

Legislative History for Connecticut Act

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SB 1366	PA 790	1967
House 4960-4988		(29)
Senate 1597-1600, 1900-1904		(9)
Labor 273		(1)

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GENERAL ASSEMBLY  
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PROCEEDINGS

1967

VOL. 12

PART 11

4937 - 5501

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SARAH F. CURTIS, 164th DISTRICT:

Mr. Speaker, the Clerk has an amendment.

THE CLERK:

This House Amendment Schedule A offered by Mrs. Curtis of the 164 Dist. Section 1, lines 21 and 22 strike out when directed to do so by the cost of living provision as provided in Sec. 3 of this act. In line 23 strike out 3 and insert 2, in Sec. 2 strike out lines 1 to 18 inclusive and line 19 to and including commission. In line 19, am I reading this correctly in line 19 strike out the welfare commissioner before shall?

SARAH F. CURTIS, 164th DISTRICT:

It should be line 23.

THE CLERK:

The Clerk will re-read the entire paragraph to be amended and I would appreciate it if Mrs. Curtis would correct me if I am wrong, in Sec. 2 strike out lines 1 to 18 inclusive and line 19 to and including commission. In line 19 the welfare commission before shall. Does that mean strike out the welfare commission before shall?

SARAH F. CURTIS, 164th DISTRICT:

No. the welfare commission shall compile.

MR. SPEAKER:

The amendment is not in order apparently. It doesn't make sense, Let me see it. There is nothing to be said about the welfare commissioner before shall, it is perfectly innocuous. Is there any objection to this being passed temporarily, if not, it will be so ordered.

THE CLERK:

Page 20 of the calendar, Calendar 1345, Sub. for SB 1366, An Act concerning unemployment compensation.

DOMINIC J. BADOLATO, 30th District:

Mr. Speaker, I move for the acceptance of the committee's favorable report and passage of the bill in concurrence with the Senate.

MR. SPEAKER:

Question is on acceptance and passage of the bill in concurrence with the Senate, will you remark?

DOMINIC J. BADCLATO, 30th DISTRICT:

Mr. Speaker, the Clerk has an amendment. Senate Amendment Schedule A.

MR. SPEAKER:

The Clerk informs me that this amendment is in the file. The Chair would suggest that you move for adoption of Senate Amendment.

DOMINIC J. BADOLATO, 30th DISTRICT:

Mr. Speaker, I move for adoption of Senate Amendment Schedule A.

MR. SPEAKER:

Question is on adoption of Senate Amendment Schedule A, will you remark?

DOMINIC J. BADOLATO, 30th DISTRICT:

Mr. Speaker, the amendment deletes two of the objectionable features which were raised by industry in the state, the wage base which changed so that there would not automatically be increased to 3900 figure that they objected to and it also deletes from the bill the original proposal that the strike benefits pays in the event the matters were submitted to arbitration.

MR. SPEAKER:

Will you remark further on the amendment, if not, the question is on adoption of Senate Amendment Schedule A, all those in favor will say Aye. All those opposed, the amendment is adopted.

DOMINIC J. BADOLATO, 30th DISTRICT:

Mr. Speaker. speaking on the bill the labor committee has reported Sen.

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Bill 1366, file 1262, in order to bring our unemployment compensation laws up to date, it eliminates many of the discriminatory features now in the act as well as providing both adequate contributions and adequate benefits. The bill provides for coverage of employer's with only one employee for 13 or more weeks. This will result in additional coverage of approximately 40,000 people who are entitled to the same protection against unemployment as we are now giving employees of larger employers. The bill provides for several changes in the manner in which the eligibility to receive benefits is to be established and the benefits are to be paid. First we have provided for uniform potential duration, that is, we will be permitting everyone to be eligible to receive benefits for 26 weeks. The United States Department of Labor recommended that such uniform potential duration should be at least 26 weeks and perhaps for Connecticut should be of longer duration, second, we have provided a formula to determine the maximum benefits to be payable which we hope will eliminate the need for making bi-annual adjustments. The formula adopted provides that the maximum benefits shall be 60% of the average wages as of June 30th but the maximum for an individual claimant is 50% of his own average wages. To keep the impact of the introduction of this formula at a reasonable figure we have limited the maximum amount of any yearly increase to \$10 for the first 2 years and to \$6 thereafter. Thus based upon present estimates of average wages it will take between 4 and 5 years before workers will be able to secure the full benefits of this formula. The immediate result of this action will be that the maximum benefits will become \$60 on October 1, 1967 which will still be less than the 50% of the average wages paid in this state. This formula, we believe, will remove much of the animosity generated in each session and eliminate the unevenness of increases; it will restore to Connecticut workers the 50% goal which was part of the original act in 1938 and which this state

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has failed to achieve since 1940. Third, we have returned to the law we had prior to 1947 which makes a non-working spouse a dependent for purposes of the dependency allowances and raise the age of the dependent children from 16 to 18 years. The committee has retained a provision permitting the total amount that a claimant can receive for dependents to 50% of his benefits and enclosed a 75% overall maximum based upon his annual earnings in his base area. Lastly, your committee has also recommended that the formula for partial unemployment benefits be changed. At the present time a claimant partially employed is discouraged from taking work because he loses benefits if his earnings are equal to his benefit rate. With a \$50 maximum the present law discourages short employment in construction, for example, where 2 days work means at least \$50 in wages. We have proposed that where an employee is not to be considered fully employed unless he earns  $1\frac{1}{2}$  times his benefit rate during the week and that when he is partially unemployed his weekly benefit rate will be reduced by an amount equal to  $\frac{2}{3}$  of his earnings during the week. To give you an example of how this would work assume that a man earns \$50 partial employment, his benefit rate would be reduced to \$33 leaving \$17 in benefits. He would then have the \$17 benefits and his \$50 wages or \$67 for the week. We believe this formula would encourage more claimants to seek part time work and will in the long run save the fund money. Your committee has provided for the elimination of the waiting week. This means that unemployed workers can collect for the first week of unemployment, the short term unemployed person needs income just as much as the long term employee and we believe that for this reason the waiting period should be eliminated. Your committee has proposed a change in the wage base upon which contributions to the unemployment compensation fund is to be made. The present \$3000 maximum was adopted in 1941 and has not been changed since that time. In 1941 the average income or annual wage was \$1,785.

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Contributions were paid on 91.7% of the total payroll. Today the annual Conn. average wage is \$5,213. but the contributions are being paid on only about 51% of the total payroll. If the wage base had been kept in line with wages being paid employer's in this state should be paying on a wage base up to \$8,000, we have proposed, however, that the wage base be increased to \$3600 the next year and to \$3900 whenever the average contribution rate is less than 1.8%. The idea of increasing the wage base by \$300 when the average rate is under 1.8% of payroll is necessary to make the theory of unemployment financing work. We believe the fund should be built up in a period of prosperity so that it can meet the needs of the unemployed in periods of recession or depression. Our proposals to increase the wage base in periods of prosperity will benefit everyone in the long run. There are three basic reasons why your committee believes that this change ought to be made now. First it is essential if this state is to maintain the fund at a sound actuarial level, second, if merit rating was to be effective such a change is mandatory, third, the present \$3,000 base is inequitable because it imposes an unfair burden upon lower pay in industry. This increase would fall on the higher paying employers only and it is their employees who would receive the higher benefits in the event of unemployment. It is only fair that these employers should start paying a more proportionate share toward the cost. Your committee therefore is convinced that there is an urgent need to take steps now to build up the reserve in this peak period of prosperity so that workers will be able to meet unemployment with confidence that the fund will be able to perform its job to provide an income when needed. Your committee proposes that Puerto Rico be recognized as a state for purposes of this act. This will permit our state to enter into reciprocal agreement with Puerto Rico and eliminate the discrimination now existing against those who work here but return to the island because of lack of work. Your committee

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has made several changes through eligibility and disqualifications under the act. First, we require that an employee must earn thirty times his benefit rate to become eligible for benefits. This replaces the present requirement of \$750 in two different quarters. This is a somewhat more stringent test force attachment to the labor market than the present law provides and brings Connecticut in line with many other states which use this formula. Second, we propose that an employee not be forced to take work which will result in a substantial reduction in a wage level he previously had or which would require him to become a strike breaker as a condition of employment. Third, we propose that a person who leaves a part time job for full time employment and then loses his full time job should not be disqualified from receiving benefits he left the part time job. Fourth, we have proposed repeal of the so-called new departure amendment and a return to the old laws so that employees thrown out of work at a plant of an employer in this state because of a strike or lock out at another plant will not be disqualified. Fifth, we have clarified the law with regard to pregnant women so that a woman cannot be denied benefits solely because she is pregnant unless she quits work because of such pregnancy or has been laid off because of this pregnancy prior to the anticipated date of birth under a reasonable rule of the employer. Sixth, we have modified the requirement of earnings for a second benefit year so that the \$150 requirement is suspended when there is substantial unemployment. We do not believe that this provision should operate in such periods because of lack of work opportunities. Seventh, we have proposed that retirees who voluntarily leave their employment to retire will not be eligible for benefits unless they have reestablished their rights to benefits through additional earnings sufficient the thirty times their benefit rate in two different calendar quarters. An employee who retires for reasons connected with his

employment which made the job unsuitable or because of a policy of mandatory requirement by the employer would however be eligible for benefits. The present formula of reducing his benefits by the retirement pay would continue but he would be able to collect benefits under such reduction for a period of a year or until he receives a maximum allowable amount. Lastly, we have proposed to clarify the law dealing with lock outs. A lock out of employees by the employer is a deliberate withholding of work which under the present laws disqualifies employees from receiving unemployment benefits. Yet such unemployment is not voluntary; it is involuntary as a result of the employer's deliberate to force employees to accept the employers terms and conditions of employment. This deliberate withholding of employment to force acceptance of the employer's dictated terms and conditions hurts the economy of the state and we believe such lockouts should not be encouraged by denying the employees involved unemployment benefits. Once employers are aware of this fact we believe that lockouts would become a thing of the past. The committee has made several technical changes in the law designed to clarify its terms particularly with the filing of an appeal. Mr. Speaker, this act will become effective on October 1, 1967 except that the waiting week will be eliminated July 1, 1967 and the new wage base will be used for its contribution to be made beginning in the calendar year 1968. Mr. Speaker and Members of the Assembly this is a good bill; the objections that were raised by industry primarily in the area of the base and the strike benefits have been eliminated the bill as it is before you fulfills the major portions of the program of the Democratic party and we urge its adoption.

THOMAS F. DOWD, JR., (125th):

Mr. Speaker, the Clerk has an amendment.

THE CLERK:

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This is House Amendment Schedule A offered by Mr. Dowd of the 125th. Delete Section 1 and re-number Sec. 2 through 23 to Sec. 1 through 22.

MR. DOWD, 125th:

Mr. Speaker, I move adoption of House Amendment Schedule A.

MR. SPEAKER:

Question is on adoption of House Amendment Schedule A, will you remark?

MR. DOWD (125th):

Mr. Speaker, what this bill does, or what this amendment does is to eliminate the tax increase in this bill. We need go back only just a few weeks it seems, it seems like almost yesterday to many of us, when the Governor of the state of Connecticut stood where you stand at this moment and said among other things and I quote, I remind of my personal commitment to oppose any increase in present taxes. He said later in his address we are committed to a total effort to foster and encourage the industrial and economic growth of our state. And still further he said, we must continue to encourage the location of new industry and the expansion of the valued industrial and commercial establishments doing business here. Mr. Speaker, I submit that these words by Connecticut's number one salesman have a hollow ring when we look at Sec. 1 of this act, because what we are doing here is imposing a 20% increase on employer's covered by unemployment compensation in this state, which under the covered by this act takes in almost everyone. How are unemployment benefits financed? In the state of Conn. they are financed totally and exclusively by a tax on earnings paid by employer's, the average Conn. employer covered under the unemployment compensation act is today paying a tax of \$63. per employee. If this act is passed this tax will raise from \$63 to \$73.60, a 20% increase. Now we heard Mr. Speaker, that the time to levy these taxes are during times of prosperity and I quite agree but I submit to

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you, Mr. Speaker, that this is not the time to playing around with legislative costs of business. If you look around at what other governments are doing, look to Washington, is Washington raising business costs, it is not, what is it doing, it is doing just exactly the opposite position. It is easing credit to encourage the low cost availability of funds for expansion of business. It is easing or reinstating the investment tax credit to further lessen businesses expenses, legislative expenses and why is it doing it because it recognizes that the bloom is off the rose that six years of unprecedented prosperity is now under a cloud. I needn't remind anyone in this House on the importance of industry to our state, you've heard me remark so many times that 43% of our non-agricultural jobs lie in the industrial area, is this the time to be playing games with that kind of <sup>STAKES</sup> ~~attack~~. Now, less anyone think that this is not a substantial <sup>Tax</sup> ~~task~~, you are adding \$12, 20% to a tax that to many employer's runs into the many, many hundreds of thousands and I am not suggesting Mr. Speaker, that any that the passage of this bill will send industry streaking from our borders in droves, that's nonsense, but I am suggesting something very, very seriously to you, don't ever think that the cost of doing business in the state doesn't matter. Don't ever think that a businessman can disregard his costs and those of you who might think that this is a joke that there are millions of dollars just tucked away in the businessman's drawer to use and that costs don't matter, I say to him, let him try to buy a World Telegram & Journal in New York City today, let him try to buy more than one evening newspaper in New York City today and he will be unable to do so because the cost, of doing business were just prohibitively high so I say to you at this time when business in Conn, and elsewhere around this nation is trying to get its cost, under control not so it can pocket great amounts of profit but so that ~~it can continue to avoid the layoffs that plague the people that~~

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we are here to represent. Let's make an investment in job stability, let's not by our actions here encourage the layoff of a single person because of high costs and I quite agree with my friend and colleague from the 30th that we do need a stable fund but I suggest to you this: take a look at that fund that we are asked to build up with this 20% tax at this time. It is at its highest level in the past ten years. Income has surpassed outgo in each of the last five years so when you put the facts together the stability of the fund of the already established, the need to control costs is apparent, does it make sense to add this kind of a 20% increase to our industrial sector to in effect possibly tip the scale that might cause a layoff of people in our state at this time when we have a stable fund. I don't think it does. And I'd suggest and strongly urge that we defeat this amendment, that we accept this amendment and that when the vote be taken it be by roll call.

MR. SPEAKER:

All those in favor of a roll call, say Aye, a roll call will be ordered, will you remark further on the amendment.

DOMINIC J. BADOLATO, 30th Dist:

Mr. Speaker, I rise to oppose the amendment, there was a great deal of work that went into this bill as it is in the file now at the present time. The Committee in considering all of the objections raised by industry took care of their major objections and deleted the provisions that would have automatically raised the tax base to \$3900 after one year. There's really no need for this if we are to have our fund be established on a sound basis this amendment has to be defeated.

MR. SPEAKER:

Will all members of the house please be seated and we will prepare to vote.

HILDA CLARKE (158)

Mr. Speaker, my colleague has stated the case so well that there really isn't much I can add but I do know that with the new round of tariff reductions in prospect it is going to be more difficult in the Bridgeport area, for instance, and other Conn. manufacturers to stay competitive, I have had a number of the small businessmen speak to me beside having other letters, of course, and they have said that if they have any more of this sort of burden to shoulder they are going to have to close up. Now these are the men who employ nine, ten maybe 12 employees. I feel that with all the taxes that are in prospect now to add these new ones it is just going to be the finishing touch. I hope that this amendment will be passed. And the bill defeated.

WM. R. RATCHFORD (167th):

Mr. Speaker, I rise to oppose the amendment. I can't help feeling that the arguments that we are hearing here today in favor of this amendment are a page from the 1930s. I look to our economy with optimism. I don't look to the horizon with gloom and doom. I think that those who would make this type of statement are doing a disservice to the state, to its industry, to its labor to the economy. The economy of the state of Conn. is in excellent shape. The industry of the state of Conn. is in first rate shape. What we are asking to do with this bill is to put the laboring people of the state of Conn. in first class and first rate shape. I oppose the amendment, I oppose this phophecy of gloom and doom and I urge rejection of the amendment.

NICHOLAS LENGE (13th):

Mr. Speaker, I rise to support the amendment. And I think if you listento the words of the gentleman from the 167th what they amount to in sum is that our economy apparently is built on psychology , self inducement of some kind to believe that if we speak out loud the truth then our economy will falter

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only because people will believe what we say or some such specious conclusion as that. How can you say that you do a dis-service if it is sound and you speak here all day and it can make no difference but the truth of the matter is that we are taking a very dangerous step and you know it. Let's look at the record, the Governor's words again, the key to maintaining tax rates at their present levels is to make certain that the level of our economy continues to rise. Economic development the words of the Governor, we are committed to a total effort to foster and encourage the industrial and economic growth of our state. We must continue to encourage the location of new industry and the expansion of valued industrial commercial establishments now doing business here. The creative partnership between management and labor which has made Connecticut the envy of the industrial world must be nurtured and encouraged. I rise to talk for the employee of the state of Conn., the laborer, the common people because what you are tampering with their jobs, you are tampering with the industrial economy of this state and the industrial economy of this state is one and inseparable from the entire economy. We talk on the one hand of new tax increase and on the other you impose a tax increase, what is our Conn. Development Commission do, it puts out propaganda, have you read it, do you know what it says. We roll out the red carpet, one to bring industry in and two to cajole them and ask them to stay. Every state in this country nurtures its most valued sector of this economy and what are you doing today. I'll tell you what we tell the people of the world in our hopes to keep industry here and don't think they are anchored and that they can't move out. It's a competitive economic world and they will move to the places where they can compete it is a simple and economic fact of life as that. And you know this also, we're talking about the jobs of people, we're not talking about protecting industry per se. They are one and inseparable with out

fortunes throughout the state and if you think you're coming into the last quarter of the 20th century prepared to meet what the population increases demand you are closing your eyes to reality. Mobility is the key word in our life today and industry itself is mobile. You are making it appear as though its on a gig or a fox cart of type believe you don't see life in reality for what it is. What does the Conn. Development Comm. say? It says factors affecting future growth of the manufacturing economy, the point that it emphasis, a state tax structure generally favorable to industry, that's what they say to attract industry to Conn. and keep it here, what else do they say, Conn. this is the propaganda they hand out around the world in our name. Conn. is improving its industrial building mortgage fund, Conn. is providing industrial machinery and equipment financing, Conn. is cutting taxes for industry, what a lie.

MR. SPEAKER:

Will you remark further on the amendment? If not, we will vote by roll call, will all members of the House please be seated and all others will please leave the aisle, question is on your calendar on page 20 of yesterday's calendar. Calendar 1345, Sub. for SB 1366, the amendment as offered by Mr.

Dowd of the 125th Dist. House Amendment Schedule A which reads as follows:

Delete Sec. 1 and renumber Sec. 2 through 23 to Sec. 1 through 22. Will all members of the House please be seated, if you favor the amendment you will vote Yea, if you do not you will vote Nay. The Chair will open the machine. Have all members in their seats voted and are you registered properly? If so, the Chair will lock the machine and ask the Clerk to take the tally. The Clerk will announce the tally.

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Total number voting		158
Necessary for adoption		80
Those voting Yea	64	
Those voting Nay	94	
Absent and not voting	19	

MR. SPEAKER:

The amendment fails.

THOMAS DOWD (125th):

Mr. Speaker, the Clerk has an amendment.

THE CLERK:

House Amendment Schedule B offered by Mr. Dowd of the 125th Dist. Sec. 14, line 16, delete the words other than a lock out and Sec. 14, line 74 to 78 delete the brackets. Sec. 14 delete the italicized matter in line 78 through 95.

THOMAS DOWD (125th):

Mr. Speaker, I move for adoption of House Amendment Schedule B.

MR. SPEAKER:

Question is on adoption of House Amendment Schedule B, will you remark?

THOMAS DOWD, (125th):

Mr. Speaker, I thank and congratulate and sincerely the members of the other side for their very courteous attention. Those of you who are agreed with our position my thanks again. What we have here, Mr. Speaker, is an attempt, is an amendment which put the lock out provision back as it was and has been over the years. In other words deleting the new language regarding lock outs. Now, I don't think that I have to remind you that a few weeks ago an anti-striker breaker law came up on this floor. And you may recall that I stood and supported that law to prohibit professional strike breakers in the state of Conn. and I did it for a very basic and fundamental reason because in my judgment this the existence of professional strike breakers was an unfair

tipping of the balance in favor of management in the typographical industry. I felt this was wrong and I felt that we had an obligation to correct this imbalance and so I voted for that bill. Today we are asking you to not destroy the state's neutrality in labor disputes. If we were to defeat this amendment and pass the bill we would be providing employer financed unemployment compensation benefits in situations where unions use the device called whip saws of individual companies which use industry-wide bargaining and we are talking about such industries as trucking, railroads and construction and so forth. Here's what we mean. A strike is called against one of two members of the bargaining group which might contain a dozen or a half dozen companies and the union presses for a very high settlement against those two companies and they strike one or two companies while allowing their competitors to continue operation. Eventually the pressure becomes so tough that these one or two concede and then a very high settlement is then imposed collectively on other companies in the industry. The only defense that management has been able to come up against this attempt is a lock out whereby the situation applies where strike one, strike all. Where the union shuts down one trucker, all truckers go out so there we have the terms which will eventually be applied to the total industry being met by a total industry strike. This is a current situation in the teamsters strike which has shut down the construction industry in our state. What we are officially trying to do is this, make sure that unemployment compensation benefits are not abused that they go to the person who is seeking work but who is out of work through no fault of his own. It seems grossly unfair and unjust to me that an employer who is in a collective bargaining situation in order to respond to an obvious union tactic must be placed in the position of financing a strike against himself. This doesn't seem right.

I don't think strikers should finance lock outs against themselves and I don't think that employers should finance strikes against themselves either. Lock outs are as legitimate a tactic on management's side as the strike is on the union side and if anyone were to bring legislation in this hall to outlaw strikes they would have my voice in opposition to it so I ask you to consider what we are doing here. We're tipping the balance unduly. We are destroying the state's neutrality in the very difficult and very delicate area of labor management relations. We have a highly industrialized state and a highly unionized state and it has worked very, very well for us all. Let's keep the state on the same basis it has been over the years. This hasn't been a terrible problem. Let's not place the employer in the position of financing the strike against himself which I think anyone will agree is just an unfair condition of the difficult collective bargaining process. I urge adoption of amendment E.

MR. SPEAKER:

MR. SPEAKER:

Will you remark further on the amendment? If not, question is on adoption of House Amendment Schedule B.

THOMAS DOWD (125th):

Excuse me, I ask that when the vote be taken, it be taken by roll call.

MR. SPEAKER:

Question is on a roll call, all those in favor say Aye, all those opposed. A roll call will be ordered.

THOMAS DOWD (125th):

Mr. Speaker, I further request that amendments A and B be printed in the journal under terms of Rule 9.

MR. SPEAKER:

It will be so ordered. Will you remark further on the amendment? If not.

will all members of the House please be seated and we will vote. Question is in your calendar on page 20, Calendar 1345, Sub. for SB 1366. We are considering House Amendment Schedule B as offered by Mr. Dowd of the 125th Dist. Which reads in Sec. 14, line 16, delete the words other than a lock out and Sec. 14, line 74 to 78 delete the brackets. Sec. 14 delete the italicized matter in line 78 through 95. If you favor House Amendment Schedule B, you will vote Yea, if you do not you will vote Nay, Chair will open the machine. Has everyone in his seat voted? Are you recorded properly? If so, the Chair will lock the machine and ask the Clerk to take a tally.

DOMINIC J. BADOLATO, (30):

Mr. Speaker, we have nothing more to say on this side and we are ready to vote on the bill and I would ask that it be a roll call.

MR. SPEAKER:

Question is on a roll call on the bill, all those in favor of a roll call will say Aye, a roll call will be ordered.

THE CLERK:

Total number voting		154
Necessary for adoption		78
Those voting Yea	68	
Those voting Nay	86	
Absent and not voting	23	

MR. SPEAKER:

The amendment fails.

THOMAS DOWD (125th):

Mr. Speaker, I rise reluctantly to oppose this bill. That might sound strange to you. I don't believe or let me put it this way, I do believe that a man who is out of work through no fault of his own and who is actively trying to get a job and cannot find one, I think the state has an obligation to take care of this person in a reasonable way. In an adequate way but I've

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tried to back up my feeling on that through legislation and those of you who were here in 1965 might recall that three of the four liberalizations there were appended at that time were bearing my name and this year I was pleased to be part of the Republican platform team that put together the unemployment compensation benefits package. And we had other liberalizations including a \$10 raise in the maximum benefits so Mr. Speaker, I think I can speak with a clear heart on this one but I find myself in the very difficult position of being asked to swallow something I just don't believe is right. I think that what comes along with the increase in benefits that I believe are right is just too much to swallow. I think we're being asked here to open the flood gates. Ifor example, don't feel it is right

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were before my name and this year I was pleased to be part of the "Republican Platform" team that put together the "Unemployment Compensation" benefits package. Then we had other liberalizations including a "Ten Dollar" raise in the maximum benefits. So, Mr. Speaker, I think I can speak with a clear heart on this one. But, I find myself in the very difficult position of being asked to swallow something which I just don't believe is right. I think that what comes along with the increase in benefits, which I believe are right, is too much to swallow. I think we are being asked here to open the "flood gates", I, for example don't believe it is right to abolish the waiting week and I don't believe it's right to set up a maximum at this time of One Hundred and Five Dollars. I don't believe it is right to set up a twenty six week uniform maximum or "potential" uniform maximum duration of benefits. When even in recession times, statistics from Connecticut and across the nation, show that the "average" unemployed person needs only 16.3 weeks. I think these are excessive. I think the changes in suitable work do not encourage a person to find additional work. I think that if anything, it might encourage them, not to do so, and I heartily think that this is constructive public policy. Mr. Speaker, I find myself, and I am speaking as an "individual" now in opposition to this bill although sections of it are fair and just.

REP. BECKER - 20th.

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I rise to support the bill because it will bring our "Unemployment Compensation" laws up-to-date. We have a hard working, skilled, labor force here in Connecticut and we have a prosperous industrial climate. Let's protect our skilled workers and let's have no doubt that we can, at the same time, assure the prosperity of our employers. This is 1967 - let's have a 1967 model "Unemployment Compensation" law.

REP. RYAN - 101st.

I, too rise reluctantly to oppose this bill and just in case anyone wonders why, and what right I have to talk on a bill of this type. I would like to say for the benefit of the people in

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dem

this House who think I know nothing about it. That I grew up in "Labor", my father was "President" of a Theatrical Union, in the days when the "Theatrical Unions" were the most powerful unions in the country, and even he, up until last February when he died, said to me, "We have gone too far." I too, have faith in the State of Connecticut, but it breaks my heart to see what we are doing to that state. The difficulties we are putting in the path of keeping our economy. About two months ago, I spent a night in Tryon, North Carolina. A very beautiful little town and when I asked what kept the economy of that town going I was told "Sanford Bigelow" or "Bieglow-Sanford." You know and I know that this is one of the industries that we lost from Connecticut. Last Sunday, I was introduced to a gentleman who intends building in Connecticut. Has already purchased the land, a twenty two and one half million dollar plant. The people that he is going to hire, or would hire is tremendous. This was not by blackmail, he was mistakenly talking to me because he thought I would have something to say about whether this bill went through. I told him I would have nothing but I could see his point. It was not blackmail, but he was very, very definite. The land is purchased but this building will not go in Connecticut. He was not trying to bribe me to vote for or against it, he knew how I felt and he said, "This is not an idle threat." This is what we are doing to this state. We will drive not only industry out, we will stop industry from coming in, and this means jobs, and when I was a little girl, I learned this means jobs. So, I too, must reluctantly vote against the bill.

REP. MORRIS - 32nd.

I rise in support of this bill and in doing so will have to congratulate the Chairman of this Committee for the tactical move on their part in combining all of these major bills into one needed package, because if they had not done so, I certainly would have proposed one or two measures, which are included herein. This legislation, so long over due, and so desperately needed at the present time, and I can't afford, as a member of this Legis-

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lature to oppose a bill as presented here this morning. However, 9-3  
I am somewhat aghast at the Chairman, some of whom are leaders in dem  
this field coming out with certain measures which are encompass-  
ed in this bill. One of which is the "single employee" coverage  
here. This has not been commented on, but I doubt that either  
these Chairmen know too much more about this area than I do. I  
wonder what statistics they have as to the needs for this par-  
ticular provision in here. I mentioned this to my secretary some  
couple of weeks ago, when I first learned about it. She is even  
opposed to it. I don't know how other secretaries in the state  
feel, but my secretary does not consider herself in exactly the  
same class as employees in general, and does not feel herself en-  
titled to "Workmen's Compensation" or "Unemployment Compensation"  
as this bill would fairly give her. I am not going to oppose  
this, as is in my particular instance an insignificant thing, but  
I have serious reservations about it. There is one area, how-  
ever, that I do have much concern about. The area which includes  
"Puerto Rico" for instance. I believe that "Unemployment Com-  
pensation" - " Workmen"s Compensation" in this state is geared  
to our economy and geared to the needs of the people in our lo-  
cale, and in my humble opinion, that the needs of these people  
should be taken care of. However, when we take our jurisdiction,  
the needs of a person residing in some locality, which is not en-  
compassed in our jurisdiction, maybe less or more, and I do be-  
lieve that the need of an individual and "Puerto Rican" for in-  
stance, would be far less then one living in Hartford or New  
Britain or Connecticut. We have witnessed, under our present  
set up, which is liberal when taken into consideration with the  
benefits throughout the nation and elsewhere. People coming in-  
to this jurisdiction and working in the "spring months" and the  
"summer months" and then leaving for elsewhere, and year after  
year draw "unemployment compensation". This is a general prac-  
tice among these people. Of course, we realize that certain bit  
of this is necessary. There is a "little evil" in every big  
governmental area or treatment of this nature, I guess, but this

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bill while all encompassing and is in my opinion, in it's final analysis, a good bill, it could be a better bill, if some of these Chairman had not been so zealous in their taking advantage of every phase of "Unemployment" and Workmen's Compensation", I believe it could have been a better bill. I am voting for it with reservations.

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dem

REP. AJELLO - 118th.

Mr. Speaker, I rise in support of this bill. I think that this is part of a carefully conceived plan and executed program. It's a follow-up on the "Democratic" party's commitments and it's platform of the last election campaign. I think that the bill is good for the people of the state. They will appreciate it. It's long overdue, and I support it.

REP. MCKINNEY - 141st.

Connecticut has long been a "leader" in "Unemployment Compensation" and I certainly hope that this session of the General Assembly will keep it so, however, I think we all ought to take a long, hard, non-partisan look at the competitive situation of the State of Connecticut. I'm not so sure about the upper rolling fields of the Connecticut valley, but if you look at our cities of New Haven, Bridgeport, Waterbury, what have we got to offer industry? We have buildings that average of one hundred years of age, and have in most instances been deserted by their original company. We have cramped quarters were just "parking space" costs twenty thousand dollars an acre. We have a high pay scale for skilled people. One by one, we have lost the industries that have gone competitive. The rug manufacturers, looms, the clock makers. These people have deserted the state of Connecticut and we have turned out with one strong asset, the defense industry. Our diversification factor is gone within the state. In the city of Bridgeport, most of our manufacturers, Bridgeport Brass, Manning, Maxwell and Moore, all of them have have been bought out by out-of-state owners, and if you speak, these out-of-state owners, who for instance, look at a Connecticut plant that is over 100 years in age and the very maintenance

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of which, and operation of which, costs more than building a new plant in the state of Georgia. Where a new plant can be built for less, per square foot, than it costs to maintain some of our manufacturing facilities. We are in a competitive situation and I understand that there are over eighteen hundred commission organizations, within the country, crying to attract industry away from other locales. Their most fertile grounds, ladies and gentlemen, have proved to be New York and the North East. We have lost the factor that we have always had, of being the "Transportation" hub. We are no longer the "Transportation" hub. We are far removed now, from the "Transportation" hub of this country. This bill simply goes too far, it is another anchor against the competitive standing of the state of Connecticut and basically, ladies and gentlemen, I tell you, that the whole success to this state, which by the way has one of the most forward looking labor programs right now of any state in the Union. There is the fact that we have always had a balance of management and labor in technical skills. We are going to lose the balance because this bill has simply gone too far. Now, I think that when we sit here, we must remember, jobs are what count in the state of Connecticut. All of these benefits, advantages, mean nothing to the man in the state of Connecticut who cannot find work. All of the benefits, all of the political slogans, mean nothing to the man who must pick up and leave his state to find or keep employment in the Company, that he has worked for so long, and if you drive through the valley in the "industrial" areas, southwest part of this state, I invite you to look off the thruway in Bridgeport, in New Haven, in Waterbury and see what we face in "competitive" problems. It's a simple matter of competition for jobs within the United States and the thing that has made this state so great. That has given us the highest per capita income in almost the nation, is the fact that we have always had jobs. But we've lost our diversits, we've lost our ability to keep going, when the "national emergency" is over and we are going to be in very serious trouble, if this "crazy-

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dem  
10-1

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mixed-up" world of ours ever decides to stop killing each other. 10-2  
 REP. TUDAN - 42nd. dem

I am in complete agreement with the gentleman who spoke last. Let's not push these people too hard, Mr. Speaker. If you can recall, just a few years ago, that the "Democratic Party" refused to endorse the "Elimination of the Inventory Tax" and they suddenly realized, and thanks to Mr. Driscoll and his people of the labor movement, they realized it was a good thing. We're concerned with, not only attracting industry and jobs into the state of Connecticut, but keeping them as well. Let's be careful with this legislation.

REP. DOWD - 125th.

One brief, last word. Mr. Speaker, in industry today, may I remind that over one half of our jobs are in the manufacturing end. The kind of facility that you absolutely need in order to stay competitive is, long and low, so that you don't waste your money, which can only come out of the cost of your product, by moving your product, upstairs and downstairs, before you finally get it completed. What do we have in your cities and mine? What do you have in the valley, in Waterbury all the way through Bridgeport and elsewhere? What do you have? We've got dozens upon dozens, of dozens of old, old structures. Five and six stories high, and these are the ones who are trying to compete with those long, low buildings. So, gentlemen, when we add additional costs through questionable liberalization in an already liberal law, such as this, are we really doing favors to the people who we seek to help? Because, I remind you, when a business leaves, who gets hurt? Not the executives - because the van comes and takes him to his new office and his new hope and it does not cost him a cent. But, left behind are hundreds and thousands of people, that you and I should care about and I know you do. So, please, think very carefully on this.

REP. RATCHFORD - 167th.

Mr. Speaker, we care about the people, that's why those of us on this side of the aisle are in favor for the bill. This

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truly is a bill for the people of the state of Connecticut. The vast majority of the people of the state of Connecticut. These benefits are for our working class of people. They are for all of the people in this state and let us not forget - that these are the people who are entitled to the benefits. These benefits have not been changed since 1959, because we had a "split House" in here, and let us improve the benefits this afternoon.

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dem

REP. LIONETTI - 119th.

I rise to support this bill. Very much so. The manufacturers are crying all the way down to the bank. Down to the bank with the greatest profits in history. Let's share the wealth. Let's give it to the working man.

REP. CONNORS - 160th.

I would like to speak as a labor man myself. We've lost some manufacturer, manufacturing outfits in our community also. We were looking for cheap labor. They got it and they moved into other community's and got into trouble. Some of the people who left the community and went to this other community, and found to their sorrow that they made a big mistake. There is a crying need in our community for help. We can't get enough people to fill the jobs that we have available. They are coming from out-of-town to work in our city. So, I feel that this bill should go through and it is a good bill and I'm going to vote in favor of it and I feel that everybody else should.

REP. TANESCZIO - 107th.

I rise in favor of this bill. I have received several letters from friends of mine and workers in the "needle" trade, of which I was a part of for several years. I am proud to rise in support of this bill and it is long overdue and I urge it's passage.

REP. NEWMAN - 146th.

In the city of Norwalk, the Hat Corporation of America, one of the largest hat corporations in the country, has moved it's "back shop" operations down south. Charles of the Ritz, the large cosmetic firm, it is in the process of moving out of our

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dem

state and I want to add my voice to the others who have spoken and ask you to take a hard, long look at this before you vote. There are some features of it that may turn out to be very harmful. TERKUILE - 172nd.

I beg you all, to realize, that when the management of a company has a decision to make, it is made strictly upon the basis of a profit, and what has happened to the "profit" motive in Connecticut? I know that when they are deciding whether they will stay or they will leave, but most important when they are going to expand, this is where the decision lies.. They will not stay. They cannot afford to be magnanimous and carry along a portion of their industry which does not pay. Now, this statement - "that we must all share the wealth" - We, do feel in a management that this is exactly what we would like to do. But you cannot do it if we cannot make the profits.

REP. CLARKE - 158th.

I think a great deal of my colleagues, like George Connors, but I would like to ask him - whether "Conde Nast" or "Shipps" or "Yale and Towne" ever came back to Stamford?

REP. CONNORS - 160th.

I would like to answer that question. Conde Nast was in Greenwich. It was not in Stamford.

REP. MCKINNEY - 141st.

There has been some illusion made here. That we're worrying about the manufacturers profits at the bank. This is not the case. What I am saying, is simply this, and I invite any of you to consult with any manufacturer firm in your area, that has plants in other parts of the nation. What bothers me, is that business is run on profits and these management people take a look at five plants spread throughout the United States, and they see that the plant is losing or making the least - even though they are still going to the bak with big profits. They want bigger, and when they find out that the plant in the state of Connecticut is the one that is making the smallest profit, they follow one rule of thought. They depreciate the plant through the scale of

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of depreciation. They pack up and leave. Nobody has lost in business. They're just going to make more money. The thing that has lost are the jobs. The jobs of the Connecticut working people. I think that our concern on this side is shown in 65. When the benefits were taken up. We're taling jobs. I know that the employers are interested in profit and this is what bothers me. Because when I talk to people in "Bressler Industries" or you talk to people in "National Distillers", all of whom have bought Connecticut plants. - they say "why should we operate a plant in the state of Connecticut and make less than we do in the state of Georgia or South Carolina or Idaho or Illinois. This is the problem and I think that we have got to think about this strictly in the term of jobs for the working people of this state. We have a tremendous defense industry. Because of our "technical" workers. But, I ask you, if and when there is a slow down in defense activities in "Sikorsky and "Avco" and "Pratt and Whitney" and all of the others and they start to roll the people out - do we have any diversified industry that is growing in the state of Connecticut. We don't.

REP. CROMBIE - 44th.

10-5  
dem

I have heard a lot of words of how we are chasing manufacturing company's out of the state of Connecticut. A report of "new manufacturing" firms put out by the state of Connecticut for January, February and March. There is 8 pages in here of new firs that have come into Connecticut. About 15 on to a page. Actions speak louder than words.

REP. PIAZZA - 115th.

I rise in support of this bill. I have heard a lot of issues here this morning about factory's moving out of the state on account of the cost. I don't think that is altogether true as there are nice, big, fat contracts at the present time and I don't think they are going to sacrifice the contracts by moving to the south.

REP. RUOPPOLO - 108th.

I rise to support this bill, but may I say this. It's

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true, that this is going to cost the manufacturers more money, there is no question about it. They're making it so they must pay it. But let me ask this question. If the jobs roll out as was suggested a little while ago. What do we do with those that become "unemployed?" Put them on "relief?" Let's give them more employment and keep them off the "relief" rolls.

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dem  
11-1

MR. SPEAKER:

Question is on a roll call. Question is on your Calendar. Page 20. Calendar No. 1345. Substitute for S.B. No. 1366. If you favor acceptance and passage of the bill in concurrence with the senate, you will vote Yea. If you do not, you will vote Nay. The Chair will open the machine.

REP. RATCHFORD - 167th.

Mr. Speaker, point of order. I notice that according to the Roll Call machine, that there are people who are in their chairs who are not voting. I think it should brought to their attention that our rules require - that they either absent themselves or vote.

MR. SPEAKER:

The Chair would ask the gentleman from the 167th to point out the gentlemen to me and they will be ordered out. Or voting.

REP. RATCHFORD - 167th.

Mr. Speaker, I do not wish to embarass the individual, I would wish they check the board and make sure their light is lit. There is an individual who is in his seat and has not voted.

MR. SPEAKER:

Everyone in his seat must be voting or leave the premises. Has everyone in his seated voted? If so, the Chair will lock the machine and ask the Clerk to take a tally.

THE CLERK:

Total number voting.....	163
Necessary for passage.....	82
Those noting Yea.....	112
Those voting Nay.....	91

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Those absent and not voting.....14

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dem

MR. SPEAKER:

The ~~bill is past.~~

THE CLERK:

Order of the Day. Matter returned from Legislative Commissioner. Calendar No. 770. H.B. No. 2006. An Act concerning Club Deposits of Savings Bank and Savings Departments.

REP. COHEN - 41st.

I move acceptance of the J.C. favorable report and passage of the bill as amended by House Amendment Schedule "A".

MR. SPEAKER:

Question is on acceptance and passage of the bill as amended by House Amendment Schedule "A". Will you remark?

REP. COHEN - 41st.

Mr. Speaker, the Clerk has House Amendment Schedule "B"

THE CLERK:

House Amendment Schedule "B" - In line 6, after the word "rate" strike the commas and the words "not less than two per cent per annum" and after the word "rate", insert the words "of one cent per annum per dollar deposited", rounded to the nearest dollar.

REP. COHEN - 41st.

Mr. Speaker, when I spoke originally on this bill, I promised to bring in an Amendment which would simplify the bookkeeping for the banks. This Amendment does that. I move acceptance of the bill as amended by House Amendment Schedule "B". I move the adoption of Schedule "B" first.

MR. SPEAKER:

Question is on adoption of House Amendment Schedule "B". Will you remark? If not, all those in favor of House Amendment Schedule "B" will say aye. Opposed? The Amendment is adopted.

REP. COHEN - 41st.

I move passage of the bill as amended by House Amendment Schedule "B".

MR. SPEAKER:

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CONNECTICUT  
GEN. ASSEMBLY  
SENATE

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SENATOR BARBATO:

Mr. President, I think when the amendment is in the files, I will then do my commenting.

THE CHAIR:

Question is on the adoption of the amendment. All those in favor of the adoption of the amendment indicate by saying, "aye". Opposed? The amendment is adopted. The bill will be referred to the Legislative Commissioners' office for redrafting.

THE CLERK:

Cal. No. 697 File No. 814 Favorable report of the Joint Committee on Labor. Substitute for Senate Bill No. 1366. An Act Concerning Unemployment Compensation. Clerk has an amendment.

SENATOR MARCUS:

Will the Clerk please read the amendment.

CLERK:

SENATE AMENDMENT SCHEDULE " A". OFFERED BY SENATOR MARCUS:

- In Section 1, line 3 after the word "remuneration" insert the words, "(a) in excess of"
- Line 4, insert bracket before the word "which" and after the word "to" and before the word "has"
- Line 5, insert bracket after the word "been" after the word "paid" insert the words "by an employer"
- Line 6, after the phrase "1967" insert the following " or any prior calendar year and (b) in excess of"
- In line 6, strike out words " equal to"
- Strike out lines 7 and 8

line 9, strike out the words "has been"

Line 10, strike out the word "1968" and insert the following "1967, during which the rate of contribution has not been adjusted as provided in section 33-226 or, if adjusted, during which the adjusted rate of contributions paid by an employer whose experience payroll is included in the seventh part in the table of adjusted rates in subparagraph (4) of subsection (b) of section 31-226 is at least one and eight-tenths per cent or (c) in excess of three thousand nine hundred dollars during any calendar year during which such adjusted rate is less than one and eight-tenths per cent.

In line 10, insert a bracket before the word "by"

In line 11, insert a bracket after the word "year"

In section 5, line 23, strike out the words "at the same time".

In section 8, line 9, insert after the word "two-thirds" the words "rounded to the nearest whole dollar"., and after the word "remuneration", insert the words "rounded to the nearest whole dollar and in line 10, insert a bracket before the word "disregarding" and in line 11, strike out the brackets and in line 13 strike out the bracket and in line 19, insert after the word "unemployment" the words "rounded to the next highest dollar".

In section 9, line 8, after the word "production" insert the words "and Related"

In line 16, after the word "production" insert the words "and related".

In section 11, in line 34, strike out the numeral "9" and insert the numeral "10".

In section 12, line 21, strike out the word "section" and insert the word "sections" and in line 22 after the numeral "10" insert the words "and 11".

In section 14, line 14, strike out comma and insert a period.

Strike out brackets in lines 16, 17, 19, and 24.

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Strike out italicized language in lines 20, 21, 22, 23.

In line 25, insert bracket after the comma.

In line 34, before the word "his" insert the following words, "his skills, his previous wage level and"

Strike out italicized language in lines 45, 46, 47, 48 49.

Line 103, strike out everything after the period. Strike out lines 104 to 125 inclusive.

In line 26, strike out the italicized language.

In line 151, insert a comma after the word "involved" and strike out the comma after the word "reasonable".

In lines 196 and 197, strike out the words "pursuant to a company policy or labor management agreement".

SENATOR MARCUS:

Mr. President, I move the adoption of the amendment. Mr. President, basically, the amendment does two things; to begin with the base on which taxes are paid will go from 3600 to 3900 only when the tax rate falls to the lowest rate possible and average of 1.5%. The present rate being 1.8%. The tax rate depends on the adequacy of the fund. In recent years, employers have paid comparatively low U C taxes during what amounts to their best prosperous years and higher taxes should have been recessed during recession, when they are really least able to afford the increase. The amendment really will serve to reverse this pattern. And secondly, and most important, the amendment deletes the so-called strike benefits provision. Mr. President, the Democratic Party in Connecticut, has always sought to avoid labels and I think very effectively. I believe that over the last 12 years, it has helped to create an unprecedented prosperity, and a healthy growing economy by not being either pro-

labor or pro- industry, but by taking postures that seek the balance so that we can truly take the position of being pro- Connecticut. I believe that the bill before us, the amendment under discussion, was in the best interest of all of the people of this State. I believe that this bill provides additional monies for our unemployment compensation fund, and additional income compensation for working now. At the time when industry can easily afford an increase, without creating any new burdens.

SENATOR POPE:

Mr. President, I rise to support this amendment or these two amendments, as the case may be. They are in the right direction. On the other hand, I withhold comment on the bill, itself, until it is presented to us in its amended form, when it is before us, for whole action.

THE CHAIR:

Any further remarks, on the amendment? If not, question is on the adoption of the amendment. All those in favor indicate by saying, "aye". Opposed? The ayes have it, and the amendment is adopted.

THE CLERK:

Cal. No. 814. File No. 898. Favorable report of the Joint Committee on Cities and Boroughs. Substitute for Senate Bill No. 826. An Act Concerning the Salaries of Assessors Holding the Designation " Certified Assessment Evaluator." Clerk has an amendment, offered by Senator Dinielli.

In Section 1, line 6, after the word "for assessors," insert the words, "ten percent of the present salary not exceeding".

In section 1, line 8, after the words, "assistant assessors," insert the words "ten per cent of the present salary not exceeding".

## THE CHAIR:

Question is on passage, all in favor signify by saying, "aye". Those opposed. The Chair is not in doubt the ayes have it and the bill is passed. Cal. No. 697 File No. 1262 Substitute for Senate Bill No. 1366. An Act concerning Unemployment Compensation. Favorable report of the Committee on Labor.

## SENATOR MILLER:

I move acceptance of the Committee's favorable report and passage of the bill, as amended by Senate Schedule "A". Mr. President, the other day we put the amendment on which removed the benefits, in case of a strike, and we also removed the 3900 dollar tax base, this present bill now covers everyone with one or more employees, starting in 1968. We presently cover employees of 3 or more. The qualifying base rate is changed from 750 dollars to a minimum of 1800 dollars. In the past, if a lady was laid off for lack of work and she happened to be pregnant, she wasn't able to draw unemployment compensation. We changed that to read she would be eligible if she was leaving voluntarily and pursuant to an employers reasonable rule for such <sup>separation</sup> ~~separation~~ of pregnant women. It adds Puerto Rico, we made some changes in the partial benefits, part time work, a day or more less than  $\frac{1}{2}$  times the benefit rate, they will get  $\frac{1}{3}$  of what he earns up to  $\frac{1}{3}$  the benefit rate. You now receive 3 dollars plus your benefit rate if you're working partial. The maximum raise to 60% of the average production ~~rate~~ wage in the state will go to 60 dollars, the first year, will go to 70 dollars the second year, and 76 dollars the third year. The duration is 26 weeks but you couldn't get any more than 75% of your base earnings. On the dependency allowance a out 20 years ago they took off the dependent wife, this puts her back on a non-working spouse would be drawing benefits and the dependency allowance of all children under 18, pres-

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ently its under 17. This removes the meridan amendment, I was going to explain that but, most people know what it is and we made some changes in the retirement Benefits. I urge passage of the bill.

SENATOR MARCUS:

Mr. President, I spoke in favor of the amendment a few days ago, and again I rise in support of the bill. I think it properly balances the equities in Industry and it deserves all of our support.

SENATOR POPE:

I rise with mixed emotions on this bill. Many things I am in agreement with, many things which I am not in agreement with. In the first category it certainly is long over-due the coverage of the unemployment compensation act to be extended to employers of one or more employees and we are happy to see that this is now in the bill. Secondly section 8 provides a new method of partial benefits seems to us to be a statute improvement over the existing law. Thirdly, for instance, section 9 which increases the maximum benefit rate from 50 dollars to 60 % of the average set wage is also in the best interest of the smooth working of the act. The average production wage, as I understand it, is about 120 dollars so that the 60 dollars that is provided for the next year, is in line and it is provided that it can rise with the production wages as time goes on. On the other hand, Mr. President, there are four elements of this bill, which we think go beyond the point, that is proper at this time. At a time when the fund is in better shape than it has been since 1957, approximately 240 million dollars, at a time when for 5 years contributions ~~to-the-benefits~~ have exceeded the benefits substantially, the 30 million benefits the past year having been considerably less than the cost contributions to the fund. It seems strange that the possible base be raised

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from 3,000 to 3600 dollars. This very fact, Mr. President, is the pact on the employers of the state, at a time, when the national government is doing every thing it can to reduce the cost of manufacturing and the cost of doing business in order to stimulate the economy, it would seem that this move is a move in the wrong direction at this time. Secondly, section 10 changes the ratio between the benefits in the case of those who have not qualified for the full 26 weeks period. As the law now stands, these benefits are limited to 1/3 of the earnings of the base period. This is extended in this bill to 3/4 and what it seems to me does to make additional benefits available to those who least need them, that is to say to those who have not worked in the labor market to qualify for the full benefits provided under the bill. It seems to us, then, that the extension of the formula for 1/3 to 3/4 is a move again in the wrong direction, at this time. Fourthly, Mr. President, the present act provides that suitable work must be within a reasonable distance of the resident or last employment of the unemployed worker. The bill strikes the phrase last employment, so that it now becomes possible for a worker to move to the hills of Montana, for instance, if there is no employment of a suitable nature and to collect benefits for the full period of his entitlement. It seems to me that this phrase of last employment ought to be left in the act, that the act is more workable and the more proper thing with this phrase of employment in it. Finally, Mr. President, and I know that this is a controversial subject, we feel that it is wrong to remove from the act the provisions of the waiting week. I could discuss this for half an hour there are various arguments both pro and con but I will merely make one argument. With respect to the employee who is out of work for a short period of time, the gain is great however, with the long unemployed individ-

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ua], the individual who is unemployed for the full 26 weeks, this is the benefit 1/26. Furthermore, Mr. President, if you compute it in terms of 26 weeks the 26th week of the 27th week, if you wish to state it that way, is more important than the first week or the waiting week. The waiting week has been a feature of this act since its beginning, it is the feature of other acts in other states, although not in all states and it seems to me, we are moving in the wrong direction, to remove this at this time. Mr. President, I would like to say again in conclusion, that there is much in this bill that we do support, there is much in this bill that is good, but I feel that in these regards the bill goes too far and I will vote against the bill.

SENATOR BARNES:

Mr. President and members of the circle, I rise to oppose this bill, I do so reluctantly, because I believe that the amendment that was offered by Senator Miller very dramatically improve it. However, the entire bill, taken as a package, I feel goes too far. I do this with reluctance, and could be with sadness, as well, because, I take pride, as I know Senator Miller does, and others who have worked long and hard, in fact, Connecticut for a long time has been in the forefront, as far as labor legislation is concerned. The forefront of the state of this Union. I would like very much to keep Connecticut in the forefront, as far as labor legislation is concerned. I want to make it completely clear, that I accept completely the social purpose and the validity of unemployment compensation. But I am also aware, and I think that we should be aware, the members of the legislative body, of the necessity of keeping Connecticut competitive in an industrial society, which is becoming increasingly mobile. Mobile not only in terms of workers transferring jobs, but more particularly in, as far as we are interested in here to-

day, mobile in so far as decisions to relocate and expand the concerned. find  
 More and more compainies ~~have~~ them's lves with multiple operations and obvious-  
 ly necessarily will expand in those states and in those areas where the cost  
 of doing business is less. This is not an argument that can be used again and  
 again against all kinds of social legislation and tax increases, and I don't  
 make it as such. I am simply saying that in this context, taken as a whole,  
 I feel that it goes too far, at the present time and that we run the severe  
 risk of losing much of the normal expansion potential of connecticut industry.

SENATOR MILLER:

Mr. President, 3 states, Deleware, Maryland and Nevada now, do not have a  
 waiting week. The idea of a waiting week was made part of the law, originally  
 because of administrative difficulties in processing claims, as well as, the  
 feeling that the funds that paid money by this device. Today there is no  
 justification from an administrative view, why a claimant can not be paid the  
 first period of unemployment. Where the employee runs the full length of the  
 benefit period, the fund pays nothing, but the claimant has had to go through  
 the first week without income. The short term unemployed person needs income  
 just as much as the long term employee and we believe for this reason the  
 waiting week whould be terminated. For protection, in our judgement, does not  
 require the retention of the waiting week, today.

THE CHAIR:

Question is on passage, will your remark further? As many of you who are  
 in favor of passage of this bill, as amended, will signify by saying, "aye".  
 Contrary minded. In the opinion of the Chair, the ayes have and the bill is  
passed.

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Lemaire: into giving concessions - for he would be supporting a strike against himself. I think it is eminently unfair and would be a serious mistake for the State of Connecticut to put this on their books.

With regard to the technical Bill #1366, there are some very good changes in here which we support. Repealing the option to cover family employment, clarifying the amendments with regard to dismissal pay, removing the problem we have with regard to corporate officers of small corporations under 10, which the Committee is well aware of, but we do oppose Sections 6 and 7 of that Bill as not being technical, as the Bill on its surface seems to indicate - those involved leaving suitable work voluntarily and the allowance of benefits to women who become pregnant and who are thereby dismissed from their employment.

J. Purcell: Mr. Chairman, Members of the Committee, my name is John Purcell. I am Assistant Comptroller of the United Aircraft Corporation, East Hartford, Connecticut. As you know, we are the largest employer in the State of Connecticut and we have, we think, had a good history of fidelity in employment. I am appearing here today to oppose those financing sections of H. B. 2751. Specifically, these are the merit rating proposal and the increase in the tax base, but first I would like to say a word about tax climate. Mr. Zolot alluded to, this morning earlier, a proposition that employers really don't care about unemployment tax rates when they select an area to expand in or to go in with a new plant. I think that this is absolutely wrong. I can tell you that as the Senior Tax Executive of our Company, I receive on the average of one call a month from counterparts of mine in other companies throughout the country who quiz me as to the tax climate in Connecticut and I get together with them and I tell them what the rates are, the administrative practices, etc. These queries come from companies who are thinking about coming into Connecticut and to other states for the first time. I think this demonstrates that companies take very seriously the question of Unemployment Compensation rates along with all other tax rates when making a decision to expand or relocate. I can tell you that as far as the wage base is concerned, this would double - that is double - our Unemployment Compensation taxes. Last year we paid about 4 million 3 hundred thousand dollars. If the wage base is increased to \$6000., we would pay 8 million dollars in Unemployment Compensation taxes. Mr. Zolot indicated that that was a minor cost. I don't think anyone here really believes that a 4 million dollar increase is a minor cost. One point on increasing the wage base, I would like to point out to you, that as a means of increasing taxes, the route that is using the wage **base** as opposed to a rate in-