2-18-1999

Remarks to the 56th Montana Legislative Assembly

Max S. Baucus
Senator * or Department*: BAUCUS

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MONTH/YEAR of Records*: February-1999
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Remarks to the 56th Legislative Assembly  
United States Senator Max Baucus  
February 18, 1999

INTRODUCTION

Speaker Mercer, Minority Leader Swanson and members of the 56th Legislative Assembly, good morning. Thank you for once again making me feel so welcome in this chamber. It is indeed a great privilege to be with you today and to visit with you about the future of our state and of our nation.

I must admit that there is a bit of melancholy in this moment. I am blessed to have many friends in this chamber on both sides of the aisle. Some of whom, like Red Menahan, Joe Quilici and Bob Pavlovich I served with when I was in the legislature. And many others of you with whom I've worked side-by-side over the past 20 years on various projects. For many this will be your last session in this body.

Thank you for your service. Thank you for your leadership. Thank you for your compassion. Thank you for your friendship.

Your contributions have enriched our state and have enlivened the spirited discourse that is such a critical part of Montana's rich political history. We as Montanans owe you a debt of gratitude we can never adequately repay.

TAKING STOCK

Occasions like this are an opportunity to take stock. To evaluate our progress and plan for the future.

Our work is the public's work. Each of us has been vested with a sacred public trust to put partisan labels aside and work together to for the public good. Montanans and Americans deserve it. Our Democracy demands it.

And when we do this...when we work together we can accomplish a great deal.

The results of just the last couple of years prove this out.

Let me start with the Highway Bill I sponsored in the Senate, TEA-21. Supported by a unified Montana delegation, and signed into law by the President last year, TEA-21 means 11,000 good jobs, 4,000 of them new jobs, right here in Montana.
It means better, safer roads for all of us as we travel on business and for pleasure. Prior to TEA-21, Montana received roughly 160 million dollars a year from the federal government. Under TEA-21, without raising our gas tax a penny, Montana will receive $260 million a year for each of the six years covered under the new program. Any way you slice it, that's good news. Good news for our economy and good news for our families' safety on Montana highways.

We changed the tax code to make it easier for working families to send kids to college through enactment of the Hope Scholarship and the Roth IRA and enhanced a Pell Grant system that last year alone helped 17,000 Montana students go to college.

We protected important lands that are a part of our hunting and recreational heritage and are now assured of being a part of our children's future. The Crown Butte Accord to protect Yellowstone Park, the Gallatin II Land Exchange near Bozeman, the acquisition of significant lands at the Royal Teton Ranch and Lindberg Lake, and the land exchange at Canyon Ferry. Work that will be long remembered for its scope and its importance to the very heart of our sense of place.

We further accelerated health insurance deductibility for the self employed. Currently you can deduct only 45% of health insurance costs if you are self-employed. Under the provisions of the budget recently approved by the Congress, deductibility will go up to 50% in the year 2000; and health insurance will be 100% deductible in 2007 - four full years earlier than originally planned.

We made income averaging for farm families a permanent part of the tax code. As you know all too well, farm incomes can vary dramatically from year-to-year. This provision will allow farm families to weather the bad times by averaging their tax burden to reflect a more fair picture of their actual income.

We put 223 new police officers on the streets to keep our communities, our schools and our families safe.

And we balanced the federal budget. For the first time in a generation, 29 years, America's books work like yours and mine.

This is our record, and it too is our challenge.

THE CHALLENGE

For there is much yet to do. Many challenges to be met.

First, Education. School boards across Montana right now are voting to close schools, increase class size and eliminate programs like music, physical education and art. And as a story
that appeared recently in Montana newspapers noted, Montana college students are going deeper in debt than ever before in order to pay for college.

We must find a way to turn that around.

I mentioned earlier some incentives we've passed in Congress to make it easier for families to send kids to school, but the federal government can only do so much. Most support from education in Montana comes from right here at home, from the legislation you pass in this body. You determine class sizes either by mandating them, or by the level of funding you provide local districts. You even determine whether or not certain federal funds get passed along to schools.

Tomorrow's leaders are being trained today and we...you and I....are the stewards of their learning. We cannot let them down.

Second, Natural Resources. The tension between environmental protection and resource development will continue to be a point of division in politics. We need to re-align the parameters of this debate.

The environment and the economy are not at war. Our challenge will be to find sustainable solutions that both enhance our economic prospects and protect our natural heritage. To do so will take good science, thorough research and common-sense.

That's why I recently appointed a Forestry Working Group with representatives from industry, environmental, business, labor and community groups to come together to develop some solutions that work for all of us.

Third, Economic Development.

A recent Business Week study shows that the average boss in America makes 326 times what the average worker earns. This kind of disparity leads to the counter productive rhetoric of class warfare. What we need is some serious work focused on making the American dream an attainable goal for all families in our country.

For my part, I am going to re-double my efforts to build our economy and make it easier for Montana small businesses to compete in a global economy and provide good paying jobs to Montana workers.

In the past year, I led two delegations of Montana businesses, one to South America and the other to Asia, to develop new markets for our products. In both cases we made good progress and I am going to continue to try and expand opportunities both here and abroad.

And just a couple of months ago I went to Canada to meet with trade ministers there to talk about the problems related to agricultural trade between our two countries. We need to knock down trade barriers that prevent Montana producers from competing fairly in international markets.
Fourth, Agriculture. For us, farming and ranching is not only a critical part of our economy it is a way of life. Much of who I am comes from growing up part of a farm and ranch household here in Helena. Honesty. Hard Work. The value of a dollar.

We've taken some serious hits over the past few years, and if we are going to get Montana agriculture back in the saddle we need to maintain our focus on three critical goals. Opening foreign markets, ensuring that Montana producers have a level playing field in the domestic market and installing a safety net to help during times of crisis. Last month I announced an action plan to meet these three goals and I will need your help to be successful.

Last, but certainly not least, Health Care. We provide prisoners with better health care than we provide some American families and children. Families who work hard, pay their bills but just can't afford the $500 a month it costs for an average health insurance policy. That's just not right.

Part of the answer is in the Children's Health Insurance Program or CHIP. I fought hard for this program in Congress and I call on you to appropriate the state matching funds that will allow us to provide health insurance to literally thousands of Montana children who can't afford adequate health coverage. It's the right thing to do.

CONCLUSION

So as we go from here toward a new millennium, let us remember...each one of us....that the future is in our hands....and ours alone. Our actions will determine the course of a new century.

On the brink of this century, on January 3, 1899, Governor Robert Smith put the challenge to Montana's 6th Legislative Assembly this way. He said,

"Trotting that you may at once begin the important matter of your legislative duties, and hoping that you will give to each measure that due consideration which the importance of the subject warrants, I submit the matter to your hands, ready and willing to co-operate with you, at all times, in any effort to better the condition of our people and of our beloved commonwealth.

God bless you and God bless Montana."
Doug, here's some thoughts for the Legislature Speech. Much of this (intro, taking stock, recent successes) can be lifted from your current speech draft. I like keeping the focus on economic development, but then presenting the question of balance (eco development balanced with quality of life, open space, low crime, etc.).

Alternatively, we could aim for a series of important themes (ag., education, job creation, quality of life). I'm worried that if we aim for each of these, we loose focus. If we want the economic development headline, we should keep it as the heart of the matter and incorporate agriculture and education into that plan and use quality of life as the counterpoint (yin and the yang).

I. Intro
II. Taking Stock
   A. Montana assets (quality of life, open space, clean air, clean water, hunting, fishing, education, crime rate, others).
   B. Recent successes (we should group these by broad subject)
      1. Tea-21
      2. EDA Reauthorization (and projects).
      3. Education – Changes in the tax code
      4. Open spaces (Lindbergh, Gallatin II, Canyon Ferry, Sacrifice Cliffs).
      5. Health Insurance Deductibility for the self-employed.
      6. Income averaging
      7. Police on the streets
      8. Balanced Budget
III. The Problem: Statistics
   A. CQ Fact Finder - 50th Annual Pay, 27th Cost of Living. 16th Unemployment, 36th in Bankruptcies. 49th in personal income from wages and salaries.
   B. Growth??? Is there a place for this? Influx is definitely on people's minds.
IV. Economic Development Plan (this should be fleshed out in great detail in the ecodevo plan – much of this could be cut out of the speech). (Compliment Racicot's focus on economic development?)
   A. Connecting Montana to national and global markets
      1. Trade
         I. Trade missions (Japanese Example)
         II. Agriculture Plan (prep for trade summits). (international and domestic).
      2. Infrastructure (increased shipping costs into and out of Montana, difficulty of getting businesses to locate here if no reliable, affordable air travel)
         I. Highways (Tea 21)
         II. Trains (Rail Competition - Canada)
         III. Planes (Delta Airlines - Helena).
         IV. Internet (commentary from MSU professors – superhighway goes to Cheyenne).
   B. Educating Montana Children and Training Montana Workers for the 21st Century (This will be fully developed in the Education Plan. The more specific economic
development components can be highlighted here).
1. Computers in Schools and Internet (internet chats)
2. Smaller, safer classes, better teachers
3. Higher Education and Job Training

C. Helping Montana's Existing Businesses Survive and Grow
1. Small businesses (pensions, tax cuts)
2. Self employment (health insurance/CHIPS)
3. Ag. Income Averaging and Safety Net (Ag. Plan)
4. Value-added products

D. Attracting New Businesses and Creating New Economic Opportunities
1. Venture Star
2. EDA efforts
3. Tax credits - Technology
4. Montana Coop.?
5. Value-added products

V. But, must not loose sight of where we are. We must work together to find solutions and must maintain our focus on Montana Assets.
A. E.g. Forestry Working Group (looking for ways that the timber industry can harvest timber with support of environment and hunters and fishermen). Maintain existing jobs and help protect quality of life.
B. Tradition – culture

VI. A Call to Arms – The Challenge
A. Every year, I will host a major summit on the state of Montana's economy. I call on the Montana Delegation, Governor, and the MT Legislature to agree to co-sponsor this effort (or better yet, – this morning I talked with Governor Racicot and asked him to help co-sponsor this effort and he has agreed).
1. The focus will be on the four economic development planks listed above
2. And will also focus on maintaining what we have (quality of life).
B. Tech Initiative (apply frame work to each of the four economic development planks). Headliner: Bring the Superhighway to Montana, connect every school, every business, every rural area (can we have a map here showing that the superhighway only goes to Cheyenne)?
1. Linking Montana to the rest of the world
2. Education/training
3. Expanding Existing Jobs
4. Attracting New Businesses

Possible names for our annual summit:

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<tr>
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<th>Noun</th>
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