

# MAINE STATE LEGISLATURE

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# LEGISLATIVE RECORD

OF THE

**One Hundred And Seventeenth Legislature**

OF THE

**State Of Maine**

**VOLUME IV**

**FIRST REGULAR SESSION**

**Senate**

May 2, 1995 to June 16, 1995

This being an Emergency Measure and having received the affirmative vote of 30 Members of the Senate, with No Senators having voted in the negative, and 30 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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**Resolve**

Resolve, to Require the Department of Agriculture, Food and Rural Resources to Establish a Revolving Loan Fund to Increase Agricultural Growth in the State

H.P. 653 L.D. 876  
(C "A" H-225)

Which was **FINALLY PASSED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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**Emergency Resolve**

Resolve, to Establish a Paper Industry Council  
S.P. 382 L.D. 1059  
(S "A" S-146 to C  
"A" S-136)

This being an Emergency Measure and having received the affirmative vote of 29 Members of the Senate, with No Senators having voted in the negative, and 29 being more than two-thirds of the entire elected Membership of the Senate, was **FINALLY PASSED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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On motion by Senator **LAWRENCE** of York, the Senate **RECONSIDERED** its action of earlier in the day whereby it **ACCEPTED** the Majority **OUGHT NOT TO PASS** Report on:

Bill "An Act to Broaden the Scope of the Farm Registration Laws to Include Farm Woodland Trucks"  
S.P. 243 L.D. 640

On further motion by the same Senator, Tabled 1 Legislative Day, pending **ACCEPTANCE** of Either Report.

**Divided Report**

The Majority of the Committee on **LABOR** on Bill "An Act to Increase the Minimum Wage in Maine"  
H.P. 108 L.D. 143

Reported that the same **Ought to Pass as Amended by Committee Amendment "A" (H-66)**.

Signed:

Senators:  
MILLS of Somerset  
RAND of Cumberland

Representatives:  
HATCH of Skowhegan  
CHASE of China  
LEMAIRE of Lewiston  
PENDLETON, JR. of Scarborough  
SAMSON of Jay  
TUTTLE, JR. of Sanford

The Minority of the same Committee on the same subject reported that the same **Ought to Pass as Amended by Committee Amendment "B" (H-67)**.

Signed:

Senator:  
BEGLEY of Lincoln

Representatives:  
JOY of Crystal  
JOYCE of Biddeford  
STEDMAN of Hartland  
WINSOR of Norway

Comes from the House with the Minority **OUGHT TO PASS AS AMENDED** Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "B" (H-67)**.

Which Reports were **READ**.

Senator **RAND** of Cumberland moved that the Senate **ACCEPT** the Majority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (H-66)** Report in **NON-CONCURRENCE**.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Rand.

Senator **RAND:** Thank you Mr. President, Men and Women of the Senate. This seems to be one of those issues that most people make up their minds about before the floor debate begins. It is unfortunate that our Governor has publicly stated his possible opposition to this, especially since his reason consisted of a less than substantial aversion to sending a bad signal to the business community. So, for those few of you who are yet undecided, I hope to convince you with a few facts. And, to our Chief Executive, I hope that his feet are not in cement. This is not an issue of elusive signals, but a real

life, quality of life, issue to 21,000 minimum wage earners who will never receive a raise unless we, their representatives, initiate it for them. L.D. 143 proposes an extremely modest raise in the minimum wage to \$4.60 an hour in 1996, and to \$5.00 an hour in 1997. This is no more of anti-business move than the increased cost for the purchase and use of reformulated gas. It is a measure that is necessary for the greater good of our people and for our State's economy. In 1974 a minimum wage earner could keep his family of three just above the poverty line. In 1995 his, or her, minimum wage was \$3,692 below the poverty line. The poverty line goes up each year with inflation, and every year the real value of our \$4.25 minimum wage drops further. It will take a wage of \$7.81 an hour to keep a family of four out of poverty this year, or a wage of \$4.25 an hour if one works ten hours a day for seven days a week. Of the approximately 21,000 minimum wage earners in Maine, 80% are adults. Of this 80%, 63% are women. Most of these workers have no health benefits. When they, or their families, need health care it is often more cost-effective for them to go on public assistance to receive Medicaid. General Assistance, AFDC, food stamps, fuel assistance, subsidized rent, the earned income tax credit, the property tax circuit breaker, and other programs assist our lowest income workers to stretch their budgets. These are taxpayer funded programs which, in effect, subsidize those few businesses who are unwilling to provide a living wage for their employees. Raising the minimum wage will reduce the need for public assistance.

There was a study done by this body in 1984 that found that increasing the minimum wage would lead to annual income gains, overall income gains, of \$17 million to \$51 million. National studies have shown time and time again that little job loss, and even increases in employment, follow growth in the minimum wage. New Jersey and Pennsylvania, two neighboring States, went through this experience. New Jersey raised its minimum wage several years ago, Pennsylvania did not. The employment growth occurred in New Jersey, not in Pennsylvania. Connecticut has a minimum wage higher than the federal, Rhode Island, Vermont; in fact Vermont will go to \$4.75 an hour in January of 1996. Massachusetts is considering a raise. New York has proposed a minimum wage of \$6.00 an hour. Alaska and Oregon are at \$4.75. Iowa, \$4.65. Washington is at \$4.90. Hawaii and D.C. are \$5.25 an hour. Maine can join this growing movement to provide decent paying jobs as a realistic alternative to poverty and welfare. I would like to just note that the Wall Street Journal, in December of 1994, showed that over 75% of American support an increase in the minimum wage and when we did our own questionnaires this year, throughout our Senate districts, I did include the question asking my constituents if they thought that we should increase the minimum wage. Well over 80% returned the questionnaires with a positive response. In fact, out of the over 80% who agreed that we must increase our minimum wage, probably half of them had checked to increase it by \$1.25 an hour. I would urge you to please vote with the Majority on the Labor Committee. We heard all of the arguments on both sides of this issue, and have found it imperative that Maine increase its minimum wage in, as I said, an extremely modest manner to \$4.60 an hour next year

in 1996, and then to \$5.00 an hour in 1997. So, please vote for the pending motion. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Lincoln, Senator Begley.

Senator **BEGLEY:** Thank you Mr. President. I ask you to oppose the pending motion so that we can then adopt the Minority Report "B". It is always enticing to increase something, particularly wages, to a group that one may sympathize with, as I'm sure most of us do. However, that group is probably the most liquid group of employees in the State. It is mentioned that anywhere from 20,000 to 21,000 people are on the minimum wage. If you check with the Department of Labor on any one month, or six months, you will find that that group has changed substantially. Business has said all along raising the minimum wage may not, and in their respect they believe will not, enhance the business community or the situation of many people. The National Federation of Independent Businesses and the Maine Chamber of Commerce and Industry and the Maine Merchants Association all testified against the Majority Report, on the basis that just the opposite reaction may take place. If you raise the minimum wage you might, and generally do, at least for the first year or so, lose jobs. The comment has been made that the reports show that that is not necessarily so. One report can show you one thing, another report can show you the exact opposite. Minimum wage hikes still hurt. This gentleman was talking about a study that was put forward by the Carl Kruger Minimum Wage Work, which supposedly proved that that was not so, that minimum wage hikes did not reduce jobs. But it was done on such a narrow scale that even though it had been accepted by the New York Times on its initial report, after close study most economists came up with the opposite position. Much has been written in praise of the Carl Kruger Minimum Wage Work. Laura D'Andre Tyson, Chairman of the President's Council of Economic Advisors, has called it "the product of the most sophisticated techniques available to economists." These sophisticated techniques, coupled to the right data, produce a result the administration cannot now deny. Higher minimum wages cost jobs. In another report, the Carl Kruger data said, "Consistent reports that employment losses were none, actually took place in the employment gains far in excess of their true values." Although the EPI analysis covered 25% of the franchised units in the Carl Kruger Data set, there are very few instances in which the Carl Kruger numbers even closely resemble the actual payroll records. In fact, with one-third of the observation, the Carl Kruger data set fails to identify the correct directions of the employment change, whether it was a job loss or a job gain. Not only are the Carl Kruger numbers wrong, they are catastrophically wrong. If we come back to local businessmen, they will tell you that in general the minimum wage is but a very short period of time in getting those workers started. That is why you only have 21,000 people earning minimum wages, and that the employer moves them off that very rapidly and produces a better employee for that purpose. Business will also tell you that in their experience, the minute you raise one level in any factory, or in any job, it is almost automatic that within six months that every level will rise also. It was pointed out to us in the so-called grabbing of one

round of the ladder. If you raise it, you raise every round right with it.

Maine cannot lose its competitive position with our neighboring states that are now currently on the federal minimum wage law. We cannot afford that in any way, shape, or manner because we are, quite naturally, looking for the best advantage that we can have. If we raise this, Maine will come up into a range of anywhere from twelfth to fifth in the nation. The Minority Report "B", in recognizing the potential of minimum wage corrections, has put out a report tying our minimum wage to the federal minimum wage, where it belongs. That would be the position that we should take, so I ask you to vote against the pending motion.

**THE PRESIDENT:** The Chair recognizes the Senator from Kennebec, Senator Carey.

**Senator CAREY:** Thank you Mr. President, Members of the Senate. As we, on the Taxation Committee, really turn around and give money to business, to better the climate for business, something that I support, we also ought to think about the person who is at the bottom of the ladder who has to pay those bills for the money that we are giving away.

**THE PRESIDENT:** The Chair recognizes the Senator from York, Senator Lawrence.

**Senator LAWRENCE:** Thank you Mr. President, Men and Women of the Senate. In response to the previous remarks about the effects of raising the minimum wage. Down along the border with our neighboring state, I also included that question on my survey, on whether or not to increase the minimum wage, and I was very surprised, over 67% of my constituents said we should increase the minimum wage. The majority of those, an overwhelming majority of those, who said we should increase it, said we should increase it more than this bill does, \$1.00 or \$1.25. When I think about debating this issue I only have to think of the comments of my good friend and colleague from Aroostook, Senator Kieffer, when he said the other day that when people have more money to spend they are going to spend it and that stimulates the economy. That's what minimum wage is all about. The first minimum wage was enacted during the Depression, back in 1938 to help stimulate us out of the Depression. Whenever we increased the minimum wage it stimulates the economy. Look at what minimum wage is now, in current dollars it is \$4.25, if you go back to 1979 it was over \$6.00 in current dollars what the minimum wage is today, in comparable amount of money. We would have to raise the minimum wage now to \$6.00 to get back where it was before. The fact is that minimum wage creates jobs, it creates spending, it creates the type of employment that creates a healthy economy. I had to laugh, I saw a cartoon in a paper about someone in a diner. The person in the diner said to the waitress, "What are you so crabby about? All the papers say that there are more jobs in the economy now than there were two years ago." And she said, "Yes, I know. I have three of them." That's what this bill is all about, creating quality jobs where people have enough discretionary money to spend, and that stimulates the economy. If you want to stimulate the economy and put money in Mainers' pockets, you will vote to increase the minimum wage.

**THE PRESIDENT:** The Chair recognizes the Senator from Aroostook, Senator Kieffer.

**Senator KIEFFER:** Thank you Mr. President. I certainly did make that statement, and there is more than one way to put money in people's pockets. Increasing the minimum wage, I don't believe is the way, necessarily, to accomplish that. Increasing the minimum wage also increases the amount that that individual pays in Social Security taxes, it increases the amount he pays in income taxes. I think we are much better off and it would be to the advantage of a low-income person, if that's the way you want to refer to them, if we remove them from being subject to the income tax provisions of our laws. This would maintain their Social Security payments at the same level as it exists today, but it would return much more net dollars to their pocket to spend on a daily basis. I much prefer to see that approach taken to put more money into their pocket. Thank you Mr. President.

**THE PRESIDENT:** The Chair recognizes the Senator from Kennebec, Senator McCormick.

**Senator MCCORMICK:** Thank you Mr. President, Men and Women of the Senate. I just would like to respond to the good Senator from Aroostook, Senator Kieffer, about his last comment. I'm glad that you support the earned income tax credit because that is exactly what the earned income tax credit is supposed to do. In fact, earlier this year, I calculated the taxes paid of all the graduates of my job training program, Women Unlimited, and I found an amazing thing about the earned income tax credit, which is that because of the earned income tax credit, which is really working at pulling people from the bottom up, one has to make around \$16,000 a year, before one pays federal income taxes. So, in fact, that is a step that this society has taken to make work a enterprise again that people have faith in, to raise them out of poverty. Asked the effect of raising the minimum wage on our business climate, as you might recall we did this before. We raised the minimum wage in 1984. I was talking to one of my constituents about that, Ray Fongemie, who works over at the Bureau of Labor Statistics, and I said, "Have you done any studies about the effect of that raising of the minimum wage on our business climate, on business leaving the State, on closings?" He said, "Yes, there has been many studies done on that and they could find no evidence that there was a negative impact at all for raising the minimum wage in Maine." This is not some other state, but in Maine, in 1984. I would remind you that we did that out of step with the federal government, so, in fact, our minimum wage was different than the federal government and still, there was no effect. Low wage employment in this country has increased. The full-time year-round employment, people working full-time year-round who are earning the minimum wage has increased way more in the last ten years than you or I would ever want. It has doubled for white men, and it has increased 20% for women. People working full-time year-round earning the minimum wage has doubled for white men and it has increased 20% for white women. That is a statistic that ought to strike fear into our hearts. That means that we are in danger of making work a disconsolate enterprise,

and we cannot afford to do that. I, too, asked my constituents, on my survey, whether they wanted to raise the minimum wage or not, and 64% of them said yes, 64%. So, please, I couldn't agree with the Minority Leader more, there is no reason for us not to take this step and only good reasons for us to take this step. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Harriman.

Senator **HARRIMAN:** Thank you Mr. President. Good evening Ladies and Gentlemen of the Senate. I rise this evening to state, for the Record, that I, too, want to raise the minimum wage. In fact, I think most everyone of us here wants to raise the minimum wage, but there is a better way to do it than the pending proposal. For this bill to pass, the message, once again is, to those who take the risk of providing jobs here in Maine, you've got one more mandate, along with the rest of them. Instead, we have an opportunity to recognize that there is some momentum starting in our private sector in our economy. In fact, a company that is recently moving into my district is going to hire 300 people. Another company is moving into the Lewiston/Auburn area, they are projected to hire 400 people, and do you know what that has caused? The people who are already employing people in this area are asking themselves these questions, are our benefits in line? Are our wages competitive? Do we offer child care? Are we providing the sorts of opportunities to attract the quality employees that we want? That's what we want, Ladies and Gentlemen of the Senate, we want employers to look at those things and ask, are we paying enough? Are we providing enough incentives for people to come and work for us? So, we can raise the minimum wage by creating opportunity, not by passing yet another law that sends a signal that Maine is out of step with the rest of the country. Thank you Mr. President.

**THE PRESIDENT:** The Chair recognizes the Senator from Penobscot, Senator Faircloth.

Senator **FAIRCLOTH:** Thank you Mr. President, Colleagues of the Senate. I have heard a couple of the good Senators refer to the support of the people of Maine for the motion of the good Senator from Cumberland, Senator Rand, and that perhaps over 60% of the people support an increase in the minimum wage, and even, perhaps, a higher increase. I'm glad to hear that, and gratified by it, but on the other hand, if on the merits the evidence was that we should not raise the minimum wage, I would hope that despite what the public sentiment might be, that we would vote against it. So, I was curious about arguments in opposition to the minimum wage in terms of economics and how it would affect the economy of the State of Maine. I found an article from Business Week, not exactly a leftist publication, which I found quite interesting. In it, an economist, Ray Marshall, states that to win in the world market a raising of living standards, including increasing the minimum wage, will help produce more productive, higher wage workers, and that indexing the minimum wage will help to spur that transition to a more high-wage, high-productive society. That, in and of itself, is not necessarily dramatically persuasive. I think Harry Truman said he wished he could find a

one-armed economist, because then they couldn't say "on the other hand". However, what I did think was interesting was that further in the article they quoted representatives from the National Federation of Independent Businesses, Mr. Thomas Gray and also Mr. Richard Burman from the Employment Policies Institute, both of which support the employer interest and oppose the minimum wage in general. But, they both conceded and said that they have trouble countering the logic of the argument set forth by Mr. Marshall, that indeed they seem to concede the point in this article, that in the long run an increase in the minimum wage is good for the economy. To me, that's the end of the discussion if, in the long run, it is going to help the economy then we should support it. They made short-term arguments, they made admittedly short-term arguments that it might hurt in the short run in terms of the drawbacks in that respect but, and again this is quoting from a Business Week article, an economist from Princeton University said even that, in recent studies, doesn't appear to be the case. That in the short run it also helps the economy. They compared the State of California, which increased its minimum wage, to other states which did not. Another study, by Lawrence Katz, the Chief Economist for the Department of Labor, found the same thing studying the State of Texas. So, it seems to me that everyone seems to agree that it is good in the long run, and from the recent evidence from Princeton and Harvard and the Department of Labor, it is good in the short run. So, it seems reasonable to me, that on an objective analytical basis, that we should treat people with justice and fairness. So, if a sense of justice toward working people in this State is not enough, I think the economic arguments are strong in favor of the motion from the good Senator from Cumberland. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Somerset, Senator Mills.

Senator **MILLS:** Thank you Mr. President, Men and Women of the Senate. This is a fairly boring subject, when you look at the weather outside and you come indoors to talk about economics and the minimum wage. My own reflections on it are very personal. I can recall my first serious employment, after newspaper routes and the like. Back in 1958 my mother went down to the new IGA store in Gorham, and asked the proprietor if I could have work after school and on Saturdays. Senator Harriman, from Cumberland, his grandfather was the owner of this store, and was kind enough to give me a job. After he got done running the store, many years later, he came down and was a member of the other body for several years, but that's another story. At that time, the minimum wage was \$1.00, and I might say that was Dwight Eisenhower's minimum wage. It was increased from .75 to \$1.00 in 1956. With \$1.00 in my pocket I could fill up my Dad's Chevrolet with about six or seven gallons of gas and drive around all night. I could pay calls on all the women that I knew anyway. If I could get into Portland, if they would allow me to go in, you could go to Amato's and pick up four Italian sandwiches. There was a big billboard in downtown Portland, right into the early sixties, with a big huge Italian sandwich on it saying "Amato's - still 25c". I cannot avoid mentioning that the competitor was DiPietro's.

DiPietro's started in 1944, Amato's started in the 1930's. DiPietro's was 30c and we had great debates about whether it was worth the extra nickel to go over there, but in any case you could get three of them for a buck, and a coke too. Now, the interesting thing is, DiPietro's still makes those sandwiches, the same family actually. The Amato's sold out to the Riali family, but they still make the same sandwiches in the same location. If you go down to either place today, with \$4.25 in your pocket, you cannot get two sandwiches at either place. They are \$2.50 at DiPietro's and \$2.39 at Amato's. The point is that my concern is that we are in danger, I'm not so much in favor of increasing the minimum wage, as I am in preserving it, I think that the minimum wage is very likely to be repealed through time and through inflation. I think we have to ask, should we have a minimum wage? That's what this debate is really about. Does it serve a useful societal function? Because we are slowly repealing it as the years tick away. So, I did some survey work in Somerset County. I had some sense, already, of who was paying the minimum wage, but I went down to the Labor Department to ask what they thought, and I got a report that pretty well confirmed what I already knew. There are many marginal factories in Somerset County, that is, if there is ever a place in North America that is tender on the job front, it's Somerset County. We have a lot of entry-level employment into shoe factories, electronic parts factories, wood products factories, saw mills and the like. If some ripple in the wage rate was going to cause a loss of jobs in Maine, believe me, it would happen where I live. I found out that these factories are already paying \$5.50 to start. New Balance, and some of the higher level non-union employers are paying \$6.50 and \$7.00 to start. That's the training wage. So, I inquired, well who is paying minimum wage? There are 20,000 people in Maine, a large fluid population of people, somewhere, according to the Department of Labor, being paid only \$4.25 an hour. I inquired about Hannaford Brothers, the local shopping Shop n' Save, not there, they pay \$5.00 to teenagers to start bagging groceries. So, they have outgrown the minimum wage as it now exists. Shaw's is the same. What I found was that the minimum wage is being paid by McDonald's, Burger King, Dunkin' Donuts, Pizza Hut, Kentucky Fried Chicken, you name it. Although many of these companies are owned in the form of franchises, every one of them is on the New York Stock Exchange, and is among the top 500 corporations, by size, in the United States. Pepsi Cola owns the largest number of fast food franchises in the world. They outnumber McDonald's, and the reason is because they own Taco Bell, they own Kentucky Fried Chicken, and they own Pizza Hut. When you add those three up they are bigger than McDonald's. They pay the minimum wage in Somerset County. They are one of the few employers that pay it. I bought five shares of Pepsi Cola stock some years ago, for one of my daughters. I was trying to develop a sense of innate capitalism in this fifteen-year-old child. So, I get the proxy statement. The President of Pepsi Cola Company, God bless him, he makes \$3 million a year. He makes the minimum wage every ten seconds. He lives down in New York somewhere and I don't take anything away from him, he must be a very capable person. But, a company like that can afford to drop a few extra pennies into the pockets of people struggling to

survive in Somerset County, and that is how I feel about it.

We don't have very good statistics to tell us who these people are. We have national statistics, but we don't have a great deal that tells us about the profile of the Maine population that earns the minimum wage. From my own observations, however, I would say that they are adults. I see adults working behind the counter at Dunkin' Donuts. They may sometimes be young adults, but most of them are out of school. The teenagers, the ones that I observed, are making \$5.00 an hour at the other places that I have mentioned. My sense is that if we give these people .35 an hour, and then another .40 in a year and a half, that one of the interesting things about that process is that the money, what little it is, will be paid by corporations who can very well afford to pay it, and the money will stay here and it will be spent in Skowhegan, Maine, and other places like that, that need money circulating. One of the things that we have learned about the minimum wage over the years, is that the increase is spent. It doesn't go into savings, it doesn't go into stocks and bonds. I opposed the COLA increase bill because I think that the union wage is something that we need to retain control over, as a Legislature. I think that also carries with it a certain responsibility. We have the responsibility, as a public body, to periodically review the minimum wage and to make sure, that if we believe in the policies behind the establishment of the minimum wage, that we don't allow it to be repealed by inflation. The other thing I wanted to end on is that we, as a Legislature, are going to be faced with one version or another of welfare reform, and well we should, welfare is a system that does need review, it needs revision. It is being seriously looked at by the Human Resources Committee, by the Administration and by most of us here. All of us have given some very careful thought to what we will be doing on welfare reform. The end result of almost any plan that is presently under consideration, whether by the Governor or by the Human Resources Committee or whatever, every one of those plans will result in either propelling or dumping people off the welfare system into the private economy. It seems to me that the minimum wage, doing something about the minimum wage, increasing it modestly, is one of the very small but nevertheless effective safety nets that we can raise around such people. Thank you Mr. President.

**THE PRESIDENT:** The Chair recognizes the Senator from Knox, Senator Pingree.

**Senator PINGREE:** Thank you Mr. President, Men and Women of the Maine Senate. I want to add a few remarks to what my good colleague from Somerset County said, which I appreciated very much. We have been spending a tremendous amount of time in the Human Resources Committee, on the issue of welfare reform. We will, I'm sure, be debating that on the floor very soon. While we like to talk about the issues that, I think, are around the edges - the 5% of teenagers who have babies and need to collect AFDC, the certain families who have a difficult time ever getting out of the system, and the fact that we have a system that is disadvantaged by the fact that it's all or nothing, and is not efficient or effective in that way - there are some facts that

have become very clear to me when we have spent these hours and hours listening to testimony and debating amongst ourselves. The majority of people on welfare leave after two years. They may come back, but they leave, and 92% of people who collect welfare want to work. I have no doubts that the problem with our system, with the majority of people on the system, almost all of whom are single mothers, almost all of whom got there because a change in their family status - divorce, separation, or lack of child support - there are three things we have to do, as a culture, to change the system. We have to have affordable health care for everybody, we have to have child care that is safe, accessible, and that you can afford, and the minimum wage has to pay you to go to work. Right now minimum wage is something like \$8000 or \$9000. Poverty level in Maine, for a woman with two children, or a man with two children, is \$12,900. You just can't make a living, and it is no wonder people say they can't support themselves in the world of work, they need to collect AFDC, they need to go to a system that they don't want to be on but it's the only way they can make a living. I was really pleased to hear Senator Mills, the good Senator from Somerset, talk about this shared responsibility, because I think that's what we are doing right now. We are subsidizing low-wage jobs. I spent twelve years as a business owner myself, and before that I spent ten years as a farm owner, employing people. It never occurred to me, in all twelve of those years, that I could pay people less than minimum wage. I had to live in my community, my children went to school with the children of the people who worked for me. If I was to take a vacation when I was paying somebody less than poverty level, or I was to buy a new car, I couldn't have slept at night. It just doesn't make any sense to me that we could even imagine that that would be appropriate, to pay someone for their labor for us to make money in a small business when they couldn't live on that wage. The same with health care, it never occurred to me that it was not my responsibility to pay for that, and not to expect somebody else, particularly the government or our taxes, to pay that.

I had the same experience as all of my colleagues when I sent out my questionnaire. 67% of the people in my district, a district that fuels its economy, basically, on small businesses, that is 40% Republican, 40% Independent and 20% raving liberal Democrats, who I have yet to meet, but I know they are out there somewhere, they said raise the minimum wage and raise it substantially more than we are proposing today. These were the same people who wrote all over these one thousand questionnaires, "government is the problem", "get government off my back", "why don't you go home and take a vacation", "you people are just a pain in the neck". But the fact is they said raise the minimum wage. They asked government to protect their wages, and they asked to stop having to subsidize the very companies who are paying low wages and asking us to pay the rest of the bills. I urge you to support this bill.

**THE PRESIDENT:** The Chair recognizes the Senator from Lincoln, Senator Begley.

**Senator BEGLEY:** Thank you Mr. President. I told you that this topic would certainly bring out all

kinds of opinions, particularly those on the side of raising the minimum wage because it is a topic that seems to be necessary to help poor people. It is very difficult to argue against that, unless you use statistics, and people don't like statistics when you are talking about minimum wage or people. But, it is true, as I stated earlier, more than 65% of the 20,000 people on minimum wage are only part-time employees. Of the other, there has been no evidence at all that that is going to raise those people out of the poverty level. The other aspect of statistics will prove that if we raise the minimum wage to \$4.60 and \$5.00, Maine will have the highest minimum wage in New England and the northeast. At the present time, according to the Maine Department of Labor Statistics, at \$4.60 Maine would have the eighth highest minimum wage in the country. These people are certainly wage earners, and certainly would like to have a particular standard of living, nobody is arguing that point. Turn it around, however, and simply remember that businesses are saying, "We want to be able to hire people, particularly incoming people, students or college students, in certain jobs, because it is necessary for us to remain competitive and yet start these people off into occupations, or into the labor force." If you go beyond that, a University of South Carolina study found that higher minimum wages have no measurable impact on poverty rates of key groups. A Vanderbilt University study found that 50% of the benefits from the last minimum wage increase went to households with incomes at least twice the poverty level, and most of the benefits with an additionally mandated increase would not go to the poor households, and on and on. I would simply tell you the same stories that you may hear from other people. I have talked with people in my area, and they have told me if the minimum wage goes up it would jeopardize that second fellow who pumps gas. I'm keeping him on because he is a student and I would like to help out his folks. If it goes up I can't afford it, I can't be competitive, I will have to cut back, either on his hours or on his job completely. Those are the facts Ladies and Gentlemen. You can be sympathetic, but business is telling you that if you do this it is likely in the next year that jobs will be lost, and the very people who are moving out of minimum wages very rapidly, because they get started and prove themselves, may not have that opportunity, the students and other people along that line may be hurt by what you do. Again, I ask you to vote against that and accept the Minority Report "B", which definitely ties it to any federal program, which most of the States are doing. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Androscoggin, Senator Cleveland.

**Senator CLEVELAND:** Thank you Mr. President, Men and Women of the Senate. In 1966 I was given my first real job, working in a shoe shop. My father was the Superintendent of the shoe shop. He decided I ought to learn the business well so he put me to work, sweeping the floors and cleaning and doing other things, and decided I ought to get the wage everyone else in the shop got, minimum wage, so I would learn it properly. I worked with him for a while, went to school, went off to college, worked hard in college; I was making \$1.25 an hour incidentally, the minimum wage had just gone up in



1966; so I went off to college and got a college education and came back. I'm really proud to say now that I am a Maine State Senator and I'm making \$1.30 an hour. I know that my folks would be very proud of me for having made that accomplishment, at least this week, until we reduce the benefits some. I worked with my Dad, in the shop, for minimum wage for two or three years. One of the things I noted, my Dad worked in the shoe shop for fifty-five years, he started out sweeping the floors as well, supporting his family. He had to leave school to get enough money to feed the family and pay the rent, and never finished his high school education, but worked hard and learned a trade and learned how to make shoes pretty well. He worked there for fifty-five years, and one of the things that I saw, and that he showed me as well, there were 300 or 400 people who worked at that shop, most of the people in that shop got a wage increase when the minimum wage went up. These weren't trainees, these were people who worked ten, fifteen, or twenty years, mostly women, stitchers, full-time, supporting families. They got a pay increase after all of those years of training when the state and federal government increased the minimum wage. It seems to me pretty clear, as the arguments have been made today, that the cost of living back then was much less. You could get an apartment for \$10 or \$15 a week. You'd be lucky if you could get one of any kind for \$100 a week today. Yet, proportionally the wage for individuals who are working, many of them trying to support their families, haven't kept pace. It seems to me that it would improve the economy, give those individuals who are working hard and trying to support their families some encouragement, and provide additional incomes for those individuals, to be spent back home, to recirculate in the economy, and to help their neighbors and friends in their small businesses to create a little more business as well, and perhaps hire that additional worker to take care of the increased business. I'll be supporting the motion for the increase in the minimum wage, and I hope you will be as well. Mr. President, when the vote is taken, I request it be done by the yeas and nays. Thank you.

On motion by Senator CLEVELAND of Androscoggin, supported by a Division of one-fifth of the members present and voting, a Roll Call was ordered.

**THE PRESIDENT:** The pending question before the Senate is the motion of Senator RAND of Cumberland that the Senate ACCEPT the Majority OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (H-66) Report in NON-CONCURRENCE.

A vote of Yes will be in favor of ACCEPTANCE.

A vote of No will be opposed.

Is the Senate ready for the question?

The Doorkeepers will secure the Chamber.

The Secretary will call the Roll

ROLL CALL

YEAS: Senators: BERUBE, BUSTIN, CAREY,  
 CIANCHETTE, CLEVELAND, ESTY,  
 FAIRCLOTH, LAWRENCE, LONGLEY,  
 McCORMICK, MICHAUD, MILLS,  
 O'DEA, PARADIS, PINGREE, RAND,  
 RUHLIN

NAYS: Senators: ABROMSON, AMERO, BEGLEY, BENOIT,  
 CARPENTER, CASSIDY, FERGUSON,  
 GOLDTHWAIT, HALL, HANLEY,  
 HARRIMAN, HATHAWAY, KIEFFER,  
 LORD, PENDEXTER, SMALL, STEVENS,  
 and the PRESIDENT, Senator  
 BUTLAND

ABSENT: Senators: NONE

17 Senators having voted in the affirmative and 18 Senators having voted in the negative, with No Senators being absent, the motion of Senator RAND of Cumberland to ACCEPT the Majority OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (H-66) Report in NON-CONCURRENCE, FAILED.

The Minority OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "B" (H-67) Report ACCEPTED, in concurrence.

The Bill READ ONCE.

Committee Amendment "B" (H-67) READ and ADOPTED, in concurrence.

The Bill, as Amended, TOMORROW ASSIGNED FOR SECOND READING.

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Off Record Remarks

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On motion by Senator LAWRENCE of York, RECESSED until 7:30 o'clock in the evening.

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After Recess

Senate called to order by the President.

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Divided Report

The Majority of the Committee on LEGAL AND VETERANS AFFAIRS on Bill "An Act to Exclude Certain Parks from the Definition of Mobile Home Parks" H.P. 372 L.D. 507