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UNIVERSITY HEARING

COMMITTEE ON ECONOMIC DEVELOPMENT

OF THE

COMMITTEE ON PUBLIC WORKS

UNITED STATES SENATE

NINETY-FOURTH CONGRESS

SECOND SESSION

ON

THE PROPOSED PERSONNEL REDUCTION OF LORING AIR FORCE BASE

MAY 10, 1976—LIMESTONE, MAINE

SERIAL NO. 94-H46

Printed for the use of the Committee on Public Works



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LORING AIR FORCE BASE

MONDAY, MAY 10, 1976

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT
Limestone, Maine.

The subcommittee met at 10:35 a.m., pursuant to call, in the Limestone High School Auditorium, Hon. William D. Hathaway presiding.

Present: Senator Hathaway.

Also present: Representatives Cohen and Emery.

OPENING STATEMENT OF HON. WILLIAM D. HATHAWAY, U.S. SENATOR FROM THE STATE OF MAINE

Senator HATHAWAY. The hearing in regard to the Loring Air Force Base will begin.

First of all, I would like to make some procedural announcements. The school has requested that there be no smoking at all in the auditorium. So if you wish to smoke, please step outside.

At approximately 12:30 there will be lunch available at a cost of 90 cents per person in the school cafeteria.

The record of the hearings will be kept open for 15 days, that is 15 days after this hearing is over today. Anyone who wishes to submit testimony after the hearing should send it to any one of the members of the Maine delegation and we will see that it is included in the record.

Senator Muskie, as you know, was unable to be here today because of a pinched nerve in his neck. I saw him on Wednesday and he very much regretted not being able to come today. He was trying to get the doctors to allow him to come, but the trip would have upset everything they had done for him so far.

Although he will be working and back in his office probably today or tomorrow, he is under orders by his physician not to travel at all. However, a member of his staff is present. Jim Case is here, and he will read a statement on behalf of Senator Muskie.

The delegation appreciates very much the help and cooperation of the Senate Subcommittee on Economic Development which is providing the stenographer and will take care of the transcript and the printed record of the testimony.

I have a brief opening statement. I think the other members have, too. But I will make it just as brief as possible so that we can get on with the witnesses.

First of all, I would like to welcome all of you to the congressional delegation's hearing on the subject of Loring Air Force Base's economic value to Aroostook County and to the State of Maine.

As you can see from the list of witnesses, the testimony today will illuminate the negative effects which a reduction at Loring would have on local government, business, education, and other important institutions in the area.

The product of this hearing will be of great value to the Maine delegation in making its case for the retention of Loring as we know it.

Since there will be testimony today on the procedural steps to be taken by the Air Force over the next few months, I will only say at this point that this is our hearing—it is not the Air Force's hearing—and in the fight for Loring it is only the first step. Judging by the witness list, however, it is a good, firm, first step and demonstrates strong community support in this effort.

Loring itself was begun in 1946 as one of the first acts of the new Strategic Air Command. The base has nearly 9,000 acres and was not completed until 1953.

It was, of course, an extremely ambitious construction project costing nearly \$200 million to clear the forests, drain and fill the land, and erect facilities adequate to the demands of strategic defense in the extreme climate of the county.

In 1954, the base was named for Maj. Charles J. Loring, Jr., of Portland who had been posthumously awarded the Medal of Honor for his heroic acts in Korea.

Today, the base has assets of nearly \$600 million, with the aircraft alone accounting for \$351 million of that sum. The total payroll at Loring in 1975 exceeded \$40 million, which, of course, is some measure of what the economic impact will be if that payroll is substantially reduced.

Now, before going on to the other members of the delegation, I would like to emphasize that while the proposed Loring reduction announced on March 11 shocked all of us, we must not take the Air Force intention as the final word in this matter. What they want is not necessarily what they will get.

Up to now, the Air Force has given us no military or strategic justification for this proposal, despite our repeated requests for all such data, assumptions, and conclusions.

Indeed, the Air Force has been unable or unwilling so far to supply us with its economic justifications. And despite our repeated invitations to do so, the Air Force has refused to send a spokesman from SAC headquarters or the Pentagon to this hearing.

I am confident that over the next few months, all of us—the citizens of the county and the State, the Save Loring Committee, the congressional delegation—can make a most compelling case on behalf of Loring and can demonstrate its value to the Nation far better than the Air Force's case so far against Loring.

Without further ado, let me ask Congressman Cohen if he has an opening statement he would like to make.

OPENING STATEMENT OF HON. WILLIAM S. COHEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MAINE

Congressman COHEN. Thank you, Mr. Chairman. I don't intend to make a long speech because I think our mission here today is a fact-finding one, and we are here to build a record. I would share your

concern and deep regret over the failure of the Defense Department to send a representative from Washington to participate in these hearings to answer whatever questions might be raised during the course of our investigation as such.

I know that you had sent a letter to the Defense Department complaining about this. I join you in that.

I would point out just briefly that there is some good news at least to be had in Washington. That occurred on Friday. I was successful in joining with Tip O'Neill, the Democratic majority leader, to attach an amendment to the military construction bill. I am confident that Senator Hathaway and Senator Muskie will also be able to move in the Senate when the bill comes up for consideration and also attach a similar amendment.

Briefly, what it would do is delay any decision concerning Loring and other bases that would be affected for a period of 1 year from the date of notice.

Second, it would require the Department of Defense to submit detailed fiscal, economic, budgetary, and military effects which would include, but would not be limited to, the following: Unemployment compensation, manpower retraining and relocation expenses, military construction and rehabilitation costs.

The reason for this amendment is rather clear, that to date the Defense Department has argued or made the proposition that we are going to save some money by closing Loring.

Let me tell you what happened in the Boston Naval Yard just briefly. The argument was they would save \$20 million. The cost now borne by the Federal Government to save the \$20 million in closing the Boston Naval Yard has totaled over \$25 million.

The unemployment benefits to the workers that were laid off was \$11 million. They had retraining grants, \$3 million, Department of Commerce; Economic Development Administration, \$10 million; Department of Housing and Urban Development, \$60,000; Regional Commission, another \$100,000.

In essence, it cost the U.S. taxpayers more to close the navy yard than it did to keep it open. This is just one example of the arbitrary decisions made by the Defense Department without adequate justification.

They have never had to justify before any congressional committee the reasons for reductions or closures or other substantial realignments.

This amendment would accomplish that. It is not the final solution to our problems, but it certainly is a strong tool we will be able to use in reversing the "preliminary decision" on the part of the Air Force.

I would simply include, Mr. Chairman, by the reading of the conclusion of the 1975 impact statement submitted by the Air Force, where it says:

The year 1975 was a year of success for Loring Air Force Base. We expect 1976 to be better in every respect. We are proud of Loring Air Force Base for many reasons. First, it is one of the best bases in the U.S. Air Force. Second, we have achieved many goals in 1975 through the efforts of our employees. Finally, and no less important than other achievements that we have made at Loring, our base has received excellent community support. We are proud of this support, and with continued efforts on the part of local civic leaders and businessmen, our future success will be assured in our efforts to play a major role in the defense of our country.

I would say to Colonel Morton who is here that we agree. We think that Loring is one of the finest bases in the country. What we want to know is why, if all of these things are true, does the Air Force want to close it down.

Thank you, Mr. Chairman.

Senator HATHAWAY. Thank you, Bill, Congressman Emery?

OPENING STATEMENT OF HON. DAVID F. EMERY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MAINE

Congressman EMERY. Thank you very much, Senator Hathaway. I have no formal opening statement, except to say I am glad to be back. I haven't been back for over 2 years.

It appears that the military has been hitting the Northeast very hard in recent months. We have had that situation in Maine where the Maremont Corp. may no longer be manufacturing M-60 machineguns.

We are now faced with the potential closing of Loring Air Force Base in Aroostook County. I think the Maine delegation as well as all Representatives and Senators from New England feel it is time the Congress exercise more control over some of these military decisions. We are dedicated to that principle.

The delegation has worked very well together as a unit. We have had some success and some failure. As Senator Hathaway and Congressman Cohen mentioned, our primary interest here today is to take strong interest back to the people of Washington, to the people who make the decisions.

The people of Maine and the county are not going to stand idly by on important decisions that are not justifiable from the economic standpoint and from the military standpoint.

We jointly call on the military to provide us with greater cooperation and more information so that we can adequately understand their decisions and try to help.

That is about all I have to say. I am pleased to see such an enthusiastic crowd of supporters here. I think it is very important that people from this part of the State stand up and be heard. Thank you.

Senator HATHAWAY. Thank you, David.

Jim Case of Senator Muskie's staff is here to deliver the statement on behalf of the Senator.

STATEMENT OF HON. EDMUND S. MUSKIE, U.S. SENATOR FROM THE STATE OF MAINE, PRESENTED BY JAMES W. CASE

Mr. CASE. Thank you, Senator Hathaway. I appreciate the opportunity to read Senator Muskie's statement.

"Good morning, and thank you for taking the time and trouble to join the Maine delegation in considering the social and economic consequences of the proposed cutbacks at Loring Air Force Base.

"I realize how immediate and obvious the consequences of this proposal are for each of you, and I appreciate your patience in assisting us to compile a record which we can bring back to Congress and to the Air Force officials in Washington.

"I would very much like to have joined you today, but my doctor has advised me not to travel at this time. As reluctant as I was to accept that advice, I could not avoid noting that the same advice might be

the result of this hearing today to the Air Force—a prescription that travel is not advisable at this time.

“When I met with you in March, shortly after the Air Force announced the proposal to reduce Loring, I told you that I had been provided very little information as to the strategic or economic considerations behind the announcement.

“I expected then that by the time I returned to meet with you for this hearing, I would have received more complete information from the Air Force.

“On the contrary, however, our probing has produced not information but evasion.

“We asked the Air Force five basic questions.

“1. What strategic and economic factors led to the proposal that Loring be reduced?

“2. What does the Air Force propose to do at Loring if the reduction is implemented?

“3. When does the Air Force propose to do this?

“4. What additional expenditures and/or cost savings will be associated with the proposed action?

“5. How can the Air Force guarantee our national security if the mission at Loring is so drastically reduced?

“The Air Force response to those questions came in a letter of April 1, which stated basically that the information requested had not been prepared, but that the Air Force was preparing an environmental impact statement and that comments would be solicited from the public.

“The Air Force further informed us, ‘The announcement with respect to Loring did not represent even a preliminary decision.’

“The only logically consistent reading of the Air Force statements to date forces the cynical conclusion that the Air Force is carefully evaluating the environmental impact of the announcement, but they are uncertain as to what they announced or why they made the announcement.

“I fear that we are witnessing a blatantly pro forma effort to meet the technical requirements of the National Environmental Policy Act without integrating the considerations outlined in that act with the Air Force decisionmaking process.

“The Air Force points out in its letter of March 18 to its good faith during public hearings on the over-the-horizon radar project in Washington County. I recall that cooperation there came only after I went to the floor of the Senate and persuaded the Congress to enact legislation specifically forbidding the Air Force to proceed until they had dealt with the concerns of Maine citizens.

“That is not a pleasant or efficient way to do business. But when the bureaucrats in the Pentagon persist in ignoring the concerns of individuals and communities which are so dramatically affected, the Congress has little choice but to intervene.

“The O’Neill-Cohen amendment which the House passed last week again represents congressional willingness to intervene and halt the bureaucratic process, and to demand that the full range of human factors be given fair consideration.

“I am preparing similar legislation this week and will offer it as an amendment when the military construction authorization bill is considered on the floor of the Senate.

"We have found considerable support and interest among the delegation, and the prospects for the amendment look good. If we can succeed in finally enacting legislation requiring congressional review, we will all have the opportunity to fully evaluate the rationale behind such proposals and more effectively judge the impact and merit of each.

"I am sure the comments which you offer here today will be of valuable assistance in that effort, and I look forward to reviewing the transcript.

"I look forward with you to the successful resolution of this issue so that we can again direct all our efforts toward positive economic development in northern Maine.

"We have many past successes to build on if we are allowed the opportunity, but persistence in the course which the Air Force has announced threatens not only to make further progress difficult but also to undermine our past success.

"I am impressed with the efforts of the community, organizations and people of Aroostook County to reverse the course the Air Force has set.

"The assistance of the Save Loring Committee has already proven most valuable. We are fortunate to enjoy their cooperation, and I thank you and them for that contribution."

Senator HATHAWAY. Thank you very much, Jim.

Before I call the first witness, let me say I would like to make part of the record the letter I sent to the Air Force on behalf of the delegation.

[The letter follows:]

MAY 7, 1976.

HON. THOMAS REED,
Secretary of the Air Force,
The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: For our hearing on May 10 into the economic effects of the proposed reduction of Loring AFB, we requested the presence of Air Force officers from the Pentagon who would be competent to answer such questions as might arise in the context of this hearing.

I have been informed that the Air Force now refuses to comply with this modest request and intends instead to send only the Base Commander and one or two of his subordinates. Yet about 10 days ago, the Maine Delegation was assured that a SAC officer would be dispatched from Washington to Limestone for this hearing.

I urge you to reexamine this decision. There will be many questions arising at the hearing which, at this time, the Air Force is most competent to answer. This hearing is just the sort of public participation which the Air Force has touted since its proposal was announced on March 11. Colonel Morton, the Base Commander, is a fine officer, but he is on record as knowing nothing of the Loring reductions before March 11 and, therefore, will be of little use in responding to points on May 10 which require a Washington background and perspective if the concerns of the people of Aroostook County are to be met.

While the Air Force decision in a technical sense has not been made, your intentions for Loring are patently clear. In view of your calls for full public discussion of these proposed actions for Loring, you have stated a willingness and acknowledged a duty to participate fully in this process. To duck it on May 10 is in my view inexplicable and unjustifiable to us and our constituents.

Accordingly, for the Delegation, I request an explanation of your decision to send no one from Washington to Limestone on May 10; and I renew our previously granted request for such an officer.

For the Delegation,

WILLIAM D. HATHAWAY, U.S. Senator.

Senator HATHAWAY. I would like to say at the outset, too, that we have a list of 22 panels of witnesses, probably close to 60 or 70 individuals altogether. Time is extremely important. I want to give everybody a chance to express his point of view, but I think a synopsis would be appreciated wherever possible.

Also, I think as far as questioning by the panel is concerned, we should keep it on an informal basis. Any time any member of the panel wants to ask a question, he should go ahead and ask.

Our first witness this morning is Mr. Allen Pease, director of the State Planning Office.

We are glad to have you with us. If you have a written statement which you would like made part of the record, it will be done.

STATEMENT OF ALLEN PEASE, DIRECTOR, STATE PLANNING OFFICE

Mr. PEASE. No. I do not have a written statement, Mr. Chairman.

I am really here in two capacities. The first is to reaffirm the concern of the whole executive department, from Governor Longley on down, that the efforts of the Save Loring Committee will be supported in the State capital, and we will make our contribution to it the best way we can. Second, as representative of the Maine agency responsible for overall economic planning.

A number of things have been done in establishing coordination and cooperation with this congressional effort, which is the first step—and I think the proper one—which is to demand an accounting of the recent closing, or the proposed closing, and to require all the impact evidence that we can and as accurately and factually as we can.

At the State level we have joined that effort through a request by Governor Longley to assist the SSRI in the university study of the impact. I do have a copy of the survey form.

All State agencies are requested to identify the results of the proposed closing on their agency mandate, their operations. Although we do not yet have the results of that survey for this preliminary report that SSRI will present today, that information will be shortly forthcoming and probably in time to be available, Mr. Chairman, for your 2-week or 15-day closing time.

I would say also Governor Longley has requested consultant advice on the agenda for State government on how to proceed. The question was raised as to when the State should do certain things, how soon we make certain kinds of efforts.

We have a proposal that we have a State liaison coordinator to work with the local people in the Congress and State agencies. We have a proposal that there be created a State level coordinating committee.

These matters I think will be discussed in the next few days following the results of this meeting today, the information that you folks bring forth. I think Governor Longley will be taking action within a few days to clarify any additional steps that we think State government should take to be more helpful to the work of the congressional delegation and the local Save Loring Committee.

Senator HATHAWAY. How many people are going to get the questionnaire?

Mr. PEASE. All of our commissioners, our agency heads. It is a State government questionnaire.

Senator HATHAWAY. That is how many altogether, about?

Mr. PEASE. About 45.

Senator HATHAWAY. If you need any additional time over that 15 days, we will be glad to hold the record open.

Mr. PEASE. Thank you.

Senator HATHAWAY. I think that that information would be very important to have in the record. As a matter of fact, I think we would like to see one of the forms.

Mr. PEASE. I do have the form. I will leave it here.

[The questionnaire referred to and a submission for the record from Governor Longley follow:]

STATE OF MAINE, INTER-DEPARTMENTAL MEMORANDUM, MAY 3, 1976

To: All department heads.

From: Governor James B. Longley.

Subject: Impact of Loring Air Force Base cutbacks upon State government.

Ed Schlick pointed out at the April Cabinet meeting that the Social Science Research Institute of the University of Maine is gathering data to help evaluate Aroostook County's status and prospects in light of proposed cutbacks at Loring Air Force Base.

Attached you will find a questionnaire designed to help us more clearly define the impact of the possible cutbacks upon State government and the people of Maine.

Please answer the attached questions and return the questionnaire to the attention of Ed Schlick by May 10.

J. B. L.

[Attachment.]

Answer the following questions. Attached continuation sheets where necessary.

1. In what ways does the existence of Loring Air Force Base affect the agency program and delivery of service?
2. What are the present costs (monetary and personnel) of such agency activity?
3. In what ways will the proposed 83% reduction of activities at Loring Air Force Base affect the programs of this agency?
4. What are the anticipated future costs or savings (monetary and personnel) if any, of such a reduction to this agency?
5. How would such a reduction affect the demands on your service delivery?
6. How would such a reduction affect your operating budget in the next year? In the next five (5) years?



JAMES B. LONGLEY
GOVERNOR

State of Maine
Executive Department
Augusta, Maine
04330

June 21, 1976

Honorable William D. Hathaway
U.S. Senator

Senate Office Building - Room 248
Washington, D. C. 20510

Dear Bill:

I am most grateful that as Chairman of the Loring Hearing on May 10, 1976 you have left the record open to afford the State of Maine the opportunity to append the enclosed Statewide Economic Impact Cutback at Loring Air Force Base, based on preliminary evidence this study indicates the devastating results of the proposed cutback on the overall economy of the State. The Study was produced by the Maine Impact Forecasting Model (MEPAC) developed by the Maine State Planning Office. For this analysis, the Loring personnel, wage and manning level data was taken directly from the Loring Air Force Base 1975 Economic Impact Statement.

Under the National Environmental Policy Act and the proposed Amendment to the 1977 Military Construction Bill the Air Force no longer has the prerogative to summarily take the proposed action. As Governor of the State of Maine, I shall be insistent that the protection and provisions that the Congress of the United States have provided for in exactly a situation such as this, shall be fully complied with in letter and spirit.

It appears that the Air Force proposal to operate the Loring Air Force Base at a reduced level is not the result of any change in Air Force strategy or operational procedures. Clearly the only military element in the decision-making process is the available operating budget.

The Economic impact projections in the enclosed report indicate that the proposed 83% reduction at Loring will cost the State of Maine over 6,000 jobs and 120 million dollars in Gross State Products. The dislocations and suffering caused by this cutback will be highly intense in a fragile economy

like that of the State of Maine. This data leaves no doubt in my mind that the Air Force should not proceed with their proposed reduction without giving far more serious consideration to the adverse impact on the State of Maine.

Again, I would like to assure each member of the Maine Delegation that I am deeply appreciative of their efforts to conduct the Limestone hearing and for their outstanding cooperation on the Loring matter.

Very truly yours,


JAMES B. LONGLEY
Governor

JBL/sg

cc: Allen Pease, Director, SPO
Charles Wyman, Office of the Governor

Encl: Statewide Economic Impact Cutback at Loring
Air Force Base - June, 1976

S T A T E W I D E E C O N O M I C I M P A C T

CUTBACK AT LORING AIR FORCE BASE

Maine State Planning Office
Division of Economic Planning & Analysis
June 1976

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BACKGROUND

Loring Air Force Base

In 1946, the Strategic Air Command received its orders to operate as a major air command and the planning for a major base at Limestone, Maine began immediately. Initial construction of the base on a 7,200 acre land area took seven years, the base becoming fully operational in 1953.

Air Force operations at the base have expanded considerably over the years, with steadily increasing military and civilian payrolls. Early in its history the base became the largest employer in the area. At the end of 1975, 3,765 military personnel and 870 civilians were employed at the base - the total payroll amounting to more than \$45 million.

The base is located primarily in Limestone, a town of only about 9,800 population, but its operations involve considerable impact on the county and state economies. However, closing would cause considerable economic shock to Aroostook County in particular.

Aroostook County

With a land area of 6,450.7 square miles, Aroostook is the largest county east of the Mississippi River and accounts for 21 percent of Maine's total land mass.

As the county's economy is highly specialized, depending heavily on only three industries, its population has fluctuated with the fortunes of these industries. Between 1950 and 1960, the population of Aroostook increased from 96 to 106 thousand, only to be followed by a decline to 94 thousand by 1970. According to U.S. Bureau of the Census estimates, the county population has grown moderately in this decade bringing the population back to its 1950 level by 1975.

The economy of Aroostook County rests on three bases: forestry, agriculture, and Loring Air Force Base. In turn, two of the state's largest industries, paper and lumber manufacture, depend heavily on the county. In 1974, Aroostook accounted for 37 percent of the State's total sawtimber harvest and 20 percent of the total pulpwood production.

The majority of Maine's agricultural product, about 63 percent, comes from Aroostook County. Nearly all the state's \$190 million 1974 potato crop was grown in the county. For another measure of this activity the average annual agricultural employment in Aroostook was over 4,500 in 1975. This is nearly 15 percent of total employment in the county.

Personal income by source figures produced by the U.S. Bureau of Economic Analysis provides an excellent tool for comparative measurement of the various sectors of an area's economy. Figures published for 1974 show that 38.4 percent of Aroostook's total personal income (\$421.6 million) was attributable to agricultural pursuits, and another 10.2 percent was attributed to federal military operations. These two sources then, taken together, accounted for nearly one-half of the county's total personal income.

Loring Air Force Base operations account for practically all of Aroostook's personal income from federal military operations and about 40 percent of the State's total from that source.

On March 11, 1976 the United States Air Force announced plans to cut back the level of activity at Loring Air Force Base by 83 percent. This massive cut-back will cause social and economic hardships and dislocations that will be felt not only in Aroostook County, the site of Loring, but throughout the entire State of Maine. The purpose of this report is to thoroughly and carefully

identify the magnitude of these economic dislocations on the State of Maine as a whole.

Dow and Presque Isle Comparison

Maine has experienced military base closings before, but none involving anything approaching the economic magnitude that Loring Air Force Base represents. There were two incidences of major military installation shutdowns in Maine during the 1960's. Although both of these caused serious economic dislocations, neither installation was as large or as important to the entire State's economy as the Loring Air Force Base facility.

The first of these closings, announced in 1961, involved the Presque Isle Air Force Base. The actual closing of this Aroostook County base occurred the following year.

In 1964 the Defense Department announced that Dow Air Force Base in Bangor, Maine was to be closed as well. Fortunately, the area had four years to prepare for this shutdown as it did not actually happen until 1968.

The total military and civilian payrolls during the last year of operation of the Presque Isle and Dow bases were \$2.5 million and \$17 million, respectively. Although the loss of payrolls from these installations is only one part of the total economic impact of these closings, a payroll does represent the major item in a base's local spending. Thus, as the Presque Isle payroll was effectively only about 5.5 percent of the Loring base payroll, and Dow's only 37 percent, the proposed cutback and eventual shutdown of Loring Air Force Base represents a shock to the State economy of far greater magnitude than either of these two

previous cutbacks.

It is important to be aware of this major difference in order of magnitude and scale between the impact of the proposed reduction at Loring and the previous cutbacks of military installations in Maine.

Impact Assessment

The thrust of this report is to go beyond this comparative analysis and to identify and quantify the measurable impacts of the proposed cutbacks on the Maine State economy. Both the direct and indirect impacts are assessed using a computerized economic model which was designed to measure just this type of economic phenomenon.

Since a thorough analysis of the local impacts of the proposed cutback is being undertaken by the Social Science Research Institute at the University of Maine, this study focuses on the statewide impacts. This statewide analysis emphasizes the point that the proposed cutbacks at Loring are important to the State as a whole and are a major concern to all of the people of Maine.

In the final analysis, the degree of impact that the proposed cutbacks involve is an empirical problem. It is a problem solved not by theory and speculation, but by measurement. The Maine Impact Forecasting Model (MEPAC), developed at the Maine State Planning Office, is designed to accomplish this task of measuring the statewide impact of major economic expansions and contractions such as the proposed cutback at Loring.

Before proceeding to the presentation of the results of the computer simulation of the proposed cutbacks using MEPAC, it is important to make clear conceptually the economic nature of this cutback of Loring Air Force Base which has become integrated with the local and state economies. The nature of a base

cutback is not like a cutback in activity of a retail store or service industry. These activities are dependent on state income and if one firm cuts back another will certainly fill the vacuum because the local market is still active. However, Loring's operations depend on outside (Federal) funds and one cannot expect local funds to fill the vacuum if the base is cutback. We can, therefore, project a decline in economic activity throughout the State economy, causing significant dislocations and hardships for the people of Maine and the magnitude of these hardships must certainly make a compelling case for maintaining full operations at Loring Air Force Base.

A cutback at Loring would have profound effects on the social and economic wellbeing of the people of Maine. Although, for the East, Maine is a large state, geographically, it has a small and fragile economic base. The large geographic dimensions of the State, in conjunction with a small economy, makes Maine significantly more sensitive to an economic dynamic such as the proposed cutback at Loring.

Because Maine is a comparatively large state, most people spend a significant percentage of their income within the State's boundaries. Consequently, taking income out of circulation, like the Loring cutback would do, would affect the level of activity in supporting industries more significantly and intensely in Maine than it would in a smaller, less isolated state.

The implications of these substantial impacts are further magnified by the fragility of the State's economy. This fragility has been well documented in terms of the low levels of per capita income, high unemployment rates and relative specialization in the structure of the State's economy.

In 1975 Maine ranked 42nd among all the states in terms of per capita income with a level of per capita income at 82 percent of the national average. Maine's unemployment rate, as of March 1976, was 14.7 percent higher than the national average at a level of 9.5 percent. The problems associated with this relative disadvantaged position are further exacerbated by the relative specialization of the State's economy. For example, 32.1 percent of the State's manufacturing value of product was produced in one industry; pulp and paper.

Calculations based on a comprehensive analysis with the MEFAC model show that a total of 6026 jobs would be lost over a two-year period under the proposed 83 percent cutback plan of the Department of the U.S. Air Force.

This projection included are civilian and military personnel at the base as well as those people employed in supportive secondary industries in the State. All of the basic data for this impact evaluation were derived from the 1975 Economic Impact Statement developed by the staff of Loring Air Force Base. Table 1 presents a detailed breakdown of the economic sectors that would lose jobs because of the proposed cutbacks. This table also presents a detailed breakdown of the projected impacts of a 100 percent reduction in activity at Loring. If a 100 percent reduction were implemented the total jobs loss would increase from 6026 to 7890.

The proposed 83 percent cutback at Loring is expected to result in a 2.1 percent reduction in Gross State Product; this amounts to 126 million 1976 dollars. If cutbacks were to reach 100 percent this would cause 2.5 percent reduction in Gross State Product or a reduction of 160 million dollars and in gross output. The major industries most affected by the proposed cutback are

Government, Services, Wholesale and Retail Trade, and Finance, Insurance and Real Estate. The combined loss in these sectors will amount to 100 million dollars of Gross State Product. This is equivalent to over 39 percent of the agricultural production of the State of Maine. It is perceptible to note that the agricultural industry includes the fishing industry. This impact can be further appreciated in that total loss in Gross State Product is equivalent to 131 percent of the income earned in the leather industry in 1974. Table 1 presents a breakdown, by sector, of the impact on Gross State Product of the proposed Loring cutbacks. Each of the sectors presented in Table 1 will be impacted because the proposed cutback will decrease the level of income in the area, thereby contracting the purchasing power of all the people of Maine. As demand in each of these industries declines, they in turn will generate less personal income as they decrease the amount of wages paid. This continuous process will cause a multiple contraction in the level of personal income enjoyed by the people of Maine. The process of economic contraction is expected to decrease the level of income in the State by 111 million dollars, or what in 1976 is projected to be 1.9 percent of total personal income. This is 94 percent of the total income earned in the lumber and wood products industry in Maine in 1974 and 50 percent of the total direct income earned the same year in Maine's largest industry, paper and allied products. This impact on personal income will, without doubt, cause severe hardships on the State of Maine with its relatively low level of income.

The impact on unemployment of Loring cutbacks cannot be as accurately assessed as the effect on personal income because of the difficulty in predicting the degree of outmigration resulting from the cutbacks. A preliminary scenario,

however, can be developed to assess the short run impact on the degree of unemployment in the state that could be attributed to the proposed cutbacks at Loring. This scenario is developed in terms of the impact of a complete cutback at Loring. Based on historical migration, behavior patterns, output of the MEPAC model, and military transfers, the State as a whole can expect the number of unemployed to increase by 2,703. This is expected to increase the statewide unemployment rate by .6 percentage points. However, the Aroostook County unemployment rate could reach as high as 18 percent to 20 percent for a period of time. This is 7.2 percentage points above the March 1976 rate of 11.8 percent, a 61 percent increase in this county's unemployment rate.

State Government Revenues and Expenditures

The proposed cutbacks at Loring will significantly decrease the level of State government revenue collections. This contraction in revenue collections has two possible implications. Either State tax rates will have to be increased or the level of State services will have to be reduced. Either of these options will cause severe hardship in Maine, a state which already has an unusually burdensome tax level, but yet must support basic public services.

The sales tax is the State's principal revenue earning tax. If the Department of Defense follows through with its present plans for an 83 percent cutback at Loring, the State government, based on results of the computer simulation, is expected to collect \$4,831,000 less in sales tax than it would normally collect.

The personal income tax is the second most important source of State revenues that would be affected by the proposed cutbacks at Loring. The state personal

income tax would generate \$1,103,900 fewer dollars after the 83 percent reduction took affect. Corporate income tax revenues projected to decrease by \$300,000 and other tax revenue collections of the State government would decline by \$830,000. The total impact on State revenue collections after the 83 percent reduction is expected to be a decline of \$7,114,900, or 2.4 percent of general fund calculations for fiscal year 1975. This revenue loss will be further agravated to the extent that federal transfers are dependent upon tax collections and the level of population.

The Loring cutback will not only impact State revenues but will increase the need for expanded State expenditures and programs to alleviate this impact. As a result of a questionnaire sent out to State agencies by the Governor's office information on these potential expenditures is being compiled. Preliminary results from the Maine Employment Security Commission (MESC) indicate that the increase in unemployment as a result of the 83 percent cutback would drain \$1.66 million from the Unemployment Insurance Trust Fund which is already in debt to the Federal Government. Administrative costs in MESC can also be expected to increase. Other agencies whose programs are expected to be impacted by the proposed cutbacks are the Department of Human Services, the Department of Education, the Lottery Commission, the State Development Office and the Office of the Secretary of State.

SUMMARY OF PROJECTED STATEWIDE ECONOMIC IMPACTS
RESULTING FROM LORING AIR FORCE BASE CUTBACKS

INDUSTRY	Gross State Product Loss (\$ million)		Employment Loss		Wage and Salary Loss (\$ million)	
	YR. 1*	YR. 2**	YR. 1*	YR. 2**	YR. 1*	YR. 2**
All Industries	126	160	6,013	7,878	72	92
Manufacturing	0	0	0	0	0	0
Retail & Wholesale Trade	24	31	1,400	1,700	12	16
Government	44	56	3,700	4,900	42	53
Federal	39	47	3,165	3,984	38	45
State and Local	4	8	535	916	4	8
Services and Mining	17	22	100	300	7	9
Finance, Insurance, Real Estate	15	19	500	600	4	5
Transportation, Communications, & Public Utilities	19	25	200	200	5	6
Contract Construction	3	3	100	200	2	2
Agriculture	5	5	0	0	0	0

*Year 1 - assumes 83% cutback in Loring operations

**Year 2 - assumes 100% shutdown of Loring operations

Mr. PEASE. Also, our office has been in touch with David Pitman from the Federal Regional Council. The Federal Regional Council, as some of you may know, is an organization of the regional offices at the Federal level that deal with New England, deal with Maine.

Mr. Pitman has indicated that he would be willing at the Governor's or the congressional delegation's request to convene that group of all the Federal agencies that deal with our State.

If we can, we would like them to. We have an agenda of questions or proposals we would like them to be concerned with. So we have not convened such a meeting. We hope to get more cooperation in that request than the initial ones to the Air Force.

That is really all I had to say, Senator.

Senator HATHAWAY. Thank you very much.

Next we have a panel of witnesses consisting of Jerry Speers, Maine Senate Majority Leader; John Martin, Maine House of Representatives Speaker; Linwood Palmer, House Minority Leader; and Hayes Gahagan from the Maine Senate, District No. 31.

STATEMENTS OF JERRY SPEERS, MAINE SENATE MAJORITY LEADER; JOHN MARTIN, SPEAKER, MAINE HOUSE OF REPRESENTATIVES; LINWOOD PALMER, HOUSE MINORITY LEADER; AND HAYES GAHAGAN, MAINE SENATE, DISTRICT NO. 31

Mr. SPEERS. Thank you very much.

I am very pleased to be asked to make some comments here this morning on a matter which is of vital concern to all of us in the State of Maine.

Others will cite statistics as to the impact of the proposal on the part of the Air Force. But I appreciate the opportunity to emphasize most strongly that the concern that we feel with regard to this proposal is not only here in Aroostook County but particularly throughout the State of Maine as well.

Although this certainly is a concern that is felt on a bipartisan basis, I understand that the Democratic Convention that recently convened in Augusta also adopted a resolution in its platform. I would like to read from the resolution adopted unanimously by the Republican Convention 1 week ago.

While we appreciate the need to reduce Federal spending and to eliminate needless military expenditures, we are not prepared to accept or condone the Air Force proposal for Loring because we are not persuaded that the proposal has merit. Furthermore, we demand a spirit of cooperation from the Air Force on this matter of vital concern to Aroostook County and the entire State of Maine.

Mr. Chairman, I would like to emphasize that the import and impact of that plank and Republican platform is the expression that this is a matter of vital concern not only to Aroostook County but to the entire State of Maine as well.

While Maine is a large geographic State, it is a small State in terms of population and, most significantly, it is not a State with a strong economic base. In fact, it is quite the opposite. Particularly in these times of economic hardship, Maine has had a very tenuous economic base.

While in other areas of the country a reduction of a facility the size and importance of Loring Air Force Base could possibly be absorbed by the rest of the economy, in Maine a base the size and importance of Loring is in itself a major industry—not simply an adjunct to the area but a major industry.

More importantly, it is a major industry in an area where there is very little diversity and very little opportunity to absorb the serious economic loss that would result.

In a State with as little an industrial base as exists in Maine at the present time there is very little diversity and very little opportunity to absorb the serious economic loss statewide as well as in the county.

As majority leader of the senate, I can attest to you how very difficult it is in a State of this great geographic size but small population and economic base to find the resources necessary to provide the services needed for the people of Maine: services for the elderly, for the education of our future generations, and for other needed programs as well.

When we are talking about economic resources in the State, we are not talking in most instances about millions of dollars or even in many instances about hundreds of thousands of dollars.

Mr. Chairman, other legislators who are here and will be testifying can well corroborate that particularly in this last legislative session we had considerable trouble in even finding and identifying funds in amounts as low as \$20,000 to \$30,000, and for such worthwhile programs as cerebral palsy centers and cystic fibrosis programs.

We are talking in Maine of finding funds and operating a government on amounts which the Federal Government chops up as deficits probably hourly.

The impact of closing a base the size and importance of Loring, because in the State of Maine it has the impact of a major industry, would be an extreme detriment to the welfare and economic well-being not only of Aroostook County but the entire State as well.

Now, I urge those whose decision it is to make to understand the importance to the State and to consider the wellbeing of the State of Maine in its deliberations.

Thank you, Mr. Chairman.

Senator HATHAWAY. Thank you.

John?

STATEMENT OF JOHN MARTIN, SPEAKER, MAINE HOUSE OF REPRESENTATIVES

Mr. MARTIN. Thank you, Senator.

Mr. Chairman, members of the committee, I appreciate the opportunity to speak to this committee this morning to relate some of the feelings of a large number of legislators that I represent.

The Maine House is extremely diverse, as the minority leader will attest to. But on this one issue we were unified and passed a resolution indicating that we were extremely concerned with what was attempting to be done with Loring Air Force Base.

The resolution was unanimously adopted in both bodies and sent to Washington. I must congratulate the Save Loring Committee for having done what I think to be an outstanding job; and, second, con-

gratulate the Maine delegation in having been unanimous in attempting to work together to reverse the decision of the Air Force.

My initial reaction, probably for those of you who know me, I would be late in saying it was purely political, as I related and made a comment that I suspected nothing would be done with Loring unless we had a change in the Presidency or the Secretary of Defense.

I think that Bill Cohen has successfully changed my mind that he is in a position to change the decision of the Secretary of the Air Force. I hope that we can do that collectively.

Other events came forth after the announcement which concerned me, and I think that we must be active in attempting to reverse that decision. There are two basic concerns I think all of us as Americans ought to have. One, the military impact; and, second, the economic impact.

First, military. It seems rather strange to me that in 1975 we are told by the Defense Department and others that Loring is badly needed and is one of the most important bases in this country, and then the following year a reduction is ordered which would totally cripple the base.

Second, and more important for me at this point since I represent part of Aroostook County, is economic. Aroostook County in the last 10 years has lost a great many people, and we have attempted to remain stable and have a relatively stable economic base with two main industries—one, forestry and the other, farming. And the third that goes along with these and has been an important force in attempting to maintain some stability in Aroostook County has been Loring Air Force Base.

If Loring is curtailed the way that is presently outlined by the Air Force, or is closed, the economy in Aroostook County may well never recover. This school, this community, this county, and even this State, as Senator Speers has pointed out, will be drastically affected.

I think that as we listen to the rest of the panels, the rest of the people who will be speaking today, it will become obvious by the facts that will be presented, what this effect will be upon Aroostook County. I will leave it to them to give the details and the specifics.

But the one last point that I want to make is, speaking as a legislator and as a citizen in our relationship with the Federal Government, that I don't mind being treated the same as anyone else across the country, if reductions are going to be made, but I frankly object to being treated any worse and to be singled out as this county has been by the proposed reduction.

Senator HATHAWAY. Thank you, John.

STATEMENT OF LINWOOD PALMER, MINORITY LEADER, MAINE HOUSE OF REPRESENTATIVES

Mr. PALMER. Senator Hathaway, Congressmen Cohen and Emery: Secretary Simon had said in reference to the Limestone closing that big government and its accompanying spending is basically social and political, not economic.

Not only is this an oversimplistic way of looking at our economy, it is not true as it relates to Limestone. Certainly there are social and

political overtones in the proposed closing. But we are not here today because of overtones.

The closing at Limestone is a real and substantial economic blow to this State, not only in Limestone but in towns and cities as far south as Portland.

The local civil and military payroll is more than \$45 million annually. This is an impact 20 times greater than the loss of Presque Isle Air Base in 1961.

Aroostook County has a high unemployment rate, a high welfare rate—one of the highest—and has not too stable an economy. The Air Base has been one of the stabilizing influences.

I am not a military strategist, nor do I pretend to be. I will take it on good faith that there was a real military need to establish an Air Base with 4,000 military personnel and that there is some military justification for making a reduction.

But I am capable of distinguishing what is or is not a bona fide justification for bringing immediate economic disaster to a part of the Nation.

Reduction of big government and its accompanying spending is not such a justification. The Federal Government, on its own, poured hundreds of millions of dollars into the creation of the Limestone Air Base.

Whether the citizens of this area liked it or not, they, over the course of the years, were forced into an economic dependency on the Air Base. Jobs developed to service the base; apartment units and other housing were made and built for the airmen; and service networks and other businesses were built to give sufficient quantities of life's necessities and some of its luxuries to those military personnel.

This complex and wide-ranging economic relationship took years to develop. Now the Government that giveth in its infinite wisdom would taketh away with one blow.

The coming and going of large military installations does not happen in a vacuum. Citizens who pay taxes to support the military—whose primary function is to defend this Nation from destruction, deprivation, and destitution—can themselves be made destitute by economic as well as military actions. Expanding welfare, unemployment, and social decay can be as costly to this Government as military confrontation.

The Government which would pick up and pull out of Limestone with a handshake and a pat on the back, is the same Government that developed the Marshall plan, poured investment capital for economic development into Korea, Japan, Germany, Vietnam South America, Central America, and Africa, and developed a Peace Corps to help undeveloped nations throughout the world, and almost single-handedly supported the United Nations for the same purposes since 1948.

What makes Aroostook County any less deserving of economic recovery, especially when a need for that boost would be caused by Government action?

If the base is to be closed, let it be done gently and gradually. Let the Government develop an economic plan whereby military jobs can be replaced by private sector jobs.

I can't believe the Government is being so spiteful it is giving people what they are asking for by immediately taking our military bases and then saying, "I told you so. We can't do it without a large military budget."

The Federal Government has a solemn responsibility to be more responsive and concerned than considering it as a labor-management dispute where if it gets to be too much you simply pick up and leave.

The military cannot separate itself so neatly from the rest of the Government. It is not just the Department of Health, Education, and Welfare which is to pick up the pieces and provide the social conscience; it is for every branch of Government and every civil servant, military and otherwise, to be 100 percent concerned over what happens to the citizens of this country—whether they be social, political, military or economic actions to correct.

If the Government thinks that Limestone and the surrounding area could recover in 1 year, 2 years, or 5 years, then it hasn't studied the economy of the area very well. It is no answer at all to say, "Well, we gave you several more frigates at Bath to work on." So the people are to move down to Bath and become shipbuilders just like corporate executives move from place to place.

The Federal Government, all of it—not just Health, Education, and Welfare, and Social Security—has a commitment to prevent economic decline. Its purpose is to serve the people, not rationalize that what is good for the military is good for the country.

We in Maine will not let the Government forget its commitment. Whether through this meeting, or another or another or another, or whether through legal action or social or political action, we will insure that that commitment is not forgotten and economic stability will be brought to this area.

Senator HATHAWAY. Thank you.

STATEMENT OF HAYES GAHAGAN, SENATOR, MAINE STATE SENATE

Mr. GAHAGAN. Thank you, Mr. Chairman. I am Senator Hayes Gahagan of District No. 31. I am speaking this morning as a State Senator representing many of the constituents of Maine, the citizens of the local area who were not able to be here this morning because of their jobs.

I hope you will not take this as any indication they are not interested. I believe the people who are here this morning are representing many who could not be here. I am also speaking as a private citizen.

However, at this time I would like to make a few comments in reaction to some of the things that have been said this morning by the delegation and perhaps bring a different perspective to this issue.

I think that we are very appreciative of the efforts that the congressional delegation has made to date to articulate our shock at what is going on here at Loring.

I think also the efforts of the local business community and the Save Loring Committee are most appreciated by the citizens who are in this district.

Many of the statistics which you will be provided with today I think will demonstrate that the economic impact will be severe. However, the larger issue which I feel, and this is a personal observation, the comments that Senator Hathaway made this morning, for example, when you indicated that this was not a final decision of the Air Force, when you indicated that what they want is not what they will get; you also indicated that the Air Force was either unable or unwilling to supply information or personnel for this hearing.

I go on to Congressman Cohen's remarks of his disappointment that the Air Force did not send a representative and that the mission of fact-finding was here, that this was our hearing.

Congressman Cohen has been able to go to the Congress to fight, in his words, for an amendment to the Military Construction bill.

One other comment which I think is appropriate is that Congressman Emery has stated that the military has been "hitting" the northeast in the past few years and that we are going to have to fight.

We won't stand by, Congressman Emery said, while people who make these decisions destroy the economy of Aroostook.

My point, Mr. Chairman, and members of the delegation, and for the record, is that it seems to me something has gone wrong in this country when the Congress of the United States is having to fight with the bureaucracies, having to take a stand to reverse decisions which have been made by the bureaucracy.

I think we are experiencing what is really government by bureaucracy and not government by the citizen, not government by the elected representatives.

I have saved quite diligently all the press material that has come out. Without going into much detail right now, I have read conflicting statements that it was a policy decision of the Department of Defense; I have read that it was a budgetary decision of the Office of Management and Budget; I have read it was a policy decision of the Department of the Air Force.

It would seem to me that it is the Congress of the United States that is supposed to establish policy, that it would be the Congress of the United States that would be responsible primarily for making decisions of strategic importance to the U.S. Government.

This should not be, in my opinion, an attack of the military on the economy of the northeast. It seems to me that the Congress, or perhaps all politicians—this is particularly true in the State level also—politicians tend to say to the bureaucracy, "You run the Government and we will run for reelection."

What has happened is that an adversary relationship has developed in which the bureaucracy is making policy, making budgetary decisions, and the Congress in response is having to fight to build up its power to counterattack the power of the bureaucracy which has been building up over the past several decades.

It leads me to ask the question, and I think many people, as I have been in Caribou and Presque Isle in the past week, just who is in charge in Washington? Is it the bureaucracy or is it the Congress of the United States? What can we do to stop this adversary relationship which exists between elected officials and appointed officials?

I would recommend this morning, Mr. Chairman, that the Congress take a careful look at this growing adversary relationship between the bureaucracy that the Congress itself created; and instead of building the power of the Congress to make the bureaucracy provide the information as to why they are going to make these decisions, instead of building the power of the Congress to try to find out what is going on in the bureaucracy, perhaps you could consider decreasing the power of the bureaucracy which was created.

It is an administrative government. It is run by professional administrators who are appointed, who serve at the pleasure of the Congress.

It seems to me that that power should be decreased, because without it we will be losing our government by the citizen.

If the Congress does not act to decrease the power of this Federal bureaucracy and if the State legislatures do not act to decrease the power of the State bureaucracy, then we have lost our government by the citizen.

I think it is unfortunate, although I do appreciate the efforts of the Save Loring Committee; I think it is unfortunate that we should have to get money from the local citizens; to have citizens, businessmen and any interested people put money in to hire a law firm in the State of Maine who has in turn hired a law firm down in Washington just so that we can find out where the decision was made to close Loring, how it was made, and why it was made.

While I appreciate the efforts of the Save Loring Committee, and I will support it, it seems to me, Mr. Chairman and members of the delegation, that the Maine delegation itself to the Congress should be the Save Loring Committee.

I read in the Portland Sunday Telegram yesterday the efforts that are going on by the Save Loring Committee. It is quite interesting that in the same article it talked about the amount of money that is being paid to the Federal Congressmen, thousands and thousands of dollars.

I will quote from this editorial by Bill Caldwell.

Congressmen and would-be Congressmen shout about economy in government—when they are on the stump. But unless Congress rewrites its laws, Congressmen are in line to collect three pay raises in a year's time. That could raise their salaries to \$60,000 or more.

Members gave themselves a raise to \$44,600 a year last fall.

They also are expected to get another pay raise of five or six percent in October.

I note that Congressman Cohen did oppose that automatic pay increase.

Next spring a special Presidential commission will make recommendations for another pay raise. Some rumors say they will recommend a 50 percent hike. If the new President keeps it down to a 20 percent hike, that could mean \$10,000 a year more to a Congressman.

The third raise would come in the fall of 1977. Congress passed a law giving its members and all Federal employees automatic cost-of-living increases each year. The fringe benefits also add up.

In addition, a Congressman gets about \$250,000 a year to hire personal staff in the House—and over \$750,000 for staff if he is a Senator.

The cost of the four-man Maine Delegation works out to about \$3,000 a day, seven days a week, fifty-two weeks a year.

My point is what better Save Loring Committee could we have, what better funds could we have than the funds the taxpayers are paying now to the Maine delegation.

Mr. COHEN. I would like to interrupt you here. First of all, I point out the Maine delegation is a Save Loring delegation and committee. The Maine delegation did not initiate the committee. This was initiated by the local people to have further input. We are happy to work with them.

I would point out that the entire Maine delegation is working as a unified, cohesive force. We were successful in passing an important amendment in the House. I think it will pass in the Senate. I just want to point out we are a Save Loring delegation.

Mr. GAHAGAN. Thank you. I am glad to hear that from you, Congressman Cohen, and from all the people affiliated with the Maine delegation—your staff, et cetera.

The main point I want to make this morning is that the Congress should take action to decrease the power of the Federal bureaucracy because I think that is where the decisions are made. I think they have entirely too much power. Our job as citizens should be to support you in your job.

Mr. COHEN. Thank you.

Mr. MARTIN. I think Senator Gahagan has raised a question which I want to pursue in a different light. I suspect that is not surprising to him or anyone else.

First of all, I quite agree and I am concerned about the rise of the bureaucracy. That rise of bureaucracy is not only true at the Federal level but it is true also at the State, and to some degree, in the local community.

But I think that the efforts on saving Loring ought to come from the citizenry most affected by it. I think the role of our congressional delegation is to give us that support if we maintain that that is what we want them to do.

I think too often as politicians we tend to assume what people want. We really don't know. We make guesses. I think what is taking place here today, what is taking place in the formation of the Save Loring Committee, is the proper role; and then it is the role of our congressional delegation to assist us in making that fight possible.

Mr. COHEN. I would like to just respond briefly to Lin Palmer's statement about 20 percent. It will be 20 percent more severe in the cutback of Loring than it was in Presque Isle.

It seems to me if this 83-percent reduction were to go through, you would have the worst of both worlds. At least in Presque Isle and the City of Bangor when they closed Dow a few years ago we got the property. They turned it over to the city for a dollar.

Then we had very creative and enterprising people who said, "We can't afford to let Bangor's economy drop out." They formed a committee and got the airport in.

But to cut it down by 83 percent, leaving a skeleton crew, leaves the worst of both worlds. You have a skeleton crew and the Department of Defense still owns the property and you can't do anything with it. That is one of the factors that has to be emphasized.

Second, you talk about a Marshall plan for Aroostook County. I think it is important to keep that concept in mind, that the Defense Manpower Commission in April of 1976 submitted to Congress and to the President a recommendation that there be at least 3 years' advance notice of any substantial reduction or closure.

I hope that the President and the Congress will keep this in mind, that we do have to have advance notice and planning so that we can propose alternatives—but not this short, abrupt termination of ones existence which would kill this entire community.

Mr. PALMER. Three years would be even too small.

Mr. COHEN. That is just advance notice.

Mr. PALMER. That is right.

Mr. COHEN. We have been told by the military, they tried to soften the death blow by saying it is only a preliminary recommendation, that you are merely only a "candidate." Those are the words to soften the blow.

It is pretty much a foregone conclusion, I think. I think Mr. Gahagan is quite correct. While the decision is not final, it has been set in concrete. It is our effort to break the concrete at this stage of the game.

Mr. EMERY. If I could make a statement. There are some amazing parallels between the Maine delegation's treatment from the Air Force and the treatment that we have received from the Army over the gun situation in Saco.

There is the decision to deploy and it is announced, and after it is announced we find conflicting information coming from various agencies and departments. We find analysis and other problems conflicting in itself, that we really couldn't rely on the information that we were receiving from the Army.

So we are constantly faced with these bureaucratic inconsistencies. It really becomes a difficult problem to determine exactly what the rational reasons might be for such a reduction and what is merely political window-dressing to ease the decision.

Certainly it has been an eye-opener to me as a freshman member of the delegation, and it is very clear that some of the comments Senator Gahagan made about the bureaucracy taking control of the Congress are very well taken.

I think there has been a change in the attitude in the last year or so. Members of Congress who might not have been too concerned about this particular problem are becoming more and more aware of it.

Cohen-O'Neill amendments which would require congressional oversight and congressional decisions are being accepted where previously they would have been passed off. So I do see a change in attitude.

Mr. GAHAGAN. I have one final question, Mr. Chairman. In the statement which Loring Air Force Base issued to the Congress, which appears in the Congressional Record, under its comments on basis for the proposed action, I read:

The imperative need to manage the resources of the Air Force with less while maintaining the deterrent value of the Strategic Air Command has led to a critical review of all base-operating functions, activities, and installations. The Congress has also been mindful of the possibilities of further economies, and the Senate Appropriations Committee has recommended that these economies be taken in support areas, not combat units.

My question, Mr. Chairman, to any member of the delegation, is those of you who have been in Maine government know frequently when an agency of the Government is unhappy with the budget allocation that it received, it will threaten that an institution may have to be closed or that cutbacks may occur.

In this session of the legislature, we were threatened with the strike in the prison at Thomaston. The department felt it was underfunded. We were threatened with these things.

Is it your opinion or the opinion of the members of the delegation that the Department of Defense feels that its appropriations were not sufficient and is therefore dropping these little hints—let's call them hints for now; they may be very serious actions of the Department of Defense—whereby they would say, "Perhaps we will have to close Loring so that the Congress will react and give them more money for the Department of Defense"? Is there any truth to this?

Senator HATHAWAY. I doubt very much that there is. In the first place, the defense appropriation has not yet been passed upon this year. Therefore, the budget resolution which has been adopted is on the high side, or at least it is on the administration side as far as defense expenditures are concerned.

Mr. GAHAGAN. So you are saying that the comments—

Senator HATHAWAY. What I am saying is that they are not threatening a reduction or closing unless we support higher military expenditures. So far the administration has its own way on this.

Mr. GAHAGAN. Thank you.

Senator HATHAWAY. You are welcome.

Thank you all for your statements.

Senator HATHAWAY. The next panel is Paul Haines, chairman of the Save Loring Committee, accompanied by attorney Severin Beliveau.

STATEMENT OF PAUL HAINES, CHAIRMAN, SAVE LORING COMMITTEE, ACCOMPANIED BY SEVERIN BELIVEAU AND KENNETH HAYES

Mr. HAINES. Senator Hathaway, Congressman Cohen and Congressman Emery, I am pleased to appear before you this morning as spokesman for the Save Loring Committee to express our appreciation for the support that we have received from you and your staff and for your willingness to participate in this public hearing.

We truly believe that this hearing will be the beginning of a successful effort to convince the U.S. Air Force that its decision to curtail its commitment to Loring Air Force Base by 83 percent is unsound militarily, technically, economically, and socially.

As you know, on March 11, 1976, the U.S. Air Force announced an 83-percent reduction in military and civilian personnel and inactivation of the 42d Strategic Bomb Wing.

The reaction in Aroostook County ranged from shock to outright indignation since the announcement was totally unexpected and never anticipated.

After several days of informal discussions and meetings between governmental and business leaders of the county, we decided to form a committee to analyze the problem and to recommend a positive

course of action. We also recognized the need to generate community support for our position and for the financial resources required to wage an effective effort.

The committee concluded that it should retain legal, economic, and military experts to assist you in analyzing the rationale offered by the Pentagon. We are encouraged by the strong expressions of financial support from several municipalities and businesses that will be directly affected by the curtailment at Loring. We are also pleased with the overwhelming effort being made by the citizens of Aroostook County in support of our decision to proceed in a positive manner.

As a result of our decision to seek outside experts, the committee has retained the services of the Social Science Research Institute of the University of Maine at Orono. Their preliminary report has been circulated to you. The Institute has initiated an extensive analysis of the economic and social costs resulting from an 83-percent reduction at Loring. (The report appears in the appendix, p. 129.)

Their findings include the following:

The shortrun impact will be one of serious economic dislocation.

The longrun impact will affect the future growth and viability of all the communities in northern Maine. The base during 30 years of existence has become integrated in the business structure of northern Maine.

Specifically, local businesses are dependent upon Loring Air Force Base for 20 percent of their direct sales.

An estimated 12,000 jobs will be lost if the planned reduction of 83 percent occurs.

The economic impact will be felt much more severely in communities within 15 miles of the base.

Social institutions including churches and local charities will be greatly impacted. In 1975 Air Force personnel contributed \$100,000 to local churches and \$50,000 to the United Fund.

Real estate values, property taxes, local government taxing sources, county taxes, and State taxes will all be adversely affected.

Of greatest importance will be the reduced income from loss of jobs. The Institute estimates this figure to be about \$120,000,000 per year, not including base personnel.

Senator HATHAWAY. Does your study show the net effect? The reduction in taxes is presumably a reduction in services.

Mr. HAYES. It does not reflect that.

Senator HATHAWAY. But it will?

Mr. HAYES. It will, hopefully.

Mr. HAINES. The Social Science Research Institute concludes: "Such a magnitude of job losses superimposed on a chronically high-unemployment area will spell economic disaster."

Additionally, the committee has retained the services of O'Connor and Hannan, a Washington, D.C., law firm, and Beliveau and Beliveau, an Augusta law firm, to assist us in assuring that all Federal laws, Department of Defense directives, and Air Force regulations are fully complied with.

We have also retained a Washington consulting firm to review the military and strategic reasons advanced by the Pentagon to justify the proposed curtailment.

We are also greatly concerned with the apparent Federal policy to move military installations out of the northeast to the south. In a memorandum prepared for New England Congressional Caucus, Jill A. Schuker states:

The regularity of military facility closeouts in the northeast over the past decade and the Federal employment shortfall in the northeast particularly suggests that such a concerted policy may underlie the decisions. Northeast military closures have resulted in much reduced civilian employment.

We urge our delegation to support whatever legislative initiatives that are available to assure that social economic consideration play a role in Federal policy in this area.

We also deplore the obvious shortfall in Federal jobs in New England and encourage our delegation to assure that Maine receives its fair share of Federal civilian employment.

Finally, Mr. Chairman, we are hopeful that the extremely favorable relationship that has existed since 1953 between Loring, its civilian and military personnel, and the citizens of Aroostook County will continue for an indefinite period of time. It is important to remember that unlike other military installations, Loring has never experienced any difficulty from special interest groups in opposition to its presence in Limestone.

Again, we greatly appreciate your presence here today and we are certain that the combined efforts of our congressional delegation and our committee will result in the continuation of Loring Air Force Base at its present level of operation.

STATEMENT OF SEVERIN BELIVEAU

Mr. BELIVEAU. Mr. Chairman, members of the Maine delegation, I must expand briefly on what Paul Haines has stated. Our role in this effort would be limited to reviewing very carefully the procedure that the Air Force is required to follow under the National Environmental Policy Act of 1969.

As you know, and it has been mentioned several times here this morning, the Air Force is required to file an environmental impact statement. In his letter of April 1 of this year, Major General Maclioni outlined generally what the Air Force intends to do to comply with the statute.

We intend to make certain that the Air Force complies in every sense to the letter of the law.

We also have reviewed and are reviewing all of the Pentagon directives, the Air Force regulations, to make certain that the manner in which the Air Force proceeds in this case complies fully with the Administrative Procedure Act.

And, of course, if we conclude at some point that there is a basis to proceed in court, we will not hesitate to do so.

Our involvement with the committee is limited solely to a review of the statutory and regulatory areas that apply in this case. We will continue to consult and advise the committee regarding the legal remedies.

Senator HATHAWAY. Thank you.

Mr. BELIVEAU. We have Prof. Kenneth Hayes here, in the event you have any technical questions relating to the preliminary report that Paul Haines has alluded to.

Senator HATHAWAY. No. I just want to say that we will make the preliminary report a part of the record. (See appendix, p. 129.)

When would you have the next phase of the study available?

Mr. HAINES. Our target is June 15. The completion date is probably June 30.

Senator HATHAWAY. That would be very good.

I want to assure the Save Loring Committee the delegation intends to work with you and cooperate in a common effort. We have so far, and I think it has worked very well. We look forward to continued cooperation. Thank you very much for your testimony.

Mr. HAINES. Thank you, sir.

Senator HATHAWAY. Our next witness is Mr. Emilien Levesque, Commissioner of the Department of Manpower Affairs.

STATEMENT OF EMILIEN LEVESQUE, COMMISSIONER, DEPARTMENT OF MANPOWER AFFAIRS

Mr. LEVESQUE. Thank you, Senator Hathaway, and distinguished members of the Maine delegation. My name is Emilien Levesque. I am Commissioner of the Department of Manpower Affairs in Augusta, Maine.

I am deeply honored and welcome the opportunity extended to me by this committee to say a few words on the economy of Aroostook County—especially in light of the proposed cutback of operations at the Loring Air Force Base.

I would like to begin by stressing that it is impossible to overstate the impact that Loring has on the health of the economy in the area. It has been reported that over 80 percent of the military personnel at Loring will be transferred out of Maine, with over 70 percent of the civilian work force to be laid off.

According to figures provided by Loring, the economic impact would run into many millions of dollars, as alluded to earlier this morning. Preliminary investigations reveal that approximately 2,500 indirect jobs in Aroostook could be lost in addition to the announced proposed 650 layoffs of civilian personnel.

Also, it is believed that Aroostook would lose between 500 and 700 housing rentals from military personnel. Close to 1,500 children of the military would be removed from local schools.

Limestone, with about 1,000 students, would lose half a million dollars now provided their school system by the Federal Government. If the reduction had taken place last fall and with all other things being equal—that is, no further economic development or special Federal assistance—the unemployment rate in February would have probably been at 21 percent of the work force in Aroostook County rather than the 12.6 percent as it was in February 1976.

One out of five people in the county's labor force would have been out of work. This would mean a drain of an extra \$2 million from the Unemployment Insurance Trust Fund and an additional cost of \$500,000 in Federal unemployment insurance benefits for 1976.

The heavy payout from the State unemployment insurance program would certainly result in a large increase in taxes, especially for individual firms in trade, services, and construction. The possible impact as just outlined is real and should be taken seriously.

An understanding of the important role that Loring has on the economy of Aroostook can be gained by a brief look at the evolution of employment patterns in the area over the past 20 years.

The most dramatic change, and the one with the most far-reaching effects, has been the shift from potato production and handling practices that required large numbers of workers, both seasonal and year-round, to highly mechanized practices that have resulted in a sharp decrease in agricultural employment.

From the time of the base's establishment in Limestone in the years following the Second World War, Loring has been a key element in the Aroostook economy, functioning as a stabilizing influence in an area undergoing pronounced changes in its employment patterns.

While the manufacturing sector received a boost beginning in the early and mid-sixties with the construction of several potato processing plants in the central Aroostook area, as well as several other manufacturing firms, such gains in employment opportunities were more than offset by the influx into the labor market of large numbers of new entrants.

One effect of this situation was, therefore, an outmigration rate for the county during the 1960's of about 27 percent. It should be noted further that per capita income for the county during this period has consistently lagged behind that of the State as a whole.

Unemployment in Aroostook has been above statewide levels during the sixties and seventies. Unemployment in the county during 1975 averaged 10.9 percent of the labor force.

During these two decades, Government has been a mainstay of county jobs. During this period, Government workers have regularly constituted a larger percent of total employment in the county than in Maine as a whole.

In 1970, these workers constituted 19 percent of all employed workers in the county compared with 13 percent statewide. It should be noted that the Loring Air Force Base was one of the largest single employing establishments in the county for a least a decade.

While all of the figures I have just mentioned, coupled with the possible closing of Loring, are indeed very sobering, to me they spell an alarm for a renewed, concerted effort by all of the citizens of Aroostook to lobby against a cutback at Loring, and a renewed effort to attract new industry by selling the assets of a unique lifestyle, a highly productive labor force whose integrity is second to none, and the vast and beautiful resources of land unmatched in few other places in this country.

Congressmen and Mr. Chairman, this concludes my prepared text for the benefit of the delegation and the people here this morning. However, I have a strong personal interest in what may be happening to Loring, for the simple reason that when we refer to the county, of course it is understood that it is Aroostook County.

I have an idea that what the Department of Defense may be planning here is not something totally new to Aroostook County. I think the people in the milieu of Government in Washington—and that is the center of Government in Washington for those who are outside of the county—the people of this area have been known for their industrial capabilities as well as their being able to get along with people.

I am very much afraid that the Department of Defense is trying to do something here that in a national election year may be just that—an indication of what is going on in the milieu of Government in Washington.

A few of things that are unique to this area of Aroostook County, and for some of you this may sound familiar and to others it may not, Loring is situated on one side by the community of Caswell and on another side is Connor, Sacred Heart, and Caribou.

It wasn't until the mid-forties or after that I knew just where Caswell was, although I was born and brought up in Van Buren; and I didn't know too much of where Sacred Heart or Connor was in Aroostook County.

And I will tell you the reasons why. Caswell to those of us who were born and brought up here was referred to as Cache Candille, better translated for those of you are not aware of what it may look like, it is a refuge for somebody running away, rum-runners or whatever you may call it.

MR. LEVESQUE. That covers the Caswell side of Loring Air Force Base.

On the northwest side of Loring we find what we used to refer to as Portage de Caribou. That is presently Connor, Sacred Heart, and North Caribou.

So we can take this as an indication that there were mandates in the area in 1946 and, earlier, in the Webster-Ashburton Treaty that made the dividing line between the two high grounds, that made the State of Maine, and that these refugees were there for temporary purposes and that the military in Washington are using Loring for the same emphasis that Aroostook is a refuge or temporary asylum for some people, and that at somebody's whim they are going to say: "We need the SAC Air Force Base for the protection of the continent as a whole and to help the NATO countries and for the protection of the North Sea," and all of a sudden by virtue of a national election year we find ourselves in a position that 83 percent of this strategic area is no longer of any use to the people of the country or to the rest of the world.

Having been born and brought up in this area, of the county, I find this most amazing, that the Department of Defense would use our congressional delegation, prior to an election year, for this kind of arm-twisting with 60-millimeters or even the atomic bomb which we are supposed to be using for the defense of the country.

So if this has an impact on the people in Washington, that this is the way that they are going to treat the delegation of Maine, as an arm-twister for the delegations to come our way, then I think, do we need Loring at all? If that is the case, then Loring should be maintained by the Department of Defense.

If we are only going to have a 15-percent, maybe 17-percent, security force at Loring, we don't need this 17 percent or 15 percent to maintain the hydrants or guarding the steel wire fences around Loring.

The question I am posing to the Department of Defense is either the country and the nations of the world need Loring or else we don't need it at all. So, keep it going or else close it if we don't need it.

I will be glad to answer any questions of the delegation. Thank you very kindly.

Senator HATHAWAY. Thank you very much.

The next witness is Thomas McGillicuddy, District Director of the Small Business Administration.

**STATEMENT OF THOMAS MCGILlicUDDY, DISTRICT DIRECTOR,
SMALL BUSINESS ADMINISTRATION**

Mr. MCGILlicUDDY. Good morning, Senator Hathaway, Congressmen Cohen and Emery. I thank you for inviting me to the hearing.

The proposed reduction in force at Loring Air Force Base will have a devastating effect on Aroostook County.

Aroostook has a basically agricultural economy. Most of the major industrial facilities are potato processing plants. Recognizing the dangers of an economy based upon a single agricultural product, county leaders have sought to broaden the county's economic base. Unfortunately, the county has achieved little success in attracting new industry to the northeast corner of the United States.

Consequently, Aroostook County depends to an inordinate degree on Loring Air Force Base as the mainstay of its nonagricultural economy. Loring is the county's largest and most stable employer.

Aroostook County has experienced an alarmingly high outmigration for many years—something on the order of 26 or 28 percent in the 1960's.

The reduction of several thousand base personnel would cause many others not directly employed by Loring to lose their jobs.

Even after an exodus from this sparsely populated county, today's unemployment rate of 11.8 percent would seem low by comparison.

The Small Business Administration is pleased to have had a role in helping Aroostook's business community. Since 1970, SBA has worked with area banks to provide \$3,743,560 for 13 Community Economic Development Projects in Caribou alone. We have also participated in financing 27 other Caribou business loans totaling \$2,733,000.

In Presque Isle, SBA has helped to provide \$4,661,000 to local businesses since 1970. In Van Buren, SBA has provided \$935,000 since 1970.

SBA has made or guaranteed a total of \$19,378,210 in loans to Aroostook County businesses since 1970. Currently, we are servicing 126 loans in the county, with an outstanding SBA balance of \$6,803,481. This figure does not include the exposure of cooperating banks.

We at SBA have worked closely with industrious people of Aroostook. For example, we are pleased to have played a role in Caribou's impressive development over the last few years.

The citizens of Caribou can be justifiably proud of their urban renewal program which has transformed a rather dilapidated central business district into a modern, attractive, and busy center of commercial activity.

The future success of many businesses in Caribou and throughout Aroostook County is heavily dependent upon the continuing magnitude of Loring's purchasing power. Many county restaurants, contractors, automobile dealers, and other businesses will fail shortly after the proposed Loring reduction takes effect.

Other Government agencies will try to fill the gap created by the possible Air Force decision to transfer Loring personnel. For example, SBA will probably be able to provide low-cost Government loans under its base closing economic injury loan program.

EDA would be called upon for low-cost loans and outright grants. Unemployment compensation outlays will escalate. A key question that must be answered is: "Will the projected savings by the Air Force be offset by additional expenditures of other Government agencies?"

Even with massive Government aid to Aroostook County, economic stability would not return to the county for many years, if ever. We would ask the Air Force to thoroughly study all economic aspects of their proposed reduction before taking an action that threatens to disrupt the lives of thousands of Aroostook County citizens.

Senator HATHAWAY. Thank you very much. I would like to develop one good point. The Government is going to have a lot of losses over the Loring savings if it goes ahead with the phaseout because defaults and costs to other Government agencies will eat up and exceed all of the savings which might be made by the Air Force at Loring.

Mr. MCGILLICUDDY. Yes, sir. We will have losses on loans that are outstanding. But I think beyond that, Senator, the Government will be called upon to provide additional help to the people of Aroostook County, and I expect we will help. I think that Government expenditures will be many, many millions of dollars. Even with this I question whether we could rebuild the county to what it is today.

Senator HATHAWAY. Could you give us any figures or good estimates on the cost for all Government agencies?

Mr. MCGILLICUDDY. I would have to pick a number out of the sky. I couldn't do it.

Senator HATHAWAY. I mean for the record later on.

Mr. MCGILLICUDDY. OK. I can do some research, Senator.

[Mr. McGillicuddy supplied the following in response to the above request:]

I have asked Dan Koehler of SBA's Washington office to supply estimates for SBA. My understanding is that the Maine Congressional Delegation is requesting similar information from other Federal agencies directly.

Mr. COHEN. Would you be in a position to project how many of the loans would be defaulted? Outstanding loans now. How much would be defaulted?

Mr. MCGILLICUDDY. It is difficult to guess, Congressman, but I would guess something on the order of half the loans would be in serious jeopardy.

One of the things, the SBA, as with most Government agencies, cannot be involved in is pirating of industry from one State to another, except when we have a base closing. When we have a base closing and SBA recognizes the economic issue, declares area businesses eligible for base closing economic injury loans, we can help businesses move out of the affected areas.

Mr. COHEN. How many businesses are in jeopardy with the preliminary announcement? In other words, I would assume businessmen are having some difficulty deciding whether they should replenish their inventories and exactly what direction they should go as far as expansion or reduction. Is that causing a problem right now?

Mr. MCGILLICUDDY. We don't see it yet, Congressman, but I think we will see it very shortly. Loan applications have not fallen off, but I would expect they will very shortly.

Mr. COHEN. What will SBA's reaction be to proposed loans pending at the resolution of saving Loring? In other words, suppose we have a number of applications coming from the general community to your office. What restrictions are you going to be under now as a result of that?

Mr. MCGILLICUDDY. I would be very reluctant to approve a loan application for a new business that would be heavily dependent upon the purchasing power of the people at Loring Air Force Base.

Mr. EMERY. What alternatives do you see realistically possible if the proposed cutback should in fact occur, economic alternatives?

Obviously, this is going to be a very, very serious blow. It would seem to me the key in such a case would be to plan for private sector jobs. What do you see? What possibilities are there to place at least a portion of the job market?

Mr. MCGILLICUDDY. I don't think the prospects are very good at all, Congressman. I have heard comments comparing the closing of Loring to the closing of Dow Air Force Base in Bangor and the base in Presque Isle.

The reduction of Loring is of much, much greater magnitude. The dollars brought in by Loring are a much higher percentage of the total area economy than was the case at Bangor or Presque Isle.

As I said earlier in my testimony, recent efforts of industrial development have not been very successful in Aroostook County. Even if the Air Force were to turn the base over to the citizens of Aroostook County, I think we would find it very difficult to bring in attractive industry.

You are correct, perhaps, Congressman, that we should start planning for that eventuality. But it is such an awesome eventuality that most of us hate to think it might happen. I think most of us would rather have an all-out fight to show reasons why the base should be maintained at its present level of operation.

Mr. EMERY. There is absolutely no question that the delegation feels very strongly that should be the case. We intend to fight tooth and nail to see this cutback doesn't occur.

I guess my question is prompted by the overall economics with or without the base. Obviously, there is a need for industrialization and more jobs.

I guess maybe one of the main problems is that of transportation, the fact that the Loring area is so far away from the markets for potential products.

With that question, do you see the possible use of the base for maybe export of potato products or importation of other goods?

Mr. MCGILLICUDDY. I should think if we do find that the base must be closed we certainly should explore those possibilities. But I was involved in industrial development in Houlton for a couple of years in the early seventies.

We explored exporting and we explored increased trade with Canada. I must admit very frankly that our efforts were not particularly successful.

Mr. EMERY. So the conclusion that you draw without question is it is absolutely vital this base be maintained.

Mr. MCGILLICUDDY. Absolutely.

Mr. EMERY. This is really the only alternative we have.

Mr. MCGILLICUDDY. I don't think that the Government could compensate for the closing of the base. I don't think EDA/FmHA, SBA, all the civilian Federal agencies put together, could compensate for the effect of the Air Force reducing the personnel of Loring.

Mr. EMERY. Thank you very much.

Senator HATHAWAY. Thank you very much, Tom.

The next panel consists of Daniel J. Kearney, national vice president, New England Region, American Federation of Government Employees, accompanied by Mel Greenier of the Loring local.

**STATEMENT OF DANIEL J. KEARNEY, NATIONAL VICE PRESIDENT,
NEW ENGLAND REGION, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, ACCOMPANIED BY MEL GREENIER, LORING LOCAL**

Mr. KEARNEY. Having been involved in base closures, such as the Boston Naval Shipyard, which you mentioned, your figures are somewhat low. For instance, in their shop, which may be the only chain shop in the world, the machinery is worth \$40 million alone, and that machinery is lying there idle. The Navy doesn't have a place to obtain chain.

I would also like to congratulate Congressman Cohen for the O'Neill-Cohen bill. Down in Massachusetts that is what we call it. Up here I realize it is the Cohen-O'Neill bill.

But, at least, congratulations. I have every hope it will pass the Senate and certainly slow down some of the economic impact.

My statement is that, and I would like to congratulate all of you for being concerned with the employment of Loring Air Force Base where we represent some 600 civilians. We much appreciate it.

I have some attachments which concern themselves with what is happening with the DOD employment in the Northeastern States, which includes New England, New York, New Jersey, Pennsylvania, and Delaware. I did a study. I am going to enter this in the record.

[The information follows:]

**AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES,
FIRST DISTRICT HEADQUARTERS,
Dorchester, Mass., May 7, 1976.**

HON. EDMUND S. MUSKIE,
HON. WILLIAM D. HATHAWAY,
HON. WILLIAM S. COHEN,
HON. DAVID F. EMERY.

GENTLEMEN: Your thoughtful concern for the employment of the Loring Air Force Base where we represent some 600 civilian employees, is very much appreciated. I have some attachments which concern themselves with what is happening to DoD civilian employment in the northeastern states, which includes New England, New York, New Jersey, Pennsylvania and Delaware. You can see from these charts that while the employment in the northeast has been drastically cut, the south has been growing in DoD population.

It is, indeed, a tragedy when an Air Force Base like Loring, located in the northern reaches of Maine where there is little industry, is ordered closed. The economy of the area will never be able to absorb the skills of those who will be separated. The Defense Department has a tremendous responsibility to see that such locations as Loring, are protected as much as possible because they have drawn a "skill bank" into their activity and the people who are involved do not have the type of training which would lend itself to the little private industry there is in northern Maine.

Yes, DoD will tell you they will attempt to find jobs for displaced civilians but that means if their attempt is successful, people will have to pull up stakes, disturb their family situations and move, quite possibly to the south or southwest. From my experience, all I have had are promises and promises and the Defense Department has proceeded to dismantle the entire Defense capability of this part of the country.

I would like to suggest that a meeting be held with the Secretary of Defense with you gentlemen in attendance, to explain the situation and hopefully keep Loring at its present level of employment.

Sincerely yours,

DANIEL J. KEARNEY,
National Vice President.

Attachments.

DOD MILITARY EMPLOYMENT¹
NORTHEASTERN STATES

	1960	1965	1970	1974
Total United States.....	1,553,527	1,641,244	1,754,545	1,392,521
Connecticut.....	6,123	3,695	4,600	4,528
Delaware.....	7,814	7,222	6,396	5,299
Maine.....	14,113	12,246	6,500	5,572
Massachusetts.....	35,716	30,450	21,617	11,863
New Hampshire.....	8,352	7,714	5,456	4,764
New Jersey.....	41,097	36,857	52,696	26,233
New York.....	40,519	35,097	22,441	18,463
Pennsylvania.....	15,284	15,593	14,565	9,273
Rhode Island.....	7,398	6,550	7,076	3,664
Vermont.....	607	287	204	161
Total.....	177,023	155,711	141,551	89,820
As percent of total U.S. military employment..	(11.4)	(9.5)	(8.1)	(6.5)

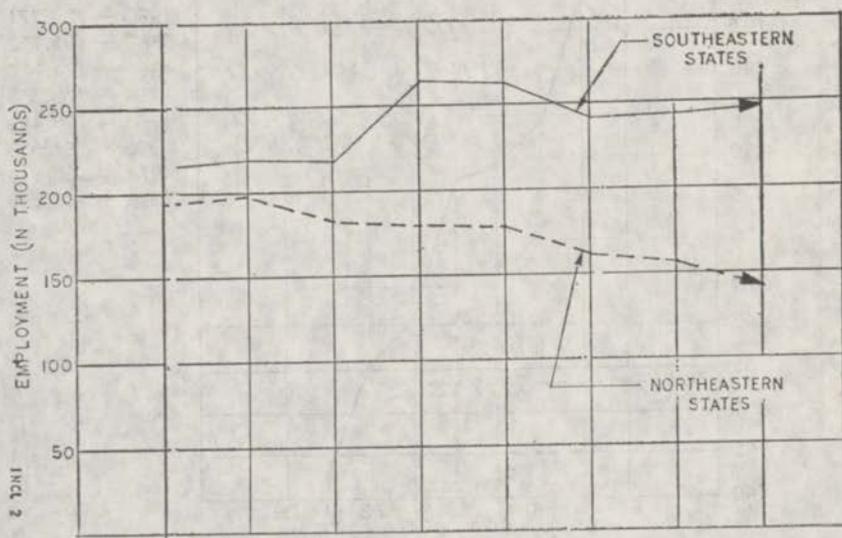
¹Source: Office of the Assistant Secretary of Defense for Comptroller.

DOD MILITARY EMPLOYMENT¹
SOUTHEASTERN STATES

	1960	1965	1970	1974
Total United States.....	1,553,527	1,641,244	1,754,545	1,392,521
Alabama.....	22,249	24,016	30,295	23,367
Arkansas.....	9,172	9,898	8,834	9,649
Florida.....	56,248	69,969	76,276	63,675
Georgia.....	69,147	93,980	76,533	47,188
Kentucky.....	46,739	48,901	43,804	45,585
Louisiana.....	20,371	34,334	33,803	26,955
Maryland.....	37,567	38,246	44,522	30,264
Mississippi.....	22,083	21,302	19,863	19,602
North Carolina.....	72,378	86,815	104,018	93,141
South Carolina.....	46,971	50,197	52,745	49,289
Tennessee.....	17,288	18,428	14,912	11,100
Virginia.....	52,176	59,604	59,668	52,195
West Virginia.....	708	528	349	500
Total.....	473,097	556,218	565,622	472,510
As percent of total U.S. military employment..	(30.5)	(33.9)	(32.2)	(33.9)

Source: Office of the Assistant Secretary of Defense for Comptroller.

DOD CIVILIAN EMPLOYMENT NORTHEASTERN vs SOUTHEASTERN

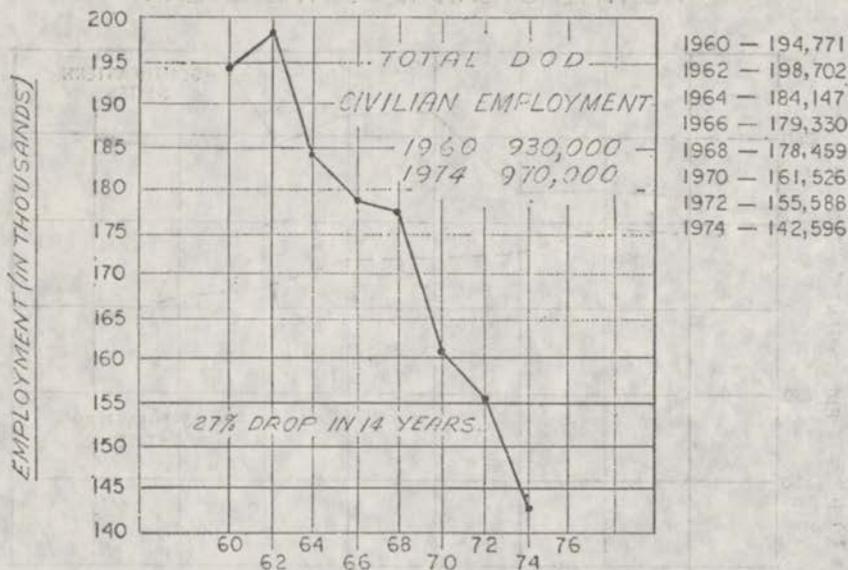


DOD CIVILIAN EMPLOYMENT
SOUTHEASTERN STATES

	1950	1962	1964	1966	1968	1970	1972	1974
Alabama.....	35,730	35,384	33,147	31,986	26,040	23,492	25,200	25,357
Arkansas.....	3,110	4,404	4,126	4,445	4,216	4,676	4,400	4,948
Florida.....	23,589	24,174	24,475	30,301	32,468	29,347	28,300	30,226
Georgia.....	31,954	34,160	32,393	43,437	42,612	38,223	37,100	35,296
Kentucky.....	11,302	12,215	11,548	17,027	16,658	15,434	15,900	16,264
Louisiana.....	5,884	7,417	6,638	7,992	7,702	7,445	7,700	8,276
Maryland.....	22,697	124,187	125,152	28,182	29,675	26,705	26,900	23,795
Mississippi.....	5,565	5,747	5,900	7,349	7,184	7,859	8,500	9,704
North Carolina.....	9,994	10,183	10,133	13,335	14,035	13,216	13,900	14,333
South Carolina.....	14,295	15,313	14,722	18,676	19,302	18,642	17,800	18,805
Tennessee.....	6,643	6,637	6,239	7,153	7,272	7,420	7,500	8,269
Virginia.....	44,388	46,636	44,273	52,337	53,350	48,493	49,200	51,130
West Virginia.....	1,053	863	982	1,160	1,105	1,447	1,500	1,533
Total.....	216,204	227,320	219,728	263,380	261,619	242,399	243,900	247,436

† Estimated.

DOD CIVILIAN EMPLOYMENT NORTHEASTERN STATES



DOD CIVILIAN EMPLOYMENT
NORTHEASTERN STATES

	1960	1962	1964	1966	1968	1970	1972	1974
Connecticut.....	2,494	2,761	2,983	3,663	4,029	4,511	3,088	3,254
Delaware.....	1,249	1,242	1,258	1,423	1,659	1,828	1,900	2,105
Maine.....	11,574	11,137	9,087	10,037	10,132	8,779	7,600	8,167
Massachusetts.....	25,400	26,495	23,310	22,652	21,688	19,334	18,700	12,859
New Hampshire.....	679	960	994	971	877	1,196	1,300	1,396
New Jersey.....	26,434	26,651	24,674	26,648	29,691	27,672	26,300	25,867
New York.....	51,678	52,267	47,011	32,984	30,758	26,002	25,400	24,415
Pennsylvania.....	66,741	68,935	66,032	71,301	69,268	62,131	60,000	57,513
Rhode Island.....	8,440	18,194	18,733	9,586	10,258	9,601	10,800	6,499
Vermont.....	82	60	65	65	99	472	500	521
Total.....	194,771	198,702	184,147	179,330	178,459	161,526	155,588	142,596

¹ Estimated.

Mr. KEARNY. Civilian employment in Southeastern States in 1960 was 216,000—there are 10 States named here—to 247,000 in 1974; while the poor Northeast, in the 10 States in the Northeast tier, went from 194,000 down to 142,000—and it has gone even further. That doesn't reflect the Boston Navy Yard and some of the other installations.

You can see what has been happening in the Northeast. It seems the climate is better for the military in the South—the golf courses are better. The arrangements and luxuries of the various bases must attract them because their decisions have been to move south.

For instance, they pulled the fleet out of the Newport Naval Base in Rhode Island. That fleet of ships they pulled out hasn't got a place in Norfolk to tie up at the pier. You can see how hasty they were when they reduced the employment there.

I don't know how far this is going to go, how successful it is going to be. But we certainly hope that your efforts will be recognized. I know the congressional delegation from Maine is solid on it. I know they will work hard on it. They certainly have a lot of influence. I would like to say thank you very much.

Senator HATHAWAY. Thank you, Mel?

STATEMENT OF MEL GREENIER, LORING LOCAL, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

Mr. GREENIER. I am president of local 2943. We represent roughly 600 civilians at Loring. But what is bothering us is they haven't come out to say in any way which people they are going to take as far as on this 70 percent. Are they going to keep cooks or keep janitors? Who are they going to keep?

I am a tradesman. I have been there for 20 years. I work in power production. So the question has always come up to me, whose job is going to stay and whose job is going to go?

Senator HATHAWAY. We don't know that, either. That is one of the questions we have asked the Air Force. As soon as we do hear from them, you will know about it.

Mr. GREENIER. So that is about the comments I have been told.

Mr. KEARNEY. Let's hope very much none of the jobs go. That is what we have to hope for today. Thank you.

Senator HATHAWAY. Thanks to both of you.

The next witness is Jim Barresi, Northern Maine Regional Planning Commission.

STATEMENT OF JAMES A. BARRESI, EXECUTIVE DIRECTOR, NORTH- ERN MAINE REGIONAL PLANNING COMMISSION

Mr. BARRESI. Good morning, Senator Hathaway, Congressmen Cohen and Emery. It is a pleasure to have been invited to be here this morning. I am going to discombobulate part of my presentation in an effort to be more brief and not recidivous and repeat other things people have said, and because of the variety of testimony that you have already heard here today.

The Regional Planning Commission would like to make the basic statement that the people in northern Maine do not want to lose this military installation now or ever.

Second, the regional economics have been changed because of the presence of the military in our region, since the forties, from a basic economy of forestry and agriculture, to a basic economy of forestry, agriculture, and military installation support.

Whole series of spinoff businesses have been developed to support the military installation segment of this triple-economic foundation. New skills, methods of business operation, and types of financing have had to grow to service this foundation. Extensive financing, refinancing, and growth has taken place in the accomplishment of this total regional effort.

The loss of one-third of our economic foundation, this foundation which feeds our children, would surely destroy 35 years efforts that have been put forth by the people of northern Maine to build such an infrastructure.

In addition, the sociological impacts would be devastating. People cannot live with a group such as the Air Force base community for 30 years or more without being sociologically married in spirit to such a group.

The aforementioned fact is heartfelt and of real concern to the people of northern Maine, and to the Northern Maine Regional Planning Commission these facts bring us to our last set of beliefs.

What would we do with the facility if, in fact, we were to lose the Air Force? Many people have said we would survive, and we agree. But many question today if it would level our economic stability and base.

It is our belief that the crippling effect would have a deeper depth than anyone in this auditorium could believe. The redevelopment of the Presque Isle Air Force Base is often touted as a harbinger of what would happen at Loring.

We disagree, though such a development could take place at Loring which would take many, many more years than it did at Presque Isle or Bangor for the following reasons:

1. The national economy at the time of the Presque Isle redevelopment was in a position of tremendous growth, which it is not today.
2. Maine did not have a corporate income tax, and property taxes were at a medium effort in comparison to State corporate income taxes being in place today and the property tax effort being maximum today.
3. The Presque Isle installation was of a size that a single community could absorb it and pay for its proper upkeep with its local taxes until such time that the facility could be marketed properly.

Loring is so large that there is great doubt that any single community could take over the facility, mothball for an extended period of time those facilities that could not be quickly marketed, and maintain sewer, water, and electrical services for an extended period of time without massive State and Federal assistance.

So I guess what we are talking about is a completely different kettle of potatoes than what the case was in the closing of the Presque Isle Air Force Base.

We must maintain this installation, for if we do not, the agony in trying to maintain, recoup, and expand the economic ability to live of our people would be like a slow-growing cancer that gnaws away at your innards, robbing you of life 1 inch at a time.

I submit to you that there is no lack of interest of local people, nor a lack of will to combat those who would see this installation taken from us.

The Regional Planning Commission pledges its continued assistance to those who are carrying the ball in this effort: the save Loring committee, the congressional delegation and the Research Institute at the University of Maine. We urge the best effort possible as a group.

That is the Commission's statement. But I would like to follow it with a personal observation. I have heard this morning from the delegation a few questions that would lead me to think or understand that you gentlemen would like to know what we see as a scenario of events that would take place on the demise or the curtailment of the installation here at Loring.

I would say to you that economic development has not been as unsuccessful as some think it may have been in the past 20 years. You

know that since 1960, approximately seven major potato processing installations have been opened in this county. They have employed over 4,000 souls.

The most recent one, the French company at Washburn, Maine, is employing today nearly 200. With great hope and expectation, we will continue to help them and they will employ up to 400 ultimately.

I think that you must understand that the Economic Development Administration, which we service through an economic development district through the Northern Maine Regional Planning Commission, has put into the economic lifeblood of Aroostook County in loans, economic development park projects, \$25 million since 1965 when the Economic Development Act of 1965 was passed by the Congress of the United States. That is no small amount of money.

Certainly they have had their failures. They took a beating for \$12.5 million at Easton. But people are working very hard on the Easton sugar beet plant. We think that \$12.5 million investment in the people of northern Maine may yet prove to be a very, very sound Federal investment in a group of fine people.

We see a scenario of Loring going something like this: The base closing; Government, Mr. Levesque's office, declaring this area an area of sudden rise in unemployment; the SBA, the EDA, the FHA, all of these people going in here practically with disaster-type industrial development money—all of these things being put to bear.

We say to you gentlemen it will cost you more in what you are going to have to do afterwards than what it would cost to keep it open.

What may be economic for the Department of Defense—and I, like you, must trust their figures—could in fact be quite uneconomic for the Government.

After all, is our Government now so big that the left hand cannot understand what the right hand is doing, much less what it might cost them?

I would like to finish on this note. We have heard some talk about the bureaucracy—all bad. I would like to say this. Bureaucracy is no different than the military, no different than private business. There are good businessmen and poor ones. There are good people in the military and poor ones. There are good Senators and Representatives and poor ones. And there are good bureaucrats and poor ones.

I think our effort should be directed to be working with the good ones and getting the bang out of our buck, counting on the faith and the promise of our people and their ability to recoup; but never, never deserting them.

Thank you, gentlemen.

Senator HATHAWAY. Thank you for your statement, and thank you also for the work that you and the Planning Commission have done over the years for the economic expansion of the county. I hope you continue the good work.

I might inject a note of optimism at this time by pointing out to you the fact that the Kittery Base was slated for closing back in 1965 and was supposed to be phased out by 1970, and it is doing more business now than it has ever done before in its lifetime. We kept it open, and we are hoping we can do the same thing for Loring.

Mr. BARESSI. I had to chuckle at Mr. Levesque's comments about the harboring of criminals. I had a fellow from the Environmental Protection Agency who said that I must be harboring them all at my camp now, so people at Caswell, we have taken over for you.

Senator HATHAWAY. I think the cafeteria is ready to serve lunch, so we will be in recess until 1 p.m.

[Whereupon, at 12:20 p.m., the subcommittee was recessed, to reconvene at 1 p.m. this same day.]

AFTER RECESS

[The subcommittee reconvened at 1 p.m., Senator William D. Hathaway presiding.]

Senator HATHAWAY. We would like to get started on our witnesses for this afternoon.

Our next panel is Martin Krauter, Town Manager of Limestone; Daniel Boothby, Superintendent of Schools, Limestone; Richard McKean, Limestone Chamber of Commerce; Thomas Cyr, Cyr's Department Store; Mel Shelby, and David Kilmer.

STATEMENTS OF MARTIN KRAUTER, TOWN MANAGER OF LIMESTONE; DANIEL BOOTHBY, SUPERINTENDENT OF SCHOOLS; LIMESTONE; RICHARD MCKEAN, LIMESTONE CHAMBER OF COMMERCE; THOMAS CYR, CYR'S DEPARTMENT STORE

Mr. KRAUTER. Senator Hathaway, my name is Martin Krauter. I am town manager of Limestone and also a member of the Save Loring Committee. I realize that a great deal of what I could be saying is repetitious, so I will be relatively brief.

First I would like to express the appreciation of the citizens of Limestone for the time and effort expended and the interest shown by each of you in this entire affair.

I would like to further extend that appreciation to each individual who is taking their time to appear here today. I think the support and the community of effort shown in the face of this proposed candidate action to be nothing short of amazing.

In my few short years of involvement with local government, I have never known or heard of the cooperation and dedication as shown by the cities and towns that are involved in this project. For an example, Limestone held a special town meeting to appropriate funds to defray the expenses of the Save Loring Committee. In a form of government that has been known in this State to argue for an hour over the dog constable's salary, the appropriation for the Save Loring effort was approved by the Limestone town meeting within 10 minutes—almost unanimously. By almost unanimously I mean in the order of some 80 to 1.

The reasoning underlying this dedication I believe can be traced to the enormity of the impact such an action would have, not only on the community but on Aroostook County and the State of Maine.

There is no doubt that the town of Limestone will survive. As it is pointed out to me by a few of our local citizens, the town was here, alive and well, before Loring, and will be here after it is gone.

The only question remaining is what is going to be the extent of damage to those towns, schools, businesses, and individuals that have grown to depend on Loring over the last 30 years? Those in my age bracket cannot remember a time when Loring was not a part of the community.

The full economic impact of such a cutback is being thoroughly analyzed by Professor Kenneth Hayes and the Social Science Research Institute, and their preliminary findings have been presented to you today.

The overall impact is staggering in terms of total dollars and total effect. The impact to the town of Limestone is perhaps not so impressive when taken as a gross figure. So I would like to present a few of the effects as they are viewed by a small community as percentages of our totals.

The most obvious effect within the community will be to the school system. Mr. Dan Boothby, the superintendent of schools, will address this area, so for my purposes I will ask only that you keep in mind that some 75 to 85 school personnel will no longer be needed by the system.

There are some 140 Limestone residents who are civil service employees at Loring. If the percentages run true, approximately 100 of these people will no longer be needed.

These are positions with an annual salary averaging near \$10,000. The vast majority of these people were born and brought up in this area, with every intention, before March 11, of remaining here.

Now, what are their alternatives? To compete for civil service positions at other military installations in Alabama or Mississippi or California? You will note I did not offer a choice closer to home. At the rate we are going, it appears that very soon there will be no military installations in New England of any description.

Or is their choice to be to find employment again in their hometown? Well, gentlemen, they might as well forget that possibility because aside from the potato industry and Loring Air Force Base, there are no industries in Limestone. Agriculture might possibly absorb a very few of these workers; but even if it does, keep in mind they will be no more than entry level positions, paying at or below poverty level wages.

The third alternative and the most likely for many of these civilians will be unemployment compensation—unemployment compensation, food stamps and welfare. I would hope the cost to every level of government of these forms of relief will be balanced against the savings expected by the Air Force.

When the proposed candidate action was announced, my office did a quick survey of local businesses to determine the impact on our community. While it is nowhere near as complete as that being conducted by the SSRI, it did bring out several important points.

Speaking strictly off the top of their heads, the 20 local businesses questioned estimated a loss of military-connected business in the area of \$1 $\frac{3}{4}$ million.

While this may not seem that staggering to those dealing on the national level, to the local businessman that represents a percentage range between 20 and 97 percent of his business, with an average loss of some 45 percent.

Five of those questioned felt they would be forced to close; and two indicated they would face immediate bankruptcy. They also indicated a cutback in their work force of some 25 employees.

Although I am far from an expert in this field, it appears to me that taken with the reduction of civil service employees, school personnel, and military employees, that the unemployment percentages in Limestone will rise from the order of 12 percent to probably better than 30 percent. That is only an estimate on my part, and I am not an expert.

The next greatest impact would be felt by the real estate market. A quick survey of the rental market indicated 102 units currently rented to military families. This represents over half of the units available within the community.

One landlord has indicated that he, too, faces bankruptcy. Another will retrench by bulldozing the majority of his apartment buildings to avoid the taxes and maintenance on empty buildings.

The sale of homes has already been affected. While the normal number of homes is reaching the market, very few sales are being made due to the confusion and uncertainty of the job market.

The town of Limestone was scheduled for tax reevaluation this year but wisely postponed the reappraisal until the situation stabilizes. How do you make appraisals in a market with all sellers and no buyers? I would pose the question as to the number of buildings and businesses that the Federal Government will acquire through default on FHA, SBA, VA, and other types of Federal loans should this reduction become a fact.

Local government would also feel a severe impact. A direct loss would be of State and Federal revenue sharing dollars. Both of these sources of revenue are based largely on population. At such time as the State and Federal Governments adjust their formulas to reflect the loss of military and their dependents, Limestone will be faced with a combined loss of approximately \$100,000 in revenue sharing dollars.

Based on our present budget, this would represent an immediate increase in the local property tax rate of 10 mils, an increase of more than 30 percent to the homeowner and businessman.

Indirectly, the municipality will face a budget reduction, necessitating a layoff of employees, with a reduction of services and, at the same time, facing increased welfare costs, an increased percentage of uncollectable taxes, and a general decrease of all other revenues.

On a relative basis, the small community of Limestone will face the greatest impact of any in Aroostook County; and yet the absolute impact makes the proposed action a matter of concern to all of Aroostook County and the entire State of Maine.

I feel that if the Congress of the United States and the Department of Defense have any commitment whatsoever to the concept of environmental and economic impact, that this proposal will not become a reality. Thank you.

Senator HATHAWAY. Thank you very much.

Mr. Boothby?

STATEMENT OF DANIEL BOOTHBY, SUPERINTENDENT OF SCHOOLS,
LIMESTONE, MAINE

Mr. BOOTHBY. Senator Hathaway, members of the delegation, my name is Daniel Boothby. I am superintendent of schools in Limestone, Maine.

On behalf of the Limestone School Department, I want to thank the delegation for the opportunity to be heard on this proposed reduction of personnel at Loring Air Force Base.

Most assuredly, I do not have the knowledge necessary to actively evaluate the military decisions as related to the strategic importance of this air base.

However, I can assure you that the proposal that has been published by the Air Force has already caused inestimable damage to our school system.

Ten years ago when I assumed this position I found that Limestone had staff, building, and curriculum problems. In short, we were not prepared to provide the comprehensive programs that Air Force dependents had received in other parts of the country.

Senator Hathaway, when you were on the Hill, I am sure you received complaints which were forwarded back through to us regarding failures in this system. A calculated growth program was instituted that has resulted in educational opportunities for our students at least equal of any to be found in the military.

Our curriculum has been vastly expanded. We now have the buildings to house our programs, and our staff has developed the pride and confidence in our system that is so necessary for the development of the school. We are all very pleased with the program that we are presently offering. We still have our curriculum and our building, but the morale of our staff has been decimated by the uncertainty that the proposed reduction at Loring has created.

Many of our staff members are actively seeking employment elsewhere. Unfortunately, only our most able staff members will succeed in finding new positions.

No matter what happens, as far as Loring is concerned, our system will suffer losses that we can ill afford. If the reduction at Loring occurs as presented, I project the following:

Our present student population of 2,015 students will decrease to 1,028. Within the above numbers, our so-called A students will drop from 1,250 to 300. Our school utilization will drop from four presently—this closes the Harrison Building, which is not fully employed at the present time—to two, or possibly one. Our staff positions from 175 that we presently have on our payrolls to 85. Our total school budget from \$2,037,846 to \$900,000.

Included in the above are staff salaries, which presently are \$1,492,682, to \$725,016. Our curriculum would return to a skeleton college preparatory orientation. Quality educational opportunities that are presently available to all of our students would no longer exist. The proposed reduction of personnel at Loring Air Force Base has already damaged our staff and will, if implemented, decimate our entire school system.

Planning for as short a period as 1 year is difficult. We are having a town meeting tonight, and we are supposed to have a budget, and we do have one, but it has to be based on the assumption that we have the entire student body to educate for next year. So this is being presented on that basis tonight.

There are many, many small areas that do not come into focus, such as the student handbook or the student yearbook. The yearbook in itself is about a \$15,000 endeavor which is self-supporting. But if we set this up for 500 or more yearbooks and we end up with selling only 200, then the school system has to be ready to absorb maybe a \$5,000 deficit.

The entire system is wrought with this type of problem. In short, we are in trouble. We need your help, and most assuredly, any help that is forthcoming will be appreciated.

Thank you for the opportunity of being heard.

Senator HATHAWAY. Thank you very much. Mr. Boothby.

Are other members of the Limestone panel here? Mr. Richard McKean; Tom Cyr? Why don't you come up to the table now.

We also have Mel Shelby and David Kilmer who should be up at the witness table.

Mr. KRAUTER. I don't think they will be here today.

Senator HATHAWAY. Thank you.

STATEMENT OF RICHARD McKEAN, LIMESTONE CHAMBER OF COMMERCE

Mr. McKEAN. Senator Hathaway, members of the delegation, first of all, I would like to welcome all of you here on behalf of the Chamber of Commerce of Limestone, and we do appreciate the time and effort you are putting into this. Believe me, we need all the help we can get.

I could probably come up with a lot of statistics, and I am also very certain that these same statistics are going to be provided in the impact studies, of which there are many of them being prepared, by the Air Force and also by members of the Save Loring Committee.

I am going to save the statistics because you can get bored with them. Simply stated, an 83-percent reduction at Loring would create an economic chaos in this community. This has all been pointed out, and I think real well, by people who have come before me, I would like to dig a little deeper, if I may, sir.

When Loring was commissioned in 1946, from the information that I can gather from old records and talking with some of the older residents in the community, we had approximately 240 good production farms in the area.

The base opened up, and of course, the lure of good pay and secure positions lured a lot of farmers away from the farm and onto the base. I don't blame them, because farming is a hard life.

Right now from the information I can gather, I understand that we could count approximately 100 farms in the same area.

What we are saying is we are going to reduce the size of the base by 83 percent. We are going to take a lot of these people who were on farms before and we are going to say, "You go back to the farm."

That is all easier said than done. Back when he got out of the farming business to get into a high-paying job, the cost of a Harvester would have been approximately \$14,000, possibly \$20,000 for the best. He is lucky right now if he can touch one for \$40,000.

The wages are good; yes, sir. But they are not so good he could save enough money where he could go back into the farming area. This is going to create a liability to the Government—no doubt in my mind about that.

The land which he farmed has been subdivided in most instances. We have homes on the land, and these homes were created to take up the slack of housing which the base created. What do we do with this? What do we do with the empty homes? What do we do with the land which has been subdivided?

Can he go back and purchase the land back at the price he got for it? I don't think so. This is another thing to think about. What do we do with the land area which is going to be quite a bit? He can't afford to put it back to the plow.

They mentioned before, Mr. Krauter did, there were five businesses involved that were closing. I am well aware of it. I am one of them. So I have a personal standpoint in this also, you see.

But my case is not unique in Limestone, in this surrounding area, also Caribou. I am a retired military man. I retired here in 1972 from Loring. I retired mainly because of the base and the facilities that it has to offer here—as did about 400 other people that I know of.

I bought a small business, which, if the base goes, it will go, too. Now what happens? If I pull up stakes and leave, who is going to pay for it? It is going to have to be me. If I lose my business, I won't have the money to do that, either.

The reason I point this out is I am not the only one that is in this predicament. There are a lot of us.

What then do the Maine people do who will be directly affected? Are they going to pull up and leave? And where are they going to pull up and leave to? Where are they going to get the funds that will be required to go back into another business?

Would it be feasible to go into a business with an 83-percent reduction on base? I don't think so. It may be feasible if they don't leave us in limbo.

In other words, you are talking about 83 percent. You are taking that much of our income away. But you are keeping the land area. You are keeping the buildings.

What can we do with it? Nothing. We can't say we are going to tax it because it belongs to the Federal Government. So we have lost funds there, which Mr. Krauter pointed out.

We can't say, "All right, all of you who are in the area, go find a job in the area." Jobs aren't there to be found. They are not going to be here. So what are we going to do?

I have a proposal which may or may not work. Sometimes in the football game, as any other game, a good offense is better than a defense. This base is strategically located. If it isn't, then somebody has been lying to us since 1946, and that is a long time to be prone to a lie, believe me.

I don't believe that there has been any change in the leadtime that it would take our crews on Loring to go to a potential target. I believe they still have the leadtime—being on the base. I am well aware of the past ORI and the M-set and other test results they have had on base.

As long as I have been in this area and as long as I was associated with Loring Air Force Base, I don't know of any time when their capability to respond to an emergency has dropped.

So there is a question in my mind: Why? Why all of a sudden do you want to take a strategic base? Why do you want to take a base that passes just about every inspection that comes along? Why do you want to pull away from us? Are we not using manned bombers? I don't think so.

When Senator Muskie was here, he told us the triad system was still a viable system.

Loring, as far as we are concerned, has very little environmental problem. We don't have the housing situated so close to the base where the aircraft landing and taking off appear to be a hazard. As long as I have been here, I know of only three major aircraft accidents. None of them involved civilian facilities. We had a KC-135 that went off the runway. We had a B-52 that crashed through during an ORI. And we had one that burned on the pad on the base. Again remember, no civilian facilities.

We had no civilian landowner that said, "Look what you did to my land. I am going to sue you for everything you have got."

We don't have those problems here. As far as air pollution, the prevailing winds in this area are to the east. And to the east of here, I don't believe aircraft would pose any problems. I am not an expert in this area, but just looking at the maps as an average citizen would do.

So I submit to you, not only would I try to save Loring from reduction by 83 percent, but I believe that I would go all out, considering all of the studies that have been made on the environmental impact in this area, I believe I would go all out for the B-1 program right here at Loring. I can't think of a finer installation for the B-1.

How many bases do you have away from a compacted area? Not many. And there are not many situated like this one where you don't have the environmental problems that you have along the east coast. So why not push for the B-1 here? There is no finer place for it. Thank you very much for your time.

Senator HATHAWAY. Thank you.

Mr. Cyr?

STATEMENT OF THOMAS CYR, CYR'S DEPARTMENT STORE

Mr. CYR. Mr. Chairman, other members of the delegation, as you drove into town today, you probably noticed a highway sign on Route 89 which reads as follows: "Welcome to Limestone, home of the world's best potatoes, largest bombers, fastest fighters, and mightiest tankers."

Our concern, gentlemen, is how it will read a year or two from now.

Let's trace first what has happened to the economy in Limestone in the last 30 years. Prior to Loring, this town was geared primarily to agriculture. In fact, Limestone had about 140 individual farm operations which employed hundreds of workers year-round.

Today Limestone's farmers total 30; yet they till the same number of acres but with only about 10 percent as much labor.

We had 25 shipping operations down the tracks 30 years ago. Today we have three. We had three starch factories. Today we have none. And no new industries have come in since.

Then came Loring and jobs were created and businesses were started and expanded because of Loring. Central Aroostook stands today precariously on a 1½-leg economy. It has relied on Loring and on farming. Other industry simply has not come in to any great extent.

That leaves us with nowhere to turn if we lose Loring. There is simply nothing to take up the slack. Once the total spin-off effect is felt, like a loss of 4,000 Loring jobs, the loss of 70 school personnel, the resulting loss of other jobs such as retail jobs, the erosion of the tax base, the disruption of our schools, and the loss in property values, the personal hardships that will result, then I think the word "devastating" is not too strong a word to describe the loss of Loring.

It would be my guess that nowhere in the entire United States does a military installation have such a profound effect on the economy of the surrounding communities.

If underneath us someone is really looking for a severe impact, then I suggest they will find it right here in central Aroostook; because if today we stand shakily on 1½ legs and somebody is trying to take one whole leg away from us, then what will it be like next year?

So I ask you, how should that highway sign read a year from now? How is this for a try: "Welcome to Limestone, home of the world's best potatoes, the State's highest unemployment rate, the greatest number of unoccupied buildings, and the highest tax mil rate in the State of Maine."

Thank you.

Senator HATHAWAY. Thank you.

STATEMENT OF DAVID KILMER

MR. KILMER. Senator Hathaway, and others, my name is David Kilmer. I am an apartment house owner here in the town of Limestone.

It is estimated 95 percent of all the apartments in Limestone are rented to military personnel and their families. The results of a cutback at Loring would obviously result in the emptying of these apartments and possible default by the apartment-house owner.

I concur with the testimony that has been previously given here, and I support it. There is one point that I would like to make, and that is the senior citizens.

If the proposed cutback does take place, the burden of the property taxes will be passed—it is my feeling—to the senior citizens and the farmers; with possible reduction of services, true, but with inflationary trends that property taxes will probably remain at about the same level.

So I would ask you to consider the senior citizens very seriously in this aspect. Thank you.

Senator HATHAWAY. Thank you very much.

I want to thank all of the members of the panel for very helpful testimony.

Senator HATHAWAY. In our next group is Terry St. Peter, Caribou city manager, and Bill Johnson, Caribou Chamber of Commerce.

STATEMENTS OF TERRY ST. PETER, CARIBOU CITY MANAGER, AND
BILL JOHNSON, CARIBOU CHAMBER OF COMMERCE

Mr. St. Peter. Senator Hathaway, Congressmen Cohen and Emery, I am Terry St. Peter. I am city manager of Caribou.

I wish to thank you for holding this hearing here today, although I must say that I frankly would prefer the need for such a hearing didn't exist.

The mere fact that it has been announced that Loring Air Force Base is a proposed candidate for reduction has sent tremors throughout the community of Caribou, and has already caused an economic disturbance. Should the base actually be reduced as proposed, there would, of course, be severe adverse consequences to the central Aroostook area.

I am unable today to present very much hard data on what effect the proposed reduction of Loring would have on Caribou. As you know, an economic impact study is underway, so the final documentation is not available at this time. There are, however, some points of information I would like to present to you.

The city of Caribou has a population of 11,102 people, according to a U.S. Census Bureau estimate for 1973. As the closest commercial and retail community to Loring, the proposed reduction of this base, which has a listed population of about 11,000 people, would obviously have substantial adverse effect to the city of Caribou.

There are a number of businesses whose very existence depends on the continued vitality of Loring Air Force Base. The resultant failure of these businesses would add further to the decline of employment to what the layoffs at Loring itself would cause.

The increase in unemployment would cause other local concerns to have to reduce their size and employment. This again would have a further dampening effect on the economy, a spiraling pattern downward.

Gentlemen, the area is already experiencing an above-average unemployment rate. The unemployment figures for March, the last time for which the figure is available, is 12.7 percent in the central Aroostook County area.

Although there are some very positive and encouraging things taking place in Caribou, the area does experience some longtime negative conditions and a reduction of Loring as proposed would exacerbate the already disappointing conditions.

I might also note that the welfare burden to the city of Caribou alone, putting aside any State welfare programs, by the best estimate I am able to come up with is 10 to 11 percent.

As city manager, I am, of course, concerned about taxes in the community, in addition to the general economic welfare of people in the area. While again the complete data is not in, let me share with you some of the information we do have.

A quick check of our tax records shows that we have 110 mobile homes owned by military people. While these are currently tax exempt—and that is the reason we were able to come up with a figure so quickly—the figure does suggest two things.

One, the proposed reduction would mean the definite loss of 110 families in Caribou who undoubtedly do much of their shopping and purchasing in Caribou. Two, the property on which the mobile homes are located—which generally is taxed—would lose the revenue produced by the lot rentals.

Indeed, without having checked with each mobile home park owner in Caribou—there are seven of them—I would think the chances of survival for these parks are highly doubtful. One trailer court, I know, has 60 of its 72 lots rented to Loring personnel.

Also in the housing area, a telephone survey of apartment owners in Caribou revealed that approximately 25 percent of the apartments in Caribou are rented by military or civil service employees.

These apartments, gentlemen, would be vacant, revenue drains rather than revenue producers in the Caribou area if the proposed base reduction takes place. Of 700 apartments in Caribou, 177 are occupied by base-connected people. These apartments are taxpaying properties.

Let me cite some specific examples. One property owner has 17 apartments he rents out. All 17 are occupied by base people. Another landlord who has 26 units has 16 of those rented to base people.

In many cases, if not all, these properties are mortgaged, and the income generated helps pay off the mortgage. These units, too, produce tax revenues for the community.

I could go on. I could cite the loss of jobs to teachers in Limestone, some of whom have homes in Caribou they would have to give up, thereby adding to the tax burden for the remainder in Caribou.

I could cite the contracting firms in Caribou who rely on base needs to support their business. I could cite the stores in Caribou now—on which taxes are also paid—whose very existence is threatened by the proposed reduction.

But these stories have been presented to you at other times during this hearing.

I would like to make one other comment, though. I recognize that the military has as its prime function the defense and protection of the United States. I recognize the argument that military decisions cannot be based on the effect on a local economy alone, or even primarily.

But I would submit that the military has a larger obligation, and our Government—civilian and military—must consider its actions very carefully. The economic consequences of such decisions could be as drastic, at least to some people, at least to an area, as military or diplomatic consequences in other circumstances.

If the Military Establishment never considered northern Maine to locate a base, if the area did not offer certain advantages for defense, this area would have been none the worse off. People would have lived here, farmed, gone about their routine ways. The local economy would have been in balance.

But that is not what has happened. More than 25 years ago the U.S. Government deemed it wise and necessary to locate a Strategic Air Command base here. It did so, I gather, to establish a significant deterrent aimed at the Soviet Union.

This was fine. The local people, for the most part, welcomed the base here, seeing it as necessary to the defense of their country and

enjoying the social, cultural, and economic benefits such a base provides.

Indeed, I think many military people at the base will agree—as I have heard them say—the area people made them feel at home and gave them a good reception.

At the same time, many area people, and people who moved to the area, tied their livelihood into the existence of the base. Why shouldn't they? The base was here. Base personnel needed services; people seized opportunities.

Had the base not been here, local people would not have made investments here; they would not have tied their lives to this area. Because the base was here, however, they did.

The military does have an obligation then. It can't dismiss its offspring that were created solely because the base was here, any more than a military man or anyone else can ignore his illegitimate children who were created because of his presence. The condition caused by their presence must not be dismissed as not their responsibility under the guise that it is not part of their mission.

I submit then that the military has a serious obligation to consider the local effects of their proposed action—not just a procedural obligation—and that if they sincerely determine that B-52's at this base are no longer necessary, then they look at other ways that they can productively utilize this base.

In this vein, let me add another point. As taxpayers, we have a substantial investment in this base that ought not go to waste. All of us, as individuals, and companies, occasionally wish to move on. Indeed, I read an article over the weekend that suggested some companies would like to leave Maine because of an increasing tax burden, but because of their investments here could not do so.

We all have investments—investments in our homes or in our plants or businesses—that we can't surrender and don't consider it prudent to do so.

I would hope our Government is not so imprudent as to abandon an investment of some half billion dollars. It surely is an investment that can be retained and used to the benefit of the area it helped grow and to the Nation as a whole.

Again I thank you for listening.

Senator HATHAWAY. Thank you very much.

STATEMENT OF BILL JOHNSON, CHAMBER OF COMMERCE, CARIBOU, MAINE

Mr. JOHNSON. Senator Hathaway, members of the delegation, I am here today both from the Caribou Chamber of Commerce and from the Maine State Chamber of Commerce.

First, I would like to read part of a statement from the Maine State Chamber of Commerce. I will give you copies of this to put in the record.

[The statement appears at p. 59.]

Mr. JOHNSON. The Maine State Chamber of Commerce is concerned over the proposed reduction in force at Loring Air Force Base and its possible effect on our defense posture, as well as its very serious impact on Aroostook County and the entire State of Maine.

The chamber's board of directors reviewed this proposal at some length at a meeting held in Augusta on March 24, 1976, and at that time voted unanimously as follows:

That the proposal to cut back the Loring Air Force Base facility is opposed if it represents a reduction in the Nation's defense capacity. If it is not a defense capability cutback, the Maine State Chamber of Commerce requests a thorough-going analysis of the impact be made giving full consideration to the responsibility of the Federal Government to the economy of the area and the financial commitments made by the private sector in anticipation of the continued existence of the base and the need for the services and facilities being provided by the private sector.

I would like to add a few personal comments to this statement that is given by the Maine State Chamber of Commerce and something they allude to, that the base has been here. I think we figured, close to 30 years.

No businessman makes a decision to expand his business or to go out and build a new building and take on a larger mortgage in a temporary situation, because he takes this mortgage on usually for a period of 15, 20 years. He bases it on something that he expects to last 15 to 20 years.

In this area, we have been led to believe for many, many years that Loring was going to be here probably as long as any of us were because of its strategic location where it was at.

We all realize we can move men and we can move airplanes. We were led to believe Loring was going to be here for that one reason, if nothing else—for its location.

So the Loring Air Force Base created a demand when they opened up that base. Now the economic system operates on the supply and demand system. The Air Force created this demand. They have asked the Aroostook people, the business of Aroostook County, to meet these demands, to supply their needs.

I think Aroostook County has done a fantastic job of meeting their needs. I can look at my own community of Caribou, and over the past few years we have seen the downtown area almost completely rebuilt. We have seen new shopping centers going up on the outskirts of town.

Everyone did this in anticipation that they were going to be able to depend on the base. They have taken on the mortgages. They have bought new buildings. They have introduced new products.

Now, all of a sudden, the Air Force decides they want to move Loring. In effect, they have used Aroostook County to an extent to supply their needs for as long as Loring Air Force Base has been there.

I think the Air Force and the Government has a responsibility more than just to say that "You have met our needs for 25-odd years. Thank you. We no longer need this. Goodby."

I think they need to do a little bit more than that. I think they have an obligation to all of us here in Aroostook County. Thank you.

[Mr. Johnson's prepared statement follows:]

STATEMENT OF THE MAINE STATE CHAMBER OF COMMERCE

The Maine State Chamber of Commerce is concerned over the proposed reduction in force at Loring Air Force Base and its possible effect on our defense posture as well as its very serious impact on Aroostook County and the entire State of Maine.

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Knowing of the Federal government's earlier request for additional facilities and services from the private sector, we emphasize the need for consideration by the government of the investments made in anticipation of the continued need by the Base and its personnel for the services and facilities that only the private sector can provide.

We call upon the Maine Congressional Delegation to obtain a detailed examination of the reason the proposal was made to cut back the force at Loring Air Force Base.

Senator HATHAWAY. Next we have a panel of witnesses from Caribou: Donald Collins, S. W. Collins Co.; Sam Hamilton, Briggs Hardware; George Baltzer, J. C. Penney Co.; Brian Harper, County Moving & Storage; Jeff Frost, Caribou Chamber of Commerce; and Al Cyr, Cyr Bros. Meat Packing Co.

STATEMENTS OF DONALD COLLINS, S. W. COLLINS CO.; SAM HAMILTON, BRIGGS HARDWARE; GEORGE BALTZER, J. C. PENNEY CO.; BRIAN HARPER, COUNTY MOVING & STORAGE; JEFF FROST, CARIBOU CHAMBER OF COMMERCE

Mr. COLLINS. Mr. Chairman, Congressman Cohen, and Congressman Emery, my name is Donald Collins. I am a resident of Caribou. I operate the oldest business in that community. Incidentally, I am vice chairman of the Save Loring Committee. That business is a lumber building material business that was started in 1844 by my great grandfather.

I share with others a concern for economy in government and, at the same time, recognize the need for a strong defense system.

I read yesterday with dismay a statement by the prestigious Institute for Strategic Studies, which said: "The Soviet Union now has more weapons than the United States, and the Kremlin's continuing arms buildup threatens détente."

Of course, I am aware that "détente" has been removed from the vocabulary in this country.

However, my purpose today is primarily to submit my views on the impact of a substantial reduction at Loring on the economy of Caribou and, in particular, to the local building industry.

A survey in Caribou conducted immediately after the announcement of the Loring reduction, and responded to by 215 business firms, indicated that 28.7 percent of the business done by these firms was attributable to Loring.

The survey further indicated that 363 jobs would be lost in Caribou if the reduction took place, and 20 businesses said they might have to go out of business.

In the construction industry, one business stated that 90 percent of their sales or \$2,700,000 was done directly with Loring Air Force

Base in 1975. Other construction contractors report business at the base accounts from 20 to 45 percent of their total volume.

In addition to direct Air Force business, contractors and home-builders will, of course, be affected by a reduction on the demand for homes as the ripple effect takes place.

Real estate values will tend to decrease as they have already since the announcement was made. The general net effect on the city of Caribou as the most affected community in the Loring area would be catastrophic.

Thank you.

Senator HATHAWAY. Mr. Hamilton?

STATEMENT OF SAM HAMILTON, BRIGGS HARDWARE CO.

Mr. HAMILTON. Senator Hathaway, Congressman Cohen, Congressman Emery, and members of the Maine congressional delegation, thank you for the opportunity to testify at this hearing this afternoon. I am Sam Hamilton of Caribou. I own and operate Briggs Hardware in the downtown mall in Caribou.

My purpose for testifying before you this afternoon is to let you know, as you probably are already very much aware, the drastic effect the 83-percent proposed cutback of Loring Air Force Base would be on my business as well as many other retail businesses in the Caribou-Presque Isle-Limestone and surrounding area of central Aroostook.

As near as I can estimate, we get anywhere from 35 to 40 percent of our business from Loring Air Force Base. This is not in contract business such as direct purchases from Loring Air Force Base but from the personnel and their dependents.

A cutback as drastic as proposed would not only cause the serious economic impact but make an already serious unemployment situation even more critical.

The latest unemployment figure, which was March of 1976, for the Aroostook County area is around 11.8 percent; and for our area, central Aroostook—Presque Isle, Caribou—it is 12.7 percent.

If this proposed cutback becomes a reality, I would be forced to reduce my work force from six employees to probably around three people working for me. This I am afraid would be happening in a lot of the other retail businesses besides my own.

In 1970, the city of Caribou started an urban renewal project which, if we knew then that Loring Air Force Base was to close in 1977, would never have gotten off the ground. A lot of us sold our modern buildings to urban renewal who asked us to relocate in heavily financed buildings that we were asked to build.

This move was certainly predicated on the supposition that Loring Air Force Base was to be a big part of our future business picture.

The Federal Government and Air Force have always made very clear indications in the past of how very important Loring was and is to the overall defense picture—so that this possibility of ever happening was certainly a very critical one to this entire area.

I have spoken of the heavy financial burden that these new buildings have created upon us. This would not have been possible if it were not for another arm of the Federal Government, the SBA, which has come to our assistance in our urban renewal project.

Since 1970, SBA has helped to provide almost \$4 million for 13 community economic development projects. They have also participated in 23 other businesses, totaling another \$2¼ million.

Right in the downtown mall area where I am located, approximately \$70,000 has been used of SBA money. I account for about \$25,000 of that particular amount.

Some figures from the chamber of commerce, although not completely up to date, but back around 1973—Caribou and the surrounding area is one of the 30 economic districts in Maine—in 1973, Caribou ranked seventh in the total sales and showed a 49-percent growth rate increase. This is from the Bureau of Taxation figures. Certainly without Loring, these figures would never have been a reality.

In 1974, two businesses opened their doors in Caribou. They employed over 830 people and added an increased annual payroll of \$5 million.

The end result of all of this showed 1,000 jobs created during the past 5 years, resulting in an annual increase in payroll of more than \$6.5 million.

Gentlemen, I have tried to show you with my figures and my comments just exactly how drastic this particular shutdown closure would be upon all of us in the retail business and in just about everything else. I hope that in your dealings with the Federal Government you take this all into consideration.

Thank you again for an opportunity to testify this afternoon.

Senator HATHAWAY. Thank you. Mr. Baltzer?

STATEMENT OF GEORGE BALTZER, J. C. PENNEY CO.

Mr. BALTZER. Mr. Chairman and members of the Maine delegation, my name is George Baltzer. I am the J. C. Penney Co. manager in Caribou.

Let me also welcome you to Aroostook County and Limestone and Caribou. Back a few months ago when the Air Force made the announcement of the proposed cutback, it came as an earthquake to all of us.

I, for one, after rationalizing what had happened, was very anxious to dig into some of our records. On October 1, 1926, J. C. Penney Co. first opened its doors in Caribou, Maine. Therefore, I feel that I can speak with a little bit of authority as to how it will affect our own personal business.

Looking at our business as it is today, as compared to when we first opened, you have to take a lot of things into consideration. One, the growth in the economy because of the airbase, and also the growth in general. You also have to consider the impact that the airbase has, the ripple effect that you have heard so often spoken of today.

If the airbase were to close, it would mean, in volume of our business, a 30-percent reduction, coupled with the spinoff effect.

We feel that it would be very realistic to consider our volume to be reduced by half. If this were the case, and if our business were reduced in half, naturally the salaries would have to be reduced somewhere in that neighborhood.

This is going to eliminate jobs. This is going to reduce the tax base.

The thing that concerns me even more than all of the things I have just remarked about—and this is strictly speculation on my part—but Penney's, not unlike our competition, is constantly looking at locations, trying to invest their money where they feel they would get the best return on an investment.

I have a feeling if this were to happen, that it could ultimately be the demise of the Penney store as we know it in Caribou.

Thank you very much.

Senator HATHAWAY. Thank you, Mr. Baltzer. Mr. Harper?

STATEMENT OF BRIAN HARPER, COUNTY MOVING & STORAGE CO.

Mr. HARPER. Senator Hathaway, members of the delegation. I want to thank you for giving me this opportunity to speak to you this afternoon. I am Brian Harper, president of County Moving & Storage in Caribou.

On January 26, 1976, my wife and I opened a moving and storage company on the access highway in Caribou. We employ four full-time and five part-time employees.

We opened this business for the purpose of moving personnel to and from Loring Air Force Base. But right now it just kind of looks a little bit bleak.

If Loring Air Force Base cuts back the 83 percent, I will have no alternative but to close my doors and to sell my equipment and to lay off all of our employees.

After the moving is done from Loring Air Force Base and it is a bitter memory, I would say that only one moving company would remain in operation in Aroostook County. We would be very, very busy for the next 2 years. But after that, with only about 500 people stationed here on Loring Air Force Base, one mover could accommodate all the moves into and out of Loring.

Also, I would have a very hard time trying to sell the equipment; and at the present time, I do not know whether to buy equipment. I don't know whether to expand. There is a need right now for more equipment to handle Loring Air Force Base. I need to expand my warehouse. I need to hire more employees.

But when you invest hundreds of thousands of dollars in tractor-trailers and equipment, and then someone comes up and says, "You are going to have to close in 1 year," you just cannot get rid of this equipment. It just will not sell.

All of the movers in Aroostook County are faced with this very same problem. So I hope that you can do something to help us and help the other movers, my colleagues in this area.

I thank you very much for speaking to you this afternoon. Thank you again.

Senator HATHAWAY. Thank you.

Mr. COHEN. Could I ask Mr. Collins a question? Just one question. I think you are connected with the banking community as well. What would be the projections as far as defaults in mortgages? Have the banks done anything about that in this area?

I am trying to project what will happen to the default on mortgages.

Mr. COLLINS. They have done a lot of worrying about it.

Mr. COHEN. Any surveys?

Mr. COLLINS. At the present time, no. I don't think there is any question but the banking industry would be adversely affected by this type of a drop. I would suspect that among the areas first to be hurt would be the financing of mobile homes; the second area, on fixed real estate. But at the present time, there is no projection as to how serious this will be.

Mr. COHEN. Thank you.

Senator HATHAWAY. Mr. Frost?

STATEMENT OF JEFF FROST, CARIBOU CHAMBER OF COMMERCE

Mr. FROST. My name is Jeffrey Frost. I am president of the Caribou Chamber of Commerce.

Senator Hathaway, members of the congressional delegation, I want to thank you personally for holding this congressional hearing and giving us a chance to be heard today.

The Caribou Chamber of Commerce conducted a preliminary study of businesses in the Caribou area just after the announcement of the proposed reduction of personnel at Loring Air Force Base.

We learned in this preliminary survey that numerous businesses would have to be closed or severely cut back; and, as a result, many people would lose their jobs.

The Federal Government, through the Small Business Administration and the Urban Renewal Authority, has spent several million in the Caribou area alone. The SBA, for instance, has made many loans to businesses in the Caribou area. Many of these businesses would be hard pressed to continue doing business with the dramatic downturn in the economy due to the reduction in personnel at Loring. Thus, the SBA loans would be in severe jeopardy.

It seems ironic to me that here we have the SBA and the Urban Renewal Authority pumping vitally needed funds into Maine and, on the other hand, we have another arm of the Federal Government—the Air Force—which could destroy the economic growth which we have all worked so hard to achieve.

The Caribou area over the years has greatly expanded to meet the needs of Loring Air Force Base. Over the past 5 years alone, at least 60 new businesses have opened their doors. Just commonsense would tell you that a major portion of these 60 new businesses would not have opened if they had known Loring might be reduced in size.

We have been led to believe, and it has been stated many times, that Loring would remain at its present personnel level, it might even be expanded, because Loring is so vital to the defense of our country, due to its strategic location. But now for some still unexplained reason we are told it is excess baggage.

The very fabric of the Caribou structure will be affected. Churches, for instance, heavily depend on the support of the Loring community. Many churches will have to greatly curtail their services, and some may even have to close their doors.

The United Fund, as another example, likewise depends heavily on the financial support from the base. I could go on and on.

In summation, I know I speak for the great majority of the people in Caribou when I say that we are hopeful that the Air Force will

reconsider the contemplated action. The curtailment of Loring Air Force Base without a doubt will be disastrous to Caribou, Aroostook, and the State of Maine.

Thank you.

Senator HATHAWAY. Thank you very much, Mr. Frost.

Next we have a panel consisting of Burt Tompkins, city councilor, Presque Isle; John Tiernan, Presque Isle businessman; and Tom Gagnon, president, Presque Isle Auto Dealers Association.

For the information of the audience, although Colonel Russell Morton, the Base Commander, is not on the list, he will testify following this group.

**STATEMENTS OF BURT TOMPKINS, CITY COUNCILOR, PRESQUE ISLE;
JOHN TIERNAN, PRESQUE ISLE BUSINESSMAN; AND TOM GA-
GNON, PRESIDENT, PRESQUE ISLE AUTO DEALERS ASSOCIATION**

Mr. TOMPKINS. Senator Hathaway, Congressman Cohen and Congressman Emery, my name is Burt Tompkins. I am a member of the Presque Isle City Council.

First I want to express our appreciation to you for taking the time out of your very busy schedule to come up and conduct this meeting in our interest.

I would like to also say it is very difficult following the other communities to avoid repetition because much of what you have heard, particularly from Terry St. Peter and Bill Johnson—Caribou city manager and chamber of commerce executive respectively—applies to the city of Presque Isle as well, although not to the same degree.

We have 180 military families at Presque Isle living in the military housing complex attached to Loring. That is about 550 people. It involves a payroll of \$1,727,000—a great proportion of which is spent at Presque Isle retail establishments.

There are also 61 citizens of Presque Isle who earn their livelihood at Loring Air Force Base. Together with their families, they comprise about 225 people, and that payroll is \$733,000 a year.

I am unable to provide factual evidence regarding the indirect effect. However, as Caribou did, we conducted a survey of businesses immediately following the announcement on Loring.

With your permission, I would like to read the results or summarize the results for the record. I will not name the individuals. However, I will describe the category of business.

The first one I have is a trailer or mobile home sales organization. The owner says that if the base cutback occurs, an excessive amount of housing will obviously be available in Aroostook County, so it will mean he will have to relocate his business in either central or southern Maine—2 employees involved.

The next one I have involves a moving van line organization. The owner in this particular instance says that if the cutback occurs—not closing, but the cutback occurs—it would probably result in liquidation of his company, unless substantial replacement business became available. That would have to be almost immediately, and obviously almost impossible—8 employees involved.

Another one involving a storage service corporation, and his result after a survey indicates there would be liquidation—2 employees. The fourth one I think is interesting in that he predicts no loss of employees, but because he is in competition with companies who do work on Loring Air Force Base, he would expect the competition to be keen enough to reduce the demand for his services.

He says, "It is my feeling that the indirect effect would be substantial in our competition with those who are allowed to bid for work at Loring."

He is unable to bid for work at Loring due to small business set-aside restrictions, which I am not familiar with but you perhaps are. It would probably mean several lost jobs.

This one involves a highway paving corporation. They have seasonal employment of 65 people. They would expect a 30-percent cutback in that, and a loss of 15 to 20 of those people.

The next is a franchise or regulated trucking firm who would expect to lose an average of a truckload a day and would also expect to cut back from 3 to 4 employees from their present 45.

I have one here from a small retail office equipment and supply organization which presently has eight individuals employed. They would expect, as a result of a loss of 10 percent of their business, to cut back at least one.

I have two more. One of those involves a very large diversified farmer cooperative which does \$16 million in business annually. Only about 4 percent of it comes from Loring. He says he would probably have to reduce his force by three people.

One final survey result, a transportation organization. They employ 25 to 28 people. They would expect the cutback at Loring to reduce business by 30 to 35 percent, and expect to lose six to nine employees.

Presque Isle, of course, has been through this thing and some of us here today were involved there. We were very fortunate in having an excellent pool of manpower which was led by two or three very excellent individuals, including James Kief who is well known to our congressional delegation.

However, in Presque Isle, the problem was not one-tenth the magnitude that it is here. I would point out that it took 10 years from the time we initiated action there until we got where we are today. Only very recently have we been able to fill all of the vacant storefronts that resulted from the closing of the Presque Isle Air Force Base.

And, of course, we are facing a very strong probability of some more vacant storefronts if this is allowed to happen.

Finally, I would like to make just one observation. It is very difficult for me to discern the logic in a country that is so generous that it willingly reconstructed half the world while at the same time it sits by and watches the devastating effect on a small area like Aroostook County of allowing a military establishment to walk out and leave the economic support monster they created and the pieces for the local citizens to pick up. It is hard for me to understand and believe that the welfare of Aroostook citizens can be of such little importance to the Federal Government.

We know and are sure that you gentlemen, the congressional delegation, will use every means at your command. We have confidence in

that. We hope very sincerely that it is going to be enough. We thank you very sincerely for your efforts.

Senator HATHAWAY. Thank you.

STATEMENT OF JOHN TIERNAN, PRESQUE ISLE

Mr. TIERNAN. Thank you very much, Mr. Chairman, Congressman Cohen and Congressman Emery. I am John Tiernan. I am the owner and operator of the Coca-Cola Bottling Co. which is located in Presque Isle. We are a manufacturing wholesaler who distributes throughout Aroostook County and all of Washington County. But our main operation is here in Aroostook County.

I came to the community in 1953 and picked up what was then an ailing business. The basis upon which I predicated my move into this area, very frankly, was the fact that Loring Air Force Base would provide the necessary economic thrust to the area to create what I would consider a viable economic entity, in view of the fact the potato industry had just during the spring of that year suffered a very dramatic decrease in the price of potatoes; and our principal industry, which is potatoes, suffered from 1953 onward until the last 4 years. There were many lean years.

I prepared some remarks so that I would not take too much time and so I would be sure to stick to the point. I was reminded in listening to Mr. Boothby that the Presque Isle school system is also going to suffer a loss of the people from Loring Air Force Base, with its consequent impact on the funding and filling of the schools and the available funds.

Incidentally, I happen to be a member of the board of SAD. We base our decisions on the fact that we assume people will remain in the community.

Since I feel other people will supply you with a statistical analysis of the Loring closing, I will confine my remarks to the effect on my small business in terms of: the closing of Presque Isle Air Force Base in 1961.

The general operating consideration of a small business; and the relative contribution of two broad categories of business; namely, the basic resource producers or satellite industries.

Those of us who were operating in 1961 remember painfully the dramatic slowdown of business that accompanied the closing of the Presque Isle Air Force Base. We were affected directly at that time because we had the contract to supply soft drinks to the base.

In addition to the obvious loss of these sales, the loss of people and income from this small base caused a dramatic loss in overall sales to the community at large.

Keep in mind that we are considering this problem against a small population base of 100,000 people in an area that since 1953 can be classified as economically depressed.

The question then arises, how can a businessman respond to a decrease in sales resulting from factors completely beyond his control?

The alternatives are, basically, No. 1, to go out of business. This is kind of like printing the instructions on opening a case of nitroglycerin. Open it with a sharp blow of a hammer? You can get it open, but the results sometimes are unfortunate.

So he can go out of business. He can increase his prices or he can reduce costs.

The first alternative is too drastic to require our consideration. The second, a price increase, would obviously be economic suicide at a time when sales are declining and the community is suffering an economic depression.

The only reasonable hope for survival is reduction of costs, which leads me to the second aspect of the general operating conditions of a small business.

My observation is that a businessman builds his business slowly and with much effort over a long period of time. I think it important to stop and emphasize the long-term nature of the business environment.

As a business develops, the operator will reach the point where an investment in equipment is necessary. This frequently will increase capacity, cost more than the equipment which is being replaced, requires borrowed capital and will take several years to recover the costs.

Any successful enterprise will require a group of competent, devoted employees. Again, this type of organization is built slowly over a long period of years. All the requisites for building, selection, training, supervision, development of leaders with experience, takes place slowly.

However long it has taken to build the investment and organization, its fragility is illuminated by the contemplated reduction at Loring Air Force Base.

When the businessman went to the bank to borrow the money for the investment, when he hired and trained the people who comprise the organization, he made his long-term investment against the background of the known economic environment and his own projection of this into the future.

Indeed, it is improbable that his banker would advance the necessary funds for investment unless the banking community considered the long-range economic prospects to be at least stable.

So 1 day after he has done all of these things some outside force reduces his population by 10 percent and his available income base by 25 percent.

Where does he turn? He turns to his only available alternative—reduction of costs. He can't reduce his taxes; that is, his sales taxes and property taxes. He can't reduce his power costs. He can't reduce the cost of his supplies. Gasoline is going to continue to cost as much at least. His bank expects to be paid on schedule.

The only area of cost reduction over which the businessman has immediate effective control is personnel. He must reduce payroll to survive. It is the only alternative available to him.

There are two general types of businesses for this consideration: those which produce or add value to a basic resource and sell mostly outside of the economic area where this takes place, and those types which I will term satellite or supportive industries which will basically provide a service or product within the local community.

It is the latter of these satellite businesses who will be drastically affected by Loring's reduced status. They are by far the most numerous. They provide most of the employment for the area, and curtailment of employment in this group would be self-destructive in nature.

Indeed, one can sense how each payroll reduction would feed on itself until the community was reduced to that number necessary to

provide the needs of those supported by the basic resource industries.

With our limited population and limited resource industries, the proposed reduction of Loring would be an economic catastrophe to those of us in the business community who have made long-range commitments to provide goods and services to the total community. Thank you.

Senator HATHAWAY. Thank you very much, Mr. Tiernan.
Mr. Gagnon?

STATEMENT OF TOM GAGNON, PRESIDENT, PRESQUE ISLE AUTO DEALERS ASSOCIATION

Mr. GAGNON. Senator Hathaway, Congressman Cohen, and Congressman Emery, I represent the eight automobile dealers in Presque Isle. We ran an inhouse survey in the last few days trying to get an idea of what this would do to us.

We came up with some figures that the first initial impact would have on us, and that would be about a 15-percent loss of business—approximately \$2 million to the eight of us. Also, \$100,000 loss in the State sales tax; probably 20 to 25 employees loss—which you are talking of a payroll of a couple hundred thousand.

We all agreed on these figures. I don't think there is any question that this much would happen.

Then we get into the snowballing effect that is going to be beyond this initial impact. It looked so severe we didn't care to come up with any figures.

I wonder, with Caribou estimating 30, 40 percent, and of course we wouldn't be affected near as bad on the initial thing. But I think if this snowballs to the point that it could, we get the outflow of people leaving Aroostook County, I think we could be affected by at least 30 percent.

That would be real severe. Fifteen percent, we could cut some corners and survive. Thirty percent, I don't think there is any question there would be half as many of us within a 1- or 2-year period. Thank you.

Senator HATHAWAY. Thank you very much.

Our next witness is the base commander, Col. Russell S. Morton.

STATEMENT OF COL. RUSSELL S. MORTON, BASE COMMANDER, LORING AIR FORCE BASE

Colonel MORTON. Mr. Chairman, members of the delegation, as you know, I am Colonel Morton, the base commander of Loring. I have also been asked by the Air Force to represent them at this hearing.

In that capacity, I wish to respond to questions that you might have that you feel maybe the Air Force hasn't answered before, and any other general questions anyone might have.

Senator HATHAWAY. Are you in a position to give us the basis for the proposed closing?

Colonel MORTON. I feel I am.

Senator HATHAWAY. Would you like to state what it is?

Colonel MORTON. Yes, sir. As I understand it, and it is totally brought about by fiscal restraints, the Air Force has a requirement to reduce approximately 10,500 personnel—7,500 military and 3,000 civilians.

They took a complete look at all bases in the Strategic Air Command. The look was at all bases. They narrowed it down to single-mission bases, which Loring is one of, and the proposal was, and still is, to reduce Loring by those percentage figures which you have seen. Senator HATHAWAY. How has that strategic mission changed in the last year or so from what it was?

Colonel MORRISON. I think to the strategic value aspect, we have to go back to 25 or 30 years ago when Loring was initially constructed. The aircraft that we had in the inventory at that time did not have the range of the B-52, nor were they refuelable. I am referring to the B-36.

Since that time we have perfected the 135, the refueler, and we have also come along with the B-52, which has a considerable range.

I don't believe the Air Force is saying that the strategic value of Loring has decreased. If they felt it was no longer strategically valuable, I think the proposal would have possibly been for closure.

We recognize the need to keep Loring here as a tanker operation, with 10 tankers on alert and capable of supporting other contingency operations as may come up.

Mr. EMERY. How has the mission of Loring itself changed, if I can continue on with Senator Hathaway's question, how has the mission itself changed so that the Air Force feels it can cut back this facility without weakening our national defense or strategic posture?

Colonel MORRISON. The way I understand it, the strategic posture will not change in the sense that we are not eliminating any B-52's from the inventory. We are merely redistributing them. In essence, we are cutting down support costs. The proposal is to reduce the cost of supporting two B-52 wings, one of them being Loring.

The aircraft themselves will still be available for use, and they will be dispersed at other bases. Ours will be dispersed throughout other similar model aircraft bases in the Strategic Air Commands.

Mr. EMERY. I have always understood one of the advantages of having a military Air Force base in the northern part of the country was that it was closer to the potential enemy targets and gave the rest of the United States the capability, let's say, of flying defensive or offensive flights based to the south. At the same time, we have seen a gradual trend over recent years with the military installations, whether Army or Air Force or Navy, moving toward the Southern States. We have seen this very drastically recently.

There have been cutbacks for Devens, which is not Air Force, and Loring, and even some in the President's home State of Michigan.

It seems contrary to the longstanding Air Force policy to move facilities away from the northern tier of States, away from potential targets. Can you comment on that?

Colonel MORRISON. I felt I did initially, but I will try and expand a little bit.

The strategic capability of SAC is such now that we can fly our airplanes from anywhere, basically. Originally, practically all of the Strategic Air Command bases, or the majority of them, were built in the northern tier. After the war when we had the B-36, even those bases that weren't built on the northern tier that had B-36's, those aircraft staged through Loring to fly their mission. That requirement no longer exists.

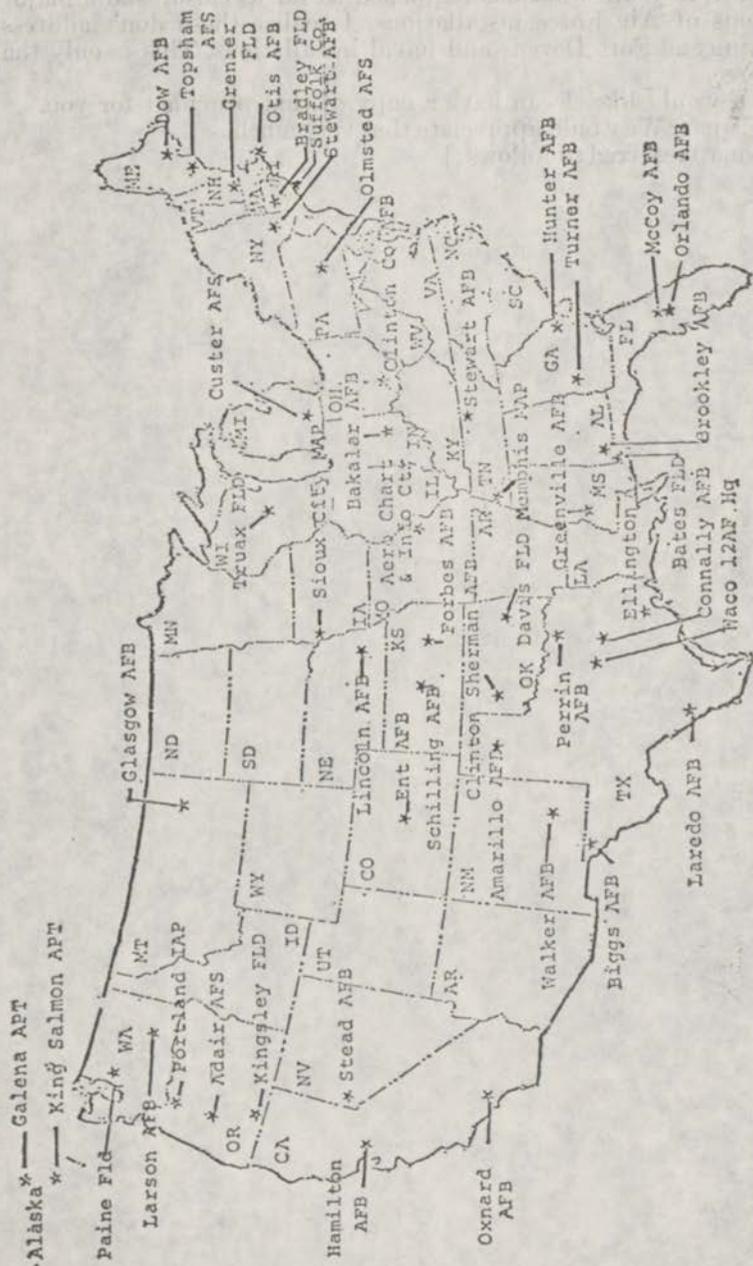
Your comment as regards the drift to the south I don't feel is quite correct as far as the Air Force is concerned. I have a map that shows in the last 10 years what has happened as far as closures and major reductions of Air Force installations. I realize those don't address such things as Fort Devens and naval installations. This is only the Air Force.

If you would like, I can have a copy of that provided for you.

Mr. EMERY. We would appreciate that very much.

[The map referred to follows:]





* Major Installations Closed
 or Reduced to Minor Status
 FY 4/66 - 4/76

Mr. COHEN. As I understand it, Colonel, you say that the reason that the SAC mission as such has been altered somewhat is that the planes today have longer flight capabilities?

Colonel MORTON. Not necessarily longer flight capabilities. With air refueling, they have longer flight capabilities.

Mr. COHEN. Which reduces the need for a base like Loring?

Colonel MORTON. It decreases the location problem.

Mr. COHEN. That would not be true of the B-1 bomber, would it? That has a very short flight time.

Colonel MORTON. No, sir. That is a refuelable aircraft, so its range is relatively unlimited.

Mr. COHEN. Flying at supersonic speeds, it has a very short capacity, does it not?

Colonel MORTON. That is true. Just like the SR-71. It has to slow down for refueling.

Mr. COHEN. Have you had any transfer of military personnel from the base since the announcement of the proposed reduction at Loring?

Colonel MORTON. I need to explain that a little bit. Yes; but let me expand. Not any more so than normal. We have the normal amount of people leaving and people coming in.

Mr. COHEN. You have people coming in?

Colonel MORTON. Yes; certainly.

Mr. COHEN. Buying homes in the area?

Colonel MORTON. No. I don't believe they are buying homes in the area. Which is not really wise at this time.

Mr. COHEN. I understand. What accounts for their coming in? For what purpose would they be coming and for how long?

Colonel MORTON. The normal replacement. Most personnel, when they come up here, don't have a specified time on how long they are going to be here.

Mr. COHEN. So you are saying that it is consistent with past years.

Colonel MORTON. Yes, sir.

Mr. COHEN. The outflow and the inflow are consistent. Do you have the numbers, or could you make them available for the record?

Colonel MORTON. Yes, sir. I don't have them with me, but I can get you the projected losses and gains by month, this year as compared to last year. Would that be sufficient?

Mr. COHEN. Last year and perhaps 1 year before that, too.

Colonel MORTON. If we have those, certainly.

[The information requested follows:]

LORING PERSONNEL CHANGEOVER SINCE MAY 1975

	In	Out
1975:		
May.....	125	185
June.....	119	209
July.....	143	229
August.....	224	132
September.....	171	210
October.....	149	156
November.....	99	168
December.....	98	162
1976:		
January.....	173	140
February.....	135	140
March.....	134	89
April.....	147	115

Figures in preceding table represent actual transfers for all personnel serviced by the Loring personnel office. Those following are projected figures for the following 90 days.

	In	Out
May 1976.....	49	85
June.....	67	107
July.....	96	131

Of significant value to these figures is the reduction of 179 authorizations since March 1975 associated with the reduced flying hours and reconfigured alert structure. This figure represents 65 officers and 114 enlisted.

Mr. COHEN. How about reassignments of B-52's? Do you still have the same number of B-52's on base?

Colonel MORTON. We are authorized 14. We don't have that many here right now. We have one in depot and one on loan.

Mr. COHEN. What is the normal amount you have?

Colonel MORTON. About 12, sir. That is one of the things that this proposal is all about is to build each wing up to its 15 strength and, when you have to send one off to depot—the B-52's are getting quite old. Ours were made in the late fifties. When you send one off to depot for modification, then in effect the wing is minus an aircraft. It makes it that much tougher for the wing commander to support his mission.

Mr. COHEN. Why can't you have them transferred up here to make the 15?

Colonel MORTON. They could be. But the number of aircraft is only sufficient to support lesser squadrons than we have now at the 15 level. By building up the other wings, then we could possibly eliminate the support costs and the overhead.

Mr. COHEN. What type of costs do you expect to achieve through this reduction? You still have the same cost of maintaining the B-52. There is no change there. You will have the same cost in maintaining the KC-135's. I assume you have the same cost in heating Loring.

Colonel MORTON. There would be some reduction because we would not have as many facilities open.

Mr. COHEN. You do have centralized heating, though, don't you?

Colonel MORTON. Mostly. Well, all of our housing is individually heated. There are several buildings on the base that have their own furnaces.

Mr. COHEN. So you contemplate shutting off all the heat to those buildings that are not in use?

Colonel MORTON. Yes, sir.

Well, let me clear that up just a moment. On a contingency operation, if we have to maintain the capability of supporting the large influx of personnel on a temporary basis for a number of days, then I would have to keep the buildings in a semi, what we call a pickled state, with a reduced heat—45°, 50°—so we could warm them up.

Mr. COHEN. Have you identified the areas where you are going to save—not you, but the Air Force—you would save \$24 million?

Colonel MORTON. No, sir. I am not familiar with exactly where those figures come from.

Mr. COHEN. I would assume they would have to contact you or someone under you to come up with recommendations as to how much money they could save by making certain reductions and cutbacks and in what areas.

Colonel MORTON. For the exact figures, we would have to play a part; yes, sir.

Mr. COHEN. Have there been any environmental impact statements prepared to date?

Colonel MORTON. No, sir. The tentative target date is for the statement to be released by July 1, the draft statement.

Mr. COHEN. So no statements have been prepared or released, to your knowledge, as of yet?

Colonel MORTON. No, sir. That is right; there have not been.

Mr. COHEN. Have you seen the environmental narrative?

Colonel MORTON. Yes, sir. That comes from my office, or one of my agencies.

Mr. COHEN. What was the purpose of this, sir?

Colonel MORTON. This was started about 2 years ago. Each and every base in the Air Force is doing this, has one of these. We have been busily updating ours since the announcement.

Mr. COHEN. When was this prepared? Two years ago?

Colonel MORTON. I think I released that last January, February, a year ago.

Mr. COHEN. It indicates on page 9 that "This tab," meaning A-1, environmental narrative, "was intended for, No. 1, preparation of environmental assessments; No. 2, preliminary planning for base mission changes, realignments, and closures."

Did you have any notion 2 years ago that Loring would be scheduled for reduction?

Colonel MORTON. No, sir. Like I said, it might be a little misleading, as I can see. It was done at every base, that booklet.

Mr. COHEN. Have you updated this statement?

Colonel MORTON. Yes, sir, we have.

Mr. COHEN. Is that the information that will be supplied for the environmental impact statement?

Colonel MORTON. Yes, sir. That is a major portion of the statement will be extracted from that.

Mr. COHEN. If I could, I would like to turn to page 18. I noticed in skimming this earlier that in paragraph 2.23, you indicate that—

Planning is based upon maintaining and modernizing the existing facility. No new mission has been assigned to the base. Expansion is not contemplated, nor is reduction, except removal of excess of obsolete buildings, as the need arises.

I am wondering about expansion is not contemplated, or reduction.

Colonel MORTON. That is the way it existed at that time, sir.

Mr. COHEN. That is January of this year?

Colonel MORTON. No; last year. January of last year.

Mr. COHEN. So as of that time you had no notion of expansion or reduction?

Colonel MORTON. No, sir. I am not real sure of the exact date. Put it another way: That book was put out initially with no prior knowledge that this installation had any plans for any reduction.

Mr. COHEN. I notice on page 26 also, in paragraph 3.4, you indicate that "There is no threatened or endangered species." You might have to revise that on the environmental impact statement.

Senator HATHAWAY. Colonel, the refueling capacity has been available for some time, since the early sixties, hasn't it?

Colonel MORTON. Yes, sir.

Senator HATHAWAY. Why wasn't this change made a long time ago?

Colonel MORTON. I can't really answer that, other than the way I see this thing, the Air Force really doesn't want to close any base. It is just we have been directed to reduce support costs. We have got to see if we can't compress and get by with less.

Senator HATHAWAY. Are you saying if the Congress should appropriate sufficient funds to offset the amount of money that ought to be the total you have to cut back on, these bases would stay open—not only Loring, but the others that are designated throughout the country?

Colonel MORTON. If I might respond to that question, sir, with this: As we say in the military, that is a little bit above my pay grade.

Senator HATHAWAY. You said that you are here to represent the Air Force and answer any question which they would answer if the head of the Air Force was here—which, I might add, is something we didn't know anything about until we wrote a letter to the Pentagon asking why a person wasn't going to be here to answer questions.

This is a complete surprise to us that, one, you are here to testify; and, two, you can say you represent the Air Force policy. You can answer any questions with respect to their reason for closing. We could have held a whole day of hearings just on the question of you and the others as to the basis for the closing.

You say the Air Force would keep these open if it had the money to do so?

Colonel MORTON. It is my understanding.

Senator HATHAWAY. We will try to get you the money.

Mr. COHEN. I don't want to diminish the enthusiasm on that response. We raised this very question before the representatives of the Air Force sent to the Maine delegation. We asked if that money were in fact restored to the military, whether they would keep Loring open. The answer was not quite as affirmative as yours, Colonel.

I have to question whether it is in fact purely fiscal, because we certainly have money in the military budget this year of \$114 billion. When you take that amount of money and include the \$24 million that you theoretically propose you would save, I think that amounts to less than three-quarters of 1 percent of the total DOD budget. I don't think it is purely financial or fiscal. In fact, we have offered to restore that \$24 million and did not get an affirmative response to that from the Air Force.

Colonel MORTON. That \$24 million figure, as a package of the \$150 million figure, as I understand it, this is a fiscal 1978 figure, after the actions are all completed and the personnel have cut back, and the way I can see it, it is mostly the 10,500 personnel reduction.

Mr. COHEN. Do you find it coincidental that the announcement of the proposed candidates for reduction came just before the Congress' consideration of the military budget?

Colonel MORTON. I am not knowledgeable of that, sir. I honestly don't know.

Senator HATHAWAY. Do you know if your figure is a net figure; that is, counting all of the other Federal expenditures—

Colonel MORTON. No, sir.

Senator HATHAWAY [continuing]. That have to be made, as has been testified to today, like additional SBA and other Federal agencies?

Colonel MORTON. No. My understanding is it is only a portion of the Defense Department's budget.

Mr. COHEN. You say there is no realignment of B-52's to date, other than the ones that are in repair. What about the KC-135's?

Colonel MORTON. The 135 reassignment is part of the upgrading of the Air Force Reserve; 128 135's are being transferred to Reserve Forces, some of them right down here in Bangor.

Mr. COHEN. Has that taken place yet?

Colonel MORTON. It is in the process. No aircraft from Loring have left. We started a little over a year ago at one squadron a month per quarter, one squadron of Reserve Forces. It has gone smoother than we anticipated and now we are doing two squadrons per quarter.

Mr. COHEN. Pursuant to this proposed reduction?

Colonel MORTON. It is not really tied in with the reduction. The increase in Reserve Forces—what they are doing is getting rid of the old KC-97's and replacing them with 135's.

Mr. COHEN. That would take place whether or not we have this proposed reduction? That is a plan of the Air Force and has nothing to do with the cost savings?

Colonel MORTON. I believe so.

Mr. COHEN. That would not be a relevant consideration as far as the reduction?

Colonel MORTON. It could possibly delay it. As I understand, the Reserve Force is going to be beefed up regardless. There might have to be an adjustment as to where the individual aircraft would come from as opposed to 30 of them from Loring.

Mr. COHEN. I think you were here earlier when one of the gentlemen representing the employees wanted to know where the cuts in civilian personnel would come. Do you have any notion as to where they might be?

Colonel MORTON. No, sir, I don't. I don't know the military personnel cuts, either.

Off the top of my head, just an estimate by me looking at the base, as I envision it under the end mission, as in the proposed candidate mission, I would say that those figures of 578 military and 191 civilians are at best an approximation and are probably a little bit lower than what would actually be needed.

I can't be specific, as we haven't defined the actual end mission to the point where I can say we need 5 of this type or 22 of this type.

Mr. COHEN. When you have your environmental impact statement filed, you intend, I assume, to have a public forum such as this to take testimony?

Colonel MORTON. Yes, sir. If we meet the schedules, as we are doing now, it will be approximately 15 days after. So we are talking of mid to late July for the open hearings.

They will be conducted, as I understand it now, by a legal officer, totally away from another station who would come in and would take testimony exactly as you gentlemen are doing.

Mr. COHEN. Here in Limestone?

Colonel MORTON. We would prefer to have it right here. This is an outstanding facility for a thing of that nature.

Mr. COHEN. Thank you.

Mr. EMERY. Do you feel that this decision reflects a change in philosophy in the Department of Defense in that more emphasis should be placed on nuclear missiles, for example, submarine-launch missiles, as opposed to manned bombers?

Colonel MORTON. No, sir, because this proposal does not eliminate any of the strategic capability of the B-52's. We would still have the same number.

Mr. EMERY. Is it a strategic consideration, the amount of time it takes for the bomb to reach its target? The difference in time for a flight leaving from Loring and a flight leaving from a base further to the south and west, how much time is involved and is that potentially critical to our capability?

Colonel MORTON. I am not an expert, but I don't believe it is as critical now that we have the other methods of getting there in a hurry. I am referring to both the ballistic missiles and the submarine-launched missiles. So that the aircraft timing is not that critical as to when the targets are struck.

Mr. EMERY. How is our defense posture, say, with the Canadians or with the other NATO allies affected by these internal shifts of American bases?

I would assume there is some as to the relationship between the American Air Force and the location of our forces and deployment of our bases. Is that taken into consideration at all?

Colonel MORTON. Our NATO allies should not be affected since we are not denying use of the airfield.

Mr. EMERY. It might be interesting. I am not sure that the Canadian posture and vis-a-vis that of the United States has any difference at all. But it might. That might be of interest.

Colonel MORTON. Let me make sure I understand. You would like to know if these overall candidate actions have any effect on our relationships with our allies overseas.

Mr. EMERY. Not necessarily. But our total military strength. How do our allies have to adjust their military posture to accept changes in our own posture?

Mr. COHEN. I am still a little bit confused. We are going to maintain the same strategic capability, correct?

Colonel MORTON. Yes, sir.

Mr. COHEN. The same number of B-52's; the same number of KC-135's?

Colonel MORTON. The 135's wouldn't be the same.

Mr. COHEN. You are going to increase them?

Colonel MORTON. They would be in the Air Force Reserve and they would support them.

Mr. COHEN. I am talking of the cost to the Government as such. What about the reduction of personnel? You have indicated you want to reduce personnel. What are you going to do with the personnel you transfer?

Colonel MORTON. The military personnel would be transferred to wherever their AFSC, their specialty, can be used.

Mr. COHEN. Still at the pay level?

Colonel MORTON. Not forever. We would lose that many authorizations, so the people coming in would be less on the bottom.

Mr. COHEN. You still have manpower you have to pay, but on a—

Colonel MORTON. Yes, sir, initially. But in the long run we would reduce that many authorizations.

Let me give you another little example on that. In 1968, the Strategic Air Command had 288,000 people in it. Today it has less than 144,000, less than half.

Mr. COHEN. You want to reduce it further?

Colonel MORTON. I am not saying we want to, sir. It appears that we need to.

Mr. COHEN. But how does that come about? What happens to these people? Do they just retire?

Colonel MORTON. Some of them retire. We have going on today considerable early-out programs throughout the Air Force. In other words, what I am saying is that for both officers and enlisted personnel, when they come in, and say they are going to stay "x" amount of time, now the Air Force is saying, "We don't quite need you to stay that long. If you would like to leave a little bit early, we will let you," to get down to the end strength by the end of the fiscal year.

Senator HATHAWAY. You are going to keep the same number of B-52's and the cost for B-52's is the same. How are you going to reduce the cost? If you move from here to another base, you will increase the cost at the other base.

Colonel MORTON. Only for the flying hours. They pick up a little money for flying another aircraft.

Senator HATHAWAY. There is no cost for maintaining and flying them and so forth unless you reduce the number of hours.

Colonel MORTON. Yes, sir. What we would reduce is the number of personnel required to support them because another base can absorb one or two aircraft without appreciably increasing their manning.

Just a rough figure, if we transfer 14 B-52's, other bases could handle that with a very small increase in people; where, on the other side, here at Loring, the proposal would be to reduce, I think it works out to 3,200 people. That might be a little off.

Senator HATHAWAY. Has that been documented so we can look at it? If what you say is true, they are not operating fiscally right now.

Colonel MORTON. Yes, sir. I see your point. Your real question is why haven't we done this 10 years ago.

Senator HATHAWAY. Right.

Colonel MORTON. I would like to think it is because of the overall impact. I am not real sure. I can't answer why we hadn't taken these actions years ago. Although I know over the years we have lost aircraft, so the total number of B-52's comes down slowly.

We lost quite a few—not quite a few—we lost a considerable amount in Vietnam. In essence, that was a squadron's worth of aircraft we lost over there.

So everybody shared in the losses, so to speak, and no wing in SAC has the authorized number of aircraft that they really are authorized. That might not be correct. But most of the wings don't. I will put it that way, sir.

So what we are doing is getting them up to authorized strength. We eliminate a wing and the other wings pick up those aircraft.

Senator HATHAWAY. But you say the overall number will remain the same.

Colonel MORTON. Yes, sir.

Senator HATHAWAY. It seems like the only thing you are going to do is have a shift of the employment, which we can argue about and debate whether it is a smart thing to do strategically. I don't think it is; regardless of whether Loring is in the picture or not.

I think we ought to be employing as many bases as possible in order to make sure that we could survive a strike if that happened. And I can't see that actual cost saving, even if I go along with the argument that we should reduce the employment, because it seems to me that the cost per unit isn't going to be any—

Colonel MORTON. As I understand it, there is a requirement to be fairly specific on that particular question in the draft study.

Senator HATHAWAY. That study you say is going to be out when?

Colonel MORTON. The tentative schedule is before July 1.

Senator HATHAWAY. Of course, no hearings will be held until that has been released?

Colonel MORTON. That is correct.

Senator HATHAWAY. So everybody has a chance to examine it thoroughly and testify about it.

Colonel MORTON. That is right. The way it is spelled out, it is 15 days, and then you have 45 days in which to gather more data as a result of that. That, of course, can be extended.

The one thing I might add, the tentative decision is by December 1. I think that has been made available.

Senator HATHAWAY. That you say will be made before the 1st of December?

Colonel MORTON. Well, no. I didn't say it that way. I said by December 1 is the tentative schedule the way it is laid out now.

Mr. COHEN. Would you tell us of the 3,300 military personnel how many you would anticipate would be retiring from the service?

Colonel MORTON. No, sir. It would be just a guess on my part. We haven't studied that.

Mr. COHEN. Theoretically, they could all stay right in and just be transferred to other bases?

Colonel MORTON. That is true. But then we would stop bringing them in on the bottom to replace them on the top.

Mr. COHEN. Stop bringing them in on the bottom?

Colonel MORTON. Because we could do that.

Mr. EMERY. How do the facilities at Loring compare with other installations to which these aircraft may be transferred? In other words, are we possibly eliminating a facility that is potentially more valuable and in a more desirable location than maybe the base to which it is transferred? How do these bases compare?

Colonel MORTON. Looking at the whole picture, the aircraft facilities are adequate here. I don't know of any major difference in aircraft facilities. Some of the support facilities at other bases might be newer. I don't have those exact figures with me on when all the other bases were built.

Mr. EMERY. What about the geographic location? There are other Air Force bases that are located in more densely populated regions that have environmental problems to consider; there are concerns for the local citizenry, about noise and things of that nature, which aren't a problem here.

Is it possible by expanding the facilities maybe we are enhancing the problem someplace else which is not a problem here? In other words, are we making the best use of the facilities we have available? Shouldn't we maybe be transferring other aircraft to Loring rather than transferring this aircraft someplace else? Do you think this is a consideration that has been made properly? Are you aware that suggestion was in fact followed at all?

Colonel MORTON. I am aware of the prior discussions with you gentlemen and your aides. As to the specifics of why didn't we nominate one at another place and leave Loring alone, I can't really answer, other than to go back to the single-mission concept and that Loring is a single-mission base and was nominated for that reason.

Mr. EMERY. Isn't it true that a base with a single mission or multi-mission is only designated according to what the Air Force decides to do with it? In other words, if Loring should be designated a multi-purpose facility and given the equipment to do that job, it would be as much as any other.

Colonel MORTON. It could be that way. But the way it exists today it is only a single-mission base.

Mr. COHEN. Are all the proposed reductions applied only to single-mission bases?

Colonel MORTON. In the Strategic Air Command.

Mr. COHEN. Are there any single-mission bases that have not been scheduled for realignment or for closing?

Colonel MORTON. Yes, sir.

Mr. COHEN. Where are they?

Colonel MORTON. Let me think. I can get you that information.

Mr. COHEN. Get that information, because I understand also each one has had to prepare this environmental narrative.

Colonel MORTON. Yes, sir.

[The information requested follows:]

Yes; the "single mission" SAC bases similar to Loring are: Blytheville AFB, AR; Kincheloe AFB, MI (also proposed for realignment); Wurtsmith AFB, MI. The draft environmental impact statement will be published in the Federal Register, probably by mid-July 1976.

Mr. COHEN. We would have been in a position to get access to that so we might compare the environmental statement or narrative statement that you have prepared with all of the other SAC bases.

Colonel MORTON. Yes, sir. Those are filed I believe with the Air Force PRE in the Pentagon.

Mr. COHEN. But you say there are other single-mission bases that are not scheduled for reduction, realignment, or closing?

Colonel MORTON. Yes, sir.

Mr. COHEN. You would still stand by your statement in the economic impact statement that you signed?

Colonel MORTON. Yes, sir.

Mr. COHEN. Loring is one of the best bases in the U.S. Air Force.

Colonel MORTON. I will stand behind it.

Mr. COHEN. We trust you will. We ask why they picked Loring to close. Thank you.

Mr. CASE. Just to pursue that single-mission base question a little bit further. We raised that several weeks ago with Air Force people in Washington. They got to about the same point as you did, in explaining why Loring was selected. Which is the question which the delegation has been asking since early March. It came down to the answer that single-mission bases were the subject for curtailment and for closure.

That brought us to the conclusion that Loring must be a special single-mission base of some kind or the other. But they could not at that time provide us with any information as to why Loring, rather than several other untouched single-mission bases around the country, was selected for major curtailment.

There are several single-mission installations, SAC installations, around the country which are smaller than Loring; and, therefore, I would assume, less efficient than Loring. Some are much further south than Loring, further west than Loring.

I realize you probably are not in a position today to provide the discrimination between different single-mission SAC bases. However, I really would like to have available for the hearing as detailed an answer to that question as possible. Why was Loring selected among all of the single-mission bases in this country for this action?

Colonel MORTON. Let me get back to that just a little bit. I am not sure you understand fully the difference between the single- and multi-mission.

If I might, here in the local area, Pease, you would think would possibly be a single-mission base. However, it also has the New Hampshire Guard flying out of there, or the Reserve. I am not sure which it is.

In the Military Air Lift Command, most of the bases are associated with aerial ports and naval ports. We have them at Charleston and McGuire on an Army base. The tactical air lift personnel are all associated with Army bases. Although they have an Air Force base name, most of them are adjacent to an Army facility and are tied together and, therefore, would be called a multimission, although the Air Force has only one mission at that installation.

I think it is also significant that there is a need for Loring to be used for a forward operating base and to be used for transferring aircraft routinely back and forth to Europe and also on a contingency operation. Possibly some of these other single-mission bases couldn't be used for that.

Mr. COHEN. What do you mean by contingency, for example?

Colonel MORTON. An increased alert requirement. I can't really go into it too deep. It is classified. But that is basically what I am saying. That information is available to you in Washington.

Senator HATHAWAY. Let me ask you, Colonel—and I guess we had better cut off the questions so we can go to others who are scheduled to testify—are you participating in the report of the environmental study; you, yourself?

Colonel MORTON. Not directly. Indirectly I have assisted greatly in gathering the data that is being used, or some of the data that is being used for inclusion in the study.

For example, that book we updated. As you might note in there, there are a lot of areas that say "Not available." We have made extensive efforts throughout all of the communities gathering data for that since the announcement; plus we have supplied personnel survey data—in other words, how much money do I spend in the local area, this kind of thing, and other things as opposed to just economic.

Senator HATHAWAY. Did you discuss this matter with the Pentagon before you testified here today?

Colonel MORTON. Yes, sir. I was there Tuesday and Wednesday; I arrived late Monday night and I came back Wednesday. Basically I was down there to be filled in on the prior discussions with you gentlemen and your aides.

Senator HATHAWAY. You have been authorized to make all of the statements that you have made here at this hearing?

Colonel MORTON. Yes, sir. I wasn't instructed not to brief anything or not to answer. I wasn't told what I couldn't say. I was put on my own.

Senator HATHAWAY. I am particularly interested in the statement you made that the Air Force would like to keep this open if they got the money. It could be crucial to what action we might take.

Colonel MORTON. I hope not. We will find out tomorrow if I have exceeded my power.

Mr. EMERY. If I could ask you one final question, Colonel. Did you have any direct input into the recommendation that Loring be one of the bases considered for closing or substantial reduction?

Colonel MORTON. No, sir.

Mr. EMERY. This was in no way a recommendation from you or from your staff?

Colonel MORTON. That is correct.

Mr. EMERY. Were you consulted by the Pentagon?

Colonel MORTON. No, sir. We were informed.

Mr. COHEN. One final question. You recall that Griffiss Air Force Base was scheduled by the Secretary of the Air Force for reduction or closure. Then after transpiring political events there suddenly was a reversal of the decision and they decided to keep it open.

I was wondering, for the benefit of the people here, since we were told when we asked the Air Force official what criteria were used to select Loring for reduction, we were told, "We can't tell you that." When asking about the argument to reverse the Secretary's decision, they said, "We can't tell you that."

I would like perhaps for you to tell us what criteria do you think we should be developing here at this particular meeting and the ones that will be taking place in July and August that you think would be persuasive to the Secretary of the Air Force to keep it open?

Colonel MORTON. Exactly what you are doing today and what the Save Loring Committee is doing.

Mr. COHEN. Is there anything in addition that we should be stressing?

Colonel MORTON. I haven't analyzed it that deeply.

Mr. COHEN. You have analyzed it for the purposes of closing it. Did you analyze it for purposes of keeping it open, helping us out?

Colonel MORTON. I don't believe that is in my charter, sir. But from my knowledge, the Secretary is fairly new in the job. In fact, I am

not sure of the exact dating of it, but I don't believe he was there when the backroom work was done to come up with this proposal although he was in office when the announcement was made.

But he is a man of high integrity. I believe that if your case is strongly put, that he could possibly use one of the alternatives that will be listed.

Mr. COHEN. Is that what happened at Rome Air Center that caused the reversal?

Colonel MORTON. There was pressure from somewhere, yes, sir. I believe the gentleman that ran that and worked out there said it took 10 to 12 months of hard work, but they got it changed.

Mr. COHEN. Thank you.

Mr. EMERY. Colonel, if you had been consulted, if the Pentagon had asked your recommendation for closing of this facility or reduction of this facility, what answer would you have given? Would you have recommended against it or for it, based on your military position?

Colonel MORTON. I would have told them I don't have sufficient information to make a recommendation. I would have to look at the whole picture of all bases everywhere to see what the problem is, and then I would make a recommendation.

Mr. EMERY. Certainly you must have a basic feel for the importance of this base and its mission.

Colonel MORTON. Yes, sir.

Mr. EMERY. Do you feel strongly enough about that mission that you would have made a recommendation, based on your knowledge of its mission?

Colonel MORTON. No, sir. I still can't, because even though I get along just wonderful up here with the local people—and that statement still stands as I signed in there—I don't know the full realm of what is going on at all the other bases. So I can't say which is plus and which is minus.

Mr. EMERY. Colonel, thank you very much for your cooperation.

Senator HATHAWAY. Colonel, thank you very much. We hope that you are still Base Commander tomorrow. And for many years to come.

The next panel of witnesses is from Fort Fairfield: Betty Johnston, Fort Fairfield Chamber of Commerce; David Dorsey, First National Bank of Aroostook; Vince Bernier, I.G.A.; John Anderson, Jandra's Woodshed.

STATEMENTS OF BETTY JOHNSTON, FORT FAIRFIELD CHAMBER OF COMMERCE; DAVID DORSEY, FIRST NATIONAL BANK OF AROOSTOOK; AND JOHN ANDERSON, JANDRA'S WOODSHED

Ms. JOHNSTON. Congressman Cohen, Chairman Hathaway, Congressman Emery, and the good people of Aroostook County who have come today to show their concern to this congressional delegation and to show their appreciation and support of the Save Loring Committee and the good work that they have done thus far.

As you know, Fort Fairfield is a small agricultural community. We will not feel the drastic impact that Caribou and Limestone will feel if this cutback is made immediately. However, we do have probably three businesses that may close if this cutback is made. All of our businesses in Fort Fairfield will feel the effect, mostly because of the civil service employees who work at Loring.

We have about 60 families in our community who are dependent upon an income from the Federal Government. If these families no longer have this income, each one of our businessmen will feel a big, drastic reduction in their sales.

If Mr. Ayoob had been able to stay today to testify, he had intended to approach the tax burden that would be inflicted on people as a result of the civil employees no longer being here at Loring.

I do feel, and I have been critical of the fact that the farming community of Aroostook County has not shown enough concern about this proposed cutback.

We in the farming community will be the people who will feel, over a long period of time, the fact that Loring is no longer operating at maximum capacity.

I would again like to say we appreciate the work that the Save Loring Committee has done. I would like to express my thanks to the people who have been so generous in contributing to the fund to see that this cutback is not made. Thank you.

Senator HATHAWAY. Thank you, Betty.

STATEMENT OF DAVID DORSEY, FIRST NATIONAL BANK OF AROOSTOOK

MR. DORSEY. I am speaking on behalf of my small business. I know if Loring is cut 83 percent, it will have a definite effect on all retail stores which would affect wholesalers; therefore, raising prices again in Aroostook County.

But I strongly feel that if you people do your homework well and we do ours, we can stop the cut. Thank you.

Senator HATHAWAY. Thank you very much.

STATEMENT OF JOHN ANDERSON, JANDRA'S WOODSHED

MR. ANDERSON. Gentlemen, I am John Anderson, from Jandra's Woodshed, in Fort Fairfield. Ours is a small business. In fact, it is closed today because I think this is important enough that we take care of some business to perpetuate the county.

Each of us in a small town wears several hats, from the chamber of commerce to a businessman to a citizen and taxpayer. First, as a businessman, when a small business such as mine, who depends on getting 50 to 60 percent of their income directly from base personnel purchases—not from the base purchases but the personnel on the base—take 83 percent of that away and I might as well close my doors.

I have one alternative, which is to change the operation of the business. But with antiques and gifts, there isn't too much you can change. I would hate to be faced with giving it up.

As a citizen and taxpayer, the only way I can see to save money, and from what I understand of this whole closure, it at least at one time has been predicated on saving money for the Air Force and DOD, is to reduce the cost at the base.

But when you operate something at 17-percent capacity, how can you save money? You either operate at full capacity or you shut it down. The snow removal, the heating, the maintenance, all of the fixed costs attached to operating the base are going to continue for 17 per-

cent and a contingency that won't be talked about or can't be talked about. It doesn't make sense to a businessman.

Thank you.

Mr. COHEN. It doesn't make sense to us, either.

Senator HATHAWAY. Thank you very much, all three of you.

Our next panel is from Houlton: Frank Dunn, Dunn's Furniture; George Brown, Fogg Co.; and Francis Pierce, First National Bank of Aroostook.

STATEMENTS OF FRANK DUNN, DUNN'S FURNITURE; GEORGE BROWN, FOGG CO.; AND FRANCIS PIERCE, FIRST NATIONAL BANK OF AROOSTOOK

Mr. DUNN. Mr. Chairman and distinguished members of the Maine delegation, I am Frank Dunn, treasurer of the Dunn Furniture Co. in Houlton, and here on behalf of Dunn Furniture and Chamber of Commerce in Houlton, as well as the Houlton Regional Development.

My remarks will be mainly directed toward the impact that this Loring cutback would have on our own business, because that is where I am most concerned.

We are a small business in retail furniture sales, employing 29 people. In 1971, we opened a 30,000-square-foot wayside operation at the exit of Route 95. The idea of this was to try to obtain some of the traffic from the northern end of the county—Presque Isle, Caribou, and, of course, including Loring.

The project was financed by the local bank and the SBA. We were encouraged by the increased sales through the improved exposure, so we started plans for a 20,000-square-foot warehouse on the same site in order to improve our service.

Needless to say, these plans have been put on the shelf, pending the outcome of Loring.

Research of our records indicates we would sustain a minimum of 20-percent reduction in sales should the proposed cutback occur. Such a reduction in gross sales would require us to reduce our staff.

We would estimate, in discussions the other day, that immediately on hearing of the date of the cutback, at that date we would probably cut back about four employees, with a look toward cutting back a total of six within 60 days.

This would represent a payroll loss to the town of Houlton of approximately \$40,000. The reduction of staff and the subsequent payroll loss would occur with several other firms in the Houlton area, in varying degrees.

Since we are already at an 11-percent unemployment situation in the southern end of the county, most of these families, in order to find work, will have to relocate.

The reduction in population, of course, means further reduction in business. We go back to the snowballing effect.

To change the subject a little bit, having spent over 12 years with the Air Force in both active duty and Reserve duty, I felt that the strategic importance of Loring had sufficient merit when we moved our operation to the exit of Route 95 to sustain the northern end of Aroostook County for an indefinite period of time.

It was my feeling that the United States needs a military Air Force base on American soil on the great circle route between the New York-Washington area and Europe, and on our Northeasternmost border.

If this has been changed, then the whole theory of flying must have been changed.

One final point. In Houlton, we presently have a newly constructed 20,000-square-foot industrial spec building that is empty, and no efforts by the State or the Houlton Regional Development have been successful in finding a tenant.

This being the case, how could we expect to fill Loring's 9,000 acres, even if they were to give them to us?

Thank you.

Senator HATHAWAY. Thank you, Frank. George?

STATEMENT OF GEORGE BROWN

Mr. BROWN. Mr. Chairman, Congressman Cohen, and Congressman Emery, I thank you very much for having this opportunity to represent the town of Houlton and also the firm which I am associated with, Almon Fogg Co.

We are a small wholesale firm. We are one of the major suppliers of this area, supplying the dealers of Aroostook County with hardware, sporting goods, building materials, and so on.

In fact, our wholesale sales in the area of approximately a 20-mile radius of Loring amounts to about 25 percent of our sales. This is our wholesales.

Consequently, you can see an economic blow in this area through the loss of payroll, through the loss of jobs, the purchasing power would be lost, the housing starts wouldn't be there, major repairing wouldn't be there, the recreational facilities that we supply that are largely used by Loring men because they hunt and they fish, and this is a major industry in this particular area.

I happen to be the buyer of the sporting goods for our firm. In the 117 years that the company has been in business, the last time since 1946 that Loring has been here we have increased tremendously. I went to work for the company in 1940. At that time we had 13 employees. At the present time this has increased to 28. This is partially due to the Loring impact on the economy.

I know we have no concrete way of determining how much our economic loss might be to us personally because we are far away. We are 65 miles from here. But whatever impact it has on the immediate area is definitely going to spin off and affect us, as well as the other businesses in the town of Houlton.

For 30 years, since 1946, I have been quite closely associated with the base. For a number of years we sold the base exchange a tremendous amount of merchandise.

The established central buying out of State, at which time we lost this business. But through our service to the area, we were able to pick up this substantial loss.

For these 30 years, all the businessmen in the area have been assured that Loring was the first line of defense. They were the closest to Russia. They could meet any aircraft; or when we had the missile

here, we could attack with missiles and be substantially closer in time to perhaps stop the enemy before they reach us.

As has been stated a number of times before, we have watched businesses grow and helped them grow. Of course, now with this impact upon us, I can notice that drastically now. And calling on dealers, trying to get future orders for hunting equipment, already dealers are a little bit jittery.

How much should I buy and do I need guns and ammunition for fall? Are we going to have the people here to purchase this material?

As has been noted before, it isn't that we are going to wait until it happens to have an effect on us. It already is having an effect on us. Already people are watching their purchases. They are pulling them in.

Maybe, if it doesn't happen, when the time comes, they aren't going to have the merchandise available for the people when they want it. This is bad. This is very bad. Because we need leadtime on many of these things.

Another feature that I am concerned about is the President's plan for unemployment, making jobs. Here we have an area where we don't have to make jobs. We already have an industry that has the jobs available.

True, our unemployment has been anywhere from 10 to 12 percent, or better. But if this economic blow comes to us, then our unemployment may rise—I have heard projections from the unemployment office—as high as 24 percent.

What is this going to do to the President's plan? He has to turn around and make some jobs for the people. I feel that it just isn't good sense to take an industry out of there that already has the jobs available and for the President to have to make jobs available for people when they already have them.

Thank you.

Senator HATHAWAY. Thank you, George. Francis?

STATEMENT OF FRANCIS PIERCE

Mr. PIERCE. Mr. Chairman, members of the delegation, thank you for allowing me to testify here. I originally thought I would not testify, but as I sat and listened to the other testimony, it seemed to me that I should say something as one of the bankers in the community.

To use the colonel's phrase, to state the position of the Aroostook County Banker's Association, since I am not an officer of that organization, would certainly be speaking above my pay grade.

I shall try to get a statement for the record of this meeting from the Aroostook County Banker's Association, as it seems to me that would be pertinent information.

Mr. Donald Collins, in his very brief remarks in response to Mr. Cohen's question, made two observations about the trailer homes, I believe, and mobile homes and real estate mortgages, which would be a considerable impact.

I also wear another hat here at this table in that I am vice president of Almon Fogg Co. I see no reason for stating the Fogg Co. again. Mr. Brown has done that probably more ably than I can.

I shall consider myself at that meeting in the position to take this information back to our association so that they can give for the record of this meeting their views on this matter.

Thank you.

Senator HATHAWAY. Thank you very much, all three of you.

Our next witness is Mr. Perham Amsden, president of the Maine Teachers Association.

Your entire statement will be made a part of the record. If you could summarize it, we would appreciate it. We are running a little short of time.

[The statement appears at p. 91.]

STATEMENT OF PERHAM AMSDEN, PRESIDENT, MAINE TEACHERS ASSOCIATION

Mr. AMSDEN. Thank you, Senator Hathaway, Congressman Emery and Congressman Cohen. I would like to express first of all my thanks at the opportunity to be here, and I would like to take you briefly through some of the statistics which appear on the white pages at the close of my statement.

If you turn to the first white page, please, it is exhibit A, entitled "Number of Aroostook County Students Connected with Loring," that provides 1975-76 statistical breakdown of the number of Loring-connected students.

Slightly more than 1,500 of those in column A are students that live on Federal base installations, either in Presque Isle, Limestone, Caribou, et cetera. Slightly under 1,000 students are listed in the second column. Those are the students whose parents are employed on Federal installations.

Combined together, they represent about one-sixth of the student populations in these central Aroostook County schools.

We could look at the impact of the closing of Loring in one way by the number of teacher job positions that would be lost.

If you would look at exhibit B, we have taken the current number of teachers in each of those 10 districts and the number of students that are there, the number of Loring students, and made a guesstimate, if you will, that based on the current pupil/teacher ratio, the number of teachers that would be reduced in force would be approximately 139.

I think the important part of that, however, is in terms of the economic loss to the communities in purchasing power, buying power, since 139 teachers with an average salary of roughly \$10,000 in annual salary comes close to \$1.5 million a year purchasing power lost.

I would like to make a comment briefly that a spinoff to this whole thing is the fact you have two teacher training institutions as part of the university system in this area. A loss of 139 teaching positions, or some comparable figure, would be devastating to those particular students currently in college, as well as to the future enrollment of these two institutions.

While we have done nothing to attempt to calculate the impact on the program and the impact on jobs of these two institutions, I think we would have been remiss not to have brought this to your attention. I feel that is an important area that needs to be considered.

Lastly, we have given you statistics in exhibit C and exhibit D in terms of the amount of money which is channeled into the school system from the State, including the reimbursement from the Federal Government for the pupils in the school systems here because of their relationship to the Federal installations.

Finally, I would simply say this, that we stand ready to provide you with whatever facts and figures we can on a continuing basis relative to the impact of the closing of Loring as it relates to education in the schools.

Thank you very much, because all of the teachers in the area I think are very much concerned about not only their futures but the future of the children that they deal with, because most of these children are going to stay here, settle here and work here, and their jobs depend on what happens.

Thank you.

Senator HATHAWAY. Thank you.

Mr. COHEN. Just one question. Out of the almost \$2.5 million, that is the impact that we get, on exhibit D.

Mr. AMSDEN. Exhibit D, we get almost \$2.5 million statewide.

Mr. COHEN. More than a third of that comes to this area.

Mr. AMSDEN. To the county, right. You are bringing Brunswick and Topsham and other areas as well into that \$2.5 million.

Mr. COHEN. Thank you.

Senator HATHAWAY. Thank you very much.

[Mr. Amsden's prepared statement follows:]

Testimony prepared for Maine's Congressional Delegation on the closing of Loring Air Force Base

Presented by: Perham L. Amsden, President
Maine Teachers Association
Augusta, Maine
May 10, 1976

I am Perham L. Amsden, President of the Maine Teachers Association, representing approximately 12,500 members throughout the State of Maine.

I am here to comment on the impact of the proposed closing of Loring Air Force Base, not only on the Town of Limestone but also on several other communities in central Aroostook County.

Exhibit A entitled "Number of Aroostook County students connected with Loring" provides a current 1975-76 statistical breakdown of the number of Loring-connected students in Aroostook County schools.

Slightly more than 1,500 students are listed in Column A as "Students Living on Base." Slightly under 1,000 students are listed in the B column as students whose parents are employed by the Base.

Combined together they represent about 1/6th the student populations in these central Aroostook County schools.

One way of looking at this impact is to examine the number of teaching positions that would have to be reduced by the decline in student population. Exhibit B addresses the issue of Teacher Layoffs. The first column represents the number of total teachers currently employed to teach the total number of students listed in the second column. Based on each district's per pupil ratio, we have calculated an approximate number of teachers that would be reduced as a consequence of the Loring closing for central Aroostook to be a total of 139 positions. Based on an average annual teacher'

salary of slightly in excess of \$10,000, we can calculate that the total loss to the economy of these communities in the vicinity of \$1,500,000 annually.

A spin-off from this is the fact that two campuses of the University system in this County provide teachers for Aroostook County and all Maine schools. A loss of 139 teaching positions would devastate those students currently studying on these campuses as well as create a serious problem for future enrollment. The total impact on the University system in program and jobs is an issue we have not attempted to calculate, but call to your attention.

Exhibit C is an attempt to show the Committee that the State of Maine supplies roughly two and one-third million dollars to central Aroostook to fund schools. The funding is based on a complicated school subsidy formula, but for the purposes of this study we have averaged the State subsidy between the elementary and secondary pupils since we do not have the accurate numbers of elementary and secondary pupils in each community.

However, the State is reimbursed by the Federal Government for its "A" and "B" pupils. Exhibit D shows that the Federal Government reimbursed Maine about \$875,000 for 1974-75 for schools impacted by Loring. That's roughly 36% of the Federal Government's total of \$2,400,000 paid to Maine in 1974-75 to assist local communities impacted by Federal installations.

The economic impact of the closing of Loring will have major significance to this area's schools. The loss of jobs, loss of Federal financial support, loss of purchasing power to the communities, loss to the University system, and loss of future teaching jobs for Aroostook County's young people will seriously

impact upon the total economy of this area.

We stand ready to provide the Maine delegation with facts and figures on a continuing basis relative to the impact of the closing of Loring on education and schools in this area.

I thank you for the opportunity to be here today to represent the teachers of this area who are deeply concerned, not only about their own future but also about the future of the children they teach and prepare for adulthood - many of whom remain here to settle and work throughout their adult life.

Number of Aroostook County Students Connected with Loring

<u>School District</u>	<u>Students Living on Base "A"</u>	<u>Students Whose Parents Employed by Base "B"</u>	<u>Total "A" & "B"</u>	<u>Total School Population</u>
Caribou	18	252	270	3119
Caswell Pt.	25	29	54	133
Easton	0	19	19	339
Limestone	1272	270	1542	2028
SAD #1 Presque Isle	192	64	256	3663
SAD #20 Fort Fairfield	0	62	62	1356
SAD #24 Van Buren	0	129	129	1518
SAD #42 Mars Hill	0	26	26	960
SAD #45 Washburn	0	44	44	787
Union #122	0	79	79	489

B

Teacher Layoffs

School District	No. of Teachers	+	Total Students	Loring Contracted	RIF Teachers
Caribou	172	+	3,119	270	15
Caswell Pkt.	12	+	133	54	5
Easton	23	+	339	19	1
Limestone	113	+	2,028	1,542	86
SAD #1 Presque Isle	198	+	3,663	256	14
SAD #20 Fort Fairfield	75	+	1,356	62	3
SAD #24 Van Buren	95	+	1,518	129	8
SAD #42 Mars Hill	48	+	960	26	1
SAD #45 Washburn	41	+	787	44	2
Union #122 New Sweden) Stockholm) Woodland)	5 4 14	+	489	79	4
TOTAL					139

State of Maine Educational Funds for Students Qualifying under
P. L. 874

State Subsidy per Student for 1976-77 School Year:

Elementary K-8 per pupil	\$ 754.00
Secondary 9-12 per pupil	<u>1110.00</u>
	1864.00 + 2 =
Average per pupil	\$ 932.00

School District	No. of Students	X Average	Total
Caribou	270	\$ 932	\$ 251,640.00
Caswell	54	932	50,328.00
Easton	19	932	17,708 00
Limestone	1542	932	1,437,144.00
SAD #1 Presque Isle	256	932	238,592.00
SAD #20 Fort Fairfield	62	932	57,784.00
SAD #24 Van Buren	129	932	120,228.00
SAD #42 Mars Hill	26	932	24,232.00
SAD #45 Washburn	44	932	41,008.00
Union #122 New Sweden) Stockholm) Woodland)	79	932	73,628.00
TOTAL	2481	X 932	\$2,312,292.00

P.L. 874 Federal Revenue Expended for 1974-75 School Year

State Total \$2,400,000.00

Northern Maine UniServ District

Caribou	\$ 57,335.00
Caswell Pt.	21,560.00
Easton	3,600.00
Limestone	642,150.00
SAD #1 (Presque Isle)	83,465.00
SAD #20 (Fort Fairfield)	15,505.00
SAD #24 (Van Buren)	25,505.00
SAD #42 (Mars Hill)	5,965.00
SAD #45 (Washburn)	8,050.00
Union #122:	
New Sweden	4,495.00
Stockholm	3,320.00
Woodland	<u>3,680.00</u>

TOTAL \$874,630.00 36% of State Allocation

Source: Maine Department of Educational and Cultural Services,
Form ED 263 - Computation of Unit Allocation to Fund
Public Schools

Data Reproduced by Maine Teachers Association, May, 1976

Senator HATHAWAY. The next witnesses are Richard Cullins and Mary Golob from the Damon Elementary School of Loring Air Force Base.

**STATEMENTS OF RICHARD CULLINS AND MARY GOLOB, DAMON
ELEMENTARY SCHOOL, LORING AIR FORCE BASE**

Mr. CULLINS. Members of the congressional delegation, I had a speech prepared, but time is getting along. We would only be rehashing what everybody has said.

I think what the teachers are concerned with in the area is let us educate our children to the standard that they are accustomed now, and keep us off the unemployment lines. Let us work. That is all we want.

Thank you.

[Mr. Cullins' prepared statement follows:]

STATEMENT OF RICHARD A. CULLINS

The recent proposal of the Air Force to cut back Loring A.F. Base will create the following problems:

1. The educational standards maintained by our present school system will be greatly altered.

2. Economic problems will be incurred by those forced into early retirement. This will create low income retirement benefits for many teachers for the remainder of their lifetimes.

3. The percentage of available teaching positions is almost nonexistent. As the situation is today the University of Maine at P. I. will graduate 36 degreed teachers this year. In addition to these the presently unemployed teachers. There will be many applicants for 6 possible teaching vacancies in Aroostook County. To top this, the release of over 50% of Limestone's teaching staff will really establish an excess of teachers.

4. Economically there will be a ½ million dollar loss of salary by the 50 or more unemployed Limestone teachers and co-workers which will devastate the income of this area. This figure of \$499,700.40 represents staff pay for only the Damon School.

5. The normal standard of living will be greatly diminished. Loss of property, mortgages and emotional hardships is only a small percent of our immediate problem. This property value figure of \$1,170,000.00 represents the real estate investment.

6. Teachers will automatically lose tenure, medical benefits, life insurance, retirement possibilities. There are just no available jobs for the 39 Damon Staff home owners.

7. With the loss of our present jobs, the United States Government will also lose 23% of \$499,700.00 as income tax from the Damon teaching staff. This 23% means \$114,931.00 loss of income tax to the United States Government or to the State of Maine.

8. Some of our past teaching staff has chosen to retire in this area. With limited base facilities being offered this will force these retired people to choose another area to resettle.

Lastly, and perhaps the most upsetting factor is: Without available teaching employment we must leave our homes and move wherever one can find work. We chose Aroostook County as our home. Leaving our county would be difficult but even so, just where does one go? All over our Continental U.S. is the problem of over abundance of educators. Why not do your part to help us remain here?

Thank you for the privilege to tell you our personal side of our story!!

STATEMENT OF MARY GOLOB

Ms. GOLOB. I would like to speak as president of the Maine Art Education Association, and I would like to commend the Limestone School Department for having played a leadership role in the dedication to the educating of the total child by initiating our programs for all students as early as 1965.

The Limestone School Department has an impressive record in the fostering, encouraging and making substantial financial commitments to the arts. I feel it would be a severe loss to the aesthetic awareness in Aroostook County for the Limestone School Department to be curtailed in its function of leadership within the educational community.

Thank you.

Senator HATHAWAY. Thank you both for your testimony.

Rev. Earle T. McKinney, president, Northern Aroostook Clergy Fellowship and minister, First Universalist Church, Caribou.

STATEMENT OF REV. EARLE T. MCKINNEY, PRESIDENT, NORTHERN AROOSTOOK CLERGY FELLOWSHIP AND MINISTER, FIRST UNIVERSALIST CHURCH, CARIBOU

Reverend MCKINNEY. Mr. Chairman and members of the Maine delegation, I appreciate this opportunity to speak here today as president of the Northern Aroostook Clergy Fellowship.

This has over perhaps 5 or 6 years averaged a group of 15 or 16 Catholic and Protestant clergymen in local churches, plus chaplains from the Loring Air Force Base. That group is more than half of the clergy in the northern Aroostook area of Caribou north up to Fort Kent.

Military personnel and families from Loring Air Force Base, Limestone, Maine, have over the years been associated with the churches in the area, in varying numbers in the churches and at differing times.

The clergy and parishioners of these churches involved can attest that the presence of the Air Force people in their churches has been of great value.

That presence has served the needs of the Air Force people to identify with people and institutions in the community. It has served as well the churches in many ways.

These people have brought vitality from their broadened experiences of having served and lived elsewhere. They have had innumerable talents that have been available to the churches' needs. They have participated in the life of the churches in ways as deep as the local members, such as: congregants, church school students, church school teachers, youth workers, organists and music directors, choir members, soloists, lay readers, committee chairmen and members, board of trustees members, presidents or chief lay officers, and in special programs.

And a number of these Air Force persons have been the more committed among the congregations as to the value and the importance of the church.

There is no extensive information compiled on each religious society as to the participation of Air Force personnel. It is common knowledge among the religious leaders, however, that some of the churches exist because of people from the base, as such people have extended their religious preference to this area.

Other churches have significant participation which makes their existence much easier and perhaps possible. It is true as well that some churches are affected very little, or even not at all, either directly by Air Force personnel or by civilian employment at the base.

In addition to the Air Force laity, some of the chaplains stationed at Loring Air Force Base have been active members and officers of the Northern Aroostook Clergy Fellowship, where fellowship with civilian clergy was mutually enjoyed. The chaplains have, on occasions, been available to assist at the local churches by preaching and providing programs. They have also held an annual Clergy Day at the base which has brought together clergy of all denominations, a rare occasion, for programs, orientation to the base, and fellowship.

In short, the people stationed at Loring Air Force Base and their families have been of great help in maintaining some religious communities of this area, providing thereby a wide selection of alternative denominations, and enhancing the life of the community through their participation in and relationship to the people of the area around the base.

Thank you.

Senator HATHAWAY. Thank you very much, Reverend McKinney.

The next panel will be Ronaldo Morin, American Legion, and John Sotomayor, president, Maine Military Retirees Association.

STATEMENTS OF RONALDO MORIN, AMERICAN LEGION; AND JOHN SOTOMAYOR, PRESIDENT, MAINE MILITARY RETIREES ASSOCIATION

Mr. MORIN. Senator Hathaway, Congressman Cohen, and Congressman Emery, my name is Ronaldo Morin. I am Department Senior Vice Commander of the American Legion. I am here today on behalf of the American Legion.

The Department of Maine, the American Legion, wishes to be recorded as opposed to the move by the Department of Defense to reduce Loring Air Force Base.

Despite many requests, the Department of Defense has failed to give to the National Security Committee of the Department of Maine, the American Legion, any information which would provide for a background on the necessity of the proposed reduction. The executive board of the Department of Maine, American Legion, has gone on record to voice the opposition of the Legion to the cuts at Loring Air Force Base.

Coupled with the action by the Maine American Legion Department, the entire New England delegation of officers of the American Legion meeting at national headquarters at Indianapolis, Ind., May 3 to 6, 1976, has voted to present a united front to voice the concern of the veterans of New England on the drainout of defense contracts and installations from the New England area.

Only a few years ago the Department of Defense reported that the mission capability of Loring Air Force Base was the key to the defense of the Nation. Now, without any sufficient reason, the people of Aroostook County and Maine are being told that Loring Air Force Base must be reduced to meet the economy drive of the administration.

Certainly nothing has changed in the drive to present a firm defense of the Nation or to reduce the impact which Loring Air Force Base has on the strategy of defense for this Nation.

The American Legion stands second to none in the support of programs aimed at providing for the best possible defense of our people and to curtail aggression in the world. We cannot remain silent while our defense installations are being reduced without any good reason. To say that some economic factor has decided this course which calls for the reduction of Loring Air Force Base is false both in economy and defense patterns.

Nor can we remain silent in the face of the drastic economic factors being affected by the proposed cutbacks at Loring Air Force Base. The unemployment rate, already high in Aroostook County, will really climb with the reductions of employment at the base.

The veterans of Aroostook County employed at Loring Air Force Base and others who are making a life for themselves deserve better consideration from the Department of Defense than this proposed reduction.

The American Legion of Maine, and indeed the New England area, feels that if the proposed reductions at Loring Air Force Base are carried through, the effect on the economy would be devastating, to say the least.

Speaking on behalf of Department Commander Robert R. Rich and Department Adjutant Daniel E. Lambert, and representing the American Legion and Auxiliary, we urge this delegation to call upon the Department of Defense to make all information available to the public and to study in depth the impact of the reduction not only on the economy but also on the defense picture of the Nation.

The American Legion continues to call for a strong military presence in the path to peace, and we feel that the reduction of Loring Air Force Base is not in the best interest of the Nation.

On behalf of the legionnaires and auxiliary members of Maine, I urge this delegation to give every possible avenue of exploration to prevent the reduction of Loring Air Force Base.

Thank you.

STATEMENT OF JOHN SOTOMAYOR, PRESIDENT, MAINE MILITARY RETIREES ASSOCIATION

Mr. SOTOMAYOR. Senator Hathaway, distinguished delegates, my name is John Sotomayor. I am an Air Force retiree. I am representing the Maine Military Retirees Association as its president.

Naturally we are greatly concerned with the proposed cutbacks. For the record, I have submitted copies of the statement.

Senator HATHAWAY. Your entire statement will be made a part of the record.

[The statement appears on p. 104.]

Mr. SOTOMAYOR. I will summarize. The retiree's situation is serious and rather complex. I will skim over my statement and get into some of the highlights.

I wish to go into certain areas, and I wish it clearly to be understood that this is in the rumor category. Prior to the announcement that Loring was to be reduced, the rumor had circulated, and I had personally checked this out at the base and was assured that they had no knowledge of any cutbacks. And, of course, 2 weeks later the Loring cutback proposal was announced.

There have been rumors circulated that the base hospital was being reduced to a staff of 2 doctors and 19 airmen—a dispensary type operation. Such a detail plan existed as early as February.

It appears coincidental that the operating room facilities, obstetrics and pediatrics, have been temporarily curtailed in the hospital due to the necessary cleaning of the air ventilation system. This is a valid consideration, so it would appear. This has been in process for some time now.

It is my understanding at this time that Cary Memorial Hospital in Caribou is to handle the base hospital needs during this interim period.

There were other rumors that I think would be appropriate to note here, even though they are rumors. They persist that many personnel on the base know where they are going, that most of the bomber crews are going to Ellsworth Air Force Base, which is to become a double wing, absorbing personnel from Loring Air Force Base and Kinchloe Air Force Base.

The latest rumors—that 200 assignments have been made and are being held at Barksdale Air Force Base pending release by the Air Force. Another notice was received recently with an effective implementation date of August 1976.

The pattern of rumors seems to be a consistent development of plans leading to the actual proposed cutback. Many feel there is no question of whether or not the reduction will take place but, rather, when. If this is only a proposal under consideration, why the complete detailed planning that has already been laid out? Time will tell whether these rumors are well founded.

Moving along to other areas: It should be appropriate to note for your record that the Maine military retirees have conducted a survey. It is, in fact, in progress right now. We know there are approximately 485 retirees residing here in Aroostook County. We have been able to get a hold of 315 of them. They are being surveyed, and data is still coming in.

The basis of the statistical analysis is on 77 of these people, and that represents a 24.5-percent sampling. One was not surveyed because he has already left the area. Another is leaving the 18th of this month.

There will be a great potential personal loss, great increases of cost and expense, if Loring is reduced. There were 294 of the 315 people who purchased houses in this area, to the amount of \$7,135,380.

Of this number of people, 53 percent say that if Loring is reduced and the hospital facilities are reduced, and the other features which the retirees retired in this area to start with are taken away, these 53 people will leave the area, and it will be at a considerable loss.

This includes disabled personnel. Some are medically retired who are on fixed incomes who do not enjoy the privilege of other work because of their incapacities.

As far as the Limestone school system, I listened to the figures given. I heard the figure quoted as 1,500. You can add 146 of these 77 because 146 children thus far would also have to be included in those figures that might not be readily available. This would affect the Limestone school system by an additional 57 children, not counting what else will be coming in.

The increase to the military personnel in terms of additional expense, if Loring is reduced, is estimated at \$212 per month: 78 percent of all retirees do not have medical insurance to offset the expense of Medicaid or Champus should medical facilities be eliminated from Loring; 93 percent of those surveyed rely on the hospital at Loring Air Force Base for medical treatment. Without medical facilities here to defray the insurance, especially in the case of those that are disabled, this means if they didn't have the funds to defray the cost, they would have to go to Togus, a round trip of over 500 miles.

I didn't go in depth into medical aspects. It is in this document that I have submitted for the record.

There are many, many problems in there. I think that the Air Force ought to be very concerned about this for their people.

In the area of property owners, 58.2 percent indicate they would be faced with losses and travel and relocation expenses. That figure is \$2,479,452.

Seventy-eight percent of the retirees made their home here to be close to the military installation for its hospital, commissary exchange, recreation, and economic welfare—74.4 percent of the retirees are out-of-staters. They are non-Maine natives. Retirees represent over 5,000 years of honorable and faithful service to our country. They perform duties all over the world. And the benefits of retirees used to be many and varied, and they are now basically reduced to those benefits likely to be revoked by the reduction or closure of Loring Air Force Base.

If I understand the Air Force's proposal correctly, the base would still maintain its runways, runway clearance and flight facilities, including the transit facilities, which I understand would be beefed up.

If so, the costs associated with it will not change appreciably. The Government savings would be mainly on aircraft operations, personnel, and fuel.

If the aircraft would be transferred to some other place, they will be operational and fuel will be consumed. And the only appreciable difference that I can see is that there will be about a 65-percent cut in personnel.

I know one area that possibly might not have been touched on. I have to relate this to a young captain on active duty right here at Loring who has a normal reassignment. He has a trailer for sale. He was about to conclude selling his trailer when the announcement was made. Needless to say, he is unable to sell his trailer.

He will make his Air Force assignment. I don't know what he is going to do, whether he will suffer the loss or whether the Air Force will reimburse him for the loss.

I wonder if he owned a house whether the Air Force would bail him out of that, too. So there are many impact considerations for the Air Force as well.

The last area I want to touch on is the national defense and the B-1 bomber. The United States has in the past maintained its position of world leadership, and there have been many reasons for that.

One of them certainly is military capability, the technology and our superiority. With today's potential threats and world conflicts, we cannot and must not take a second place position in our military posture. I don't think the American people will put up with that. We must not reduce our strategic capability nor reduce our ability to deliver our military.

Loring is one of the closest, if not the closest, stateside base to the heart of the Soviet Union. The B-1 bomber has the capability as one in the triad concept to deliver the payload when and if required.

There have been many critics of the B-1, particularly in the area of funding. Loring is exceptionally well suited as to location from which the B-1 bomber or F-111 could operate.

To adopt the philosophy that it is better to use missiles alone could be dangerous. Once launched, you cannot reprogram it or recall it.

Our Air Force personnel are the best trained in the world. Coupled with our technology and weapons such as the B-1 bomber this provides the Nation with a key strategic weapon system.

I ask you, what price are we willing to pay? Are we willing to move to a second place position? If not, we had better see to it that the B-1 bomber comes to Maine, and we had better keep Loring 100 percent operational.

Thank you.

Senator HATHAWAY. Thank you.

[Mr. Sotomayor's prepared statement follows:]

STATEMENT OF THE MAINE MILITARY RETIREE'S ASSOCIATION

My name is John Sotomayor. I am an Air Force Retiree and I am representing the Maine Military Retiree Association (MMRA) as their President. We are greatly concerned on the proposed cutback which not only affects the local economy but can be as far reaching as Bangor and Portland. The retiree's situation is serious and complex and we may find more on the impact that perhaps has not been considered yet.

Before going into that area, I would like to direct attention to recent events—those specifically in the "rumor category." As early as last September rumors circulated that one of the flying units would be leaving. It turned out that later several aircraft were transferred on a temporary basis to support operations elsewhere. Earlier this year, another rumor circulated that a big reduction was coming and that Loring's Bombers and Tankers would be leaving. I personally checked this out with the Wing Commander at Loring AFB and he assured me that he had no knowledge of any cutback or movement plans for any units at Loring AFB. Two weeks later the Loring Cutback Proposal was announced.

Rumors circulated that the Base Hospital was being reduced to a staff of two doctors and 19 airmen—a dispensary type operation. Such a detail plan existed as early as February. It appears coincidental that the Operating Room facilities, Obstetrics and Pediatrics have been "temporarily affected" in the Base Hospital—due to necessary cleaning of the air ventilation system—a valid consideration, so it would appear. This has been in process for some time now. It is my understanding at this time that Cary Memorial Hospital in Caribou is to handle the Base Hospital needs during this interim period. Rumor has it that this is earmarked as a semi-permanent arrangement for some time to come.

I draw attention to specific rumors such as local moving company's being alerted to prepare for extra large household movements commencing July 1976. It is proper to point out that June through August are normally heavy moving periods. Concurrently, rumors persist that many personnel know where they are going, that most of the bomber crews are going to Ellsworth AFB which is to become a double wing—absorbing personnel from Loring AFB and Kinchloe

AFB. The latest rumors—that 200 assignments have been made and are being held at Barksdale AFB pending release by the Air Force. Lastly, that a Movement notice was received at Loring AFB this past week with an effective date of August 1976.

As stated these are some of the more talked about rumors. Two concerning movement and Base Reduction were correct. In the pattern of these rumors there seems to be a constant development of plans leading to the actual proposed cutback. Many feel that there is no question of whether or not the Reduction will take place, but rather when! If this is only a proposal under consideration, why the complete detailed planning that has already been laid out? Time will tell whether or not these rumors are well founded.

Moving along to other areas: The MMRA is in process of conducting a survey of Maine Military Retirees. Approximately 485 retirees live in the Northern Region of Maine. 315 retirees were sent surveys. We received 77 at the point we cut off the input, and this represents a sampling of 24.5% of the surveys. They are still coming in! One was not surveyed because he has already left the area. (The Loring cutback announcement influenced that decision to relocate!)

According to the data already received, a great potential personal loss, and increases of costs and expenses could impact itself on our retired military personnel: 72 of 77 retirees purchased homes and/or properties which amount to \$1,747,500.00.

Equity	\$836,500
Mortgaged	911,000

If 24.5% is a reasonable sample—it would be reasonable to assume that the total for all 315 retiree's surveyed would reflect the following: 294 of 315 purchased—an amount of \$7,135,380.00.

Equity	\$3,415,692
Mortgaged	3,719,688

What is significant is that 20 of 77 retirees indicate that if the Base is reduced they will leave the area. (One is leaving the 18th of this month.) If work is not available—due to reduction, 10 more will leave. If hospital facilities are reduced to a dispensary level, 5 more will leave. If the base is reduced, and they can afford it, 6 more will leave. This is a total of 41 persons—or 53% of those whose survey we received.

53% of all surveyed represents 167 persons. Included in these numbers are retirees who have disabilities and who subsist on fixed incomes. Some are totally dependent on the medical facilities available at Loring AFB. There are 7 medically retired and 15 other retired who have disabilities. (8 of the 15 are from 20 to 70 percent disabled.)

In addition to the obvious reduction which would affect the Limestone Schools, 39 children would be further reduced from the school rolls due to relocations forced by a Loring cutback. 18 more children would be deleted—based on a movement/relocation consideration.

In the area of increased costs to the retiree's: These were averaged. The average family, consisting of husband, wife and three children.

	<i>Per month increase</i>
Food	\$62.25
Household goods	45.43
Clothing	18.23
Entertainment	10.88
Medical	63.33
Total	212.00

78% of all retirees do not have medical insurance to offset the expense of Medicare or Champus, should medical facilities be eliminated from Loring. 93% rely on the hospital at Loring AFB for medical treatment. I should also point out that Champus requires that the retiree pay 25% of the bill—providing that the doctor and/or medical facility recognizes the Medicare recommended charge. If not, and the charge is higher, the retiree must absorb the additional cost. If the retiree has a disability, he might not be insurable in most cases, with those who provide Champus insurance. The approximate cost for monthly insurance is \$48.00. Without adequate medical facilities or funds to defray the costs, the only alternative is travel to TOGUS, Maine—a roundtrip distance over 500 miles.

In the area of property owners, 42.8% indicate they would be faced with \$1,542,474.00 loss, plus a travel/relocation expense of \$224,651.00 to leave the area. 19.4% are not sure if they will be forced to move. If they are, \$702,171.00 loss.—\$10,156.50 travel/relocation expense.

These total:

Loss	\$2, 244, 645
Travel/relocate expense	234, 807
Total	2, 479, 452

78% of the retirees made their homes here for reasons of being close to a military installation for its hospital, Commissary, Exchange, recreation and economic welfare. The retirees represent OVER 5,000 YEARS of honorable and faithful service to our country—through three wars, and performed service in every part of the world. Less we forget, it was not so many years ago that our service people earned as little as \$50.00 a month. It has only been in the recent 15 years that military pay was brought closer to where it belonged. The benefits of the retirees *used to be* many and varied. They are now basically reduced to those benefits likely to be revoked by a reduction or closure of Loring AFB. The Air Force has recently stressed its concern about not utilizing the potential of its retired communities, yet little consideration is given to the hardships, great personal loss and economic impact of its retirees here in Northern Maine.

If I understand the Air Force proposal correctly, the Base would still maintain its runways, runway clearance and flight facilities, increasing the transient facilities. If so, the costs associated with it will not change appreciably. The net government savings would be mainly on aircraft operations, personnel and fuel. What cost to the government to relocate all the personnel, its materiel, the shipment of Household goods. . . . The amount would be staggering! What about the economic impact on those active duty personnel who have bought houses and mobile homes? Consider the following: I know of one young Captain who has a normal assignment and will shortly be leaving. He had his mobile home up for sale and was ready to close on the sale at the time the Loring Cutback announcement was made. The buyer backed out and the Captain still is unable to sell his trailer. Will the Air Force reimburse him for his loss? If he owned a house, would the Air Force bail him out of it? There are many economic impact considerations for Air Force personnel too.

Has impact consideration been given to the pipeline system from Searsport? Freight, rail and moving companys located downstate, but who do a volume of business with Loring AFB? All the businesses along the road between Houlton and Limestone will feel the impact of the personnel reduction.

The last area—and perhaps one of the most important, touches on two things. They are National Defense and the B-1 Bomber. The United States has in the past maintained its position in world leadership for many reasons. One important reason was its position—second to none, in our military posture, and in terms of military capability, technology and superiority. Today with the potential threats and world conflicts, we cannot and must not take a second place position in our military posture. We must not reduce our strategic capabilities, nor reduce our ability to deliver our military might whenever needed to defend our right to live as a free nation—without fear or intimidation. Loring AFB is one of the closest, if not the closest stateside base to the heart of the Soviet Union. The B-1 Bomber has the capability, as one in the TRIAD concept, to deliver the payload if, and when required. There have been many critics of the B-1, particularly in the area of funding. Loring AFB is an exceptionally well suited forward location from which the B-1 Bomber or the F-111's could operate. To adopt the philosophy that it is better to use missiles alone could be dangerous. Once launched, you cannot recall a missile. Our Air Force Personnel are the best trained in the world. The human reliability factor coupled with our technology and such aircraft as the B-1 Bomber—provides this nation with a key strategic weapon system. You have only to look at the new Russian "Backfire" aircraft being introduced into the Soviet arsenal. The B-1 Bomber and the backfire has a great deal in common. They are aircraft of the future.

I ask you. What price are we willing to pay? Are we willing to move to a second place position? If not, we had better see to it that the B-1 Bomber comes to Maine and we had better keep Loring AFB 100% operational.

In conclusion, additional data will be available upon receipt and tabulating of the remaining surveys. It will take several weeks for the whole package, but we shall be happy to furnish whatever data necessary to help the Save Loring Committee formulate its impact study.

It has been a long day, and you have all been very patient. On behalf of the Maine Military Retiree Association, I thank you for allowing us to present our views.

JOHN A. SOTOMAYOR,
President.

[ATTACHMENT A]

1. BRANCHES OF SERVICE RETIRED

Branch of service	Number	Retired from Loring	nonnative retirees
(a) USAF.....	70	58	57
(b) U.S. Army.....	6		0
(c) U.S. Navy.....	2		1
(d) USMC.....	0		0

2. DATE RETIRED

Year	Total retired	Retired from Loring
1976.....	5	4
1975.....	7	7
1974.....	17	15
1973.....	7	5
1972.....	7	7
1971.....	8	6
1970.....	1	1
1969.....	7	4
1968.....	5	2
1967.....	2	1
1966.....		
1965.....	2	2
1964.....	2	2
1963.....	2	1
1962.....	1	
1961.....	2	1
1960 and prior.....	3	
Total.....	78	58

3. Employed at Loring AFB: 20 Retirees, 16 in Appropriated Funds and 4 in Non-appropriated.

4. Own their own business: 9 Retirees (11.6%).

5. Housing: 5 out of 77 rent homes (6%). 72 of 77 purchased homes (includes farms, mobile homes, recreational property and other investments).

Equity.....	\$836,500.00
Mortgaged.....	911,000.00
Total.....	1,747,500.00
Projected totals.....	7,135,380.00
Projected losses.....	-2,479,452.00
Real estate taxes only.....	24,592.00
Total projected.....	100,415.57

[ATTACHMENT B]

Direct increases in costs directly associated with reduction of Loring AFB and its facilities:

	Per month	Per year
Food.....	\$62.25	\$747.00
Household goods.....	45.43	545.16
Clothing.....	18.23	218.76
Entertainment.....	10.88	130.56
Medical.....	63.33	759.96
Total.....	212.00	2,401.44

Employment effect anticipated due to job relation of direct employment on base or local communities where individual's job would be effected by Loring reduction:

	Yes	No	No opinion
Retiree.....	48	26	3
Wife.....	15	59	3
Other family members.....	5		

BANKING SERVICES USED

	Savings	Checking
(a) Local community.....	31	46
(b) Loring Bank (NNB).....	10	23
(c) Loring Federal Credit Union.....	44	11
(d) Other (out of State).....	3	3

Types of mortgage on purchased property:

FHA.....	6
VA/GI loan.....	26
Private bank.....	17
L.F.C.U.	8

GI EDUCATIONAL PROGRAM

	Ricker College	UMPI	UMFK	Husson College	NMVTI	Other
At Loring AFB.....	15	2				
At Caribou.....	7			1		
Houlton.....	1					
Presque Isle.....		1			2	
Fort Kent.....			2			
Devine Institute of Technology.....						1

If Loring is reduced will this have an effect on your plans?

Don't know.....	14
No comment.....	13
Not at all.....	4
Hospital affected, will leave.....	5
Will leave.....	20
Will sweat it out.....	5
If work not available, will leave.....	10
Afford it, will leave.....	6

[ATTACHMENT C]

	Number	46 of 77 retirees sampled
Children of retirees attending schools:		
(a) Elementary schools.....	59	1 31
(b) Junior high school.....	26	1 14
(c) High school.....	48	1 17
(d) Local college.....	13	1 6

¹ At Limestone.

² From Limestone.

Some selected comments from retirees:

1. We relied on Loring AFB when we decided to retire here. Can't believe the Air Force would close or reduce Loring. 4 retiree's.
2. Will stay and sweat out economic recovery. It will be a hardship. 9 retirees.
3. A great impact—we will be forced to a reduced standard of living in order to manage on our fixed incomes. 12 retirees.
4. Will be forced to relocate: 10 retirees.
5. Left or in process of leaving: 2 retirees.
6. Loss of Base facilities will adversely affect those with fixed incomes: 4 retirees.
7. 70% reduction in employment opportunities may force move: 1 retiree.
8. Real estate valuations could drastically be reduced: 1 retiree.
9. Have to leave family here and go elsewhere for work: 2 retirees.
10. Retired here because of Base facilities available. May have to leave: 2 retirees.
11. Great economic impact on all communities: 3 retirees.
12. College course—Education at Rickers could be badly affected: 1 retiree.
13. Unemployment burden will be increased if Loring is reduced. 1 retiree.
14. Unprintables: Numerous.

Senator HATHAWAY. Our next witness is Joel Leblanc, Aroostook County commissioner.

STATEMENT OF JOEL LEBLANC, AROOSTOOK COUNTY COMMISSIONER

Mr. LEBLANC. My name is Joel Leblanc. I am the Aroostook County commissioner. I reside in Madawaska. In view of the lateness of the hour, I will just make a few comments.

I wish to make this comment about the fact that this closure at Loring will affect every community in Aroostook County, and not just the communities close to the Loring Air Force Base.

In this respect, the county taxes which this year amounted to \$664,000 are based on a ratio of the property tax all over the county. So if there is a decrease in valuation in Presque Isle, in Caribou, and in Limestone, this will necessarily increase the taxes in areas such as Olamon and Matinicus. So the whole county will be affected and not merely the areas closely associated in proximity to Loring.

Also, I wish to bring out the fact that we have just built a building in Caribou, and we spent \$668,000. This is a courtroom building, and this was done with the idea that Loring was going to continue here.

We are in the process of putting up another building in Houlton, and we have awarded the contract for \$202,000. If Loring closes, we will not be able to finish this building next year.

We have built these buildings with revenue sharing. The register of deeds will be greatly affected by the closing of Loring. There will be a lot of transfer of land. I am sure there will be a lot of tax links. There will be mortgage foreclosures or whatever.

We will have to add on additional personnel initially, and then, after the base is closed, we will have to at that point eliminate personnel.

But I will submit a written statement, and I will also submit some facts and figures on the county budget. Thank you very much.

[The county information referred to follows:]

Aroostook County, Court of County Commissioners, May Term, A.D. 1975.

On the twenty-third day of this May term of this Court, being the sixth day of June A.D. 1975, It is Ordered, that the County Tax for the year 1975, amounting to six hundred forty-six thousand, six hundred ninety-four Dollars, the sum authorized by a resolve of the Legislature of Maine, approved June 3, 1975, together with an overlay of twelve thousand, nine hundred two Dollars and seventy Cents, being a sum not exceeding two per cent of said six hundred forty six thousand, six hundred ninety four Dollars, be apportioned on the several towns, townships and tracts of land, and on the timber and grass on the reserved lots in said county, according to the last state valuation.

And said apportionment is hereby made as follows:

Apportionment on towns	Valuation	Tax
Amity.....	\$800,000	\$920.80
Ashland.....	6,700,000	7,711.70
Bancroft.....	560,000	644.56
Benedicta.....	940,000	1,081.94
Blaine.....	3,600,000	4,143.60
Bridgewater.....	3,960,000	4,557.96
Caribou.....	64,000,000	73,664.00
Castle Hill.....	1,760,000	2,025.76
Chapman.....	1,400,000	1,611.40
Crystal.....	1,820,000	2,094.82
Dyer Brook.....	1,200,000	1,381.20
Eagle Lake.....	3,300,000	3,798.30
Easton.....	11,500,000	13,236.50
Fort Fairfield.....	28,500,000	32,303.50
Fort Kent.....	20,600,000	23,710.60
Frenchville.....	6,000,000	6,906.00
Grand Isle.....	2,500,000	2,762.40
Haynesville.....	920,000	1,058.92
Hersey.....	760,000	805.70
Hodgdon.....	3,200,000	3,683.20
Houlton.....	2,100,000	48,457.10
Island Falls.....	5,900,000	6,790.90
Limestone.....	12,200,000	14,042.20
Linneus.....	3,450,000	3,970.95
Littleton.....	4,600,000	5,294.60
Ludlow.....	820,000	943.82
Madawaska.....	78,600,000	90,468.60
Mapleton.....	9,000,000	10,359.00
Mars Hill.....	11,250,000	12,948.75
Masardis.....	2,360,000	2,716.36
Merrill.....	920,000	1,058.92
Monticello.....	5,600,000	6,445.60
New Limerick.....	3,000,000	3,453.00
New Sweden.....	2,300,000	2,647.30
Oakfield.....	3,400,000	3,913.40
Orient.....	1,950,000	2,244.45
Perham.....	2,000,000	2,302.00
Portage Lake.....	4,500,000	5,179.50
Presque Isle.....	74,850,000	86,152.35
Saint Agatha.....	3,150,000	3,629.65
Saint Francis.....	1,460,000	1,680.46
Sherman.....	2,950,000	3,395.45
Smyrna.....	1,250,000	1,488.75
Stockholm.....	1,320,000	1,519.32
Van Buren.....	11,600,000	13,351.60
Wade.....	1,200,000	1,381.20
Washburn.....	11,800,000	13,581.80
Westfield.....	2,600,000	2,992.60
Weston.....	1,560,000	1,795.56
Woodland.....	4,300,000	4,949.30
Total for towns.....	475,850,000	547,703.35

Apportionment on plantations	Valuation	Tax
Allagash.....	\$1,880,000	\$2,163.88
Cary.....	580,000	667.58
Caswell.....	1,580,000	1,818.58
Cyr.....	1,280,000	1,473.28
E.....	480,000	552.48
Garfield.....	380,000	437.38
Glenwood.....	800,000	920.80
Hamlin.....	1,840,000	2,117.84
Hammond.....	600,000	690.60
Macwahoc.....	900,000	1,035.90
Moro.....	620,000	713.62
Nashville.....	2,480,000	2,854.48
New Canada.....	920,000	1,058.92
Oxbow.....	640,000	736.64
Reed.....	1,080,000	1,243.08
St. John.....	1,160,000	1,266.10
Wallagrass.....	1,600,000	1,841.60
Westmanland.....	800,000	920.80
Winterville.....	760,000	874.76
Total for plantations.....	20,320,000	23,388.32
Total for unincorporated places and tracts of land and townships.....	76,894,043	88,505.03
Total on timber and grass on reserved lots in Aroostook County.....		

AROOSTOOK COUNTY ESTIMATE 1975-76

Number	1973	1974	Actual, 1974	1975	1976
1000—District court (includes all 6):					
Contractual services:					
Mileage.....	10,000.00	10,000.00	15,561.13	16,000.00	16,000.00
Meals.....	1,200.00	1,200.00	2,106.14	1,800.00	1,800.00
Meals-prisoners.....	175.00	175.00	325.49	4300.00	4300.00
Lodging.....	100.00	100.00	105.70	100.00	100.00
Tolls.....	50.00	50.00	72.25	50.00	50.00
Other (officers fees).....	17,000.00	17,000.00	26,370.75	425,000.00	425,000.00
Medical examinations.....			27.50		
Total.....	28,525.00	28,525.00	44,568.96	43,250.00	43,250.00
1005—Superior court:					
Personal services:					
Court officers.....	8,000.00	8,000.00	9,513.00	9,000.00	9,000.00
Medical services.....				100.00	100.00
Physician.....	50.00	50.00			
Hospital.....	200.00	200.00			
Part-time employees.....	300.00	300.00		100.00	100.00
Jury commissioners.....	400.00	400.00	350.00	400.00	400.00
Grand jury.....	8,000.00	8,000.00	9,259.20	8,000.00	8,000.00
Traverse jury.....	28,000.00	28,000.00	31,482.30	33,000.00	33,000.00
Contractual services:					
Court appointed attorneys.....	14,000.00	14,000.00	13,958.77	14,000.00	14,000.00
Clergymen.....	100.00	100.00	75.00	75.00	75.00
Court appointed interpreter.....	100.00	100.00		100.00	100.00
Psychological examinations.....	75.00	75.00	1,030.30	1,000.00	1,000.00
Referees.....	200.00	200.00	573.25	200.00	200.00
Court stenographers.....	100.00	100.00	864.50	1,200.00	1,200.00
Mileage.....	6,500.00	6,500.00	4,102.76	5,000.00	5,000.00
Meals.....	1,200.00	1,200.00	1,851.71	1,500.00	1,500.00
Lodging.....	600.00	600.00	1,128.80	1,000.00	1,000.00
Tolls.....	50.00	50.00	30.50	25.00	25.00
Telephone.....	500.00	500.00	535.33	600.00	600.00
Rental of equipment.....	25.00	25.00			
Postage.....	300.00	300.00	402.20	700.00	700.00
Officers fees.....	3,000.00	3,000.00	3,183.54	3,300.00	3,300.00
Witness fees.....	6,500.00	6,500.00	7,773.41	8,000.00	8,000.00
Fish and game fees.....	700.00	700.00	1,750.00	2,200.00	2,200.00
Commodities:					
Office supplies.....	300.00	300.00	86.25	300.00	300.00
Books, periodicals and sub- scriptions.....	100.00	100.00	107.75	100.00	100.00
Statues, reference books.....	800.00	800.00		400.00	400.00
Capital outlay: Office.....			509.96		
Total.....	80,100.00	80,100.00	88,568.43	90,300.00	90,300.00

See footnotes at end of table.

AROOSTOOK COUNTY ESTIMATE 1975-76—Continued

Number	1973	1974	Actual, 1974	1975	1976
1010—Supreme judicial court:					
Contractual services:					
Telephone	210.00	240.00	518.30	240.00	260.00
Typewriter (repair and maintenance)	56.00	60.00	57.06	75.00	85.00
Capital outlay: Equipment	575.00	575.00		750.00	750.00
Total	841.00	875.00	575.36	1,065.00	1,095.00
1015—Civil emergency preparedness (civil defense):					
Personal services:					
Director	6,656.00	6,994.00	4,677.63	7,333.00	7,841.00
Clerk-typist II	4,870.00	5,116.34	5,800.00	6,240.00	6,510.00
Fuel allocation office			1,950.00		
Contractual services:					
Mileage	2,500.00	2,500.00	1,852.67	2,500.00	2,500.00
Meals	950.00	950.00	847.97	1,000.00	1,100.00
Lodging	750.00	750.00	723.61	850.00	850.00
Tolls	10.00	10.00	2.50	10.00	10.00
Postage	300.00	300.00	274.60	450.00	475.00
Equipment (repairs and maintenance)	100.00	100.00	222.90	350.00	400.00
Electricity, telephone and insurance (including loop)	2,815.00	2,815.00	2,280.85	3,500.00	3,500.00
Dues	60.00	60.00	110.00	50.00	50.00
Radio maintenance	900.00	900.00	1,194.80	1,200.00	1,500.00
Gas, oil and grease	100.00	100.00		300.00	300.00
Commodities:					
Office supplies	500.00	500.00	572.95	500.00	500.00
Training (salary and other)	400.00	400.00	28.25	50.00	50.00
Books, periodicals and subscription				50.00	50.00
Capital outlay: Equipment, communications, new equipment	1,500.00	1,500.00	2,192.40	1,000.00	1,000.00
Total	22,411.00	22,995.34	22,731.13	25,383.00	26,636.00
1020—Clerk of courts:					
Personal services:					
Clerk	8,500.00	8,500.00	8,733.48	9,600.00	8,866.80
Deputy clerk	6,650.00	6,990.00	7,384.00	7,826.00	8,091.20
Special deputies	12,090.00	12,790.00	14,031.76	14,362.40	14,830.40
Contractual services:					
Telephone	1,600.00	1,600.00	1,744.37	1,800.00	1,800.00
Typewriter (repair and maintenance)	200.00	200.00	375.56	200.00	200.00
Dues			50.00	50.00	50.00
Postage	300.00	300.00	516.00	500.00	500.00
Travel			104.38		
Commodities:					
Office supplies	500.00	500.00	1,289.08	1,200.00	1,200.00
Printing	300.00	300.00	106.05	100.00	100.00
Record books	100.00	100.00	224.09	100.00	100.00
Books, periodicals, and subscriptions	75.00	75.00	119.90	75.00	75.00
Statutes, reference books			29.04	50.00	50.00
Capital outlay: Office equipment	400.00	400.00	985.50	400.00	400.00
Total	30,715.00	31,755.00	35,693.21	36,263.40	36,263.40
1025—County attorney:					
Personal services:					
Part-time employees	4,000.00	4,000.00	4,000.00	8,000.00	8,000.00
County intern			72.00		
Part-time assistant attorney general			1,269.46		
Contractual services:					
Laboratory tests	2,000.00	2,000.00	3,300.00	3,500.00	3,500.00
Medical surgical, hospital	200.00	200.00	15.00	200.00	200.00
Mileage	2,000.00	2,000.00	1,760.80	4,000.00	4,000.00
Meals	1,000.00	1,000.00	774.96	1,500.00	1,500.00
Lodging	1,200.00	1,200.00	316.00	1,200.00	1,200.00
Telephone	1,500.00	1,500.00	1,122.46	1,500.00	1,500.00
Equipment (repairs and maintenance)	100.00	100.00	88.50		
Postage	75.00	75.00	30.00	200.00	200.00
Criminal investigation	4,000.00	4,000.00	8,396.74	4,000.00	4,000.00
Dues	5.00	5.00	15.00	75.00	75.00
Typewriters (repairs and maintenance)					

See footnotes at end of table.

AROOSTOOK COUNTY ESTIMATE 1975-76—Continued

Number	1973	1974	Actual, 1974	1975	1976
1025—County attorney—Continued					
Commodities:					
Statutes reference books	400.00	400.00	235.42	400.00	400.00
Office supplies	125.00	125.00	357.62	900.00	900.00
Capital outlay: Equipment	250.00	250.00	349.00	500.00	500.00
Total	16,855.00	16,855.00	22,102.96	25,975.00	25,975.00
1030—County commissioners:					
Personal services:					
Statutory salaries	10,100.00	10,660.00	10,948.38	12,084.00	12,084.00
Regular employees	11,258.00	11,827.40	12,571.65	13,325.00	13,765.00
Part-time employee-Houlton and Caribou				16,000.00	16,000.00
Contractual services:					
Consultants	500.00	500.00		2,000.00	2,000.00
Mileage	2,500.00	2,500.00	1,216.53	360.84	250.00
Meals	800.00	800.00	360.84	250.00	250.00
Lodging	500.00	500.00	326.55	500.00	500.00
Telephone	1,000.00	1,000.00	972.01	1,100.00	1,200.00
Equipment repairs and maintenance, and typewriters	450.00	450.00	302.62	350.00	350.00
Advertising (notice and bids)	400.00	400.00	663.00	400.00	400.00
County reports	500.00	500.00	498.00	525.00	550.00
Dues:					
Maine Association	1,253.90	1,253.90	1,687.90	1,300.00	1,300.00
National	580.00	580.00		850.00	850.00
Postage	300.00	300.00	314.05	300.00	300.00
Officers fees (posting notices)	50.00	50.00	47.50	50.00	50.00
Commodities:					
Office supplies	400.00	400.00	564.05	400.00	400.00
Books, periodicals, and sections	100.00	100.00	125.35	150.00	150.00
Statutes and reference books	50.00	50.00	29.05	50.00	50.00
EEA			2,116.17	2,000.00	
Dumps (Haynesville)			600.00	600.00	
Capital outlay: Office equipment	300.00	300.00	3,248.00	500.00	500.00
Total	31,041.90	32,171.30	35,591.66	40,734.00	40,699.00
1035—County treasurer:					
Personal services:					
Treasurer	3,500.00	3,695.00	3,794.46	4,188.00	4,144.30
Part-time employee	1,149.20	1,209.00	1,291.55	1,374.80	1,418.50
Contractual services:					
Telephone	25.00	25.00	86.76	85.00	85.00
Equipment (repairs and maintenance)	50.00	50.00	30.00	60.00	60.00
Typewriter (repairs and maintenance)	50.00	50.00	90.95	65.00	65.00
Advertising	100.00	100.00	15.01	50.00	50.00
Postage	480.00	480.00	549.22	750.00	750.00
Post office box rent	8.20	8.20	8.20	10.00	10.00
1974 Dues			25.00	25.00	25.00
Commodities:					
Office supplies	700.00	700.00	312.53	500.00	500.00
Books, periodicals and subscriptions	5.00	5.00	29.00	50.00	50.00
Statutes and reference books	50.00	50.00	29.04	50.00	50.00
Capital outlay:					
Office equipment	70.00	70.00		85.00	85.00
Typewriter	250.00	250.00		200.00	200.00
Total	6,437.40	6,692.20	6,261.72	7,492.80	7,492.80
1040—Houlton Court House:					
Personal services: Custodian					
	6,921.60	7,273.20	7,887.26	7,887.36	7,887.36
Contractual services:					
Electricity	3,000.00	3,000.00	1,966.56	3,500.00	4,500.00
Sewerage/water	1,200.00	1,200.00	1,804.11	1,500.00	1,500.00
Attorney's telephone	350.00	350.00	364.06	400.00	400.00
Grounds/snow removal	300.00	300.00	715.34	500.00	500.00
Buildings and Structures (repairs and maintenance)	5,000.00	5,000.00	3,895.59	4,000.00	4,000.00
Electrical (repair and maintenance)	200.00	200.00	711.13	200.00	200.00
Elevators (repairs and maintenance)	3,000.00	3,000.00	3,485.99	3,500.00	3,500.00
Equipment (repair and maintenance)	100.00	100.00		100.00	100.00
Heating (repair and maintenance)	1,000.00	1,000.00	411.24	500.00	500.00
Plumbing (repair and maintenance)	300.00	300.00	194.65	350.00	350.00
Rubbish removal	150.00	150.00	120.00	150.00	150.00

See footnotes at end of table.

AROOSTOOK COUNTY ESTIMATE 1975-76—Continued

Number	1973	1974	Actual, 1974	1975	1976
1040—Houlton Court House—Continued					
Contractual services—Continued					
Insurance (Buildings and Contents).....	4,000.00	4,000.00	4,057.00	4,000.00	4,000.00
Insurance (liability).....	1,600.00	1,600.00	3,159.00	1,800.00	1,800.00
Surety bonds premiums (officers).....	500.00	500.00	1,020.00	550.00	500.00
Post office box rent.....	30.00	30.00	28.80	30.00	30.00
Commodities:					
Fuel oil (Court house and jail).....	10,000.00	10,000.00	16,818.00	¹ 16,000.00	² 18,000.00
Agricultural/botanical.....	100.00	100.00			
Cleaning and Disinfecting Supplies.....	1,000.00	1,000.00	1,195.10	1,200.00	¹ 1,400.00
Maintenance supplies.....	500.00	500.00	495.49	500.00	500.00
Capital outlay:					
Maintenance equipment.....	5,000.00	5,000.00	1,188.65	1,000.00	1,000.00
Central Buiding renovation.....				¹ 87,500.00	¹ 87,500.00
				² 37,500.00	² 37,500.00
Furnishings.....					¹ 10,000.00
Total.....	44,251.60	44,603.20	49,518.07	172,667.36	185,817.36
1041—Caribou Court House:					
Personal services: Part-time custodian.....	3,323.30	3,486.34	3,867.60	4,094.00	6,000.00
Contractual services:					
Electricity.....	500.00	500.00	440.12	600.00	700.00
Sewerage/water.....	200.00	200.00	149.93	200.00	200.00
Attorneys telephone.....	250.00	250.00	251.12	350.00	350.00
Grounds/snow removal.....	100.00	100.00	23.00	100.00	100.00
Electrical repairs and maintenance.....	50.00	50.00		50.00	50.00
Heating repairs and maintenance.....	25.00	25.00	146.39	25.00	25.00
Painting repairs and maintenance.....	200.00	200.00		100.00	100.00
Plumbing repairs and maintenance.....	100.00	100.00		100.00	100.00
Rubbish removal.....	50.00	50.00	27.00	50.00	50.00
Buildings and structure.....			155.00		
Commodities:					
Fuel oil.....	1,500.00	1,500.00	4,556.93	¹ 4,000.00	4,000.00
Agricultural/botanical grounds.....	50.00	50.00			
Cleaning and disinfecting supplies.....	250.00	250.00	65.13	300.00	300.00
Tools and implements.....	50.00	50.00			
Maintenance.....			533.11		
Capital outlay:					
Equipment-heating.....	3,000.00	3,000.00			
Equipment office.....	300.00	300.00			
Furniture.....				¹ 20,000.00	¹ 5,000.00
Land acquisition.....					
Total.....	9,948.30	10,111.34	10,215.33	29,969.00	16,975.00
1042—Fort Kent registry building:					
Personal services: Custodian.....	3,021.20	3,169.40	3,385.20	3,585.40	3,702.40
Contractual services:					
Electricity.....	1,000.00	1,000.00	777.97	1,000.00	1,000.00
Sewerage/water.....	350.00	350.00	287.92	400.00	400.00
Grounds/snow removal.....	150.00	150.00	142.75	150.00	150.00
Building (repairs and maintenance).....	500.00	500.00	33.46	500.00	500.00
Electrical (repairs and maintenance).....			12.00		
Heating (repairs and maintenance).....	50.00	50.00	21.25		
Plumbing (repairs and maintenance).....	50.00	50.00	6.00	50.00	50.00
Rubbish removal.....	100.00	100.00	50.00	50.00	50.00
Post office box.....	25.00	25.00	7.20	25.00	25.00
Commodities:					
Fuel oil.....	1,000.00	1,000.00	1,598.09	¹ 2,000.00	2,000.00
Cleaning and disinfectant supplies.....	150.00	150.00	73.25	150.00	150.00
Tools and implements.....	50.00	50.00	146.08	50.00	50.00
Total.....	6,446.20	6,594.40	6,541.17	7,960.40	8,077.40

See footnotes at end of table.

AROSTOOK COUNTY ESTIMATE 1975-76—Continued

Number	1973	1974	Actual, 1974	1975	1976
1043—Jail building:					
Contractual services:					
Electricity.....	3,500.00	3,500.00	2,383.80	3,500.00	3,500.00
Buildings and structures (re- pairs and maintenance).....	1,000.00	1,000.00	415.73	1,000.00	1,000.00
Electrical (repairs and mainte- nance).....	1,000.00	1,000.00	426.92	1,000.00	1,000.00
Heating (repairs and mainte- nance).....	300.00	300.00	152.51	300.00	300.00
Painting (repairs and mainte- nance).....			739.36	500.00	500.00
Plumbing (repairs and mainte- nance).....	1,000.00	500.00	708.83	1,000.00	1,000.00
Post office box.....	15.00	15.00		20.00	20.00
Commodities: Supplies and mainte- nance.....	400.00	400.00	109.83	400.00	400.00
Total.....	7,215.00	6,715.00	4,936.98	7,720.00	7,720.00
1044—Jail residence: Contractual ser- vices: Repairs and maintenance, build- ing.....	1,000.00	1,000.00	1,967.86	1,000.00	1,000.00
1045—Jail/garage (probation and parole):					
Contractual services:					
Building and structure (repairs and maintenance).....	200.00	200.00		500.00	200.00
Electrical (repairs and mainte- nance).....	100.00	100.00		100.00	100.00
Heating (repairs and mainte- nance).....	50.00	50.00		100.00	100.00
Plumbing (repairs and mainte- nance).....	100.00	100.00		100.00	100.00
Commodities: Fuel oil.....	500.00	500.00	863.48	900.00	1,000.00
Total.....	950.00	950.00	863.48	1,700.00	1,500.00
1050—Support of prisoners:					
Personal services:					
Deputy sheriff, salary.....	7,300.00	7,300.00	8,164.00	8,654.00	9,170.00
Guard, salary.....	58,000.00	58,000.00	54,574.30	58,000.00	62,000.00
Matron's salary.....	5,200.00	5,200.00	7,596.40	6,890.00	7,303.00
Turnkey's salary.....	7,300.00	7,300.00	7,644.00	8,104.00	8,589.00
Cook salary.....		7,000.00	7,644.00	8,104.00	8,589.00
Contractual services:					
Ambulance service.....	400.00	400.00			
Board of prisoners.....	200.00	200.00			25.00
Clergymen.....	500.00	500.00	5.85	25.00	25.00
Medical, surgical and hospital.....	11,000.00	12,000.00	3,583.22	4,000.00	4,000.00
Mileage.....	300.00	300.00	324.88	500.00	500.00
Prisoners fare.....	200.00	200.00	161.60	200.00	200.00
Lodging.....	75.00	75.00		75.00	75.00
Meals.....	50.00	50.00		200.00	200.00
Utility service, telephone.....	1,000.00	1,100.00	1,114.89	1,200.00	1,200.00
Equipment (repairs and main- tenance).....	500.00	500.00	49.41	150.00	150.00
Rubbish removal.....	500.00	500.00	300.00	300.00	300.00
Typewriters (repairs and main- tenance).....	100.00	100.00	85.65	100.00	100.00
Postage.....	200.00	200.00	2.45	100.00	100.00
Commodities:					
Food groceries and tobacco.....	20,000.00	21,000.00	28,592.91	25,000.00	25,000.00
Cleaning and disinfectant sup- plies.....	1,400.00	1,400.00	1,739.43	1,400.00	1,400.00
Institutional (dish and bed).....	1,200.00	1,200.00	1,741.27	1,200.00	1,200.00
Maintenance supplies.....	800.00	900.00	2,226.86	900.00	1,000.00
Medical, medicine.....	300.00	350.00	331.51	500.00	500.00
Office supplies.....	300.00	300.00	22.70	100.00	100.00
Fingerprinting, photo laboratory supplies.....	700.00	700.00	180.00	100.00	100.00
Clothing, guards uniform.....	1,600.00	1,800.00	784.42	750.00	750.00
Clothing, prisoners.....	1,500.00	1,600.00	573.40	1,000.00	1,000.00
Capital outlay: Office equipment.....	500.00	500.00	1,186.22	500.00	500.00
Total.....	121,125.00	130,675.00	128,584.37	128,052.00	134,051.00

See footnotes at end of table.

AROOSTOOK COUNTY ESTIMATE 1975-76—Continued

Number	1973	1974	Actual, 1974	1975	1976
1065—Registry of deeds (southern):					
Personal services:					
Register, salary.....	7,500.00	7,500.00	7,046.46	7,778.00	7,778.00
Deputy register, salary.....	6,656.00	6,905.60	7,384.00	7,826.00	8,091.20
Regular employees.....	26,806.40	28,095.60	27,667.60	23,712.00	24,726.00
Contractual services:					
Mileage.....	150.00	150.00	81.70	150.00	150.00
Meals.....	20.00	20.00	8.00	20.00	20.00
Lodging.....	50.00	50.00	-----	50.00	50.00
Telephone.....	600.00	600.00	679.62	650.00	650.00
Equipment (repairs and maintenance),.....	500.00	500.00	340.32	600.00	600.00
Postage.....	950.00	950.00	950.00	1,050.00	1,050.00
Dues.....	-----	-----	10.00	+ 25.00	+ 25.00
Commodities:					
Office supplies.....	3,500.00	3,500.00	6,667.24	2,500.00	2,500.00
Printing.....	800.00	800.00	4,889.63	-----	-----
Record books.....	12,634.00	12,634.00	3,046.90	4,850.00	4,250.00
Statutes and reference books.....	40.50	40.50	29.04	50.00	50.00
Periodicals and subscriptions.....	30.50	30.50	65.00	35.00	35.00
Capital outlay:					
Typewriter.....	500.00	-----	504.00	-----	600.00
Equipment micro.....	1,000.00	1,000.00	636.41	-----	-----
Maps (cabinets).....	8,000.00	8,000.00	13,130.54	-----	-----
Total.....	69,737.40	70,776.20	73,136.46	48,696.00	50,575.00
1066—Registry of deeds (northern):					
Personal services:					
Register.....	7,500.00	7,500.00	7,046.46	7,778.00	7,778.00
Special deputy.....	-----	-----	7,066.80	7,488.00	7,826.00
Regular employee.....	16,702.40	17,545.02	11,294.40	7,826.00	8,091.20
Part-time employee.....	-----	-----	-----	7,000.00	7,511.20
Index (10 yr. revenue).....	5,000.00	-----	-----	+ 3,500.00	+ 3,500.00
Contractual services:					
Utilities, telephone.....	200.00	200.00	832.06	850.00	897.00
Plumbing (repairs and maintenance).....	25.00	25.00	-----	-----	-----
Typewriters (repairs and maintenance).....	150.00	150.00	281.52	175.00	175.00
Postage.....	375.00	375.00	444.02	500.00	500.00
Commodities:					
Office supplies.....	2,500.00	2,500.00	2,765.86	1,000.00	1,200.00
Record books.....	750.00	750.00	1,065.06	-----	-----
Books, periodicals and subscriptions.....	25.00	25.00	37.00	35.00	35.00
Statutes and reference books.....	50.00	50.00	29.04	75.00	75.00
Films and records.....	-----	-----	-----	2,000.00	2,000.00
Capital outlay:					
Typewriter.....	500.00	-----	576.00	-----	650.00
Maps.....	6,000.00	6,000.00	5,852.54	-----	-----
Micro-reproducing.....	1,000.00	1,000.00	228.00	-----	-----
Total.....	40,777.40	36,120.02	37,518.76	33,401.60	35,147.20
1070—Register of Probate:					
Personnel services:					
Judge salary.....	5,500.00	5,800.00	5,962.44	6,581.00	6,581.00
Register, salary.....	5,000.00	5,275.00	5,419.98	5,982.00	5,982.00
Special deputy, salary.....	6,656.00	6,994.00	7,384.00	7,826.00	8,090.00
Probate clerk, salary.....	6,338.80	6,656.00	5,059.15	7,488.00	7,737.00
Contractual services:					
Mileage.....	150.00	150.00	122.40	175.00	175.00
Meals.....	50.00	50.00	54.00	80.00	80.00
Lodging.....	70.00	70.00	14.18	80.00	80.00
Utility, telephone.....	450.00	450.00	452.76	500.00	500.00
Equipment (repairs and maintenance).....	140.00	140.00	142.70	160.00	160.00
Dues.....	30.00	30.00	25.00	35.00	35.00
Postage.....	400.00	400.00	425.00	460.00	460.00
Commodities:					
Office supplies.....	1,360.00	1,360.00	467.41	1,500.00	1,500.00
Record books.....	700.00	700.00	1,275.78	800.00	800.00
Statutes and reference books.....	30.00	30.00	48.50	35.00	35.00
Books, periodicals and subscriptions.....	65.00	65.00	29.04	75.00	75.00
Capital outlay:					
Filing cabinets.....	-----	-----	-----	300.00	300.00
Typewriters.....	300.00	300.00	613.50	-----	-----
Total.....	27,239.80	28,570.00	27,495.84	32,077.00	32,590.00

See footnotes at end of table.

ARROSTOOK COUNTY ESTIMATE 1975-76—Continued

Number	1973	1974	Actual, 1974	1975	1976
1075—Sheriff department:					
Personal services:					
Sheriff's salary.....	9,000.00	10,000.00	8,030.42	**8,974.00	*8,974.00
Staff deputy (full time).....	31,200.00	40,684.00	73,731.00	+60,098.00	+59,850.00
Staff deputy (part-time).....	20,000.00	18,000.00	24,627.40	+20,000.00	+20,000.00
Special events (division of treatment).....	3,800.00	4,066.00	7,238.30	+5,000.00	+5,000.00
Special training (intern).....	1,000.00	1,500.00	130.00	1,500.00	1,650.00
Contractual services:					
Mileage.....	25,000.00	27,500.00	26,548.93	30,000.00	33,000.00
Meals.....	1,800.00	1,890.00	2,927.00	2,500.00	2,750.00
Lodging.....	300.00	315.00	257.11	350.00	385.00
Tolls.....	50.00	50.00	12.25	100.00	100.00
Gas, oil, and grease.....	2,500.00	2,675.00	9,283.76	3,000.00	3,300.00
Repairs to county owned vehicles.....	3,000.00	3,300.00	1,562.83	3,500.00	3,850.00
Insurance for county owned vehicles.....	1,600.00	1,760.00	1,544.00	1,500.00	1,650.00
Electricity (Tower, Perham, and Smyrna).....	600.00	660.00	676.95	750.00	825.00
Telephone.....	2,500.00	2,875.00	4,342.60	3,500.00	3,850.00
Teletype.....	700.00	770.00	541.75	770.00	800.00
Equipment (repairs and maintenance).....	250.00	312.00	52.95	300.00	300.00
Radio base towers.....	2,800.00	3,080.00	2,541.60	3,000.00	3,300.00
Radio mobil.....	4,000.00	5,000.00	2,970.44	5,000.00	5,000.00
Typewriters (repair and maintenance).....	75.00	95.00	50.80	100.00	100.00
Postage.....	250.00	300.00	321.88	275.00	300.00
Special criminal investigation (undercover).....	5,000.00	5,250.00	1,203.52	+5,000.00	+5,000.00
Missing persons search costs.....	100.00	125.00	371.85	250.00	250.00
Missing persons food.....	500.00	550.00	-----	500.00	500.00
Commodities:					
Office supplies.....	1,500.00	1,725.00	1,211.72	2,000.00	2,000.00
Printing.....	750.00	938.00	13.00	1,000.00	1,000.00
Clothing uniforms.....	2,800.00	3,500.00	1,843.75	2,500.00	2,500.00
Books, periodicals, and subscriptions.....	200.00	250.00	233.75	250.00	250.00
Statutes and reference books.....	200.00	250.00	29.04	200.00	200.00
Capital outlay:					
Communications radio.....	3,000.00	-----	100.00	1,500.00	1,500.00
Office equipment.....	1,800.00	2,250.00	-----	200.00	200.00
Patrol vehicles.....	3,000.00	3,600.00	15,100.51	4,000.00	4,000.00
Radio network res. fund.....	-----	5,000.00	-----	2,500.00	2,500.00
Total.....	129,275.00	148,270.00	187,599.14	170,769.00	174,884.00
1077—Fire marshal:					
Personal services: Fire marshal salary.....					
-----	6,500.00	6,500.00	3,250.00	3,250.00	3,250.00
Contractual services:					
Mileage.....	2,400.00	2,400.00	2,293.42	2,400.00	2,400.00
Meals.....	250.00	250.00	346.65	300.00	300.00
Lodging.....	250.00	250.00	54.35	300.00	300.00
Utilities services telephone.....	300.00	300.00	222.82	300.00	300.00
Radio repair maintenance.....	50.00	50.00	-----	-----	-----
Dues.....	42.00	42.00	57.40	46.00	40.00
Postage.....	40.00	40.00	39.95	50.00	50.00
Printing.....	40.00	40.00	-----	-----	-----
Commodities:					
Office supplies.....	78.00	78.00	3,618.52	100.00	100.00
Books, periodicals, and subscriptions.....	50.00	50.00	105.00	70.00	70.00
Capital outlays:					
Equipment (new State and county radio system).....	-----	-----	-----	800.00	800.00
Fire prevention and fire department training material and equipment.....	-----	-----	-----	2,390.00	2,390.00
Total.....	10,000.00	10,000.00	9,988.61	10,000.00	10,000.00
1080—Advertising and promotion:					
Contractual Services:					
Land rental (county sign).....	15.00	15.00	15.00	-----	-----
Maintenance county sign.....	200.00	200.00	200.00	-----	-----
Publicity bureau.....	200.00	200.00	200.00	-----	-----
Advertising (county booklet).....	1,500.00	1,500.00	1,850.00	+5,000.00	+5,000.00
Total.....	1,951.00	1,915.00	2,265.00	5,000.00	5,000.00
1090—Auditing: Contractual services.....	2,000.00	2,000.00	2,844.54	2,200.00	2,200.00
2005—Extension service: Contractual (donation).....	30,000.00	30,000.00	30,000.00	36,000.00	30,000.00

See footnotes at end of table.

AROSTOOK COUNTY ESTIMATE 1975-76—Continued

Number	1973	1974	Actual, 1974	1975	1976
2020—Law libraries:					
Houlton.....	4,100.00	4,100.00	5,100.00	15,600.00	15,600.00
Caribou.....	1,100.00	1,100.00	1,100.00	13,000.00	13,000.00
Total.....	5,200.00	5,200.00	6,200.00	8,600.00	8,600.00
2025—Employees benefits:					
Blue Cross and Blue Shield.....	3,000.00	3,000.00	16,163.56	4,500.00	4,500.00
Social security.....	15,000.00	15,000.00	24,080.00	22,000.03	22,000.00
Maine State retirement.....	21,000.00	21,000.00	34,386.58	31,500.00	31,500.00
Workmens compensation.....	1,525.00	1,525.00	10,627.00	5,000.00	5,000.00
Total.....	40,525.00	40,525.00	85,257.14	63,000.00	63,000.00
5050—Xerox:					
Continuous services (rent).....	750.00	750.00	1,412.27	800.00	800.00
Commodities.....	300.00	300.00	503.74	300.00	300.00
Total.....	1,050.00	1,050.00	1,916.01	1,100.00	1,100.00
2041—3M copier:					
Continuous services (rent).....			663.00	936.00	936.00
Commodities.....			916.14	264.00	264.00
Hardware.....			180.31		
Total.....			1,759.45	1,200.00	1,200.00
2035—Watts line.....					
			1,931.83	2,000.00	2,000.00
2045—Federal, State and county sponsored programs:					
Aroostook Home Care Agency.....	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Green Valley Association.....				100.00	100.00
St. John Valley Retarded.....	5,000.00	5,000.00	5,000.00		
Central Aroostook Retarded.....	12,000.00	12,000.00	12,000.00	20,000.00	20,000.00
Southern Aroostook Retarded.....	8,000.00	8,000.00	8,000.00		
Green Valley Retarded.....	4,000.00	4,000.00	4,000.00		
Ecology planning (NMRPC).....	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Mental health.....	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00
Roads and bridges.....				25,000.00	
Madawaska Historical Society.....	1,000.00	1,000.00	1,000.00	2,000.00	2,000.00
Maine Potato Blossom Festival.....	3,000.00	3,000.00	3,000.00	8,000.00	8,000.00
County band.....	1,000.00	1,000.00		500.00	500.00
Silver Ridge Cemetery.....			150.00	150.00	150.00
Sinclair (T-17, R-4).....				15,200.00	11,300.00
Airports:					
Northern Aroostook Regional Airport.....	14,200.00	14,200.00	14,200.00	4,000.00	4,000.00
Houlton.....	15,000.00	15,000.00	15,000.00	17,000.00	17,000.00
Presque Isle.....	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00
Food stamps.....	50,000.00	50,000.00	50,000.00	10,000.00	48,000.00
Regional arts.....					
Cerebral Palsy of Central Aroostook.....					
4-C's.....					
Human relation services.....				50,000.00	5,000.00
Pine Tree legal.....					
Roger Randall Center.....					
Aroostook County soil and water conservation.....					
Northern Maine Fair Association.....					
Humane society.....					
Aroostook regional task force for older citizens.....					
Total.....	191,200.00	191,200.00	190,350.00	174,950.00	184,050.00
2050—Volunteer firemens insurance.....	1,808.00	1,808.00	2,023.33	2,050.00	2,050.00
Ashland Quebec Highway.....					

¹ Revenue sharing.

² Added costs (central building).

³ District court.

⁴ Commissioners recommendations.

⁵ Error in reporting northern region of Deeds deputy's salary.

⁶ Statutory salary for 1975 and 1976, \$8,974.

Note: Changes in employees benefits: Social security due to grants there will be some credits; Maine State retirement: credits due to grants (extra employees in sheriff's department); workmen's compensation (2 audits in 1974); not all employees have retirement, only social security (optional for short-term employees).

ESTIMATED RECEIPTS

	1973	1974	1975	1976
District Court rent.....	9,000	9,000	9,000	9,000
District Court distribution.....	120,000	120,000	150,000	150,000
Superior Court.....	35,000	35,000	35,000	35,000
Civil defense matching funds.....	9,000	9,000	10,000	10,000
Clerk of Courts.....	1,400	1,400	2,500	2,500
Registry of Deeds (Southern).....	45,000	45,000	50,000	50,000
Registry of Deeds (Northern).....	15,000	15,000	20,000	20,000
Registry of Probate.....	3,500	3,500	4,000	4,000
Sheriff's department.....	1,000	1,000	15,500	18,500
Probation and parole (rent).....	900	900	900	900
Total.....	239,800	239,800	196,900	199,900
Total estimated expenditures.....	887,240	915,372		
Total estimated receipts.....	239,800	239,800		
Reserve fund "D".....	100,000	100,000		
Total.....	339,800	339,800		
Total.....	574,440	574,572		
Increased by legislature.....	93,800	95,285		
Total.....	641,240	670,851		
Revenue sharing credits.....	54,200	54,200		
Amount to be raised.....	587,040	616,657		
Revenue sharing (budget).....			200,800	226,900
District Court (Central Bldg.).....			37,500	37,500
Estimated receipts.....			196,900	199,900
Balance revenue sharing.....			104,681	78,581
Reserve fund "D".....			20,000	20,000
Total credits.....			559,881	562,881
Total amount to be raised.....			646,694	666,367
Total estimated expenditures.....			1,206,575	1,229,248

1 Commissioners recommendations.

COUNTY OF AROOSTOOK, SUMMARY OF BUDGET ESTIMATES

	Proposed by county commissioners		Legislature	
	1975	1976	1975	1976
Requirements:				
Expenditures.....	1,204,753.56	1,230,672.26	1,206,575.56	1,229,248.36
Contingent account.....				
Capital reserve funds(S).....				
Other.....				
Total requirements.....	1,204,753.56	1,230,672.26	1,206,575.56	1,229,248.36
Available credits:				
Revenue.....	196,900.00	199,900.00	196,900.56	199,900.36
Unexpended balances—previous year district court (central building).....	37,500.00	37,500.00	37,500.00	37,500.00
Excess revenue—Previous year—Capital reserve fund "D".....	20,000.00	20,000.00	20,000.00	20,000.00
Surplus (adjustments).....				
Other:				
Federal revenue sharing (budget).....	200,800.00	226,900.00	200,800.00	226,900.00
Federal revenue sharing (balance).....	104,681.00	78,581.00	104,681.00	78,581.00
Total available credits.....	559,881.00	562,881.00	559,881.56	562,881.36
Amount to be raised by taxation.....	644,872.56	667,791.26	646,694.00	666,367.00
Expenditures:				
3000—Personal services.....	439,863.56	454,140.26	441,685.56	452,716.36
4000—Contractual services.....	521,751.00	535,143.00	521,751.00	535,143.00
5000—Commodities.....	81,514.00	83,514.00	81,514.00	83,514.00
6000—Debt service.....				
7000—Capital expenditures.....	161,625.00	157,875.00	161,625.00	157,875.00
Total expenditures.....	1,204,753.56	1,230,672.26	1,206,575.56	1,229,248.36

COUNTY OF AROOSTOOK

Expenditures	1975	1976
1020—Clerk of courts—Personal services (statutory).....	+ \$394. 00	—\$845. 20
1030—County commissioners—Personal services (statutory).....	—6, 416. 00	—6, 416. 00
1035—County treasurer—Personal services (statutory).....	—312. 00	—355. 70
1065—Register of deeds (southern)—Personal services (statutory).....	—722. 00	—722. 00
1066—Register of deeds (northern):		
Personal services (statutory).....	—722. 00	—722. 00
Personal services—Regular.....	+3, 000. 00	+3, 000. 00
Total.....	+2, 278. 00	+2, 278. 00
1070—Register of probate—Personal services (statutory).....	+876. 00	+313. 00
1075—Sheriff:		
Personal services (statutory).....	+626. 00	—526. 00
Personal services (deputies).....	+5, 098. 00	+4, 850. 00
Total.....	+5, 724. 00	+4, 324. 00
Budget increase or (decrease), expenditures.....	+1, 822. 00	—1, 423. 90
Available credits: Estimated revenue miscellaneous—To adjust to dollar figure.....	+ 56	+ 36
Net budget.....	+1, 821. 44	—1, 424. 26

Note: To be applied to amount to be raised by taxation.

Mr. COHEN. Could you tell us what percentage of the county budget is paid by the areas directly related?

Mr. LEBLANC. Yes. It is 40 percent, Congressman Cohen. Madawaska, for example, presently is paying 14 percent of the county budget. I would anticipate that they would be paying 25 percent if the base were to close.

Senator HATHAWAY. Thank you.

Our next witness is Dorothy Kelley.

STATEMENT OF DOROTHY KELLEY, MAINE POTATO COUNCIL

Ms. KELLEY. Thank you, Senator Hathaway, Congressman Cohen, and Congressman Emery. My name is Dorothy Kelley. I am executive vice president of the Maine Potato Council, which is an organization representing all potatogrowers of 5 acres or more in the State.

Aroostook County and agriculture are synonymous, as the county is economically supported by agricultural products; namely, potatoes and forestry.

Last season, 1,200 potatogrowers planted 122,000 acres of potatoes, and 94 percent of this acreage was grown in the county. Aroostook County encompasses 6,453 square miles. In other words, it is larger than the size of Rhode Island and Connecticut combined. Nearly 90 percent of this total area is woodland. The industries within the county are interrelated to potatoes and forestry.

We have potato processing plants that process french fries and dehydrated products and also starch and livestock feed. The county also manufactures wood products, such as prefabricated houses, paper, tennis rackets, fences, and, of course, lumber.

Our available labor force of 34,650 works within these agriculture-related industries. At the present time, we have 11.8 percent of this available labor force which is unemployed.

It has been estimated that some 22,000 people worked in the 1975 potato harvest. Of those employed, 95 were Indians; 49 of these people were bonded Canadians; the remaining 21,856 employed were local residents.

Loring Air Force personnel play an important part in the potato harvest, as the Air Force men, women, and children take to the fields to help with the potato harvest, to get the potatoes in storage before our frost.

The cooperation of Loring personnel received during the harvest is greatly appreciated, as the additional labor force is certainly needed at that time because it is very short-term labor.

Special programs have been planned to acquaint the Loring residents with the potato industry. Growers cooperate with Loring personnel in conducting bus tours of farming operations and processing facilities. Oftentimes a special potato banquet has been served following the tour.

Loring personnel are included and invited to all special agricultural celebrations.

Aroostook County has wide-open spaces, with the hub of activity centering around Presque Isle, Caribou, and Loring. Loring personnel are welcome residents in all our nearby communities, and they participate in business, recreational, and social activities within each community.

Many Loring families have purchased homes and farm property in the area, thus increasing our property value.

To suddenly vacate these homes and farms would place a great burden on each community within the area and increase the taxes for local citizens to cover the costs of community projects already commenced, such as schools, urban renewal, and housing projects.

Even though some Air Force families have retired and settled in this area, the benefits they enjoy from being near an Air Force facility—such as the medical care, hospitals, commissary, social clubs, and family services—will force them to relocate near a base facility.

Aroostook natives are reserved and cordial with strangers. They are seldom hostile or suspicious, and they do develop very deep friendships once they are properly introduced.

There are few native Aroostook citizens who don't count among their very closest friends at least one couple from Loring Air Force Base. We welcome them as highly respected citizens who add to our cultural, social, and economic standards.

To suddenly disrupt a large community such as Loring from such a small populated, integrated area of extremely limited resources will have a drastic effect, socially and economically, on the entire area.

Thank you for allowing me to address the relationship of agriculture and Loring.

Senator HATHAWAY. Thank you very much, Dorothy.

Before recessing the hearing, I want to thank all of the witnesses and the audience, just for being here, for the outstanding contribution you have made. I am sure it will be of significant benefit in the efforts of the Maine delegation to keep the Loring Air Force Base open.

Thank you very much. The hearings will recess, subject to the call of the Chair.

[Whereupon, at 4 p.m., the subcommittee was recessed, subject to the call of the Chair.]

[The following statements and a letter from civilian employees were submitted for inclusion in the record:]



BROS. MEAT PACKING, INC.

Suppliers of Beef - Pork - Veal - Lamb - Poultry
 Potato-Product - Frozen Foods - Ice Cream
 Janitorial & Paper Supplies



10 MAY 1976

TO - SAVE LORING AIR FORCE BASE COMMITTEE
 SUBJECT - LORING AIR FORCE BASE CLOSING

MY NAME IS ALBAN E. CYR - PRESIDENT OF CYR BROTHERS MEAT PACKING OF CARIBOU, MAINE. I RESPECTFULLY SUBMIT MY PERSONAL INTERPRETATION OF THE EFFECT OF THE LORING AIR FORCE BASE CLOSING.

I WAS BORN IN NORTHERN MAINE. AFTER FOUR YEARS OF NAVY DUTY WHICH ENDED IN 1945, I WENT INTO THE MEAT BUSINESS WITH MY BROTHER. I WAS ON HAND WHEN THE FIRST SPADE FULL OF SOIL WAS MOVED AT LORING. ALSO, AT THIS SAME TIME, CARS AND TRUCKS WERE GETTING STUCK IN THE MUD HOLES OF NORTHERN MAINE'S HIGHWAYS DURING THE SPRING, ESPECIALLY ON ROUTE 2 TO BANGOR, MAINE, PLUS CARIBOU TO LIMESTONE. THE DEVELOPMENT OF LORING AIR FORCE BASE BROUGHT AN IMPROVEMENT TO OUR HIGHWAY SYSTEM. WITHOUT LORING'S TOTAL IMPUT, IMAGINE WHAT OUR HIGHWAYS, AND THOSE OF SURROUNDING COMMUNITIES, WOULD BE LIKE.

REMOVE THE IMPACT OF LORING, NORTHERN MAINE WILL RECEDE IN GROWTH AND DEVELOPMENT. THE SAME AS WASHINGTON COUNTY - SOUTHEAST OF NORTHERN MAINE. LOOK WHAT HAPPENED TO EASTPORT, MAINE AFTER THE TIDAL ELECTRIC GENERATING DEVELOPMENT CAME TO A HALT. KNOWN AS THE QUODDY TIDAL PROJECT.

OUR COMPANY EMPLOYS WELL OVER 100 PEOPLE. LORING'S PURCHASING POWER, PLUS THE SPIN-OFF THROUGHOUT THE LOCAL COMMUNITIES, AMOUNTS TO 25 TO 30% OF OUR BUSINESS.

WE VISION A DRAMATIC POPULATION WITHDRAWAL TO FOLLOW LORING'S CLOSING. NORTHERN MAINE IS NOT HOLDING ITS POPULATION TODAY. OUR CENSUS WILL PROVE THIS. AROOSTOOK COUNTY IS BLESSED WITH 68 CITIES, TOWNS AND VILLAGES - MANY MAY REVERT BACK TO WILDERNESS. LOOK AT THE PER FAMILY INCOME OF APPROXIMATELY \$ 5,500 TO \$ 6,000 PREVAILING IN THE NORTHERN REGION. IT DOES NOT TAKE TOO MUCH TO TIP THE SCALE AND MAKE THE AREA A WELFARE REGION. THERE WILL BE DRAMATIC REPERCUSSIONS ON EVERY COMMUNITY, AS TAX RESOURCES FOR COMMUNITY EXISTANCE WILL BE IN CRITICAL BALANCE.

IF ISOLATED, GEOGRAPHIC REGIONS SUCH AS NORTHERN MAINE ARE TO CONTINUE TO EXIST, ESPECIALLY AN AREA THAT RECEIVES ITS BASIC LIVELIHOOD STRICTLY FROM AGRICULTURE AND ITS FLUCTUATING INCOME, ADD THE SEPERATION OF LORING AND ITS LONG-RANGE STRANGULATING EFFECT, - IT WILL BE DEVESTATING FOR THE NEXT GENERATION. FORESIGHT IS VERY IMPORTANT.

I TRUST PRIME CONSIDERATION WILL BE GIVEN AFTER ALL FACTORS ARE ANALYZED - SAVE LORING NOW - IT IS ESTABLISHED AND OPERATIONAL... RATHER THAN LET THE REGION BECOME A WELFARE AREA.

RESPECTFULLY SUBMITTED,
CYR BROTHERS MEAT PACKING, INC.

ALBAN E. CYR
PRESIDENT

5-14-76

MAINE PUBLIC SERVICE COMPANY
STATEMENT WITH REGARD LORING REDUCTION

Maine Public Service Company is an electric utility serving Aroostook County and Loring Air Force Base with electric energy. A reduction as proposed at Loring Air Force Base would substantially reduce Maine Public Service Company's revenues. This loss of revenue would mean increased electric rates to the Company's remaining customers as the Company's annual fixed costs of plant investment would not decrease.

Loring Air Base has its own generating capability. However, over the past few years the Company has been supplying the Base with off-peak power. The Company also serves outlying and associated facilities such as Wherry Housing in Presque Isle and the fuel pumping station in Littleton. The direct loss of electric revenue from these facilities has been estimated to be \$600,000 annually.

The greater loss of revenue, however, would be the indirect losses resulting from business reduction and reduced residential families.

It is very difficult for Maine Public Service Company to evaluate completely the impact of these indirect losses. We believe it will be considerable. Support services for Loring are extensive and an immediate cutback of 83% as proposed will eliminate many businesses and seriously curtail others. We believe that this loss of business plus the loss of military families will seriously effect the economy of the area. The

reduced population, together with the reduced income and spending of a large segment of our customers will materially reduce the Company's revenue.

We appreciate the effort being made by the Maine delegation to prevent the Loring reduction.

DEPARTMENT OF THE AIR FORCE
 HEADQUARTERS 42D COMBAT SUPPORT GROUP (SAC)
 LORING AIR FORCE BASE, MAINE 04751
 42 CES/DEH



1 April 1976

Honorable Edmund S. Muskie
 United States Senate
 Washington DC 20510

RE: Loring AFB - Candidate Action for Reduction

Dear Senator Muskie

The entire area surrounding Loring AFB has, over the past 20 years, built its economy around the Base. There is no industry into which civilian persons presently employed at the Base can turn to for jobs. As a result, additional support in the form of unemployment would be required from the Government. A further impact would be levied on the schools as both military and civilian dependent children would no longer be attending - the military because of transfers and the civilian because the parents would no longer be employed on a Government installation. Therefore, Government subsidy would be discontinued.

Many civilian families would be required to move from the area in an effort to obtain employment. This, in turn, would have a tremendous effect on businesses, churches, and local activities. With the large number of military and their dependents having left the area plus the civilians being required to leave due to lack of employment, the entire County would be plunged into a state of depression. At the present time the unemployment rate is in the range of 15% and the proposed action to cut back Loring AFB would certainly add additional stress to the breaking point. The chain reaction created by such a cutback would cripple the County to mammoth proportions. Civilian families would be required to obtain help from various welfare programs and, in fact, would not be earning an income and would not, therefore, be returning some of those earnings to the State and Federal Governments in the form of taxes. Bankruptcy actions would be numerous both on an individual basis as well as on businesses.

Unlike Presque Isle AFB, when it closed some years ago, the community surrounding Loring AFB would not be appropriate for private industries as the Base is in a sparsely populated area. Raw materials would have to be shipped in and then the refined product shipped out to the larger cities.

The civilian personnel would be required to obtain private medical insurance policies on a short notice which would be a burden to an unemployed person.

Peace . . . is our Profession

Housing complexes have been constructed for the sole purpose of renting to military as well as civilian personnel, and by transferring the military personnel a number of apartments would be left vacant and no income would be realized by the land owner. Car sales would drop off and motels and restaurants who depend primarily on patronage from base personnel would be in danger of bankruptcy.

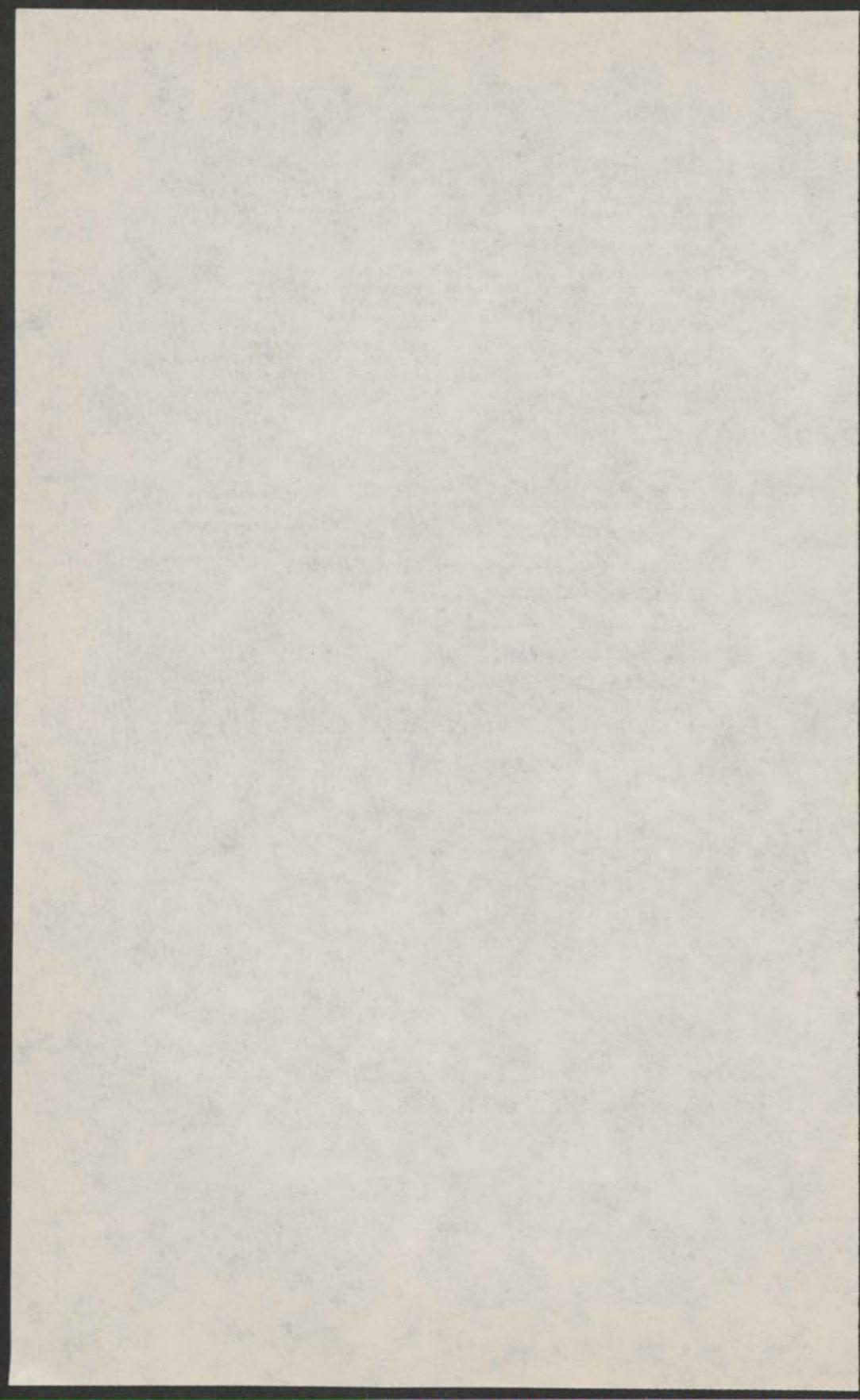
As an additional item for consideration, Loring AFB is located in a very sparsely populated area and has no problems with encroachment from the surrounding community. This in itself should be a definite asset when a mission for Loring is being decided upon.

This letter expresses the opinions of the persons listed below who are presently employed as civilian personnel owning homes in the community as well as military dependents working at the base who have a knowledge of the impact which would be caused if the candidate action to reduce the strength by some 80-83% is approved.

Sincerely

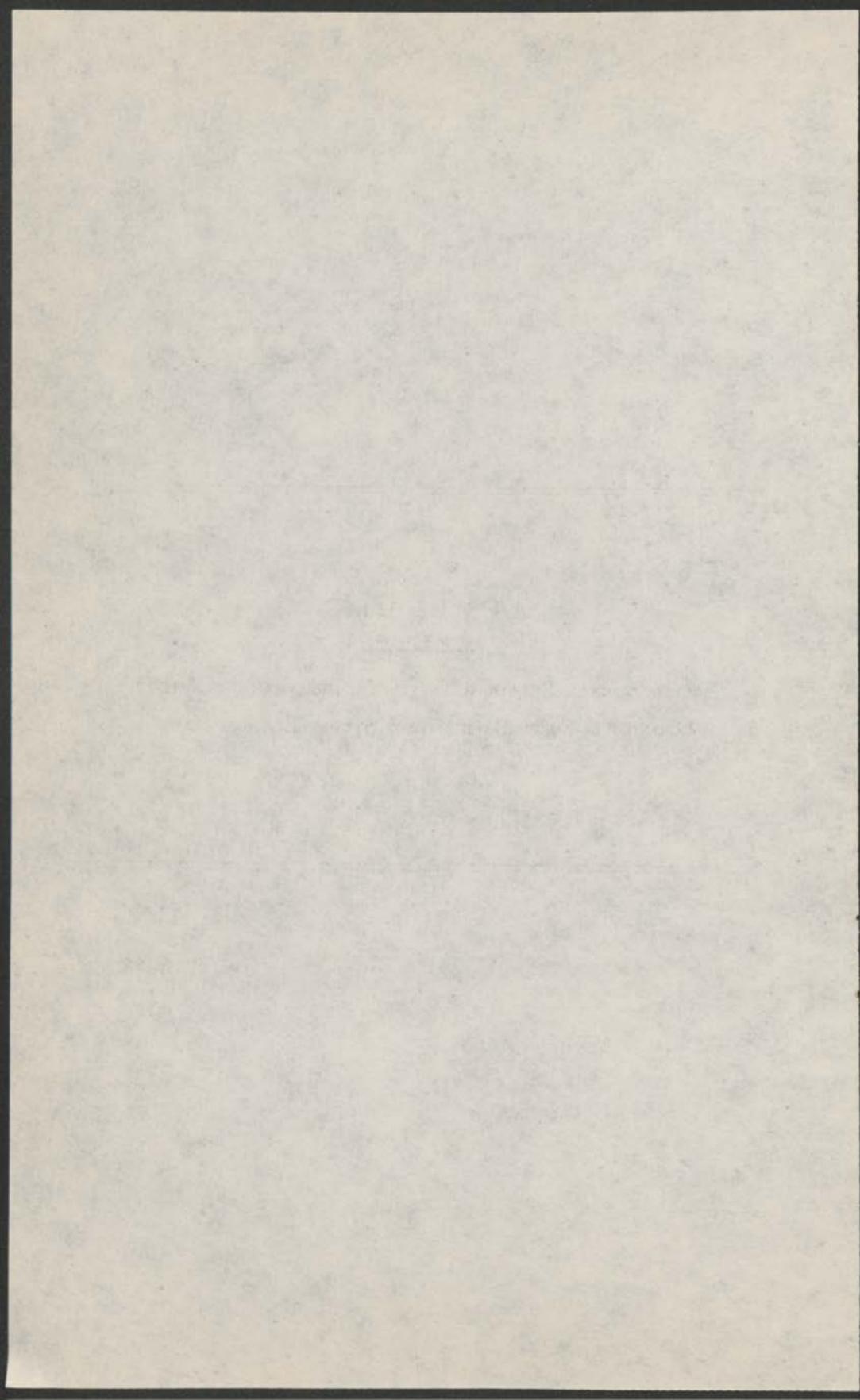
Adrian Holmes
Doris A. Lucas
Wm. Miller
Donal Owen
Marilyn Phillips
Winifred R. Shufly
Daniel L. Howard
 Beryl Nelson

Cy to: Senator Cohen
 Congressman Hathaway
 Congressman Emery



APPENDIX

SOCIAL SCIENCE RESEARCH INSTITUTE, PRELIMINARY REPORT
LORING AIR FORCE BASE IMPACT STUDY: ECONOMIC AND
SOCIAL COSTS



SOCIAL SCIENCE RESEARCH INSTITUTE

PRELIMINARY REPORT

LORING AFB IMPACT STUDY:
ECONOMIC AND SOCIAL COSTS

Prepared for:
SAVE LORING COMMITTEE

Prepared by:
Dr. Kenneth P. Hayes, Project Director
Dr. A.M. Huq, Senior University Consultant
Paul C. Dunham, Senior University
Consultant

MAY 10, 1976

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I. INTRODUCTION

This report, prepared by the Social Science Research Institute, at the University of Maine at Orono, presents a preliminary analysis of the socio-economic impact of the potential closing of the Loring Air Force Base in Limestone, Maine. It is based on currently available information which is limited. As such, it serves only as a preview of the findings of a more comprehensive study, currently under way. It is to be noted that the field surveys are still in progress and many additional data remain to be analyzed. Selected data from partially completed surveys and from other available sources have been reviewed and are being presented in this interim report for the Save Loring Committee's internal use in connection with the hearing to be held by the Maine Congressional Delegation on May 10, 1976.

II. THE IMPACTED AREA: SIZE AND CHARACTERISTICS

It is conceivable that the total impact of the closing of a major military installation like the Loring Air Force Base will have "ripple effects" that may spread across the State, the region and beyond. The thrust of this presentation, however, is on the impact on local communities around the base. For this purpose, the impact area is defined as a cluster of 40 communities in Aroostook County, half of which are within a radius of 30 miles. Presumably, the intensity of the economic impact will decay, as distance from the base increases.

These communities, with a total population of nearly 86,000, are small, relatively isolated and within labor market areas characterized by chronic high unemployment rates. The average unemployment rate is over 11 per cent. Furthermore, in contrast with large metropolitan areas, these local economies are far less diversified, far less viable and far more vulnerable to any major economic disturbance such as the Loring Air Force Base closing. It is understandable why

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the possibility of 83% reduction of the base and the threat that it poses not only to the current economic status of the local communities but also to their future growth, is a matter of deep concern. To what extent this concern is supported by observed facts is of utmost importance to the communities and to the decision-makers involved. The purpose of this study is precisely to generate a set of relevant, empirical data and let the facts speak for themselves.

III. HISTORICAL SETTING

Loring Air Force Base which required the better part of 6 years to construct (1947-1953) was created from wilderness. The initial development involved 7,200 acres primarily in Limestone, Caribou and Caswell. An additional 1,563 acres were acquired in 1948. Today, Loring Air Force Base is said to consist of 8,881 acres.¹ as follows:

Improved	1,664 acres
Semi-improved	1,013
Unimproved	4,751
Misc. grounds	1,453

At the time of its original development, there were fields at Presque Isle, Caribou and Houlton (and a base at Presque Isle), but the heavy bombers which would be operating needed much stronger concrete runways. It was estimated it would cost an additional \$1.5 million to reconstruct the facilities at Presque Isle.²

The two primary reasons for the base development at Limestone appear to have been strategic military purposes and engineering acceptability.

¹Loring Air Force Base, Economic Impact Statement, 1975, p. 12.

²Bangor Daily News, May 1, 1974. The base is said to have been scheduled for establishment in Newfoundland originally

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The base was said to be 4200 miles from Moscow, 3000 from London, 3300 from Paris, and 4400 from the Dardanelles. The New England industrial area, situated on the direct polar airlines was also considered to be vulnerable to attack in case of war. The base, therefore, was initially designed to house long-range bombers with round-trip, 10,000 mile capability.³

The Limestone area with its rocky underpinning was well suited to one of the major engineering requirements for the base -- runways, capable of supporting heavy bombers, which might be made impervious to the effects of the cold weather. The second engineering or design requirement was level land with sufficient clearances for bad weather landings guided by ground Control approach systems. The Limestone area was perfect or could be made perfect for such requirements.

The base is located 745' above sea level and is on a level with the nearest high point of ground in a radius of 30 miles. The runways have sufficient safety factors for takeoffs and bad weather landings, being over 2 miles in length with overruns at each end for emergencies.

The base was to be the largest in the Northeast and one of 4 capable of handling B-36 bombers; the others were Fort Worth, Texas; Rapid City, South Dakota; and Wright Field, Dayton, Ohio. Most of the acreage taken for the base was virgin forest; very little agricultural production acreage - the estimates vary from 200 - 700 acres.⁴

Original developmental costs: It is difficult to know the total, initial investment in development of the base. The initial authorization appears to have

³Ibid., also May 30, 1947.

⁴Bangor Daily News, May 5, 1947; May 6, 1947

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been approximately \$28 million in 1947.⁵ In 1949, when an additional authorization of \$25, 134,200 was being considered, it was indicated that \$18,000,000 had already been spent.⁶ In 1947, the Limestone Town Manager, S. Waldo Burgess, who was also a member of the Maine House of Representatives, estimated the overall cost to be approximately \$200 million.⁷

In 1975, total base assets of \$579,345,348, including \$173,869,000 for buildings, improvements, and land suggest that the \$200 million may not have been far wrong:⁸

Aircraft	\$351,840,000
Equipment in use	35,386,107
*Buildings	102,115,000
*Improvements (Utilities, Runways, Roads, etc.)	71,038,000
Supply Inventories	8,109,586
Spare Engines	5,500,665
*Land	716,000
Petroleum Products Inventories	4,639,990
	<u>\$579,345,348</u>

*These items total \$173,869,000

The base utility network includes the following among other items:

- ...water treatment and supply facility with 1,200,000 gallons per day capacity with 58.5 miles of distribution pipe from 1-2 inches
- ...sewage treatment plant with capacity of 1,000,000 gallons per day
- ...Electrical distribution system (110 miles) and one of the largest electric power plants in Air Force with capacity of 15,350 KWH (Base power consumption is approximately 40,000,000 KWH per year).
- ...on base roads - 70 miles

⁵Ibid., May 1, 1957

⁶Ibid., July 20, 1949

⁷Ibid., May 3, 1947

⁸Economic Impact Statement, 1975, p. 15.

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Goodwill: In business terms, goodwill is often an economic asset which enhances the value of the business enterprise. Certainly, the goodwill and community cooperation which has been a vital characteristic of the atmosphere for success at Loring Air Force Base cannot be discounted.

IV. LORING AIR FORCE BASE AND THE ECONOMIC BASE OF NEIGHBORING COMMUNITIES: MUTUAL INTERDEPENDENCE

The Loring Air Force Base in Limestone, whatever its military or strategic mission, very definitely interacts with the local economy and over time, has become integrated, in varying degrees, with the local economy and other economies in the surrounding area. The longer the period of time the base remains in operation, the greater is the degree of economic integration. Such a process necessarily implies mutual interdependence between the base and the local economies.

The base provides a market for local jobs and various goods and services produced and distributed by the local business community; it provides a source of revenue to the local government; it is instrumental in providing support to local school systems; it contributes to local charities and various community activities; it not only stimulates local consumption expenditures but also; through local money markets, contributes to local investment expenditures and to capital formation in the area, thereby becoming a part of the process of local economic growth. This is especially significant because of the generally known lagging economic growth of the region.

Local communities, on the other hand, offer the base a pool of skilled and unskilled labor, various goods and services through the private sector and various essential goods and services for collective consumption through the public sector.

In this manner, the base has become an integral part of the economic base of the surrounding communities through a variety of interrelationships, commercial or otherwise. The 1975 Economic Impact Statement, prepared by the Air Force, documents many of these interdependencies.

The information contained in this report clearly documents the economic role played by the Loring Air Force Base in the local communities. The dependence of these communities on the base can be regarded either as a measure of benefits received by the local communities or as a measure of vulnerability, depending on one's point of view and on specific circumstances. Given the possibility of closing the base, it is imperative that the economic vulnerability of the local community be seriously taken into consideration in all its dimensions. This is important not only from the point of view of the impacted communities, but also that of the decision makers responsible for the extent and timing of base closing. The set of statistics developed by the Air Force tell an important but partial story. A more comprehensive impact statement needs to be carefully prepared and documented.

V. TOWARDS A COMPREHENSIVE SOCIO-ECONOMIC IMPACT ANALYSIS

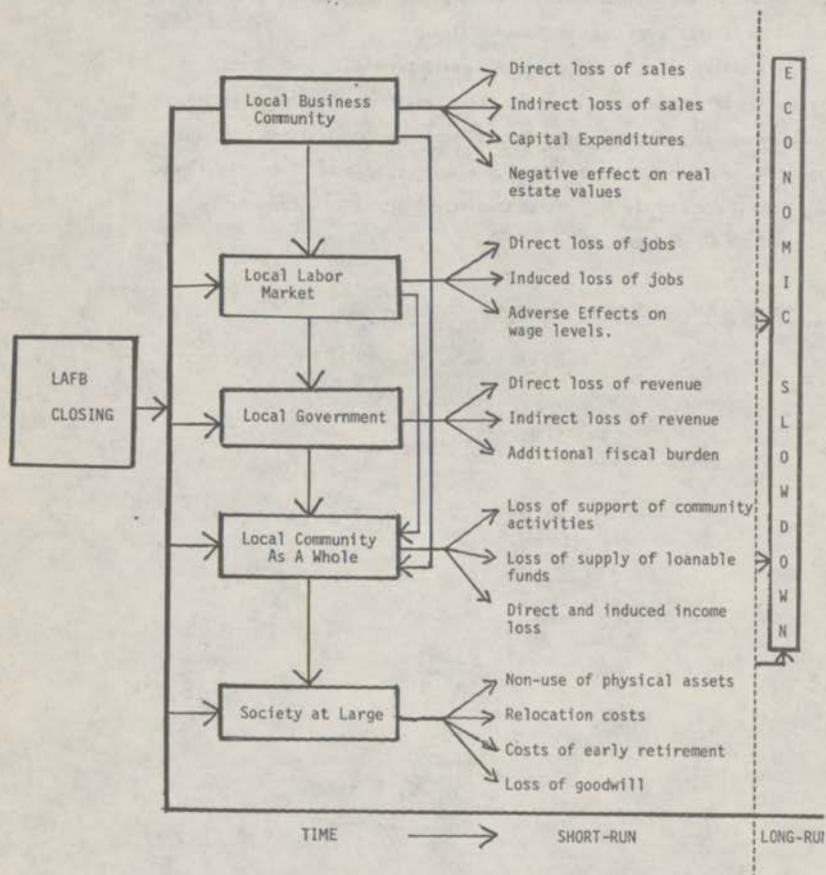
As alluded to in the preceding section, the socio-economic impact of a military base closing must be regarded as multi-dimensional. Time, for instance, is an important dimension: The short-run impact, in all likelihood, will be one of serious economic dislocation; the long-run impact may be as serious or more because it related to the future growth and viability of the local communities. Space is another important dimension. Does economic impact vary with spatial distance? Are the communities closer to the base more vulnerable than others in more outlying areas? These are important questions that need to be answered.

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Additional dimensions include differentiation between the private and the public sectors of local economies and differentiation among various sub-sectors within the private sectors. Finally, one must consider the implicit social costs that transcend local communities.

For example, the closing of the base will invariably involve costs of relocation of personnel and equipment, costs associated with early retirement, costs of non-use and under-maintenance of immovable physical property, and some measure of loss of productivity of resources, physical and human. These are "social opportunity costs" that should be included in a complete socio-economic impact statement.

The following chart identifies, in a simplified manner, the principal elements of a comprehensive, socio-economic impact study:



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Because of the limited information currently available, it is not possible to present a comprehensive impact statement incorporating all the elements of the impact model sketched above. However, selected elements can be documented at this time for the purpose of preliminary discussion.

Housing. Of the 5,000 military and civilian employees in 1975, 766 owned or were purchasing regular, or mobile, homes and 308 were renting houses, apartments, or mobile homes in the area.

Employment creation. It is certain that the existence of the 5,000 military and civilian employees at Loring creates an additional number of jobs in the area. An attempt will be made later in this study to suggest this impact directly from surveys being conducted. If the ratios portrayed in an analysis regarding the Rome Air Development Center⁹ are applicable to the Loring situation, one might expect the study to suggest between 10,000 and 15,000 additional jobs created by the 83% of the Loring personnel to be lost by the base reduction.

The RADC study suggests that for every 100 civilian and military personnel employed at a defense base, 258 others are dependent for livelihood in the primary employment fields and an additional, variable number in secondary employment fields.

A second methodology in the above study places the ratio at 4:1.

⁹See "Economic Impact of the Loss of RADC at Griffiss Air Force Base," December 17, 1974.

Spending by base and base personnel. The impact of the reduction will be felt in various other ways if it occurs. In 1975, \$3.1 million in construction projects were completed by contractors located within a 50-mile radius of the base. Several millions of dollars were spent locally by the military in purchasing commodities, supplies and services.

Base employees purchased \$3.7 million of automotive devices in 1975 including 136 motorcycles, 142 trucks and 875 automobiles. An additional \$2.3 million (excluding purchases at Loring AFB exchange) was spent on major household appliances, furniture and other items. \$400,000 was expended for various recreational equipment, \$2.5 million for food, entertainment and miscellaneous purchases. \$100,000 was contributed to local churches and charities and \$50,000 to the United Fund and related campaigns.

Governmental operations. The base employees have an effect upon state and local governmental operations. The 1975 property valuation of the 40 communities was \$455,730,000 excluding the valuation of the military base itself. The 766 base personnel owning or purchasing their own homes contributed to this valuation and paid taxes levied against their property. The total 1973 local tax commitment for these 40 communities was \$13,635,700. Excise tax receipts in 1973 amounted to \$1.4 million. 4,000 of these vehicles belong to base personnel or are related to base operations.

Education. 2,441 dependents of military personnel attend local schools which in 1975 received \$956,205 in federal aid. This enrollment is 10% of the total enrollment in the 40 communities, but in Limestone it accounts for nearly 70%.

Professional Services. Preliminary data from a survey of the effects of an 83% reduction in Loring Air Force Base operation on professionals in the area indicates that 54% of the respondents are within 1-15 miles of the base. The respondents estimate a client load from 100 to 10,000 and over; the average is 2,250 clients. Twenty-five percent of the respondents indicate that 20% to 35% of their clients are Loring related.

Approximately 50% of the respondents indicated their professional practice would be severely impacted by a reduction at Loring Air Force Base, however, 92% felt they would be able to survive.

Miscellaneous. Three-quarter of a million dollars was paid to local insurance agents for automobile, house and life insurance in 1975 by base personnel. While the impact of base personnel upon banking institutions is not yet known, the \$43 million base payroll and its multiplier effects flow through local banking institutions to a great extent. The Loring Federal Credit Union, as one example, with 11,500 members has approved nearly 100,000 loans since its inception in 1956 valued over \$88 million. During 1975, 9,500 loans were approved for \$11 million. The credit union share deposits equals \$9 million and it paid \$659,000 dividends to its members in 1975.

The effects of a base closing on social service agencies, both governmental and private, will be difficult to anticipate until the effects upon primary and secondary employment opportunities are better understood. If unemployment does increase, certainly one can anticipate increased expenditures in these areas. The final report of this study may be able to suggest these implications.

The remainder of this preliminary report is concerned with initial review of survey information being obtained from the region surrounding Loring Air Force Base.

The survey of local businesses in the 40-community economic area, conducted by the Social Science Research Institute, is still in progress. The following analysis is submitted on the basis of limited information generated by the survey at this point in time.

On the basis of responses from approximately 10 per cent of more than 1700 business firms in the 40-community area, the following estimates have been made:

TABLE I

Total employment, 1975	2,812
Total net sales, 1975	\$50,784,024
Total sales to LAFB (Base and personnel and families)	\$10,078,659
Total sales to local buyers	\$31,114,317
Total sales to non-local buyers	\$ 9,954,774
Total replacement value	\$31,220,621
Total planned investment on expansion	\$ 1,512,000
Total expenses	\$46,952,162
Total purchases from local sources	\$ 9,264,900

A simple calculation shows that local businesses are dependent on the Loring Air Force Base for 20 per cent of their sales (direct sales only). In order to generate total sales of over \$50 million, these firms have to purchase over \$9 million worth of supplies from other local business establishments. A good fraction of the total sales of those suppliers, therefore, must be attributed to the demand generated by the base.

Assuming that employment is proportional to sales, direct purchases by the base, its personnel and families accounted for 562 jobs out of a total of 2,812. If there is a cutback of 83% of base operations, the direct loss of job is estimated at 466. The total loss of jobs, however, will be considerably greater than this because of a negative multiplier effect.

Following the export-base multiplier approach, one can define the multiplier as:

$$1 + \frac{\text{local employment}}{\text{non-local employment}}$$

Using this multiplier, one can estimate the impact of a change in the non-local sector as follows:

$$\text{change in total employment} = \left(1 + \frac{\text{local employment}}{\text{non-local employment}}\right) \times \text{change in non-local employment}$$

For the purpose of this analysis, we shall divide the local economy into two broad sectors: (a) the local sector which accounts for 1688 jobs due to sales to local buyers, and (b) a non-local sector which accounts for 1124 jobs due to sales to the Loring Air Force Base, its personnel and families plus sales to other non-local buyers.

Applying the export-base multiplier technique, it is estimated that an 83% reduction of Loring Air Force Base operations will result in a total loss

of 1165 jobs out of a total of 2,812 (this is based on a multiplier coefficient of 2.5). A rough projection of this estimate to the entire 40-community economic area indicates a loss of nearly 12,000 jobs, excluding those civilian jobs that will be lost directly due to base closing. Such a magnitude of job losses superimposed on a chronically high-unemployment area will spell economic disaster.

It should be noted that economic impact of 83% reduction in Loring Air Force Base will not be evenly felt in all communities and in sectors of the local economies. This is due to the fact that different communities and different types of businesses will exhibit different degrees of dependency on the base. In a survey of local businesses in Fort Fairfield, for instance, the degree of dependency ranged from 0 to 85%. In the forthcoming final report of this project, the degrees of dependency will be shown by communities and by business categories. This information will add another dimension to the assessment of the total socio-economic impact of the base on local communities.

The following tables give a limited profile of the degrees of dependency on the base by communities, (grouped according to distance) and by industry categories (1-digit SIC code):

TABLE 2
NET SALES BY TOWN GROUP *

Net Sales	1 (0-15)	2 (16-30)	3 (31+)	15
Group 1 (0-24,999)	18	4	2	
2 (25,000-74,999)	17	5	1	
3 (75,000-99,999)	3	2	0	
4 (100,000-999,997)	57	32	4	
	95	43	7	

TABLE 3 - DISTRIBUTION OF SALES

Below 9,999	5	1	0
10,000-49,999	21	6	3
50,000-99,999	10	4	0
100,000-199,999	10	7	2
200,000-299,999	15	6	0
300,000-399,999	2	2	1
400,000-499,999	4	3	2
500,000-599,999	4	1	0
600,000-699,999	3	0	0
700,000-799,999	5	1	0
800,000-899,999	3	1	0
900,000-999,999	1	1	0
999,999 + above	11	10	0
	94	43	6

* These town groups are grouped according to their distances from Loring Air Force Base. For a listing of towns in each group, see Appendix.

TABLE 4

Sales	Sales to LAFB and Personnel by Town Group*		
	By Distance		
	1 (0-15)	2 (16-30)	3 (31+)
Group 1 (0-1,999)	11	8	6
2 (2,000-14,999)	19	4	0
3 (15,000-54,999)	20	6	0
4 (55,000-999,999)	26	10	0
	—	—	—
	76	28	6

TABLE 5 - DISTRIBUTION OF SALES TO LAFB AND PERSONNEL

Below 9,999	15	3	1
10,000-49,999	26	7	0
50,000-99,999	8	5	0
100,000-199,999	7	4	0
200,000-299,999	5	0	0
300,000-399,999	4	1	0
400,000-499,999	0	0	0
500,000-599,999	1	0	0
600,000-699,999	0	0	0
700,000-799,999	2	0	0
	—	—	—
	68	20	1

* See Appendix for the listing of towns in each group

TABLE 6
EMPLOYMENT BY TOWN GROUP *
By Distance

17

Employment	1	2	3
	(0-15)	(16-30)	(31+)
Group 1 (0-2 employees)	31	17	3
2 (3-5 ")	31	15	4
3 (6-12 ")	28	17	1
4 (13-997 ")	24	14	3
	—	—	—
	114	65	11

Below 25	104	53	10
25-99	7	8	0
100-199	1	1	1
200+	0	1	0
	—	—	—
	112	65	11

* See Appendix for listing of towns in each group.

TABLE 7
Sales to Loring AFB by Town Groups

Sales (\$)	1 (0-15)	2 (16-31)	3 (31+)
0-1,999	38	15	6
2,000-14,999	18	9	0
15,000-54,999	12	6	0
55,000-999,997	14	4	0

18

TABLE 8

NET SALES BY SIC1* FOR EACH GROUP OF TOWNS
(0-15 Miles)

Sales (\$)	1	2	4	5	6	7	8	9
0-24,999	0	0	1	6	2	6	2	1
25,000-74,999	0	1	0	9	0	7	0	0
75,000-99,999	0	0	0	1	0	2	0	0
100,000-999,999	4	3	3	35	5	3	1	0

(16-30 Miles)

0-24,999	0	0	0	0	1	3	0	0
25,000-74,999	0	0	0	4	0	1	0	0
75,000-99,999	0	0	1	0	0	1	0	0
100,000-999,999	1	3	4	18	3	1	0	0

(31+)

0-24,999	0	0	0	1	1	0	0	0
25,000-74,999	0	0	0	0	0	0	1	0
75,000-99,999	0	0	0	0	0	0	0	0
100,000-999,999	0	0	0	2	1	1	0	0

* SIC1 One digit standard industrial classification codes.

TABLE 9
EMPLOYMENT BY SICI *

19

No. of Employees	1	2	3	4	5	6	7	8	9
0-2	0	0	2	0	18	8	24	0	1
3-5	1	2	0	3	28	7	8	0	0
6-12	0	2	0	7	26	5	4	2	0
13-997	4	4	1	4	17	2	1	2	0

Sales to AFB Net Sales	1	2	4	5	6	7	8	9
1-9	4	4	2	41	10	16	2	1
10-19	0	1	3	8	1	1	0	0
20-29	0	0	0	5	0	2	0	0
30-39	1	0	1	3	2	1	0	0
40-49	0	0	0	1	0	0	0	0
50-59	0	0	1	2	0	2	0	0
60-69	0	0	0	1	0	0	0	0
70-79	0	0	0	0	0	1	0	0
80-89	0	0	1	0	0	0	0	0
90+	0	0	0	1	0	0	0	0

* SIC: Standard industrial classification. For purposes of this analysis two digit codes have been converted to one digit codes for ex. 00 - 01 = (A), 10 - 19 = 2 (B) and so on. For a listing of SIC codes, see Appendix.

DISTANCE FROM LORING A.F.B.

15 miles or less	16 - 30 miles	30 miles and over
Caribou	Blaine	Allagash
Caswell	Easton	Ashland
Connor TWP	Grand Isle	Bridgewater
Hamlin	Mapleton	Eagle Lake
Fort Fairfield	Mars Hill	Fort Kent
Limestone	Perham	Frenchville
New Sweden	Presque Isle	Hodgdon
Stockholm	St. Agatha	Houlton
Van Buren	Washburn	Island Falls
Woodland	Westfield	Littleton
		Madawaska
		Masardis
		New Canada
		New Limerick
		Oakfield
		Portage Lake
		St. Francis
		St. John
		Wallagrass
		Winterville

S. I. C. CODES

Part I. Titles and Descriptions of Industries.....	
Division A. Agriculture, forestry, and fisheries:	
Major Group 01. Agricultural production.....	
Major Group 07. Agricultural services and hunting and trapping.....	
Major Group 08. Forestry.....	
Major Group 09. Fisheries.....	
Division B. Mining:	
Major Group 10. Metal mining.....	
Major Group 11. Anthracite mining.....	
Major Group 12. Bituminous coal and lignite mining.....	
Major Group 13. Crude petroleum and natural gas.....	
Major Group 14. Mining and quarrying of nonmetallic minerals, except fuels.....	
Division C. Contract construction:	
Major Group 15. Building construction—general contractors.....	
Major Group 16. Construction other than building construction—general contractors.....	
Major Group 17. Construction—special trade contractors.....	
Division D. Manufacturing:	
Major Group 19. Ordnance and accessories.....	
Major Group 20. Food and kindred products.....	
Major Group 21. Tobacco manufactures.....	
Major Group 22. Textile mill products.....	
Major Group 23. Apparel and other finished products made from fabrics and similar materials.....	
Major Group 24. Lumber and wood products, except furniture.....	
Major Group 25. Furniture and fixtures.....	
Major Group 26. Paper and allied products.....	
Major Group 27. Printing, publishing, and allied industries.....	
Major Group 28. Chemicals and allied products.....	
Major Group 29. Petroleum refining and related industries.....	
Major Group 30. Rubber and miscellaneous plastics products.....	
Major Group 31. Leather and leather products.....	
Major Group 32. Stone, clay, glass, and concrete products.....	
Major Group 33. Primary metal industries.....	
Major Group 34. Fabricated metal products, except ordnance, machinery, and transportation equipment.....	
Major Group 35. Machinery, except electrical.....	

CONTENTS

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Part I. Titles and Descriptions of Industries—Continued

Division D. Manufacturing—Continued

Major Group 36. Electrical machinery, equipment, and supplies.....

Major Group 37. Transportation equipment.....

Major Group 38. Professional, scientific, and controlling instruments; photographic and optical goods; watches and clocks.....

Major Group 39. Miscellaneous manufacturing industries.....

Division E. Transportation, communication, electric, gas, and sanitary services:

Major Group 40. Railroad transportation.....

Major Group 41. Local and suburban transit and interurban passenger transportation.....

Major Group 42. Motor freight transportation and warehousing.....

Major Group 44. Water transportation.....

Major Group 45. Transportation by air.....

Major Group 46. Pipe line transportation.....

Major Group 47. Transportation services.....

Major Group 48. Communication.....

Major Group 49. Electric, gas, and sanitary services.....

Division F. Wholesale and retail trade:

Major Group 50. Wholesale trade.....

Major Group 52. Building materials, hardware, and farm equipment dealers.....

Major Group 53. Retail trade—general merchandise.....

Major Group 54. Food stores.....

Major Group 55. Automotive dealers and gasoline service stations.....

Major Group 56. Apparel and accessory stores.....

Major Group 57. Furniture, home furnishings, and equipment stores.....

Major Group 58. Eating and drinking places.....

Major Group 59. Miscellaneous retail stores.....

Division G. Finance, insurance, and real estate:

Major Group 60. Banking.....

Major Group 61. Credit agencies other than banks.....

Major Group 62. Security and commodity brokers, dealers, exchanges, and services.....

Major Group 63. Insurance carriers.....

Major Group 64. Insurance agents, brokers, and service.....

Major Group 65. Real estate.....

Major Group 66. Combinations of real estate, insurance, loans, law offices.....

Major Group 67. Holding and other investment companies.....

Division H. Services:

Major Group 70. Hotels, rooming houses, camps, and other lodging places.....

Major Group 72. Personal services.....

Major Group 73. Miscellaneous business services.....

Major Group 75. Automobile repair, automobile services, and garages.....

Major Group 76. Miscellaneous repair services.....

CONTENTS

Part I. Titles and Descriptions of Industries—Continued

Division H. Services—Continued	
Major Group 78. Motion pictures.....	
Major Group 79. Amusement and recreation services, ex motion pictures.....	
Major Group 80. Medical and other health services.....	
Major Group 81. Legal services.....	
Major Group 82. Educational services.....	
Major Group 84. Museums, art galleries, botanical zoological gardens.....	
Major Group 86. Nonprofit membership organizations..	
Major Group 88. Private households.....	
Major Group 89. Miscellaneous services.....	
Division I. Government:	
Major Group 91. Federal government.....	
Major Group 92. State government.....	
Major Group 93. Local government.....	
Major Group 94. International government.....	
Division J. Nonclassifiable establishments:	
Major Group 99. Nonclassifiable establishments.....	

CONFIDENTIAL

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Study 7017

The information contained herein will be used only for statistical purposes and only in combination with other data so that published information cannot be identified with any one firm.

Interview Number _____

SOCIAL SCIENCE RESEARCH INSTITUTE
SURVEY OF NORTHERN MAINE BUSINESS

Kind of Business _____
(e. g. Restaurant, Garage, etc.)

Community _____

Kind of Firm _____
(Corporation, Partnership, Single Owner)

§ _____ Locally Owned

This survey is designed to develop information of the business activity, plant facilities and impacts of Loring AFB upon business in Northern Maine. This information is being gathered by the Social Science Research Institute of the University of Maine at Orono. All responses will be treated as confidential.

- Q1. First, when was your business established? _____
- Q2. How many employees did the business have at the time of establishment? _____

Concerning your employment figures, please fill out the following:

	1975	1970	1965	1960	1955	1950	1945
Q3. Total employees (Average Week)							
Q4. Fulltime employees							
Q5. Parttime employees (working less than a full work week)							

- Q6. In 1975 what were your total expenses for merchandise, materials, supplies (including transportation costs)?
- _____

(DEFINITION OF LOCAL AREA: LOCAL AREA MEANS ANY PLACE WITHIN TEN (10) MILES OF YOUR BUSINESS)

- Q7. Of this total, how much was purchased locally? _____
- Q8. Of these local purchases how much was purchased locally from the following sources?

	Amount \$	Identity of Primary Source
a. Wholesalers		
b. Retailers		
c. Manufacturers		
d. Agriculture		
e. Transportation		
Other (please specify)		
f. _____		
g. _____		

What were your total expenses in 1975 for each of the following:

	Amount \$	% from local area
Q9. Salaries and wages		
Q10. Rent on business property		
Q11. Taxes on business property : property tax all other tax		
Q12. Depreciation and Amortization		(not applicable)
Q13. Repairs and maintenance by contractors		

	Amount \$	% from local area
Q14. Utilities and telephone		
Q15. Transportation (Non-local)		
Q16. Interest expense		
Q17. Advertising		
Q18. Insurance		
Q19. Other expenses		
Q20. (Please Specify)		

Q21. What were your net sales (gross sales including sales taxes less sales returns and allowances and sales discounts) in 1975? _____

Q22. What proportion of your net sales in 1975 was to Loring Air Force Base? _____ %

Q23. What proportion of your net sales in 1975 was to base military personnel and families? _____ %

Q24. What proportion of your net sales in 1975 was sold outside the local area? _____ %

Q25. Where were these customers located?

Most important customer: _____

Second most important customer: _____

Third most important customer: _____

What were your net sales (gross sales including sales tax less sales return and allowances and sales discounts) for:

Q26. 1970 _____

Q27. 1965 _____

Q28. 1960 _____

Q29. 1955 _____

Q30. 1950 _____

Q31. 1945 _____

Who are the three largest suppliers of your merchandise, materials and supplies?

Q32. _____ Q33. (Where located) _____

Q34. _____ Q35. (Where located) _____

Q36. _____ Q37. (Where located) _____

How much of your total sales is derived from:

Q38. Local buyers _____

Q39. Loring Air Force Base _____ (including sales to base personnel
and their families)

Q40. Non-local buyers _____

What was the replacement value of your business in:

Q41. 1975 _____

Q42. 1970 _____

Q43. 1965 _____

Q44. 1960 _____

Q45. Do you have any plans to expand your business in the next 5 years?

Yes _____ No _____ (Go to Q47)

Q46. (If yes) How much do you plan to spend on this expansion? _____

Q47. (If no) What is your primary reason for not expanding? _____

Q48. Have you expanded your business in the last 5 years?

Yes _____ No _____
(Go to Q50)

Q49. (If yes) Did growth of sales to Loring AFB affect this decision?

Yes _____ No _____ (Go to Q50)

Q49a. (If yes) In what ways? _____

Q50. Do you have any plans to relocate your business in the next five years?

Yes _____ No _____ (Go to Q52)

Q51. (If yes) Why do you plan to relocate? _____

Q52. Would the proposed reduction of Loring Air Force Base by 83 percent affect your plans to relocate?

Yes _____ No _____ (Go to Q54)

Q53. (If yes) How will this reduction affect your plans to relocate?

Assuming that Loring AFB was reduced 83 per cent, what impact would this have on:

Q54. Your business? _____

Q55. Number of employees? _____

Q56. Anticipated total sales? _____

Q57. Future business plans?(as for example: cuts on plans for new expansion)

Q58. In your opinion, could your business survive a reduction of 83 per cent at Loring AFB?

Yes _____ No _____

Q59. How much do you presently owe (mortgage or loan) on your business?

Q60. How much do you owe through the federal government? _____

Q61. What chances between 0 and 10 would you estimate to be the possibility of your business facility being converted to another business use?

0 1 2 3 4 5 6 7 8 9 10

Q62. Are there any other comments you would like to make concerning the impact of Loring Air Force Base upon your business?

Thank you very much for your assistance.

SURVEY OF HIGHER EDUCATION
SOCIAL SCIENCE RESEARCH INSTITUTE

1. Name of institution _____
Community in which located _____
2. Total number of students, Fall 1975:
Full-time _____ Part-time _____
(NOTE: A copy of OE Form 2300-2.3, "Opening Fall Enrollment in Higher Education, 1975" would be useful.)
3. Number of students who are base personnel or dependents?
Full-time _____ Part-time _____ (Estimate, if necessary)
4. Total number of courses offered by the institution, Fall 1975 _____
Total number of course sections _____
5. Number of courses offered by the institution at Loring Air Force Base, Fall 1975 _____ Total number of course sections offered by the institution at Loring Air Force Base, Fall 1975 _____
6. Characteristics of enrollment in base courses: What percent of enrollment is regular, degree credit program enrollment _____; non-degree courses _____, and vocational-technical courses _____.
7. Number of Staff, Fall 1975 and salary outlay:

	Number	Salary Outlay	No. tenured
Faculty			
Full-time	_____	_____	_____
Part-time	_____	_____	_____
Professional, non-faculty staff:			
Full-time	_____	_____	XXXXXXX
Part-time	_____	_____	XXXXXXX
Other staff:			
Full-time	_____	_____	XXXXXXX
Part-time	_____	_____	XXXXXXX
8. Number of staff who would have to be released if LAFB were reduced 83%:

Faculty		Non-faculty professionals		Other	
Full-time	_____	Full-time	_____	Full-time	_____
Part-time	_____	Part-time	_____	Part-time	_____
9. Number of course offerings which would be dropped? _____ Number of course sections which would be dropped? _____ Percent of student credit hour generation which would be lost? _____
10. What would be the impact of this reduction on space utilization, buildings, etc.?

11. What is the institution's total current fund revenues and expenditures? What proportion is derived from student tuitions and fees? (NOTE: A copy of OE Form 2300-4, "Financial Statistics of Institutions of Higher Education for Fiscal Year ending 1975" would be useful.)
12. What is the institution's total indebtedness currently outstanding?

13. What is the book value and current replacement value of the institution's physical plant?
14. What proportion of the physical plant was constructed primarily because of pressures generated by military personnel or dependents? _____
15. What impact would an 83% reduction have on the fiscal standing of your institution, particularly upon debt repayment?
16. What other impacts would you anticipate from such a reduction?

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Study 7017 E

A-13

Interview Number _____

SOCIAL SCIENCE RESEARCH INSTITUTE
SURVEY OF NORTHERN MAINE PROFESSIONALS

Kind of Profession _____

Community _____

Kind of Professional Organization _____
(Corporation, Partnership, Single Owner)
 _____ Locally Owned

This survey is designed to develop information of your professional business and the possible impacts of Loring AFB upon your business. This information is being gathered by the Social Science Research Institute of the University of Maine at Orono. All responses will be treated as confidential.

- Q1. First, when was your professional business established? _____
- Q2. How many people did you employ at the time of establishment? _____
- Q3. How many people do you presently employ (1975)? _____
- Q4. How many different clients did you work for in 1975? _____
- Q5. How many of these clients (Q4.) were personnel or dependents from Loring AFB?

- Q6. What was your total net income from your professional business in 1975?

- Q7. What percent of your total net income was derived from Loring AFB personnel or dependents?

- Q8. What is the replacement value of your professional business?

- Q9. Do you have any plans to expand your business in the next five (5) years?

YES _____ NO _____
(Go to Q12.)

Q10. (If yes) Did the growth of business with Loring AFB personnel or dependents affect your decision to expand?

YES _____ NO _____
(Go to Q12.)

Q11. (If yes) Would you describe these affects of Loring AFB on your decision?

Q12. Do you have any plans to relocate your profession in the next five (5) years?

YES _____ NO _____

Q13. (If yes) Why do you plan to relocate? _____

Q14. Would the proposed 83% reduction of Loring Air Force Base affect your plans to relocate?

YES _____ NO _____
(Go to Q16.)

Q15. (If yes) How will this reduction affect your plans to relocate? _____

Assuming that Loring AFB was reduced 83 per cent, what impact would this have on:

Q16. Your professional business? _____

Q17. Anticipated total net business (\$ per year)? _____

Q18. Future business plans? (as for example: cuts or plans for new expansion)

Q19. In your opinion, could your business survive a reduction of 83 per cent at Loring AFB?

YES _____ NO _____

Q20. Are there any other comments you would like to make concerning the impact of Loring Air Force Base upon your business? _____

Thank you for your assistance.

Study 7017 H

Social Science Research Institute

Survey of Loring Air Force Base Impact

Confidential

Interview Number

The information contained herein will be used only for statistical purposes and only in combination with other data so that published information cannot be identified with any one organization.

This survey is designed to develop information about the basic economic and social statistics of each organization in this region. This data is being gathered by the Social Science Research Institute of the University of Maine at Orono in order to estimate the impact of the Loring Air Force Base upon the economy of Northern Maine.

Concerning your organization, please fill out the following:

	1975	1965	1955	1945
Q1. Total number of people serviced by your organization?				
Q2. Approximate of this number which belong to the Air Force base?				
Q3. Total no. of people employed by your organization?				
a. Full Time?				
b. Part Time?				
Q4. Total expenditure on salaries?				
Q5. Total expenditure on capital equipment, interest payment, etc.				

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	1975	1965	1955	1945
Q6. Total expenditure on maintenance utilities: heating, electricity, etc.				
Q7. Total expenditure on transportation, office supplies, misc.				

Q6. Total expenditure on maintenance utilities: heating, electricity, etc.

Q7. Total expenditure on transportation, office supplies, misc.

Q8. Assuming that Loring Air Force Base was reduced by 83 percent, what impact would this have on: your organization _____

Q9. Are there any comments you would like to make concerning the impact of Loring Air Force Base closing on your organization. _____

SOCIAL SCIENCE RESEARCH INSTITUTE
 SURVEY OF NORTHERN MAINE BUSINESS
 CODEBOOK

Card 1

<u>Column Number</u>	
1-4	Study Number (7017)
5-8	Interview Number (4 Digit No. on the right hand corner)
9-10	Kind of Business (from the first line on the questionnaire) Check the S.I.C. code attached to find the right number to code for the business. Use the first two digits only.
11	Community. Communities are divided into three groups according to their distances from Loring Air Force Base. See attached list for the groupings <ol style="list-style-type: none"> 1. 15 miles or less 2. 16 - 30 miles 3. 30 miles or over
12-14	Q3. <u>Total Employees</u> (Average Week) Code only the response for 1975. 3 Digit Code Code actual number up to 996. For ex. 001 = 1 employee, 996 = 996 employees <ol style="list-style-type: none"> 997. 997 or more 998. DK 999. NA
15-20 15-21	Q6. <u>In 1975 what were your total expenses for merchandise, materials, supplies (including transportation costs)?</u> <p>7-6 Digit Code Code actual numbers</p> <ol style="list-style-type: none"> 999,997. \$999,997 or more 999,998. DK 999,999. NA

Column
Number

A18

22-27

Q7. Of this total, how much was purchased locally?

6 Digit Code

Code actual numbers

999,997. \$999,997 or more
 999,998. DK
 999,999. NA

28-32

Q9. Salaries and wages.

5 Digit Code

Code actual numbers

99,997. \$99,997 or more
 99,998. DK
 99,999. NA

33-42

Q11. Taxes on business property (Code only amount)

Space allowed for two 5 Digit Codes

Code actual numbers

Code response to property tax in cols. 33-34 and all other taxes in cols. 38-41

99,997. \$99,997 or more
 99,998. DK
 99,999. NA

43-48

Q21. What were your net sales (Gross sales including sales taxes less sales returns and allowances and sales discounts) in 1975?

6 Digit Code

Code actual numbers

999,997. \$999,997 or more
 999,998. DK
 999,999. NA

49-50

Q22. What proportion of your net sales in 1975 was to Loring Air Force Base?

2 Digit Code

Code actual percentages

01. 1%
 97. 97% or more
 98. DK
 99. NA

Column
Number

A19

51-52

Q23. What proportion of your net sales in 1975 was to base
military personnel and families2 Digit Code
Code actual percentages01. 1%
97. 97% or more
98. DK
99. NA..

53-54

Q38. Local Buyers2 Digit Code
Code actual percentages01. 1%
97. 97% or more
98. DK
99. NA

55-56

Q39. Loring Air Force Base (including sales to base personnel
and their families)2 Digit Code
Code actual percentages01. 1%
97. 97% or more
98. DK
99. NA

57-58

Q40. Non-local buyers2 Digit Code
Code actual percentages01. 1%
97. 97% or more
98. DK
99. NA

59-65

Q41. Replacement value of business in 1975.7 Digit Code
Code actual numbers9,999,997. \$9,999,997 or more
9,999,998. DK
9,999,999. NA

Column
Number

- 66 Q. 45. Do you have any plans to expand your business in the next 5 years?
- If coded 5 1. Yes
for Q45, ----- 5. No (Go to Q.48)
code 00,000 8. DK
in cols. 9. NA
~~66-70~~ 67-71
- 67-71 Q46. (If yes) How much do you plan to spend on this expansion?
- 5 Digit Code
Code actual number
- 99,997. \$99,997 or more
99,998. DK
99,999. NA
00,000. INAP
- 72 Q48. Have you expanded your business in the last 5 years?
- If coded 5 ----- 1. Yes
for Q48. 5. No (Go to Q54)
code 0 in 8. DK
col. 73 9. NA
- 73 Q49. (If yes) Did growth of sales to Loring AFB affect this decision?
1. Yes
5. No
8. DK
9. NA
0. INAP
- 74 Q54. Impact of Loring AFB cut on your business?
1. Great impact (code 1. if the answer is business would be finished)
2. Some impact
3. Little impact
5. No impact at all
8. DK
9. NA

