

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

One Hundred And Seventeenth Legislature

OF THE

State Of Maine

VOLUME I

FIRST REGULAR SESSION

House of Representatives

December 7, 1994 to May 23, 1995

accompanying papers were indefinitely postponed and sent up for concurrence.

Representative STROUT of Corinth moved to reconsider action whereby Bill "An Act to Require All Persons to Use Safety Belts in Motor Vehicles" (S.P. 77) (L.D. 165) and all accompanying papers was indefinitely postponed.

The Chair ordered a division on the motion to reconsider.

A vote of the House was taken. 65 voted in favor of the same and 74 against, subsequently, the motion to Reconsider failed.

The Speaker resumed the Chair.

The House was called to Order by the Speaker.

HOUSE DIVIDED REPORT - Majority (8) **"Ought Not to Pass"** - Minority (5) **"Ought to Pass"** as amended by Committee Amendment "A" (H-68) - Committee on Labor on Bill "An Act to Provide a Cost-of-Living Adjustment to Minimum Wage Earners" (H.P. 206) (L.D. 265)

TABLED - May 4, 1995 by Representative HATCH of Skowhegan.

PENDING - Motion of Representative JOY of Crystal to indefinitely postpone Bill and all accompanying papers.

The SPEAKER: The Chair recognizes the Representative from Lewiston, Representative Lemaire.

Representative LEMAIRE: Thank you Mr. Speaker, Men and Women of the House: I would like to preface my remarks by saying I am strongly in support of minimum wage. I voted in committee Majority "Ought Not to Pass" on this particular bill because I decided there was a better vehicle that is coming to the floor almost instantaneously. Thank you Mr. Speaker. I urge you to support this motion.

The Chair ordered a division on the motion to indefinitely postpone the Bill and all accompanying papers.

A vote of the House was taken. 102 having voted in the affirmative and 23 voted in the negative, the Bill and all accompanying papers were indefinitely postponed and sent up for concurrence.

HOUSE DIVIDED REPORT - Majority (8) **"Ought to Pass"** as amended by Committee Amendment "A" (H-66) - Minority (5) **"Ought to Pass"** as amended by Committee Amendment "B" (H-67) - Committee on Labor on Bill "An Act to Increase the Minimum Wage in Maine" (H.P. 108) (L.D. 143)

TABLED - May 4, 1995 by Representative HATCH of Skowhegan.

PENDING - Motion of same Representative to accept the Majority **"Ought to Pass"** as amended by Committee Amendment "A" (H-66) Report.

The SPEAKER: The Chair recognizes the Representative from Crystal, Representative Joy.

Representative JOY: Mr. Speaker, Ladies and Gentlemen of the House: We went round and round on this minimum wage bill in our committee and I suppose that we probably will go round and round on it in the House. You just got flooded with a whole batch of information and I wish that I could say that I would vote on this based upon the amount of weight of

papers that I've received for and against this measure, but I'm afraid that I would be sadly outweighed.

Over the past two or three weeks I've checked with 20 or 30 small businesses in my area and the answer when I asked them how do you feel about the minimum wage has always been the same. How would you react to it? I would have to lay off one or two workers, I would have to raise my prices in order to pay for the rest. Unfortunately, what we're looking at here is not just an increase in the minimum wage on the bottom of the scale. What happens when there's an increase and people have several employees if the minimum wage is increased than each one of the employees above that figures that they ought to have a corresponding increase and this is called the ladder effect.

You'll note that one of the pieces of information which was passed out to you said that 20,000 families are struggling to survive on the minimum wage and that's not exactly true. We received information that there are 20,000 people who are employed at the minimum wage level in the State of Maine. However, what they didn't tell you was that most of the 20,000 people that are employed at the minimum wage are people who are students, people who are in training and people who are trying to learn some skills so that they can earn a better wage. The actual average minimum starting wage in the State of Maine is about \$5.30 an hour and this was released in information about two and a half to three months ago. The average amount of time that anybody stays on the minimum wage is about four months. Now we will hear that there are people who have been hung on the minimum wage forever and that probably is not true. I don't know of any situation where anybody is still working at the minimum wage if they have tried to better themselves.

We have had adult education programs which have offered opportunities for people to learn new work skills and they've been around for a long, long time. I've taught many myself and I'm sure that there are many people in here who have had opportunity to instruct other people in adult education to help them learn new skills to try to improve themselves.

You're also going to find that a lot of the information about the benefits of a minimum wage are predicated on a study that was done in New Jersey. New Jersey raised its minimum wage and Pennsylvania did not. There was a survey done which consisted of a bunch of telephone calls that went out to fast food industries and they informed these people that there seemed to be no loss in employment. However, a follow up study of the reports of these payrolls to the Bureau of Taxation showed that indeed there was a significant loss in employment. If there is anyone who truly believes that an increase in minimum wage is going to move people off the welfare roles or move them up on a higher standard of living, I feel very very sad if that's your true belief.

The truth is that every time there has been an increase in minimum wage there has been a corresponding increase in unemployment. In 1933, a bill was passed, the NIFB bill, and it included a minimum wage. The unemployment was already high, but it soared to 22 and 23 percent and stayed there for a long, long time. In 1935, when the bill was repealed the employment dropped to twelve percent. Corresponding increases in unemployment have followed

every single minimum wage pay raise. I think that Maine is surely in a position where it can not afford to raise its minimum wage. The proposed bill, as amended, would increase it to \$4.60 which would make Maine the eighth highest in the nation. If it were increased the following year to \$5 then it would make it the third highest in the nation. I think that what we need to do is to tie our minimum wage to the federal minimum wage law and if that goes up then Maine's goes up and that's what the Minority Report would do. I urge you to defeat the Majority "Ought to Pass" and pass the Minority "Ought to Pass" as amended. Thank you very much.

The SPEAKER: The Chair recognizes the Representative from Sedgwick, Representative Volenik.

Representative VOLENIK: Thank you Mr. Speaker, Men and Women of the House: We need to look at who really earns the minimum wage. 63 percent of minimum wage earners are women. 80 percent are adults age 19 or over. 71 percent live in households with below average total household income. Of minimum wage earners who are poor, 65 percent are the sole bread winners of their families. Nationally 500,000 working women are trying to maintain their families on the minimum wage. Two-thirds of part-time workers are women and one out of four part-time workers are paid the minimum wage. 20,000 residents of Maine earn the minimum wage. Poverty is increasing among families and is threatening our social fabric. Households with married couples saw their poverty rate jump from 7.9 percent in 1973 to 19.6 percent in 1990. Multiple job holding and the number of two or more wage families went up in the 1980's. Research has correlated that the lack of well paid jobs has contributed to the falling marriage rate and the increasing rate of out of wedlock pregnancies.

Raising the minimum wage to \$4.60 per hour for someone working 40 hours per week, 52 weeks a year means increasing their total yearly income from \$8,840 to \$9,568. That's \$728 per year or the equivalent of a couple of weekly expense checks for the average legislator. \$8,840 per year total income is about what we legislators average per year in our salary without expense checks and we get health insurance. Most minimum wage earners don't. How many of you could live on your legislative salary alone without expense checks and without medical and dental insurance and no other source of income? I would wager that few if any of you could do so. Yet we expect our minimum wage earners to live on \$8,840 per year.

The minimum wage has risen from 25 cents an hour in 1938 to \$4.25 an hour in 1991. The minimum wage falls every year in real dollars adjusted for inflation. Just since 1991, the value of \$4.25 has dropped another 52 cents or 8 percent, actually 12 percent. \$4.60 per hour rise in the minimum wage won't even cover this decline and by next year the value of the \$4.25 currently will have declined even further than it is now. The reason we raise our minimum wage on a regular basis is so it's value does not decline relative to inflation. We have not kept up with inflation, the real value of the minimum wage is at it's lowest point since 1955 when it was just over \$4 in 1995 dollar terms. Again, in 1995 dollar terms the real value of the minimum wage rose through the 1960's averaging well above \$5 an hour reaching a peak of \$6.49 an hour in 1968. Then it began to fall. Increases in the minimum no longer kept up with inflation, slowly it fell year by year

still remaining close to \$6 an hour until the disastrous 1980's. From 1981, through 1990 the minimum wage in inflation adjusted terms plummeted to a value just above \$4 per hour. At that point the minimum wage was providing only two-thirds of the buying power that it had 10 to 15 years before. To equal the buying power of the minimum wage of 1968 that minimum wage today would have to be \$6.49 an hour.

If a business pays the minimum wage to a worker and that worker is the head of a household, trying to support a family on his or her wages alone, that worker must almost invariably need government assistance to reach poverty level income. \$4.25 per hour, 40 hours per week, 52 weeks a year, remember is \$8,840. In 1994, the poverty level for a family of two was \$9,840, for three it was \$12,320 and for four poverty level income was \$14,800. If your income is \$8,840 and your rock bottom expenses are \$14,800 what do you do? Either you take on another job at \$4.25 an hour and you work 10 hours a day Monday through Saturday with a short seven hour work day on Sunday, 52 weeks a year or you could apply for AFDC, food stamps, general assistance, fuel assistance, subsidized rent, the earned income tax credit, the property tax circuit breaker or other municipal, state or federal programs to supplement your minimum wage income just to get by and depending on your circumstances you may or may not be eligible for that assistance. And who pays for those programs? We all do. All of these are taxpayer funded programs, and who are the taxpayers? Individuals and businesses.

Lets say you're a business and you're paying a living wage to your employees, let say \$6 an hour to start with your top people making \$15 and hour or more and down the road is Drugmart or Sagadahoc Farms Stores, which strangely enough sells no fresh fruit or vegetables and New Brunswick Oil Truck Stop Convenience Store and McPlastics Fallen Arches Restaurant and let's say they all paid their employees \$4.25 an hour and shipped their profits and franchise fees out of state. It's your tax dollars at the local, state and federal levels which pay the welfare which keeps alive the workers those companies pay \$4.25 to. It's in your interest as a responsible company and as a company which does not want to pay more than its fair share of taxes to get those other companies to pay a decent wage so that your taxes will go down. If wages go up, welfare goes down, your taxes go down, businesses taxes go down. We're all pro business and we want responsible businesses to move to this state and to stay in this state, but we don't want to subsidize the wages of businesses that don't pay living wages.

Let's raise our minimum wage for the sake of our hardworking citizens and for our responsible businesses. Our lowest income workers will become more productive and self-sufficient. They will have more purchasing power which help our merchants, landlords, grocers and our tax coffers. This will increase demand and stimulate our economy.

Maine is tied with New Hampshire for the lowest minimum wage in New England. Connecticut has a minimum wage of \$4.27 an hour, Rhode Island has \$4.45 and hour, Vermont is at \$4.50 and will go to \$4.75 an hour in January of 96. Massachusetts is considering an increase to \$4.60 an hour. New York has proposed a minimum wage of \$6 an hour. Alaska and Oregon are at \$4.75, Iowa is at \$4.65, Washington is at

\$4.90, Hawaii and D.C. are at \$5.25 an hour and New Jersey raised its minimum wage to \$5.05 an hour in 1992. At this very moment, other legislatures around the country may be having this same debate and soon be putting in place higher minimum wages in their states.

Maine can join this growing movement to provide decent paying jobs as a realistic alternative to poverty and welfare. You will hear and you have heard arguments that raising the minimum wage costs jobs, it just isn't true. Many studies have shown that increasing the minimum wage has little or no effect on job gain or loss. A study by the Economic Policy Institute in Washington, in 1994, surveyed restaurants in Mississippi and North Carolina, it found no significant change in employment with an increase in the minimum wage. A 1990, Princeton study of 18,000 teen-agers also changed no significant change in employment with an increase in the minimum wage. A 1992, Princeton study of 321 fast food restaurants in New Jersey and 78 in Pennsylvania showed no job loss when New Jersey raised its minimum wage to \$5.05 per hour. In fact, there was a slight job gain. A 1991, study of 100 fast food restaurants in Texas, done jointly by Harvard, Princeton and the U.S. Department of Labor, showed significant increases in employment in firms with mandated wage increases. A Davidson College study of data from 1954 to 86 showed no significant employment changes in young adults ages 20 to 24 when the minimum wage increased by 10 percent.

Employers argue that raising the wages of the lowest paid workers will hurt profits and force businesses to cut back its work force. That they can't afford higher payroll costs. Well employers did increase their payroll expenses tremendous in the last 15 years, only they raised executive salaries and benefits for the upper 20 percent of income earners immensely. Yet these same businesses did not cry poverty or argue that the huge salary increases would force them to cut their salary positions to save money. Business survived this massive increase in payroll expense which far surpassed the proposed two stage 75 cent an hour increase for Maine's minimum wage workers.

Finally, there is historic precedent for minimum wage in Maine that is higher than the federal minimum. From September 1971 to October 1973 Maine's minimum wage was \$1.80. From October 73 to May of 74 it was \$1.90. During that nearly three year period the federal minimum wage stayed at \$1.60 per hour. Maine's minimum wage was 19 percent higher than the federal. Our economy didn't collapse nor did businesses flee the State in droves for cheaper labor. Also from October of 75 to January of 76, Maine's minimum wage was at \$2.30 while the federal wage remained at \$2.10 and the federal minimum wage stagnated at \$3.35 per hour from January of 1981 to April of 1990. Yet Maine's minimum wage rose to \$3.45 in 1985 to \$3.55 in 86 to \$3.65 in 87 to \$3.75 in 89 to \$3.85 in January of 1990. At that point, Maine's minimum wage was 15 percent above the federal wage. We've done it in the past, it hasn't destroyed the economy, we can do it again.

I urge you to listen to your conscience, to listen to your heart and to listen to the facts and vote for an increase in Maine's minimum wage. I also want to comment on something that was mentioned about the study that was done in New Jersey and Pennsylvania. The rebuttal to that study that was mentioned was

funded by the restaurant industry and also by a group called the Employment Policies Institute which puts out lots of these little publications on the minimum wage and the blurb in the front of it sounds very good, it says the Employment Policies Institute is a non-profit research organization dedicated to expanding employment opportunities at all levels in America's economy. In particular EPI believes that entry level positions often provide the best job training and education programs that many Americans especially young Americans and those seeking to move from welfare to work can have by ensuring that these entry level opportunities are preserved for those seeking a port of entry into the workforce America can make substantial improvements in both unemployment and long-term productivity. However, the group is a front for the restaurant industry. What their saying you can not believe so I urge you again to vote your conscience and vote for a raise in the minimum wage. Thank you.

The SPEAKER: The chair recognizes the Representative from Jay, Representative Samson.

Representative SAMSON: Thank you Mr. Speaker, Men and Women of the House: I find it fitting to myself that the first time I rise on this floor its in defense of the men and women of this state, the working men and women. And in this case, for the lowest tier workers in our state, those that earn minimum wage. I was raised to believe that if you work hard, you would be duly compensated and as I grew older I realize that that's not always true. That's why every state sets their own minimum wage.

I find it kind of hypocritical to say lets wait and see what the federal government is going to do, when those of us who say they don't like what the federal government mandates on us. So we have a right in this state to set our own minimum wage.

I once worked for \$4.25 an hour and it was a wage, it was a living wage where I could raise a family and be a good citizen in this state, that was 25 years ago. \$4.25 today is well below poverty level. As was stated earlier, 80 of the people that earn minimum wage are adults, they are not teen-agers, they are adults.

I really don't believe you can be for welfare without increasing the minimum wage. I think it's hypocritical again to say we have to do something about welfare but yet not give people an incentive to get out and work. If I was the mother of two kids, my first responsibility would be to my children. If I thought they would get better care under welfare where they would collect health care and a place to live, I would rather do that frankly, than work the minimum wage where I would actually lose and my family would lose.

I haven't received one call from a minimum wage worker asking me not to raise their wage because they may lose their job. I don't think anybody here has either. I want to remind everybody that this bill to raise the minimum wage is backed by the Maine Council of Churches, by the Catholic Church and a lot of good groups throughout the state of Maine that care about people. I think this is a good bill for business, for taxpayers, for family people and it's a good bill for the families in my district. Thank you.

The SPEAKER: The Chair recognizes the Representative from Pittston, Representative Guerrette.

Representative GUERRETTE: Mr. Speaker, Ladies and Gentlemen of the House: I rise today as a former

minimum wage earner and I guess that's the focus of what I'll talk about today. I started like probably many in this body as a minimum wage earner as a young boy. I worked at McDonalds, I worked as a dishwasher, I worked as a bus boy and a lot of other jobs and they were minimum wage jobs and what they were jobs that taught me the value of work and taught me how to be a good employee and taught me what it meant to go to work and check in on time and learn to work with other people. They were not meant to support me the rest of my life.

As an employer in this state of 350 people, Ladies and Gentlemen of the House, I have some experience with the minimum wage, I have many employees that work for the minimum wage. I also have 35 store managers that work for significantly more than the minimum wage. Those store managers earn between \$18,000 and \$32,000 a year, 26 of those 35 store managers started at the minimum wage on a part-time basis. Today they are often supporting families and are the major breadwinner in their homes. They did not start out that way. If this bill passes, on Friday or Saturday night in your local video store you may find 6 employees instead of 7, because I'll simply have to employ one less on the busy times of day and one less person will have a chance to enter the job market and one less person will have a chance to get a job and one less person will have the opportunity to move up the ladder and earn a living wage. That's really what the minimum wage is about Ladies and Gentlemen.

98 percent of the people over the age of 30 in the United States of America do not earn the minimum wage, they earn more than the minimum wage. But most all of them, like myself, started at the minimum wage and they learned a job and learned a career and advanced. Ladies and gentlemen, we need to provide opportunities for people to get entry level training in this state. We need to have an opportunity for poor people to get into the job market to get a job and to move up. Anything that will take away the opportunity for hard working people to get a chance to get a job is not something we want. I stand in support of working people today in the state of Maine and urge that you vote against this pending motion. I want more jobs to be created, I want more opportunity for people to get a chance to earn a living wage and I want Maine to be a place of opportunity and not a place where we don't have jobs for people anymore because they went elsewhere. Only 17 percent of the people earning the minimum wage today are in, what the government defines as poor families, that means 83 percent of them do not live in poor families. For me this is a kin to trying to kill the proverbial mosquito with a sledgehammer. To do this, you may in fact kill the mosquito, but the additional damage you will do will be profound and devastating and may be irreparable. Ladies and Gentlemen, I urge you strongly to vote against the pending motion and to support men and women in the state of Maine who need to find a job and need opportunity.

The SPEAKER: The Chair recognizes the Representative from East Millinocket, Representative Rosebush.

Representative ROSEBUSH: Thank you Mr. Speaker, Men and Women of the House: I also started out working at minimum wage in my early 20's after school, I was lucky enough to land a good paying job after. I just want to talk about what happens to people that get laid off and they start collecting

unemployment and when you go collecting unemployment what do you have to do? On your card you have to go looking for work. Three jobs per week. Now I was receiving \$192 a week, that was for myself, my wife and my daughter. Working a minimum wage job doesn't come anywhere near paying \$192 a week. We have a lot of people out there that won't go out and seek work because they're getting more on unemployment because minimum wage is way low. So what happens? They collect the 26 weeks. In some cases they're able to collect for another 26 weeks and then what happens? They end up on the state and I know through experience through other people that have gone through unemployment with myself, they end up on the state whether they have a spouse that's pregnant, they're on unemployment, who pays the bill? We do, the state. They don't, they end up going on Medicaid. We have a problem with what people are earning in this state and I don't think going to \$4.60 and in 97 going to \$5 is going to hurt. Thank you.

The SPEAKER: The Chair recognizes the Representative from Kittery, Representative Lemont.

Representative LEMONT: Thank you Mr. Speaker, Ladies and Gentlemen of the House: I rise today as a part owner of a small convenience store with gas pumps in the town of Kittery less than 3 miles from the New Hampshire line. We in the state of Maine have the returnable bottle bill, New Hampshire does not. We have a 6 percent sales tax, New Hampshire has no sales tax. We have a gas, a beer, a wine and a cigarette tax, New Hampshire's are all lower. It amazes me how we do business sometimes. This is the last piece of the puzzle that gives us any kind of level playing field with our competition for labor costs of unskilled level entry positions. We need the opportunity to start our employee in the work force and to train and to teach them. For example, in our business alone we started exactly one of our seven employees at minimum wage, they all now are making a great deal more than that within 3 to 6 months there they're advanced to a higher rate.

I believe the free market system should drive wages, for example, in the late 1980's you couldn't hire someone for minimum wage if you wanted to. I have no problem with the federal government taking the lead in this area and we following. I would urge you to vote against the prevailing motion. Thank you.

The SPEAKER: The Chair recognizes the Representative from Lewiston, Representative Lemaire.

Representative LEMAIRE: Thank you Mr. Speaker, Men and Women of the House: On May 2nd in this House we were privileged to have one of our legislators open our session with a prayer. That Representative was Representative Guerrette. He closed his prayer with these words, be mindful of those less fortunate. I have to say, Men and Women of the House, that there are no more unfortunate people in this state than those people who are struggling on minimum wage and I defy anyone in this House to even think about what they would do now if they had to live on that amount of money right now at this time in their lives, which they could be, if all of those votes that we took on this floor did not support keeping what we call our perks.

I would like to speak a little bit in response to the ladder effect. I think probably the response to those people who are concerned about the ladder effect. Is it an increase and not mandatory from anyone whether it's a large business or a small

business and if anyone questioned you about raising the cost or the price of anything you sold in your store, by a small amount, I think it would be very good to say to them, I really care about what happens to my workers, I'm concerned about what's happening with the economy in this state and I know that people are struggling. That's why I'm asking you to spend a few cents more. I think it's important to repeat something that was said before, there are 20,000 of our citizens in the state of Maine who are your constituents too, 80 percent of those adults. We're not talking about, when I worked for minimum wage, I knew I had parents who were going to help me go through school, I knew I was going to be supported. A lot of these teen-agers, of which are only 20 percent of this population over the 20,000, are working to help families, their own family who are living on minimum wage and because they need to spend money or earn money for school, for college, for themselves. No one is giving anyone a free ride these days. I would also like to state that 63 percent of these are women and we're talking about single women. Men and Women of the House, I see these women in my classroom, they have tried to work on minimum wage, trust me, any single woman working on minimum wage is on AFDC they're on food stamps and they need to have health insurance. People don't stay on welfare because they want to, they cannot afford to get off. Is this going to do it? Is this a first step? You betcha. I urge you to support the Majority "Ought to Pass". Thank you Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Bangor, Representative Stone.

Representative STONE: Thank Mr. Speaker, Ladies and Gentlemen of the House. We do not need legislation to increase minimum wage or to increase wages. What we need is job development. I believe we all remember back into the mid 80's when Maine was booming and in the Portland area you couldn't find anybody who would work at McDonalds for less than \$6 or \$7 an hour. It's simply supply and demand and with better jobs and more jobs there will be greater demand and the wages will automatically go up. Growth raises wages, not legislation. Thank you.

The SPEAKER: The Chair recognizes the Representative from Pittston, Representative Guerrette.

Representative GUERRETTE: Mr. Speaker, Ladies and Gentlemen of the House: I did not anticipate rising again on this. I'd just like to say that I believe the way we can help those that are less fortunate than us is to bring jobs to Maine, bring opportunity to Maine and not ship them elsewhere and in so doing we'll help people the best way we know how. Thank you.

The SPEAKER: The Chair recognizes the Representative from South Berwick, Representative Farnum.

Representative FARNUM: Mr. Speaker, Members of the House: I'm going to give you a little bit of history of myself. I'm from Lewiston, I worked in Hoggy's Restaurant in Lewiston from 6 to 6 at 75 cents an hour before World War II. I'll never forget it. After the war, I came back there was no jobs, I worked in Columbia stores, grocery stores, for \$1.25 an hour. It taught me one thing, there was something better and I went out looking for it. Thank you.

Representative JOY of Crystal requested a roll call on the motion to accept the Majority "Ought to Pass" as amended Report.

The SPEAKER: The Chair recognizes the Representative from Jay, Representative Samson.

Representative SAMSON: Thank you Mr. Speaker, Men and Women of the House: It quite an occasion for me to speak twice in the same day on this. I'd like to draw a parallel to you of what an eight hour day minimum wage worker could buy. \$4.25 per hour for eight hours is \$34. Recently I had the opportunity to take my wife out for dinner and we decided to go to Pizza Hut, that's about our grade of restaurant. Even though I'm a big person I ordered a small pizza, I also drank two beers. My wife also ordered a small pizza and we both had a side order of those bread sticks. She brought her part of her pizza home, I ate all of mine. The parallel I want to draw to you is with the tip the bill came to \$28.62. So, if I was earning minimum wage, without taking the taxes out, I would have had a few bucks left. That's what \$4.25 an hour gets you today.

The SPEAKER: The Chair recognizes the Representative from Kossuth Township, Representative Bunker.

Representative BUNKER: Thank you Mr. Speaker, Men and Women of the House: I've been sitting here reflecting on a lot of the different stories and everybody's recollections of working for minimum wage and sure enough I think everybody here can say the same for themselves. I know I was lucky enough to start at \$1.75, at my minimum wage and probably different than most of you I was lucky enough to be there when they raised it to \$1.95 and I finally got a raise and it was because they raised minimum wage, that's how I got my first raise, Ladies and Gentlemen. I guarantee you that when we bring this to \$5 that's the first time these people are going to get a raise and it's because we had the fortitude in this body to do that. As far as all the world going to come to an end, history has proven that that doesn't work. I was in there when the raise went in. The people that were working there many years before I was in this garage made substantially more than me and there was no rachitic up effect. The boss had the nerve to look at the other employees and say look you're getting paid 75 cents an hour more than him and you don't deserve another raise as well. So this racheting up effect should not even come in to play. As far as a lot of the concerns of this body that we're going to be laying people off, anybody that's in business knows that it takes X amount of people to do X amount of work and you don't see McDonalds laying people off when there's people standing in line and needing to be served. So I don't even see how that comes into play. So I urge you to vote the "Ought to Pass".

The SPEAKER: The Chair recognizes the Representative from China, Representative Chase.

Representative CHASE: Thank you Mr. Speaker, Men and Women of the House: I won't tell you about my youth, I'll tell you about a time very recently coming back from a late night poker game. I stopped at Dunkin Doughnuts and was served by a woman who was probably not as old as my mother, but sure had a few years on me and I was just chatting with her and said something about the hour, isn't it late? She said oh yea, but I'm just starting work, I said my gosh you work late and she said that's because I just got off my other job. I met this woman later when I was eating in Waterville, this was a Dunkin Doughnuts in Waterville, she was a waitress in Waterville, a place call Steve's. So what this woman does is to wait on

tables and then go to work after that. The reason I'm telling you this story is because I want to avoid telling you about my youth and also because I want to tell you that the concern I have, has nothing to do with the folks earning training wages and learning to do jobs.

I think starting work is a very important thing, I think you can learn all the lessons that the good Representative from Pittston, Representative Guerrette told us about doesn't matter whether you're earning 25 or 30 cents an hour more or less you'll still learn those lessons. If as many of the people in this body have mentioned that they started at minimum wage and then they went on to better things, I say congratulations, I'm not worried about those folks. I'm not worried about the teen-agers who go home to meals on the table and to roofs over their head. I'm worried about people like the woman I met in Dunkin' Doughnuts who are putting food on the table for others and providing the roofs over the heads of others. So that's my concern, that's the down side, the up side is what good we can do by raising the minimum wage. Most folks who are earning minimum wage now don't have huge bank accounts, I trust. I suspect if and when we raise the minimum wage, people will not put that money into their savings account, but will spend it and where will they spend it, they'll spend it in their communities. The very folks who are nervous about raising the minimum wage are going to see the benefit from those people in the state of Maine who will receive more money when we raise the minimum wage.

I suspect we should think about children for a little while too. Think about the slight increase, even if it's just a slight increase, in the lives of the children who live in homes of breadwinners who earn the minimum wage. I'm concerned about those breadwinners, I'm concerned about the children and Men and Women of the House, I urge you to support the Majority "Ought to Pass" as amended report.

The SPEAKER: The Chair recognizes the Representative from Lagrange, Representative Hichborn.

Representative HICHBORN: Thank you Mr. Speaker. Everyone else is giving a little bit of history, I can give you a little bit of ancient history. My first job was really minimum wage. These people have been talking don't know what minimum wage is.

My first job was 44 hours a week 25 cents a day, gave me \$10.80 for a week on the end of a long handled shovel because I had learned early that a short handled shovel wasn't nearly as effective when it came to working as a long handled shovel. Now we've heard about the ladder effect, the good gentleman from Crystal in his words of wisdom was correct, there is a ladder effect and that ladder effect began the last time back in about 1989, as I remember, it when the last wage increase was given. Nobody has mentioned that the ladder effect also has been working for the worker and the cost of living. That's been going up every single year, year after year after year. Don't forget there are two ladder effects. What's fair for one is certainly fair for the other and I agree that we've had words of wisdom from both people. We do need more jobs but I don't think that increasing the minimum wage is going to mean any loss of wages and there is such a thing as equity and fairness for both employers and employees. I think that when we vote here tonight that we aren't going to hurt employers if we increase the minimum wage. There's a certain amount of work

out there that has to be done and it's going to be done and it will be done and I hope that we can do justice to both. Thank you.

The SPEAKER: The Chair recognizes the Representative from Holden, Representative Campbell.

Representative CAMPBELL: Mr. Speaker, Men and Women of the House: I just want to relate a real world today experience that I've most recently experienced. One of my three jobs is an owner/operator/manager of a small hotel, 56 rooms on the campus of the medical center in Bangor. We have a housekeeping department, that housekeeping department has 5 employees, they are at entry level, which is minimum wage, \$4.25. They quickly rise above that within 30 days and can rise to a point of doubling that, very effectively and easily with good work and progress. Now, if this minimum wage increases, I'll tell you how it's going to affect the business and the competition in the room rental rates. In Bangor, if I looked at my overhead and compared it to the occupancy rate, my room rate, average room rate in order to break even is \$40 a night.

If anybody has driven through Bangor in the past winter you kind find market rates ranging from \$17.95 and they'll cap at \$35. I'm trying to maintain a good service at my lowest rate of \$39. Also, the economy of eastern Maine is affected a little differently than the economy of western Maine. We can take a line and draw it right down through the center of Maine. We're both affected by the Canadian market. The rate of exchange is the same on one side of the state as it is on the other. But on the eastern side we have what they call a border tax which is 17 percent of anything returning, therefore, the Canadians aren't coming. Our room rates are plummeting, our costs are trying to be maintained but just the slight tweaking of our overhead is number one going to reduce the number of employees at my inn. No question, I have to maintain a cost of that payroll. In a market where room rates are declining, I can not increase my wages. They do increase on merit. At this point, I just hired one person, I have one person on minimum wage. Within thirty days they're increased and subsequently they're also increased.

We need to focus on entry level wages in order to bring people into the work place. It's important that we have this maintained at \$4.25. This is not the time to be increasing wages and the ladder effect does come into play, each person who is affected by one below it is expecting an increase in rates and they will get it.

At this time I'd urge you not to pass this bill in order to maintain people in the workplace. Thank you.

The SPEAKER: The Chair recognizes the Representative from Yarmouth, Representative Buck.

Representative BUCK: Mr. Speaker, Ladies and Gentlemen of the House: I own a small convenience store as well as some other folks here and I can tell you that we will have a ladder effect on this. In my particular case, I live in an area where the demand for good employees as such, that we do not start people at minimum wage. As a matter of fact, we start our folks at \$6 an hour. But I can tell you that if this minimum wage goes into effect everyone of those employees will demand a corresponding increase and if I don't give it to them, they're going to go to my competitors who will.

I've been in my business long enough so that I can predict what my total sales are going to be for the year and I know how much I can afford for payroll. Right now I have 5 part-time adults and 4 part-time students working for me. If the minimum wage goes into effect, I'm not going to lay anyone off but each one of those adult employees will have a corresponding reduction in the amount of hours that they work for me.

Someone else brought up the point that I could raise my prices a few pennies in order to pay for this minimum wage. But I can tell you that in the competitive market that we're in if I were to raise my prices even 1 or 2 percent, my customers would go to my competitors.

The SPEAKER: The Chair recognizes the Representative from Thomaston, Representative Simoneau.

Representative SIMONEAU: Mr. Speaker, Ladies and Gentlemen of the House: I've just been sitting here doing some quick little calculations. I'm not going to talk about ladder effect and so forth, but someone mentioned the earned income credit here at the beginning of the debate here. The earned income credit is something that kicks in automatically on your income tax return. It can be as much as \$3,000 a year. Now if you take the \$3,000 that's going to someone earning minimum wage, and these people would probably qualify for it if you had a single person, and I'm not talking about students, students do not qualify for the earned income credit, they have to be people that are working or people with families. If you took that \$3,000, they wouldn't be paying Social Security on that, so that's an equivalent of \$3,225 a year, you divide that by a full work week, that's \$1.55 an hour. So these people on minimum wage who are working have families are getting up to \$1.55 an hour through a federal subsidy. If it's \$2,000 a year it's going to slide down. As you increase their wages you decrease their earned income credit, so what are you doing here. How much of a benefit are you really giving to somebody. If you're going to take away over here to give, ought to have an employer, who's already paying the taxes to give him over here. So think about that and keep in mind these minimum wage people we're hearing many of them are students that don't get this, they shouldn't get this. But people who have families if they're working at minimum wage they're being subsidized at least \$1.00 to \$1.50 an hour. Thank you.

The SPEAKER: A roll call has been requested. For the Chair to order a roll call it must have the expressed desire of more than one-fifth of members present and voting. All those in favor will vote yes; those opposed will vote no.

A vote of the House was taken and more than one-fifth of the members present and voting having expressed a desire for a roll call, a roll call was ordered.

The Chair recognizes the Representative from Livermore, Representative Berry.

Representative BERRY: Mr. Speaker and Colleagues of the House: Thank you. I have no regrets about dragging this debate out if it's something important to say and I feel it's important.

We've heard from the great class of employers, I guess I'm not from that class I'm a working person, I work for a wage, I expect a decent wage. I work in the paper industry, I don't work for minimum wage and

I don't expect others to work and labor for the benefit of the greater class and unjust wage.

There are food chains that I can think of that they pay their workers, they pay them a little over minimum wage, but they won't let them work 40 hours and week, they won't let them qualify for the benefits, so they may have to work another job. They may be training to sell video tapes, I don't know how long you have to train to sell a video tape or rent a video tape but I know there has been some video tape stores that have grown through this state, have expanded, while the employees make minimum wage.

What's the definition of a entry level wage and a training wage? Now how long does it last? These people who have families they need to support their families. Never mind their earned income credit, let them earn their wage to buy their groceries and to pay their rent. As far as the business, you know we can go out into the halls and we can find every bill we talk on in the committees - Oh, this is going to happen to business, this is going to happen to business, look what's happened to the people out there. You want to start welfare reform, here's the first step. Thank you.

The SPEAKER: The Chair recognizes the Representative from Jay, Representative Samson.

Representative SAMSON: Thank you Mr. Speaker, Men and Women of the House: I didn't mean to speak three times this evening, but I feel I must. First of all don't be fooled by people that think that they're hiring people to train them for something better, they're hiring people because they think they need them to provide a service or provide production for their facilities. Let's be honest that's why they hire these people.

I had the opportunity a couple of years ago to work with some people that work here in the state of Maine and work in what I call a sweat shop. They work in the textile industry, they work by piece work. Mostly women, maybe 70 percent women. The place they work is very hot in the summer, very cold in the winter and dusty all the time. These people are put on particular jobs where the faster they work, the more production they produce, the higher their rate of pay. Unfortunately, what happens is management, once they reach a high rate of pay, take them off that particular job and put them on another job. Then they struggle again for days and weeks and months to build up their speed so they can once again make a decent wage. Then again they're taking off their job and put on another one. But these women they work very hard and I'm not going to tell you which one of our towns that place is located. These women say, well at least they give us minimum wage, \$4.25 an hour. And I'll tell you it's hard for me as a big man to say that was one of the most emotional times of my life was having to work there. A couple of times I went in my car and cried, because of how these people were treated, some of them pregnant women. That's why I stand up today even though I have a fear of public speaking, because I'm here to fight for the working men and women of this state.

Representative MITCHELL of Vassalboro moved to table until later today pending the motion to accept the Majority "Ought to Pass" as amended Report.

Representative LUTHER of Mexico requested a division on the motion to table.

Representative MITCHELL of Vassalboro withdrew her motion to table.

YEA - Adams, Ahearne, Benedikt, Berry, Bouffard, Brennan, Bunker, Cameron, Chartrand, Chase, Chizmar, Clark, Cloutier, Daggett, Davidson, Desmond, Dore, Driscoll, Etnier, Fisher, Fitzpatrick, Gamache, Gates, Gerry, Gould, Green, Hatch, Heeschen, Hichborn, Jacques, Johnson, Jones, K.; Joseph, Keane, Kontos, LaFountain, Lemaire, Lemke, Luther, Martin, Meres, Mitchell EH; Mitchell JE; Morrison, Nadeau, O'Gara, Paul, Pendleton, Richardson, Ricker, Rosebush, Rowe, Samson, Saxl, J.; Saxl, M.; Shiah, Sirois, Stevens, Thompson, Townsend, Treat, Tuttle, Tyler, Volenik, Watson, Winn, The Speaker.

NAY - Aikman, Ault, Bailey, Barth, Bigl, Birney, Buck, Campbell, Carleton, Chick, Clukey, Cross, Damren, Donnelly, Dunn, Farnum, Gieringer, Gooley, Greenlaw, Guerrette, Hartnett, Heino, Jones, S.; Joy, Joyce, Joyner, Kerr, Kilkelly, Kneeland, Labrecque, Lane, Layton, Lemont, Libby JD; Libby JL; Lindahl, Look, Lovett, Lumbra, Madore, Marshall, Marvin, McElroy, Murphy, Nass, Nickerson, Peavey, Perkins, Pinkham, Plowman, Poirier, Poulin, Povich, Reed, G.; Reed, W.; Rice, Robichaud, Savage, Simoneau, Spear, Stedman, Stone, Strout, Taylor, Tripp, True, Tufts, Underwood, Vigue, Waterhouse, Wheeler, Whitcomb, Winglass, Winsor.

ABSENT - Dexter, DiPietro, Mayo, McAlevey, O'Neal, Ott, Pouliot, Rotondi, Truman, Yackobitz.

Yes, 67; No, 74; Absent, 10; Excused, 0.

67 having voted in the affirmative and 74 voted in the negative, with 10 being absent, the Majority "Ought to Pass" as amended Report was not accepted.

Subsequently, the Minority "Ought to Pass" as amended Report was accepted.

The Bill was read once. Committee Amendment "B" (H-67) was read by the Clerk and adopted. The Bill was assigned for second reading Thursday, May 11, 1995.

On motion of Representative GOULD of Greenville, the House adjourned at 9:00 p.m., until 9:30, Thursday, May 11, 1995.