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CITATIONS, legal

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24 H.R. Proc., Pt. 10, 1981 Sess., p. -

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26 S. Proc., Pt. 4, 1983 Sess., p. -

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Judiciary, Pt. 2, 1981 Sess., pp.-

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that gratuity and do not, in any way, follow the Federal provisions. Now, I was very impressed by the speakers before me, particularly to the point that they were making that we should follow the Federal Law. I agree with them. We should follow the Federal Law on the 50% gratuity and, gentlemen, I believe that our industry having a share in Connecticut and the growth of Connecticut would be agreeable to the \$1.40 provision provided the entire Federal Law comes into effect in Connecticut. I don't think it is a fair thing to take one portion of the Federal Act and omit the other and I submit to you gentlemen, that a fair amendment to this Minimum Wage Law would be to include the 50% gratuity as far as the restaurant industry and the hotel industry is concerned.

I would state this, that the provision of the State Law going from \$1.40 to \$1.60 - I believe that's what these Acts contain - would in effect within one year raise our minimum from \$1.25 to \$1.60. Now, I think you are all familiar with the fact that we have about 15% of our restaurants that are marginal, and they do pay taxes, gentlemen, to the State of Connecticut and I believe a provision - the \$1.40 I think they could handle provided you inserted the gratuity along with it. The \$1.60, I think it would make the difference of that particular marginal group staying in business or going out of business and if they go out of business there will be fewer jobs, and as I say, fewer taxes. The judgment would have to be made by you as to whether or not that was good for Connecticut.

Now, there have been speakers stating that some restaurant workers are on welfare. It is true that the restaurant industry has many unskilled workers and naturally they may be at a lower level on the wage rates of the labor market. However, the welfare bill is, fortunately, only supplemented by the Welfare Department. If these people weren't working at all, there would be a much greater welfare bill. As it is now, I gather, that there is some supplements which naturally are not 100%. They are probably a minor percentage.

And, I think one thing, gentlemen, in S. B. 1269, there are some clauses (Section 4 is the one I am referring to) which confuses me as to its language. In other words, I can't say definitely what its effect would be on a restaurant with split shifts

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and with other problems than you find in a factory. Because of our peculiarity with the hotels, we do have specific problems which the Federal Government has been excluding from their bills, because it is the type of thing which should be pretty much handled by regulation. Now, because a statute which is well written and covers one group of workers, can very well ruin another industry which is not applicable to the particular general trend of the business. I would respectfully request the Committee to check into that language because we do foresee problems from the State's point of view, as well as our own.

Now, there is one other point on the food allowance. As I understand the Federal Statute, they did not go into the food allowance but they referred the question, as I understand, to a regulatory agency with, I presume, instructions to come out with a favorable report. The exact amount of which, no one is familiar with, however, the Federal Government still feels that there should be a food allowance, apparently, or they wouldn't have referred this to a regulatory agency to set up the amount for each meal.

Now, under today's law, we are paying time and a half after the 48 hours but we are paying time and a half of the minimum wage. Now, this law, the bill that is before you, raises this to time and a half of the actual wage paid. This, of course, is going to cost our industry money. Now, that's going to cost us money, some bill here which also lowers it to 40 hours would destroy the industry. The removal of the gratuity provisions would hurt us immeasurably and I would say to this Committee that our industry feels public responsibility, are agreeable to the \$1.40 per hour provided we also get the rest of the benefits in the Federal Law, which is no more than right, the 50% gratuity provision. Thank you.

Chr. Miller:

Thank you. Anyone else? Any other opponents? I would ask if anyone else is going to speak to get near microphone #100, please.

Frank T. Healey:

Frank T. Healey, Jr., from Waterbury, speaking first on the Minimum Wage Increase Bills and on these bills I am speaking for Taxicabs of

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Connecticut, Inc., which is an association of the taxicab operators of the State.

In respect to the Minimum Wage Bills, my remarks are limited to the recognition of the gratuity. Actually, I think the responsibility is on this Legislature and its Committees to determine what should be a minimum wage under all circumstances in Connecticut, and the determination of what labor and management can stand as far as what a minimum should be. But, I think that in all honesty, we are interested in setting a rate as a minimum for the employees of this State. We should recognize that in certain industries, and I am referring to the cab industry now, that as part of the economic picture in that industry, the gratuity must be considered. When someone gets into a cab and pays \$.75 for the meter ride and \$.25 in a tip - if you asked them what they paid for the ride from point X to point Y, their answer is \$1.00. This is something we are up against in the industry.

Now, if you feel that the Minimum Wage at \$1.25 is not the proper wage in Connecticut in the year 1967 or 1969 or 1971, fine - but, please recognize that a portion of that hourly rate that a cab driver is earning is what he is getting in tips. We would like recognition of this fact and we would like consideration of this fact in any increase that is made, if it is going to be made. That's the limit of my remarks with respect to the Minimum Wage portion.

With respect to the overtime portions, or overtime bills which are considered here, for the cab industry. The way cab companies operate is that, we will say, in the morning they hand a cab to a driver. He goes out on the road and he operates that cab for the day and our contact with him is simply by radio. We dispatch him by radio and he has control of his time other than what contact we have with him by radio. He works on a commission basis in almost all the cab companies in this State, and that is commissions range from 40% to 50% of whatever his gross is. I don't know anyone who is below 40% and I don't think there is anyone who is over 50% - the larger ones are up around 50%. This is what the driver gets. He gets 40% to 50% of that gross. He can stay out

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longer than eight hours, if he desires. This is up to the man, but we do have problems that if you do get into overtime provisions for this industry, you are going to hurt a vital industry in this State. The Federal Government has recognized this in their provisions with respect to overtime rate. Even in their latest bills we are exempt from the overtime provisions. They recognize this as a problem of the industry and I think that the State of Connecticut should recognize it. I also would comment that obviously, the Federal Government, as the previous speaker has said, recognized the gratuity situation in this type industry.

I am also, today, speaking on behalf of the Connecticut Motor Stage Association. An association of the smaller independent bus lines of the State and my remarks for them would be limited solely to the overtime wage provision, since we do not have any problem with minimum wage. But, with respect to the overtime provisions, this is an industry which still operates on a seven-day week and our drivers normally operate on a five-and-a-half or six-day week. So, that they are normally working 44 or 48 hours rather than the 40 hours that this bill would contemplate. We are obviously an industry which is necessary in this State and has been recognized through various aids which this Legislature has given to this industry to keep it going. We are recognized as a necessary industry and we do have problems if you do get into overtime wages. Again, we are exempt from the overtime provisions with the Federal Government and we would appreciate your consideration of this in your legislation. Thank you, gentlemen.

Mr. Miller:

Thank you. Anyone else?

Leon Lemaire:

Mr. Chairman, Members of the Committee, Leon Lemaire, speaking for the Manufacturer's Association of Connecticut. I am not here to oppose or support any of the bills that are before you this morning, but I feel it an obligation to comment somewhat on the general nature of the Minimum Wage Act and the possible results that would come from these bills, if they were adopted. I would say 99.9% of our people would

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not be affected by these bills - since we are already covered by the Federal Act, both in terms of the Minimum Wage as well as the Overtime Provisions. However, these jobs that are obtaining the now current minimum wage in Connecticut, are jobs which are equally vital to our economy and I wouldn't question any of the statements that were made heretofore that a man is incapable of living on the minimum wage of \$1.25 an hour. I don't think anyone quarrels with that, but these jobs are nevertheless useful to secondary wage earners and to young boys and girls who are trying to bring into the family additional income - and I think from this standpoint you should walk very carefully in the area of doing away with these jobs because that's what you are going to do.

The Minimum Wage Provision of our law is designed, not so much to guarantee a plush life for anyone, but to guarantee that at least we don't work for starvation wages. Now, many of these jobs, as I say, are vital and by raising this minimum wage to an unreasonable level, you make it impossible for the employer to either carry on business or so restrict his employment that the problem never arises. In other words, more people will lose jobs, less people will be available for doing the work. So, the very purpose that these people seek to use this minimum wage for will not occur. Just the opposite will occur. The man from the Civil Rights Commission said that these people on welfare, well, they are on welfare right now only partially, if some of these things are enacted, they will be on welfare totally. So, I say, not a reduction in welfare will occur but rather an increase.

The kinds of jobs that these people should be seeking, of course, are jobs in our factories and I think today there are plenty of opportunities. Maybe the Employment Service isn't doing the kind of job it should be in getting jobs for these people in the factories but I had a call just yesterday from a company down in the Meriden area and he said, I will take anybody - and he has been calling the Employment Security Office in Meriden and not getting anyone and this is the kind of thing that I get almost everyday of the week. People are looking for help and they are not getting them. This is the area in which pays are decent and the minimum

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wage is not important. It is not a factor. But, don't go too fast into this business of raising the minimum wage on these industries that are newly covered by the Federal law.

Mr. Miller:

Thank you. Anyone else wish to speak?

Arthur C. Stevens:

My name is Arthur C. Stevens. I am President of the New England Laundry Company in Hartford, and a past President of the Connecticut Launderer's and Cleaners Association and I am representing our industry here today.

Really not for or against, as such, but I want to tell you a few things which have happened since 1940 in the family laundry industry and conclude with a recommendation, which we think is practical to your viewpoint and we will try to live with, if you'll go along with it.

At the present time, you have left in the City of Hartford, eight family laundry plants. This is down from 20 since 1940. In New Britain, you have 2 left - down from 5 since 1940. In New Haven, we estimate in 1940 that there were approximately 20 laundries in that city. Today, there are 2 left. In Bristol, with the closing of the Ideal Laundry a year ago last June, you have no family laundry in Bristol. Approximately three weeks ago, Perry's Laundry in Waterbury closed being in the path of a redevelopment area and the City of Waterbury is now without any family laundry plant.

Now, let me tell you, why we think this situation has come to pass. There are many economic forces, I grant you, which have militated against this industry down through the years and I recognize, as you gentlemen do, some industries flourish, some don't, and some actually go out of the picture entirely. Witness the trolley cars, for example, completely supplemented by other means of transportation.

Now, this industry was at one time, back in 1940, a substantial employer of highly unskilled, very uneducated, supplemental type of income producers. In these areas, there must have been back in 1940 some 1300 to 1500 people employed in these plants, providing service which was needed. Today, you have only a very small fraction of people remaining in the remaining plants.

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Arthur C. Stevens:

Now our Company, I am President of it and I have always tried very hard down through the years, it will be 27 on July 15th, to keep abreast of the times, comply, and see if we couldn't do more and more for the people who we have employed. And, only this past September, I made the decision in our Company that we would comply voluntarily to the \$1.40 minimum wage. This meant that everyone in our Company received a wage increase of between \$.10 and \$.15 an hour. Mostly, \$.15 an hour went out. This necessitated a 10% increase in our prices. I want to tell you what happened. Now, you must keep in mind that this is an industry which is not subject to automation, particularly. So, therefore, it is a very high cost labor factor type of business. Approximately \$.60 of every incoming sales dollar goes out in payroll every single week. So, we are very sensitive to wage increases, even as much as \$.05 an hour. You will find that companies will have to increase their price. We are very sensitive to the new Social Security program with its substantial increases in cost.

Now, this is what has happened to us and I predict will happen to the remainder of our industry throughout the State, when and if, they do comply. Since last September, on comparing our sales from the first of this year to March 11th of this year as compared to one year ago when we were on the \$1.25 minimum wage - our route sales are now off 5% and our cash and carry sales are off 18%. Now, what? The answer is - a wholesale defection on the part of consumers who simply will not pay this extra cost load which we have no alternative but to pass on to the consumer. Now, I am not here today to ask you to save the laundry industry, gentlemen, don't misunderstand me, but there is still a remnant left of what existed in 1940. This still is a source of some importance of employment to underprivileged people, if you will permit the use of that term, and people who are not educated, people who are very unskilled, and largely are supplemental wage earners in homes.

Now, we think that you should do this, I am referring now to newly covered industries by the Federal Wage and Hour Act. Ours is one of those, as you know, and right at the moment, I grant you with the State law as it is, if

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it were practical, why it would be possible for people to drop the \$1.25 and go back to \$1.00 and follow the Federal scale along reaching \$1.60 come 1971. We wouldn't recommend anything like that. We don't think it is possible for anyone to do it. You have to live with the reality of the localities that you are in. However, our recommendation is this - that you go ahead and subscribe to the \$1.40 part of the Federal Wage and Hour Act as it currently applies to previously covered industries and businesses. Do so, if you like on July 1st, no later than October 1st. Secondly, follow the scale as outlined in the Federal Wage and Hour Act for overtime which is 44 now and gradually works its way back to 40. I might add, our own Company has paid overtime after 40 hours since 1944, and finally, do not take any steps at this time on the \$1.60 part which appears on the scene in 1971. After all, two years hence, you gentlemen will be meeting again and that will be prior to the advent of the \$1.60 top line in the Federal Wage and Hour Act and if at that time economic conditions and social circumstances seem to justify it, you can take the action at that time on \$1.60. But, we do not think that it is advisable in view of many of us who are in very difficult circumstances that it should be laid out on the line what you have got to do beyond \$1.40 six months from now or even a year from now. Let it go until the next session of the Legislature two years hence. I thank you very much for your time.

Chr. Miller:

Thank you very much. Anyone else?

Leo Dunn:

Mr. Chairman, Leo Dunn, Deputy Labor Commissioner, and I appreciate the opportunity to speak on S. B. 274, S. B. 1269, S. B. 1263, and H. B. 2756. I missed the instruction that you gave to proponents first, and then to the opponents.

On S. B. 1274, the amendment to this bill is to prevent the duplication of services by the State Labor Department for those industrial plants that are already covered under the Fair Labor Standards Act. From time to time, we in the Labor Department do get complaints and if the question of investigating and then turning it over to the Federal Wage and Hour and this provision would meet that situation.

I am sure that you realize both the Federal and the State that the minimum wage should be progressively improved and the working condition in which employees are under so that we could have a stability in

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the wage rate and my personal opinion, that I would like to see some of the wage deductions for gratuities eliminated and a fair wage established to give assurance of equality.

S. B. 1269 is merely to extend the payment of overtime as provided in the Federal Law to all that are covered by the State Law. Employers, many times, cite the differences as confusing and I hope that you will support this bill.

S. B. 1263 relates to the definition of health and welfare funds as it is presently constituted. It is in 3178 and we have to refer to that in regards to our prevailing rates of wages. In the present Assembly, there will be a bill that will eliminate duplication of the reporting on the Annual Welfare Fund Reports from the Commissioner of Labor to the Insurance Commissioner and we desire that this coverage be contained in S. B. 1263.

On H. B. 2756, this bill would remove the inequity in fairness to the injured employees who may, because of their circumstances and their vocations, possibly as transients may work for one or more employers in the case of a week, and in my opinion, this bill should be supported and each of these bills that I have spoken on, Mr. Chairman and Members of the Committee. I hope that you will give favorable report.

Mr. Miller:

Thank you. Anyone else? The hearing is closed.

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I urge its passage.

THE SPEAKER:

All those in favor? Opposed? The bill is passed.

MR. CROMBIE (44th):

At this time I'd ask for suspension of the rules for immediate transmittal to the Senate, the Governor's office, the Engrossing Clerk as required.

THE SPEAKER:

The question is on suspension of the rules. Is there any objection? The rules are suspended. The question now is on immediate transmittal of our heretofore transacted business to the Senate, the Governor, the Engrossing Clerk and to the Secretary of State as the case may be. All those in favor? Opposed? So ordered.

THE CLERK:

Calendar 1082, Substitute for S.B. 1269, An Act concerning Payment of Overtime Wages.

MR. MURRAY (6th):

I move acceptance of the committee's favorable report and passage of the bill.

THE SPEAKER:

The question is on acceptance and passage. Will you remark?

MR. MURRAY (6t):

This bill would make Connecticut legislation consistent with the federal law, the fair labor standard act, by providing

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to Connecticut employees that are covered by the state minimum wage act the overtime provisions presently prevailing in the federal law. The meat of this bill is contained in sections 2 and 3. Section 1 provides for the regular rate and this is where an employee's employment shall be deemed to include all remuneration paid for employment paid to or in behalf of the employee but shall not be deemed to include many things, such as gifts made at Christmas, vacation pay, withdrawals for old age or retirement, life, accident, health insurance, work on Saturdays and Sundays and holidays and extra compensation for overtime work. Subsection b of section 1 describes the hours work and it includes all times during which an employee is required by the employer to be on the employer's premises or to be on the duty or to be at the prescribed place of work. And it goes on to explain that all times during which an employee is required to be on call for emergency service in a location designated by the employer shall be considered working time, as well as when the employee is subject to call for emergency service but is not required at a particular location. Actually he goes on working overtime when the employer notifies him that he is to report for work. Subsection 3, employee is described as defined in section 31-58 of the general statutes. Section 2 is the statute that provides on July 1, 1967 that all employees working above 44 hours per week will receive time and a half. On July 1, 1968, an employee working in excess of 42 hours per week shall receive time and a half for his employ. On July 1, 1969, an employee

working in excess of 40 hours per week shall be paid time and a half. Subsection 3 provides that where an employee is working in a hotel, motel, restaurant, bowling establishment, or who is employed in an institution carried primarily for the aged, mentally ill or defective persons, and who resides on the premises, shall be paid time and a half when he works above 48 hours per week. Subsection 4 provides that no employer shall be deemed to have violated this section, or section 2 and 3 of this act, by employing any employee for a work week in excess of the maximum work week applicable to such employee if such employee is employed pursuant to bonafide contract or pursuant to an agreement made as a result of collective bargaining. Section 5 provides that in a case where an employee is paid by a piece rate, that he be paid time and a half when working beyond the hours as recited in the previous sections. Section 6 provides that, subsection e, f and g of section 1, which are the sections pertaining to extra compensation or what they call the premium rate, these are not considered toward overtime compensation. Section 7 refers to hospitals and the period of determining the overtime pay as far as hospitals concerned is different than that for other institutions in that as far as the hospital is concerned they consider 14 days or 80 hours in the 14 day period of time. Section 8 creates certain exclusions to this act and they are for people who are working under the rules of the interstate commerce commission, or any employee subject to the railroad labor act, any seamen, any employee employed as an announcer, a news editor,

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or chief engineer by a radio station, and any employee in a manufacturing establishment which is subject to the provisions of the fair labor standard act. Section 9 provides that all wage orders and administrative regulations in effect as of July 1, 1967, are amended consistent with this act. Section 10 provides the act shall take effect on July 1, 1967. This is a good bill and I recommend its passage.

THE SPEAKER:

Will you remark further? All those in favor? Opposed?

The bill is passed

THE CLERK:

Calendar 1083, S.B. 1273, An Act concerning the Issuing of Injunctions or Restraining Orders in Labor Disputes.

MR. BECKER (20th):

I move acceptance of the committee's favorable report and passage of the bill.

THE SPEAKER:

The question is on acceptance and passage. Will you remark?

MR. BECKER (20th):

This bill would apply the same standards for the issuance of injunctions in labor disputes by the state that are presently provided under federal law under the Norris LaGuardia act. Such provisions would include a clause for the issuance of injunctions or restraining orders that police are unable or unwilling to furnish adequate protection. The present state law, section 31-115,

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Education, for the time they need, to get their own teeth into their own lunaho
Thank you.

SENATOR BARLOW:

Mr. President, I rise to address myself, address my remarks to the distinguished Senator, who just spoke. I think that there are a number of dedicated teachers, throughout the several communities, in the State of Connecticut, who cannot just pick up the reins and move on. Many of them have devoted years in teaching and they have families and they do have a job to protect and they just can't move out.

THE CHAIR:

Any further remarks? If not, the question is on the acceptance of the Committee's favorable report and adoption of the bill, as amended by Senate Amendment, Schedule, "B". All those in favor indicate by saying, "aye".
Opposed? The bill is passed, as amended.

THE CLERK:

Cal. No. 572 File No. 652 Favorable report of the Joint Committee on Labor.
Substitute for Senate Bill No. 1269. An Act Concerning Payment of Overtime Wages.

SENATOR MILLER:

Mr. President, I move for acceptance of the Joint Committee's favorable report and passage of the bill. This bill will provide for the payment of overtime wages, for working periods in excess of 44 hours, starting July 1, 1967. This would reduce the 42 hours of July 1, 1968, and then to 40 hours, in July of 1969. Excluded from this bill, Mr. President, are hotels, motels, restaurants, bowling alleys and convalescent hospitals. They will pay overtime after 48 hours. There's no change in the overtime for restaurants. They

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They will still pay overtime after 48 hours. The only difference is that they will pay on the individual rate rather than the minimum rate, which is the present system. I urge passage of this bill.

THE CHAIR:

Any further remarks, on this bill, if not, the question is on the acceptance of the Committee's favorable report and passage of the bill. All those in favor indicate by saying, "aye". Opposed? The bill is passed.

THE CLERK:

The Clerk has been requested to jump ahead to page 14, to allow a Senator to leave for an engagement.

Cal. No. 947 File No. 815. Favorable report of the Joint Committee on General Law. Substitute House Bill No. 3424. An Act Concerning Equipment on Vessels.

SENATOR FAULISO:

I move acceptance of the Committee's favorable report and passage of the bill. This bill would require life-preserving devices on virtually all kinds of boats and also fire extinguishers on vessels over 26 feet in length. It also requires that every vessel of any kind carrying children under the age of 16 must carry a life-saving device for each. This was supported by the boating safety commission and also I might state that there was a Westport man Michael Curman, who lost a son in a boating accident, and we spent much time in the committee, listening to him on several days, when he came up to our committee on these boating bills. I think it's very essential because of the number of boating accidents, that we have, have had, that this be a particular bill be passed, and we will be better off if we have these safety measures. I urge passage.