach, we feel, will hinder instead of help meaningful tax reform efforts. We also feel that the uniform property tax should be abolished or drastically altered, but we feel this should be considered along with other tax policy changes in the January Regular Session. We renew our pledge to this Legislature to cooperate fully in a complete review of our existing tax structure after this Special Session is concluded and to address the issue of the total tax reform of Maine in the Regular Session.

I believe the confusion and conflicting data which have surfaced in the debate over this legislation proves to all of us that we simply do not have the facts necessary to evaluate the full impact of this tax increase on the people of Maine. This is another reason that tax reform legislation should be delayed until the January Regular Session which is only 10 months away.

We have done the best we could to come up with accurate data and in a separate communication we are sharing the information we have with members of this Legislature. While the data is not as complete and full as we would like, and as public hearings and further research might develop, we do believe it supports our contentions that:

(1) This proposed tax increase would increase the total burden of Maine people and that it could make the citizens of Maine the most overtaxed of the 50 states. I believe that would be a sad commentary for this Legislature and a historical footnote which I do not believe it deserves.

(2) It would have a negative impact on industrial development efforts.

(3) While the people of Maine would be required to pay the entire increase in the income tax, a large portion of the property tax in Maine is paid by out-of-state residents and corporations and other forms of business ownership.

When I recommended a funding level of \$260.6 million to this Special Session, I apparently failed to communicate that I would support a lesser amount if that was the will of the Legislature and if the Legislature desired a mill rate lower than that which is approved last May and which I signed into law in the form of L.D. 1452.

I want to continue to cooperate with this Legislature in finding a solution to this very grave problem. I, therefore, respectfully request this Legislature to sustain my veto. In turn, I would offer the following alternative:

This basic education bill approved by the Legislature, funded by a mill rate of 14. This mill rate would provide a funding level of 260.9. With the reduction of our remaining \$4.7 million deficit and the \$2.6 million conversion leeway, this would still leave \$253.6 million to be appropriated. This would represent an increase of some 14 million in education spending over the present year level.

If the Legislature prefers, legislation proposing a mill rate from 13½ to 14½ fund education would be acceptable to me, providing it does not require a tax increase or a tax shift that directly or indirectly would result in a tax increase.

Meanwhile, we are preparing appropriate legislation regarding

mandated programs; provisions for greater local control such as line item budgeting; and further we will be prepared to offer other changes that would require legislative action should this Legislature sustain my veto.

Very truly yours,
(Signed) JAMES B. LONGLEY
Governor

The Communication was read and ordered placed on file.

The SPEAKER: The pending pending question before the House is, shall this Bill become a law notwithstanding the objections of the Governor?

The Chair recognizes the gentleman from Waterville, Mr. Carey.

Mr. CAREY: Mr. Speaker, Ladies and Gentlemen of the House: Unlike some times in the past, I speak today with compassion for a very troubled man. Overriding a veto is not a pleasant task, but then neither is it a pleasant task to veto a measure such as the one that we have presented the Governor with, a measure that offends all of us to varying degrees, a measure that money wise is less than one percent off from the figure that he originally proposed to us.

The cause of this veto has to be the result of a promise that was made early by a novice governor holding his first elective office. Had James B. Longley held public office prior to becoming our chief executive officer, he would have learned one thing if nothing else. When a politician is approached early to take a stand on an issue, he will normally express an opinion but very rarely make a flat pronouncement on his position. While it appears to many that he is dodging the issue or speaking out of both sides of his mouth, he is in fact living out the meaning of the word politics, which is the art of compromise.

James B. Longley has made it a point to picture himself as a non-politician. He has proved his point by his unwillingness and his inability to compromise. In this case, I feel that compromise has come too late, but in this case, however, I feel him to be sorry that he closed the door early and he left himself no room for compromise.

From what I read in the papers, the Governor impresses me as having taken a position which invites an override. His statement of "please don't place this Governor in a position where he must act" is one which I feel is made by a man not much unlike the young boy who had climbed to great heights in a tree on a dare but requires a rescue squad to be returned safely to the ground.

If we do not act, then by law he will have the responsibility of setting the level of educational funding, a responsibility he clearly does not want.

Mr. Speaker, ladies and gentlemen of the House, I take no great pleasure or I find no personal satisfaction in voting to override this veto. I don't believe anyone else here does either. But I do believe that this legislature, unlike what the Governor mentioned in his message, this legislature has come to grips with the largest single problem facing the people of Maine today. While we have not reached a long-range solution to that problem, we have bought time for those who follow us. Theirs is the task of tax reform, of a complete review of our expenditures of money, of implementation of the economies the Executive Department would propose. But I tell you, their time will come and ours has arrived today.

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

Mr. SUSI: Mr. Speaker, Ladies and Gentlemen of the House: I would like to take just a couple of minutes with you to review the developments in this field of educational funding as I perceive them.

We have been here in this special session seven weeks now. We came into this special session with a clear mandate to deal with one specific issue, namely, educational funding. Prior to our coming into this special session, for a period of several months an extremely capable group of people worked on the field of educational funding and all their findings were immediately made available to us. Some of our members were members of this commission.

Let's ask ourselves here today, what alternatives are open to us as we consider this matter? We can, in the first place, reject L. D. 2196, or we can sustain it. Let's consider the implications should we reject L. D. 2196.

First off, the Governor has asked us, in a letter which he sent to each of the legislators, that we not return this issue to his desk for his sole resolution of the matter. I would like to take a second and read that section to you. This is from his letter: "Please don't place the Governor of the State in the position where he must act because of default on the part of the Legislature to act in a manner within the spending limits and the provisions of the law in the form of certification. I do not think this is good, let alone responsible government." So if we are considering rejection, we will be going into the face of his specific request that we do not do this.

Further, we might ask ourselves, is there a possibility that should we reject L. D. 2196 that then the Chief Executive and our legislative leadership would be able to meet and agree on new legislation to resolve these problems? In my opinion, there is absolutely no indication to support this conclusion.

During the seven weeks that we have been here, our leadership has worn a rut in the State House corridors from their offices to the office of the Chief Executive in an attempt to reach some sort of an agreement in the field of educational funding. Any legislation which has been acceptable to the Chief Executive has gained support of a maximum of 30 or 40 votes in this body. No, this route shows no promise.

We can vote to sustain L. D. 2196, and should we today do that, we will have met our responsibilities in the field of educational financing. After all this time, all this effort, this bill is the only legislation which shows any indication of gathering two-thirds support in this legislature. In fact, it has, in a previous vote in both houses, received that support.

We might ask ourselves, is it faultless legislation? In anyone's view, it certainly is not. Like most legislation that we generate in the legislative process, it is an imperfect product of an imperfect system, the system being the political process of which we are a part. We are politicians, we do compromise. It is the only way it is possible to govern.

But the nub of the whole matter is this — the legislation before us is the only viable solution available to us today. To reject this bill now is to vote to return to more weeks of the chaos and division and recrimination that has torn this state and its government to the detriment of all of us. Let us demonstrate our faith in each other and cast aside this division that promises

to wreck us. That done, I believe that tomorrow will be a calmer day and that any problems we have, we can meet as a productive unit. I think we have to do this for the state and for ourselves, and I hope you vote yes on the motion before you.

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

Mr. WAGNER: Mr. Speaker, Ladies and Gentlemen of the House: Nine score and nine years ago, small property holders in our parent state of Massachusetts faced widespread loss of their farms and shops by foreclosure sales to pay taxes imposed by the General Assembly for payment of the debt incurred by the Commonwealth in the war for independence. Unable to pay the heavy property tax burden after years of economic adversity, a taxpayers' revolt formed under Captain Daniel Shea in the winter of 1786-87 or F-Y 86-87, if you prefer. The governor of Massachusetts would not tolerate this refusal of small holders to pay ruinous taxes and sent the state militia to put down Shea's Rag-tag resisters in February, 1787. These events are credited with sufficiently alarming electorate, mostly men of property, in the several states to opt for a strong, central government by adopting the Federal Constitution.

They also drove many of our dispossessed ancestors to seek a new start in the District of Maine. I submit that we are witness, in our Bicentennial year, to a similar crisis for the small property holder in the State of Maine. Again there is talk abroad of a taxpayers' revolt. Again economic adversity and state tax policy has swelled the list of unpaid taxes in town reports across our state.

Must our governor respond, as did his predecessor in 1787, by symbolically sending the militia in a tax collectors cloak to foreclose on people's increase. I for one hope not, ladies and gentlemen.

Last week we heard a chaplain pray, be a treasurer to the poor and an admonisher to the rich. Far too often public policy, including tax structures, has served as an admonisher to the poor and a treasurer to the rich. Let us take another step today on the road to tax justice, begun by the passage of the federal income tax in 1912, and vote to override the veto of the Governor.

The SPEAKER: The Chair recognizes the gentleman from Winthrop, Mr. Bagley.

Mr. BAGLEY: Mr. Speaker, Ladies and Gentlemen of the House: I want to apologize for my voice. I haven't much control over it, but I will try to talk slow enough so you can understand what I am trying to say.

I am worried about the people who are going to vote against this bill because they were opposed to 1994 or its successor. Many people seem to have forgotten that a uniform property tax is no new thing in the State of Maine. I remember as a child going to town meeting where my father was selectman and having him get up and explain to the people that they couldn't tell what the tax rate was going to be at the time of town meeting because the legislature hadn't set the uniform property tax. They usually set that tax right in the month of April. I did a little checking in 1945, and I found that the uniform property tax in 1945, set by the 91st Legislature, was seven and one quarter mills set by Chapter 33, Section 2. That money did not all go for schools. Some of it was used for other purposes, but a lot of it did go for schools. I checked a few town reports to see whether the towns were paying in more than they were receiving for school purposes or not. I

found this in the town reports, not in any record over in the State House. The town reports are all over in the library and if any of you want to go over and check any of my figures, you are perfectly welcome to.

Last year, Castine paid in \$5,441 received back for school purposes \$1,695 or in other words, Castine received back 30 percent of what they paid into the state under the uniform property tax. Brooksville, just across the river from Castine, paid in \$2,778, received back for school purposes \$7,956, or 280 percent of what they paid in. Veazie paid in \$5,733, received back for school purposes \$1,784, or 31 percent of what they paid in. Bar Harbor paid in \$57,600, received back for school purposes \$12,996, or 22 percent of what they paid in. Fort Kent, on the other hand, paid in \$10,888, received back \$25,348 for school purposes, or received back 237 percent of what they paid in. So this whole matter of a uniform tax or money being paid in by some towns and received back by others is no new thing. I hope you will keep that in mind when you consider this thing.

The only new thing about 1994, basically, was the determination to pay 50 percent of the cost to educate our students from some tax other than the property tax.

The SPEAKER: The Chair recognizes the gentleman from Sabattus, Mr. Cooney.

Mr. COONEY: Mr. Speaker, Ladies and Gentlemen of the House: In the past several weeks we have all talked at length about the needs of our state with regard to the mix of our taxes, with regard to the need for reform of our taxes, with regard to avoiding a general tax increase and last, but I hope not least, with regard to the kids in school all over the state.

I hope this morning that most of us are in agreement that this bill is a progressive measure both as a tax and as an education bill, and that based on this, we will sustain our action and override the Governor's action.

I want to raise a correlative issue, an issue related heavily to this tax and education bill and also related to other actions we may take in the weeks to come. It is the climate the Governor is creating both in and out of Maine. We all know of the Governor's hope, and I think we all share his hope, that by keeping taxes from rising we can lure newcomers into our state. But the Governor is, I believe, creating a reverse effect by his adamant stand on this issue, creating the exact opposite of what he seeks to achieve. He is creating a negative climate by his adamant stands. He is creating among Maine people and among those beyond our borders, who we so hope to positively influence, a climate of insecurity, insecurity about the effectiveness of our leadership, insecurity as to the nature of our tax structure, insecurity as to the direction in which our state is headed. If we think about it for a moment, we will realize that insecurity is a worse enemy than the solid, perhaps negative, news that a portion of a tax is going to increase.

Think, for instance, as an example, of the family who are unsure about our economic climate, will they buy a new car this year? Will they buy the new washing machine? Would not they be more inclined to act if they could act with some sense of economic security? Think of the stock market as another example. We know that insecurity is one of the worst enemies of the stock market. Investors can discount bad, act on good news, but they don't act at all when they are unsure. Finally, think of

that elusive businessman who the governor indicates is just waiting to come to Maine if we don't raise a single tax. I ask you if this is really the case? I personally doubt it. I would suggest simply that what keeps that businessman for acting in Maine's direction is the same sense of insecurity from investing.

I ask you which would make that businessman more confident? Knowledge that on his \$20,000 executive income and with a home in an upper bracket his taxes might go up \$30 or \$40 and an effort toward quality education has been maintained in the bargain, or the alternative that the property taxes on his home might rise by better than twice that \$30 amount, and more important, more important, the property tax increases on his business ventures might defeat all of his economic efforts. Let me ask you, does it have a chilling effect on him to hear the Governor talk about and propose higher property taxes? Does it make him insecure to hear the Governor say a return to an inventory tax might be a good idea? The answer is clear. I hope you find it clear also.

I hope I have made the point that our responsibility today is not just to the merits of this education and taxation bill. It is to the stability of our business climate, it is to the towns of Maine who want to establish their local budgets without having to postpone decisions and be uncertain as to the local tax burdens of the coming year. It is to the kids in school who need the certainty of as good an education as we can give them to compete in the world they will face. It is to all of us in Maine to settle this issue after weeks of turmoil and uncertainty and to move on to the other matters that press upon us. For all of us now and tomorrow, I urge the override of this veto.

The SPEAKER: The Chair recognizes the gentleman from Cape Elizabeth, Mr. Hewes.

Mr. HEWES: Mr. Speaker and Members of the House: We are representatives of home, representatives of the people of the State of Maine, and what are the wishes of these people of the State of Maine, what should we do for them, how should we vote?

Well, I hearken back to the primaries that we had two years ago when there were several candidates running for governor. I remember that several of them, I think all of them, said they wanted to cut expenses and they wanted no increased taxes. They wanted a healthy industrial climate. I submit that to increase the income tax rate at this time would be unwise. It would impose an additional burden on those that are actually paying the bills.

Now, the gentleman from Sabattus who spoke a few minutes ago, Mr. Cooney, mentioned the children, and this bill is all about the children. We want to not only educate our children, we want them to have jobs so they can enjoy Maine after they have completed their educational years.

It is my understanding that taxes in Maine the last five years have gone up 96 percent. I would like to quote from a business report of David L. Babson Company, February 26 issue. The report said, and I quote, "On the average, the states with the lowest unemployment rates also have the smallest tax burdens."

I am going to leave the contexts now and just state that as I drove up here today I heard that the New Hampshire unemployment rate at the present time is 6.2 percent. Their taxes, state taxes, are much less than ours. I believe that our

unemployment rate hovers in the range of 11 percent, our taxes, state taxes are much greater than New Hampshire's.

Now I would also like to continue with the report from the Babson and Company. "It is also clear that the rising state and local tax rates can reach a point where they defeat their own purpose, by discouraging job formation and siphoning off private income, they can end up producing less rather than more tax revenues in the long run." Continuing on further, "Unless states and cities in serious financial trouble really hold down the growth of spending and taxes, they could be trapped in a vicious circle."

You all know that the federal corporate income tax is almost 50 percent. We have a state corporate income tax of 7 percent here, so that any business operating in Maine pays out in taxes, state and local, over 50 percent of its income to start with. Then, on top of that, we have the federal income tax, which takes substantial amounts from earners in Maine, and now we want to increase the state income tax rate? I submit we should not. Presently there is no state income tax in New Hampshire. The highest rate of income tax on earned income in Massachusetts is 5 percent. This bill would propose that the highest rate in Maine go to 10 percent, twice the highest rate in Massachusetts. Do we want to do that? I submit that we do not.

Just by chance in this week's Time Magazine, it is the issue of March 8, 1976, there is an article which indicates that Time Magazine has cut back on selling its Time Canada, so-called, in Canada, because of the tax situation in Canada. I just happened to read this last night and I submit that this particular tax in Canada, I am going to quote from it, "Was the straw that broke the camel's back". If we impose an added tax rate here in Maine on our people, it may be the straw that breaks the camel's back, that keeps certain industry from coming in certain jobs being provided or causes certain industries and jobs to leave the State of Maine. I would like to quote from this week's Time Magazine. "Last week, following the passage of a much debated new tax legislation in the Canadian House of Commons, we were forced to announce the closing of Time Canada with the current issue. We did so, quite bluntly, because it became obvious that the Canadian Government was determined to make it impossible for us to continue the edition. The government's tax bill made that painfully clear."

You know, this is the land of opportunity here in the United States and in Maine particularly, and we want our children to enjoy Maine after they are educated. I certainly hope that you vote to sustain the Governor's veto.

I received this morning several telegrams and mailgrams urging to vote to override the veto and I suspect that many of you did. Last night, one of the teachers who lives in Cape Elizabeth telephoned me to state that they had been urged to send telegrams and mailgrams to legislators urging override and the cost of these would be paid by the Maine Teachers Association. So, I submit that the fact you received so many mailgrams and telegrams this morning shouldn't have the effect that it normally might have, because they were urged to send these out and the cost was not to be borne by the sender. I respectfully request you vote to sustain the veto.

The SPEAKER: The Chair recognizes

the gentlewoman from Waterville, Mrs. Kany.

Mrs. KANY: Mr. Speaker, Ladies and Gentlemen of the House: I found Representative Hewes' remarks particularly interesting in the fact that we are neither asking to raise the corporate income tax nor the state uniform property tax or local property taxes which would much more affect businesses in the State of Maine.

Just briefly, to continue, the legislation which the Governor has returned to us with a veto message, as Representative Susi said, is hardly a solution to the continuing problem of helping to finance public education in the State of Maine. All of us know this. We have never pretended it is perfect legislation, never pretended the compromise is a solution, but I sincerely hope we override this veto today. The Governor took the full five days allotted to him under present law before providing us with his veto message. Let's not delay any longer; let us allow the communities of the state to put their budgets together. Let's get on to the other business which we must address in this special session.

The SPEAKER: The Chair recognizes the gentlewoman from Bath, Mrs. Goodwin.

Mrs. GOODWIN: Mr. Speaker, Men and Women of the House: We have before us this morning a product arrived at in a spirit of compromise. To compromise in the best sense of the word by members of both parties with many differing philosophies, arrived at, through a political system, although imperfect, which has sustained this nation as the longest continuing democratic government in the history of the world, it is not the best we all could have hoped for, but it is the best we could attain.

Despite the names that members of this legislature have been called over the past months, professional politicians, liberal spenders, and even worse, we are, for the most part, ordinary men and women called upon to perform extraordinary tasks.

We are not here to do what is popular, we are not here to do what is politically expedient or even what meets with the approval of the editorial staff of the Bangor Daily News, but rather we are here to do what is right. I believe that time will prove us to be right, even if we are defeated here this morning. But if we let ourselves be defeated, we will not be the losers. The losers will be the children of Maine, the low-income and middle-income taxpayers and the elderly.

I came across on my desk a few days ago a few lines from 'A Tale of Two Cities', which seemed to fit the occasion. "It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epic of belief, it was the epic of incredulity, it was the season of light, it was the season of darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us."

Mr. Speaker, men and women of the House, we once had everything before us, and in the end we may have nothing before us. This bill is our last best hope and I hope we do not throw it away.

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

Mr. LOVELL: Mr. Speaker, Ladies and Gentlemen of the House: I certainly want to ask you in all good conscious to go along with the Governor's veto. At the present time, we have 42,000 people out of work in the State of Maine and there are 10,000

leaving the state every year because they can't get jobs.

As far as industrial development is concerned — a bit about my background. When we lost good old Sanford in 1953, 1954 we lost 3,500 jobs, but we didn't give up. The one thing we learned was that we had to meet competition or you don't get the business, you don't get the industry. So, consequently, we met competition and in a matter of five or six years, we got 17 new industries in the Sanford-Springvale area. Those are mentioned in the history of the Town of Sanford by the late Carl Bougie, head of the DED and myself.

Now with an increase in the income tax it is going to discourage. We have already heard the Chief Executive state that he has several new industries interested and one is interested in coming into the Town of Sanford. And when you bring a new industry that employs a hundred people, that is about a \$2 million payroll, and that turns over three to four times before it leaves your community. So that is six to eight million dollars in activity. So if we get enough new industries in, and the Governor says it, and I will take his word for it, he says he has several industries that will come if we don't raise the income tax.

We have had no hearing on this income tax. I am dead against putting on an income tax without any hearing. I have confidence in the Governor.

The State of New Hampshire, for example, has no sales tax and no income tax, and they have 60 industries in there that are listed in the top thousand industries in Fortune magazine, which we could just as well have gotten in Maine, we aren't very far from New Hampshire. We have got good labor here, we have got everything to offer. But if we raise the income tax this time, we are going to be licked as far as getting new industry in and, yes, your taxes are going to keep climbing up and we are going to have more people leaving the State of Maine all the time. As they get older, people come back and settle in Maine. They come back when they get 65 or 70, but they don't have much money. What we want is the working people as well as the older people. We want the younger people to stay here in Maine and work, and our education system has risen and risen over the years and we can stand some cut and still give good, adequate education in the State of Maine.

That is all I have to say at this time, but I would plead with you to go along with Governor Longley. I think he is doing the right thing. He is a good businessman and I think he is doing the right thing for the State of Maine.

The SPEAKER: The Chair recognizes the gentleman from Falmouth, Mr. Snow.

Mr. SNOW: Mr. Speaker, Ladies and Gentlemen of the House: I would like to speak briefly about point two in the Governor's veto message where he says there is a general consensus that there been overspending in education. I don't know how he has arrived at this conclusion. I represent the Town of Falmouth which, by word of the Bureau of Census, enjoys the highest per capita income in the state. The second highest per capita income is enjoyed in Cape Elizabeth.

During this last weekend, I have had two telephone calls from people with large incomes protesting an increase in their tax. The response the other way has been overwhelming, but that is incidental in discussing this point.

I would like to just quote a very few figures. How have we overspent? Have we overspent by overpaying our teachers? Let's look at the salary of teachers who have been teaching for six years. In Connecticut, they receive an average of \$10,280 a year. In Minnesota, they receive an average of \$10,148 a year. In one of the highest salaried communities in Maine, which is Kittery, they receive \$10,020 a year. The average for all of Maine, and these are 1974 statistics, was \$8,402. This is \$2,000 less.

Let's examine just one other aspect of this overspending, the amount spent for each secondary pupil. The State of New York averages \$1,962. In Connecticut, it is \$1,601. In Vermont, it is \$1,340. In the Town of Falmouth, which has one of the six highest per pupil costs for a town of over 3,000 in the state, the town spends \$1,252 per secondary pupil.

We also hear people talk about swimming pools. You get the notion that every community in the state, or almost every one, has a swimming pool. I don't know precisely how many there are, but I know that Portland has one in its school system. I know that Belfast has one. I know that Cumberland has one, Cape Elizabeth has one, Old Town has one and Westbrook has one. There may be a few others, but there are not very many. All these pools were started before the advent of L.D. 1994 which, we are told, encouraged a great deal of overspending.

One other point. I pointed out that Falmouth spends almost as much if not more than any other community in the state of its size or larger for its secondary pupils. It has a budget of \$2,341,000. We have 16 school buses. Five of these have been over 100,000 miles. Two more will shortly see that. Of this budget, only \$24,000 is devoted to capital outlay. I just don't believe, ladies and gentlemen, that this represents overspending.

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

Mr. FARNHAM: Mr. Speaker, Ladies and Gentlemen of the House: First, I would just like to read a sentence from the veto message. "This Legislature is to be commended for the education bill it has placed on my desk." The problem is not the bill itself dealing with education, for we have gone a long way toward meeting many of the Governor's objections. We are reimbursing special education, vocational education, busing and one other item by 90 percent instead of 100 percent. This is going to hurt many of our towns. Furthermore, we are greatly reducing the leeway provisions, and this hurts those towns who were behind in their school programs and who saw 1994 as a chance to get up even or somewhat near even with the better schools in the state.

So our problem now is one of taxes. I think the gentleman from Cape Elizabeth, Mr. Hewes, unwillingly or unfortunately dragged a red herring across the table when he mentioned the problem that Time magazine is suspending publication in Canada. The reason for that is that Canada is favoring local magazines, has passed a discriminatory tax on American magazines and next you are apt to hear that the Reader's Digest is not going to be published in Canada. My roots are there in Canada, I am there every year, and I know the intense spirit of nationalism that prevails there. Furthermore, the Canadian Government is trying some way to jam or stop TV broadcasts that go over to Canada, because they are advertising

products and people come over here and buy them and then take them back home and they are not anxious for them to do that.

I am sure the gentleman from Cape Elizabeth was not aware of the fact that this same tax does not apply to publications printed in Canada, they are favored. It is a penalty on American publications.

The gentleman from Sanford, Mr. Lovell, was greatly concerned about the effect of this proposed tax on industry. Ladies and gentlemen, there is no corporate tax in this, so it doesn't hit a corporation. It might hit the individuals in the corporation who are fortunate enough to be paid \$20,000 or more a year. In fact, this tax is fairer to a corporation, because if we do not accept this measure, property taxes are going up and the corporation has got to pay that increased property tax whether or not they have operated in the red or black, and most new industries operate in the red for the first two or three years. This is actually a break for industry, not a hindrance. No one wants to see more industry in this state more than I do. So let's dispose of that red herring.

Now the income tax, I think you will remember that in caucus I had some rather harsh words for it and you remember, too, I lost some of my battles on busing and what not, but I am still sticking to my guns because I think this is a good bill. I think we are financing it in the right way.

In my district, I would estimate, and I think it is true of most districts, I have from three to four hundred people in the retired class living in their own homes on fairly fixed incomes, and this increase in the property tax hits those least able to pay for it. I urge you to override the veto.

The SPEAKER: The Chair recognizes the gentleman from St. Agatha, Mr. Martin.

Mr. MARTIN: Mr. Speaker, Ladies and Gentlemen of the House: I do not take issue with every piece of legislation that comes before this House. I do this not because I dislike debating the issues but because soon after I got elected to this body, I had quite an interesting discussion with a prominent member of this House whom I have a lot of respect for. I suppose his is the one and only reason that I stand before you today.

The first thing he told me was, now, Dan, don't think you can go to Augusta and change things overnight. Sit back and learn the process. Well, I sat back and learned, I am still learning, and I suppose if I am here for 25 years I still will be learning. But this morning I can no longer sit back and let the people who elected me be deceived and misled by one individual in his proposed solution to school funding.

When I think that 80 percent of my constituents have an income of \$8,000 or less, and I voted to in fact decrease their income tax, at least my conscience is clear. Ladies and gentlemen, it is for this one reason that I will vote this morning to override the Governor's veto.

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

Mr. McBREARTY: Mr. Speaker and Members of the House: I feel very pleased the Speaker told me this morning that he wouldn't let me speak until four o'clock.

At a dinner I attended Tuesday night here in Augusta, I was kidded by a good Democrat friend of mine. He asked why I wasn't eating at the Blaine House with my friend the Governor. I have always felt

honored to be considered a friend of any Governor. I had the honor of giving Governor Curtis one of his first rides on a snowmobile. He and I led the parade lap at one of the most successful snowmobile races ever held in Aroostook County. I crossed the finish line at 50 miles an hour with 125 high-powered racing sleds close behind and Governor Curtis desperately hanging on to the back of my sled. You may think this is just another of my snowmobile stories, but I have several good pictures to prove this one to be true. Governor Curtis and I have been friends ever since.

The statements I am about to make are my honest, candid opinion of the bill before us and the situation we are in here today.

Since the enactment of L. D. 1994, we have continually heard the words "uniform tax rate, uniform taxes," and "equal education". One definition for 'uniform' is in accordance or agreement with one another, conforming to one standard rule or pattern. If it wasn't so serious, it would be a joke to think L. D. 1994 has met, or ever will meet this definition.

How many believe that cutting my taxes in Perham and adding it to a poor fisherman or old couple living on a big rock down on the coast is uniform? How many believe that changing Perham's state valuation in one year so that we pay two and a half times what we did before is now or ever was uniform?

We have been fiddling around for weeks arguing over adding a mill or so to our property tax, which includes out-of-state owners, large landowners and industry, or adding millions to 25 percent of our own people as an income tax.

Even with the income tax, what control will your town have on your town mill rate next year if the state decides to double or triple your state valuation? How many of you realize that State Tax Assessor tells town officials that no way can anyone tax property fairly without tax maps and a complete inspection and measurements of all buildings. Imagine turning over the assessing and taxing of our property to someone who admits they have no way to do a decent job!

The little town of Blaine in Northern Maine just had tax mapping and a 100 percent professional valuation job done. The new town valuation is 6,000,000; the state valuation is 3,000,000. Should the uniform rate to tax this town be on the 3,000,000 or the 6,000,000?

The City of Presque Isle has a 100 percent city valuation of 98,000,000, the state valuation of Presque Isle is 74,000,000. Break this down into percentages and Blaine has a state valuation of 50 percent of the town valuation, while Presque Isle has a state valuation of 75 percent of city valuations. Break this further into mills paid into the state based on the 100 percent town valuations, and the small town would be paying 7 mills, while Presque Isle would pay 11 mills.

With uniform valuations and taxation like this, why should anyone worry over one mill one way or the other? It seems ridiculous that so many of you are so concerned with the mill rate, when at the same time you have given authority to some state employee, whom you don't even know, the freehand to go out and put any valuation he wishes on your town, sometimes based on very poor judgment. Controlling the mill rate and not the valuation is like going away, locking the

back door and leaving the front door and windows wide open.

Mr. Speaker, if you weren't using that Republican gavel, I would give this House an old Allagash lumberman's version of what I think of L.D. 1994's uniform taxation.

After visiting Cranberry Island this past year, and some of the new modern schools with olympic-sized swimming pools, split-level cafeterias and auditoriums that look like New York's theatres, I believe the school facilities and education under 1994 are about as uniform as the taxation.

At the time L.D. 1994 was enacted, it was considered politically sound because it only robbed from a few and divided it among many. Some of you may still feel it is politically sound to put an 18 or 20 million income tax on 25 percent of the people to feed the monster.

One thing worse than making a bad mistake is to continue after it is evident that a mistake has been made. If we as legislators would forget politics and had the intestinal fortitude, we would recycle 1994 and all its accompanying papers as solid waste, dig out our old school formula, divide what money we have available as best we can and go home.

Last year, we had public hearings on bills to decide if the bumblebee or the butterfly would be our state insect. This year we had a public hearing on a bill to decide if we would spend \$20,000 to study the effect of pesticides on the black fly.

I sure hate to think what our image will be if we pass a bill with an amendment that will completely revise our income tax structure and add 18 or 20 million dollars tax to 25 percent of our people without a public hearing.

I feel the people I represent, who have worked hard enough to earn \$20,000 a year, are just as important as the bumblebee, butterfly, or the black fly.

If I decide to run again, I would rather lose than to vote to override this veto today without a public hearing.

Why don't both parties lay politics aside, sustain this veto, and do what's best for all people in the State of Maine.

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

Mr. CARPENTER: Mr. Speaker, Ladies and Gentlemen of the House: I rise to make a few very brief comments. I promised myself I wouldn't speak on this this morning, but it is a situation where I feel like the 'Devil in the Deep Blue Sea.'

I have been very privileged, and I mean this sincerely, to be considered part of Governor Longley's so-called economy block and have been in on two meetings with the Governor this week.

To set the record straight, as I did at that time, the very first meeting, the very first comment that anyone said, I said to the Governor, "Governor Longley, I apologize, as it stands now, I do intend to vote to override your veto." I gave him the following reasons: Had my community been able or willing to cut, as I know some communities have, the local budget, and I am not talking school now, I am talking municipal budget, perhaps I could have voted for your bill, Governor Longley, however, we are currently facing a two to three mill increase. This will mean a total of six or seven mills, and based on a per capita income similar to that of the gentleman from St. Agatha, Mr. Martin, they are at \$8,000, I have no choice but to try to lay the burden elsewhere.

I also agree with the Governor to some

degree that perhaps there has been some education overspending, perhaps due to 1994 in part and some of the bugs we had in it at the beginning, perhaps some of the ones are still there. I pray they are not.

I cannot support the Governor's position at this time, and for that I apologize to the Governor. I feel that this legislature has done the best possible job and nobody wants industry in the state, possibly with the exception of the gentleman from Hampden, more than myself. I come from a depressed area; we need industry.

Looking at the alternatives, and that is all we have in front of us, unfortunately, we are not arguing whether to reappoint Mr. Burns as Chairman of the Federal Reserve Board, we are not arguing President Ford's economic policies or President Nixon's or President Kennedy's, we are discussing one piece of legislation that is here before us this morning.

I agree with the remarks made by certain people in this body, and especially the gentleman from my own county who resides in the other body. I agree with it. That is not the issue. As I believe one of the distinguished members of this body once said in talking to a constituent, we have a little button on our desks and it only goes left or right. Unfortunately, it doesn't stay straight up.

This is the hardest decision I have ever had to make in my 14 months as a freshman legislator. I left the second meeting with the Governor Tuesday. I walked over to him and shook his hand and said, "I apologize." As I walked out the door, my feelings must have been carried on my shoulder because he said, "Mike, could I see you a minute?" I have known the Governor longer than I have been elected. He took me off into a corner and I sort of felt he was the father talking to the sick child. He said, "I understand what you are faced with back in your community. I received some mail from people in your area, and I think they expect us to cooperate on this issue and other issues. We have a good record of cooperation up to this point; I hope you can feel justified in supporting my position, but if you don't, I respect you for that." Regardless of what you may think, any of you, of the gentleman on the second floor, when the Governor of the State of Maine says this to you, you have to feel something.

This morning, I feel sort of like — and I am a baseball fan — I feel sort of like Luis Tiant in the World Series running the bases against the Cincinnati Reds. If we covered all the bases, we haven't been very graceful about it.

As the gentleman from Lewiston, Mr. Jalbert, said in one of these meetings with the Governor, this is the ninth inning, two are out, two strikes on the batter. This is it. Perhaps it is very similar to what Mr. Tiant did in the World Series, we are going to have to go back and touch home plate. I think it is imperative that we do that today and the issue before us is very clear. I doubt that anything I have said or anyone else has said or will say will change anybody's position.

The SPEAKER: The Chair recognizes the gentleman from Scarborough, Mr. Higgins.

Mr. HIGGINS: Mr. Speaker, Ladies and Gentlemen of the House: I rise today in support of sustaining the Governor's veto. I have spent many hours deliberating over what course of action I should take on this issue, as I am sure you have, and after having done that, I find that on a

philosophical basis I cannot support this piece of legislation or any piece of legislation that demands equal dollars be spent for very unequal expenses in different situations. Equal dollars and extravagant facilities do not necessarily mean equal education, but rather is more dependent upon dedicated teachers and a concerted effort of students who want to learn.

I have tried to look at this issue in other than a parochial manner. There are many of us who voted against this bill originally whose towns would have been helped. After all, that is the way this bill was structured, to give a little bit of the cake to as many people as possible so that everyone could go home with something for their constituents. Well, maybe that is great for the towns, but I am not sure that the state and its overall taxpayers can afford it. It might be able to now at \$262 million, but will it be able to when the funding reaches \$300 million or \$350 million per year. I dare say we will be right back here again juggling with the mill rate and leeway and all the other little intricacies we have come to know in the past month.

As a town councilor who also serves on the finance committee, I am constantly aware of the eroding tax base and increased local spending. However, although a concern I have is that once we shift this burden to the income tax, there will be no stopping the cost of education in this state. Increases in spending will be justified on the basis of those who are best able to pay are doing so, but look who we are shifting this burden onto, the single taxpayer, the one who has the least to do directly with children and the cost of education. How much longer can these people who can best afford to pay, as the saying goes, continue to afford it.

I cannot quarrel with the fact that the property tax is not a completely fair tax based on ability to pay. However, my fear is that once this legislation becomes more and more funded at the state level, all local controls and input will be wasted. The professional educators here in Augusta will take over and this will grow into a monster that we have never seen the likes of before.

This is, after all, not an education bill, it has become a full-fledged taxation bill, a way to redistribute the wealth under the guides of equal education, not only the property tax wealthy but the income tax wealthy as well. You are not talking about shifting of burdens here but a complete restructuring and reform of our present income tax laws to the tune of \$18 million per year and done so without a public hearing and enacted within 48 hours of when it was first proposed, I might add.

Some of us here have chosen to accuse the Governor of shifting the tax burden to the property tax by using 14.5 mills to fund education. Need I remind this House that it was this body who went along with L.D. 1452 less than a year ago that calls for a 14.75 mill rate effective July 1? Where were the accusatory outcries then that we were placing an undue hardship upon the people of this State? Let us face the fact that it was us here that shifted the burden in L.D. 1452 and not accuse the Governor of this state because some now feel that we may have erred in the regular session.

Let me say in conclusion that while this legislation does close some loopholes in the present law, in my mind, the method and procedure that we have used in funding it does not meet the test of fairness for the

people of this state. There are some questions that I feel need answering.

Will we do the people justice by passing a major tax reform without a public hearing? Once education costs are hidden in the income tax, will we ever be able to hold the line on educational spending? Do the people of this state wish to delegate more authority to Augusta and see their local control continue to disappear and, moreover, do the people wish to pay \$18 million per year more in income taxes to fund education, while at the same time businesses and out-of-state landowners get a break? These are four questions that for my part I find I must answer in the negative and can therefore not support this legislation. I hope you might join with me today in sustaining this veto.

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

Mr. DUDLEY: Mr. Speaker, Ladies and Gentlemen of the House: I will try to be very brief. The gentleman from Cape Elizabeth, Mr. Hewes, has so eloquently covered most of what I wanted to tell you, but after sitting here and listening to the many speakers speak, none of them, I think, share my complete views.

Both parties that speak here, either for the Governor's program or the other one, they all speak for more money, it is just a question of which way you are going to get it from the people, which pocket you are going to pick. They are looking for more money. No one has spoken for the people who think this terrible spending has got to be brought to a halt before we are in bankruptcy like New York City and before all of our industry and all of our wealthy people, if there are any, leave the State.

Now in my little community we have had a few wealthy people who called that their residence. We passed the income tax, their residences are now in Florida, they visit with us in the summer. Consequently, when they pass away, we don't get their inheritance tax, this has happened in a lot of areas like Bar Harbor. So these people are not fixed here, they are not tied here by a ball and chain, and if we think we can rob this certain group of people, they are going to stay here, a lot of them can leave because they are not tied by chains.

I think a lot of people — I think it must be being taught in schools today, one of the books that they must be teaching is Robin Hood. I heard about Robin Hood when I went to school but I don't think it was made a subject like it is maybe today.

Just a word in rebuttal, one gentleman brought the proposition of what school teachers are paid in Maine against what they are paid in Connecticut. I happen to know something about that, I had a school teacher in my district who took a job in Bridgeport, Connecticut, \$30,000-some-odd a year and he didn't stay long, he is back and wanted to know if he could have his old job back, and he got it, it was in Milford. He found that a State Trooper had to take him to school, a police officer had to wait in the room all day and another police officer took him home at night and the second week he was there, they said, do you have a firearm? He said no, and they said, you should get one and carry it in a shoulder holster. He said, at that point, he called Maine to see if they had replaced his position. They said, no, they had interviewed a few — well, he said, don't interview any more, if I can have my job back, and so he returned. This is one of the reasons that some of those places have to pay a lot of money. We don't have that problem yet here in Maine but if we keep

on this same philosophy every time we meet here, raising money, for the last ten legislatures, everybody found the easy way out was just to pick someone's pocket and go on from there.

At this point, I no longer think this is the way to do it. I think somewhere, some intelligent people have got to say, this is it, we have had it, as of this day.

I don't agree 100 percent with the Governor but he is the only one that had the audacity to stand up and say that he is going to do something or try. I don't know if he is going to get very far, but at least he is working in that direction. He is the first Governor we have had in many years that hasn't said the easy way out is to just spend some more money to pick more pockets. I support the Governor and I hope that majority of people here today do. The people in my area support him by great numbers.

I think I have covered the case quite adequately anyway, because nobody is going to speak the way I feel, I just thought one ought to speak for the way I feel and normally I wouldn't have said anything this morning, because not one person has said anything about not spending, all we are really debating is what kind of a tax measure we are going to put on the people and we are not going to deceive them because the bill the legislature is proposing is many more dollars than the one the Governor is proposing and they are smart enough to see that. People are quite intelligent on the street today.

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

Mr. PIERCE: Mr. Speaker, Ladies and Gentlemen of the House: This vote we take here this morning is probably going to be the most important one we do vote on in this two-year period we are here in this legislature. I would like to say to the gentleman from Enfield, Mr. Dudley, that I have consistently, whenever possible, voted to support the Governor, and I would have done that if he had been a Democrat, a Republican or an Independent. I think that that job on the second floor is far too difficult to play politics with, and when we passed the first compromise here, I voted against it because I felt that it was a bad one. When it came back from the other body changed, I voted against it again because I felt that although it was better I still did not feel that it was as good as we could and should do. I have held off, hoping that somehow, someone would come up with a better compromise before we had to take this final vote, but it hasn't come and whether we want to blame the Governor or leadership or members here, I think that now is irrelevant. Whatever measure we enact, it must be all of our responsibilities and I am willing to accept my share. I think now we are at the end of the road, we are between that rock and hard place. We have been painted into a corner which I have asked the Governor face to face, please not to do, give us a viable alternative, and that viable alternative, in my estimation, has not come. I think the confidence of the people in government is at an all time low and it is up to us to do whatever we can to correct that.

I think we must take positive action and not negative action. I can't vote negatively just to be an obstructionist. Therefore, I very reluctantly must vote for this compromise, imperfect as it is, because evidently it is the best we can do. I think it is the lesser of two evils and I believe that this course now becomes the most

responsible course of action for the people of the State of Maine.

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

Mr. DYER: Mr. Speaker, Ladies and Gentlemen of the House: I certainly had no intentions of speaking on this bill this morning because I have not spoken on but very few of the bills, but I received a telephone call this morning, knowing full well that I have got to go back to South Portland and face two of my sons who are as big as I am, perhaps not as big around but as tall, and I have got to face them with what I am going to say.

This morning, about quarter to eight, I received a telephone call asking me if I would change my vote and override the Governor's veto. I simply said, at this time I have no intention of changing my vote. I have been that way all the time and I am going to continue. He informed me that he was a member of the MTA. I asked with whom I was speaking and he said, at this time it is irrelevant, and I said, I would like to know. He said, "either you change your vote and override the Governor's veto, or you will be replaced in this coming November election." I told him I did not receive any support from the MTA during my last election. The gentleman I opposed was an ex-school teacher, a very fine gentleman, and he would have been an asset to the House of Representatives and I said, I do not expect to receive any help from the MTA in my upcoming election because, again, my opponent is a very fine school teacher.

Speaking with the MTA lobbyists in the hall this morning asking about my telephone call and again, I quote, "we are desperate, we will do anything because we are desperate."

I received many telegrams from constituents in my territory and I respect their thoughts, I respect the way that they asked me to vote and again I hope, in closing, that they will respect mine because I am still going to vote to sustain the Governor's veto.

The SPEAKER: The Chair recognizes the gentlewoman from Millinocket, Mrs. Lavery.

Mrs. LAVERTY: Mr. Speaker, Ladies and Gentlemen of the House: I don't believe anyone here has avoided that awful time of agonizing over this bill, certainly I am one of them and, as you know, I come from the town of Millinocket. I am a strong advocate of education. I followed this bill through to the point where it was well built and then we had to finance it. And when the financing came down to the shift onto the income tax, I think I agonized most right then and there. I was worried about the state employees, as you are, I was worried about the University of Maine which, again, is another phase of education and I was really in a dilemma. I stayed with the bill.

As you know, last weekend, our paper in the Bangor area reported that over 80 people in Millinocket called our second floor to leave word that they were with the Governor. Also, I have learned that my municipal council at home is divided. The people in my purely industrial town are asking that I sustain this vote and I therefore, in voting for the town of Millinocket, have changed to the fact that I will sustain the Governor's veto.

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

Mr. MULKERN: Mr. Speaker, Ladies and Gentlemen of the House: I really

hadn't intended to speak on this bill this morning. I know there has been a lot of discussion. However, as one of the members of the House who has been rather critical of Governor Longley, both publicly and privately, I would like to say that I agree in many respects with what the Governor is trying to do. However, I feel that the bill we have before us today is something that in all sincerity I must vote to override the veto.

I particularly am interested in Section 4 of what the Governor has to say about the needs of tax reform. This is something I would like to get off my chest. I was one of those individuals from Portland who voted against the original L.D. 1994, the education funding law, because I felt at the time that there were not adequate controls in that bill to prevent the property tax from rising. The impasse that we find ourselves in today I think more or less confirm that fact, but what is the real key reason why we are in this situation? I would submit, as my own opinion, that the problem of tax reform was at the basis of our difficulties. This is an issue that should have been dealt with probably before L.D. 1994 even came into existence, and this is something that the blame certainly cannot be laid at the door of our present Governor.

However, while I share his concern about the increasing costs of state government, and I agree with him that there is fat in the state budget and when he can show me where that fat is, I certainly will go along and support him. I agree with him that we need a shift in the total tax burden in the State of Maine to other types of taxes. However, today we are at the end of the line. We have only one bill before us, we have had no proposal that I can see which probes the problem of education any better than the one we have today. So although I am not completely satisfied with this bill, although I was one of the people who originally voted against L.D. 1994, I will go along with overriding the veto today. But I do hope that the 108th Legislature is really, sincerely, going to come to grips with this problem of tax reform and I, as one member of the Taxation Committee, promise to do everything in my power to see that happen. Again, I believe that we wouldn't be facing the problem we are facing today with this education bill if that problem had been addressed a long time ago. I hope you will override this veto today.

THE SPEAKER: The Chair recognizes the gentleman from Bangor, Mr. Henderson.

MR. HENDERSON: Mr. Speaker, Ladies and Gentlemen of the House: As I think Mrs. Laverty and others have pointed out, the politically popular road is not to vote in favor of this bill today. The Governor is in effect, I think, taking the politically popular position and it is those of us who vote, if we do, to override the veto, who will have to do a lot of explaining.

I have just been conducting a little survey among my constituents and asking them about tax reform for one thing and also about the popularity of the Governor and legislature for another, and I must say, overwhelmingly they feel that the Governor is doing a much better job than we are. On the other hand, in terms of tax shifts, they are almost unanimous favoring a decrease in the property tax and an increase in the income tax to fund whatever needed programs there are. So it seems to me that if I vote to override this veto, which I plan to do, it is not going to be popular. Most of the people I have heard

from recently are not in favor of the bill but it is something I think I ought to do.

I think a lot of people are concerned about the quality of education at the local level and I think they ought to be. So am I, as a matter of fact. I am very disappointed with the quality of local education but it is something that ought to be solved at the local level, quality input into the school committees, who is elected, and the kind of people who are employed as teachers or whatever, but we still have to maintain a certain basic physical plant and a certain number of people to operate our schools.

In the City of Bangor, we will be closing one school this year and consolidating those classes into other schools, which will slightly increase the crowding there. We are consolidating principalships in several schools, we are firing several teachers, regardless of what the legislature does here today. To add increased burdens is something that I think would be greatly intolerable.

As a member of the city council, I am also one who nags at the school committee for its budget and the school committee, in effect, also, I know, are cutting back on what their administration wants. If we can save a dime in our school budget, we will be saving something for our local property taxes, even if we are funding a good share of the residual by the income tax.

I notice from the figures that Governor Longley has given us this morning on increases in various communities of education spending and property taxes, that for the City of Bangor we increased the total spending by 7.3 percent a year and our property taxes went up 5.9 percent a year, and the same figures in the same year, according to the United States Statistical Abstract, the inflation rate has gone up at a rate of around 7 percent a year. Over the last five years, real spending for education has virtually been unchanged and in fact the property tax rate in the City of Bangor has increased at a lower rate than inflation, and specifically that property tax which relates to education has, in the first several years of the school funding law, actually declined. So to say that there has been an impact or that there will no impact on local property taxes I think is to miss the point.

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

MR. LYNCH: Mr. Speaker, Ladies and Gentlemen of the House: You have heard a great deal of rhetoric here this morning, 90 percent of it, I think, we can discount.

A week ago, we had a Bicentennial observance in this chamber, and if you will recall, the President of the Senate and the Governor of the State of Maine both echoed a phrase in speaking about the early colonists — dare to be different.

Maine dared to be different when it enacted 1994 and like all meaningful legislation, it was not perfect. We attempted to refine it in 1452, and as one who has worked from August until January on the Finance Commission, and then for weeks on the Legislative Education Committee, I think we did produce legislation that will bring into control the financing of public school education, and I think the Governor recognizes this when he says, "I embrace the statutory controls which were placed in this bill to avoid future deficits."

When you enact legislation that has a very significant impact in any area, it is extremely difficult to make it perfect and

we are in the process of refining it. We dared to be different, we dared to bring into pockets of poor education in the State of Maine money that would enable them to provide their young students with a better education.

There have been cries of overspending. The legislature itself is responsible for increases in the cost of education. The legislature has mandated special education programs that are jumping by two or three million dollars a year. The legislature has mandated special education tuition programs, which has grown by leaps and bounds. The legislature has undertaken to finance transportation to provide the youngsters in many of the rural areas an opportunity to get to school. The legislature is responsible for a great increase in the cost of education.

You heard mention of taxes. There are going to be taxes; you cannot finance an education program without taxes. It is a matter of where you get the money, and there can be indecision over that.

But, let's get down to the very nitty-gritty of what we do or what we don't do today. If we enact 2196 over the Governor's veto, that solves the problem; if we don't, then I think it places a clear responsibility on one third of the membership of this House to provide a solution to the public education problems of this state. We have had the Governor's proposal, we have had the proposal by Rep. Mackel, we have had the proposal developed by the Legislative Education Commission, they have not been accepted. The Legislative Education Committee got a bare majority.

If one third of this House feels that they have greater wisdom, that they can produce a funding mechanism that will be acceptable to two thirds of this House, they are welcome to try it and they have a responsibility to try it if we do not override the Governor's veto. You cannot leave the cities and towns in this state suspended in limbo while you dilly-dally on the funding of education.

What is the alternative if you don't pass the bill over the Governor's veto? Can you produce legislation that would be satisfactory to this House? Let me tell you that I have a feeling that this House will not accept the statutory controls in 2196 if it comes up in any measure as a single package without any funding. If you don't put these statutory controls in 1452, you are placing the Governor of this State in an impossible position — to fund public school education under the existing law in 1452. It just cannot be done without an infusion of millions of dollars or the raising of local property taxes across the state from Kittery to Fort Kent. I am not kidding. I believe if we, by default, pass to the Governor the responsibility of funding public school education, he will set a figure at approximately \$260 million.

If I were Governor of this state or the Commissioner of Education I would be absolutely sure that I would not be faced with any deficits a year from now. What would I do? I would take the \$260 million. I would slice off \$26 million for debt service. I would take another \$2 million for debt service. I would take another \$2 million off for buses and leasing that are contractual obligations that have to be met. I would fund complete exposure of state dollars under special education tuition of three and a half million to four million dollars. I would fund completely the state's exposure to special education local programs of \$8.8 to 19 million. I would fund

completely the state's obligation under transportation operating costs of \$15.5 million. I would put a million dollars into capital programs for a catastrophe somewhere in this state. You cannot just ignore the possibility of a school being lost somewhere in this state in the next year. Vocational education mandated by the state, I would fund completely the state's exposure of more than \$6.5 million. Now, after you deduct all of this what does it leave? It leaves about \$195.5 million to take care of elementary and secondary operating costs and leeway.

Now, in all the bills that have been before us so far, operating costs for both elementary and secondary schools have been at about the \$200 million level. So, we are now \$5 million below that level and we haven't even discussed leeway. I can't give you a hard figure on leeway, because leeway and a per pupil allocation for elementary and secondary schools are tied together in a way that you have to go to the computer and set up levels of per pupil allocation and see what it will do across the state in leeway exposure.

So clearly, \$260 million, if the governor has to fund education at that level, under existing law will create havoc from Kittery to Fort Kent. The per pupil allocation will be significantly below what we have had in our other bills.

What is the impact going to be? There is no question but what there will be a rise in the uniform property tax, but more significantly, local municipalities will be faced with the hard and very hard decision to raise millions of dollars on local property tax alone or to cut their education programs.

Now, we have heard talk that taxes inhibit industries from coming into the State of Maine. I say to you that probably one of the greatest obstacles to industry coming into any community is a poor educational system on the primary and secondary level and the lack of educational opportunities on a post-secondary level. So you have to make a hard choice, and those of you who are opposed to 2196 have to decide if you want to take on the obligation of trying to produce a solution to the public school education problem of the State of Maine and believe me, it won't be easy.

The SPEAKER: The Chair recognizes the gentleman from Gorham, Mr. Quinn.

Mr. QUINN: Mr. Speaker, Ladies and Gentlemen of the House: Very briefly, to set in perspective, I think what Mr. Susi and Mr. Lynch have had to say are really the crux of our problem today. We are down at a decision of the rock or hard places, as has been said. We must either fish or cut bait. We will either have this law that we passed the other day or we will have 1452. I don't think there is anybody in here who seriously will challenge that.

So when you vote you are voting between two alternatives. You are not voting as to whether you are going to reduce this kind of waste or to whether you are going to have local controls or to whether you object to taxation or all these other questions. You are voting as to whether you are going to have the present compromise law or whether you are going to have 1452.

I want to address my dear and respected friend, Mrs. Laverty, in the matter of taxation, if we do have 1452. I don't have the figures for Millinocket, but I have the figures for S. D. Warren in Westbrook. S. D. Warren in Westbrook is valued by the City of Westbrook on just valuation of \$70 million. If 1452 is followed, if we sustain the

Governor's veto today and fail to keep our bill, S. D. Warren will immediately be liable for \$123,000 extra in money to go to the state at the rate of 1.75 mills extra as provided already in law in 1452. If, as Mr. Lynch very ably pointed out, the Governor is then faced with the awesome responsibility of setting educational funding, he has already told us he would set it at \$260 million, at a maximum, perhaps less. Using his figure of \$260 million means the taxpayers of Westbrook have to pick up additional 10 percent of their present education budget for another \$270,000 from S. D. Warren alone for a total of \$402,000 in property taxes from that one industry this year in the city of Westbrook. I don't know how that applies to Millinocket, but I assume it would in many respects be comparable, and I would urge Mrs. Laverty to consider this kind of imposition upon capitalism, upon private enterprise, upon industry that our state needs so badly. I urge you to override.

The SPEAKER: The Chair recognizes the gentleman from East Millinocket Mr. Birt.

Mr. BIRT: Mr. Speaker, Ladies and Gentlemen of the House: There has been a good deal of discussion here this morning. I think probably some of the comments that have been made recently and some of the comments made earlier I would like to briefly address myself to. The previous gentleman who just spoke said we were in a crisis position. I have sat in this House, and I really haven't spoken on either 1452 or 1994, but I have sat here and listened to this crisis situation develop twice and I have heard the same thing pointed out this morning, that if we don't do something we are going to create dire consequences back home. Well, I will promise you this, if we do decide to pass this bill over the Governor's veto a year from today we are going to be back in this same box and we are going to hear the same rhetoric and we are going to be faced with the same type of crisis situation that if we don't do something we are going to create havoc back home. The costs that are incurred, I am sure, are going to be as much as the costs that are involved in the passage of this bill right now. I am sure we haven't solved the situation. In fact, the excess spending that are involved in the passage of this bill haven't been, in my opinion, faced up to, and in fact, in some places they have been put a little bit out of the way.

If you want to take one particular item that is included in this bill, take a look at the fact that we have decided not to do anything in the area of capital construction for another year. We have deferred it all. What is going to happen when it comes back next year? There is going to be a demand for funding capital construction.

To go back to the initial speaker on this. The initial speaker pointed out that he felt that there was some question as to just exactly what the Governor's true position was or whether he might desire to have this bill passed over his veto and this would leave him in a very comfortable position. I am not convinced that the Governor is double talking in any way or misrepresenting his position in any way in what he says.

Yesterday, I was in the Governor's office and I heard among the people who were there, a banker from Portland who made two trips from Portland to Augusta yesterday, one of them in a real nasty snow storm because he felt so strongly for the position that the Governor was

talking. I don't think that when you have people of this quality, and he is one of the leading bankers in the state, who will make the effort to make two trips to Augusta under the conditions that he made them because he believes sincerely in this, that he or the Governor are playing games with this piece of legislation.

There has been a lot said about the compromises that have been made in this. I don't know who made the compromises. Also some comment has been made about the fact of tax reform.

We were presented with a bill with a method of funding which included an increase in the property tax and an increase in the cigarette tax. That bill passed this House. It was put together not through public hearings and not even through members of the Taxation Committee, it was a decision that came out of legislative leadership. That went over in the Senate and came back in altogether different form. Now, who put the compromises together? I don't know, or I won't attempt to point a finger at. I do know that they weren't even discussed in caucus. There was no input, at least from our caucus, as to what type of a program that we would like to have. We were presented an almost take it or leave it situation. I think that probably if this is what we call tax reform, I certainly can't agree that this is the correct approach.

Another speaker who spoke somewhat earlier was the gentleman from Winthrop, Mr. Bagley. He commented about what we had in uniform property tax in the 1940's. I agree, we did have uniform property tax, that is the method we had of funding the state's budget. In 1951, when we passed the sales tax, it was generally agreed that we were going out of the property tax field. Now we are going back into it. He also made some comments about the fact that schools should be funded on a 50-50 ratio. I submit to you that if we pass this bill we will move from the 50-50 ratio to 55 from the general fund and 45 from the property tax. I am not sure that we want to go in that direction. I am not sure that we should ever go beyond the 50-50 point. I have some serious reservation about it.

I think generally there are a good many compelling reasons why the sustaining of the Governor's veto will be the most constructive and responsible move we could do today and I hope you do do that.

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

Mr. CAREY: Mr. Speaker, Ladies and Gentlemen of the House: I listened to Mr. Birt from East Millinocket speak and show some concern for that banker from Portland. I would point out, of course that banker from Portland was more than willing to make that trip up here in any weather. He probably got the most, if this veto is sustained, the most mileage per mile for that trip of anybody that ever ran through the State of Maine. I would assume that he will save well over \$2,500 per year in his income tax.

The SPEAKER: The Chair recognizes the gentleman from Farmington, Mr. Morton.

Mr. MORTON: Mr. Speaker, Ladies and Gentlemen of the House: In spite of the fact that this debate is about funding a great deal, we must not lose sight of the fact that this is an education bill. As the gentleman from Waterville and the gentleman from Pittsfield have said, and has been so earnestly, honestly and correctly put by that very respected gentleman from Livermore Falls, L. D.

2196 is the only vehicle that we have before us.

I listened to the Governor's press conference on the radio as I was driving home last night and he made it very clear that he endorses every change that L. D. 2196 contains to control spending in education. This is an area that he has had much to say about, spending in education. This bill does cut the cost of 1994 and 1452 and again, as the Governor said yesterday, it comes as close to being deficit proof as he would dare call anything. Educationally then, we do have agreement with the Governor. This is an education bill and the Governor agrees with the approach we have taken.

Funding is the problem. Property taxes versus income taxes is the issue. While this bill is not comprehensive tax reform, and I respectfully feel as though that is an honest statement by any stretch of the imagination, it does go in the direction recommended for the long run by the Governor's tax policy committee. That direction is a reduction in property taxes which are not based entirely on ability to pay, and a shift to income taxes, which are based on the ability to pay.

The questions raised by the gentleman from Scarborough and from East Millinocket are concerned with tax reform. The Governor has opted to address this at the next regular session of the legislature -- so be it. They can be addressed then, then we can make the policy decision as to whether or not 50-50 or 45-55 is the right ratio. But now, today, we need to face the problem of education funding. L. D. 2196 does this, does it the best way that our leadership and 151 of us in this body can find.

Finally, ladies and gentlemen, there is one thing that we all have going for us that hasn't been mentioned this morning at all. Surprising, I didn't think I would come up with anything new, but basically it is this, and that is the high esteem that the Governor has frequently expressed and which we in this legislature almost unanimously hold for the Commissioner of Education. With his integrity and administrative ability available to the people of Maine, we can be assured of top-notch implementation for any education statute. We can rest assured that the savings will be implemented. The deficits will be controlled, and the local units will finally have a law on which they can base long-range planning. Much as this bill leaves to be desired, it is an improvement over what we have on the books now and if we fail to enact it, we will be making a big mistake.

I sincerely urge you to vote to override the veto.

The SPEAKER: The Chair recognizes the gentlewoman from Auburn, Mrs. Lewis.

Mrs. LEWIS: Mr. Speaker, Ladies and Gentlemen of the House: I think it is a very sad commentary that one member of this body after another gets up and says that this is not a very good bill, they don't necessarily approve of the funding and still say that we have to take this. I don't understand why. I realize that we have spent a lot of time working on this bill and I hate to waste time and I hate to waste money as much as anybody here, but I am willing to spend more time and more money, if it has to be, in order to bring out the more perfect bill. I think we can, I really feel convinced we can. The structure of the bill itself is very good, it is the funding mechanism that I think we all agree is where we cannot come in agreement.

There is absolutely no guarantee, and I don't know why anybody here would say there is, that people's property taxes will be reduced. They won't. When 1994 was passed, my own town could have gotten a 10 mill decrease in property taxes but it didn't and I wonder if you checked how many of your towns which supposedly had the burden of property tax for funding schools taken from them actually gave their people a property tax. If you would check it I think you would find that there was very, very little gain to your people. So in reverse, there is no guarantee whatsoever that people will get an income tax decrease but there is an absolute guarantee that they will get an income tax increase.

I think that we are really passing an \$18.5 million increase in income tax on people, really through a computer. It is a computer in Augusta that is telling us how we should vote. Sometimes I think if we could take the money that we spent just in paper alone on all of these computer printouts, we could go someplace in funding education. I think one thing that we should really remember is that the power to tax is the power to destroy, and I hope we are not doing that.

The SPEAKER: The Chair recognizes the gentleman from Standish, Mr. Spencer.

Mr. SPENCER: Mr. Speaker, Ladies and Gentlemen of the House: I would like to respond briefly to one point made by Representative Lewis. It is my feeling on this bill that we are not talking about an overall property tax decrease for anyone in the state. I think that the fact is that we are going to see an increase in the total property tax for most people in the state. We are seeing a slight reduction in the state property tax, but because the level of funding in either the legislative bill or the proposals by the Governor is less than the certified cost of education, I think we are going to see something of a property tax increase, even if we pass this piece of legislation.

The real question to me, given the fact that the funding levels are essentially similar between the legislative proposal and the Governor's proposal, the real question to me is, are we going to impose on the people of this state a slight property tax increase or a massive property tax increase? I for one have decided to support this legislation because I think that otherwise, no matter what anyone says, I think that we are going to see a massive increase in property tax bills. Some of that is going to come from the state uniform property tax and some of that is going to come from the local dollars which have to be raised in order to keep the schools functioning.

I don't think we are talking about any tax reduction in any form on the actual tax bills that people will get. I think that we are talking about what will probably be a slight increase or a massive increase. I for one am opposed to a large scale increase in the property tax across this state.

The SPEAKER: The Chair recognizes the gentlewoman from Auburn, Mrs. Lewis.

Mrs. LEWIS: Mr. Speaker, Ladies and Gentlemen of the House: I would just respond very briefly. I think we will have a massive increase in property taxes if that is what the people in the towns want. The people have much more control over property tax than they ever do from a state imposed income tax. If you live in a town that wants to spend a lot of money and wants to increase its people's taxes, then certainly you can do it, but I think you

ought to ask just how your towns are spending their federal revenue sharing money and how they are spending their state revenue sharing money. I think you will find that there probably could very easily be a tax decrease in every town in this state.

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

Mr. GREENLAW: Mr. Speaker, Ladies and Gentlemen of the House: We have all agonized over the vote that we shall make in a few minutes, I no less than anyone else, perhaps no more than anyone else either.

An editorial in the Bangor Daily News last week stated in part, and I quote, "It is clear that all of Augusta has been unable to discern any predominant public feeling about this tax and school funding issue from the citizenry at large."

That statement clearly outlines the dilemma facing many of us today as we come to grips with making a decision on whether to override or sustain the Governor's veto for the school finance act of 1976.

Those of you that feel that your constituents have given you a clear mandate on which way to vote are fortunate. I have received a mixed reaction from the constituents that I represent and that I have been in contact with in the past week. Hence, I must vote today yea or nay based on the input I have had and what I perceive to be the best interests of those people I represent.

Despite the fact that I voted for the enactment of this bill last week, I have told my constituents that I would listen very carefully to their comments and scrutinize the Governor's veto message before I decided how to vote.

In vetoing this piece of legislation, the Governor addresses his concern to the potential increase in total taxes paid in Maine. I think every one of us share that concern. If it was simply a question of an income tax increase, we all might be able to resolve the matter in our minds much easier, but we all know the decision is not that simple. The question at issue is whether Maine's total taxes will increase via the already overburdened and sometimes regressive property tax, or whether taxes will be raised by a progressive increase in the income tax.

It is indeed unfortunate that legislative action determines the level of funding which must be raised for education under the so-called uniform property tax.

If I may, I might respectfully disagree with the previous speaker, the gentlewoman from Auburn, Mrs. Lewis, to the extent that the uniform mill rate or the uniform property tax which the states impose upon each and every municipality in the state, that the citizens of that municipality have no control over whether or not to raise that 13 mills, that 13.25 mills, 14.5 mills or whatever figure it might be. To that extent, the people of the State of Maine have no control over their property taxes.

Inasmuch as we have not been able to unhook ourselves from the uniform property tax, despite the best efforts of a sizable and growing minority of the members of this House, we are forced to deal with the funding structure before us today. Yes, it would be very easy to oppose this measure, because our point of view has not prevailed, but the question we must ask ourselves and which we must all ask ourselves collectively is would it be responsible, and what affect our actions

would have upon the people of the State of Maine if this bill did not become law? Despite the opposition that this particular income tax proposal has generated among some of my constituents, I find most of those same people acknowledging that the shift of burden from reliance from the property tax to the income tax must take place at some point. Whether that shift should take place in the form of a total tax reform package or to relieve the burden on the property tax this year is another point of debate.

So, I have concluded, having read the Governor's veto message, trying to evaluate the recommendations of the people that I represent, listening to the debate here this morning, that I am going to reluctantly vote to override the veto of this particular bill. We have all agonized with this issue, just as the Governor is. I feel certain that we will not resolve the question of education financing in the state today.

I cast my vote with the trust and hope that I am representing the best interest of my constituents. If this veto is overridden and the bill becomes law, Maine people will never know what level their property tax might have reached, and perhaps the action of this legislature will never be vindicated.

On the other hand, if this veto is not overridden, property taxes will ultimately rise more than they would have and the result is an action which I see as least desirable.

I could very well vote to sustain the veto today and hope that the veto is overridden, but that certainly would not be my honest appraisal of the situation.

Regardless of the outcome of the veto, I do respectfully request that those of you who come back to the 108th Legislature will join in an effort to bring about an equitable school funding law which benefits all Maine people and which ultimately removes the very divisive uniform property tax.

The SPEAKER: The Chair recognizes the gentleman from Skowhegan, Mr. Dam.

Mr. DAM: Mr. Speaker, Ladies and Gentlemen of the House; I guess I am very fortunate that I am not agonized over which way I am going to go, because I think I am going to stay the same way I have been right along, and that is to sustain the Governor's veto.

But since my good friend from South Portland, Mr. Dyer, mentioned a telephone call he received, I would like to make sure that I can get into the record a telephone call I received Sunday. Sunday afternoon, I received a telephone call from the coalition, and when I speak of the coalition I speak of the MTA, AFSCME and the MSEA, I thought it was going to be a rather short call, but it turned out to be rather lengthy. I still made my position known to them and that there would be no compromise and I would stand firm, as I had before, without switching sides.

Evidently after that call was completed, and I can't say whether it was that gentleman that started it, but I know it was started from that side, calls were made to some of the legislators saying that I had changed my position and I was going to vote to override.

Monday afternoon, I came back from my hearing and walked in this room. Mr. Mersereau from the MTA was standing down front and he said, I am glad you are with us, Everett — down with the Governor. I said, what do you mean? He said, well, I got a call telling me you had switched sides. I don't like to operate this

way, but evidently this is the way the operating is being run.

If I were going to switch sides, I would have switched long ago and not wait until now because of a little arm twisting or promises or pressure. I have been told that I won't be coming back. That doesn't bother me, because I am going to run for reelection, and this seat, 47, I am going to be sitting in it next time. The more the coalition opposes me, the more the average citizen is going to support me, and the same thing all across this state.

The people are fed up with spending, they are fed up with mandated programs coming out of Augusta.

Mr. Farnham said that if we didn't pass this bill and we went with the Governor's proposal, it would hurt industry. If this is true, why every time a bill comes before this House do we refer to the State of New Hampshire? New Hampshire has got high property taxes, but they are out-polling us every day in industry. They have no income tax. The income tax is a deterrent to industry and industrial growth in this state.

Mr. Pierce says that there has been no alternative offered. I believe if you read the last paragraph in the Governor's message, he has said that if you will sustain this veto, he will offer legislation that will provide for greater local control, and regarding mandated programs, provisions for greater local control such as line item budgeting and further, they would offer other changes to reduce the cost of education.

I think he has been fair. I think he has tried to compromise, but from the very first day I came down here for the special session, and I don't say I am intelligent, because I am not, I am only a little country boy that Skowhegan sent down here to see what he could do, but I have been here eight years and I expect to come back. But I think the Governor has compromised and I think he is an intelligent man and he is a businessman. I think we should listen to him today and not listen to the pressure that is being exerted out in the hall and on the telephones of this state.

When I came down here, I had the feeling it was going to be a push for an increase in the income tax on some measure. I had a fear of this, because once we open the door, and the Governor has chosen to use the word 'floodgate' and I agree with him, there will be no stopping. There will be one continual increase after another.

As some of the people have said, if I vote to sustain the veto, I will be voting for a raise for the teachers, therefore, I will have to vote for a tax increase for the state employees, and income tax increase, as well as for the University of Maine. So there are two more areas of increase that we are already talking about. We are not talking about the L.D.'s that may need funding. I feel today that we have wasted enough time, so it won't hurt to put in a few more days and at least review the proposal and the alternative that will be offered to us so that we can go home and hold our heads high and not be subjected to the pressure of ramming something through so that when we come back next time, we still have the same problems facing us that we have had now.

Everyone has spoken that this is not an ideal bill, there are going to be problems. Well, I happen to think that maybe a better bill could be brought up and I am willing to spend a few more days here. In fact, I would be willing to spend time here without pay and without expense money

and travel money to come up with a better bill. It is not coming down here because we get \$25 a day and \$25 expenses, because I can make more going home and sitting in my own house. I would be willing to sit here for nothing to come up with a better bill than to pass this monstrosity today.

I have faith in the man on the second floor. He has made his million, and I am hoping I will make mine. That is why I go along with him. I would hope today that every one of you that has stood fast with the Governor on this bill will stand fast today and not yield to this pressure that you are being subjected to.

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

Mr. DeVANE: Mr. Speaker and Members of the House: I rise to take exception to a figure of Mr. Lynch of Livermore Falls. Mr. Lynch is always honorable and always accurate, but I would quibble with his figure that 90 percent of the debate on this issue today is rhetoric. I think it is much higher, sir.

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

Mr. McBREARTY: Mr. Speaker and Members of the House: I served 25 years on the school board in my town. I have served as a selectman, treasurer and tax collector. In a small way, I believe I know something about schools. The bill we passed last year allowed the school boards to vote 2½ mills on my town. Why I say this is because people in my area got discouraged and quit attending budget meetings.

Our board voted the 2½ mills. Several of our board members are embarrassed because they could have a surplus greater than the 2½ mills than they voted on their people. I am sure when the year ends the surplus will be taken care of, because they can only have a surplus of \$75,000. They have already replaced all uniforms with new ones. They are considering building a small utility building. When I tried last week to get a figure on what we could have as a surplus, my daughter, who is on the school board, was told by the superintendent that that figure was not for Augusta. When I called the chairman of our school board and asked what our surplus could be, I was told that he wasn't at liberty to give me that figure.

After serving 25 years on the school board, I consider myself a friend of education. I also consider myself a friend of all taxpayers. In my area, for 25 years teachers have gotten a raise in salary every year. For years, education has put a figure on the board and we have bought it. I strongly feel we can hold the line or even cut school spending without hurting a single pupil in the State of Maine.

The SPEAKER: The Chair recognizes the gentleman from Danforth, Mr. Fenlason.

Mr. FENLASON: Mr. Speaker, Ladies and Gentlemen of the House: I have got one or two short comments. One is, and it has not been mentioned in the House this morning, that the funding of education in the State of Maine is an on-going proposition. Every two years we work on educational funding. I have been in education for a long time, and I know that every two years I had to learn a new method. I think that is going to keep on happening and I think that we have in the Education Committee and in the Educational Subsidy Committee, put in a lot of time and a lot of work, made adjustments, we have made compromises,

we have attempted to help as many people as possible and to hurt as few people as possible.

You talk total dollars. We have gone from a request of \$272 million down to \$262 million, which will include cleaning up all deficits.

I have just one other thing that I would like to point out to you. We who have been associated in trying to work on this bill have been severely criticized for not moving fast enough. We tried to do a good, honest and thorough job, and I think we did. Now we are being criticized because we are trying to ram something through, and I am sure that is far from the truth.

I urge that you override the Governor's veto.

THE SPEAKER: The pending question is, shall An Act to Revise the Laws Relating to Funding of Public Schools, House Paper 2020, L.D. 2196, become law notwithstanding the objections of the Governor? Pursuant to the provisions of the Constitution, the yeas and nays are ordered. If you are in favor of this Bill becoming law notwithstanding the objections of the Governor you will vote yes; if you are opposed you will vote no.

ROLL CALL

YEAS — Albert, Ault, Bachrach, Bagley, Bennett, Berry, G. W.; Blodgett, Boudreau, Bowie, Bustin, Byers, Carpenter, Chonko, Clark, Connolly, Cooney, Cox, Curran, P.; Curran, R.; Davies, DeVane, Doak, Dow, Drigotas, Farley, Farnham, Fenlason, Flanagan, Fraser, Garsoe, Goodwin, H.; Goodwin, K.; Gould, Greenlaw, Hall, Henderson, Hennessey, Hinds, Hobbins, Ingegneri, Jensen, Joyce, Kany, Kelley, Kennedy, Laffin, LaPointe, LeBlanc, Leonard, Lewin, Littlefield, Lynch, MacEachern, Mahany, Martin, A.; Martin, R.; Maxwell, McKernan, Mills, Miskavage, Morin, Morton, Mulkern, Nadeau, Najarian, Norris, Palmer, Peakes, Pearson, Pelosi, Peterson, T.; Pierce, Post, Powell, Rideout, Rolde, Rollins, Smith, Snow, Spencer, Sprowl, Strout, Stubbs, Susi, Talbot, Teague, Theriault, Tierney, Usher, Walker, Webber, Wilfong, Winship, The Speaker.

NAYS — Berry, P. P.; Berube, Birt, Burns, Byers, Call, Carter, Churchill, Connors, Cote, Dam, Dudley, Durgin, Dyer, Faucher, Finemore, Gray, Hewes, Higgins, Hunter, Hutchings, Jackson, Jacques, Jalbert, Kauffman, Kelleher, Laverty, Lewis, Lizotte, Lovell, Lunt, Mackel, MacLeod, McBreairey, McMahon, Perkins, S.; Perkins, T.; Peterson, P.; Raymond, Shute, Silverman, Snowe, Strout, Tarr, Torrey, Tozier, Truman, Twitchell, Tyndale.

ABSENT — Carroll, Curtis, Gauthier.

Yes, 99; No, 49; Absent, 3.

THE SPEAKER: Ninety-nine having voted in the affirmative and forty-nine in the negative, with three being absent, and ninety-nine being more than two thirds, the Governor's veto is not sustained.

By unanimous consent, ordered sent forthwith to the Senate.

THE SPEAKER: The question now before the House is, shall An Act to Make Necessary Revisions in the Income Tax Law, House Paper 2112, L.D. 2264, become law notwithstanding the objections of the Governor? Pursuant to the provisions of the Constitution, the yeas and nays are ordered. If you are in favor of this Bill becoming law notwithstanding the objections of the Governor, you will vote yes; those opposed will vote no.

ROLL CALL

YEA — Albert, Ault, Bachrach, Bagley, Bennett, Berry, G. W.; Berry, P. P.; Blodgett, Boudreau, Bowie, Bustin, Byers, Carey, Carpenter, Carter, Chonko, Churchill, Connolly, Cooney, Cox, Curran, P.; Curran, R.; Davies, DeVane, Doak, Dow, Drigotas, Farnham, Fenlason, Flanagan, Fraser, Garsoe, Goodwin, H.; Goodwin, K.; Gould, Gray, Greenlaw, Hall, Henderson, Hennessey, Hinds, Hobbins, Hughes, Immonen, Ingegneri, Jackson, Jensen, Joyce, Kany, Kelley, Kennedy, Laffin, LaPointe, LeBlanc, Leonard, Lewin, Lewis, Littlefield, Lizotte, Lynch, MacEachern, Mahany, Martin, A.; Martin, R.; Maxwell, McKernan, Mills, Miskavage, Mitchell, Morin, Morton, Mulkern, Nadeau, Najarian, Norris, Palmer, Peakes, Pearson, Pelosi, Peterson, T.; Pierce, Post, Powell, Rideout, Rolde, Rollins, Smith, Snow, Spencer, Sprowl, Strout, Stubbs, Susi, Talbot, Teague, Theriault, Tierney, Tozier, Usher, Walker, Webber, Wilfong, Winship, The Speaker.

NAY — Berube, Birt, Burns, Call, Connors, Dam, Dudley, Durgin, Dyer, Faucher, Finemore, Higgins, Hunter, Hutchings, Jacques, Jalbert, Kauffman, Kelleher, Laverty, Lovell, Lunt, Mackel, MacLeod, McBreairey, McMahon, Perkins, S.; Perkins, T.; Peterson, P.; Quinn, Raymond, Shute, Silverman, Snowe, Tarr, Torrey, Truman, Twitchell, Tyndale, Wagner.

ABSENT — Carroll, Cote, Curtis, Farley, Gauthier.

Yes, 107; No, 39; Absent, 5.

THE SPEAKER: One hundred seven having voted in the affirmative and thirty-nine in the negative, with five being absent, and one hundred seven being more than two thirds, the veto is not sustained.

By unanimous consent, ordered sent forthwith to the Senate.

Petitions, Bills and Resolves Requiring Reference

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

Liquor Control

Bill "An Act to Permit the Town of Camden to Vote on June 8, 1976 on Certain Local Option Questions Concerning the Sunday Sale of Liquor" (Emergency) (H. P. 2147) (Presented by Mr. Sprowl of Hope) (Approved for Introduction by a Majority of the Committee on Reference of Bills pursuant to Joint Order S. P. 635, as amended)

THE SPEAKER: The Chair recognizes the gentleman from Hope, Mr. Sprowl.

MR. SPROWL: Mr. Speaker, Ladies and Gentlemen of the House: This bill is just a vehicle for the townspeople of Camden to vote on the local option for the sale of liquor on Sunday. The merchants came to Augusta last fall trying to put this on the ballot for local option. They came a little late and were told they couldn't get it on last fall, last November, but would have to wait until this next November. In the meantime, this legislature changed the laws so that it could have been put on at the time of the June primaries. The merchants got their petitions together, but didn't know until they came over with them to put them on in November that they could have had it on in June. So this is just a vehicle so the merchants in Camden and the townspeople in Camden can vote on this. I would appreciate your support. I really don't ask for much.

Thereupon, the Bill was referred to the

Committee on Liquor Control, ordered printed and sent up for concurrence.

State Government

Bill "An Act to Implement a Central Licensing Division within the Department of Business Regulation" (H. P. 2153) (Presented by Mr. Cooney of Sabattus)

(Ordered Printed)

Sent up for concurrence.

Study Reports Labor

Mr. Teague from the Committee on Labor to which was referred the study relative to the Unemployment Statutes of the State pursuant to H.P. 1775 of the 107th Legislature, have had the same under consideration and ask leave to submit its findings and to report that the accompanying Bill "An Act to Set the Unemployment Insurance Contribution Rate for New Employers at the Average Contribution Rate for all Employers in the Previous Year" (H. P. 2144) (L. D. 2284) be referred to this Committee for public hearing and printed pursuant to Joint Rule 3.

Report was read and accepted, the Bill referred to the Committee on Labor, ordered printed and sent up for concurrence.

Mr. Flanagan from the Committee on Labor to which was referred the study relative to the Unemployment Statutes of the State, pursuant to H. P. 1775 of the 107th Legislature, have had the same under consideration and ask leave to submit its findings and to report that the accompanying Bill "An Act Relating to the Effective Date of Each Individual Establishing a Benefit Year under the Unemployment Law" (Emergency) (H. P. 2145) (L. D. 2285) be referred to this Committee for public hearing and printed pursuant to Joint Rule 3.

Report was read and accepted, the Bill referred to the Committee on Labor, ordered printed and sent up for concurrence.

Mr. Sprowl from the Committee on Labor to which was referred the study relative to the Unemployment Statutes of the State, have had the same under consideration, and ask leave to submit its findings and to report that the accompanying Bill "An Act to Strengthen the State Unemployment Trust Fund" (H. P. 2148) (L. D. 2287) be referred to this Committee for public hearing and printed pursuant to Joint Rule 3.

Report was read and accepted, the Bill referred to the Committee on Labor, ordered printed and sent up for concurrence.

Orders

Mr. Lovell of Sanford presented the following Joint Order and moved its passage: (H. P. 2152) (Cosponsor: Mrs. Tarr of Bridgton)

WHEREAS, The Legislature has learned of the Outstanding Achievement and Exceptional Accomplishment of Robert J. Leopold of Sanford Winner of the Young Columbus XX Newspaper Carrier Contest Sponsored By The Guy Gannett Publishing Co.

We the Members of the House of Representatives and Senate do hereby Order that our congratulations and acknowledgement be extended; and further

Order and direct, while duly assembled