

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

***One Hundred and Eighth
Legislature***

OF THE

STATE OF MAINE

1978

Second Regular Session

January 4, 1978 — April 6, 1978

INDEX

Senate Confirmation Session

June 14, 1978

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First Special Session

September 6, 1978 — September 15, 1978

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Second Special Session

October 18, 1978

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Third Special Session

December 6, 1978

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APPENDIX

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APPENDIX

HOUSE

Wednesday, December 6, 1978

This being the day designated in the proclamation of the Governor for the meeting of the One Hundred and Eighth Legislature in extra session and were called to order by the Speaker.

Prayer by Father Thomas J. Joyce of St. Mary's Catholic Church, Augusta.

Father JOYCE: Oh God, we ask Your blessing on all gathered here this morning. As we begin this important session, we acknowledge our need for Your help. Whatever we have received has its origin in You; whatever we have accomplished is with Your help. As we petition for Your help, we do not fail to recognize the past assistance You have given us, so it is with deep gratitude that we speak today. As all things begin and end in You, we place our trust in You. Continue to bless us and assist us. We ask this with grateful hearts. Amen.

The members stood at attention for the Pledge of Allegiance to the Flag.

For the purpose of ascertaining the presence of a quorum, a certified roll of the Representatives was called. 136 members having answered to their names, a quorum was found to be present.

Those absent were: Biron of Lewiston, Bunker of Gouldsboro, Flanagan of Portland, Gould of Old Town, Green of Auburn, Hunter of Benton, Kane of Augusta, Plourde of Fort Kent, Truman of Biddeford, Wilfong of Stow.

Resigned: Bennett of Caribou, Goodwin of Bath, Mills of Eastport and Tarr of Bridgton.

On motion of Mr. Tierney of Lisbon Falls, it was

ORDERED, that a message be conveyed to the Senate that a quorum of the House of Representatives was present for the consideration of such business as may come before the House.

Thereupon, Mr. Tierney of Lisbon Falls was appointed to convey the message.

Subsequently, Mr. Tierney reported that he had performed the duty assigned him.

On motion of Mr. Quinn of Gorham, it was **ORDERED**, that a message be conveyed to His Excellency, the Governor, that a quorum of the House of Representatives was present for the consideration of such business as may come before the House.

Thereupon, Mr. Quinn of Gorham was appointed to convey the message.

Subsequently, Mr. Quinn reported that he had performed the duty assigned him.

Messages and Documents

The following Proclamation:

**STATE OF MAINE
PROCLAMATION
By the Governor**

WHEREAS, the Legislature will be presented with a bill that will become a major industrial development tool allowing Maine to be competitive with other states in attracting quality industry; and

WHEREAS, this bill will provide firms with a major investment tax credit for expansion or location in Maine very similar in concept to the investment tax credit allowed by the federal government for economic stimulation and development; and

WHEREAS, there now exists for the people of Maine an extraordinary opportunity to attract to Maine an outstanding firm with a world-wide reputation for quality products and skilled jobs; and

WHEREAS, the location of this firm in Maine would result in an investment of millions of dollars and in the creation of thousands of quality and skilled jobs;

NOW, THEREFORE, I, James B. Longley,

Governor of the State of Maine, by virtue of the constitutional power vested in me as Governor, convene the Legislature of this state, hereby requesting the Senators and Representatives to assemble in their respective chambers at the Capitol at Augusta on Wednesday, the Sixth Day of December, 1978, at ten o'clock in the morning, in order to receive communications and enact an industrial development and economic stimulation plan for the procurement and expansion of quality jobs for the people of the State of Maine.

Given at the Office of the Governor at Augusta, and sealed with the Great Seal of the State of Maine, this First day of December, One Thousand Nine-Hundred and Seventy-Eight and of the Independence of the United States of America, the Two Hundredth and Second.

S/ James B. Longley
JAMES B. LONGLEY

By the Governor
S/ DORIS HAYES
Deputy Secretary of State

A true copy.

Attest: S/ Doris Hayes
Deputy Secretary of State

The Communication was read and ordered placed on file.

At this point, a message was received from the Senate, borne by the Assistant Majority Floor leader, Senator David G. Huber of Cumberland, informing the House that a quorum was present and that the Senate was ready to transact such business as might properly come before it.

The following Communication: (H. P. 2349)
State of Maine
Executive Department
STATE DEVELOPMENT OFFICE
Augusta, Maine
November 29, 1978

Honorable Joseph Sewall,
President of the Senate
Honorable John Martin,
Speaker of the House of Representatives
Dear Messrs. Martin and Sewall:

Pursuant to Section F, subsection 2, Chapter 579 of the Public Laws of 1977, the State Development Office is required to submit to the Legislature a brief annual assessment of the accomplishments of the Tourism, Promotion and Information Services matching fund program for the period ending 1 September.

The following is intended to comply with this requirement.

On May 1, 1978, the Maine Publicity Bureau was awarded a contract to serve as the private organization representing all major segments of the tourism industry in Maine. This contract made the Maine Publicity Bureau eligible for state matching funds over and above the \$100,000 the Bureau had initially raised from private sources.

As of September 1, 1978, the Maine Publicity Bureau had received \$14,349.50 in matching funds from the State Development Office for use in accordance with MPB's purpose and with the intent of the aforementioned legislation.

Efforts are continuing to secure additional private contributions and it is anticipated that the first full year will show a marked increase total funds dedicated to improve Maine tourism.

The State Development Office receives regular status reports from the Publicity Bureau which have indicated a successful fall foliage ad campaign and extensive plans for winter promotional activities.

If this office can provide additional information, please feel free to contact me.

Sincerely,
(Signed) HADLEY P. ATLAŠS
Director

The Communication was read and ordered placed on file and sent up for concurrence.

The following Communication:
University of Maine at Orono
Division of Research and Public Services
Bureau of Public Administration
November 16, 1978

Mr. Ed Pert
Clerk of the House
State House
Augusta, ME 04333
Dear Mr. Pert:

Enclosed please find the annual report on the operation of the State Government Summer Internship Program as required by the Maine State Statutes, Chapter 14, paragraph 294.

Sincerely,
(Signed) Kathryn H. Godwin
Director

The Communication was read and ordered placed on file.

At Ease

Called to order by the Speaker.

At this point, a message came from the Senate, borne by the majority floor leader, Jerrold B. Speers of Kennebec, proposing a Convention of both branches of the Legislature to be held immediately in the Hall of the House for the purpose of extending to His Excellency, Governor James B. Longley, an invitation to attend the convention and make such communication as pleases him.

Thereupon, the House voted to concur in the proposal for a Joint Convention to be held immediately and the Speaker appointed Mr. Carey of Waterville to convey that message to the Senate.

Subsequently, Mr. Carey reported that he had performed the duty assigned him.

**Petitions, Bills and Resolves
Requiring Reference**

The following Bill was received and, upon recommendation of the Committee on Reference of Bills, was referred to the following Committee:

Taxation

Bill "An Act Providing for a Jobs and Investment Tax Credit" (H. P. 2350) (L. D. 2215) (Presented by Mr. Martin of Eagle Lake, Speaker of the House, on behalf of the Governor) (Cosponsor: Mr. Palmer of Nobleboro) (Ordered Printed)

Sent up for concurrence.

By unanimous consent, ordered sent forthwith to the Senate.

At this point, the Senate entered the Hall of the House of Representatives and a Joint Convention was formed.

In Convention

President of the Senate, the Honorable Joseph Sewall, in the Chair.

On motion of Senator Speers of Kennebec, it was

ORDERED, that a Committee be appointed to wait upon His Excellency, Governor James B. Longley, and inform him that the two branches of the Legislature are in Convention assembled, ready to receive such communication as he may be pleased to make.

The Chairman appointed:

Senators:
WYMAN of Washington
JACKSON of Cumberland
MARTIN of Aroostook

Representatives:
TWITCHELL of Norway
MAXWELL of Jay
COX of Brewer
CHONKO of Topsham
POST of Owl's head
IMMONEN of South Paris
TEAGUE of Fairfield
MACKEL of Wells
CARTER of Bangor
CAREY of Waterville
Senator Wyman for the Committee subse-

quently reported that the Committee had delivered the message with which it was charged and the Governor was pleased to say that he would forthwith attend the Convention.

Whereupon, Governor James B. Longley entered the Convention Hall amid prolonged applause, the audience rising.

The Governor then addressed the Convention as follows:

Mr. President, Mr. Speaker and Members of the 108th Maine Legislature:

To the extent that this becomes a banner day for Maine, we would not be here today nor would it be taking place if it were not for Senate President Joseph Sewall, Speaker John Martin, Governor-elect Brennan, Hadley Atlas, Roger Mallar and all of you, and literally hundreds of thousands of people in Maine that have got the respect, if I may say, of the business community and the country as a whole, and the fact that these busy people dropped everything to respond in united fashion for the present and future of Maine has brought us to this point. So I again publicly thank you, Joe, John and Governor-elect Joe, all of you and so many others.

I was hesitant to call the 108th Legislature into another special session because this Legislature already has been called upon once more than I would have liked to assemble and serve the needs of the people of this State.

However, I think we have an opportunity today to perform another great service for the people of Maine in the area of industrial and economic development. Many do believe we are on the threshold of reaching a major milestone in our efforts to attract quality jobs to Maine.

We are here today because we have an opportunity with the passage of a single bill to attract a major quality firm to Maine and at the same time lay the groundwork for the expansion of our outstanding existing firms and the attraction of other quality new businesses to Maine.

I will say here and now that I would not have called the 108th Legislature into this special session had it not been for the full cooperation and support our industrial development effort received from your Legislative leaders and Governor-Elect Joseph Brennan. When it appeared that the months of preliminary work by Hadley Atlas, Roger Mallar and others in this Administration had an opportunity to pay dividends, we involved Governor-Elect Brennan, Senate President Joe Sewall and Speaker John Martin in our final discussions with this outstanding worldwide company. I would be remiss if I did not say that these individuals represented the Maine Legislature and Maine State government in an outstanding manner.

Finally, we met with the entire leadership of this Legislature and briefed it fully on the developments and the action that was needed by the Legislature to make this very possible dream a reality. It was only after a unanimous and enthusiastic expression of support and approval from your Legislative leaders that I called this session and accepted the recommendation of the Senate President and House Speaker that if a special session were called that it be made part of your organizational program in preparation of the seating of the 109th Legislature and that we meet today.

Therefore, we come before you today feeling that we have done our part in presenting you with a bill that will provide the State of Maine with a major industrial development vehicle for now and for the future. Very candidly, as a businessman on leave from his own business, I do not accept the argument that this is preferential treatment for one company or unfair to existing businesses. First of all, this company did not ask for this legislation . . . it was recommended to me and with the agreement of your Speaker and Senate President and Governor-Elect Brennan, we drafted and presented this on our own to parallel the federal credit

and to cooperate with other states also offering incentives for quality jobs.

As a matter of fact, our competitors in this and other instances offer much greater financial and tax advantages, but the reputation for productivity of Maine workers and our fiscal climate here in Maine were second to none. However, let the record also show that I feel this legislation is much more beneficial to our youth and working men and women wanting quality jobs in Maine than it is to any one or more companies that might expand in or locate in Maine.

Secondly, as a businessman who champions the free enterprise system, I feel we have been and still will be fair to existing businesses even though I hope to present to Governor-Elect Brennan refinement of existing business and tax policies for his consideration for submission in the regular session. However, at this moment, I believe we are being and have been fair to Maine's business community:

(1) We have one of the lowest corporate income taxes in the country.

(2) We have eliminated the inventory tax.

(3) We have eliminated sales taxes on machinery and equipment used in production.

(4) Maine businesses have benefitted from one of the most if not the most productive work forces in the country.

(5) Maine's forest lands and large industrial and commercial properties have not been taxed as heavily as they would be in most other states.

(6) As a businessman, I would remind the business community that additional capital investment, made possible by this bill, would broaden and deepen the tax base and could more easily lighten their future tax load due to increased capital investment in Maine which also will provide more quality jobs for Maine. Furthermore, only history will accurately prove that a deferral or investment tax incentive that wouldn't be received by Maine if one or more of those firms don't come to or expand in Maine will and does, in fact, produce \$20 million or \$200 million or more of additional tax revenue in the future . . . not to mention allowing those who have to or have already left Maine for quality jobs the option to work in Maine.

(7) A recent Legislature, in its wisdom, saw fit to provide tax breaks to two specific Maine businesses. I vetoed these bills because they did, in fact, single out specific firms and had the effect of shifting taxes already being paid to other businesses and to the taxpayers of Maine.

While the Legislature and I disagreed in those instances, I do not feel there is a parallel with the matter before us today. The bill we are considering today does not single out a firm and would provide the same credit to any firm . . . new or existing . . . willing to make this commitment of dollars and jobs to the people of Maine. Also . . . far from being a shift of existing taxes . . . this investment credit will increase tax revenues and the credit that is given will be for an investment and jobs which Maine would not have had in any event unless the firm located or expanded in Maine. If they were quoted accurately, I feel Senate President Joe Sewall and House Speaker John Martin may have stated it best by saying: "While some call it a tax break . . . it is more of a job break for the people of Maine."

(8) Finally, I feel 99% of the Maine business community knows that if we don't provide this type incentive, we not only fail to get the capital investment, but also fail to get the quality jobs and so there's no tax benefit . . . no capital benefit and no job benefit.

For the 1% of the businesses that might oppose . . . I would hope it is not because of the competition for quality or higher paying jobs, because I do believe the present tax and fiscal climate in Maine for existing businesses will benefit from this legislation as well as benefit

our youth and the working men and women of Maine.

Because of the busy schedule you face, I won't take any more of your time, other than to thank you again and to ask you to treat this legislation as an option for more than one business possibility for Maine that could provide many thousands of jobs for the present and future youth and working men and women of Maine.

Thank you very much.

At the conclusion of the Governor's address, the Governor withdrew amid prolonged applause, the audience rising.

The purpose for which the Convention was assembled having been accomplished, the Chairman declared the same dissolved and the Senate retired to its chamber, amid applause of the House, the members rising.

In the House

The House was called to order by the Speaker.

On motion of Mr. Tierney of Lisbon Falls. Recessed until the sound of the gong.

After Recess

12:30 P.M.

The House was called to order by the Speaker.

The following paper appearing on Supplement No. 2 was taken up out of order by unanimous consent:

House Reports of Committees Divided Report

Eleven Members of the Committee on Taxation on Bill "An Act Providing for a Jobs and Investment Tax Credit" (H. P. 2349) (L. D. 2215) report in Report "A" that the same "Ought to Pass" as Amended by Committee Amendment "A" (H-1298)

Report was signed by the following members:

Mr. WYMAN of Washington. Mr. MARTIN of Aroostook, Mr. JACKSON of Cumberland—of the Senate.

Mr. CAREY of Waterville, Mr. MACKEL of Wells, Mr. IMMONEN of West Paris, Mr. MAXWELL of Jay, Mrs. CHONKO of Topsham, Mr. CARTER of Bangor, Mr. TEAGUE of Fairfield, Mr. TWITCHELL of Norway—of the House.

One Member of the same Committee on same Bill reports in Report "B" that the same "Ought to Pass" as Amended by Committee Amendment "B" (H-1299)

Report was signed by the following member:
Mrs. POST of Owl's Head—of the House.

One Member of the same Committee on same Bill reports in Report "C" that the same "Ought Not to Pass"

Report was signed by the following member:
Mr. COX of Brewer—of the House.

Reports were read.

The SPEAKER: The Chair recognizes the gentleman from Waterville, Mr. Carey.

Mr. CAREY: Mr. Speaker, I move acceptance of Report B.

The SPEAKER: The gentleman from Waterville, Mr. Carey, moves that Committee Report B be accepted.

The Chair recognizes the gentleman from Cumberland, Mr. Garsoe.

Mr. GARSOE: Mr. Speaker, I believe there must be an error. I find Mr. Carey's signature on Report A and here he is moving the adoption of Report B.

The SPEAKER: The Chair will restate the question to the gentleman from Waterville, Mr. Carey. The gentleman may proceed.

Mr. CAREY: Mr. Speaker and Members of the House: As far as the gentleman is concerned, regardless of what report I signed, I believe I am entitled to—

The SPEAKER: The only question he was posing was whether or not you had moved for A

or B.

Mr. CAREY: Mr. Speaker, Report B.

The SPEAKER: The gentleman may proceed.

Mr. CAREY: Mr. Speaker, Ladies and Gentlemen of the House: The major concern that some people have had is the difference between A and B, the accepted.

The two very saving provisions that this legislature was called to consider to begin with—one was the creation of new jobs in the State of Maine. Report B has a provision which would have a "recapture clause," that if the jobs fall below 200, which is the guideline that we have established, there would be a penalty on those companies, depending on the number of jobs they go down, there would be subsequent penalty on them for going below the 200 jobs. This does not affect Pratt & Whitney; they are talking about 500 jobs, going up to over 2,000 in the future.

The other provision is a sunset provision. Even the cosponsor of the bill, the gentleman from Nobleboro, Mr. Palmer, mentioned that there should be some consideration given to the smaller businesses throughout the state.

There is a serious concern by some of us on the committee, possibly of both parties, I don't know—we have tried to keep away from making this a partisan issue—there has been a very serious concern that once this bill is in place there will be no effort made to help the small guy. The sunset provision in this bill is the catalyst that will make the legislature take some action in taking care or at least considering the corporation of under \$5 million or under 200 jobs. Those two provisions that were placed in Mrs. Post's amendment, Report B, much after we were able to meet as a committee and we have had a chance individually to look at that report, Report B, at this point, looks much more acceptable to me, even though I did sign Report A.

Pratt and Whitney is not a concern in this matter. I was in touch with the architect of this measure this morning. Roger Mallar, who has handled this entire bill for the administration and has been constantly in touch with the Taxation Committee. Mr. Mallar has assured us on a reading this morning, and I contacted him in Washington, that Pratt and Whitney is in no way affected by this bill. We are talking about a \$5 million bottom figure; they are talking of \$15 million worth of equipment. We are talking about 200 jobs; they are talking of 500 jobs, going to 2,000 jobs. They are not concerned with the bottom line as far as the minimum figures that we have set up here.

While Pratt and Whitney certainly interested us in getting something started, this bill is intended for those companies that will be coming after Pratt and Whitney is in place, whether it is a satellite to Pratt and Whitney or it is other companies throughout the rest of the state. They will have to meet a \$5 million minimum on tangible equipment; 1.2 million as far as employment security wages are concerned, and a \$300,000 annual rebate of the corporate tax, so to speak; but Pratt and Whitney falls well above those figures. As a matter of fact, their \$15 million worth of equipment will only cost the state not the \$2.1 million we are talking about but a million and a half. We are hoping, obviously, they will put even more. I would like to see them take advantage of the entire seven years.

The SPEAKER: The Chair recognizes the gentleman from Nobleboro, Mr. Palmer.

Mr. PALMER: Mr. Speaker, Ladies and Gentlemen of the House: Just a brief word about the remarks made by the gentleman from Waterville, Mr. Carey. While I have no qualms at all with what the gentleman from Waterville said, I wanted to make it clear that I did go before the committee as cosponsor and I did say at that time and will say again now that I feel this is no cure-all or anything like that.

I am supporting it, but I expressed concern about the fact that throughout Maine we do have problems in many of our rural areas, that we have small companies and needs for small companies of five, ten, twenty, thirty, forty or fifty employees. So my concern was that when we addressed this, we should address the total picture of small and large business together. I realize that time constraints prevent us from doing that at the present time, so I had said to the Committee on Taxation, the least I think we should do would be to pass this bill but to also pass, at the same time, a joint order directing the Legislative Council to assign, probably to the Taxation Committee, a study order to report in the 109th Legislature, before maybe a date of March 15 or something like that, discussing this situation but addressing the total concern that we have for businesses both large and small.

So, to that end I am having drawn, and I am cosponsoring with the Speaker, a study order which will automatically bring up this subject early on in the 109th Legislature and give them the opportunity to discuss investment credit and jobs credit as it pertains not only to the large company but also to the small. I think that would probably address the subject of the necessity of having a sunset provision in the bill.

I would just simply hope that we would defeat the Report B so that we can go ahead and accept Report A and later in the session have a study order, which I believe will have bipartisan support, to have this study made and someone report by the 15th of March.

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

Mr. JALBERT: Mr. Speaker and Members of the House: Often times we get up and say how we have a great deal of respect for the previous speaker—however—and we go on from there, but I am sincere when I say that if I had to choose between three people as to whom was the smartest in this body, I assure you that the gentleman from Waterville, and I am sincere—I know I am prejudiced because he is a close, personal friend, but he would be among those first three.

Also, I walked in and out, talked to Republicans, I got their version of the situation. I was privy to the order that is going to be put in jointly by the Speaker and by Representative Palmer. As a matter of fact, he courteously invited me to join with the Speaker in the discussion of the order. My only fear is this, that we, in my opinion, have made a commitment to Pratt-Whitney wherein it concerns itself with Report A.

I am aware of the fact that the good gentleman from Waterville, Mr. Carey, said he had gotten in touch with the chief architect of this measure, but he certainly hasn't gotten in touch with the entrepreneurs of Pratt and Whitney, because I know of two that aren't even in the country.

This is not a new project with some of us; this has been battered around for a year. And as I stated at a Democratic caucus—industry brings itself into a state or keeps itself out of a state.

I am also aware that the good gentleman who knows much more about it than I do concerns himself now in an attitude of changing his position, and I can say that I did the same thing at the Special Session—I was nudged a little bit by the Speaker, but I made a motion to accept the 12 to 1 report "ought not to pass," killed that motion and then shifted to the "ought to pass" report with one vote. I got a little nudging on that one, but that is what a House Chairman is for, I guess.

In any event, what I am truly fearful of, and I am delighted to see that the Speaker and the co-leader of the friendly opposition are going to join together to study the problem that Report B addresses itself to.

I might ask a question of anyone who might

care to answer. Knowing full well that the people at Pratt and Whitney, up until the time that Report B had its birth, and I knew nothing about it until this morning, what would happen, even though the chief architect says that it is all right with him, if Pratt and Whitney said, we didn't know about Report B; we were going along the assumption of "A" and that law with Report B in it is not acceptable to us, therefore, we are not coming, we are not taking that gamble?

I would rather go with Report A and the order, and I think in that way we are protecting ourselves and we are keeping the commitment that we made.

The SPEAKER: The Chair recognizes the gentleman from Waterville, Mr. Carey.

Mr. CAREY: Mr. Speaker, and Members of the House: We have not been in touch with Pratt and Whitney. The gentleman explained that two of them are out of the country. However, Mr. Mallar has been in touch with Pratt and Whitney people. I have to rest on my assurances with him. I personally have not been in touch with Pratt and Whitney people; the people of North Berwick have not been in touch with Pratt and Whitney people. We have been dealing through the Speaker, the President of the Senate, the Governor, the Governor-elect and his administrative people. Somewhere along the line, we are going to have to put our faith in someone telling us something which may be close to accurate.

I would like to point out a very interesting side benefit to the sunset provision that maybe none of you have talked about or even thought about. If you knew that you got in under the wire, before the 15th of January of 1982, if you were going to bring a corporation into the state—not Pratt and Whitney, anything—suppose you decided in December of 1981, and if you were able to accelerate your program and if you could get that business into the state before the 15th of January, 1982, you would be eligible for up to \$2.1 million of tax benefits, you certainly would do that. So this tool goes beyond taking care of Pratt and Whitney. It accelerates an industrial development program which the state should have been involved in years ago.

We all know privately that this is a tremendous change of heart for the Governor. He has been called a lame duck, he was called a lame duck earlier this morning by some very valued people, very valued friends of mine. I fall into that same category. One of the problems we have, obviously, is that regardless of whether you run for re-election or not, you serve out the term that you were elected for. That is exactly what Jim Longley is trying to do. It is to his credit that he has been able to see that industrial development is not coming to Maine simply because Maine is Maine, and while he loves it and he thinks everyone else loves Maine, they are going to put dollars and cents on the table. A corporate president has to produce for his board of directors or he is no longer a corporate president. He is looking for a return for his investment. Obviously, we all should try to do that in our own personal lives, but his job depends on it.

I would like to have you think of this sunset provision as doing something else.

Mr. Palmer mentioned the joint order. I have been sitting here for 12 years and I have seen joint orders come and I have seen them go, and I have seen bills come out as a result of joint orders and I have seen the fact that bills have not even been produced out of joint orders, and even if bills are produced, have been printed and are referred to a committee, they come out and are killed by the legislature. We have no guarantee that anything is going to be done unless you buy Report B, which says that if the legislature has not acted by the 15th of January of 1982, this bill dies and then you have put another tool for industrial development into the waste paper basket.

The SPEAKER: The Chair recognizes the gentleman from Wells, Mr. Mackel.

Mr. MACKEL: Mr. Speaker, Ladies and Gentlemen of the House: I would like to add my comments to the discussion that is taking place. I personally don't feel that it is a question of whether or not this bill or this provision should be reviewed. I believe that it should be reviewed. I think that during the process of our caucus down in Room 228 we agreed it should be reviewed down the road, but I don't think that there is a need for this sunset provision within the bill—I sincerely do not believe it. I think there are enough Republicans and Democrats alike who have indicated their commitment to review this bill down the road. We strongly feel that the provisions of this bill should be expanded to include the small businesses. We really believe this, but I also do feel bound by the commitment that was made by our representatives who went down to Pratt and Whitney; namely, the Governor and others who accompanied him. It certainly is not a partisan issue at all. It is a question of whether we should document this requirement for review or to go ahead and demonstrate a little confidence in the 109th legislation, I would say.

I sincerely hope that we will reject Report B and go along with Report A and trust in the good judgment of the 109th Legislature, trust in the commitment that was made by our leadership, and proceed and fulfill that commitment.

The SPEAKER: The Chair recognizes the gentlemans from Owl's Head Mrs. Post.

Mrs. POST: Mr. Speaker, Men and Women of the House: I share the concern for small industry which I think has been voiced here today, and I have heard in the halls many people discussing the fact that this particular bill only deals with big industry, the kind of industry that can afford to make the \$5 million investment in one year. But I truly believe that the only way that the next Legislature is going to address the issue of how Maine helps its small industries is with the sunset on this bill.

We are presently, in this bill, giving the kind of tax break as it relates to a federal tax credit applied to our Maine State Income Tax that we give to no one else. We don't give it to the elderly when we talk about applying the federal retirement tax credit for the elderly. They can't apply the whole federal tax credit; they apply 20 percent.

When we passed Representative Palmer's job tax credit bill last year, we didn't apply the whole federal job credit to our Maine State Income tax, we only applied about 20 percent of it. In this instance, we are taking the total federal credit and applying it to our Maine State Income Tax. We could never ever afford to do that for all the industries in this state, the small industries in the state. That is why the \$5 million threshold is there. We couldn't afford to do it for all these other kinds of industries.

In the political kind of situation we would have when this next Legislature comes back, we can have a review and we would have all the studies we want but what we would end up having is a dichotomy between the industries in our state. We would have the big businesses who can benefit from this particular proposal fighting against the kind of reforms for the small business because it would cut into their share of the pie.

I have been here for four years, and many of you have been here longer than I have, but I have never seen a tax break to major industry be repealed, even though a lot of them we don't particularly agree with. The political reality is that that kind of thing doesn't happen. If you really want to help all the industry in this state, the small businessman, then you will insist on a sunset. If, in fact, in two years' time the State of Maine still wants to say that the kind of industry we are willing to put all of our money into attracting is big industry and that is what is best for the State of Maine, that Legislature can make that decision and they can carry this

type of proposal right on through. I think that if a committee has a chance to look at it and this Legislature has a chance to look at it over a period of years, that might not be the kind of decision they want to make. So if you want to help all the sides of industry, then you will support Report B with the sunset amendment.

The other difference in Report B is that it insures that the jobs will continue to be in effect at least as long as these industries are getting the \$300,000 credit against their income tax.

Under Report A, a company can come in, make the \$5 million investment, provide the 200 jobs for that one year and the next year they can be laid off and if there is enough investment tax credit carryover, they can continue to get \$300,000 credit on their income tax without providing the jobs. That is a particularly important point if you are talking about one company that has several different plants around the state, because that credit can be applied to the total company's income tax.

The other thing that Report B does is insure that the jobs for Maine people are really going to be there during the time that the companies are getting the breaks on their income tax.

The SPEAKER: The Chair recognizes the gentleman from Westbrook, Mr. Laffin.

Mr. LAFFIN: Mr. Speaker, Ladies and Gentlemen of the House: It is hard for me to sit here this afternoon and realize that for a thousand jobs you are going to quibble over a sunset thing that doesn't amount to anything anyway.

I don't know about the people who live up in these small communities, I am from an industrial city. I will take a thousand jobs in Westbrook any day and give them back all their money, because we will make it back in what they spend and what they earn. That is what we are talking about.

I thought we came up here to say what we are going to do for this one company. Now, all of a sudden, we have got every company in the state involved. We have got a resolution that we want to put in to tell the 109th Legislature what to do. Well, we are not going to tell the 109th what to do; it is none of their business what we do today and it is none of our business what they do. To stand up here, and usually I don't like to get too upset when people are out of work, but I don't want to see bread lines.

I don't usually say many good things about the Speaker of this House, but I am going to this morning, even though he bumped me out of three of the seats I wanted. I don't care whether it is the Speaker of this House or Mr. Palmer or who it is—if they can bring a thousand jobs into this state, or 2,000 jobs in two years, we have no right standing up here and saying, look, we will give them tax breaks, we will do this for them, we will do that for them, and then turn around and say, we don't trust you; we want a sunset clause in there—we don't trust you because you may invest \$5 million, you may have 200 employees and next year pull out. Well, people who invest \$5 million in companies and in businesses are here to stay and they look into these things. This isn't a fly-by-night outfit. How would you like to have them go to St. Louis, Missouri, where for the first 15 years there's no taxes, no property taxes, no income taxes, no state, government, federal or anything—I'm sorry, they do have the federal—but for the local taxes, no taxes. Why? Because they want people working. They believe in working people. They don't want bread lines, they don't want unemployment. I can't believe that the people of York County don't want a thousand jobs. That is hard for me to believe. That I just can't accept.

I don't believe that we as a Legislature should come up here and tell the next Legislature what to do, say, look, you are either going to do it this way or you are not going to do it this way. Let's get down to it and say, look, if we want Pratt and Whitney here, we will say, we'll take your word, we will give you our word. Why put strings on them? If you are in

doubt, we don't want them here in the place.

We have got plants in this state that ran owing people wages; yet, I don't see any of them coming up—ran off owing people of their wages, and the State Attorney General on the second floor can't collect for it.

I think we should either pass this thing or not have a lot of malarkey about what we're going to do on these amendments that come. You kill the bill, pass the bill or let's go home and forget it.

The SPEAKER: The Chair recognizes the gentleman from Anson, Mr. Burns.

Mr. BURNS: Mr. Speaker, I request a roll call.

The SPEAKER: For the Chair to order a roll call, it must have the expressed desire of one fifth of the members present and voting. Those desiring a roll call vote will vote and those opposed will vote no.

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

The SPEAKER: The Chair recognizes the gentleman from Winthrop, Mr. Bagley.

Mr. BAGLEY: Mr. Speaker, Ladies and Gentlemen of the House: I am not a big business mentality. I don't know what \$5 million doesn't mean a thing to me once you get \$10,000 or something. I am wondering, if I were a businessman and if I were considering investing \$5 million in the State of Maine with the idea that I was going to have a tax break, then somebody said the law will be repealed in 1982, whether I would be anxious to invest or not.

Regardless of the fact that the purpose is good, the purpose is to try to extend this which I believe in, but all we are going to do so far as Pratt and Whitney is concerned, here's the law that says right in it, we give you a tax break but we are going to repeal the law in 1982. I think we had better pass the amendment.

The SPEAKER: The Chair recognizes the gentleman from Kennebunk, Mr. McMahon.

Mr. McMAHON: Mr. Speaker, Ladies and Gentlemen of the House: First, I guess I will make the observation for the new member on the balcony that this is a whale of a mock session. We are glad to have you watching it.

The main reason I arose, however, was in response to the gentleman from Westbrook, Mr. Laffin. I was not going to initiate this line of thought at this stage in the procedure, but the gentleman did, I want to as well. The gentleman spoke glowingly of the 1,000 jobs that are going to be created by the movement of a company into York County, and I think that that is a pleasant thing to anticipate.

I asked a question in our caucus of the sponsor of the legislation and he was not able to answer it simply because he was not involved in the discussions as the Speaker was, and I would like to ask the Speaker, perhaps during the second reading, to be prepared to insert into the record his understanding from his conversations with the company officials as to the number of Maine people that will be employed by this company and also as to the extent of the commitment that will be made by the company to train machinists and other workers in York County. There is a distinct lack of machinists in York County now and it is my fear as a legislator from York County that the perspective of this may be lost. It certainly is in our area the newspaper headlines, banner headlines, "1,000 jobs coming into York County." I just don't want to be remembered as part of the Legislature that perpetrated a cruel hoax which resulted in the hiring of 900 New Hampshire people. So, I would appreciate it very much if the Speaker would respond to that in the second reading.

The SPEAKER: The Chair recognizes the gentlemans from Owl's Head, Mrs. Post.

Mrs. POST: Mr. Speaker, Ladies and Gentlemen of the House: I just wanted to answer the question that Representative Bagley asked in that as far as Pratt & Whitney is concerned, if they come in in 1980 and take advantage of the program and they have enough credits to carry them over a seven-year period, they will continue to get the credits for that seven-year period, so we are not going back on a commitment that is made to Pratt & Whitney or any other company who happens to come in and invest under this particular bill. If they have enough money for the credit carryovers for a seven-year period or a five-year period, they will continue to get that. All the legislature is going to be deciding as far as 1982 is concerned then is, what kind of development money or what kind of steps should the state take for its industrial development at that particular time?

The SPEAKER: The Chair recognizes the gentleman from Winthrop, Mr. Bagley.

Mr. BAGLEY: Mr. Speaker, Ladies and Gentlemen of the House: If the company acquired a whole lot of credit, several million dollars or something, the statement would be true, but suppose the company has acquired no advance credit, it simply had the \$300,000 that they are entitled to year after year until 1982, it looks to me as though what the thing says is that the law would be repealed, there would be no more credits except what they have acquired. Now, if they hadn't acquired any, there would be nothing to carry forward.

The SPEAKER: The Chair recognizes the gentleman from Wells, Mr. Mackel.

Mr. MACKEL: Mr. Speaker, Ladies and Gentlemen of the House: I would like to remind the members of this body once again that this commitment was made by the Governor of this State, and present at the time of this commitment was the Governor-elect, the Speaker of the House and the President of the Senate, so I would suggest to you that we honor this commitment.

The SPEAKER: The Chair recognizes the gentleman from Hallowell, Mr. Stubbs.

Mr. STUBBS: Mr. Speaker, I would like to have the Clerk read off the members of the committee supporting Report B.

The SPEAKER: The Chair would simply suggest that you have the report in front of you and is available for your perusal.

The SPEAKER: The Chair recognizes the gentleman from Stonington, Mr. Greenlaw.

Mr. GREENLAW: Mr. Speaker, Men and Women of the House: I think that there are a couple of misunderstandings that have crept into this debate here this afternoon.

First of all, it is my understanding, and the gentleman from Waterville, Mr. Carey, can correct me if I am wrong, he has talked with Mr. Mallar, who was involved in these discussions, and Mr. Mallar has talked with Pratt & Whitney people and the Pratt & Whitney people are more than willing to come to Maine on the basis of 'either' amendment that is pending before the House—if I am wrong on that point, I wish the gentleman from Waterville, Mr. Carey, would stand up and correct me.

The other thing is, it is my understanding, regardless of whether we accept Report A or Report B, is that there have been some changes made in the original bill. So unless someone has read the bill verbatim to Pratt & Whitney yesterday or today, they haven't seen the bill either. I hope that will take care of the argument.

The second argument that seems to be creeping into this whole debate is whether or not we can honor our commitments to Pratt & Whitney if the sunset provision is, in fact, included.

I direct the attention of the members of the House to Page 5 of Committee Amendment "B", and perhaps Mr. Bagley has it there, it says Section 8, Provision for Repeal. This section shall be repealed on January 15, 1982 except for the following provisions: Tax credit

carryover to subsequent years pursuant to subsection 4 and recapture provisions for subsections 6 and 7. So I think if it hasn't been made crystal clear up to this point in time, it ought to be quite clear now.

It is obvious that the company will be making the type of investment called for in this bill of \$5 million to qualify for this tax credit before 1982. They also, apparently, in the conversation that Mr. Mallar had with the President of Pratt & Whitney, indicated that they have no intention or desire of laying off any people, so they are not worried about this particular provision. I just think it is pretty important that we know the facts before we vote and I think the provision that Mrs. Post has offered is reasonable, it is desirable, and I hope we support the pending report.

The SPEAKER: The Chair recognizes the gentleman from Brewer, Mr. Cox.

Mr. COX: Mr. Speaker, a parliamentary inquiry?

Is a motion to indefinitely postpone in order at this time?

The SPEAKER: The Chair would answer in the affirmative.

Mr. COX: Mr. Speaker, then I so move.

The SPEAKER: The Chair recognizes the gentleman from Cumberland, Mr. Garsoe.

Mr. GARSOE: Mr. Speaker, I would request a division.

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

Mr. KELLEHER: Mr. Speaker, Ladies and Gentlemen of the House: Would the good gentleman from Brewer, Mr. Cox, enlighten us to why we should support his motion?

The SPEAKER: The gentleman from Bangor, Mr. Kelleher, has posed a question through the Chair to the gentleman from Brewer, Mr. Cox, who may answer if he so desires.

The Chair recognizes that gentleman.

Mr. COX: Mr. Speaker, Ladies and Gentlemen of the House: It is with a considerable amount of sadness that I have signed the report which I have signed "ought not to pass." I hadn't really intended to speak on this today. I thought I would let my signature on the report speak for itself, but I have been urged to speak on it and, therefore, I have made the motion and will give my reasons for why people should vote to indefinitely postpone.

I want to make it clear that my opposition is not to the jobs, it is not to Pratt & Whitney coming in, it is to tax policy; I consider this bad tax policy. I think motives behind this are all very good. We are all seeking the promised land, and to all of us I think the promised land would have plenty of good paying jobs for anyone who wanted them, but the question is, will this path which we propose to take lead to the promised land? It will create tax inequities. There is no doubt about that. There is a certain group, a class of payers of corporate income taxes which will get a break which no one else will get.

There is nothing that people resent more than injustice. This is unjust because it does offer unequal treatment. It offers favorable treatment to any corporation that can come up with \$5 million and offer 200 jobs. It is unequal treatment which can only be ended by repeal of the law, should it be passed, or eventually by the complete repeal of the corporate income tax, and I say complete repeal of the corporate income tax because even though we lowered this credit so it could cover smaller industries, we would still be saying that any industry that could not expand would have to pay its full corporate tax and industries which could not expand would not be able to.

I would like to address myself also to the question — is this necessary? It might be more palatable to me if I could be shown that it absolutely was necessary. We are asked to accept on face value that this is necessary, that we have to give these breaks to get industry in and

it may well be that we have got to give this break to get this particular industry in, but have we got to have it to get industry in general?

I would like to examine some of the what I would see as some of the concerns that an industry would be having when it made a location such as this. I would submit that the first thing would be a possible market for its products and raw materials, labor supply and transportation of these materials and the finished product to market. We don't have the raw materials for this particular thing in the state, if we want to stick with our argument on this particular case. We do have the labor supply, and I gather they have a profitable market and at present we have transportation to the market. So, we are introducing, in effect, an artificial factor into the economic equation here, the notion that as social policy we have got to give a tax break in order to attract new industry.

Now, I would like to go into a bit of the history of our tax problems since this is a tax problem question for me, not a question of whether we should encourage new jobs or not.

In my four years, on the Taxation Committee, we have heard innumerable complaints and bills trying to deal with inequities in the sales tax. We have heard innumerable bills asking for property tax exemptions, trying to do away with inequities in property tax. We have heard considerable complaints about the individual income tax. There was one major tax which we have heard no complaints about the fairness of the tax, and that is the corporate income tax, and here we propose to introduce an inequity into the corporate income tax. That is my chief basis for this, because from now on, having made one change in the corporate income tax and created these inequities, we are opening ourselves to innumerable justified complaints. The corporate that can only raise 4½ million and furnish 100 jobs — they have a perfect justification for coming in and saying we are not being treated fairly, we should get the same credit. The corporation that cannot expand and says, why should I, because I cannot expand, have to pay my full corporate tax whereas my neighbor, who is able to expand, is getting a break and perhaps in effect getting into a position of unfair competition with me? So, as long as this law is on the books, we are going to have to deal with these kinds of questions.

We have been cautioned after Representative Palmer made the suggestion that this should be lowered, possibly, to take in small industry, one of the supporters said, let's not make this a Christmas Tree. Well, I would submit right now, we have a Christmas Tree, a Christmas Tree with only one present under it.

The SPEAKER: The Chair recognizes the gentleman from Lisbon Falls, Mr. Tierney.

Mr. TIERNEY: Mr. Speaker, Men and Women of the House: With some reluctance I rise to disagree with my good friend from Brewer, Mr. Cox. I urged the members at my caucus to vote against the motion to indefinitely postpone. For although the good gentleman raises some very interesting and very important issues and although he points to the very short time frame within which we have been given to act, in that this issue has only come full blown upon the legislative process in the last two days, I feel it would be irresponsible for us, unless we were to encompass an entire 'no-go' philosophy upon this state, to reject a bill which we know for a fact has an excellent opportunity to provide good, well-paying jobs for our people.

So, I must urge you to vote against the motion to indefinitely postpone. This is a good bill, or it does form the kernel of a chance for a real economic growth in at least one particular area of our state. By the same token, the problems exist. For that reason, I will later be urging you to accept Report B, but on this motion, I do urge that this bill remain alive so

that we can fully analyze and bring the jobs that this state deserves.

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

Mr. JALBERT: Mr. Speaker, when the vote is taken, I request the yeas and nays.

The SPEAKER: For the Chair to order a roll call, it must have the expressed desire for one fifth of the members present and voting. All those desiring a roll call vote will vote yes; those opposed will vote no.

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

The SPEAKER: The pending question is on the motion of the gentleman from Brewer, Mr. Cox, that this Bill and all its accompanying papers be indefinitely postponed. All those in favor of that motion will vote yes; those opposed will vote no.

ROLL CALL

YEAS — Connolly, Cox, Henderson, Hughes, Lougee, McHenry, Najarian

NAYS — Aloupis, Ault, Austin, Bachrach, Bagley, Beaulieu, Benoit, Berry, Berube, Birt, Blodgett, Boudreau, A.; Boudreau, P.; Brenerman, Brown, K.L.; Brown, K.C.; Burns, Bustin, Carey, Carrier, Carroll, Carter, D.; Carter, F.; Chonko, Churchill, Clark, Conners, Cote, Cunningham, Curran, Davies, Devoe, Dexter, Diamond, Dow, Drinkwater, Dudley, Durgin, Dutremble, Elias, Fenlason, Flanagan, Fowle, Garsoe, Gill, Gillis, Goodwin, H.; Gray, Grenlaw, Hall, Hickey, Higgins, Hobbins, Howe, Huber, Hutchings, Immonen, Jackson, Jacques, Jalbert, Jensen, Joyce, Kany, Kelleher, Kerry, Kilcoyne, Laffin, LaPlante, Lewis, Littlefield, Lizotte, Locke, Lunt, Lynch, MacEachern, Mackel, Mahany, Marshall, Martin, A.; Masterman, Masterton, Maxwell, McBreairty, McKean, McMahon, McPherson, Mitchell, Moody, Morton, Nadeau, Nelson, M.; Nelson, N.; Norris, Palmer, Paul, Peakes, Pearson, Peltier, Perkins, Peterson, Post, Prescott, Raymond, Rollins, Sewall, Shute, Silsby, Smith, Spencer, Stover, Strout, Stubbs, Talbot, Tarbell, Teague, Theriault, Tierney, Torrey, Tozier, Trafton, Twitchell, Valentine, Violette, Whittmore, Wood, Wyman, The Speaker

ABSENT — Biron, Bunker, Gould, Green, Hunter, Kane, Plourde, Rideout, Sprowl, Truman, Tyndale, Wilfong

Yes, 7; No, 127; Absent, 13; Vacant, 4.

The SPEAKER: Seven having voted in the affirmative and one hundred twenty-seven in the negative, with thirteen being absent and four vacant, the motion does not prevail.

The pending question now before the House is on the motion of the gentleman from Waterville, Mr. Carey, to accept Report B.

The Chair recognizes the gentleman from Nobleboro, Mr. Palmer.

Mr. PALMER: Mr. Speaker, since my name has been erased from the board and nobody knows exactly how anybody votes, I didn't want it to remain a secret. I hope we will kill the motion to accept Report B so we can go on to accept Report A.

I hesitate to say this, I know my good friend across the aisle said one thing and I am saying another, but I want to emphasize that this is not a partisan issue. At the same time, I do want members of our caucus to know exactly how we in this corner feel.

The SPEAKER: The Chair recognizes the gentleman from Lisbon Falls, Mr. Tierney.

Mr. TIERNEY: Mr. Speaker, Men and Women of the House: Again, to briefly recap, the difference between the two reports can be found on page 4 of Committee Amendment "B." I suggest that all members of the Legislature in both parties read Section 7. It is the only guarantee which states that if an employer, after it comes, reduces the number of jobs below the 200 job level, they won't be able to continue to draw the complete tax break.

The only protection, as far as this bill goes, to make sure that we keep at least 200 jobs because of this program exists in Report B.

The second major difference exists on the next page, Section 5, and that is that before we freeze this benefit into concrete, that the next Legislature will have to look at it and analyze it again, but that any corporation or firm whose rights vest under this law before the abolition on January 15, 1982, will get full benefits of the tax provision. And because Pratt and Whitney does not intend to go below 200, and because Pratt and Whitney will vest before the effective date of the sunset provision, it is immaterial whether Report A or Report B is accepted as far as the York County development goes. I wanted that record made very clear prior to the vote.

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

Mr. JALBERT: Mr. Speaker and Members of the House: The last few minutes have proven that I certainly was right when I said that the only thing we can gain out of caucuses sometimes on issues like this is to place politics in it. It is the same thing as putting politics in the Appropriations Committee. That is one sure way to kill anything we have got before us. That was proven a few weeks ago.

As far as I am concerned, I understand there was a meeting late last night, and I am just saying this—there was a question as to what happens to orders. The titular head of the Republican Party, who presently is the Minority leader of the Republican party, and the Speaker of the House, a Democrat, have agreed to sponsor an order. I am sure, knowing both of the gentlemen, that order that they will present will give us a chance to really take a good look at the situation and the problem will be followed through by these two gentlemen, even though one will, unfortunately, not be with us, but I know from past experience that he, as the cosponsor of the order, the gentleman from Nobleboro needn't worry about the fact that the gentleman from Eagle Lake will protect him with that order—knowing him as I know him.

I know this, that Report A is what the situation was. Report A is a commitment we have made, and I want to be put in no position whereby Pratt and Whitney could very well say, "We had agreed on Report A. You rung in this other thing, no matter how little effect it might have on it. For that reason, the commitment no longer holds." That is why I am not supporting Report B. The second reason I am not supporting Report B is, I would like to save a little time. We were told we would be out of here by twelve o'clock, and I guarantee you, if you pass Report B, Report B will come back here in non-concurrence so fast it will make your head rock.

The SPEAKER: A roll call has been ordered. The pending question is on the motion of the gentleman from Waterville, Mr. Carey, that Report B be accepted. All those in favor will vote yes; those opposed will vote no.

The Chair recognizes the gentleman from Brewer, Mr. Cox.

Mr. COX: Mr. Speaker, I would like to pair my vote with the gentleman from Hope, Mr. Sprowl. If he were voting, he would be voting no and I would be voting yes.

The SPEAKER: The gentleman from Brewer, Mr. Cox, wishes to pair his vote with the gentleman from Hope, Mr. Sprowl. If the gentleman from Hope, Mr. Sprowl, were voting, he would be voting nay. If the gentleman from Brewer, Mr. Cox, were voting, he would be voting yea.

ROLL CALL

YEAS—Bachrach, Beaulieu, Benoit, Berry, Blodgett, Boudreau, A.; Brenerman, Burns, Bustin, Carey, Carter, D.; Chonko, Clark, Curran, Davies, Diamond, Dow, Dudley, Elias, Flanagan, Fowle, Goodwin, H.; Greenlaw, Henderson, Hickey, Hobbins, Howe, Huber,

Hughes, Jensen, Kany, LaPlante, Locke, Mahany, McHenry, McKean, McMahon, Mitchell, Morton, Najarian, Nelson, M.; Nelson, N.; Paul, Peakes, Pearson, Post, Prescott, Raymond, Spencer, Talbot, Tarbell, Theriault, Tierney, Trafton, Valentine, Violette, Wood, Wyman.

NAYS—Aloupis, Ault, Austin, Bagley, Berube, Birt, Boudreau, P.; Brown, K. L.; Brown, K. C.; Carrier, Carroll, Carter, F.; Conners, Connolly, Cote, Cunningham, Devoe, Dexter, Drinkwater, Durgin, Dutremble, Fenlason, Garsoe, Gill, Gillis, Gray, Hall, Higgins, Hutchings, Immonen, Jackson, Jacques, Jalbert, Joyce, Kelleher, Kerry, Kilcoyne, Laffin, Lewis, Littlefield, Lizotte, Lougee, Lunt, Lynch, MacEachern, Mackel, Marshall, Martin, A.; Masterman, Masterton, Maxwell, McBreairty, McPherson, Moody, Nadeau, Norris, Palmer, Peltier, Perkins, Peterson, Quinn, Rollins, Sewall, Shute, Silsby, Smith, Stover, Strout, Stubbs, Teague, Torrey, Tozier, Twitchell, Whittmore.

ABSENT—Biron, Bunker, Churchill, Cox, Gould, Green, Hunter, Kane, Plourde, Rideout, Sprowl, Truman, Tyndale, Wilfong.

Yes, 58; No, 74; Absent, 15; Vacant, 4.

The SPEAKER: Fifty-eight having voted in the affirmative and seventy-four in the negative, with fifteen being absent, the motion does not prevail.

Thereupon, on motion of Mr. Carey of Waterville, Report A was accepted and the Bill read once. Committee Amendment "A" (H-1298) was read by the Clerk and adopted.

Under suspension of the rules, the Bill was read the second time, passed to be engrossed as amended and sent up for concurrence.

By unanimous consent, ordered sent forth with to the Senate.

(Off Record Remarks)

On motion of Mr. Greenlaw of Stonington, Recessed until 2:30 in the afternoon.

After Recess 2:30 P.M.

The House was called to order by the Speaker.

The following paper appearing on Supplement No. 1 was taken up out of order by unanimous consent:

On Motion of Mr. Palmer of Nobleboro, the following Joint Order: (H. P. 2351) (Cosponsor: Mr. Martin of Eagle Lake)

WHEREAS, the Legislature is deeply concerned about the economic well-being of Maine's citizens and Maine's economy; and

WHEREAS, one of the best ways on ensuring a prosperous economy is by encouraging present Maine businesses to expand and new businesses to locate in Maine; and

WHEREAS, the experience of this State and of many other states shows that employment and investment tax credits are a great incentive to business expansion and to the attraction of new businesses; now, therefore, be it

ORDERED, the Senate concurring, that the Legislative Council shall, using its available joint standing committee resources and staff resources, conduct a study to determine a uniform state policy on the use of state employment and investment tax credits for all forms of businesses, large and small, including corporations, partnerships and sole proprietorships, in order to encourage a flourishing Maine economy; and be it further

ORDERED, that the Council shall complete this study no later than March 15, 1978 and submit to the Legislature within the same time period its findings and recommendations, including copies of any recommended legislation in final draft form; and be it further

ORDERED, upon passage in concurrence that a suitable copy of this Order shall be forwarded to each member of the Legislative

Council.

The Order was read.

The SPEAKER: The Chair recognizes the gentleman from Stonington, Mr. Greenlaw.

Mr. GREENLAW: Mr. Speaker, Men and Women of the House: I don't think anyone has a copy of the order and I would assume that inasmuch as this is being introduced in the 108th Legislature, it would direct the 108th Legislature to report to the 109th.

I would just like to suggest, inasmuch as five members of the Taxation Committee are not coming back to serve in this legislature, that it might be well to introduce this order the first day of the 109th Legislature rather than now. The reason that I say that is that I have seen a number of study orders in the past four years that have been accomplished in the second year of the legislature, seen the report come to the legislature and see it virtually die for lack of any meaningful work on the part of committee members that either were elected to the other body or were not re-elected. Perhaps the gentleman from Nobleboro would address that point. It seems to me a rather useless purpose to have the 108th do it when four or five members will not be back in the 109th.

The SPEAKER: The Chair recognizes the gentleman from Nobleboro, Mr. Palmer.

Mr. PALMER: Mr. Speaker, I understand that the gentleman from Stonington, Mr. Greenlaw, does not have a copy of the Order—no one does.

I did intend to speak to this order and I will when it is corrected. We have just discovered, however, that there is an error in the date. At the very end it says, "Ordered, that the Council shall complete this study order no later than March 15, 1978", and that is rather a hurried time table to say the least. It will have to be changed and amended to March of 1979, so I would like to have this tabled and have an amendment made and then we will talk about it and I will answer the questions from Stonington then.

On motion of Mr. Greenlaw of Stonington, tabled pending passage and later today assigned.

The following paper appearing on Supplement No. 3 was taken up out of order by unanimous consent:

Passed to be Enacted

An Act Providing for a Jobs and Investment Tax Credit (H. P. 2349) (L. D. 2215) (C. "A" H-1298) was reported by the Committee on Engrossed Bills as truly and strictly engrossed.

The SPEAKER: The Chair recognizes the gentleman from Kennebunk, Mr. McMahon.

Mr. McMAHON: Mr. Speaker, Ladies and Gentlemen of the House: Very briefly, where I posed a couple of questions earlier, I just want to state for the record that the Speaker did answer them to me and the answer was as follows: there is no provision for Pratt & Whitney to hire employees specifically from Maine. Such a provision, of course, could not be legislated, we know that. There is an understanding, I guess, with Pratt & Whitney that they will use our VTI's to train some of the new employees and that, I think is good.

I guess I want to put in the record my concern that while this move to Maine on the part of this company has many more benefits than liabilities, coming from York County and witnessing the growth in York County that we have had there, I think it would be unfortunate if the bulk of the employees were hired from without, from outside of Maine, and I would hope that in the spirit of good business practices, which have been described to us by this company, that the company will make a major effort to recruit its employees from within Maine.

Whereupon, Ms. Clark of Freeport requested a roll call on final enactment.

The SPEAKER: The Chair recognizes the gentleman from Sanford, Mr. Wood.

Mr. WOOD: Mr. Speaker, Ladies and Gentlemen of the House: I rise to support this bill but I have many reservations. I share some of the same concerns that Representative McMahon does. I come from an area that will feel the fallout of this expansion. We desperately need jobs, good paying jobs. Many of my constituents are in deadend jobs where the only time they receive a raise is when the minimum wages goes up. I hope that Pratt & Whitney will employ these people and we will not see an immigration of people quickly gobble up the good jobs but this expansion will exact its cost. The rural character of York County is quickly eroding. This new move will fling us head long into the Boston megalopolis, a prospect that I don't look forward to and hope we can control.

There is one final point that I would like to make. There are many people in my district who are suffering; the elderly with not enough to live on and not enough to die on, families that see their meager earnings eroding while their taxes and cost of living increase, people who fear illness because of its ability to bankrupt them and the list could go on and on. I am sure all of you have met them.

We often hear that we are anti-business and, yet, in my brief term we have given a tax exemption on turbo jet fuel, a reduction of corporate tax and now this. Every time business asks, we go to the well. I only hope that we will be as generous with the people and go to the well for them.

The SPEAKER: The Chair recognizes the gentleman from Wells, Mr. Mackel.

Mr. MACKEL: Mr. Speaker, Ladies and Gentlemen of the House: I don't share the apprehension that Mr. McMahon has expressed. I do share the apprehension that Mr. Wood has expressed, but in the case of the hiring of the employees, at the public hearing, it was pretty well brought out that one of the considerations for Pratt & Whitney coming to Maine was the availability of the work force within the State of Maine. That was one of their major considerations.

Further, the company of Pratt & Whitney, as I understand it, has considerable experience with the calibre of people that exist in Maine. There are, I am told, about 5,000 Maine people in Connecticut working for Pratt & Whitney. This led them to look to Maine for this same source of labor, skilled labor, good labor, labor that is reliable, so I really believe that they would not overlook this asset, one of the assets to which they are looking forward to in coming to the State of Maine. That, coupled with the fact that they looked into our vocational training programs and have agreed to use these resources to train Maine youngsters for employment, reassures me at least insofar as that question is concerned.

I am concerned about the impact that Mr. Wood has stated and I was torn over this and, as a matter of fact, that is why I didn't sign on this bill "ought to pass" until this morning. I considered the problems involved, talked to some of the people in the local area and they are willing to accept the disadvantages associated with the movement of this company into the area.

There is one commitment, however, that was made that we haven't heard too much about that causes me concern. There was, I understand, a commitment made that sometime in the future efforts would be made to eliminate personal property tax entirely. Now, that I don't go along with, and I assure you that the people of North Berwick do not go along with it and they are very apprehensive about any commitment of this type. However, I doubt very much if that commitment could be fulfilled.

The SPEAKER: The Chair recognizes the gentleman from Kennebunk, Mr. McMahon.

Mr. McMAHON: Mr. Speaker, Ladies and Gentlemen of the House: I didn't really expect to speak again, but I wish to take a gentle issue with my good friend and colleague from Wells.

The fact of the matter is that machinists are not available in York County. I checked with the Department of Manpower Affairs, I check with businesses in York County that attempt to hire those kind of workers, and they find that to be true. The impact described by Mr. Wood, which is also a concern to me, will not happen at all if Maine residents are hired and trained for employment at Pratt & Whitney. It will only happen, the impact described by Mr. Wood, if people are hired from without and move to York County. So, I submit to you that Mr. Wood's concerns and mine kind of go together and if, in fact, the company is going to hire mostly from within Maine, then our concerns will not be realized.

The SPEAKER: The Chair recognizes the gentleman from Orland, Mr. Churchill.

Mr. CHURCHILL: Mr. Speaker, Ladies and Gentlemen of the House: Many people know that I offered to pair my vote this morning with Mr. Sprowl. I have changed my intentions. I had had every intention of voting against this until I saw some consideration that would be given to the small corporations, possibly with the study in the 109th, so that is the only reason I wanted Mr. Sprowl to know that I didn't let him down completely.

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

Mr. TALBOT: Mr. Speaker, Ladies and Gentlemen of the House: I have some reservations with this bill but I have no intention of voting against it. I am going to support it. I have sat here and listened to all of the angles and all of the proponents and opponents of this particular piece of legislation, but there is one question I would like to ask so I may put it on the record. It is something that I haven't heard and I would like to have someone explain to me or at least shed some light on the fact that if this company comes to Maine, Pratt & Whitney, what effect is that going to have on federal and state affirmative action plans insofar as hiring minorities, because I understand that we represent less than 1 percent of the population of the State of Maine and in North Berwick they represent less than that.

I am also concerned with the fact that apprentice programs, incentive programs and hiring practices is something that we are going to have to deal with. Could somebody shed something on that particular subject?

The SPEAKER: The gentleman from Portland, Mr. Talbot, has posed a question through the Chair to anyone who may respond if they so desire.

The Chair recognizes the gentleman from Limerick, Mr. Carroll.

Mr. CARROLL: Mr. Speaker, Ladies and Gentlemen of the House: I want to apologize to you for what I am going to say before I say it. I am becoming a little indignant and a little impatient with the actions that are going on here today. You are trying to tell a new industry that wants to come to Maine who they are going to hire. Have you ever heard of anything so ridiculous in your life? Get up here and say they have to hire Maine residents and they have to hire this and they have to hire that, have you ever heard of anything so ridiculous? Come out to my place and tell me who I am going to hire and I will show you what a black road is. You are not going to tell anybody who they are going to hire. They will hire who they want to in industry. If they want to bring machinists from Connecticut, that is their business. If they own a business, they have a right to do it. I can't think of anything more ridiculous than the stumbling around that is going on here today. I have a business to run and I have a family waiting and I say, let's get on with the business and let's go home. There is no need of being here five more hours.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Lynch.

Mr. LYNCH: Mr. Speaker, Members of the House: I don't know how many members of the

House heard the broadcast item that I did today but the VTI's are considering training programs, evenings and weekends, and I would say to the people in York County, you cannot wait until the plant is open and apply for a job, you have to plan ahead of time.

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 the members present and voting. 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 SPEAKER: The pending question before the House is on enactment of L. D. 2215.

The Chair recognizes the gentleman from Brewer, Mr. Cox.

Mr. COX: Mr. Speaker, I would like to pair my vote with the gentleman from Hope, Mr. Sprowl. If Mr. Sprowl was here, he would be voting yes and I would be voting no.

ROLL CALL

YEAS—Aloupis, Ault, Austin, Bachrach, Bagley, Beaulieu, Benoit, Berry, Berube, Birt, Blodgett, Boudreau, A.; Boudreau, P.; Brennerman, Brown, K. L.; Brown, K. C.; Burns, Bustin, Carey, Carrier, Carroll, Carter, D.; Carter, F.; Chonko, Churchill, Clark, Connors, Cote, Cunningham, Curran, Davies, Devoe, Dexter, Diamond, Dow, Drinkwater, Durgin, Dutremble, Elias, Fenlason, Flanagan, Fowlie, Garsoe, Gill, Gillis, Gray, Greenlaw, Hall, Hickey, Higgins, Hobbins, Howe, Huber, Hutchings, Immonen, Jackson, Jalbert, Joyce, Kany, Kelleher, Kerry, Kilcoyne, Laffin, LaPlante, Lewis, Littlefield, Lizotte, Locke, Lougee, Lunt, Lynch, MacEachern, Mackel, Mahany, Marshall, Martin, A.; Masterman, Masterton, Maxwell, McBreairty, McKean, McMahan, McPherson, Mitchell, Moody, Morton, Nelson, M.; Nelson, N.; Norris, Palmer, Paul, Pearson, Peltier, Perkins, Peterson, Post, Prescott, Quinn, Raymond, Rideout, Rollins, Sewall, Shute, Silsby, Smith, Spencer, Sprowl, Stover, Strout, Stubbs, Talbot, Tarbell, Teague, Theriault, Tierney, Torrey, Tozier, Trafton, Twitchell, Valentine, Violette, Whittemore, Wood, Wyman, The Speaker.

NAYS—Connolly, Henderson, Hughes, McHenry, Najairan.

ABSENT—Biron, Bunker, Dudley, Goodwin, H.; Gould, Green, Hunter, Jacques, Jensen, Kane, Nadeau, Peakes, Plourde, Truman, Tyndale, Wilfong.

VACANT—Bennett, Goodwin, K.; Mills, Tarr.

PAIRED—Cox, Sprowl.

Yes, 124; No, 5, Absent, 16; Paired, 2; Vacant, 4.

The SPEAKER: One hundred and twenty-four having voted in the affirmative and five in the negative, with sixteen being absent and two paired, the bill is passed to be enacted.

Signed by the Speaker and sent to the Senate.

By unanimous consent, ordered sent forthwith.

The following papers appearing on Supplement No. 4 were taken up out of order by unanimous consent:

The following Joint Order, An Expression of Legislative Sentiment recognizing that:

The Rams of Gorham High School have won the State Class L Soccer Championship (S. P. 782)

Came from the Senate, read and passed.

In the House, the order was read and passed in concurrence.

Orders

A Joint Resolution (H. P. 2352) in memory of Hon. Peter J. Farley of Biddeford

Presented by Mr. Lizotte of Biddeford (Sponsor: Mr. Dutremble of Biddeford.

The Resolution was read and adopted and

sent up for concurrence.

By unanimous consent, ordered sent forthwith to the Senate.

(Off Record Remarks)

Mr. Birt of East Millinocket was granted unanimous consent to address the House.

Mr. BIRT: Mr. Speaker, Ladies and Gentlemen of the House: This may have been done before, but if it hasn't, one of the previous speakers making some remarks this afternoon caused me to think that I might want to make a few remarks about him.

During the last three sessions, I believe, one of our members, the first member of his race to have ever served in this legislature, at least to my knowledge, during this time I have watched him grow tremendously and I think I have enjoyed that growth. I think he has learned from us, but I think we have learned a great deal from him. He has continually carried a banner for his own race to make sure that they got equal treatment. I think he exhibited a little bit of that this afternoon. I was very disappointed when he was defeated in the primary election and I hope some day, Gerry, I will see you back again, (Applause, the members rising)

Mr. Talbot of Portland was granted unanimous consent to address the House.

Mr. TALBOT: Mr. Speaker, if I had known that was going to happen, I would have asked Governor Longley to call a special session a long time ago.

(Off Record Remarks)

Mr. Carey of Waterville was granted unanimous consent to address the House.

Mr. CAREY: Mr. Speaker, Ladies and Gentlemen of the House: The last three special sessions that we have had have had some dealings with the Committee on Taxation. I would not be taking care of a very important duty if I did not commend the Legislative Assistants, but more importantly, and probably more particularly, the Office of Legislative Research for the very long hours, under very trying circumstances, to get bills out as fast as they did for us. For that, I would hope that the record would indicate, Mr. Speaker, that we are extremely pleased with both the Legislative Assistants and the Office of Legislative Research.

The SPEAKER: The Chair would concur with those remarks.

Mr. Cox of Brewer was granted unanimous consent to address the House.

Mr. COX: Mr. Speaker, Ladies and Gentlemen of the House: I have a few remarks I would like to make. Basically, they are remarks which I had intended to make in my presentation when I opposed the major bill today. My good friend, the Assistant Minority Leader, reminded me that my position on the major bill here seemed to be a little bit inconsistent with some of my previous actions in the House, especially in which I sponsored the so-called Sobin Chemical bill which granted tax relief to one industry, so called.

I would like to reiterate my philosophy or policy on taxes, which is and has basically been to do what I could to remove existing inequities and prevent new inequities from creeping into our tax policy.

The Sobin Chemical bill, the Martin Marietta bill, the Bangor International Airport, fuel oil bill, were all bills which I either sponsored, supported or voted for. All of these bills, I considered at the time and I still consider, dealt with existing inequities in the tax laws in which existing industries in the state were being harmed by what I considered and still consider to be inequities in the bill.

Therefore, I do consider in my own reasoning that there was no inconsistency with my posi-

tion on these past bills and my present position on this bill.

At Ease

Called to order by the Speaker.

The Chair laid before the House the following matter, which was tabled earlier in the day and later today assigned:

JOINT ORDER relative to a uniform state policy on use of State employment and investment tax credits to encourage a flourishing Maine economy (H. P. 2351)

Pending—passage

Mr. Palmer of Nobleboro offered House Amendment "A" and moved its adoption.

House Amendment "A" (H-1300) was read by the Clerk and adopted.

The SPEAKER: The Chair recognizes the gentleman from Nobleboro, Mr. Palmer.

Mr. PALMER: Mr. Speaker, Ladies and Gentlemen of the House: I have had some conversation with the gentleman from Stonington, Mr. Greenlaw, and I think perhaps we have at least come to an agreement as to what the problem is here, so I don't want to waste any time debating with him or he with me on this particular matter.

I do want to say a couple of words, though, about the order. I did have the pleasure to co-sponsor the original bill with the Speaker and was happy to do it. I did say at the time in my testimony before the Taxation Committee that I felt that it was not the panacea of Maine's economic ills, it wasn't, indeed, the Mount Olympus, it wasn't, indeed, the arrival of a new era in economic development in Maine. I said at the time that I felt and I knew that many people felt here in the House and Senate, both sides of the aisle, that actually to do the job and do it thoroughly we needed some more study, we needed more time. We had time constraints here today which prevented us from doing what we really should do. So I suggested that if we could not amend it at that time, and it appeared that we could not because of the time constraints, at least we could pass a joint order and ask the Legislative Council to pursue this because, indeed, if we are to grow, I believe we will grow from within and we will grow as we encourage not only the larger industry, the giant industry to move to Maine, but to encourage the smaller businessman in Maine, the medium-size-businessman-in-Maine-to-expand his business and to increase the employment in his plant.

Indeed, in the past many months as I have travelled this state, I have talked to many, many business people who say, well, I could add an expansion onto this plant. I could spend another hundred thousand dollars and perhaps employ 10 or 15 more people, but I do not have that incentive. I believe this will call it to our attention.

I think the Council will deal with it wisely, and I think it will be a good exercise for the 109th Legislature to look into this matter and address the subject not alone from the point of view of Pratt and Whitney moving into North Berwick but for some kind of a job investment and tax credit investment for all businesses in Maine, be they large or small, be they corporations, partnerships or just individual entrepreneurs.

I move passage of this order.

Thereupon, the Order received passage as amended and was sent up for concurrence.

By unanimous consent, ordered sent forthwith to the Senate.

The following paper appearing on Supplement No. 5 was taken up out of order by unanimous consent:

An Expression of Legislative Sentiment (H. P. 2353) recognizing that:

The Freeport High School Falcons and their coach, Steve York, have won the 1978 State Class B Soccer Championship for the third con-

secutive year.

Presented by Ms. Clark of Freeport.

The Order was read and passed and sent up for concurrence.

By unanimous consent, ordered sent forthwith to the Senate.

At Ease

Called to order by the Speaker.

On motion of Mr. Tierney of Lisbon Falls, it was

ORDERED, that a message be sent to His Excellency, the Governor, to inform him that the House of Representatives had acted on all matters before it and was ready to adjourn without day.

Thereupon, Mr. Tierney was appointed to convey the message.

Subsequently, the same gentleman reported that he had delivered the message with which he was charged.

On motion of Mr. Palmer of Nobleboro, it was

ORDERED, that a message be sent to the Senate informing them that the House had transacted all business before it and was ready to adjourn without day.

Thereupon, Mr. Palmer of Nobleboro was appointed to convey the message.

Subsequently, the same gentleman reported that he had delivered the message with which charged.

At this point, a message came from the Senate, borne by Senator Conley of Cumberland, informing the House that the Senate had transacted all the business before it and was ready to adjourn without day.

The SPEAKER: The Chair recognizes the gentleman from Easton, Mr. Mahany.

Mr. MAHANY: Mr. Speaker, Ladies and Gentlemen of the House: I move the House adjourn without day.

The SPEAKER: The gentleman from Easton, Mr. Mahany, moves that the House adjourn sine die. Is this the pleasure of the House?

The motion prevailed and at 5:00 p.m., Eastern Standard Time, Wednesday, December 6, 1978, the Speaker declared the House adjourned without day.