

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

***One Hundred and Eleventh
Legislature***

OF THE

STATE OF MAINE

SECOND REGULAR SESSION

January 4, 1984 to April 25, 1984

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FOURTH CONFIRMATION SESSION

(FIRST CONFIRMATION SESSION – SECOND REGULAR SESSION)

May 31, 1984

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FIFTH CONFIRMATION SESSION

(SECOND CONFIRMATION SESSION – SECOND REGULAR SESSION)

July 11, 1984

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THIRD SPECIAL SESSION

September 4, 1984 to September 11, 1984

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TWITCHELL of Oxford

Representatives:

CASHMAN of Old Town
DAY of Westbrook
INGRAHAM of Houlton
JACKSON of Harrison
KANE of South Portland
KILCOYNE of Gardiner
MASTERMAN of Milo
McCOLLISTER of Canton.

Minority Report of the same Committee reporting "Ought to Pass" in New Draft (H.P. 1870) (L. D. 2394) on same Bill.

Signed:

Representative:

ANDREWS of Portland

Reports were read.

On motion of Mr. Higgins of Portland, the Majority "Ought to Pass" Report was accepted and the Bill read once.

Committee Amendment "A" (H-733) was read by the Clerk and adopted and the Bill assigned for Second Reading later in today's session.

House at Ease

The House was called to order by the Speaker.

The following paper was taken up out of order by unanimous consent:

Passed to Be Engrossed Emergency Measure

An Act to Amend Certain Motor Vehicle Laws (H. P. 1820) (L. D. 2412) (H. "B" H-725 to H. "C" H-685).

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed. This being an emergency measure, a two-thirds vote of all the members elected to the House being necessary, a total was taken. 104 voted in favor of the same and 3 against and accordingly the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

The following paper was taken up out of order by unanimous consent:

Passed to Be Enacted Emergency Measure

An Act to Establish a Regional Fuel Tax Agreement (H. P. 1799) (L. D. 2380) (C. "A" H-729).

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed. This being an emergency measure, a two-thirds vote of all the members elected to the House being necessary, a total was taken. 103 voted in favor of the same and none against and accordingly the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

The following paper was taken up out of order by unanimous consent:

Enactor Indefinitely Postponed

An Act to Increase the Minimum Wage over a 3-year period to \$3.65 (S. P. 835) (L. D. 2236) (H. "C" H-734).

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed.

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

Mr. WILLEY: Mr. Speaker, Ladies and Gentlemen of the House: I am somewhat apologetic for getting up at this time of the night to talk on this, I really am, I realize that it is late and everybody wants to go home, but I feel that it is the most important bill of the session and even though we have plowed and harrowed and, believe me, completely fertilized this ground for the last week or so, I think I should call your attention to a few of the facts again.

In the first place, the gentleman from Eagle Lake, Representative Martin, when he introduced the amendment, if you will recall, he said that the present administration might not increase the minimum wage on the federal level, in case the President is reelected, during his next term. Well that is roughly four years from now.

This amendment that has been placed on here gives a 10 cent increase each and every year.

Now at that time, assuming that the administration does not increase the minimum wage, the State of Maine would be 30 cents higher than any other state in the union with the exception of Alaska, Hawaii and the District of Columbia.

A number of people have already said that there are businesses that simply can't afford this sort of thing because they can't compete out of state. I will give you a couple of instances. Kent Manufacturing Company in Fort Kent wrote a letter and said that they would have to give serious consideration to transferring their manufacturing outside of the state. This is an organization of several hundred employees and this is not a company which is all ready to go out of business. They have been quite successful in business but it makes no economic sense for them to produce things in this state that they can produce and sell at a better advantage by producing them in some other state, and they do have facilities presently in other states.

Another instance is Hathaway Shirts. They, I understand, employ 1200 people in the State of Maine. They also make shirts outside of the State of Maine, and if they can produce shirts at their other facility where they presently hire 600 people at a better economic advantage, then is there any reason for them to continue to do business in this state?

This state is not an island unto itself, it must do business outside of state, we must have a balance of payments, we must export something. Many of the things we could possibly export, we don't choose to do so. Certainly one of the things that we could export would be electrical energy. We have already tied that up to a point where we have to import electrical energy and send out dollars to Canada. It is true in almost everything. For instance, we educate our youth very well, we spend millions and millions of dollars every single year educating our youth but we refuse to supply jobs for them. There is no place to put them to work so what do we do? We export our youth and we do so year in and year out. We must provide jobs for people, that is what we need.

Our unemployment rate, as I explained the other day, is the only state in the union where the unemployment rate went up last year. Currently it is 9 percent and certainly it doesn't make any economic sense for us to increase that and it doesn't make any sense for the people who are involved that that should be increased. It is currently the highest in New England. We are not going to improve that situation by driving business out of the state.

I have compassion for people who are on the low end of the totem pole as far as pay is concerned, really, I sincerely do. I worked in that category for many years and I know what it is like, but many of these people, as I explained previously, are people who receive a base pay of \$3.35 an hour but they have other income as well, such as tips, commissions, this sort of thing. I have tried to substantiate the figure that has so frequently been used here that there are 100,000 of them. I cannot substantiate that figure through the Department of Labor, neither can I substantiate what percentage of them get increased income other than the straight \$3.35 an hour which they are guaranteed.

Another thing that makes me suspicious of the whole thing is recently there has been rulings and controversies, basically union pushed again, for the people who work at home knitting, knitting sweaters, knitting mittens, knitting all this sort of thing by hand and these people can earn more money at home and run their home in an efficient fashion but we want to cut that out entirely. Does that sound compassionate to you?

My personal feeling is that this bill should have a substantial economic impact statement with it because guess who employs the most people in the State of Maine, it is the State of Maine. It certainly should be obvious to everybody that if you raise the bottom of the pay scale, the top must necessarily go up accordingly.

I also explained to you what effect it would

have on our hospitals, medical care. A tremendous amount of people are employed in the medical field taking care of people who are ill and we have gone to great lengths in this House in the short time that I have been here to effect hospital costs containment. It has been a great concern to everybody how much hospital costs go up each and every year, about twice as fast as the inflation rate.

We took steps to overcome that and here we are about to pass a bill that even at an additional 20 cents an hour would have increased the hospital costs by some \$11 million bucks. Does that make a lot of sense? Guess who is going to pay? Not only the individual is going to pay but all the taxpayers across the state are going to pay and a lot of it from the federal government. If you don't pay for it one way, you are going to pay for it another way.

Another thing I wish to call to your attention is that at 10 cents an hour, it is not 10 cents an hour, don't let that mislead you the least bit because for every nickel that you are going to pay in direct pay, there is also the fringe benefits that have to be considered. I would guess, and I have no figures to back it up, but I would guess that for each 10 cents an hour that you are going to pay out in direct pay, there is probably roughly another 4 cents attached to it because of Workers' Compensation, the unemployment insurance, vacations, holidays and everything that you can think of that is directly related to a working person.

We are one of the very poorest states in the nation. We have one of the poorest business atmospheres in the nation. Why on earth should we sit here tonight and try to make those conditions worse, including unemployment, hospital costs and direct cost to the taxpayers of the State of Maine through the employees that it has on its payroll, because every single union contract that is written from now on will reflect those costs in it and with the 10,000 people right now, who are negotiating a new contract and have been negotiating for roughly the last year, that is going to reflect in that contract. The figure that they have been talking about so far is three and a half percent. Now if you raise this, let me see, it would be another three percent that we would raise in one year's time, then that three percent on top of the three and a half percent is going to be reflected in the contract.

There is another thing that I wish to call to your attention, that this increase in pay, without any increase in production, creates inflation. It is an inflationary thing and always has been across the nation because you are paying something and you are getting no return. For that reason, it is inflationary.

I remember in 1981 that the inflation rate was over 13 percent. It has been down as low as three and a half percent and I guess now it is about five percent. Can you people honestly say that you want it to go up 13 percent again because every single nickel that you have is worth that much less and this is certainly going to contribute to it. If, in fact, the federal government went up and the State of Maine went up in exactly the same fashion, we would, in the State of Maine, be at no economic disadvantage from the effects of the increase in the minimum wage but if we should go up by ourselves, then it does have a very detrimental effect to the state for the very simple reason that we won't be able to be competitive with the states that surround us.

For that reason, I sincerely hope and I make a motion right now that this bill and all its accompanying papers be indefinitely postponed and I would ask for a roll call.

The SPEAKER: A roll call has been requested.

The Chair recognizes the gentleman from Bangor, Mr. Diamond.

Mr. DIAMOND: Mr. Speaker, Ladies and Gentlemen of the House: My friend and neighbor from Hampden, Mr. Willey, is right in that the hour is late and we have debated this issue sufficiently, without question we have debated it thoroughly, but I think he is wrong on the points

he made in this argument, and once again, very briefly, I would like to go over the reasons why I believe we should defeat the motion to indefinitely postpone and go ahead and enact this piece of legislation.

It has been pretty clear through the debate that there is a disagreement over whether or not this is going to have a substantial impact on the businesses of this state and our state's ability to attract businesses to this state. I am convinced that it will not have a detrimental impact and I don't think any arguments that have been given in this body can make that argument any stronger. I do believe to the contrary, that we would be better off by passing a minimum wage because of the fact that such a stimulation of the economy at that level will most definitely have a positive impact and there are economists throughout the state that would agree with that. But the arguments aren't going to be repeated here tonight and shouldn't be repeated here. We have to look at the fundamental question.

This state has an obligation, in statute, as does the federal government to make sure that the working corps of this country and of this state gets a base amount of compensation for their efforts.

The gentleman from Hampden is right, we have people who work hard and work for everything they get and we have an obligation to recognize certain facts. The facts are that the minimum wage in this state and in this country has not been increased since 1981; the cost of living has gone up 16 percent. If we recognize our obligation to take care of the people, the working corps of this state, we have an obligation to adjust that minimum wage, the minimum wage that is established in Maine statute and also in Federal statute.

There are a number of factors we have to look at—what is the impact going to be? Yes, a higher minimum wage in Maine is something that businesses will look at, but there are other considerations they will look at in determining whether they are going to stay in Maine or whether or not they are going to come to Maine. We talked about those the other day. The business climate involves transportation costs, labor costs, and our labor costs are significantly lower than the national average; the attractiveness of the state because of its natural resources, a number of factors that go well beyond the arguments that have been debated and mentioned here in the discussion of this piece of legislation.

But the most important thing we have to look at is the consideration, the one legitimate consideration, that I believe I have been sensitive to in this debate and that has been raised by the opposition, and that is whether or not Maine businesses, both those presently located in the state and those who would like to come to Maine, are going to be able to implement this law in a way that is not going to adversely impact their businesses. I think the amendment we attached earlier this evening does just that. It is a responsible action on the part of this body, it recognizes that businesses do have planning and must take into consideration budgets that go well beyond the calendar year, and it phases in an increase that we think is responsible—10 cents an hour for 1985, another 10 cents an hour for 1986, and another 10 cents an hour for 1987.

There is not question that the people of this state deserve that increase. I don't think anybody in this body disagrees with that, and I think it is important to recognize our fundamental responsibility to the people of this state, the working people of this state, the people who really go out and work for a living and are forced to receive a minimum wage of \$3.35 an hour. If those people have a family, they are living under the poverty level and the average family of four is living \$3,000 underneath that poverty level.

Through our system we can save money, if you want to look at it simply in the terms of dollars and cents, by enacting this piece of legislation. We are subsidizing those businesses who pay minimum wage. And if you want to look at

it simply in terms of what it is going to mean to state government, it is going to lower our costs, lower the costs of food stamps, lower the cost of general assistance to the local municipalities, reduce our costs to the medical services that we pay for poor people in this state.

It is important for us to take an action that is going to recognize the legitimate concerns of the business community but also recognize our obligation to help the poor working people of this state.

I think it's a modest increase we are proposing, it is a reasonable one, it is a practical one and it is a responsible one. I think tonight we have an obligation to enact this and send it to the other body and I think we will all be much better off if we do so.

Again, I ask you defeat the motion before us, which is to indefinitely postpone, so that we are, indeed, in a position to enact this legislation.

A roll call has been requested. More than one fifth of the members present expressed a desire for a roll call, which was ordered.

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

Mr. DUDLEY: Mr. Speaker and Members of the House: Obviously, there is a difference in philosophy in the House and it can only be proven a year or two from now because I know what the unemployment rate is in the State of Maine now and we'll have the figures, unfortunately, later. I'm not talking for industry, we don't have much in my area, but what we do have for small industry, the people don't all work for minimum wage because they start at minimum wage and eventually, if they are any good and can produce, in most cases they earn more.

I wouldn't have stood up if it wasn't for the school children in the towns in my area who have a job for the summer raking beaches and doing town jobs at minimum wage so they will have some money for college or business school in the fall. The towns in my area have all had their town meetings in March and raised a certain amount of money for these projects. That means all the children that figured on having these little summer jobs, there are going to be one or two left out because there just isn't going to be money enough, as they had proposed, for them to have these jobs. I feel rather bad about that because they look forward to this for some education money to go to one of the business schools in Bangor or go on to the University of Maine. It certainly doesn't pay the whole of it but it helps. Their parents don't have a lot of money. So there is more than industry involved and there is more than a dime involved.

Twice I voted in this House, at least twice, maybe more, for an increase in the minimum wage, and both times my people got hurt because it was like throwing them a few crumbs and we give the other people a loaf of bread. This hurts me too.

This is basically a difference in philosophy from the man in Bangor that just spoke. He believes what he believes, and I know he is sincere, but I believe what I believe and I believe I can't prove what I am telling you until two years from now when I can show you the unemployment rolls, and then I can prove what I am saying. Unfortunately, that is two years away, but I can prove it sooner than that when the little jobs start, the summer jobs for the kids out of school that are figuring on going to college on the few dollars that they are going to get. I can prove that sooner than a year, but that is too late also, the vote is going to be taken tonight. It is a most unfortunate thing, but that is the way it is.

The SPEAKER: The Chair recognizes the gentleman from Windham, Mr. Cooper.

Mr. COOPER: Mr. Speaker, Ladies and Gentlemen of the House: I'm not standing before you today thinking I am going to change many minds, but as a Democrat who has been opposing the bill to increase the minimum wage, I do feel an obligation to explain my reasons for doing so and a little bit of my philosophy, I guess, behind

it.

The Portland Press Herald today has an article on minimum wage, and I am not going to bore you with the article, it is a rather long one. One quote I would like to make is from a Dr. Mark Killingsworth from Rutgers University, an economist who did research for the federal Minimum Wage Study Commission. His quote is: "If I were a representative of low wage workers wondering whether to support an increase in the minimum wage, I don't think the answer is obvious." I guess that is the problem that I and many others are facing.

A couple of days ago, I stood briefly and offered a few facts in support of Representative Strout. I had not intended to speak that day and I said so, you probably don't remember because about 40 other people said they also didn't intend to speak that day. I had a reason for not speaking, though. I have always had my doubts about this, I guess, since it came up, my fears of the impact of an increase in minimum wage, but I wanted to leave myself open to persuasion and therefore didn't want to commit myself on the record. When I made my comments, I simply said I wish you would consider that when you vote and I sat down. I did not ask you to support or vote to defeat the bill at that time.

I have been receiving some facts, they are still coming in. Things happen very quickly here. Once we sent the bill to committee, the hearing was quick, it came before us quickly, so I have been asking for facts and figures. It is very difficult because analyzing these figures is just about impossible. I guess if you are an expert, you can do something with them, if you're not, you can't do anything with them.

The concern that I have, as has already been stated, is jobs. At the public hearing there was a statement that the '71 to '74 period, when we had a higher minimum wage than the national minimum wage, there was no adverse impact on Maine's employed. That gave me pause and I started to reconsider my position, and when I was approached by some lobbyists out here, I asked for some data on that. I also asked the Department of Labor for some figures on that. What I found was that it didn't seem as though those figures held up, that Maine's employment increased during that period but it did not increase as fast as the U.S. average, which seems to indicate that it hindered our growth.

The major point, I guess, is that it appears during that period business that had four employees or less were exempt from minimum wage in Maine and hospitals and nursing homes were also exempt for a period of time, so even if, I suppose, we were with the average, the fact that between fifteen and twenty thousand businesses were exempt tends to make a comparison between what we did then and what we are doing now very difficult. And when I looked at the figures comparing the state with the national employment increases, although I have perhaps just convinced you that the minimum wage hurt Maine, I would not say that is necessarily true. It is very difficult to make a comparison using any figures because you have got to look at trends, national trends, regional trends, and it was difficult for me looking over a 20 year period to come up with any kind of a trend that we went with or against the national employment figures. My point, I guess, is that I don't have a whole lot of faith in those figures or other figures that have been floating around.

I do put a little bit of faith in the State Planning Office, and last year when this bill was being looked at, they did an analysis for some legislator, I don't know who it was but they had it on file over there, and what they said was, do increases in the minimum wage decrease employment? Most evidence indicates that increases in the minimum wage have led to decreased overall employment. The effect is greatest in low wage jobs where employers tend to lay off or hire fewer workers at the lowest skill levels and demand more responsibility of higher paid workers.

Studies are very varied on this and you can probably pick and choose any number. They did cite a couple and they admitted that the precise impact of changes in the minimum wage on employment is not clear. One study in retail trade showed that a 5 percent increase in the minimum wage resulted in a 5 percent decrease in retail employment. Another showed a similar effect in agriculture.

I think we are all concerned about the same thing, and that is doing what is best for the people of the State of Maine. I think what separates us is an honest difference of opinion as to the impact of increasing the minimum wage. Are we going to help the poorest people on the ladder or are we going to cause a large increase in unemployment or, in fact, just less jobs coming into the state so more and more people will be unemployed that normally would be employed, and is that offset by the possible advantages of increasing the minimum wage for the poor? I am opposing the bill because I'm not sure.

The sponsor of the bill, when he testified at the public hearing before the Committee on Labor, which I attended, I believe said that this bill is a gamble, and it is, and I just feel it is a gamble with people's lives. I can't find enough facts to convince me that it is not going to hurt a great number of people by causing unemployment.

I would like to thank the Speaker, I guess, for his amendment. I think if, indeed, the bill is going to pass, the amendment at least insures business that for three years they know where they stand in the State of Maine and can come to the state or not knowing the long-term effects of coming here, or at least a three-year effect.

I have a few other facts and figures but I am not going to bother with them tonight. I don't really feel I need to debate everything that has been said over the last few days, but I just wanted to make it clear that I think we are all interested in the same thing, it is simply a philosophical difference as to whether this bill is going to help or hurt the people that we want to help the most.

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

Mr. HIGGINS: Mr. Speaker, Ladies and Gentlemen of the House: Over the period of the last two weeks when we have been debating this bill, I have remained extremely silent, as all of you I am sure know, for those of you who were here during the debate and I almost hesitate to rise this evening simply because I have been advised by those who feel that if I should be involved in the debate that it would turn it into a partisan one and that those members of the opposite party who have been voting against this bill might somehow change their vote. I doubt that tonight. I think everybody here has a clear conscience as to how they are going to vote and I don't believe that what I say here is going to intimidate or encourage members of the opposite party to vote one way or the other.

The reason that I rise is simply to try to explain to you, I guess, where I think we are coming from, or at least where I think I am coming from on this particular issue.

The other day there was a lot of talk about how the Republicans were heartless and cruel or in favor of the unemployed and all sorts of statements like that, and I can assure you that that is not true. It is a philosophical difference. We are all here to help the people in the State of Maine, and I am not here nor is any member of my party here to say that we want to keep the minimum wage low because we like people earning low wages. That's ridiculous.

The question as to whether or not we lose or gain jobs or it stays the same because of a rise in the minimum wage mandated by the state to me does not matter, not one single bit. I am willing to say, and I don't have any statistics, I am not on the Labor Committee, but I would just say that I am willing to grant those who say that any of the people who now have jobs will lose them, I am not willing to say that, I think it

might be a wash, so let's throw that argument aside.

I am opposing this bill for two reasons, first of all, the ability for Maine businesses to compete. Now yesterday or the day before, the gentlelady from Vassalboro, Mrs. Mitchell, had a joint order in here which we all discussed and supported, I think, unanimously relative to shoe workers and their ability to compete nationally. I submit to you that 10 cents, it is a small raise, I grant you that, but 10 cents times a hundred thousand workers times 52 weeks a year is \$20 million. I don't for a minute think, nor do I think you think, that Maine businesses are going to subtract that from their profits. They are going to have to cut back somehow. They are going to either have to lay off the people—maybe they will, maybe they won't—or they are going to have to raise their prices, and I submit to you that they can't afford to raise their prices because the Maine consumer pays for it, the national consumer pays for it and the international consumer pays for it, and that may well be the most important reason, the ability for Maine businesses to compete nationally and internationally. It's like a \$20 million tax increase the first year, \$30 million the second year and \$60 million the third year. Maine businesses are going to have to pay that in increased wages and compensation so they are going to have to raise their prices or do without something else.

Second of all, I think by raising the state's minimum wage, and Maine being the one and only state that is above the national average, sends a clear signal throughout this nation that Maine is not interested in attracting businesses into this state.

We already know about high Workers' Comp costs, we don't necessarily have to talk about that tonight. Transportation costs are high in Maine, heating costs are high in Maine. Now the Maine Legislature can't do anything about heating costs, transportation costs, because we are here, we can't move ourselves into the sunbelt. We have to live with those, but I tell you, we can do something about this one item. We vote on it and we make that change or we don't make that change, and it sends a clear signal that Maine is not interested in pursuing a healthy business climate, and I think that is unfortunate. All the dollars we spend on advertising and promotion to encourage people to move their businesses into this state or to expand them is wasted, because whether or not those people pay minimum wage or they don't pay minimum wage, they look at what we have done as a legislature over the last two years and they are going to say, well, let's think about going to Maine, let's think about what they might do for us. First of all, they raised taxes on the largest corporations in the state last year, \$14 million, and we have got to deal with that. Second of all, they have got higher workers' comp costs. The legislature has reluctantly done something about it but has not done in my term, and again that is a philosophical difference, as much as could be done in terms of workers' comp, but the fact is, we are third or fourth highest in the nation. They take that into account. They take into account the fact that tax conformity has not been realized in its entirety in this state yet and it may not be this session, I don't know. The fact is, those three things are things that this legislature has failed to do or has done which I think really is a detriment in trying to promote this state within the nation and within the world to come here and bring those people. You can't hire people if you don't get the jobs here first. The businesses come first. If you don't have the businesses, you are not going to have the jobs.

The big question that needs to be answered is, why should Maine, this state of ours, be the only state in the nation to be above the minimum wage nationally? I have yet to hear a good reason why, and until I do I intend to vote against this legislation.

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

Mr. WEBSTER: Mr. Speaker, Ladies and Gentlemen of the House: Before we vote on this issue, I would pose a question. In reference to Joint Rule 21, is this measure properly before this body?

The SPEAKER: The Chair would advise the gentleman from Farmington, Mr. Webster, that the fiscal note which the Chair has is on the original bill. The Chair is not in a position to make any determination. Joint Rule 21 specifically directs the Office of Legislative Finance to have the sole responsibility for fiscal notes, and the Chair has none. The Chair would have to rule that the matter is properly before the body.

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

Mr. HIGGINS: Mr. Speaker, I would like to pose a question through the Chair. Earlier this evening, after the recorded vote on the previous motion, I had noticed that the gentleman from Westbrook, Mr. Carrier, had been voting against this particular piece of legislation all along, and after looking at the roll call on the previous motion noticed that he had been paired in favor of the amendment, which was opposite to his previous position, if you will. Therefore, I called him and he indicated to me that he had not wanted to vote for that other amendment. I wonder if the Chair might rule on whether or not, if that was the case, the amendment was properly passed before and whether it is properly before us now.

The SPEAKER: The Chair would advise the gentleman that the gentleman from Scarborough, Mr. Higgins, already knows the answer to that question since the Chair has already indicated what the Chair intended to do when the vote was taken.

The pending question before the House is on the motion of the gentleman from Hampden, Mr. Willey, that this Bill and all its accompanying papers be indefinitely postponed in non-concurrence.

The SPEAKER: The Chair recognizes the gentleman from Biddeford, Mr. Norton.

Mr. NORTON: Mr. Speaker, I request permission to pair my vote with the gentleman from Brooksville, Mr. Perkins. If Mr. Perkins were present and voting he would be voting yes; I would be voting no.

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

Mr. MACOMBER: Mr. Speaker, I request permission to pair my vote with the gentleman from South Portland, Ms. Benoit. If Ms. Benoit were present and voting, she would be voting no; I would be voting yes.

The SPEAKER: The Chair recognizes the gentleman from Lewiston, Mr. Gauvreau.

Mr. GAUVREAU: Mr. Speaker, I ask leave of the House to pair my vote with the gentleman from Mt. Desert, Mr. Zirnkilton. If Mr. Zirnkilton were present and voting, he would be voting yes; I would be voting no.

The SPEAKER: The Chair recognizes the gentleman from Madison, Mr. Richard.

Mr. RICHARD: Mr. Speaker, I request permission to pair my vote with the gentleman from Lewiston, Mr. Telow. If Mr. Telow were present and voting, he would be voting yes; I would be voting no.

The SPEAKER: The Chair recognizes the gentleman from Baileyville, Mr. Tammaro.

Mr. TAMMARO: Mr. Speaker, I request permission to pair my vote with the gentleman from East Machias, Mr. Randall. If Mr. Randall were present and voting, he would be voting yes; I would be voting no.

The SPEAKER: The Chair recognizes the gentleman from Bucksport, Mr. Swazey.

Mr. SWAZEY: Mr. Speaker, I wish to pair my vote with the gentleman from Franklin, Mr. Connors. If Mr. Connors were present and voting, he would be voting yes; I would be voting no.

The SPEAKER: The Chair recognizes the gentleman from Corinth, Mr. Strout.

Mr. STROUT: Mr. Speaker, I request permission to pair my vote with the gentleman from

Lewiston, Mr. Jalbert. If Mr. Jalbert were present and voting, he would be voting no; I would be voting yes.

The SPEAKER: The Chair recognizes the gentleman from Westport, Mr. Soule.

Mr. SOULE: Mr. Speaker, I request permission to pair my vote with the gentleman from South Portland Mr. Kane. If Mr. Kane were present and voting, he would be voting no; I would be voting yes.

The SPEAKER: The Chair recognizes the gentleman from Lewiston, Mr. Nadeau.

Mr. NADEAU: Mr. Speaker, I request permission to pair my vote with the gentleman from Cape Elizabeth, Mrs. Masterton. If Mrs. Masterton were present and voting, she would be voting yes; I would be voting no.

The SPEAKER: The Chair recognizes the gentleman from Auburn, Mrs. Cote.

Mrs. COTE: Mr. Speaker, I request permission to pair my vote with the gentleman from Portland, Mr. Baker. If Mr. Baker were present and voting, he would be voting no; I would be voting yes.

The SPEAKER: The Chair recognizes the gentleman from Freeport, Mr. Mitchell.

Mr. MITCHELL: Mr. Speaker, I request permission to pair my vote with the gentleman from Monmouth, Mr. Davis. If Mr. Davis were present and voting, he would be voting yes; I would be voting no.

The SPEAKER: The Chair recognizes the gentleman from Gray, Mr. Carroll.

Mr. CARROLL: Mr. Speaker, I request permission to pair my vote with the gentleman from Brunswick, Mr. Livesay. If Mr. Livesay were present and voting, he would be voting yes; I would be voting no.

The SPEAKER: The Chair recognizes the gentleman from Eliot, Mr. McPherson.

Mr. MCPHERSON: Mr. Speaker, I request permission to pair my vote with the gentleman from Biddeford, Mr. Racine. If Mr. Racine were present and voting, he would be voting no; I would be voting yes.

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

Mr. KELLEHER: Mr. Speaker, a point of order.

The SPEAKER: The gentleman may state his point of order.

Mr. KELLEHER: Mr. Speaker, at nine o'clock, are not the rules supposed to be suspended in this House?

The SPEAKER: The Chair would answer in the affirmative.

Mr. KELLEHER: Mr. Speaker, then I call for suspension of the rules.

The SPEAKER: The gentleman from Bangor, Mr. Kelleher, requests that the rules be suspended. Is there objection?

There is objection. The Chair will order a vote.

Mrs. Mitchell of Vassalboro requested a roll call.

The SPEAKER: The Chair recognizes the gentleman from Corinth, Mr. Strout.

Mr. STROUT: Mr. Speaker, I request that the vote be counted before we vote to suspend the rules.

The SPEAKER: The Chair would advise the gentleman that that is not proper.

Mr. STROUT: Mr. Speaker, I will stand until midnight if I have to. I asked that the vote be taken before we vote to suspend the rules.

The SPEAKER: The Chair would advise the gentleman that that is not proper.

Mr. STROUT: I will stand on the point of personal privilege, that the vote be announced before we vote to suspend the rules.

The SPEAKER: The Chair would advise the gentleman to please take his seat.

Mr. STROUT: Mr. Speaker, I will have to be removed from the chamber. I request that the vote be announced—well, it is past nine o'clock, Mr. Speaker, we should have done it at nine.

The SPEAKER: The Chair would ask if just for a moment the gentleman would take his seat and the Chair will respond to the gentleman's request. Would the gentleman please approach

the rostrum?

The Chair would advise members of the House that since the request for suspension of the rules was made after the time that was necessary for that motion to have been made, which was at nine o'clock, the Chair would rule that the rules have been suspended by implication.

The pending question before the House is on the motion of the gentleman from Hampden, Mr. Willey, that this bill and all its accompanying papers be indefinitely postponed. Those in favor will vote yes; those opposed will vote no.

ROLL CALL NO. 490

Yea—Anderson, Armstrong, Bell, Bonney, Bott, Brown, A.K.; Brown, D.N.; Cahill, Callahan, Carrier, Carroll, G.A.; Conary, Cooper, Crouse, Curtis, Daggett, Day, Dexter, Dillenback, Drinkwater, Dudley, Foster, Greenlaw, Gwadnosky, Higgins, L.M.; Holloway, Ingraham, Jackson, Joseph, Kiesman, LaPlante, Lebowitz, MacBride, Manning, Masterman, Matthews, K.L.; Maybury, Murphy, E.M.; Murphy, T.W.; Nelson, Paradis, E.J.; Parent, Pines, Pouliot, Reeves, J. W.; Ridley, Roberts, Robinson, Roderick, Salsbury, Scarpino, Seavey, Sherburne, Small, Smith, C.B.; Smith, C.W.; Soucy, Sproul, Stevenson, Stover, Walker, Webster, Wentworth, Weymouth, Willey.

NAY—Ainsworth, Allen, Andrews, Beaulieu, Bost, Brannigan, Brodeur, Carter, Cashman, Choko, Clark, Connolly, Cox, Crowley, Diamond, Erwin, Hall, Handy, Hayden, Hickey, Higgins, H.C.; Hobbs, Jacques, Joyce, Kelleher, Kelly, Ketover, Kilcoyne, Lehoux, Lisnik, Locke, Mahany, Martin, A.C.; Martin, H.C.; Matthews, Z.E.; Mayo, McCollister, McGowan, McHenry, McSweeney, Melendy, Michael, Michaud, Mills, Mitchell, E.H.; Moholland, Murray, Paradis, P.E.; Paul, Perry, Reeves, P.; Rolde, Rotondi, Stevens, Theriault, Thompson, Tuttle, Vose, The Speaker.

ABSENT—MacEachern.

PAIRED—Baker-Cote, Benoit-Macomber, Carroll, D.P.-Livesay, Connors-Swazey, Davis-Mitchell, J., Gauvreau-Zirkilton, Jalbert-Strout, Kane-Soule, Masterton-Nadeau, McPherson-Racine, Norton-Perkins, Randall-Tammaro, Richard-Telow.

65 having voted in the affirmative and 59 in the negative, with 1 absent and 26 paired, the motion did prevail.

By unanimous consent, ordered sent forthwith to the Senate.

The following paper was taken up out of order by unanimous consent:

Passed to Be Enacted

An Act to Equalize Taxation of Aircraft (H. P. 1869) (L. D. 2471) (H. "A" H-731).

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed.

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

Mr. ANDREWS: Mr. Speaker, Ladies and Gentlemen of the House: I realize that the hour is extremely late and there is no one in this House that would rather this issue were not before this body at this time than I but we are at the enactment stage and this piece of legislation, I believe, is important. It has lots of implications. We are about to enact it, I know how to count votes but, ladies and gentlemen, I wanted to bring it to your attention and explain why I am the lone ranger on this bill as far as the House is concerned and I signed the bill out "Ought Not to Pass."

The bill here is fairly simple and straightforward; it deals with a sales tax exemption law that we have on the books right now, a law that makes a distinction between equipment that is used in interstate commerce that is purchased and equipment that is leased for interstate commerce. On the books right now, equipment that is purchased for interstate commerce enjoys a sales tax exemption and equipment that is leased for interstate commerce has to pay a tax. The lessor pays the tax and passes the tax onto the lessee.

Ladies and gentlemen, this bill relates to not simply this tax policy of distinguishing between leased and purchased equipment, it deals with

a particular industry and a particular business within that particular industry and because of an amendment, it now deals with two businesses within that particular industry.

I am opposing this bill not because of Bar Harbor Airlines or not because I don't want to bail out Bar Harbor as people have put it, and it has nothing to do with the personalities and it has nothing to do with air transportation, it is the vehicle that we are using to address the tax problem that Bar Harbor Airlines has.

This is a new issue for the House, it is not a new issue for the Taxation Committee. We had this issue before us last year. We killed the bill when it was before us last year because it dealt with the problem experienced by several small businesses across the state, industries that are involved in interstate commerce that aren't large enough to have the political wherewithal to hire a team of resourceful political people, they are not large enough to be able to say, we are going to move out of the state if you don't give us this exemption, large enough to say that we are going to cost the State of Maine 200 jobs if you don't do what we want you to do.

This tax is very controversial, there are some real problems with this tax, I have some real problems with this tax, but the problems with this tax cut right across the board, not just in the airline industry, not just in one particular business, but in all industries.

There are people in the transportation industry that are affected just as much by this tax provision as Bar Harbor Airlines. So in passing this particular bill and the reason I signed this out and the reason I am before you today is to say that I think that this is a bad tax policy and the basis upon which we are making this decision is very bad because we are not addressing the issue of this tax disparity, we are basing this issue and basing our support for this on three basic criteria: One, does the business have the wherewithal to send lobbyists and have the resources to influence this legislature on a tax policy; two, can this industry threaten the State of Maine with leaving the state; and three, can this industry threaten to cost the state a few hundred jobs? That is the basis of this decision, not the sales tax disparity, not the sales tax policy, but we are using as the criteria for this vote whether or not a business is large enough and resourceful enough to come and make the kinds of threats that we have received with this particular bill.

A small business can't come up and meet that criteria but a tax problem hits that small business just as hard and if that small business fails, it is just as hard and important for that small business as it is a large business. Yes, perhaps only a few jobs are at stake but sales tax policy cuts right across the board and that one industry may only be laying off six people or eight or nine people but taken as a whole, we are talking about several businesses. We are talking about more than just a handful of jobs because sales tax policy cuts across the board and it is going to hit several small businesses.

I am not going to prolong this but I simply would like you to take a look at the bill and I want you to take a look at the way in which this disparity is addressed. If you look at the bill on the first page, it talks about the purchaser and the way that we are going to make the distinction in this bill, between purchaser and lessee is that we are going to define a lessee of an aircraft as a purchaser, so we are going to use the old Orwellian double speak technique in this particular bill, in other words, if you lease an aircraft, according to this bill, you purchased the aircraft, but if you lease a truck, you lease a truck and you still have to pay that sales tax but if you lease an aircraft, suddenly you have purchased an aircraft as far as this bill is concerned. If you lease, you lease and if you purchase, you purchase and if we are going to deal with the disparity in this particular tax policy, I say we take a look at the tax policy. We don't make a decision based upon the size and the influence of an industry because if we do, we are not only selling