

Legislative History for Connecticut Act

SB60	<PA 319>	1977
Labor	1-6, 10-13, 17-20, 22-27, 30-51, 56-58, 78-88, 91-113, 566-574, 583-585, 589-590, 595-596, 602, 604, 610-612	
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LABOR &
INDUSTRIAL
RELATIONS
PART 1
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LABOR AND INDUSTRIAL RELATIONS

Feb. 14, 1977
7:00 P.M.

PRESIDING CHAIRMEN:

Senator James Murphy
Representative Samuel Gejdenson

COMMITTEE MEMBERS PRESENT:

SENATORS:

Murphy, Reimers

REPRESENTATIVES:

Gejdenson, DelPercio, Swieszkowski,
Mastrianni, Wojtas, Martin, Kiner
Belden, Matthews, Robertson

REP. GEJDENSON: I'm Sam Gejdenson, House Chairman of the Committee. Senator Murphy is the Senate Chairman. Other members of the committee here today: Mr. Robertson, from the 89th; Mr. Swieszkowski, from the 26th; Bill Kiner, from the 59th; Mr. Mastrianni, from the 104th; Richard Martin, from the 39th; Joyce Wojtas, from the 60th; Senator Barbara Reimers, from the 12th; Mr. DelPercio from the 127th. Mr. Belden has also joined us this evening. Thank you.

We're going to start off with legislators and there are only a few of them. We will then alternate between business and labor. And we would ask you to keep your remarks to 5 minutes since we have a considerable list before us. Thank you. Representative Hanlon.

REP. HANLON: Thank you very much Mr. Chairman. My name is Neil Hanlon and I'm State Representative from Naugatuck and I'm a member of the minority leadership in the House of Representatives, serving as an assistant minority leader. I'd like to say first of all, that happiness is a large turnout at a public hearing and I'm pleased that so many have turned out to express their views on this important subject.

SB 59
SB 60

The unemployment problem is one of the most serious problems facing the State of Connecticut today. It is necessary that the General Assembly take some action now to correct that problem. The Governor recently recognized the importance of making Connecticut more attractive to new industry by proposing tax reform that will materially improve the business climate in our state so that existing businesses can expand and new businesses will choose to locate here.

One area where Connecticut has not taken action as yet, and where we rank 'poor' in ratings of our desirability as a place for industry to locate is in our unemployment compensation fund and the laws pertaining to the same. It is time for us now to reform them and make the badly needed changes that will enable our employers to compete with employers in other States.

REP. HANLON continues: It's important for labor and business to get together and to get together now and support the changes in the unemployment compensation fund laws that will act to create more jobs for all of our citizens here in the State of Connecticut.

Speaking on behalf of the Republican leadership of the House, I would like to ask the support of this Committee, for the position taken by the Republican members of the General Assembly, that changes which have been recommended by the legislature's Program Review Committee after a year of study, be adopted.

These changes include tightening the benefit part of the Unemployment Compensation Law to withhold benefits from persons who voluntarily leave employment or who are fired for cause. I want to make very clear, that this would not, it would not include any person who is fired without due cause and it would not include a person who has left a job because of intolerable working conditions. This is a misconception on the part of many individuals with respect to this proposal. Under 'Quits and Fires'. It does not include these people. A ban on the benefit payment to "quits and fires" will enable our employers to fairly compete with 42 other states that are presently rated 'more desirable' as a place for businesses to locate. Of those states, 34 are totally disqualify people who quit their jobs and 20 disqualify persons who were fired for cause. We will continue to lose jobs to those states if we do not balance the scales which are now weighed so heavily against us here in the State of Connecticut.

The effect of withholding these benefits from the 'quits and fires' could save the fund as much as \$30 million in payments to the Unemployment Compensation Fund. This is a considerable sum when you realize that the Connecticut Unemployment Compensation Fund is presently in debt to the Federal government in a figure in excess of \$350 million dollars.

This change could benefit not just our large major industries, it would have a major effect on our small businessmen, here in the State of Connecticut--who number over 70 thousand. The savings enjoyed by these small businessmen, as well as the larger employers, could result in more jobs for our unemployed.

A lack of action to make corrections during this session will probably mean fewer jobs in Connecticut in the years ahead. More jobs mean more income for workers and more tax revenues for the State of Connecticut. We cannot delay making these improvements any longer.

REP. HANLON continues: And Mr. Chairman, in addition to those prepared remarks, and I believe members of the Committee do have copies of those remarks. I'd just like to add some personal notes on it. I reside and I represent the town of Naugatuck, and within the last 2 weeks, we've read in Naugatuck accounts, that for instance, UniRoyal is announcing the possibility of eliminating 200 jobs in the town of Naugatuck. Perhaps in the last year, we've lost somewhere in the neighborhood of five or six hundred jobs at UniRoyal in Naugatuck. We are in the process of attempting to develop an Industrial Park in my town, our taxpayers have invested somewhere in the neighborhood of 3 million dollars to fund that Industrial Park and get it off the ground. We have 3 or 4 industries that have moved in and we want to get more in there. We have around 200 acres to develop; to bring businesses in and to create jobs in Naugatuck. And I think that one way that we can help attract new businesses into Naugatuck and into the State of Connecticut from outside our State; is to provide some sort of relief in the Unemployment Compensation Laws. Particularly with the 'quits and fires' or 'quits or fires'.

I think it's an important thing. It's something that we can do. It doesn't cost the State of Connecticut any tax revenues and I think it can be done in a fair and equitable manner. Thank you very much Mr. Chairman.

REP. GEJDENSON: Thank you. Are there any questions from the members of the Committee? Thank you. Our next speaker will be the former, illustrious chairman of this Committee, Representative Joseph Coatsworth, to be followed by Representative Joan Kemler.

REP. COATSWORTH: Mr. Chairman, and members of the Committee, let me congratulate you once again on holding a public hearing one of Connecticut's most controversial subjects, that is Unemployment Compensation, it's financing and the various ways that have been suggested by members of the General Assembly, the business community and others on how to restrict eligibility requirements for unemployment compensation; so as to reach a more solvent level for the unemployment compensation fund.

Currently, as we know, the Unemployment Compensation Fund is some 363 million dollars in debt to the Federal Unemployment Trust Fund. And during the past 2½ years, it seems that we have concentrated much of our attention and our effort in the direction of trying to reform the Unemployment Compensation Law, so as to decrease the level of Unemployment Compensation Debt. And I think, Mr. Chairman that our efforts and our attentions have been somewhat misdirected.

REP. COATSWORTH continues: And so I would speak to you this evening on some of the legislation, particularly 'Quits and Fires' which has become such an emotional issue in the business and labor community.

The past 2 years, we've watched the Unemployment Compensation Debt grow. And we have viewed that development in somewhat of a negative manner. But, let me say to you, and to the members of your Committee that Unemployment Compensation was created for the exact problem Connecticut has faced for the past 6 years. That is exceedingly high level of unemployment. So, as a result, over that period of time, we have built up a 400 million dollar deficit.

Mr. Chairman, I believe that is exactly what should have happened. Because if you subtract the 400 million dollars which Washington has poured into Connecticut to unemployment compensation recipients, from Connecticut's economy, we would have had a substantially more severe recession and yet, depression rather than the leveling off of unemployment during the past 6 years and indeed the leveling off of Unemployment Compensation Claims in the last several months. So I don't believe that the deficit which appears to be on the minds of so many members of the General Assembly, and the members of the business community. That that deficit is as bad as we look at it to be. In fact, that deficit, 400 million dollars into Connecticut's economy, over a period of several years, has helped our economy stabilize in very difficult times.

I would speak to you specifically against any proposal for 'quits and fires'. That is any proposal to repeal the current laws which allow those individuals who are quit or fired to collect Unemployment Compensation for a period of, after a penalty period of 4 weeks. Let me explain one reason which you may not have heard before. Why I support the present law and not a change in the law to repeal 'quits and fires'. Many of us simply do not realize that the 'quits and fires' provision, does not give license to individuals to willfully quit their jobs and leave the employment market. In fact, it covers a whole range of situations. Most especially, it covers people who will never find themselves laid-off; particularly in what we used to call 'white-collar industries' in Connecticut. And by that I mean, there are many industries in Connecticut who never lay-off individuals; they ask them to leave and they give them a choice. Would you like to be fired or would you like to protect your personnel history and resign? And 99% of the time, the individual rather than being fired, will protect his personnel history file and say "yes, I'll quit".

REP. COATSWORTH Continues: Members of this General Assembly, assume that's a voluntary quit. That's a willful leaving of the employment market. And that is not the case. And so, if we were to pass the proposal, which I see here from the public hearing this evening. It seems to me we would tell every single "white collar worker" in Connecticut that he would no longer be covered by any Unemployment Compensation Program. And Mr. Chairman, in particular, we're talking about all of the very able middle-management people who come to this building again and again, and claim to be opposed to 'quits and fires'. Who in fact are personally in favor of it.

Finally, let's look at the facts in the business community of the past several years. Because it has been alleged time and time again before the Labor Committee; before members of the General Assembly that Connecticut has the most liberal Unemployment Compensation Program in the United States. And Mr. Chairman, I would admit to you that that is not the case. That in fact, Connecticut's eligibility standards for Unemployment Compensation are third highest in the Country. And by that, I mean, we require an individual to work 40 times his benefit rate before reaching eligibility. There are only 2 other States in this country that have that high an eligibility standard. One is North Dakota and the other is Missouri. And every other state in this country has a lower eligibility requirement.

Business community has rightfully complained that Unemployment Taxes seem high. And certainly they are much higher than the incidence of unemployment taxes in the late 1960's when unemployment in Connecticut was about 4 or 5 per cent rather than the 10 or 11 percent levels we've experienced in recent times. But let's remember, that the most Connecticut employers have paid in any give year, in Unemployment Compensation Taxes, is 148 million dollars. The most ever received by Unemployment Compensation recipients, is double that amount---\$300 million dollars. The employers have not paid the \$300 million dollars, they paid 148 million. The rest came from the Federal Unemployment Compensation Trust Fund through the method of loans. And those loans must be paid back, interest free, over a period of several years, not with constant dollars but with dollars that in fact are inflationary. So if we pay back a loan in 1984 that we took out in 1972, and pay it back with 1984 dollars, I submit to you that that isn't such a bad deal. Particularly when you consider that no interest cost has been assessed to the employers.

Finally, I would summarize my statements and make one final remark Mr. Chairman, the problem that we've been concentrating on for 2 years at least, the Unemployment Compensation Fund, and eligibility requirements is the wrong direction; is the wrong area to concentrate on.

REP. COATSWORTH continues: While we're busily on how to disqualify more and more Connecticut residents from Unemployment Compensation, in order to save an already bankrupt fund, what we should have been concentrating on instead as a State Government, as elected State Officials, is not how to restrict eligibility for Unemployment Compensation; but how to create jobs for the people who want them here in the State of Connecticut.

And so I would submit to you, not to (applause)
I would submit that you not concentrate all of your efforts on a restrictive, "no-wheeling" policy of trying to cheat other Connecticut residents out of Unemployment Compensation, but instead trying to work with the business community and other Government leaders, in trying to find a way out of the recession for Connecticut's unemployed. Thank you very much. (applause)

REP. GEJDENSON: If we could hold the applause until the end of the evening, we may all be able to get home before Valentine's Day is over. So, if you know, you could just hold it up to the end on the speakers, or we could be here 'till the early hours of the morning.

Our next speaker will be Joan Kemler followed by Grace Nome representing Senator Rome.

REP. KEMLER: Thank you Mr. Chairman. I'll try to brief so that our "Bridegroom" Chairman can get home before Valentine's Day is over. (applause)

Mr. Chairman and members of the Committee, I am Representative Joan Kemler; Senator Larry DeNardis and I service the...co-chairpersons of the Legislative Program Revue and Investigations Committee. In behalf of the Program Revue Committee, I am here tonight to urge the support of your Committee for passage of SB-233, 240, 205 and 234. All of these bills specifically concern implementation of recommendations to revise eligibility standards made in our 1975 report on unemployment compensation programs. At subsequent hearings, we hope to be here to here to deal with other recommendations of the Program Committee that deal with other areas; especially the Fund itself and the funding of it.

A few remarks then on SB 233 and 240 initially. The members of the Legislative Program Revue and Investigations Committee remain convinced that current Connecticut Law which imposes a 4 week penalty period on persons who quit voluntarily; who are fired for willful misconduct or who refuse suitable work, is not in keeping with the accepted principle that only those who lost their job through no fault of their own should collect Unemployment Compensation Benefits. The majority of States as was mentioned earlier this evening are much more restrictive than

REP. GEJDENSON continues: and everybody'll get along much better, you know, before we hit midnight. Yes, and I think we have to respect other people's views, even though they may differ from our own.

MS. NOME: Even mine.

REP. GEJDENSON: Are there any questions from the members of the Committee?

MS. NOME: Thank you.

REP. GEJDENSON: Thank you.

JOHN DRISCOLL: Mr. Chairman and Honorable members of the Committee on Labor and Industrial Relations. You all have copies of the statement, so I'm not going to read it in detail. But, I wanted to say on behalf of the....My name is John Driscoll, I am president of the Connecticut State Labor Council, and on behalf of the 634 local affiliates of the State Council, I'd like to go on record against Senate Bill 233, regarding disqualification of those who quit, and Senate Bill 240, regarding disqualification of those fired for cause.

I'd like to diverge from my statement, to reply to Representative Hanlon. Because I think he raises a very good point. UniRoyal has indicated that it will transfer some jobs. Why? Well, UniRoyal sent a telegram to this committee in 1976 saying that one of the reasons that it was considering transferring some jobs, was that the benefit ratio tax, with the high level of 6% of the top, was too much for them. That meant a tax on them, of \$360.00 per worker; as against, for example a tax on a bank, there was a stable employment of only \$90.00 per worker. So, if Mr. Hanlon would look at the facts, he would see that one of the reasons that UniRoyal was hurting, is one of the reasons that we, in the Labor Movement are asking that there be a flat rate on all employers until the present emergency is over; and until the tax indebtedness to the Unemployment Trust Fund is repaid.

This whole attack on 'quits and fires' is just a smoke SA 59 screen in our opinion, by the Connecticut Business and SB 60 Industry Association and its allies, to divert the attention of the General Assembly, your Committee, from the real problem, from which as Representative Coatsworth well said, is the question of what the fund is for and what should be done about the whole fund and how to remedy that problem. Our view is, that, until your Committee looks at the basic problem of financing the Fund, financing it so it's actuarially sound, then you're going to be off on a tangent that will get nowhere.

MR. DRISCOLL continues: I'd like to call your attention to a study that was commissioned by the Meskill Administration in 1973. It was done by a very prestigious management consultant firm, Marsh and McLennan. And, it concluded and I quote "It is clear that the present financing system will not produce adequate income in all years to meet benefit outgo." Well that was the understatement of the year, because the fund at that time was already \$55 million in debt to the Federal Unemployment Compensation Trust Fund. And yet the Meskill Administration and the Republican Majority in the General Assembly at that time, did nothing to provide adequate revenue for the Fund. And I'm sorry to say that since then, neither has the Democratic Administration, or the General Assembly under Democratic majorities heeded the warning of the Marsh and McLennan Report.

That report recommended very specifically "That the maximum taxable wage base be increased regularly to keep pace with increases in total wage levels." That is why in a bill that we had introduced, we recommend that the wage base be set at 85% of the State's average production wage. And if that were taxed at 2.7% for all employers, it would yield exactly the amount that the Bureau of Labor Statistics, of the Department of Labor estimates will be needed to pay out the required amount due for the current year. It was just a coincidence that that happened that way, but it's something for you to look at.

Now, I don't want to get into the other difficulties and complexities of the system, such as the benefit ratio business which I talked about. Normal Zolot, our counsel, who has served on the advisory Council for Employment Security for a number of years will remark somewhat on that subject for your enlightenment, I hope. But, when we're talking here about \$17 million and not \$30 million, which is what the Labor Department estimates is the amount that might be saved, IF, all of the people who quit or are discharged for cause were disqualified, and the same Labor Department estimates that the gap in the present system between income and outgo for the coming year will be \$59 million on top of the \$398 million now owed.

We can see that these proposals are not talking about eliminating the real problem at all. The 'quits and fires' propaganda is intended to stir up an emotional furor against a small minority of the people who benefit from Unemployment Compensation Laws. And apparently, CBIA has gotten the average employer to feel that he would somehow benefit if the 'quits and fires' a ban were passed. Actually, the charges for benefits, for people who quit or get discharged for cause, are not made against the individual employer's account. They're made against

MR. DRISCOLL continues: a pool which is paid for by all employers and if the 'quits and fires' ban had been in effect for the past 5, 6, 7 years, it wouldn't have made a cent of difference in the amount of tax that employers would...did have levied against them.

There are other spokesmen here tonight for organized labor who will run through the process which Representative Coatsworth has spoken of, to show you how carefully the State handles the claims of workers who quit or are discharged and the very thorough way in which the Unemployment Compensation Division has set up safe-guards to protect the State against those who would try and take advantage of this Law.

I'm not going to go further into the point that Representative Coatsworth made about how strict we are requiring 40 times the average benefit rate or weekly benefit rate for eligibility. There is no revolving door business in people who quit. You know, the CBIA would like to have people believe that all you have to do in this State, is go to work for a few weeks, and then you're on, you can take a 65 week vacation. Actually, the records of the Department show that the average length of benefits collected is only 11 or 12 weeks. And until the big computer they now have, gets into play and separate out the various categories of unemployed workers; we have to assume that those who quit or are fired have the same average as the rest of the people who are unemployed.

The 65 weeks is for the very rare worker. Mostly those in the Construction Industry who unfortunately have suffered the worst of the recession over the past few years and are continuing to suffer in the building and construction fights.

I think that Representative Coatsworth was a little bit off when he said that we got \$300 million in return for \$150 million, or \$140 million dollars. It was put into the fund in taxes, the rest were Federal. Actually, last year the rate of...payment for claimants was running at \$9 million to \$10 million per week. About 450 million dollars for the year was poured into Connecticut's economy through consumers who helped business of all kind. Professional people and did a great deal to save the State from going further into a recessionary spiral.

Finally, let me talk just a little bit about the question of whether this would make the State more attractive. You know, if you pass this bill repealing payments to those who have quit or are fired. This is the sheerst hoax, pure baloney! Even the March and McLennan Report found that the question of Unemployment Taxes was not a major consideration for employers who were trying to determine whether to locate here or to locate elsewhere. And last

MR. DRISCOLL continues: Friday, I had the privilege of hearing Governor Shapp of Pennsylvania speaking to the Council for Northeast Economic Acts which is an organization set up by the U.S. Department of Commerce and the conference was held at Boston, mainly for the business leaders and elected representatives. There were a couple of members of the General Assembly here from Connecticut and a few other people from throughout all the Northeast. From Pennsylvania, New Jersey, New York. All of New England.

And Governor Shapp was there on what the leader of the conference called a "success story". And that was the story how Pennsylvania got Volkswagon to invest \$250 million in a plant in Pennsylvania that will employ 5,000 auto workers directly; and indirectly because VW is going to buy all of its' parts and assembly from American manufacturers and suppliers. All except the engine and the transmission.

He told of the complexities of the financial problems; the question of lending money; acquiring the plant from Chrysler which had built it and then abandoned it while new. And he told of the various factors that went into getting the plant there. And he maintained that the chief reasons why VW came to Pennsylvania were because the State made available transportation access through building a railroad spur to the plant and also the availability of labor. He said that the question of taxes, while it was emotional, was of minimal, and to repeat his phrase, of minimal importance. So, I'd like to conclude by saying that if there's anybody who can prove that doing what these bills propose would attract industry to Connecticut; or keep industry in Connecticut from moving, I'd like to see it done because a few years ago, Professor Somers, who was head of the Advisory Council on Employment Security made a study of this thing and he found that the whole question was purely an emotional one. It would give employers some feeling of satisfaction, but that as an economic issue, it was of absolutely no importance and should be considered insignificant. Thank you very much.

REP. GEJDENSON: Thank you for.....(applause).....Some of our watches must run at different speeds John, but that five minutes didn't seem to come out quite right on my watch. I hope the rest of us will try to keep it at least close to five.

ARTHUR L. WOODS: Senator Murphy, Representative Gejdenson and members of the Committee: I came over here because I wanted a warm microphone and I'm pleased to follow John Driscoll, my friend. He and I serve on lots of committees together.

REP. GEJDENSON: Mr. Woods, could you please just state your name for the record?

MR. ZOLOT continues: So, I ask, why the 10 weeks? The answer is, it's the toughest standard and they want, therefore to apply it in Connecticut. But what's overlooked, is that Connecticut with its 40 times earnings, is one of the toughest States in the Union to qualify. And what really concerns me, is the complete lack of understanding of the system. If an individual quits or if he's fired for cause, that doesn't mean he automatically collects benefits. He must prove that thereafter he's ready and able to work. And, there is a job available for him in our economy, which he is refusing. The fact is, there isn't that kind of job. And until there is, I suggest that this approach of disqualifying on the basis suggested, does not benefit the State of Connecticut.

There was reference to a gentleman named Felstein, by the learned minority leader. I would suggest that Mr. Felstein's viewpoint, as to the impact of unemployment compensation benefits, represents to put it kindly, a minority view. I won't say a renegade view; I would say a minority view. Because what he forgets, is that for every dollar paid out of Unemployment Compensation, it generates \$2 or \$3 for our economy. We need every dollar we can, to keep our economy going.

And lastly, this particular provision has been in the Law since approximately 1939. This is the false period in which the State of Connecticut has experience high unemployment compensation levels. I wondered why in the 3 previous situations, the question of 'quits and fires' was not raised by employers as the salvation for our problems. The fact is, it is not. It will not be and cannot be. All I could say, is that it seems to me, and I represent Labor here; but this is just an excuse to chisel. Thank you. (applause.)

SENATOR MURPHY: Following Mr. Van Winkle, will be Joseph Bober.

DALE VAN WINKLE: Thank you Mr. Chairman, members of the Committee, my name is Dale Van Winkle, I reside in Glastonbury, and I am a vice-president of United Technologies Corporation. (ooohs from audience)

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5B 60

I would like to urge your Committee to report favorably to both Houses of the General Assembly a bill which would disqualify from receiving Unemployment Compensation Benefits, those individuals who voluntarily quit their jobs and those who are terminated for willful misconduct.

First, I would like all of you to understand that what your Committee does and what the Legislature does, has a major impact on United Technologies and on our ability to compete for business in the National and International marketplace. I would also like to bring to your attention that Legislative burdens which impair our ability to win contracts in the final result, impose hardship

MR. VAN WINKLE continues: on the people of this State.

For the past fiscal year, the budget of the State of Connecticut was \$1.8 billion. The direct contributions of United Technologies to the State of Connecticut, were \$1.3 billion. I want you to get something of the magnitude of what you're talking about, when you jeopardize the ability to operate in the State of Connecticut. Now, the biggest part of that contribution was \$800 million that was paid in salaries and wages. That's not our total payroll, that's what was paid to employees just in the State of Connecticut.

Now, in addition, we paid \$400 million to shops, service companies and suppliers in the State of Connecticut, which kept thousands of other people working here in our State. Now, we are extremely concerned with the amount of Unemployment Compensation Tax which we have to pay on that \$800 million payroll, and on a tax that has to be paid by the \$400 million dollar's worth of work that we placed with suppliers in this State.

In 1975, the Legislature increased the wage base from \$4,200 to \$6,000. It raised the surcharge from .9 to 1.0. This created such a substantial increase in our tax, that we took a close look at the Unemployment Tax which we were paying in other States, and we do have plants in several other States. The best comparison we could make, was a plant which we have in Florida, which employs about 6,000 people; that's closely related to the work that we do in Connecticut and provided a valid basis of comparison. Comparing the Unemployment Tax rate we pay in Connecticut with the tax that we pay in the State of Florida, we found that our Unemployment Tax in Connecticut was more than 10 times as high, as the tax we would have paid on exactly the same payroll in the State of Florida. Now, you've been asked earlier, whether anyone can come forward and prove that taxes have any impact on a business decision. I ask you to think of your own personal situation, whether if you could cut your taxes to 1/10th of what they are today, whether that would have any significance in your planning of your household or your business. This burden places us at a decided substantial competitive disadvantage in the markets in which we have to deal.

Now, please note that despite the fact that taxes are that much higher in Connecticut, our unemployment fund is in very severe debt. A debt, which we are going to be saddled with to pay. Don't believe that there's some pull in Washington that this money comes from. It comes from employers that pay the money into that pool. And it will not be paid ... repaid in 1984 as the Honorable

MR. VAN WINKLE continues: Mr. Coatsworth says. Part of it has already been paid. We will start repaying on January 1, 1978, again.

Now, why are the Connecticut taxes high and yet the fund is in debt? The answer is the extreme liberality of benefits paid in Connecticut. You've heard mention tonight, that there are 34, or by our count, 37 States which do not pay compensation to those who arewho quit their jobs or who are laid-off for misconduct, which is their own doing. I would like you to look at our neighboring States. New York, Massachusetts, Rhode Island, New Jersey, Pennsylvania disqualify those who quit their jobs from receiving unemployment benefits. And you can read the exact story of what happens where the good Governor of Massachusetts, Governor Dukakis of the Legislature, where they took exactly this step.

Now, just a couple of weeks ago in testifying, in testimony before one of your sister Committees, where I was invited to comment on tax incentives which would create jobs, I was asked the leading question of "What one single thing would be the most important encouragement to business in this State? I happen to believe that an investment tax credit would be an extremely valuable thing for this State, to create jobs. But, I had to in all honesty answer to that question that as a signal to business, that the State Legislature is really serious about providing a climate in which business can operate successfully, the single best indication would be, the disqualification of those who quit their job, from receiving Unemployment Benefits. (applause and boos)

I'm not going to speak about the theoretics of this. I can't tell you what happens with one company that does have exposure in 49 out of the 50 States. I believe you should not allow this underserved Unemployment Benefit to be paid when by doing so, you make it more difficult for us to win contracts necessary to keep paying the \$800 million wages that we pay to the working people of this State. You should think about those people who are earning that money and give them their respect and their due and not be unduly concerned about those who voluntarily elect to become unemployed. Thank you very much.

SENATOR MURPHY: Mr. Van Winkle, I think Representative Gejdenson has a question for you, he says.

REP. GEJDENSON: Excuse me sir, you said that the Unemployment Taxes paid in Florida is roughly 1/10th of those paid in the State of Connecticut. You don't have to give me those figures now, but one I would like to know, the

REP. GEJDENSON continues: Unemployment Rate in Florida, presently and also, how does your total tax picture compare in Florida as to Connecticut. O.K., so that are you paying 1/10th the taxes in general in Florida; and the Unemployment rate in Florida that you're paying Unemployment Comp on. You haven't got them then....

MR. VAN WINKLE: It's .3 on the Unemployment Rate. Our total tax burden would be about 1/2 in Florida of what it is here.

REP. GEJDENSON: And you say the Unemployment Rate in Florida is 3%.

MR. VAN WINKLE: That's the tax rate I'm talking about. I'm not talking about the rate of unemployment.

REP. GEJDENSON: O.K. If you could get me that other figure, I'd appreciate it. Thank you.

SEN. MURPHY: The next speaker is Joseph Bober, to be followed by Curt Clemens.

JOSEPH BOBER: My name is Joseph C. Bober, and I am Secretary-Treasurer of the Connecticut State Building and Construction Trades Council. I also am a member of the Employment Security Board of Review for Unemployment Compensation.

I'm opposed to those bills that would further increase the disqualification period for persons applying for Unemployment Compensation, who quit or are discharged.

It is necessary to understand the provision of the law, dealing with benefit eligibility in order to understand the full implications of the provision dealing with disqualifications.

Section 31-235(2) of the Unemployment Compensation Law reads as follows: "An unemployed individual shall be eligible to receive benefits with respect to any week only if it is found that he is physically and mentally able to work, is available for work and is making reasonable efforts to obtain work." That's the basic qualification. If you don't meet that qualification, you don't collect Unemployment Compensation. Reasonable efforts have been defined as those efforts that are so extensive and so planned and carried out as to promote the prospect of obtaining work at the earliest possible moment. Every individual seeking Unemployment Compensation must meet this standard regardless of how he became unemployed.

Section 31-236 reads as follows: This is the section on disqualification. "A person is disqualified if in the opinion of the Administrator, he has left suitable work voluntarily and without sufficient cause connected with his work. Now, this business of connected with the work

MR. BOBER continues: Consider the total disqualification, the effect that total disqualification would have on an older employee; a man not as old as I am, but in his 60's or late 50's who finds that he has to quit the job for one reason or another. He just can't take it anymore. And he can't show that the quit was sufficient cause connected with his work. This means as far as that individual is concerned, that the Legislature, if the law goes into effect and he quits, would have been totally repealed. Unemployment Compensation because of the chance of an older man getting a job, are very, very limited. There's a definite discrimination against the older person in this proposed legislation. Without question, the older worker would be effectively discriminated against if the law provided that an individual, who quits or is discharged would require to go back to work, and then be laid off from his job to become eligible for unemployment benefits.

Those of you who are aware of the legislative process, know that a piece of legislation can be made ineffective by the simple expedient of amending...it to death.

The proponents of these bills under discussion would prefer outright repeal of Unemployment Compensation, but realize that that's not in the books at this time. So, they are attempting to weaken the Unemployment Compensation Law by making it virtually impossible for a large group of claimants to collect benefits at all.

I urge this committee to reject all these bills that would deny benefits to individuals. Thank you.
(Applause.)

SENATOR MURPHY: Thank you Mr. Bober. The next speaker is Curt Clemens to be followed by Walter O'Connor.

CURTISS B. CLEMENS: My name is Curt Clemens, I'm Plant Manager at Capital Swimwear, a division of "Genesco".

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SB 60

I'm here tonight to urge this committee to report favorably on the 'quits and fires' amendment. Every individual in this room tonight, acknowledges the need for Unemployment Compensation Benefits. For those people who are unemployed through no fault of their own. However, I think it's grossly unfair to have the employers of this State subsidize those people who have quit work or have been fired for cause. Thirty-seven States restrict Unemployment Compensation eligibility to those who are laid off or can show they were forced out.

Connecticut's Unemployment Compensation taxes are fifth highest among industrial States. I wish to cite an example, to deal with our company. Our plants in Connecticut

MR. CLEMENS continues: paid \$114,000 last year in Unemployment Compensation taxes. Now, to compare a similar company, one of our other divisions located in Tennessee, which is our State of incorporation. Given the same wages, same experience rating, we would have paid only \$28,000. It's a difference of \$86,000, but to put in other terms, we paid four times as much taxes for unemployment compensation in the State of Connecticut last year, then we would have paid if we were in Tennessee.

In preparation for my testimony tonight, I conducted a poll of our employees working at our Hartford facility as to their feelings on the proposed changes concerning 'quits and fires'. I asked all one-hundred of our union employees if they would endorse a change in the Unemployment Compensation laws that would disqualify from benefits those people who voluntarily quit their jobs or who are fired for cause, provided, of course, that adequate safeguards were established. Over 85% of these rank and file union members endorsed this proposal. (loud booing from gallery.)

SEN. MURPHY: Let's keep the noise down. Extend the courtesies to all speakers, regardless of which side of the issue they're on. Proceed.

MR. CLEMENS: Thank you.

In summary, many of the high costs of doing business in Connecticut are beyond the control of either the Legislature or businesses. However, unemployment compensation taxes are controllable and I urge you to take the first step in creating a better business environment by passing legislation that disqualifies 'quits and fires' from unemployment compensation benefits. Thank you.

SEN. MURPHY: Thank you. The next speaker is Walter O'Connor, to be followed by Ed Powers.

WALTER O'CONNOR: Mr. Chairman, ladies and gentlemen of the Labor and Industrial Relations Committee, my name is Walter O'Connor, I'm Secretary-Treasurer of the Connecticut State Labor Council, AFL, CIO.

When Massachusetts instituted a ban on unemployment benefits for those who quit in 1975, it did not gain any advantage over Connecticut in terms of gaining additional jobs. On the contrary, Connecticut in the year since that law was passed, out-performed our neighbors to the North in increasing the number of jobs, both in absolute numbers and in percentage terms. These figures were substantiated this afternoon at four o'clock by the Massachusetts State Labor Commissioner's Office. And in 1975, in Connecticut,

MR. O'CONNOR continues: the manufacturing jobs were 382,960 and in 1976, we had 397,820 jobs, which percentage wise was 3.8%, which was an increase of 14,860 jobs. And the non-manufacturing jobs, we had an increase of 0.5% or 4,700 jobs.

In the State of Massachusetts, the total was in 1975, 2,301,800 jobs, in '75 and in '76, it was 2,320,800 jobs, which was a .8 percentage or 19,000 jobs.

So this proves to a point that eliminating the 'quits and discharges' doesn't necessarily do what it's supposed to do according to the Minority Leader, Rome's spokesman. Also, for a point of information, the Secretary of Commerce for the State of Connecticut, Ed Stockton, has got 77 new industries in the State of Connecticut and many of them are from States that deny benefits to unemployed workers. So with this gentlemen, I say thank you. (applause)

SEN. MURPHY: Ed Powers is our next speaker, to be followed by Fran Lemieux.

P. EDMUND POWER: Mr. Chairman and members of the Labor Committee, my name is P. Edmund Power, and I am here tonight to speak for the Chamber of Commerce of Northwest Connecticut. The President, Mr. Ronzulik has been hospitalized and not able to be here, and he asked me if I would read this statement:

My name is P. Edmund Power, and I am here to give the opinions and expressions of the Northwest Chamber of Commerce, concerning legislation before you on the "Quits and Fires" amendment for Unemployment Compensation. You will hear testimony this evening from numerous sources citing specifics regarding the wisdom of this legislation.

Suffice it to say, we have strong arguments for the elimination of Unemployment Compensation Insurance being received by any person who voluntarily quits his job, or is fired for just cause.

The position of this Chamber of Commerce is basic in its belief that Unemployment Compensation Insurance is provided for any person who is without employment through no fault of his own. The Chamber strongly believes that the present situation, which finds Connecticut Unemployment Compensation Fund some \$400 million in debt, is one of critical importance. Our State must move immediately to rectify the situation by insuring that money will be available in this fund for needy and qualified people.

This can only be done by adhering to the basic purpose for which this fund is provided. We strongly urge this Committee

MR. POWER continues: to recommend that the General Assembly eliminate all 'Quits and Fires' from the law. Very truly yours, P. Edmund Power, for the Chamber of Commerce of Northwest Connecticut. Thank you.

SEN. MURPHY: The next speaker is Fran Lemieux, to be followed by Charles Mokriski.

FRAN LEMIEUX: Mr. Chairman, members of the committee, my name is Fran Lemieux. I'm President of Connecticut State UAW CAP Council. I come before you this evening representing approximately 50,000 active and retired workers in Connecticut. I am speaking in opposition to any further restrictions of eligibility of Unemployment Compensation Benefits. No issue is more confusing in the public mind or more misrepresented in the Press and before the General Assembly than the 'Quits and Fires' controversy. The Connecticut Business and Industry Association, various City Chambers of Commerce and countless of their allies across the State have deliberately clouded the issue of eligibility under the Unemployment Compensation Statutes to serve their own ends.

If we closely look at the facts, three significant things emerge:

Number One: 'Quits and Fires' are not charged against any individual employer's experience rating and so could hardly be an important factor in any corporation's investments decisions.

Number two: 'Quits and Fires' amount to a very small part of the total money paid out in benefits each year.

And Number three: Connecticut is not as liberal in its UC Statutes as CBIA and others claim.

The experience rating of an individual employer (the tax percentage the firm pays on covered taxable wages of each worker) is determined largely by the company's lay-off rate. Individuals who leave their jobs voluntarily or who are fired for cause, are not charged against the employer's account. They are spread over the entire fund. Elimination of 'Quits and Fires' eligibility would have virtually no effect on any individual employer's tax rate.

Last year, the total employer contribution to the UC Fund (\$165 million) was only 1.5% of the total covered wages in Connecticut. The \$17 million paid out for 'quits and fires' is less than two-tenths of 1% of the total wages paid in this State. These are not figures which would indicate that the Quits and Fires Law represents a great tax burden to Connecticut's Corporations.

MR. LEMIEUX continues: Besides, its much more important long-term considerations such as market conditions, transportation, access to materials, wage structure, skill level of the work force, and availability and quality of public services are, historically, the major reasons for a company deciding to move or modernize.

There will be a devastating effect on the State and the State's workers if 'quits and fires' is eliminated.

Workers who would normally collect UC for the period in which they are looking for another job, would be forced to seek assistance under the Welfare System. This would be an unnecessary and costly burden on the State Agencies which administer the Welfare System and on their budgets.

If the 'quits and fires' laws are repealed, we might also see the proliferation of the practice of firing workers instead of laying them off. The Employment Security Division of the Labor Department would suffer a log jam of hearings on discharge cases. Again, it would lead to an additional expense.

In both these instances, the citizens of the State would directly suffer because more of their tax dollars would be needed to pay for additional expenses in the Welfare and Labor Departments

Besides the situations just mentioned, another consequence would be the fear many workers would experience in an intolerable work situation. Many underpaid and non-unionized workers, faced with recourse to grievance procedures, would be forced either to stay in a lousy job, or quit and starve. It's that simple!

CBIA has lobbied hard against fiscal reform because a bankrupt fund is always a good excuse for attaching eligibility laws. It is an old trick, used to confuse the issue.

The General Assembly must reject this latest CBIA attempt to weaken the UC Laws. Unemployment Compensation is a necessary protection for workers and should not become the scapegoat for businesses' economic woes.

We need to strengthen the UC System, not dismantle it. Sound fiscal reform to meet the benefit payments and begin to repay our Federal Debt is the only direction in which to advance the interest of Connecticut's workers and the overall well being of the State's economy. Thank you.

Mr. Chairman, if I may.....(applause) Mr. Chairman, if I may, Mr. "Tom Andani" has asked me to read a small paragraph, it's from the Connecticut Education Association. Rather than use speaking time, wishes to go on record as opposed to any changes in the Unemployment Compensation

MR. LEMIEUX continues: which would deny benefits to any individuals who quit or who are fired. And further, support House Bill 5977 which would end discrimination against Teachers who quit. Thank you. (applause)

SEN. MURPHY: Following Mr. Mokriski will be Henry Murray.

CHARLES MOKRISKI: I'm Charles Mokriski, I live in the city of Hartford and I represent the Northeast Utilities System, and its operating subsidiaries. (Boos from gallery.)

After that, there's no place to go but up.

Northeast as a substantial employer in the State of Connecticut, makes substantial contributions, in the form of the Unemployment Compensation Tax Fund. The Fund as we've heard tonight, and we'll hear again and again, is in bad fiscal shape. It's been pressured to raise the rates, to raise the base, to increase the burden on the Connecticut employer. Northeast System being a capital intensive enterprise, is not hit as substantially as the various labor intensive enterprises that you might hear from later tonight. Never the less, we're very concerned with the economic health of the State in the total employment picture. Obviously, Unemployment Compensation has been a substantial, social and economic benefit to the State and to the Country.

Social and humanitarian benefit, because it alleviates hardship of persons that are laid-off, victims of economic cycles and recessions. And allows them to maintain themselves and give them time to find other employment, when they are the victim of involuntary lay-offs. It's an economic benefit obviously because it "dampen" swings in an economic cycle, by maintaining purchasing power. But it seems to me, that the emphasis in Unemployment Compensation should be on involuntary unemployment. Benefits to workers laid-off, and jobs to people seeking to enter the labor market should not be jeopardized; should not be imperilled by the drain on the Unemployment Compensation Fund from persons who voluntarily quit their jobs, or who are discharged for cause.

We'd strongly support the legislation to eliminate Unemployment Compensation for voluntary quits and discharge for cause. Thank you. (inaudible comment and laughter from gallery)

SEN. MURPHY: The next speaker is Henry Murray, to be followed by Leon Lemaire.

HENRY MURRAY: Mr. Speaker, my name is Henry Murray, I'm a member of United Auto Workers, Local 133. I'm speaking tonight on behalf of the UAW Community Action Program Council in the State of Connecticut.

MR. LEMAIRE continues:

We arrive at our positions on Legislation through a very democratic process. Much like I'm sure the friendly people from your UAW. The friendly people here this evening. We polled our members on this very specific question. Thank you.

We asked the question: "Are you for or against the denying Unemployment Benefits to persons who quit their jobs or are fired for misconduct?" We then give them basic comments about that question and arguments for it and arguments against it and within the five minutes I hope we give you what our questionnaire looks like. Under the present law, an individual who quits or is fired for wilful misconduct, has benefits postponed for 4 weeks, plus the week in which the qualification is imposed. After the 4 week waiting period, the individual is then eligible under the same rules applicable to persons who are laid-off for lack of work. SB 59

Now, arguments in favor of the question include these: SB 60

An individual who quits his job or is discharged for wilful misconduct is responsible for his own unemployment and should therefore not be allowed to collect benefits. Such persons should be disqualified until they find other work and requalify for benefits. The law was adopted to give temporary assistance to persons who are out of work through no fault of their own. It was never designed to encourage job-hopping or to reward misconduct on the part of employees. Employers pay the entire bill for unemployment benefits, and they should not be burdened with improper payments. The short 4 week disqualification period is no deterrent to a worker and leads to abuse of the system. We followed that with arguments against, which I'll excerpt here.

Those who favor the present 4 week disqualification period would argue that unemployment after that period, is no longer the result of the quitter discharge. They argue that general economic conditions, and other factors are now responsible. They point out that the individual still required to sign up for work with the Employment Service and must continue to actively seek work to be eligible for benefits. The 4 week disqualification is punishment enough for those who quit or are discharged for wilful misconduct.

Well, that questionnaire was sent to...at the time that it was taken approximately 800 member companies and firms and to my surprise, we do not have unanimity. So, I'm here to report a ... what I consider to be a very valid profile of what the small business man thinks of this particular disqualification.

The results were that 81% favored the disqualification extension, but some 17% said that the 4 week, in effect, the 4 week disqualification was adequate and 2% had no opinion.

MR. LEMAIRE continues: Based on that survey, it's the position of our federation, that the law should be amended to further, at least, extend the duration of Unemployment ... excuse me, the duration of disqualification. And I might suggest that perhaps an alternative, something that we have in the State of Maine, as a matter of fact, which would disqualify an individual for 12 weeks or 8 times his weekly benefit rate, whichever comes first.

I might just point to other States, right around Connecticut because I think that's....this is the area where we have to compete with. We're not going to compete with the "sun belt". I've told this to the Finance Committee. It's silly to be talking about, the competitive fact is between Connecticut and Alabama. These factors are just completely different, but we do have to compete with other States in the Northeast.

For the record, Massachusetts disqualifies for the duration of unemployment, and until the individual has earned 4 weeks. New Hampshire, he's disqualified until....

REP. GEJDENSON: Excuse me, Mr. Lemaire. Did ... Massachusetts disqualifies the individual....

MR. LEMAIRE: the duration plus four weeks.

REP. GEJDENSON: Right. Until after he's worked four weeks.

MR. LEMAIRE: That's correct.

REP. GEJDENSON: Thank you.

MR. LEMAIRE: Ummm. New Hampshire, it's until after he has earned his weekly benefit amount in 3 different calendar weeks. It's not a harsh test, but it does show attachment to the work force. New Jersey, for the duration of his unemployment and until he has earned again 4 times his weekly benefit amount. New York, until he has worked 3 days in each of 4 different calendar weeks, and earned at least \$200. Not a harsh test, but again a test of the person's intention to work. Vermont, you must earn at least 6 times your weekly benefit amount. And then be laid-off obviously again. And then be put on the rolls. In Rhode Island, one must earn at least \$20 in each of 4 different calendar weeks, subsequent to his quit or his discharge. And finally, the Maine test which I alluded to, as a possible area, for consideration of the Committee and that is an alternative of 12 weeks or 8 times the weekly benefit amount.

Thank you very much and your courtesy upstairs.

REP. GEJDENSON: Thank you.
Thomas Faria.

Betty Tianti will be followed by

BETTY TIAN TI: Thank you Mr. Chairman, my name is Betty Tianti, I'm the Cope Director of the Connecticut State Labor Council, AFL, CIO. I think that most of what has been said here tonight, certainly on the part of organized labor has pretty well covered the issue. On the..... very serious question of total disqualification for quits or discharges with cause, there's just a couple of areas that I'd like to point out though. Members of the Connecticut Business and Industry Association, representatives who have supported this total disqualification, indicate that the employer pays the tax. Well, those of us who sit and negotiate with these same employers, know that they tell us, that this is a fringe benefit, and it's a part of the wage package, it's a part of the settlement. So that it's we the workers that are paying for this tax and ultimately of course, the consumer, because it is passed on. It is not the employer who pays the tax, but it is those of us who are working.

It is also, it's an insurance, and this is what we are buying protection for. For times of unemployment, when we're out of work, or out of work through no fault of our own. I had a couple of examples that I'd like to cite, when I was representing workers at a plant where I was the president of my local, we had a case of a discharge, a worker who had been employed by the company, for some 30 years, worked in the die house, happened to walk out of the smoking room with a lit cigar in his mouth, and the plant manager walked in and caught him and fired him on the spot. Well in the "die house" there's an awful lot of water. Granted in a thread mill, there's also an awful lot of cotton, so basically, the rule was no smoking except in authorized areas. Well, the upshot of it was that the discharge took place, we as the union, umm put in a grievance, in the meantime, this employee who was by the way, 60 years old, filed for Unemployment Comp. He was disqualified for the week in which the discharge took place, and for the 4 ensuing weeks.

We pursued the case through the grievance procedure, that was outlined in our contract, and took it to arbitration. We won the arbitration case, the arbitrator said the penalty was too severe for the crime, that he should have been suspended for 3 weeks, and he was reinstated with full back pay and all seniority rights. But that happened 15 months after the discharge. By the time we processed the case through all of the appeals process, which is a very similar process as, by the way, to the Review Board of the Appeals Process for Unemployment Comp, it took 15 months. What I'm suggesting is, that we're going to have an awful lot more appeals through the Appeals Board of the State of Connecticut and even now, it is my understanding, from the

MS. TIANI continues: report that I get from the Labor Department, that there's something like 8,331 appeals taken last year, from disqualifications for all causes.

That, out of a figure of 21,000, estimated 21,000 who were disqualified for 'quits and/or fires' for cause, it would be about 30%. Again, the appeals were for all reasons, but they can't separate them out. But, I'm saying that there'd be a tremendous increase in the number of appeals because in essence, what you're saying, if you're totally disqualifying, a person who has quit or been fired, then they're going to have to appeal, it's the death penalty and therefore, we will put an added burden on the Appeals process, probably requiring an increase in staff; substantial increase in money; and even at best, the time element will create a hardship on many of the workers, even if they were in fact, unjustly discharged, or did quit their jobs with cause, they would be starved to death by the time, adjudication could occur. By the way, in that particular case, when the, the case of the discharge that I spoke of, he had to pay back to the Fund, the Unemployment Comp that he had received, out of his arbitration award, so he ended up with just the two additional weeks, of benefits. I didn't want you to think he collected both ways.

The other case I had, a question of a friend of mine, who quit...a job to live a little....to work. Found another job, had a job before she quit, but it was closer to her home, paid a little bit more money. So, she quit and she went to work at this second shop, and 2 weeks later she got laid off from the new job, for lack of work. They didn't work out. In that type of a situation, she would have quit the job, she would not have been employed in her, in 5 times her benefit rate, and even though she had quit, with good cause, to try to improve her own personal situation, she would have found herself denied benefits, until she had again been re-employed and earned the either 5 or 10 times, no matter what you're talking in the way of the...standards of requalifying, if you will. I think that these are important issues, I wholeheartedly agree with the speakers, before me, and would urge that you do not report these bills out favorably. I would however, like to end on a positive note, and say that I would speak in favor of House Bill 5090, An Act Concerning Unemployment Compensation For Persons Who Leave The State To Accept Employment And Return To The State Unemployed. And I think this is a bill which does correct inequity and would urge the Committee to report that out favorably. Thank you.

REP. GEJDENSON: Thank you Betty. If you could hold on for one moment, Representative Belden, the ranking Republican member has a question.

REP. BELDEN: Miss Tianti, my question may not be specifically for you, but as I can recall, over the past week or two, I've read somewhere there's a proposal that's been made, in order to get the Unemployment Comp Fund back in the black, that the formula be changed. That the State put in a certain amount of money, the employee would put in a certain amount of money, and the employer would put in a certain amount of money. What I'm really asking here is, first of all, I'm not sure whether that's legal under Federal Law, to change the way it's currently handled. But, if it were, I think what I'm really after, is what would be, both the labor and the business viewpoint on that? I don't necessarily want the answer right now, but I think I'd like to just throw that out for consideration.

MS. TIANTI: Representative Belden, I only know what I've read in the papers as you have, that this has been suggested. I would defer to John Driscoll as President of the State Labor Council, I don't believe we have a position, but if it's possible, Mr. Driscoll perhaps would like to answer that, instead of me.

REP. BELDEN: Well, I'm just raising that point tonight. I'm not sure that it's even legal, but I would like submissions on this.

MS. TIANTI: Then if you like, we will perhaps, submit a written statement, on our position.

REP. BELDEN: Thank you.

REP. GEJDENSON: Thank you Betty. (applause)
Our next speaker is Mr. Faria, from I believe Uncasville? And he will be followed by Angelo Franciulli, "Frankulli", I'm sorry.

THOMAS FARIA: My name is Tom Faria, I'm President of the Thomas G. Faria Corporation, we employ 120 people, we manufacture electric gages and tachometers for the automotive and tractor industry.

In 1972, I was one of the members of the Strike Force for Full Employment and in specific, I was Chairman of the Committee for Unemployment Compensation. We did a pretty thorough study of the Unemployment Compensation System. We also polled employers, and the general opinion of the employers was that Connecticut is an anti-industry State. Now, I didn't believe that back in 1972, but this is 1977. And now that the Unemployment Compensation Tax has risen to the same general area as the Corporation Income Tax, I think I can believe it.

Back in 1972, the thing that, although other things may have been more costly at that time, Unemployment Compensation aggravated the employers considerably, because a

MR. FARIA continues: lot of people were collecting unemployment compensation who really should not have collected.

One of the things that no one seems to really pay attention to, is that over 50% of the people who are collecting unemployment compensation, do not meet the standards for collecting unemployment compensation. Over 50%, they are not ready for work; they're not able to work; or they're not available for work. And I'm not talking opinion here, I have the facts from reports made by the Unemployment Compensation Service.

First, let me give you the figures for October 1974. Actually, August, September and October, 1974. When employment service finds a job for some one, they send them a postcard asking them to come to the office because there's a job available. At that time, 38% refuse to call in; they didn't come in. 5% that came in, said they weren't available for work, 16% failed to report for the interview; 1% got the job and failed to report for work. That's a total of 60% that don't want work. The latest figures (inaudible comments from the gallery) These are actual figures from..... These are actual figures from the Labor Department Report. These aren't opinions! The figures for December, 1976 - 36% failed to call in when they were notified that there was a job available. Five per cent were not available to work; 13% failed to report for the job interview; 1% got the job and failed to report for work. That's a total of 55% that don't want to work. Now, we're not talking about the other remaining 45%. Certainly there are a lot of people collecting unemployment compensation that deserve it. But why pay it to people that don't deserve it!

Now, I have another set of figures here for you, (inaudible comments being made from the gallery)

REP. GEJDENSON: Excuse me. Is what you're saying that there's... the 50% that either were not available, or for other reasons, did not accept available employment, continue to receive unemployment compensation?

MR. FARIA: This is only.....In December, some 4500 people were sent these cards.

REP. GEJDENSON: Excuse me. It's my understanding, and I had a constituent recently contact me that if an individual does not accept a job, that he loses his unemployment compensation. (inaudible outburst from the gallery) I appreciate the support, however, you really should give this gentleman his time.

MR. FARIA: That is supposed to be true. But actually, we're only talking about 2,400 people in the month of December, who did not qualify when they were called to come in and see about a job. Now,.....that's only 2,400. There's 100,000

MR. FARIA continues: people who were not contacted.
And, there's 50,000 of those people who should not be
collecting. (inaudible comments being made from gallery)

So, I think, you know, these figures by the way, have
been checked over the years, over the past 4 years, and
we always come up with the same percentage. That anywhere
from 55....(loud comments from gallery).....

REP. GEJDENSON: We really should I realize that at times you're
being confronted with less than popular positions in your
view, and those of us who've spent some time in this Chamber
have attempted to develop an attitude that even when peo-
ple we disagree with, speak, we try to give them that
opportunity to speak. And when we have an opportunity,
we expect the same. And that even goes for good Republi-
cans like John Matthews and I. We may disagree on rare
occassions, but we all still always see that the other
person has full and free opportunity to express his views,
and I think you'd...it'd be greatly appreciated if we
could go on that way, this evening. Thank you.

MR. FARIA: This information has been taken from the Connecticut
Form CSES-209A. And, gentlemen, we're talking facts,
we're not talking fiction!

Another thing that I'd like to point out, is the comparison
of unemployment compensation benefits versus wages. A man
with a wife and 3 children, who have wages of \$172 will
have \$141 take home pay. That's \$10 for Social Security
taken out, \$15 for Withholding Tax taken out, and let's
figure about \$6 that it costs him transportation to work.
(inaudible comments coming from gallery)

You know, we ought to change that to \$16, but I wanted to
be fair. (inaudible comments from gallery)

REP. GEJDENSON: I would remind you sir, that we are basically con-
cerned with, in this hearing, the issue of 'quits and fires'.
You could try to keep...

MR. FARIA: Alright, I think the only thing that I wanted to point
out, is that, when you add up the Unemployment Compensation
for this person, the difference in take home pay, could
be as little as \$15. It's worthwhile to collect unemploy-
ment compensation.

Now, we've had experience with people who have quit our
company. We've had the experience of a lead girl, who
worked for us for a number of years, and said she was quit-
ting to go home, and she wasn't going to work anymore. But
after 5 weeks, she collected unemployment compe sation, and
she collected for a full year. Now, she definitely is one
of those people who should not have collected unemployment
compensation. We've had a recent case of a fellow who quit

MR. FARIA continues: and said he was going to work in Florida. Instead, we discovered he was collecting unemployment compensation and selling stolen goods on the side. (inaudible comments coming from the gallery)

REP. GEJDENSON: I would suggest that you report him to the State Police. (laughter and applause)

MR. FARIA: The man was referred to the State Police, he was convicted, and the stolen goods that he was selling was our tachometers. (laughter)

REP. GEJDENSON: Please, please.....Thank you. Alright.

MR. FARIA: There are a number of cases, in our own personal experience, and every case, the person merely waited 5 weeks and collected Unemployment Compensation. The Strike Force back in '72, had a recommendation for 'quits and fires'. And that was that, for a person to requalify, that he would work at least 3 days in each of 4 weeks, or earn about \$300. This is very similar to the requirement of New York State and, I'll leave you with that. I do hope you'll ...(inaudible comments and applause).

This is one of those days I should've stayed in bed. (laughter)

But, this is a serious matter, gentlemen. We've had companies that hired the disadvantaged and the unskilled, such as Fuller Brush, Veeder-Root, a typewriter company leave Connecticut, let's do our best to hang on to what we have. Thank you.

REP. GEJDENSON: I might add that as a youth I used to have an automobile with one of your tachometers and you make an excellent tachometer. (laughter)

MR. FARIA: Thank you. It's the brightest note of the day. (laughter)

REP. GEJDENSON: Before we go to our next speaker, we have established a rule in the Hall of the House, and indeed throughout the General Assembly, that when Committee meetings are being held, there is no smoking. And that is to the detriment of many of us who smoke, but it is a rule that we are forced to enforce. So, I would appreciate it if those of you who are smoking, put out their cigarettes. Thank you. (applause)

Our next speaker whose name I've already once mispronounced, Angelo Franculli, who will be followed by Gary Post.

ANGELO FRANCULLI: My name is Angelo Franculli, I'm Chairman of the Torrington area UAW CAP Council and President of Local 1645, UAW in Torrington Connecticut.

MR. FRANULLI continues: I'm reading where the purpose of the bill, statement of purpose, one of the items listed in the statement of purpose of the bill concerning, not allowing people to collect unemployment when they're discharged or they quit, is to improve the business climate in the State. I would like to ask the committee to consider how this bill would affect the present climate for the working people in the State. And I'd like to talk specifically about the Northwest area, where we're from, and particularly in Torrington, Connecticut.

In Torrington Connecticut, most of our unemployment comes about, not as a result of the economy, but as a result of the company moving our jobs down South and away from Torrington. This company started in Torrington over 100 years ago, they've paid consecutive dividends to their stockholders for over 100 years, and yet, they've been in the process of continually moving our jobs out. Now, our people are continually in the state of tension, fear, depression, and all those other anxieties. We have one department alone, that just a couple of years ago had 145 people working in it, but right now, it's down to 70 people and they keep looking over their shoulder at who's next in line to be laid-off and out of a job.

Now, I'd like to cite some examples, specific examples of people, under this law, the first speaker tonight says about the safeguards that would be included in this bill, to protect people as far as the quits without cause or fires without cause. I would like to cite some examples and I would like to know from the Committee, who would determine whether these people discharge or quit would be proper, and would they be able to collect? And I'll give specific names and there's Representatives here from the Torrington Company in the Assembly tonight, and I challenge them to refute the statements that I give and the names divulge here.

We have one employee, who's worked with the company 11 years, she was discharged for what the company called "poor work performance". When we investigated the case, we found out that she had been put on make-up, from time to time, over a period of 32 weeks. That amounted to \$86.86. Now, make-up is something that's included in what they call incentive systems and if you don't make the particular incentive standard, you're put on make-up which makes your day rate. Well, this employee was on the total amount of over 32 weeks of \$86.86 and the company discharged her. Now, despite the fact that make-up is in the contract, therefore it's expected at times, that people would not be able to make incentive on certain jobs, that this employee was discharged. Her name was Dorothy "Ivane".

We have, 1975, the company shut down the second largest plant, the Excelsior Plant in Torrington Connecticut. The talk here tonight about how liberal the unemployment pay-

MR. FRANCUCCI continues: ments are. Let me give you this example. Her name is Rose "Golganno". She worked for the company 47 years. When the plant was shut down, to show you the kind of wages that this company pays in Northwestern Connecticut, when the plant was shut down, she was eligible for unemployment compensation, her payment, hers and that of many other employees was \$73 a week, after 47 years of employment with that company. After a few weeks of that, she was still not 65 years old, but she was eligible to retire, she was about 62, after a few weeks of unemployment at \$73 a week, she couldn't make it go. So, she voluntarily retired. She did not want to, but out of economics alone, she was forced in that position and she retired 'cause between her retirement and Social Security, she received more than \$73 a week over a period of one month.

We have another employee by the name of Earl F. Williams, Jr., who got in trouble with the law and Motor Vehicles. A young fellow, and he had to go to jail for 30 days. Tried to get a leave of absence from the company, before going to jail, before being sentenced. They refused him the leave of absence, as soon as he started to serve his jail sentence, the company sent through his termination papers. And he's discharged.

An other young fellow, named Robert West. He worked.... he averaged working over 40 hours a week for the company; as young fellows do some time, he had a motorcycle, he took a couple of days off and went on a trip with his motorcycle. Now, when he came back, he was out of a job for missing those couple days. Despite the fact that he'd been averaging working over 40 hours a week.

We have another employee by the name of Shirley Murac. She was inspector, what they call a magnaflux job, the company came to her and said well, now she also has to inspect on what they call the "groove-board" job. A job which was a very heavy job, you pick these boards up, shake it and get these heavy bearings into these grooves. Most of the people who work on that job, have received all kinds of tendon operations, because that's what the job has a tendency to do. It was not the job she was hired for, it was not part of her job, she told her foreman that she didn't want to do that work. He says well this is the job we're offering you, accept this or quit. She conferred with her own Doctor, she also had a slight heart problem, the Doctor told her they're crazy, you shouldn't work on that kind of work, so she told her foreman about it; he couldn't care less; she had to quit.

These are only examples of the types of cases we are confronted with in the so-called Appeals System. To try to resolve whether these are 'quits and fires' with proper cause. And I might add as was previously spoken,

MR. FRANCUCCI continues:

I've been sitting on a grievance committee in our company for 19 years now, handled many, many grievances. And if it takes as long, to find out through this appeals, as to whether these people were properly...properly quit with the proper cause or were discharged without proper cause; if it takes as long in this appeals system as it does presently, how would these people live in the meantime?

Now the CBIA does a terrific job and the Chamber of Commerce and many others in our area; newspapers are flooded with all these things that industry has been crying about, in terms of the problem that's confronting them. Who in this State is concerned about the fact that the working people, never mind the poor, the working people today can't make ends meet. And to add to this problem, the fact that if they make a mistake, or if they're forced to quit, or if the economy turns around and they seek a better job, they do it at the risk of not collecting any unemployment to tide them over during that interim period. This is placing in the hands of the company, and all companies, unnecessary weapon and it's unfair to the working people of this State. That's all I have to say. Thank you.
(applause)

SEN. MURPHY: The next speaker is Gary Post, followed by Donald Cruller.

GARY POST: Mr. Chairman, Committee members, my name is Gary Post. I'm General Manager of Manpower Incorporated in Waterbury.

I would like to speak in favor of the amendment 'quits and fires'. There are very few ways to lower the extreme burden of high unemployment charges against employers. The amount of payment that is made, the weekly benefit rates are hinged to the wage formula and will be expected to continue upwards. Many provisions of the Unemployment Law in the State of Connecticut are forced upon the State, by Federal Regulations. This leaves very few areas where the Law can be amended in order to help lower the unemployment charges to employers, and make Connecticut a more favorable area in which to conduct business.

The area of voluntary 'quits' and discharge for a cause are two of the areas where changes can indeed, can, and indeed, should be made. The savings to the Fund would range from \$20 million a year, using Labor Department figures, and \$30 million a year, based on CBIA's figures. These are real savings. They're not the total solution, to the current financial crisis of facing the Fund, they are a start, and they should not be belittled. As an employer, I would like to say, no charges are placed against my company account, for people who either quit or are discharged for cause, but they're placed against the general account. And I guess I, as many other employers, could take an attitude of, well, it doesn't go directly against

MR. POST continues: my charges, why should I worry about them? But, who would I be kidding? The 1% surcharge, which we currently are faced with, is going to go up. And the reason for the 1% surcharge is because the general fund is charged for the payments made to people who either voluntarily quit or are fired for cause.

The State has had to borrow \$300 million to date, from the Federal Government in order to cover the costs of that General Fund's payments. And, the State has been lucky for the last two years, the Federal Government has allowed the employers not to be charged the surcharge, on the basis of the fact that we owe the Government so much money. We can not expect the Federal Government to continue to be that beneficent. And we are going to see those charges escalate. Where's that money going to come from in the future? It will have to come from the employers if we are to maintain the same base in the future that we have had in the past.

Any inroads, such as the 'quits and fires' amendment, will certainly have to help alleviate that situation. My company, a temporary help service, is in a particularly precarious position when it comes to the area of abuse by people who wish to quit and collect. Most of our jobs run for terms around a one month period. Meaning that a person can come to work for us, work on one assignment, and maybe last for 4 or 5 weeks. At the end of that period of time, qualify, have us be the employer of record. At that point in time, they can take their leave, refuse to take additional assignments, find an excuse one way or another for not taking them, and abuse this particular part of the law.

Tonight however, I would like to also mention something which I've heard no one mention around the Hall yet. And that is that non-profit organizations in the State of Connecticut are given the option of being on what they call the reimbursement basis. Now, this sounds like a pretty good deal for the non-profit organizations. They reimburse dollar for dollar, the charges that are paid out to their former employees. The only hitch in this plan is, that those people who either quit or fire for cause or have a delayed filing, would normally not be charged against a particular employer. Well here the non-profit organizations who are there to help service all with human services, during bad times as well as good times, are charged 100% for the full 26 weeks if a person who was charged for wilful misconduct, theft, or whatever, registers for Unemployment Compensation, certainly, their payment to the individual is deferred for 4 weeks. Once he starts, he collects for a full 26 weeks, and that full 26 weeks of charges goes against that non-profit corporation. These groups help us significantly in the State of Connecticut. If they were not providing the types of services which they are providing, our taxes wouldn't be and have to be considerably higher. We should certainly

MR. POST continues: if for no other reason, give serious consideration to passing the 'quits and fires' amendment, so that the employees of these organizations would not be able to abuse the non-profit corporations.

Please remember gentlemen, that we the employers in the State of Connecticut would much rather be putting our time, our energy and our capitol, into creating new jobs, rather than having to fight abuses of the employment practises in the State. Thank you very much for your attention.

SEN. MURPHY: The next speaker is Donald Cruller, Crullen, I can't read what it is, to be followed by Dominic Richards.

DONALD CRULLER: Is this the mike? Well, first of all I have a badge here. It's some worker, I just picked it up on the floor. He won't be able to get in or something tomorrow at work. The badge is W. Tilton, Hamilton Standard.

SEN. MURPHY: That's our public service for tonight.

DONALD CRULLER: My name is Donald Cruller, and I'm the area chairman of the Bridgeport-New Haven UAW CAP Council. I wish to speak against proposed legislation that will disqualify Connecticut workers, who voluntary quit or discharged.

Many workers are forced to quit their jobs because of personal reasons, health, safety and religious reasons. Not to mention, shift changes that may take them from their families every weekend of the year.

Just one week ago, I attended the State Labor Department briefing here in the State Hall, and it was carefully explained by Frank Santaguida and his entire staff, that 'quits and fires' wasn't the major issue confronting Connecticut today. But, they talked about the major deficit and the interest rates that are going to increase by the Federal Government, if the large deficit isn't corrected or carefully explained and a fiscal program set up. They talked in terms of a budge or deficit right now, as of December of \$363 million, at the end of February - \$398 million. And they weren't too concerned, or they were, but they said the major program here wasn't 'quits and fires'. The other good thing is, when I attended this session, the good years are never talked about. We didn't hear about them tonight again, either. I never hear the manufacturers talk about the good years. Let's talk about the years between 1965 and 1968 when they were only paying 1.8% - that's all they've paid in those good years, because of no recession and no unemployment. Connecticut has a great bank of skilled workers who really want jobs, and they don't want unemployment checks to support their families.

In closing, I just want to make one note. On the way in, I met a nurse and she told me her story. It's quite inter-

MR. CRULLER continues: esting. She worked for 3 solid years on a job that forced her as a switchboard operator to work Saturday and Sunday. When she asked the hospital for a change, just to stagger it, so she could have 2 Sundays home with her family, they said, no. She was forced to quit, to be with her family just on the weekends. She served her five week penalty, she had another hearing, and she was still rejected. After they did this, the hospital after, she was disqualified by the State Unemployment Commission then the hospital changed the shifts and rotated all the other remaining switchboards...operators. But she never drew any unemployment for this. This was at the Bristol Hospital in Bristol Connecticut. And that's the kind of things facing Connecticut workers today. Thank you very much. (applause)

SEN. MURPHY: Thank you. The next speaker listed is Domenic Richards, to be followed by John Morgan.

DOMENIC RICHARDS: Senator Murphy, Representative Gejdenson, members of the Labor and Industrial Relations Committee: My name is Vance Taylor, I'm with the Greater Waterbury Chamber of Commerce and Mr. Richards has asked me to speak in his place this evening, as he was called out of town on business, at the last moment. He asked me to deliver his remarks for him.

I am speaking in support of Senate Bills No. 59 and 60, calling for elimination of the so-called 'quits and fires' benefits. The issue has become a growing concern of businesses both in the Greater Waterbury area and throughout the State.

In 1976, a survey of its members conducted by the Greater Waterbury Chamber of Commerce, Unemployment Compensation reform was identified as businesses' top priority. The present program, we believe, has violated the original intent of the Unemployment Compensation Law which was to provide a replacement source of income to those individuals out of work, through no fault of their own. I feel that business has been willing to carry its fair share of the bargain, but they do indeed question certain eligibility requirements. Repeal of the 'quits and fires' provision is, therefore, needed to disqualify persons who quit their jobs voluntarily or are fired for willful misconduct. To date, 38 states disqualify 'quits' and 21 states disqualify 'fires'.

Not only would repeal of these generous provisions restore the law's intent, but would also save the state an estimated \$30 million annually, according to Labor Department statistics in the 1975 Report of the Assembly's Joint Legislative Program Review Committee. This savings is particularly important considering Connecticut has had to borrow approximately \$387 million from the federal government to pay all its unemployment compensation claims.

MR. TAYLOR continues: Without a solvent fund and knowing the debt will ultimately have to be repaid, many businesses are justifiably reluctant to locate in Connecticut where they possibly face absorbing this financial burden they had no part in creating.

Passage of these two bills could help restore the Unemployment Compensation law to its original intent and enable Connecticut to again become competitive in the nations' marketplace. Through these two bills, we can reaffirm that the work ethic is alive and well. And the point that was made earlier by Ms. Tianti, I have to digress for a moment, say I think for once labor and business can agree; when it said that all added costs eventually end up being paid by the consumer. I think this is a fine example of what could possibly happen, to the added cost the consumers would have to incur.

The Greater Waterbury Chamber of Commerce together with its 800 members, is anxious to work with you in helping to improve Connecticut's economic climate and the quality of life, of its residents. We look forward to your favorable reaction to our recommendations.

Thank you for your consideration of our requests.

SEN. MURPHY: Thank you. Following Mr. Morgan, the next speaker, it's hard to read, looks like "Dana Gowen". Mr. Morgan.

JOHN MORGAN: Senator Murphy, members of the Committee, my name is John Morgan, I'm the executive vice-president of the Connecticut Union of Telephone Workers, and Chairman of the Legislative Committee.

Mr. Chairman, I appear before this committee, as a representative of a work force that has been traditionally a stable and industrious one. My Union, the Connecticut Union of Telephone Workers, representing over 9,500 employees of the Southern New England Telephone Company, a company that points with pride, to the fact that it has avoided lay-offs, in spite of the State's economic difficulties, and a shift to job-killing automation. I'm appearing before you this evening because of legislation which is being considered today, will have a drastic and unfair effect on the highly productive body of employees in the State of Connecticut. The Telephone Company and the Connecticut Union of Telephone Workers provide an example...and surely just one of many of why this legislation should not be sent to the floor of the House for a vote.

This legislation is intended to aid employers by relieving them of their responsibility of financing our Unemployment Compensation Fund. By removing the so-called 'quits and fires' from eligibility, the number of workers receiving benefits would decrease and so would the amount of money paid by the employers to the fund.

MR. MORGAN continues: The premise behind this line of reasoning, is that all those workers who quit, or are fired, are somehow irresponsible citizens. They do not deserve the substance level of compensation that they would now receive. Without much doubt, some workers leave their jobs with no firm plans in mind. And perhaps there are instances in which workers are rightfully discharged. In these cases, the loss of work with its higher pay and benefits, is trial enough. Particularly when the task of job hunting is so often fruitless.

Our Union is concerned about these people who have quite their jobs in the face of a terrible choice. One that hundreds of our members have made, or will eventually face. In these instances, a worker learns that his or her place of work is to be closed. The employer can honestly say that a lay-off will not be necessary, for there's work available on another location. This job that is offered, is often a lesser one, with a corresponding pay decrease. The employee has little alternative. They can accept the new position, or resign. A former member of our Union, if I may Mr. Chairman, I'll use initials, I.H., was faced with this choice. She worked as a telephone operator in Manchester, and had 19½ years of service. I she'd accepted the transfer to a new work location, a round trip would take, would've taken her 60 miles a day. Now, some might not consider this an insurmountable hardship. However, please remember that telephone operators work at split shifts. In other words, they will often report to work for two periods of several hours every working day, the period of time between the shifts is generally 2, 3, 4 or even 5 hours. As you can see, it is a necessity to be close to home for this work. This amount of time simply cannot be idled away.

Furthermore, the employee, again, the initials I.H., had family responsibilities. Operators are usually women and most have children. Their service as an operator is 24 hours a day, and they travel to and from work at all times of the day, is not unusual. Now, ...was the decision by the employee, I.H., to resign her job a surprise to you? I sincerely hope not. Because we estimate that many others who made the same choice, based on the same type of reasoning. Whatever the intent of the drafters of this legislation, it's result will be to penalize those who face this type of choice. And one that is not truly of their own making. I might add that there are not only telephone operators in our Union who have been forced to make this choice, other job titles have been similarly affected. So have the engineers and plant craftsmen. We're equally opposed to an end of the benefits of those who are fired. The 41 year history of the Connecticut Union of Telephone Workers, we have often used the provisions of our contract

MR. MORGAN continues: to defend workers, who have been fired or suspended. Due process is often a lengthy affair. Particularly when the contract between the parties uses mechanism of multiple grievance steps and arbitration.

Should a worker who's case is being heard, through the grievance and arbitration be denied benefits in the interim? The answer must be "no", Mr. Chairman. My Union is a judicious user of these forms of due process. We always carry out our obligation under the law. However, we do not attempt to defend workers with an indefensible case. When it is necessary, we'll go to arbitration, the interim time often extends to a year or more. Still, in my years as a member of the grievance committee of the Union, I have been involved in a number of closely contested cases, in which a worker has a firing upheld by an arbitrator. And to this day, my belief is that the firing was unjust. Such an employee does not deserve to lose his claim to Unemployment Compensation. Of course, this kind of recourse is not available to un-organized workers. And who will protect the non-union employee from unjust dismissals?

Obviously, it is a job for this Committee to weigh the potential abuses. That our Union believes that the greatest abuse is the injustice of not receiving benefits in the incidents of wrongful firing or forced resignation. If eligibility for Unemployment Compensation is ended for those who quit or are fired, it will be the innocent who suffer. Those who have no control over the dismissals because of prejudice in any form, will be further unfairly penalized. And those who must resign their jobs as a lesser of two hardships, will also suffer. However good the intentions of this Committee, please be aware of the consequences. If you do, I sincerely believe that you will end your consideration for this legislation. Thank you very much Mr. Chairman. (applause)

SEN. MURPHY: The next speaker listed is Dana Gowen, followed by Hugh Ward. Dana Gowen here? Go to you Ward, to be followed by Alan Finkenaure.

HUGH F. WARD: Senator Murphy, Representative Gejdeson, and members of the Labor and Industrial Committee, I am Hugh F. Ward, of Manchester, speaking on behalf of the Connecticut Council Senior Citizens, and the 7,500 members of the Machinist's Local 1746. We represent workers of Pratt and Whitney Aircraft. Our members in both organizations are concerned, on these proposed bills on 'quits and fires', which we disapprove. I won't list the numbers, but the ones we're talking tonight. They're aimed at denying benefits to many people, who should still be able to collect. These bills are really inhuman. A person who leaves his job, does so for many reasons; self-betterment, working conditions, family needs, transportation, supervision attitudes and so forth.

MR. WARD continues:

If these bills are enacted, it would gain a financial profit for the employer. Since any excuse for firing could be used to avoid paying into the Unemployment Compensation Fund. As a labor representative, I know the refuting an employee's action to fire for just cause, requires tough negotiations, before an impartial arbitrator. First, on labor disputes, and takes months of maneuvering on the part of both parties, plus months before the final decision is rendered. The average, better than a year.

Now, why should an employer take it upon himself to become judge and jury? So he could sentence a former employee and his family to get down on their knees? What is the employer's intentions? To have his family go on welfare? Any employee who has worked any length of time, has acquired some of the good assets, and is not qualified to go on welfare. If any one of these bills are passed, the law of the jungle comes into play. People are thrown out on the streets without hope, without any incentive left to find work. Short of starvation, and their next and only shot may be well to break the law. So, in a sense, these laws are aimed at this judge and jury employer to enact and regulate morality.

Well, while these statements from the proponents of these bills tell about jobs moving out of State, they never mention about the jobs going overseas. These do-gooders, had better read and check up on labor situations in Connecticut. By our tax laws, these Connecticut companies are encouraged to go overseas, and instead of plugging loop holes over there, some of our legislators want to give them better loop holes.

Now, to refute Mr. Dale Van Winkle, Vice-President of United Technology, I believe that this Committee should not be misled by his solution of the 1.2 billion dollars paid out in wages, and then his cost in this State. And that Pratt & Whitney, at Palm Beach in Florida, has a tax burden of one-tenth of that, that's faced by the company in Connecticut. We, in the United Technology Corporation bargaining unit, lost 1,780 jobs, these jobs did not end up in Florida. United Technology Corporation knows better ways to skin a cat! Or to chisel! If you will, on tax breaks. We submit to you that those 1,780 jobs were lost to overseas vendors and the start of an overseas production of the same Pratt & Whitney engine developed and built here in our State.

These big breaks in taxes are for overseas loop holes and tax deferrals on overseas profits. And a dollar for dollar tax credit, for the, off the top, if their profits ever return to Connecticut. In reality, it's a shame to hear the stories that we are driving business away by stiff unemployment contributions, on the companies that would locate here. But that those who have established a place in this State, must be awfully ignorant, blind and dumb. Well, I don't buy this. Before me I have some clippings taken out of an out-of-town paper, telling how good the climate is to move into Connecticut, in fact, one of the

MR. WARD continues: headlines says "Things looking up in "tired" Danbury as corporation moves in." There's another in here about Norwalk, where they are trying to keep the.....they voted to keep Continental Can down.

Alright. We don't have to look very far from this room, we can view the things that happen in Greater Hartford right now. The towns around here like Manchester, Windsor Locks and Hartford are gaining new businesses.

Why should I and the people I represent concern these bad bills, well I did work in Pratt & Whitney Aircraft, for over 32 years. And I did gain a very small pension, without a cost of living allowance. A lot of other retired folks, I do have a hard time making ends meet. Do these employers think for one minute that we retirees, over 400,000 in this State, are going to let our children and our grandchildren starve and go hungry by this action? We feel the means of financing our Unemployment Compensation law should be considered to be an even assessment, for all employers. Business with steady and solid employee.. employment, will not move out of this State, duetto favorable contribution to this fund. What I'm referring to, is like the Banks and the Insurance Companies that are going to stay here regardless. So, I say, you know the old Army game and that old Army system, a little bit from everybody, it works.

We do welcome new business to come to this great State and make money, and to pay their fair share. I want to thank this Committee and hope that these proposed bills, do not ever see the light of day! If they should be raised, I urge your action to defeat these, when they do hit the floor. Thank you. Bless you and your good judgment for Connecticut citizens. (applause)

SEN. MURPHY: Alan Finknaur. Charles Novack. Danny Brant, to be followed by Donald A. Gray, Jr.

UNIDENTIFIED SPEAKER: Did you call Novack first?

SEN. MURPHY: Yes, I did. You'll be next Mr. Brandt.

CHARLES NOVACK: Thank you. Mr. Chairman, members of the Committee. I am Charles Novack, president of the American Tube Bending Company. I'm speaking on behalf of the Manufacturer's Association of New Haven County, of which I am president. I'm also speaking for the Greater New Haven Chamber of Commerce. These organizations represent approximately 1,000 businesses and industries in the South Central Connecticut region. Other speakers have, and probably will continue to cover tonight's proposal in much more detail. I'd like to present a brief overview as we see it in New Haven.

MR. NOVACK continues: Continuing business in Connecticut is getting more and more difficult. Largely due to the actions of the Connecticut General Assembly. It is the General Assembly which has direct control over many expenses of Industry which is considering locating or staying within this State. Satisfactory locating service, which is one of the best known organizations to which manufacturers, considering a relocation, go for advice, ranks Connecticut on an overall basis, as 43rd in desirability among the 48 Continental States. While there are many factors considered in this poor rating of our State, Unemployment Comp and other laws directly under the jurisdiction of the State Legislature are very important factors.

When a General Fund deficit was predicted last year, the Legislature justly took action to prevent it. The \$400 million deficit in the Unemployment Compensation Fund must be controlled as well. We've heard figures this evening that go anywhere from a \$30 million saving on the 'quits and fires', down to 16. We have figures that go anywhere from \$350 million to \$400 million on the amount of debt, and the 16 to the 30 million seems to be, oh just a drop in the bucket. However, the percentage variable would go anywhere from 4 to 8½% based on the figures that we heard this evening, and that's...not...well, it's a good percentage to play with. There are many businesses operating with less of a percentage at the end of the year than that represents.

This fund is financed wholly by employer contributions. But employers have no control over its disbursements, the Legislature does.

We urge your approval of the bills to disqualify those who voluntarily quit or are fired for just cause. We do support the original intent of the Unemployment Compensation. That is, the provision of funds only for those who are out of work through no fault of their own and are unable to find employment. Estimates indicate that if you took these actions to prevent continued abuse of the Unemployment Comp Fund, the approximately 350 to 400 million dollar deficit in the fund would be stabilized, rather than continue to grow.

Our group met with 18 Legislators from the New Haven area recently, and discussed the subject. One question we asked, was "What reasons can there be for an employer to be required to subsidize x employees who have quit their jobs, or have been discharged for just cause?" The answer received was, basically none. If these changes provide disqualification only for those who voluntarily quit, or are fired for just cause. Existing laws include provisions to determine whether a quit was voluntary, or discharge was for just cause. We urge your favorable action on these proposals to correct these harmful provisions in the State's Unemployment Comp Law.

On a personal basis however, these acts, you have to remember they affect all businesses, large and small. Small business

MR. NOVACK continues: into which my company falls, with a total employment of only 40, is an important part of the State's economy. I don't know whether you realize, that small business represents approximately 95% of the total businesses in the State of Connecticut, and we therefore should be heard and acknowledged. Thank you.

REP. GEJDENSON: Thank you. Next we have Danny Brant, and who will be followed by Donald A. Gray, Jr.

DANNY BRANDT: My name is Danny Brandt, of Cromwell. You've heard many experts from Labor, you've heard many experts from Business. Now you'll hear one expert from being fired.

In 1968, in May, I was fired from United Aircraft, now United Technologies. On the blue slip it said "willful misconduct". What I was fired for, was my union activity. We took it to the Labor Board, after 3½, no it was 3 years and 1 month, I was reinstated. In May when I got fired, I had \$700 in the Bank. I had to wait the 5 week waiting period, plus an appeal week where the company fought my Unemployment Benefits. I was hired, in a job, and I finally got a job in December. I had nothing left in the bank account. The unemployment had run out and I was looking for work. It was an impossibility. You go to a company; like I went to Colt's. They had ads in the paper, for jobs I was qualified for. I went in, I got interviewed, the interviewer was very happy with my qualifications, he asked me to come in for a physical. I come in for the physical, they told me the job had been taken, they made a mistake.

I went right back into the Unemployment Office, made another application, with another interviewer, and this guy was happy with my qualifications. While I was being interviewed, the first guy came by and he saw me in there, he called the guy out, and they had a discussion they went into another office, ten minutes later, the guy came back out and said I'm sorry there's no work here for you. He said, "Don't call us, we'll call you." I was sent to Kaman Aircraft by the Unemployment Service, and the guy there was happy with my qualifications. Until, he found out I was fired for union activities. Ummm, United Aircraft was found guilty of Section 881 of the Act and 883 of the Act. They...in fact, there were 7 stewards involved in the case. They fired 7 of us and all 7 were reinstated with back pay. They say, willful misconduct. What is willful misconduct? It took 3 years and 1 month to prove that I did not commit no willful misconduct.

If this bill's passed, what would I have done? I could not get a job no matter where I went. And I applied for any type of job. I finally.....I was making...I think it was \$3 an hour. I had to take a job for \$1.80 an hour. I even applied for a job as a box stacker. They wouldn't hire me. Because they didn't want to get in trouble with Pratt & Whitney, because they dealt with them, they sold

MR. BRANDT continues: soda to them; it's coca-cola.
Another thing that was brought to my attention, before I came to speak, right now, we've got a lot of jobs in Belgium. What if Pratt & Whitney said to a person, you going to go to Belgium. And that person says, I can't go to Belgium; and they say, quit then. Is that person going to be disqualified for Unemployment benefits? It's not fair. Right now, Pratt & Whitney is on...looks like they're starting another campaign of discriminating against union activities. Last Friday, in fact, I was suspended indefinitely again. Supposedly for saying something to my foreman that he didn't like. We've got a contract coming up in November, and the same thing is starting all over again. If this bill, if these bills were enacted, take a vicious company like that company, they've got the money, to afford a back pay award, they wouldn't care. They would just start knocking off stewards, active union people, until it got to the point where nobody would replace them. They'd be afraid of their jobs. And that would have....the workers at Pratt & Whitney, the ones that suffer then.

I'll end on this note here. If the members of this Committee and your colleagues are truly interested in the Unemployment Compensation Fund, are 'reasonable' eye, on the Income Tax Bill when that comes up. Thank you. (applause)

REP. GEJDENSON: It has been brought to my attention that someone has left 2 keys on the table, to the rear of the room. If anybody's missing a couple of keys, come up and see me. Next speaker is Mr. Gray, Jr. to be followed by Thomas J. Bothur.

DONALD A. GRAY, JR.: May it please the chair, members of the Committee, my name is Donald A. Gray, Jr. I am president of the Western Connecticut Industrial Council, Incorporated. A 30-year old, 162 member association whose membership is exclusively engaged in manufacturing in the Naugatuck Valley, Litchfield County, Shelton, Cheshire and Northern Fairfield County areas of the State of Connecticut, and whose present membership employs some 75,000 persons in this area. The Council expresses profound concern over the Unemployment Compensation situation in the State.

As many of you will recall, during the last Session of the General Assembly, the State and national economies were in acute recession. Our members were constrained to reduce production costs to a bare minimum for survival in Connecticut, and an unfortunate side effect was the necessity for unusually heavy layoffs of valuable personnel. The stability of manufacturing profits and employment in this State, widely fluctuates with swings in the economy, so that under the Unemployment Compensation system, adopted by the Legislature, manufacturers become the most heavily penalized when they are least able to afford it.

MR. BATES continues: Now, there's been 22 States in the last 18 months in this country, that have passed similar cuts in unemployment laws. The 'quits and fires', similar things to what we're talking about tonight. 'Quits and fires' bill, bills requiring workers to take any job that becomes available or is created for them; you know, or risk losing their benefits and this sort of thing.

Now, the point, we ought to clear the air a little bit I think, because there's a lot of stuff floating around here. The CBIA people are putting out about the point of this. And the point of this is not to somehow make the Unemployment laws live up to their original purpose, or to bolster the work, work ethic, or to sort of purify the laws or any nonsense like that. The point is to be chipping away, and chipping away at Unemployment Compensation.

Back in the 1930's there were hundred and thousands of unemployed workers in the streets of these cities around the country, who literally laid down their lives and marched and demonstrated for years and years, until they won Unemployment Compensation. Because back in the 30's there was no such thing. And business and industry were out there building campaigns against them, egging the police on, to attack demonstrations and that kind of thing. And I don't think anybody's in the position where they can rewrite history and deny that, because that's a fact.

Now, pulling what they're trying to get over with this stuff is pretty damn clear, I think. There's this \$300 million debt in this State, and they're saying they can't afford this no longer. They want to be disqualifying enough people, that on paper, the official rate of unemployment drops below 6%, and therefore, the Federal Government can cut off 13 weeks of our extension, and then they want to push it some more, and keep chipping away, one way and another so they can get it down below 5%, and the Federal Government drops the whole 26 weeks of federal benefits and by cutting people off, in one way and another, like this, over a period of years, the only flak from the State is figuring they won't have to risk incurring a debt like this in the future. \$300 million dollars. They won't have to borrow money and pay out so much money for unemployed workers, that they threw out of work in the first place. And they'll have more money around for profitable ventures. They won't have such a high interest rate, more capital so there'll be...you know, there's a capital shortage, they'll be more capital around for them to play with and make more money off.

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Now, this 'quits and fires' thing, particularly, being in a position where you can fire a worker and cut off his source of income and drive him onto welfare; or being able to have a worker quit and do the same thing to him. There's very profitable advantages for industry. And these brothers back here testified, union shop or non-union shop, they're facing constant harassment on the job, every day. And there's

MR. BATES continues: a million and one ways to force a worker to quit, and there's a million and one ways to fire a worker. Anybody that's spent even an hour working in any factory in this country, can testify to that fact.

So like the motive being here, money, you know, business looking to get all of this capital shortage, then they cook up this thing, this CBIA thing, that more profits, that means more jobs for us, right? And that's just plain not true and the city of Waterbury is a good example of that. Now here's a city that used to be one of the greatest industrial cities of the Northeast; and generation after generation of workers poured their sweat and blood into mills and factories there. Now what happened to Waterbury? What happened to those hundreds and millions of dollars as a profit, that came off the working class, in this State? Did we end up with all kinds of new schools? Does everybody down there have a job now? Are there all kinds of parks, like a paradise down there, or something like that? You're not even close to it. Not even close to it. Business and industry took that money and ran. They went down South, to States where there ain't no unions and where wages are very low and literacy is very low. And they packed up and moved to Taiwan, where you can pay a worker 40 cents an hour.

Now, here we see this, they're saying well, workers in this State got it so good, that we ought to sacrifice and make it easier for them to stay here; and that's bosses logic, pure and simple. Cause the workers in South Carolina are taking it in the neck, we're supposed to do the same thing? And somehow life will be better for us? We get down and let our unions disappear and we let our wages go down into the dirt, and things are going to get better? No, that's bosses logic! As far as the workers in this State and any State, the only choice that we have is to fight for better laws for our families and to fight every day for better wages and working conditions, and that's how we move forward. Not by going backward!

Now, the Federal Government too. This stuff ain't just happening in the State by State level. The Federal Government too, has plans on cutting off benefits. The Federal extended benefits, 26 weeks of our money, is due to expire March 2 th. But as an organization of the unemployed, we stand absolutely opposed to this. And we hope that,...no, I'm almost...

REP. GEJDENSON: Excuse me, I just wanted to remind you that we are speaking specifically this evening, to 'quits and fires' and that the greater issues of unemployment compensation and funding...

MR. BATES: Alright, I'll speak to that. This 'quits and fires' bill don't come anywhere near answering the needs of the working people in this State, particularly the unemployed. We need two things to live good lives, right? Number one, we need

MR. BATES continues: jobs. This bill does nothing to create jobs. We need decent paying jobs, union-scale jobs, and none of this \$2.50 an hour stuff. We need jobs that are permanent jobs, where we could live decent, and prepare a decent future for our kids and their kids after them.

But, so long as there are no jobs, and there are no jobs, we demand Unemployment Insurance for all periods that we're out of work. Not 52 weeks or 65 weeks; none of this neither. For all periods that we're out of work. There's plenty of work to be done in this city, half the city of Hartford is falling down. Yet, 30,000 of us are out of work in this city and until we have decent jobs...we want to work. Put us to work. Somebody over there said the work ethics dead, well give me a decent paying job and I'll be working tomorrow. But, until we have decent jobs, you'd better not cut our benefits. Cause we aren't going to go without. (applause)

REP. GEJDENSON: Thank you sir. The next speaker will be Fred Perugini followed by George Smith. Mr. Smith, you can remain there I believe. You'll be next.

FRED PERUGINI: My name is Fred Perugini..

REP. GEJDENSON: I'm sorry sir.

MR. PERUGINI: That's quite alright, and I'm here representing the smaller manufacturers association of the Greater Waterbury area. We are comprised of 165 member companies. Our message to this Committee is a brief one.

REP. GEJDENSON: Thank you.

MR. PERUGINI: We feel that the future success of smaller manufacturers and business in general, is directly associated with the manner in which the Unemployment Compensation fund is administered. The Governor's budget message has proposed a tax credit on corporation tax, for additional jobs created. She is providing leadership in this area, though we feel, is only solving half the problem. The other half can be solved by discouraging people presently employed, and we emphasize the word "discouraging", from leaving their jobs voluntarily. We of the smaller manufacturers association, feel, that this can be accomplished by supporting the quits bill, number 59, before the Senate. Thank you.

REP. GEJDENSON: Thank you sir. Next gentleman is Mr. George Smith, followed by E. A. Agostini.

GEORGE SMITH: Mr. Chairman, members of the Committee, I'm a disabled veteran of the second World War. I come back to this State, because I was born here. I started digging graves 20 years ago, which I held that job, as a grave-digger for 20 years. A little over a year ago, I got hurt, pulled a few tendons in my legs, see, it was my bad leg so I lost

REP. GEJDENSON: Thank you, sir.

MR. PODOLSKY: Thank you.

REP. GEJDENSON: Our next speaker...

MR. PODOLSKY: Should I leave the written statement with the secretary?

REP. GEJDENSON: Yes. We appreciate that. Our next speaker is Richard J. Cannon...Donald J. Jewett...Joseph Donahue...Phil Wheeler...Robert Madeaux...Howard Rifken...Rosemary Giunta, United Electrical Workers...Who's left to speak? Go ahead. You're close.

RAMON LUGO: Distinguished members of the Committee, my name is Ramon Lugo, I'm the New England Zone Secretary, Puerto Rican Socialist Party. As such, our party addresses itself to the disastrous and repressive consequences of this bill. If passed, it would have on Puerto Rican and other third-world workers, who are a substantial, percentage of the work force in Connecticut, as well as white workers, who as workers have everything in common with us.

We take exception to the exclusive power of definition that the employers have, as regards firings. The bill is so obviously coercive, as to not even merit the dignity of being discussed, and this body which represents the masses of the Connecticut working people.

As the "last hired" and the occupants of the most marginal jobs, it is our people, who would feel the crush the greatest. The sponsors of this bill are showing quite clearly tonight their own type of thinly veiled democracy. We urge the gentlemen, as we do not see women on the Committee, legislators here tonight, to defend real democracy, and give this bill a resounding defeat. Thank you very much.

REP. GEJDENSON: Thank you sir. There are...there's a Senate member and a House member present...

MR. LUGO: Thank you very much for the correction.

REP. GEJDENSON: Why don't you go down to that one? Are you ready to speak? Your name sir? And the gentlemen in the light tan, if he could go over there?

CARLOS RIOS: Yes, my name is Carlos Rios. I'm an attorney also. I'm the director of the Puerto Rican Center for Justice which is the legal aid type of organization in Hartford.

We oppose the quits and fires bills, because most of our Puerto Rican clientele hold the jobs that would be mostly affected by this bill. These workers don't even have a union to represent them. If these bills are even...if they were enacted into law, the blow to the hispanic community will be one from which it might never recuperate. The impasse Puerto Ricans, an ethnic minority, which is worse off economically in the continental United States, we feel that

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MR. RIOS continues: the passage of these bills, will be an undue burden to our already over-stricken community. We pray and urge you to defeat this bill and on the contrary, ask you to enact laws that will help the poverty-stricken people of this nation, to prosper and to find decent jobs with adequate or "in peace" with them, if the need arises for them to quit, or if they be fired. Thank you very much.

REP. GEJDENSON: Thank you sir. Your name sir?

HAIGE GARABEDIAN: My name is Haige Garabedian and I am general manager of Printing Industry Association...

REP. GEJDENSON: Could you repeat that please?

MR. GARABEDIAN: Yes. I'll leave this statement with the clerk. Haige, like Haige and Haige Garabedian.

REP. GEJDENSON: Thank you.

MR. GARABEDIAN: The printing industry in Connecticut is comprised of more than 650 establishments. And as you can see, we're primarily made up of small unit operations. As small business operators, we are called on to shoulder many burdens heaped on us by Government as well as by Society. We don't mind shouldering our burden. Our share of it, at least. Even though our shoulders are rapidly losing their form. However, we who have to pay the bill for the benefits that are doled out under the Unemployment Compensation system, are rightfully incensed when additional tax burdens are heaped on our shoulders in order to make possible the extension of benefits to undeserving individuals who, in our judgment, are in many instances, they're milking the system for what they can get out of it and who could care less about the weight of our burden.

That our Unemployment Compensation fund is in dire straits can be attributed in great measure to the overly liberal attitudes that went into the moulding of the existing system. It's a paradox! On the one hand, we provide and spend untold millions of dollars educating and training people in order that they may become useful members of society, and then we turn around and reward them for quitting gainful employment. Pray tell us why? And why should our hard-earned dollars be diverted to individuals who bring about their own unemployment through willful misconduct? Let's be frank about it. There are very few sound reasons for doing so. And it's time that we placed a halter on some of these excesses and did something to help restore a sense of responsibility and the "work ethic" that are lacking in far too many individuals today. Since the Labor Committee, possibly not these members, shared in much of the responsibility for getting these laws and regulations on the books, it is only right that we in turn, appeal to you to help bring about some needed reforms that are reflected in some of the proposed measures before you. Thank you.

REP. GEJDENSON: Thank you sir. The gentleman in the light tan?
Name, sir?

JOSE LA LUZ: My name is Jose La Luz, and I am here to speak on behalf of the hispanic Labor Education Project, against the proposed bills on 'quits and fires'.

Sometimes I wonder, we Puerto Ricans are always the last to be hired, and the first to be fired. I wonder how in the world I will be heard in places like this. The fundamental reason for our opposition to these proposed bills is, that they are detrimental to the economic and social stability of all minorities. Particularly, Puerto Rican workers stability, which is already precarious. This as a result of difficulties such as the language barrier, lack of work experience and few marketable skills, low educational level and prejudice and discrimination.

It is precisely because of these difficulties, that a large section of those Puerto Ricans who are in the job market are employed in low skilled blue collar jobs, or presently unemployed.

According to official Labor Department statistics, there are presently 29,700 unemployed persons in the Hartford Labor Market Area, of those, some 11.5 are Hispanic, according to the same source. Yet, community estimates indicate that over 30% of the city unemployed are Hispanic. The same is true of Hispanics in other Cities throughout the State. According to the report of the U.S. Commission on Civil Right, titled: Puerto Ricans in the Continental United States: "An Uncertain Future", in the city of New Haven, Connecticut, Puerto Ricans are grossly underemployed and usually limited to low level, unskilled jobs with little hope for advancement. More than 78% of Puerto Ricans and other Hispanics in the city were in unskilled or semi-skilled jobs, and in nearby Bridgeport, unemployment among Hispanics reached 30 to 40% in 1974, compared with 8.8% for all residents in the area.

These statistics confirm the conclusion reached in another report of the Commission on Civil Rights, titled: Last Hired, First to be Fired: Layoffs and Civil Rights; job loss is an integral part of the employment pattern for many non-white and female workers, regardless of the overall conditions of the economy. This hold true particularly for those of Spanish origin.

With this being the crude and oppressive reality that Puerto Rican workers must face, we are certain that a high percentage of those workers who quit voluntarily, or are fired, are probably Hispanics, namely Puerto Ricans.

MR. LA LUZ continues:

Let's take, for example, one of the causes that is not accepted as legitimate, in order to be qualified for Unemployment benefits. In the U.S. on Civil Rights report on Puerto Ricans, "An Uncertain Future", it says that as a second minority "Puerto Ricans often take employment in factories and frequently work evening or night shifts. Public transportation systems may not run to the job center and even when they do, must stop operating shortly after midnight. For the Latin who speaks little English... the process of reading time schedules and route signs and asking questions to English-speaking bystanders, poses an almost insurmountable problem."

Let's take another factor, the significant chances of making unfair determinations such as cases of "constructive departure". These are cases in which the employer, makes working conditions so terrible, that an employee has no choice but to resign. Again, with the handicaps that the great majority of Puerto Rican workers have, it is our conviction that in many instances, the employers fire them without having legitimate reasons, or the workers simply quit to prevent further "hassles" with the foreman and management. This happens with more frequency in places where there is no union.

But even in places which are unionized, the situation does not change substantially, because most Puerto Rican workers do not make use of the Grievance Procedure provided in the contract, and in fact, their participation in union affairs is very low.

Once they quit or are fired, they do not make use of the Appeals Procedure available by the Unemployment Compensation Board. There are many other arguments that can be elaborated to oppose these proposed bills, in the case of Puerto Rican workers.

Therefore, we would like to caution those members in the Labor Committee, that your approval of these proposed bills would be the cause of much desperation and anger that will definitely increase social tensions between the Puerto Rican community and the mainstream of North American Society. Thank you very much.

REP. GEJDENSON: Thank you, sir.

EDWIN VARGAS: My name is Edwin Vargas, I am the treasure of the Hartford Federation of Teachers, and I am here today, to speak against the 'quits and fires' bills. On behalf of the concerned Puerto Rican Trade Unionists. These bills, if they were to become law, would in fact, coerce minorities into staying locked, into dead-end jobs, regardless of the pay or working conditions of these jobs.

MR. VARGAS continues: Puerto Ricans have traditionally been locked out of the mainstream work force, and have out of necessity been channeled into marginal jobs with minimum pay, and next to nothing in benefits. The turnover, in this kind of employment, is very high. As can be expected, from the conditions of employment prevalent. While most of the workers in this category, maybe white, it can be said, that those white workers leaving, are doing so to better themselves, they find better jobs. Proportionately however, most of those workers affected, are Puerto Ricans, among other minorities. And among these, the finding of a decent job, will be the hardest.

I've also been requested by Mr. John Bannon, vice-president of the State AFL, CIO to state the following:

The Connecticut State Federation of Teachers, AFL, CIO, opposes any attempts to hurt the well-being of the family of those involved in quits and fires. We ask the Committee to stand by Connecticut workers in such raids on the Unemployment Compensation funds of the Nutmeg State.

Thank you.

REP. GEJDENSON: Thank you very much sir.

JOHN D. WILLIAMSON: Ladies and gentlemen, I am John D. Williamson, Director of Industrial Relations for the Carpenter Technology Corporation in Bridgeport.

Before I go on with my prepared statement, a couple of other comments that I'd like to make based on some of the things I've heard this evening.

First of all, there is considerable comment made that, wages, or pardon me, that bargaining negotiations take under account, the Unemployment Compensation taxes, paid by the employer to the State, as part of the fringe benefits. I can only speak for our own company, but I do know that in our company, we guarantee the same basic wages and fringe benefits in the principal areas, as the co-ordinating companies known, generally as basic steel, U. S. Steel Republic and so forth, guarantee and this goes across the board to our employees. There's no bargaining on wages at our plant, where we say, because we've paid more Unemployment Compensation or a higher rate in the State of Connecticut, we're reducing your fringes or some other area, to offset it.

I've also heard considerable comment about what do you do when all the "what if" cases ever run up before tonight? Granted, some of these present problems which can be very heart rendering and give you considerable pause for thought, while you're thinking, I would ask the Committee to perhaps inquire, what do the other 37 or 38 States who do disqualify 'quits and fires' do in these types of cases? They must have a way of handling it fairly, because the system seems to work in those States.

MR. WILLIAMSON continues: Getting into the main subject of my testimony tonight, the subject of disqualifying 'quits and fires' from receiving Unemployment Compensation has drawn considerable comment from all account over the years. I would like to take a few minutes to review our experience in this area over the past 5 years.

During that period of time, our records show the following:

In 1972, we had 67 quits and 17 discharges for cause, for a total of 84.

In 1973, we had 66 quits and 25 discharges, for a total of 91.

In 1974, we had 56 quits and 30 discharges, for a total of 86.

In 1975, we had 10 quits, 30...pardon me, 11 discharge, for a total of 21, compared to a total of 86, the year previous.

In 1976, we had 10, pardon me, 7 quits and 9 discharges, for a total of 16, compared with 21 the year before, and 86 the year before that.

The total over the 5 years, by the way, is 206 quits, 92 discharges, for a total of 298 employees who fell into these two categories.

There are several factors, which I believe influence these figures. First, there's a general economic recession, which we cannot compare with 1973 and 1974, in which still continues, in some degree. Second, is the fact that reduced operations, due to the recession, causes the lay-off of significant number of employees, in the spring of 1974. Since then, we've had a number of lesser lay-offs and "recourse" with a substantial number of employees, still on lay-offs status.

There are several conclusions which may be drawn from these figures. The primary one is that when times get tough, the number of quits and fires reduces dramatically. Employees do not quit their job on a whim, unless they are sure they have another job to turn to. They are also themselves.... they also apply themselves to their jobs, so that there is less chance of being discharged for cause. One might say that these figures are reason to show that the 'quits and fires' category is not a large part of the claim in the Unemployment Compensation fund, in times such as these. This may be true in part. My point is, that it is a significant factor that at other times when the fund should be accumulating reserves and retiring indebtedness.

Let's take another look at that table. Assume that the average person quitting or being discharged for cause, has two dependents for Unemployment Compensation purposes. At the current rates, he would receive Compensation of \$126 per week.

MR. WILLIAMSON continues: Let me digress for a moment. I see in some testimony that was laying here on the table, or a statement, that somebody who's on the other side of this issue, stated that only 1 worker collected the maximum benefit rate, which they quoted at \$116 plus \$5 per dependent, up to 12 dependents, for \$174 a week. It might have been only one person who collected \$174 a week, but virtually every employee at our plant, who goes out on lay-off, collects that \$116 a week, plus \$5 for a dependent. You just don't have prolific employees, that you know, are up to 12 dependents. But some of them, get up to a pretty good number.

I'm going to just run over very briefly, this table, that... what I did, going back to where I was, at \$126 per week, the last quarter of 1976, the average length of claim is 29 weeks. For talking purposes, take approximately half of that, of 15 weeks. The rate of \$126 per week, for 15 weeks, a claimant would receive \$1890. And translating that against the figures that we had previously, over the 5 years, you come up with a total of \$563,220 at current dollar figures. You can shade the assumptions one way or another. The point is, that big dollars are involved in this problem. My examples are based on just one medium-sized employer with an essentially stable work force. Multiply this by the number of employees...employers and employees in the State, and the magnitude of the situation increases tremendously.

Another significant fact is pointed out by the figures. 'Quits and fires' went down dramatically when times got tough and we had to reduce forces significantly through lay-offs. 'Quits and fires' was not used as a convenient means of reducing the work force. I am sure this is a situation where the vast majority of responsible employers in the State, even if it were not, in our case, we have a union which vigorously defends discharged employees through the grievance procedure to assure that the discharge is rescinded, unless based on just cause under a contractual agreement.

And digressing again, in our contract, speaking only for ourselves, a discharge case can proceed through the four steps of the grievance procedure, in approximately 2 weeks and we're able to get it expedited by an arbitrator, in a discharge case, requested by the union, and it's much quicker than that, one year and more figures than you heard previously. Beyond that, there already exists a hearing and an appeal procedure within the CSES structure, which can determine if a quit or fire is legitimate or not. At the present time, hearings are held on virtually all discharge claims and some quit claims, just to determine application of the waiting weeks. I might add, that in the 3½ years of my direct involvement in this area, every hearing has found that the quit or discharge cause existed as indicated initially by us.

MR. WILLIAMSON continues: In conclusion, I ask this Committee to consider the effect of, dis-incentive to work versus incentives to work. When significant dis-incentives such as Unemployment Compensation payments for 'quits and fires' exist in conjunction with other dis-incentives, the significant number of people would chose not to work, they'd rather take advantage of the system. Fortunately, most people don't think and operate this way. However, a significant minority do pervert the original concept of the Unemployment Compensation fund, contribute to its indebtedness, and add significantly to the cost for an employer to do business in this State. Thank you.

SEN. MURPHY: Thank you.

MIKE DALE: My name is Mike Dale, I'm an attorney in Fairfield County Legal Services. It's ironic to be coming from Fairfield County to hear the number of Fairfield County employers who have come here tonight, to talk about what a horrible place Connecticut is for employers, and what a terrible place it is, in terms of its crime and to attract industry.

You may know that the Danbury area of Fairfield County, it's one of the fastest growing areas, in the country and part of the reason that it's growing so rapidly, is because of an exodus of corporations from New York up to the Danbury area. I might point out that, New York does have a provisional law, very similar to that being proposed. Perhaps Connecticut is not such an unfavorable environment.

Mr. Smith's predicament tonight, in a very long evening, provided a moment of humor, it wasn't humorous to me, because I see so many Mr. Smiths, day in and day out. And perhaps because of that, I can't resist talking about, very briefly, some of the specific cases that have come through my office. It's a very small office, in the last year. Raphael Podolsky did some of this, but those cases were drawn from a state-wide basis. I want you to know, that these cases occurred in a three-lawyer office in the last year or so.

The transportation problem has been referred to, I won't elaborate. I had a woman who is the sole support of her family. She was working days, her children were school aged, there was no husband in the home. She was transferred to shift work, given that alternative. If she were transferred to shift work, she would be in a situation where the children, her oldest one was 14, would be unsupervised in the evening. In addition, she was required to work a substantial amount of week-end work. So, she would see very little of her children. She refused the job, that case is still on appeal, after more than 8 months.

Another case, of someone who was out of work, disqualified from Unemployment, attempting to find a job to make ends meet for his family, applied for a job, at a night-time guard agency. In the questionnaire that was required, for that

MR. DALE continues: application, there was a questionnaire, "have you ever been convicted of a felony? Because if you have, you cannot be a guard in the State of Connecticut." My client answered ambiguously, stating that he had been arrested for an auto violation. He didn't say violation, he said, auto. It was actually grand auto, when he was a child, a youth, 16 years old. He had been convicted, by this time, he was about 28 and had no other problems with the law.

When that fact came to light, through a search of the State Police records, this made him immediately discharged, in accordance with State law. And, it was held to have been terminated for willful misconduct. That case is still on appeal, after about 6 months.

An interesting case from a neighbor State, New York, which has a provision similar. This is a case of a woman prison guard, who was required as part of her job, to work mandatory overtimes of an eight hour shift, in other words, a 16 hour day, approximately 3 times a week, to last 6 weeks, or six months, that she was working at the facility. She was involved in daily, violent, contact. Under this stress, her mental ability to continue working in that particular job, that her psychiatrist advised her to quit. She was held to quit voluntarily, without sufficient cause, related to her employment. Her predicament now, is exactly what would be the case. Any employees under the legislation before you. She has applied for benefits, she has appealed, this occurred in July. Since July, she has received no Unemployment benefits, she's been forced to rely on City Welfare. She has been evicted from an apartment because the City Welfare payments failed to meet the rent and beyond that, she has gone literally to her wits end, and has been in and out of a mental institution on 2 occasions, because of the stress of the situation.

Those are a few individual cases. There are many that I can draw from. That's in one office. I assure you that these cases repeat again and again and again. But what about someone who just doesn't want to work, who just quits. Leaves a job, what are the incentives?

First of all, he's going to take a 50% cut in pay, must certify weekly that he's looking for work, if he refuses a job, he's disqualified from receiving benefits. There are provisions that provide substantial penalties. The problem with delay, correction of the appeals process have been commented upon, I won't add to that, except to say that I personally had someone who was laid-off, ... who was fired for allegedly insufficient attendance record, in the context of the general mass lay-off, and one at the Board of Review, 43 weeks later, a reversal of that. He would have been without benefits during that time.

Let's talk about the costs. We've heard a lot about the costs of the current system. I might introduce in this

MR. DALE continues: just to say, that also, there's been a distortion of history. We've heard a lot about how the purposes of the act have been perverted. The original purpose was supposedly to help those unemployed without fault of their own. I've done a research of the legislative history, in connection with the lawsuit, there were actually three causes that come out of the Legislative history.

The first was to help unemployed, who were unemployed without fault. The other two causes, were to sustain the economy, by putting dollars in the hands of workers who were put out of work. That remains a viable and important purpose of the act.

A third, was to protect State and local governments from sky-rocketing costs of general relief and welfare. There are costs, there are costs of enacting the legislation before you, the costs include, rising cost of welfare, which is going to be borne by the general tax payer, not by employers, also there's going to be a cost to the economy when consumers don't have dollars in their pockets. Beyond that, there's no question but what there going to be enormous administrative costs, because when the stakes are as high as they are, rather than simply let them at a ride, every denial on this basis is going to be appealed, that's going to cost, substantial costs in the courts and in the administrative agencies. And those costs must be offset against any savings potentially that you might have from adopting this legislation. Thank you.

SEN. MURPHY: Thank you. I take it there are no other speakers? I thank the Committee members who made it all the way, and the staff as well.



State of Connecticut
HOUSE OF REPRESENTATIVES
STATE CAPITOL
HARTFORD, CONNECTICUT 06115

Rep. Connolly 16th
Labor + Indus. Relations
Feb. 14 Pub. Hearing
88

VIRGINIA M. CONNOLLY
SIXTEENTH DISTRICT

91 OLD FARMS ROAD
WEST SIMSBURY, CONN. 06092

PUBLIC HEALTH AND SAFETY COMMITTEE —
RANKING MEMBER
APPROPRIATIONS COMMITTEE
LIQUOR CONTROL COMMITTEE

To the Labor Committee:
re: HB 5421, 5422, 5424.

Rather than usurp valuable time from the public who wish to testify, may I just confirm my support for House Bills 5421, 5422 and 5424. Connecticut has the most liberal unemployment compensation laws in the area and are certainly counter-productive in helping the recovery of an ailing economy.

As a consultant for a program for hospital grants, I have had occasion to travel in the past year to states in the middle west, far west and the south. Business is flourishing and the economy

is "booming" - As I return to Connecticut, it is frightening to see a State which was once a thriving industrial, wealthy State agonizing to a slow painful demise, due in great measure to our very liberal unemployment compensation.

I would urge you to rethink our laws in relation to quits and fires, voluntary leaving of a job in the interest of improving our economy. The situation in Connecticut, I believe, makes immediate reform imperative.

Respectfully submitted,
Rep. Virginia Connolly.

STATEMENT BY JOELIE FISHMAN, EXECUTIVE SECRETARY, COMMUNIST PARTY OF CONNECTICUT
AGAINST PROPOSED "QUITS AND FIRES" BILL

91

Hartford, February 14, 1977

I am here tonight to join in the protest of the labor movement against any legislation that would curtail unemployment insurance benefits, and in particular the bill presently under consideration that would disqualify from eligibility for unemployment compensation those workers who quit or are fired.

Connecticut presently has the highest level of unemployment in the entire country. Our state has been plagued with runaway shops, shutdowns, speedup on the shop floor, and cutbacks in essential services. Denying unemployment benefits to one section of those out of work is just one more example of making the victim pay for the crime. Minority workers, with the least seniority generally, suffer the most from unemployment. While December unemployment figures in Connecticut overall were slightly down from September, minority unemployment as a percent of total unemployment was up. The quits and fires bill would hurt the Black and Spanish community first.

Those who favor this bill would like to see our statutes pander to corporate enterprise, offer tax breaks and other advantages, to try and outdo other states and lure business to stay here. But even with all the advantages offered, industry may still decide to pick up and go, and we will be left with statutes on the books that undermine the needs of working people, and deny them the right to a decent life. The bill under consideration tonight would encourage employers to fire workers rather than lay them off.

No. The State Legislature has no business considering bills that will further erode the living standards of working people. These are already being quickly eaten away by threats at the negotiating table, high prices and high taxes. The job of the State Legislature is to find ways and institute legislation that will

come to the aid of working people, the people who make up our state, in this time of crisis.

I submit that the quits and fires bill should be killed, and in its place a bill presented to the floor of the house that would insure benefits for those 25,000 in this state that may be cut off their extensions next month due to federal action. This is the job of the State Legislature: insuring the welfare of the people of the state, and not just the welfare of industry.

My proposal is sound economically. Without such measures, not only will the state economy drag for lack of buying power, but from vastly increasing welfare roles as well.

We cannot afford handouts to business. Neither can we afford the erosion of living standards for the thousands of working people in this state that the quits and fires bill would cause. We cannot afford legislation designed to serve as a bludgeon to workers, to frighten, lock-in, and prevent mobility. It is time for the State of Connecticut to proudly start placing people before profits.

Thank you.

THE POND LILY COMPANY

ESTABLISHED 1896

NEW HAVEN, CONNECTICUT

06515

February 10, 197

P. A. SPERRY, CHAIRMAN OF THE BOARD
A. F. McLEAN, PRES. & GENERAL MGR.
F. A. REIMERS, VICE-PRES. & SALES MGR.
W. H. BECKER, TREASURER
J. A. SPERRY, SECRETARY
A. W. SPERRY, ASST. SECRETARY

BLEACHING, DYEING
AND FINISHING OF
COTTON, LINEN
AND BLENDS OF
NATURAL AND
SYNTHETIC FABRICS

Joint Labor Committee
General Assembly
State Capitol
Hartford, CT 06115

Gentlemen:

As a Company operating in Connecticut, we are vitally interested in legislation now before your Committee affecting the business climate in this state.

The Pond Lily Company, a part of the Connecticut business community for over 80 years, now employing nearly 200 employees, has continually maintained a stable work force with the minimum Unemployment Compensation Rate.

We, therefore, would like to present our position on the following bills for your study and consideration:

1. Unemployment Compensation - Quits and Fires - We are in favor of denying benefits to those who quit their jobs and to those who are fired for just cause from their jobs. We feel that granting benefits to these individuals encourages a transient labor force and flagrant abuse of the Unemployment Compensation Funds.
2. Worker's Compensation - Bill 6446 - An act revising the Workers Compensation Law - We support the entire proposal as submitted to the Committee. Within the past 18 months we have seen a tremendous escalation in the amount of awards for scars and pigmentation changes that are less than disfiguring.

We sincerely hope our comments concerning these bills will receive your favorable consideration.

Very truly yours,

THE POND LILY COMPANY

Arthur F. McLean

Arthur F. McLean
President and General Manager

AFM: dtk



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engineered products for heating, ventilating and air conditioning

February 11, 1977

To: The Labor Committee, State of Connecticut

Subject: "Quits and Fires" bill

Dear Sirs:

Our Company strongly supports the enactment of the above bill which would deter people from quitting without reasonable cause, and by "fires" we mean only those that are for WILFUL MISCONDUCT.

As a personnel manager, I've heard all the "excuses" for quitting jobs. This is not to say that there are not some valid reasons which could be taken into consideration in the formulation of such proper legislation.

However, it is high time that certain liberal constituents of state government realizes, before it is too late, that the "goose that laid the golden egg" is fast approaching extinction.

Contrary to the fact that certain state government officials do not feel that 30 million dollars in needless excess costs are a burden to Connecticut industry does not negate the fact that there is no bottomless barrel out of which industry has an endless supply of money.

I would like to point out here some redeeming features that a "quit and fire" provision in our state U.C. law would have for government, labor, management, and the consumer:

- 1.) An individual may temper his "spur of the moment" decision to quit a job for little or no reason if he reflects on the consequences.
- 2.) This saves the state and its taxpayers an unnecessary unemployment compensation expense.
- 3.) The individual remains gainfully employed.
- 4.) Management is spared the expense of another turnover and subsequent retraining cost.

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MEMBER OF AIR DIFFUSION COUNCIL

"Quits and Fires" bill, continued:

- 5.) This ultimately results in a net saving to the consumer in aiding management in holding the price line.

On behalf of the Company which I represent, I respectfully urge your favorable support of this important and vital legislation in order that industry may not only be encouraged to stay and expand facilities here, but that new industry might be attracted to Connecticut.

Very truly yours,

Tuttle & Bailey Div. of
Allied Thermal Corp.



George B. Gaedeke,
Personnel Director

/lc

February 14, 1977

Mr. Chairman and Members of the
Labor and Industrial Relations Committee:

My name is Leo J. Sheehan and I represent The Anaconda Company, Brass Division, of Waterbury, Connecticut. As a Company, we operate plants in Waterbury and Ansonia, Connecticut, employing approximately 1,500 people.

During the last five years, Connecticut employers have been burdened with higher and higher unemployment compensation taxes and yet have not seen any substantial efforts being made toward the tightening of eligibility requirements. Basically, Anaconda has no quarrel with the concept behind the Unemployment Compensation system. We feel our society does have an obligation to provide a degree of financial stability for those individuals who are legitimately unemployed. However, we are most definitely in favor of tightening up the unemployment compensation eligibility requirements.

Last year we spoke to you regarding changes in the law that would serve to tighten up eligibility requirements. Despite our opposition and that of other industrial leaders throughout the state, the present law is estimated to have cost the Fund some 40 million dollars last year alone.

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You and I both know that Connecticut's Fund is approaching \$400 million in debt to the federal government -- and borrowing continues! This money will have to be repaid. Consequently, we feel that closer legislative scrutiny of Connecticut's unemployment compensation benefits is long overdue.

I'd like to make the following comments on S.B. #59 regarding Quits and S.B. #60 regarding Discharge for cause:

To extend benefits to those individuals who quit their jobs, refuse suitable offers of work, or are discharged for misconduct, is a distortion of the original intent of U.C. We feel such individuals should be disqualified from receiving U.C. fund support. This will not only save the Fund considerable money but would realign the system to accomplish its original purpose.

The distortion of the original concept of unemployment compensation is expensive to employers, and under the present economic conditions, makes it a burden more and more are finding too heavy to carry. As duly elected representatives of the people, we approach you as we did last year, asking you to return the Unemployment Compensation System to its original concept. Tightening of the U. C. Law is most essential for industries presently operating in Connecticut and for others who may be considering locating here. We urge you to take the necessary action to bring this about.

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We appreciate this opportunity to present our views on unemployment compensation and thank you for allowing me to express them.

The Anaconda Company, Brass Division

L. J. Sheehan
Employee Relations Manager

mcd

February 14, 1977

STATEMENT TO THE LABOR AND INDUSTRIAL RELATIONS COMMITTEE

FEBRUARY 14, 1977

My name is Owen D. Collins. For 22 years I have been the Director of Industrial Relations for the Farrel Company Division, USM Corporation, with plants and offices employing approximately 1300 people in Ansonia and Derby.

I DO NOT FEEL WE SHOULD BE CHEERED BY THE POSSIBILITY THIS ENORMOUS DEBT MAY BE REPAID WITH DEFLATED DOLLAR IN MY OPINION THIS IS NOT A LEGITIMATE, ONGOING WAY TO FINANCE A WELFARE TYPE OF FUNCTION UNDER THE GUISE OF UNEMPLOYMENT

Together with ~~probably most people~~ *many* present at this hearing, I am deeply concerned with the bankrupt condition of the Connecticut Unemployment Compensation Fund and the present and future tax strain

WITHOUT INTEREST
BENEFITS
IF IT WERE
THE POSSIBILITIES
WOULD BE
BOUNDLESS
& DELIGHTFUL

this imposes. I join with those present and the thousands not here who feel a long overdue change in the U.C. regulations is to join the 37 other states that withhold benefits from those who quit, retire or are discharged for cause.

I feel strongly that we cannot continue to spend a substantial portion of our Unemployment benefit payments on such a broad social program that was never envisioned to be a part of the fundamental problem of alleviating hardship for those out of work through no fault of their own.

Owen D. Collins

My name is *Beth Cleveland* I am speaking tonight for the Hartford Chapter of the Coalition of Labor Union Women. I am a member of District 1199, National Union of Hospital and Health Care Employees.

The Coalition of Labor Union Women strongly opposes any attempt by the State Legislature to disqualify people from unemployment if they quit or get fired from their jobs. The bills being considered would have a devastating effect on all working people in Connecticut. The effects on women and minorities would be even worse because it is within these groups that unemployment is the highest and working conditions are the worst.

Many women in Connecticut work for minimum wage. Most women workers are waitresses, nurses aides, salesclerks, and clerical workers. These jobs are hard, low paying, and unrewarding. Often times employers treat these workers with no respect or dignity. Poor working conditions are complicated by the fact that many women have total responsibility for the support and care of their family. It is difficult to find quality reasonably priced child-care.

All of these problems sometimes force women to quit their jobs. They don't quit because they don't want to work or because they are lazy. They quit to find a better job. They quit to find a job closer to home. They quit because they want to work a different shift. Whatever the reason is, they should not be forced on welfare while they are seeking another job.

Unfortunately most women in Connecticut are not unionized. This means that they can be unjustly ~~forced~~ ^{fired} with no recourse. A waitress can be fired if a customer walks out without paying his check. A nurses aide can be fired if she's out too long with a back injury.

There is not State agency that prevents an employer from firing an employee on whim. As long as it is not a case of discrimination, an employer can and does terminate employees for less than substantial reasons.

As it stands now, if a worker gets fired, there is a five week waiting to collect unemployment. If a worker thinks she has been unjustly terminated, she may ask for an appeal, but most people cannot afford lawyers and get totally discouraged and frustrated by the long lines, forms, and humiliation of the process.

The present system causes enough suffering; to totally

disqualify a person from unemployment if they get fired would be an unbearable hardship on the individual and their family.

It would be more appropriate for the legislature to consider how to put Connecticut's people to work at decent wages rather than considering measures that would add people to the welfare rolls.

Testimony prepared by the Hartford Chapter of the Coalition of Labor Union Women, c/o Hartford Labor Council, 106 New Park Avenue, Hartford.

President Merrilee Milstein, District 1199, 232-5573

Vice President Eleanor Sarge, Connecticut Union of Telephone Workers, 288-5271

Betty Cleveland

STATEMENT
by
THE TORRINGTON COMPANY
re:
UNEMPLOYMENT COMPENSATION ELIGIBILITY

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The Torrington Company is much concerned about the poor state of Connecticut's Unemployment Benefit Fund, and the consequent high rate of unemployment tax in Connecticut. We, along with other employers in this state, must somehow pay back the massive deficit that the Unemployment Fund has incurred. Whether or not the employers of Connecticut can actually ever pay back this deficit of over \$350,000,000 is problematical, but it would be somewhat easier to do so if some of the unnecessary drains on the Fund were stopped.

One of these unnecessary drains results from the present law on quits and fires. In other states in which we do business, a voluntary quit, or an individual fired for good cause, is disqualified, and that is that. In Connecticut, after a brief disqualification period, benefits are allowed. Such a procedure has no real logic and serves to reward people who really are out of work due to their own actions. The Torrington Company strongly endorses the bills before the Committee to disqualify both quits and fires from unemployment benefits. This would help to reduce the tremendous drain on the fund.

Connecticut should re-establish the waiting week. This would also ease the drain on the fund. It should not permit people who have retired to draw unemployment benefits, since these people are obviously not in the labor market. Another unnecessary drain, under present law.

I would like to expand my comment on the waiting week. This issue should not have attached to it the emotional and social arguments that are applied to the quits and fires question.

Consider, for a moment, a worker who qualifies for a weekly unemployment compensation rate of \$131, including his dependent wife and two children. This is a payment at a yearly rate of over \$6,800. Since it is non-taxable, it is equal to a wage rate of over \$7,600.

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I submit that there can be nothing unfair or unconscionable in asking a person to wait one week before being placed on the "citizen's" payroll at a rate over seven thousand six hundred dollars a year. It is not only fair to ask a person to wait just one week before getting a \$7,600 account, it is fiscal nonsense to eliminate that waiting week when its cost to the state exceeds \$8,000,000 a year. And its cost grows every year.

Not much imagination is required to figure out what a large percentage this \$8,000,000 is of Connecticut's yearly borrowing from the government for Unemployment Compensation benefits and what a large portion it would be of any reasonable repayment schedule.

The highest tax that The Torrington Company pays in Connecticut is the Connecticut Unemployment Tax. In fact, the Connecticut Unemployment Tax is the highest tax we pay at the state level anywhere in the entire country. The other taxes we pay are not even close to what we pay in Connecticut Unemployment Tax. Our Unemployment Tax rate in Connecticut is the highest of all the states in which we do business, and is almost twice as high as the next highest state. It is five times higher than the rate in Indiana, a state in which we have been doing business for over forty years. Connecticut's Unemployment Tax has become a major cost of doing business in Connecticut.

The Torrington Company is in favor of any legislative measure that would help stop unnecessary drains on the Unemployment Fund.

THE TORRINGTON COMPANY

D. L. Gowen
Assistant Treasurer

February 14, 1977

I AM JOHN E. TOFFOLON, VICE PRESIDENT OF WHITE OAK CORPORATION, A CONSTRUCTION COMPANY; PRESIDENT OF CONNECTICUT SAND & STONE, A CONSTRUCTION MATERIAL PRODUCER; PRESIDENT OF ATLANTIC PIPE CORPORATION, A CONCRETE PIPE MANUFACTURER; AND PRESIDENT OF NATIONAL EASTERN, A METALS FABRICATOR AND MANUFACTURER.

WE EMPLOY UP TO 600 PEOPLE WHEN THERE IS SUFFICIENT WORK IN THESE INDUSTRIES. IT IS FOR THESE CORPORATIONS AND THEIR EMPLOYEES THAT I SPEAK.

I WOULD LIKE TO COMMENT BRIEFLY, BUT FIRMLY ON S. B. 59 AND S. B. 60, WHICH WE STRONGLY FAVOR. WE BELIEVE LEGISLATION SHOULD BE PASSED THIS YEAR - - NOW - - TO PUT A STOP TO THIS WASTEFUL PRACTICE AND DISCRIMINATING PRACTICE OF GIVING BENEFITS TO PERSONS WHO QUIT THEIR JOB OR ARE FIRED FOR CAUSE. THE STATE OF CONNECTICUT CANNOT ABSORB THIS FINANCIAL BURDEN ANY LONGER.

HISTORICALLY, IT HAS BEEN PROVEN TIME AND TIME AGAIN,
THAT THIS PRACTICE IS COUNTER PRODUCTIVE, AS IT HAS
N AGED P OPL O O W RK, ^{HELPED} BA KR ~~THE~~ THE
FUND, AND HELPED CAUSE A DECLINE OF JOBS AVAILABLE
IN CONNECTICUT.

IT HAS BEEN INSTRUMENTAL IN DESTROYING MAN'S WILL TO
WORK WHICH IS THE GREATEST ASSET THIS COUNTRY, OR ANY
COUNTRY CAN HAVE. THE WILL TO WORK IS WHAT HAS MADE
THIS COUNTRY AND THIS STATE WHAT IT IS TODAY.

WE HAVE SPENT BILLIONS OF DOLLARS EDUCATING PEOPLE,
MOTIVATING PEOPLE, AND PREPARING PEOPLE TO WORK,
WHICH IS THE AMERICAN WAY - - THEN WE TEAR APART
THEIR IDEALS AND DREAMS BY ENCOURAGING THEM NOT TO
IT DOESN'T MAKE SENSE
WORK. WE, IN INDUSTRY, DO NOT ARGUE AGAINST AID AND
HELP TO A PERSON WHO CANNOT OBTAIN WORK THROUGH NO
FAULT OF THEIR OWN, BUT WE DO OBJECT TO AID TO A PERSON
WHO FINDS IT ADVANTAGEOUS NOT TO WORK, BECAUSE THEIR
BENEFITS ARE SO LIBERAL AND TAX-FREE.

A MAN THAT QUILTS A JOB BECAUSE HE MAY NOT ENJOY THE
WORK, WHO MAY DISLIKE HIS SUPERIOR OR HIS FELLOW WORKERS,
WHO DESIRES MORE FREE TIME, WHO IS NOT MAKING ENOUGH

MONEY, OR WHO DOESN'T WANT TO GET UP IN THE MORNING,
OR ANY OTHER REASON, HAS A PERFECT RIGHT TO DO SO
AS THIS IS ONE OF THE FREEDOMS AMERICA ENJOYS, BUT HE
DOES SO AT HIS OWN RISK AND PERIL OF FINDING ANOTHER JOB,
AND HIS OWN RISK AND PERIL OF RUNNING OUT OF MONEY
.

WE SHOULD NOT FEEL OBLIGATED TO MAKE SURE HE DOES NOT
MISS A PAY DAY. OF COURSE, THIS SAME REASONING APPLIES TO
ONE WHO GETS FIRED FOR CAUSE. IF THE LAW REQUIRED THAT
A PERSON BE FIRED IN ORDER TO BE ELIGIBLE FOR UNEMPLOYMENT
BENEFITS, THEN PEOPLE WOULD, AND ALREADY HAVE, MANAGED
TO DO SO.

AGAIN, BEING FIRED FOR CAUSE IS SOMETHING ALL EMPLOYEES
CAN CONTROL AND SHOULD AVOID. THOSE THAT DO GET FIRED
FOR CAUSE SHOULD BE SUBJECT TO THE RISK AND PERIL OF
BEING WITHOUT A JOB, AND SHOULD IMMEDIATELY SEARCH OUT
ANOTHER JOB. THEY SHOULD NOT BE REWARDED WITH A WEEK'S
PAY WITHOUT TAXES WITHHELD, AS THE CASE IS AT PRESENT.

THE STATE UNEMPLOYMENT FUND IS PRESENTLY IN DEBT
TO THE UNITED STATES GOVERNMENT SOME SEVERAL HUNDRED
MILLION DOLLARS. ³⁵⁶ HOW LONG CAN WE GO ON BUILDING THIS
DEBT? ONE DAY, THE "CHIPS WILL BE CALLED IN", AND
WE WILL BE IN TROUBLE. WE OWE THE U.S. GOVERNMENT
ABOUT ONE AND ONE HALF YEAR OF FUND INCOME.
HOW ARE WE GOING TO PAY IT.

THE BURDEN OF THESE COSTS AND DEBTS IS ATTRIBUTED TO
EMPLOYERS ONLY. WE EMPLOYERS CANNOT ADJUST TO THE
HIGH COST INVOLVED OF THIS STATE'S ULTRA LIBERAL POLICY
ON UNEMPLOYMENT. WE PAY 6% OF THE PAYROLL INTO THIS
FUND WHICH IS THE MAXIMUM. THAT'S A LOT OF MONEY.

THIS IS ONE OF THE PROBLEMS OF KEEPING INDUSTRY IN
CONNECTICUT, AND IN ENCOURAGING EXPANSION, OR
ATTRACTING NEW INDUSTRY TO BUILD IN CONNECTICUT.

THE BURDEN OF TAXES IN CONNECTICUT HAS CAUSED CONNECTICUT
INDUSTRY TO BE LESS COMPETITIVE AT THE MARKET PLACE.

THIS IN TURN, HAS CAUSED A DECLINE IN BUILDING AND
CONSTRUCTION. THE ENTIRE SITUATION HAS CAUSED LESS
JOBS IN CONNECTICUT. THIS SITUATION IS WHAT I MEANT, WHEN
I SAID THE PRESENT PRACTICE OF PAYING UNEMPLOYMENT

BENEFITS TO THOSE WHO QUIT AND ARE FIRED FOR CAUSE,
IS COUNTER PRODUCTIVE. WE CAN NO LONGER AFFORD
THIS PRACTICE.

NEW YORK CITY, ALONG WITH MANY BIG CITIES, IS AN
EXAMPLE OF WHAT HAPPENS TO GOVERNMENTAL ENTITIES
THAT CONTINUE TO SPEND MONEY THEY DO NOT HAVE. I
DO NOT COMPARE NEW YORK CITY TO THE STATE OF CONNECTICUT
BUT, I POINT IT OUT ONLY AS EVIDENCE THAT IT CAN HAPPEN.

WE MUST BEGIN TO CLOSE RANKS AND RID OURSELVES OF OUR
WASTEFUL AND QUESTIONABLE PRACTICES.

WE MUST BE MORE PRUDENT IN OUR APPROACH TO STATE
BUSINESS.

SOME OF US IN PRIVATE BUSINESS CANNOT SEE DAYLIGHT
AHEAD YET, PARTICULARLY IN THIS STATE. **STEPS MUST
BE TAKEN TO ALLEVIATE THIS TAX BURDEN AS
IT IS A MATTER OF SURVIVAL.**

I WOULD ALSO FAVOR S. B. 205, DISQUALIFYING SUBSTITUTE
TEACHERS FROM COLLECTING UNEMPLOYMENT BENEFITS.

H. B. 5090 SHOULD ALSO BE ENDORSED. PEOPLE LEAVING THE
STATE TO WORK, SHOULD NOT COME BACK AND EXPECT
BENEFITS WITHOUT FIRST WORKING SOMEWHERE, **WITHIN THE
STATE**

H. B. 5975 CONCERNING THE WAITING WEEK, PRIOR TO
COLLECTING SHOULD ALSO BE ENDORSED.

WE MUST SOMEHOW REDUCE THE DEBT AND MAKE SOLVENT
THIS BANKRUPT FUND, AND PUT OUR PEOPLE BACK TO WORK.

THIS IS A TALL ORDER, BUT
WE LOOK TO YOU TO LEAD THE WAY, AS YOU ARE OUR LEADERS.

###

MR. GROSS

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MEMBERS OF THE COMMITTEE

UNFORTUNATELY I WAS ONE OF THE BUSINESSMEN WHO LOST LAST YEAR'S ELECTION SO THAT INSTEAD OF POSSIBLY SITTING ON YOUR SIDE OF THE TABLE THIS EVENING I'M PRIVILEGED TO GIVE MY FEW WORDS OF THOUGHTS THAT CONCERN INDUSTRY ON UNEMPLOYMENT BENEFITS. *from this side*

I OPERATE A SMALL BUSINESS WHICH EMPLOYS APPROXIMATELY 35, WITH AN ANNUAL PAYROLL AMOUNTING TO SEVERAL HUNDREDS OF THOUSANDS OF DOLLARS AND MOST OF MY EMPLOYEES LIVE IN THE CORE CITY. WHAT IS THE PROBLEM? IF ANY OF YOU ARE IN BUSINESS AS ENTREPRENEURS AND HAVE TO FACE THE PROBLEM OF UNEMPLOYMENT COMPENSATION, THEN YOU KNOW VERY CLEARLY FROM WHENCE I SPEAK. IN THE PAST FIVE TO SEVEN YEARS WE MAY HAVE HAD TO CURTAIL OUR OPERATING TIME ON OCCASION BUT IT IS RARE THAT OUR COMPANY EVER LAID OFF EMPLOYEES FOR LACK OF WORK. HOWEVER, WHEN WITH CAUSE WE HAD NO CHOICE TO LAY AN INDIVIDUAL OFF, I PERSONALLY GAVE OF MY TIME FOR THE INFORMAL HEARING THE UNEMPLOYMENT COMMISSION ARRANGED. IT IS POSSIBLE THAT NONE OF YOU HERE, HAVE EVER BEEN PRESENT AT A HEARING BUT IN MORE RECENT YEARS IT IS SOMETHING TO VIEW. ALTHOUGH SCHEDULED FOR A SPECIFIC TIME IT WILL TAKE AT LEAST AN ADDITIONAL HOUR OF WAITING TIME PRIOR TO THE EXAMINER HEARING OUR SCHEDULED CASE. *Now* LETS GET TO THE POINT.

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04155

I WILL ONLY POINT OUT TWO, ALTHOUGH MANY MORE INSTANCES COME TO MIND, CLEARLY SHOWING WHY THE LAWS OF CONNECTICUT MAKE IT ADVANTAGEOUS TO AN INDIVIDUAL NOT TO WORK BUT TO COLLECT UNEMPLOYMENT.

1. WE HAD LAID OFF A DRIVER, NOT FOR LACK OF WORK, BUT FOR SHOWING UP FOR WORK ONE DAY INTOXICATED. PRIOR TO LEAVING THE PREMISES, WE ALMOST HAD TO CALL THE HARTFORD POLICE DEPARTMENT IN ORDER TO PREVENT PHYSICAL VIOLENCE. END RESULT? THE INDIVIDUAL WAS DENIED BENEFITS CHARGED AGAIN ST TO OUR COMPANY BUT COLLECTED FROM THE POOL.
2. AN INDIVIDUAL WAS TERMINATED FOR CONTINUED ABSENTEEISM AMOUNTING TO $\frac{1}{2}$ TO ONE DAY PER WEEK. END RESULT? THEY COLLECTED UNEMPLOYMENT BENEFITS FROM THE POOL.

WE HAVE ONE CASE COMING UP FOR HEARING THIS MONTH. A DRIVER QUIT CLAIMING TOO MANY HOURS. I MIGHT ADD THAT THIS INDIVIDUAL CAME TO OUR COMPANY AS THE RESULT OF AN AD, WAS RECEIVING \$2.50 PER HOUR AND MINIMUM HOURS AND WANTED BETTER WAGES AND ALL THE HOURS WE COULD WORK HIM.

THE UNEMPLOYMENT TAXES WE FORMERLY PAID IN THE STATE OF CONNECTICUT NEVER WERE OF GREAT CONCERN WHILE REVIEWING OR PROJECTING OPERATING COSTS.

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OUR UNEMPLOYMENT FIGURES, WHETHER 6%, 8%, ETC. ARE VERY MISLEADING BUT NOTHING IS MISLEADING WHEN WE OPEN OUR CHECKBOOK TO GIVE UNEMPLOYMENT BENEFITS TO INDIVIDUALS WHO CAN SEEK GAINFUL EMPLOYMENT BUT ARE FOOLISH TO WORK WHEN THE CHECKBOOK REMAINS OPEN.....EVEN THOUGH THE WELL HAS LONG RUN DRY. IF WE HADN'T HAD THE ALMOST FOUR HUNDRED MILLION DOLLARS OF THE UNITED STATES GOVERNMENT TO DRAW UPON, DO YOU THINK WE WOULD BE HAVING THIS HEARING TONIGHT? I SAY NO. BENEFITS MUST BE DENIED TO INDIVIDUALS QUITTING A JOB OR BEING FIRED FOR JUST CAUSE. LETS GET BACK TO IMPLEMENTING AND FOLLOWING THROUGH WITH THE ORIGINAL INTENT WITH WHICH THIS LAW WAS ESTABLISHED...TO MAKE AVAILABLE BENEFITS FOR EMPLOYEES WHO HAD TO BE LAID OFF SOLELY DUE TO LACK OF WORK.

I DO HOPE THESE LAST FEW WORDS WILL NOT FALL ON DEAF EARS FOR THERE HAS TO BE THOUSANDS OF SMALL BUSINESS HOUSES SIMILAR TO MINE IN THE STATE OF CONNECTICUT, WHOSE NON PRODUCTIVE COST OF OPERATIONS STEADILY INCREASES BY YOUR DOUBLING OF OUR RATES AND BY THE INCREASING THE AMOUNT OF WAGES FOR WHICH TAXES ARE LEVIED. THE TIME IS NOT TOMMORROW TO STOP THIS NONSENSE, IT'S NOW.

4

JOB, MAYBE NOT EXACTLY THE TYPE YOU OR I DESIRE, ARE OUT THERE.
LOOK AT THE NEWSPAPER ADS. TAKE AWAY THIS GIVEAWAY PROGRAM AND
YOU WILL IMMEDIATELY SEE A TURNABOUT IN UNEMPLOYMENT ROLLS AS
THEY BEGIN TO DIMINISH.

R.H. Gross
Gross Paper Corp.
Hjtd, Conn.

JOINT
STANDING
COMMITTEE
HEARINGS

LABOR &
INDUSTRIAL
RELATIONS
PART 2
392-812

1977

6
gbs

LABOR AND INDUSTRIAL RELATIONS

March 3, 1977

566

MR. TENEROWICZ: Because, they said that because of the labor dispute taking place, within the union, in another State, which caused them not to have to send order to that other company. Therefore, they were saying, we were involved in a labor dispute, which we were not. There was no strike, no picket, we were in completely working and they laid them off.

REP. GEJDENSON: Thank you, sir. Umm, we're going to try to accomodate the people in the back, but, you're going to have to bear with us...and if you don't talk back there, you might find it easier to listen. We're also going to try to turn that so you might be able to hear better. So, you know, it'll just take a second. You can stop the tape if you want we can do it. We're on? Okay. Thank you sir. Can you turn it up a hair more? Okay, fine.

The next speaker is Henry Kayo, Kayka...I'm sorry Kayko.

HENRY KAYKO: Mr. Chairman, members of the Labor Committee, my name is Henry Kayko, and I represent the New Britain Building and Construction Trades Council. I'm also the business manager of Local 256, Plumbers and Steamfitters of New Britain. SB50
SB60

I'm here to speak against the "Quits and Fires" bill. We feel that if this bill were passed, the contractor could very easily fire a man, rather than lay him off. For instance, he could put a 50 year old man to work with a 20 year old kid. Now, if the 50 year old couldn't keep up, he could be fired for being non-productive, or he could ask the man to work 50 feet in the air, a man that probably is afraid of heights, and if he didn't go up, he could be fired or he could quit. Now I'm talking about construction men that are in heavy construction, not the man that goes out and repairs a leaky faucet, or replaces light bulbs.

Construction men often have very good reasons for quitting also. I'll give you a for instance, a couple of them. I had one man working out in Maine, the only reason he was working out in Maine, is because there was no work available anywhere's here in New England. That was the only place where a construction man could find a job. He was a young man, he had a family at home, and his wife gave birth to her third child. He had to quit the job. Now, if your quits and fires law were in effect at that time, that man would be unable to collect Compensation indefinitely. Because I certainly couldn't put him to work anywhere's in New Britain or anywhere's near New Britain.

Another man working in Canada. He worked through the summer, fall...when winter came, he just couldn't take the cold. So he had to quit. Now that...there's another man that would be un.....

REP. GEJDENSON: Excuse me, could you try talking a little bit into the microphone, I think the people in back are having... try to get real close to it. Microphones make me nervous, sir....I'm getting over that a little now....

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MR. KAYKO: As long as you can hear it...

REP. GEJDENSON: Okay.

MR. KAYKO: This man, from Canada, also had to quit because he just was unable to take the cold weather. He also would be unable to collect Compensation indefinitely, because as I mentioned before, construction workers...zero in New Britain! And anywhere in the vicinity of New Britain. And we feel that these men, even though...this law is not in effect, we're still penalized 5 weeks. They still were unable to collect any compensation, any...checks of any kind, for 5 weeks. We feel that that is penalty enough.

Also, there are many statements made by those are in favor of this bill, claiming that our Unemployment Compensation law in Connecticut, is too lenient, and this is not true, I don't think, because the eligibility rules in Connecticut are that a man must earn 40 times his benefit rate before he becomes eligible. And that is the third highest requirement in the nation. They say that our Unemployment Compensation rates are keeping industry out of Connecticut. I don't think that this is true either, because, a contractor or business man does not pick up the when he fires a man, or a man quits. This is spread out in a pool, it probably costs them 1/10th of 1% more than what he's paying at the present time.

The point of the \$400 million deficit that we have, or debt that we owe to the government. True, this is quite a bit of money, I never saw that much money in my life! \$400 million is a lot of money! However, if the government did not pour this money into Connecticut, we would be experiencing a much greater depression than what we are experiencing right now. We certainly are, in the construction business, in a depression!

In concluding, I would strongly urge this Committee and all of our representatives, congressmen, even our city officials, to scrap this bill and try to get some construction work into the City of New Britain and its area, and put a _____ and out of the Employment Offices and back to work. Thank you.

REP. GEJDENSON: Thank you very much, sir. Questions from Committee members? No questions. Thank you very much, sir. The next speaker is Robert H. Franklin, to be followed by John Karas. How are you sir?

ROBERT H. FRANKLIN: Good evening, Mr. Chairman, I'm Robert Franklin, the Executive Director of the Public Expenditure Council. I have a short statement and one or two exhibits that I'd like to run over quickly with the Committee.

The Connecticut Public Expenditure Council urges the joint Committee to report out favorably legislation which would disqualify from receiving benefits workers who quit, are fired, or refuse to accept suitable work. In addition,

MR. FRANKLIN continues: the Council recommends that the waiting week be reinstituted. These revisions are keystones in any long-range plan to place the Connecticut Unemployment Compensation Fund on a sounder basis.

Page 3 of the statement has two tables which support these recommendations. As if you'll look at them, I'll run down what they mean to us.

At the top of the page is a table on benefits, taxes and Federal loans. In 1969, Unemployment Compensation taxes exceeded benefits paid. However, beginning in 1970, benefits exceeded taxes, and the reserve fund balance went into a sharp decline.

REP. GEJDENSON: What year was that now?

MR. FRANKLIN: 1970.

REP. GEJDENSON: 1970 was the firsttime we had a deficit.

MR. FRANKLIN: That's right, and the reserve fund went into a decline. Because if you look over at the chart on the back of this,

UNIDENTIFIED SPEAKER: We can't hear you?

MR. FRANKLIN: If you look at....

REP. GEJDENSON: Tough crowd. (laughter)

MR. FRANKLIN: I appreciate that, Mr. Chairman. If you look at the chart, on the last page, you'll see a line on the left there, that shows the fund downs. And back in 1969 it was up to \$300 million. I'll get to that...that point in just a moment, if I may sir.

In fiscal 72, a \$31.8 million loan was necessary to keep the fund in balance. By June of 1976, the loan from the Federal Government totaled \$356 million and by December 31st, it was up to \$402 million. Based on projections in the Governor's budget, the Federal loan will increase to \$478 million by June 30, and a year later, will be up to \$503 million, and if Unemployment is higher than projected, for these budget estimates, that will still go further...up.

The Council urges the reinstitution of the waiting week and the disqualification of quits, fires, and refusals to work, as first steps in reversing the disastrous picture that is in prospect.

In the table on the lower half of the page, we have tabulated the savings that would have accrued to this fund, had the waiting week been in effect since 1967, and the disqualifications recommended, been in effect since 1970. Interestingly, the total projected savings are \$181 million since...through 1976, just about half of the Federal loan

MR. FRANKLIN continues: up to that point. These estimates are from the Connecticut Labor Department, and we believe are conservative estimates of the savings that would have accrued.

The Council further urges that the benefit ratio form of merit ratings for employers be continued.

The disqualification of employees who quit or are fired would be of substantial benefit to the Connecticut State and local governments. The Governor's budget recommends an appropriation of \$5,345,000 for reimbursement to the Unemployment Compensation Fund for payments to former State employees. This opportunity for budget savings of several million dollars in the State budget, should not be overlooked.

Attached to the statement, is a chart which traces the fluctuation in benefit claims since 1969 and the impact of the high claim load on the reserve fund and the increasing amount of Federal loans to pay benefits.

If there are any questions...

REP. GEJDENSON: Thank you sir. I have several. Umm, One thing, firstly, the reason that we ran into a problem in the early 70's was that basically a result of improper funding in the system. Am I correct that a combination of things, we weren't charging high enough rates to employers and we probably were on too low a wage base. I think around that time we were around \$3,000 or...

MR. FRANKLIN: 4,200

REP. GEJDENSON: 4,200...somewhere in those figures. Where I start having problems, and I have these same figures from the Labor Department, and I've been looking at them for some time, and when I go down to the bottom half of that chart, where you start with 1970, and you have \$3.8 million in cost on quits, when you get to 76, that is, it is now costing us \$15.4 million. And in comparing numbers and the way they move, for instance in 71, it goes to \$10.7 million, which is going 3 times almost...a considerable increase, it does seem to follow the unemployment statistics for Connecticut. Is that correct from what you've seen? That the increases in the cost to the State for quits, follows closely with our percentage of Unemployed. Have you checked that at all?

MR. FRANKLIN: No, I haven't.

REP. GEJDENSON: I think that's what I got.

MR. FRANKLIN: If I understand what you're saying, you're saying that as claims go up, the amount of quits go up? No, I figured we'd go the other way. Because as claims go up, that means fine unemployment and you'd probably would have more people trying to stick with their job, rather than quit...

REP. GEJDENSON: That's what I think...and that's why I find some of these numbers confusing. Now, one way that I may be able to explain them, and I'm trying to get statistics from the Labor Department now...is that possibly what's happening, is that people are staying on unemployment longer, once they get on. Because in 1970, when unemployment in the State of Connecticut was somewhere around 50 or 60 thousand, if I recall properly, and today, where we're well over 100,000, maybe even closer to 200,000 at times, over the past.....we're \$15 million, and I would think that the same kind of motivation with people would work! But in 1970, with relatively low unemployment, probably 3 or 4%, that people might take a chance. Well I'm going to quit and leave this job cause I'm going to try and find a better job, or for whatever reason. I would think that in 1976, when everybody is obviously concerned about unemployment, and being unemployed for extended periods of time, that people would be a little nervous about quitting.

MR. FRANKLIN: Yes, it may "proll" the value of the quits up because once people quit, perhaps they stay unemployed longer and draw benefits and that would run it up. Umm, I don't have a...an analytical answer for you, Mr. Chairman, but we will go back and take a look at some of the material that we have, but I think that your contact with the Labor Department is perhaps the best that's available. We don't have any other source, other than...the data they have.

REP. GEJDENSON: Okay. And do you have any recommendations? Apparently Congressman Cotter has a bill in, from what I understand has a decent chance in postponing the pay-back on the \$400 million. From where I sit, I think at least a good number of legislators are at a minimum concerned about properly funding the system, so that if we are not in a position to pay back the 400, that at least we are not going into debt, more each year. If you were making a recommendation on how to increase the revenues of the Unemployment Compensation Fund, which whether we do away with "quits and fires" or not, we will still have to do, if we maintain these high unemployment rates, and some of the options that are open to us is: One, increasing the minimum. I mean basically now, when you combine the State and Federal, the base that you can be at is 1.5 and the max is 6. Some of the options are that we add a percent or 1/2 a percent, only for the bottom, which somehow disrupts the experience rating, some people say add it across the board. Do you have any kind of recommendations in that area?

MR. FRANKLIN: No, I don't, Mr. Chairman, and I would suspect that our membership would generally be in favor of the position that the Connecticut Business and Industry Association would... arrive at because most of our members are their members and they are into the details of that, more. But we would say that the reinstitution of the waiting week and the quits and fires is another way and a very important and significant way to reverse the flow of funds.

REP. GEJDENSON: Do you have any problems with...I think one of the fears that at least the members on the Committee, who at this time are hesitant about changing the quits and fires law, is that there is the possibility here, and an avenue for employers to abuse the system, that and I can only relate to you a call I got from an individual who came to this country from Czechoslovakia about 22 years ago. That I got shortly after an article appeared in the Norwich paper, where he continuously told me that, you know that he always worked here, his entire life, he never wanted to be on the dole, he always worked. And he finally got moved to Connecticut and he got a job in a place where his employer first laid one person off, and then one person left, and in a matter of months, he was the only person working where previously five people had worked. And he just couldn't take it any more. And he was getting weak and he quit! And he went to the Unemployment Office to look for another job. He wasn't even looking for unemployment comp, the lady doing her job at the desk told him, you can collect. He is now collecting I think, \$44 a week, while he is looking for a job.

But, if we don't have that, one, are we going to end up with these people on welfare? Which is a non-terminating system as compared with Unemployment Compensation, which at least terminates. (applause from audience)

I wish....You know, I appreciate that but I wish you wouldn't do it. (laughter) And that also goes for hisses and boos when someone may make a statement that you don't like. One thing we try to do, is to give everybody an opportunity to talk and that goes both ways. But, ...

If, you know, if we don't have that system, are they going to go in a non-terminable system, which is welfare. Or town aid, which is I think why, umm, the quits was added initially, from pressure from the towns, and are we going to let ourselves open to, shall we say, at least some portion the business community may not be that scrupulous, as the members of CBIA or your organization, in pushing people out, rather than, hey, if I lay this guy off, it's going to cost me money. If I get him to quit, or I fire him, I've just saved myself money. I mean, how do we safeguard that?

MR. FRANKLIN: Well, it seems to me that, part of the answer in safeguarding people is the Appeals System that we have. And my experience, with the Appeal System is, that there are substantial safeguards and ample attitudes by the examiners and by the referees for protection like that. I'm not saying that it doesn't...it doesn't have a potential for danger, but the way it is now, it..it has far more potentials for danger, we feel. We feel it should be...should be corrected.

REP. GEJDENSON: Let me ask you just one or two more short questions then. I didn't ask this many questions at the first hearing because I didn't have as many facts. And I'm being

REP. GEJDENSON continues: smothered with facts and I'm trying to sort them out.

One of the last speakers at the hearing we had in the Hall of the House brought out several problem areas, dealing primarily with the poor. One case was, an executive of your nature goes into his employer and says, for personal reasons, I have to go to California, a relative is sick, closing out an estate or whatever, you're given a week off. You are an unskilled laborer now making \$2.31 an hour, unless you're a waitress and then you make less, depending on your tips (laughter) but you're an unskilled laborer making \$2.31 an hour, you walk into your boss and say, listen bossman, I have to go back to Puerto Rico, or I have to go to California, or where ever to take care of some family problems. And he says fine, you can go and keep on going. Now you've been fired for cause. You're not going to show up for work. How do we deal with that guy? And how do we deal with a guy who's sharing a ride and his ride suddenly isn't going to work, so he has to quit, but he's not available for work, so we can't pay him. And now it turns around, a month later, he buys a car. Now he's available and he's seeking work. But he quit originally. And this is some of the problem areas that I've been....and I don't know how you deal with....

MR. FRANKLIN: I don't have an answer for each one of those, but ... let Mr. Taber give you those answers. But, I would like to leave with the Committee, the response that the Finance Committee got, when they were holding hearings on...on Business Tax Reform, and a representative of one of the large manufacturing firms was asked, about well what are the priorities of tax reforms for business, that will make Connecticut more attractive? And, the testimony was, that it wasn't really with the Corporation Business Tax, or the Sales Tax, or anything like that, it was the Unemployment Compensation Tax. That if, the administration's attitude and the benefits under the program were turned around, that would be an indication to business that Connecticut was more receptive to manufacturing employment.

I'll turn it over to Mr. Taber, if he has comments....
or....(Mr. Taber is not using the microphone)

I've got one more part of the fillibuster. (laughter)
The only thing I've got to say, is several months ago, CBIA had a meeting with us and the Labor Committee and other members of the General Assembly, and one of your speakers said that Unemployment taxes weren't that great a consideration. That they were a consideration but, they weren't....well, Mr. Chairman, I'd suggest that you go back and...put that question to the Connecticut Business and Industry Association. I can tell you on behalf of our members, that it is, that it is the largest single business tax in Connecticut. Bigger than the corporation, bigger than the property tax, and so it is, of utmost significance.

REP. GEJDENSON: Thank you. Mr. Taber.

REP. TABER: Thank you, Mr. Chairman. I have one question that I would like to ask you and I'd just like to make a brief statement that I think that the Chairman has a tendency to confuse social economic problems and responsibility thereof, with regard to business and with regard to the private sector. It isn't the responsibility of business, you have not made the statement, but I'll make the statement for you. It isn't the responsibility of business to cure social-economic problems. It's to provide employment for the workers. And that is a very very important thing.

Now, I would like to ask you one question, which happens to be, on what figure of unemployment did you derive the amount of money which would be incurred in cumulative debt from 1976 to 1977? What is the figure, because you made a statement saying that if, according to the projections it were to go...up and up.

MR. FRANKLIN: We didn't derive the figures, they come from the Governor's budget, from detail in there. But I will go back to the budget people and Commissioner Santaguida, because I'm sure that's where the figures come from. But if you will look on page 12 in the Governor's budget, you'll find the analysis and projection of the Unemployment Compensation..

REP. TABER: Well, could you give a rough percent...(Mr. Frankling and Representative Taber are both talking at the same time.)

MR. FRANKLIN: I wouldn't want to ...I...because I don't know what the Commissioner put into it, because he says, he indicates in the last year, that the loan only goes up 25 or so million dollars.

REP. TABER: Okay. Also, one other thing. Now I'm going to take the devil's advocate position because I do have some serious questions with regard to this.

I really would like to know, that if the average Unemployment Compensation Tax being paid by "business", we can differentiate between large business and small business, the Unemployment Compensation is the largest tax that a business pays, then are we saying that business in general pays less than 3% tax to the State of Connecticut? Gross? Tax? Corporation franchise taxes is what I'm referring to.

MR. FRANKLIN: I don't understand how you're....

REP. TABER: Well, I'll explain it to you. (laughter) I'll explain it. No, no, I'm not....Excuse me, I'm not pro-labor, I'm just not stupid! (laughter)

I would like to know, how the Unemployment Compensation tax got to be the largest tax, if in the ratio of profits that you pay 10% tax to the State of Connecticut for all of your profits, right? And you're paying, roughly speaking, 3% for Unemployment Compensation, figuring loosely.

REP. TABER continues: The profits are less than the unemployment? Wages,.....(two people talking at one time.)

MR. FRANKLIN: Its.....(comments from audience).....You...the 3% figure is supposed to represent the average....for your wages, you're paying a tax of roughly speaking, depending on your merit rating system, it could be 2.7 it could be 3.7, it could be 5%. Okay? Which would be the tax...

REP. TABER: Or it could be 1½, or it could be 1½ of larger..large.... let me explain something to you. Larger corporations enjoy the 1½%, but the smaller corporations never ever saw it. Umm, it doesn't work that way.

MR. FRANKLIN: I can tell you for one who has 14 on the payroll, and pays the tax, it does.

REP. TABER: Well, I can tell you for one, that it doesn't. (laughs)
But I would like to know why, that is the largest single tax.

MR. FRANKLIN: Because the...the wage base was increased....and corporation tax...umm, corporation profits have not increased, the way...the way the Unemployment Compensation base has... and tax has gone up.

REP. TABER: Thank you, Mr. Franklin.

MR. FRANKLIN: Okay. We'll talk about this, maybe tomorrow, huh? (laughter)

REP. SWIESZKOWSKI: The next speaker will be John Karas.

JOHN KARAS: I own a restaurant in Hartford, Connecticut. It's the... you want the name and adress...My name is John Karas, I'm from Wethersfield, Connecticut and I own a restaurant in Hartford. I employ...one of the members that come up here made a very...very good impression on you people and I just want to correct some of the inaccuracies that were given.

Umm, I'm against the tip bills, 746 and 1258. For some reasons, I'll try to be as brief as I can, and I thank the Committee for allowing me to come to this debate.

We...in a business today, in a restaurant business, it's not a matter of making a lot of money, sometimes it's a matter of survival. We're competing against big business, especially in my line of work. And we're competing against restaurants, who..for instance, a McDonald type or a self-service type, that...what you might call a moderate price restaurant, under 3 or \$4. And we have to watch our pennies, we have to be very very careful. I myself work very hard, my wife teaches school, umm, and my mother works in the evenings. I don't want to make a sad picture, to make you cry about it, but we are working hard.

REP. SWIESZKOWSKI: Thank you, Mrs. Gil. The next speaker will be K. Betts.

KAYE BETTS: Good evening. I'm also here to speak against..

REP. SWIESZKOWSKI: Your name and address, please.

MS. BETTS: Excuse me, ...

REP. SWIESZKOWSKI: Speak to the mike please.

MS. BETTS: Kaye Betts, Bethany, Connecticut. Okay? I'm Kay Betts from Bethany, Connecticut. I work in New Britain and I'm also here to speak against Bill 1051. I would commend the Connecticut Legislature on the fact that it now has a law, which allows for women to be paid when they are not able to work because of pregnancy. I think the women here in this room will testify, as did Mrs. Gil, to the fact that women work for the necessities of life, most women who do not work during the time that they're giving birth, did only take off as many as 6 weeks. That would be the maximum for 95% of the women who take time off from work. Thank you. (applause)

REP. SWIESZKOWSKI: Thank you. I'd like to mention that Senator Johnson joined our meeting. Right here on the left of me. The next speaker will be George Gaedeke.

REP. GEJDENSON: Allied Thermal Corp?

REP. SWIESZKOWSKI: The next speaker will...Peter Van Stroh?

PETER VAN STRUM: Mr. Chairman, I'm Peter Van Strum, I'm manager of SB59 personnel for the Stanley Works in New Britain. And I'd SB60 like to address just a few remarks in favor of the quits and fires bill....

REP. GEJDENSON: You can bend that mike up, if you talk into it...

MR. VAN STRUM: I'd also like to point out, in my remarks in favor of quits and fires, that I think it's time that the Connecticut Legislature, and the Labor and Business, realized that there is a need for the State of Connecticut and for many states in New England, to become more competitive in the national labor market. And I don't think, that the current laws governing Unemployment Compensation in the State of Connecticut, are in that position of competitive...umm. position.

The Unemployment regulations in the cur...in the State now, are currently, the most costly in the nation. Taxes are the fifth highest in the 15 industrial states. That certainly is not competitiveness. The Compensation regulations (break in tape) unsound for many reasons. Expenditures are consistently greater than the financing levels. They have been for the past 7 or 8 years. The compensation regulations for unemployment, are not competitive with programs in the surrounding states. In fact, all the surrounding states in Connecticut, disqualify quits. 37 States in the country restrict benefits to those who are laid-off or who

MR. VAN STRUM continues: can show they were forced out. In 38 States in the country, you have the one week waiting period. The Unemployment regulations fail to provide proper incentive and motivation, to either the employer or the worker, to pursue productive actions towards employment.

Recent studies have shown that almost 50% of those, who I think had quit, been fired for cause, or even on a pension, I don't feel that the current regulations encourage a system which provides for those in...most in need. Staff and finances are only a limited resource to those who are victims of legitimate lay-offs. The current Unemployment Compensation regulations are also administered without proper audit or management controls, to prevent or minimize abuses.

It's commonplace to hear stories about benefits paid out to those not looking for work, inability to accept work, using benefits to finance vacations in Florida, and supplement a family income, and as supplement to wages when employed. As for the duplication of welfare income maintenance systems, is also involved. When Unemployment benefits are paid to those collection pensions. I feel that the State Unemployment Compensation laws must become competitive with the rest of the States in this country. And particularly, in the surrounding states of New England.

I support the restriction of benefits to those persons, are currently...I feel that, benefits should be paid to those persons who are laid-off or who can show that they were forced out. I think that's businesses responsibility, since they're paying the bill. I also support a restoration of the work...of the waiting week, where...before benefits can be collected. And I would recommend that Unemployment benefits be disallowed to strikers, or those involved in labor disputes.

Under the current situation, where the employer themselves has to pay the bill. In a sense, ^{then} the employer get paid, or has to pay those that are working against him and creating an economic hardship. I would support the improvement of job counseling and manpower training efforts to those who are in real need; those who are laid off; those who can't find work because they're under-trained; and I would strongly suggest that in the evaluation of the new legislation, that the Committee develop, and establishment of controls to minimize and prevent the current abuses to the system. Thank you.

REP. SWIESZKOWSKI: Thank you, sir. Would you leave an extra copy for the committee? Of your statement?

MR. VAN STRUM: Well, I can get you one.

REP. SWIESZKOWSKI: Thank you, sir.

REP. GEJDENSON: Just one question. Do you have any particular suggestions on how we might and I don't know if you know this, but this Committee is planning to take in-depth look at the

REP. GEJDENSON continues: problems, as at least as have been represented to us; those people that shouldn't be umm, receiving Unemployment Compensation, those individuals that might be using fraud to collect Unemployment Compensation, do you have specific suggestions on how we might tighten up the system? I only...you know, if you don't have them now, it's perfectly understandable, but if you do come up with some, we'd appreciate it, if you'd send them to the Committee.

MR. VAN STRUM: I think that the appeals structure is one good method, and although I'm not deeply aware of the in-depth methods that the surrounding states have, who have similar legislation, to that which is (break in belt)

the person proposed today. I think that that would take, would be worth looking into. I think that the main point is, that if we don't become more competitive in this State, labor is going to suffer, and business is going to suffer, because the jobs are going to continue to move out of the State. And that's a fact! Jobs have been moving out of the State. And it's to labors benefit to support the quits and fires, not to oppose it; as well as the business establishment.

REP. SWIESZKOWSKI: Any questions? Thank you sir. The next speaker will be John Wilhelm. The next one will be George Levine. The next one will be Stanley Wilk.

STANLEY WILK: Good evening Committee members and Senator, Nancy... I'm 67 years old and retired, now, we're all gathered here together.

REP. GEJDENSON: Your name?

MR. WILK: Stanley Wilk. Born and raised in New Britain, through school and everything; 7 years in the service, 39 years in Pratt and Whitney Night Aircraft. Umm, what we need here in Connecticut, is a state tax credit system. In order to, rectify any Unemployment Compensation inequities to all these people that are out of work and looking for work; there's no mistake about it, people needs them and, with more money out of circulation, and in order to carry on existence in society. Otherwise, they would all resort to the state welfare considerations. The state would pay a burdensome sum in order to facilitate all the costs that implemented.

Now, I'm referring to bill 5972. Have you got that? Now, if we take item number one, apparently disqualify persons that quit their job, were fired for cause or were rere refused suitable work for collecting benefits, there is no excuses, for the fact, that when the people do lose their jobs, it it...isn't because they have...lost their jobs willingly. If we had plenty of work in the State of Connecticut, I'm sure that everyone would be willing to have a job and would be wiling to work and circulate the money. (applause.)

MR. ROBERTS continues: And tipped employees average income is 61% higher than those who do not receive tips. To meet the approximate 35% increase in wages, in which passage of this legislation would mean, employers would have to increase menu prices, reduce the total number of employees, forcing those still employed, to perform less tipping producing duties, or even to impose automatic compulsory service charges, which would drive away competitive business.

H.B. 6659 and H.B. 7576, which proposes to increase the minimum wage, we feel would be poor legislation, because according to State Statutes, Connecticut automatically follows Federal increases in the minimum wage. We do, and we would support passage H.B. 5887, amending the Statute to provide that whenever the Federal minimum wage is increased, the allowance for gratuities for persons employed in the restaurant industry, which term includes Hotel-Restaurants, shall be increased by an equal to 40% of such an increase. I thank you for your time, and I will leave that copy of my statement.

REP. GEJDENSON: Thank you very much sir. The next speaker is a former representative, Dominic Badalato.

DOMINIC BADOLATO: Mr. Chairman, and members of the Committee, my name is Dominic Badolato, resident of the city of New Britain and I'm appearing before you as a tax-payer of the city of New Britain and the State of Connecticut, and also, President of the New Britain Central Labor Council.

This is a new experience for me, for the last 22 years, I've been on that side of the hearings, conducted by this Committee, and I certainly expect that the day will come that I'll be back there again.

I certainly am concerned about some of the considerations of this General Assembly in-so-far as, a number of bills dealing with the working people of the State of Connecticut. The "quits and fires" is one that has been on the books for many years, there is no justifiable reason for repealing the Statutes as they are today. When an individual quits his job, he doesn't do it without some serious consideration as to the consequences. And there are some compelling reasons, and there must be compelling reasons for them to quit. The General Assembly in its wisdom determined that a penalty of 5 weeks is sufficient for that type of an individual, and it's been on the books long enough now, for us to continue with it, and I would hope that this session of the General Assembly would continue with it.

The section dealing with "fires" is similar. There were questions raised before us, to organized labor and representing the workers, and representing those that are fired, and also in some cases, representing and discussing with those that may quit. You've got to remember that there are only about 25% of the work force that's organized. And the laws that are on the books do not apply to working people

MR. BADOLATO continues: only. They apply to all of the people that work for wages. And there are 75% of them that don't have any type of protection! When it comes to a discharge! Nowhere for them to go. Nowhere for them to appeal their rights. They have no rights! Because they don't have any organization to appeal to; or to defend them.

So that the General Assembly in their wisdom felt that a penalty for them, for whatever reason they were discharged, 5 weeks ought to be sufficient, and it's been on our books long enough, and I think that the General Assembly should consider that seriously and leave it alone.

Now, I'm going to go on, but there are many people that are not going to be given an opportunity to speak; many people that have left; I'd like to..the Committee to get an idea of really, those that are here now, that are opposed to any change in the law in-so-far as the "quits and fires" and if they would raise their hands to give the Committee an opportunity to see how many of you are here, so that they'd make no mistake about where you stand on this issue.

Now, New Britain,..is a...New Britain is a community of working people. Highly industrialized and yes, highly unionized. Despite that fact, there are a lot of people that live in New Britain that are not unionized. New Britain has been well represented in the past, and I only hope that those that are serving New Britain in the General Assembly do not undo those things that have been done, for the working people of the State of Connecticut...in past years. (applause)

REP. SWIESZKOWSKI: Thank you for the advice Mr. Badolato.

MR. BADOLATO: I only hope that you heed that advice.

You have many bills that are before this Committee, that are being considered tonight, that attempt to discriminate against people that work for wages. You have many bills before you that in some way attempt to restrict their eligibility. And I would hope that we in these days and in these period of time when we are trying to put an end to discrimination, will not now, turn the other way, and start discriminating against people, by making it difficult for them or excluding them from coverage under Unemployment Compensation. There are enough exclusions! I would hope that some day, the General Assembly would put an end to exclusions of coverage under Unemployment Compensation.

There are a number of bills in here that deal with those that are involuntarily retired; an effort to try and penalize them. They were forced to retire by whatever pension plans they might have, or by whatever rules some employer may have, in-so-far as age is concerned, and they are not trying to say that if they are collecting a pension, or if they are collecting Social Security, that should be deducted from their wages. And I say to this Committee, don't do that to these people, that would be living on fixed incomes, and

MR. DI PIETRO continues: call it, taxes or interest, but we gotta pay, and no tella me 19-8. No talka like a silly....tomorrow. I no wanta my kids to pay this money. And nobody else wanta pay this money. I wanta pay myself, not my kids. If we can't afford pay, fighting them back, starta tomorrow. Thank you. (applause)

REP. GEJDENSON: Thank you, sir. The next speaker is George Walker. He left? Somebody was wrong. Thank you.

GEORGE WALKER: Ladies and Gentlemen of the Committee, I would also like to express my appreciation for your coming to New Britain; my name is George Walker, I live and work in the city of New Britain. I'm in charge of personnel, for the New Britain Machine Company, and...an employer of some 1300 people in this community. Umm, and I'd like to talk about the 'quits and fires'. SB59
SB6C

It seems to me, that's a nice Appalacian term to use the 'quits and fires'. But I think that we ought to talk about what we're not talking about. We are not talking about the case of Mrs. Mills here, who works to put her son through college and become a botanist. We are not talking about the people who are laid-off for a lack of work. We are talking about most people who were fired. And I haven't heard anybody refer to the current part of the existing statutes. And I would like to just read that. This is a disqualification, during the week in which the opinion of the administrator, and the administrator happens to be the Labor Commissioner of this State, who runs the Labor Department. This person has been discharged, or suspended for willful misconduct, in the course of his employment. Now, you have quite a few organized labor people here, and I...my plant is organized also. And if we discharge an employee, we have a second stage grievance, we have a third stage grievance and we have arbitration. And in spite of that, if, this clause is to be applied, is to be applied by the Labor Department and the Labor Commissioner. This is the protection that we're talking about. You know, what're we talking about someone who has been discharged for willful misconduct? Well, let me tell you about a particular case, where an employee was discharged for stealing our product.

We prosecuted, he went to a Court of Law, and was found guilty! Four weeks later, he was collecting Unemployment Compensation. Now, this...he was found to have he was disqualified for 4 weeks, but for thereafter, he suffered no penalty. Hewas able to...for 65 weeks, to collect Unemployment Compensation, and this is the kind of thing that you're getting into, in terms of the...of the discharge. The fires. And in the same manner, we're talking about thethe person who voluntary quits, and I think that...you know, I hear that there's 6% figure bandied around. Well what obligation do we have to the 94% of the people who are working? Who put in a full days, weeks and many years of labor. This gentleman said he had put in 38 years, in United Technologies. Do you suppose he would have left without trying to find another job?

MR. WALKER continues: And I think, not only, are the employers, but the citizens are saying, you are paying the wrong people Unemployment Compensation. And I would hope that the Committee would take under consideration, and put a further restriction on...people who are quit and fired, because believe you me, in today's market, a 4 week disqualification is no real penalty for what these people are engaging in. Thank you.

REP. GEJDENSON: Thank you, sir. Can I ask you one question? Umm, if the disqualifi....right now, we're basically dealing with postponement.

MR. WALKER: Yes.

REP. GEJDENSON: What would you think would be a reas...if you weren't just going, totally cut the person off and throw him out in the street and say, good luck! Is there some kind of middle ground that you'd consider?

MR. WALKER: Representative, you're in my area now of negotiations. (laughs)

REP. GEJDENSON: I've done a little myself. Not very successfully, but a little.

MR. WALKER: Yeah, I think...well I think the typical employer organization is that...there should be a total ban. I think that's what other States do. And...you know, one of the things that I think we have to recognize, it isn't just a case of the Connecticut employers, but there should be a phrase added to that, that Connecticut employers in competition with employers in 50 other States, I would say that, if not a total ban, a ban to basically make it unattractive. A period when a person is going to be out of work, or out for a considerable period of time. We had a case in our company, when a ... we were laying off people, and a...young employee, said that, you know, lay me off instead of someone else. And we said, no, we go by strict seniority. He said, well, you know, I want to be laid off, I'd just as soon collect Unemployment Comp. We said, no. He said, ahh, I'll quit. And in four weeks, I can pick up my Unemployment Comp. That is not a penalty. And, you know, he had a wife who was working, and he really suffered no penalty then. He was quite willing, because you know, whether it's 45, 52 or 65 weeks thereafter, he did not feel the compulsion to have to work.

REP. GEJDENSON: Thank you. The next speaker is Jeanne Collins, to be followed by Marge Tubbs.

JEANNE COLLINS: Mr. Chairman, I respectfully request that I yield my time to a young lady that has to get back to work. I won't say anything.

REP. GEJDENSON: That's fine, and you can wait and speak after her.

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REP. GEJDENSON: Thank you very much. The next speaker is Jean Bennion, to be followed by Walter Janus.

JEAN BENNION: I'm Jean Bennion, a resident of New Britain, and I'm here to testify for the New Britain Area Provisional League of Women Voters, against S.B. 1051.

This 3-lined bill proposes to repeal the provisions of Sections 31-126g of the Connecticut General Statutes. The 3 provisions of the Statute currently, make it an unfair labor practice to "terminate a woman's employment because of pregnancy, to refuse to grant to said employee a reasonable leave of absence for disability resulting from such pregnancy, or to deny said employee, who is disabled as a result of pregnancy, any compensation to which she is entitled, as a result of the accumulation of disability or leave benefits occurred pursuant to the plans maintained by said employer."

Employed pregnant women are not a large part of the working force. Employed pregnant women who are disabled by a result of the pregnancy, are even a smaller number. I urge the members of the Committee to check with their family obstetricians, if they have any questions, to verify that most employed pregnant women, work until near the date of delivery. Pregnancy is certainly not a sickness. We are talking about sickness, which occurs during, or as a result of pregnancy. Connecticut's law is equitable and we urge its retention. Thank you.

REP. GEJDENSON: Thank you very much. (applause.)

WALTER JANUS: My name is Walter Janus, I'm a resident of New Britain. I would like to speak against the law or bill that would punish anyone who quits or fired; I'm a member of a construction union and I'm a rare breed. I happen to have a job, in case anybody is interested. But, I have been a member of the union, for over 30 years, and in this time, I've worked...it's a good thing there's ladies here, or I'd tell you who I worked for, but I'll just say, real mean characters. You could never satisfy them if you put up a building in one day. And I've quit more than one job because I am not a slave or animal, I'm a human being. So there are conditions or reasons why people quit.

I've looked at all those bills, I haven't seen one ^{bill} that would ...if I quit, because I was right, I haven't seen one bill that says, my employer should be penalized. I haven't seen one bill that says, if I go out on strike, I can collect Unemployment, and I've never been out on strike, incidentally, I've never seen one bill that says, if I went out on strike, I cannot collect...there is a bill that says I can't collect Unemployment, but there's not one bill that says the employer, will also be penalized against any tax benefits that might derive because he used this strike as a tax write-off. Not one bill says this! So, this thing works both ways.

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MR. JANUS: Well, I'd give it....

REP. SWIESZKOWSKI: And you leave it on your own...

MR. JANUS: I think Mr. Badolato mentioned some sort of protection to protect the employee...er. I...I...Dominick I'm not familiar with all these bills. (inaudible - both people are talking at the same time.

REP. SWIESZKOWSKI: The next bill, 60, Mr. Janus. An Act concerning elimination of Unemployment Compensation for individuals who are fired for cause from their jobs. Are you in favor or against?

MR. JANUS: If you're fired for cause?

REP. SWIESZKOWSKI: Yes.

MR. JANUS: I'm sure if there are...there's something there to protect both people, in other words, if I stole, like Mr. Walker stated before, this is just cause to fire anybody and I would fire anybody who stole as a worker from me. I'm not a thief and I don't respect thieves. So, if someone stole, I would fire him, and I don't see why he should collect Unemployment, I stated this before.

REP. SWIESZKOWSKI: Mr. Janus, are you expressing your views or the views of CPOA right now?

MR. JANUS: I'm speaking here as Walter Janus, the only reason why I mentioned the Citizens Property and Owners Association was for binding arbitration, and the tax bill. Before that I spoke as Walter Janus.

REP. SWIESZKOWSKI: Thank you, Mr. Janus.

REP. GEJDENSON: Thank you, sir. The next speaker is George Farina... I made a mistake...

UNIDENTIFIED SPEAKER: I'm speaking for George.

REP. GEJDENSON: Oh. Could you state your name please?

PAMELA PETIT: I'm Pamela Petit.

REP. GEJDENSON: Thank you.

PAMELA PETIT: This is about the...this is about the proposed bill, number 746. Okay? I don't think you've really looked into it. Into the impact of this bill is going to make. You said again, that if a waitress can wait on 3 tables, we also have waiters, most are waiters, if a waitress can wait on 3 tables in an hour, you can raise the price 20¢. Perfect, if you have one waitress. It's tough when you have 30! You know, to raise it that much. You asked a question...why are the waitresses worried about their tips. You know, if this 60¢ goes through. Why would it affect their tips. Of course, it would affect their tips! Because it would raise our pay-

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SHARLENE BLOCK: Good evening. My name is Sharlene Block and I'm a member of Local 626, UAW in Bristol. I'm here tonight to speak against S.B. 1051. An Act concerning Compensation During Employment Leaves of Absence.

If enacted, this would mean repeal of the State law requiring businesses which give extended disability benefits to..for pregnant women workers under the coverage. The Supreme Court recently upheld this line of thinking by a 6 to 3 ruling, that said company disability rules that exclude or limit coverage of pregnancy and childbirth, do not violate the Federal Anti-Discrimination Laws. The decision reversed the rules by 6 U.S. Court of Appeals, all of which held that employers violated title VII of the Civil Rights Act of 1974, if they refuse payments to women for absences caused by pregnancy, while they did compensate workers for a range of other disabilities.

The Court is saying that if you exclude members of one sex from disability coverage because of a medical condition that cannot apply to members of both sexes. What the Supreme Court has done, is to legalize discrimination and who will be discriminated against the most? The working women of this country. The rich will be able to afford to have children or not, as they chose. The poor will have it paid for by the government and by our taxes.

We are now telling the working, middle-class tax-paying women, that if she has...if she elects to have a child, she must subject herself to a system that will take her tax dollar willingly, but penalizes her for becoming pregnant. Should she be considered a second class citizen, simply because she chooses to bear children? As UAW members, we are covered by a contract and who's disabilities are paid for. It is the workers on the lower end of the wage scale that have the most to lose. It would really be a tragedy if this State were to become a place where only the very rich or the very poor could afford children. Thank you. (applause)

REP. GEJDENSON: Thank you. George? Sorry.

GEORGE SPRINGER: My name is George Springer, I'm the President of SB 59, the New Britain Federation of Teachers, associated with SB 60, the American Federation of Teachers, the Connecticut State Federation of Teachers, and the AFL-CIO.

I teach in New Britain, I live in Bristol. The New Britain Federation of Teachers is opposed to any and all bills that would deny Unemployment benefits to people who quit or are fired. We believe that present Statutes provide sufficient deterrents to answer anyone who might suggest, that people might quit, merely to collect Unemployment benefits. It is our position, having seen both the effects on the unemployed and the children of the unemployed, that any of the bills before you, if acted on, would cause undue burden, not only on those families which would affect also, innocent children.

MR. SPRINGER continues: The New Britain Federation of Teachers is also strongly opposed to any attempt to change the current statute and permit employers to treat women who are physically disabled, because of pregnancy, other than we now treat men for disabled, because of other physical disabilities. Thank you.

REP. EJDENSON: Thank you, sir. (applause) Is there anyone else interested in speaking? Come forward.

CARL SYMECKO: My name is Carl Symecko, I'm from New Britain, I represent no group, I just represent myself, tonight.

I would have signed up earlier tonight, except I wanted to see the bills first, to see if there is something that would interest me, to get up here and state a position. I have. There are 3 bills here that I am opposed to and I think that many, many people should understand my reasons for opposing them.

One of them I'm very appalled at, and I hope that there's other people that are appalled at this bill, because I think it's a precedent that shouldn't be set. And the bill I speak about, is the one that speaks to elected officials becoming eligible for Unemployment Compensation. I think that is something I donot want to see passed. I've picked up the copy here, so I presume that it is something that is before your committee. Officials who run for office, choose to run for office. It's not a full-time job, it's not something that they depend on their livelihood for, I do not think that this should pass; should even have gotten out of your Committee. I'm...

REP. GEJDENSON: Excuse me, sir. It hasn't gotten out of our committee. We have a practise in the General Assembly, that any bill that is introduced, possibly by the request of the constituent, will be heard and given public debate. That is a long standing practise in the General Assembly. Our Committee has not voted on that bill, except for to give it a hearing, so the public can speak.

MR. SYMECKO: I'm very glad I had a chance to speak on that. The other two things that I'd like to speak on, involve the Unemployment Compensation for those who quit, and those who are fired.

First, I'll address myself to those who are fired. I think that's a very difficult thing to determine, if the company that fired the individual has fired him for just cause. I think that's something that has to be looked at. And I myself am not prepared to sit in judgment as to when someone was fired for just cause, or not. I think that has to be very closely looked at, and safeguarded so that ...guidelines are established so that these people have direct guidelines as to whether it's a just firing.

MR. SYMECKO continues: As far as some person quitting and... excuse me, umm, able to get Unemployment Compensation; I think there's a responsibility that every single person has. I have a responsibility to my family. Okay, I have a family. When it comes time to quitting, that's something in which I have the responsibility to determine, what's best for my family. Okay? I am not going to quit a job, and I think most other people are the same. I'm not going to quit a job unless I have something else to go where I can provide for my family. I am opposed to those, who voluntarily quit, being able to collect Unemployment Compensation. They are not living up to their responsibility for providing themselves. If they have not lined up a job before they quit. Thank you.

REP. GEJDENSON: Thank you, sir. Anyone else interested in speaking? Yes. This lady was first I think, just stay right here, you'll follow her.

MAUREEN CARTER: Hi! I wasn't going to speak tonight, but I heard a few things that're kind of bothering me. This is an... Oh, my name is Maureen Carter, I work in New Departure in Bristol. No I get all the free peanut shells I want. (answer in response to inaudible question) laughter.

Mr. Taber made a comment about big business assumption was to supply jobs, and not to solve socio-economic problems. Well I think it's becoming more and more apparent to all of us that big business is pretty much dictating the patterns of our lives. So, I think that they have to be concerned with socio-economics, whether they like it or not. And, the Supreme Court which is the highest court in our land, of which I used to believe was an awesome body, has ruled that it's perfectly alright to put a man out of work, with no source of revenue, or income whatsoever. And these are people who work everyday. Who pay their taxes, they carry the bulk of the taxes, and yet, it's perfectly alright to say, I'm sorry, no work, no unemployment, no nothing. Now, I think our lawmakers have to become aware that they are backing us into a corner, and we are getting angry. And that is a very dangerous place to put all of us. And so, I just feel that this law is immoral. The Supreme Court ruled on a technicality, without conscience, without regard for human dignity, to wiping out a man, for no reason whatsoever. And this makes me very angry! And I don't (inaudible - speaker too far from mike.)

REP. GEJDENSON: Speak into the mike, please, some people are having trouble hearing.

MS. CARTER: Now, I just want to say one more thing. Okay. I just read where the government spent 26 thousand dollars to find out why inmates want to escape from prison.

UNIDENTIFIED SPEAKER: That's federal though.

MS. CARTER: Well, even so. It's still the whole picture. And another

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The bill as amended has PASSED.

MR. O'NEILL (34th):

Mr. Speaker, I move for suspension of the rules for the immediate transmittal to the Governor.

THE DEPUTY SPEAKER:

Question is on suspension of the rules for immediate transmittal to the Governor. All those in favor signify by saying aye. Those opposed? So ordered.

THE SPEAKER IN THE CHAIR

THE SPEAKER:

The Clerk please call on page 6 of today's Calendar, Calendar No. 1025.

THE CLERK:

Calendar No. 1025, substitute for S.B. No. 60, File Nos. 321, 914, An Act Concerning Elimination of Unemployment Compensation for Individuals Who are Fired from Their Jobs, as amended by Senate Amendment Schedule "A", favorable report of the Committee on Labor and Industrial Relations.

MR. GEJDENSON (48th):

Mr. Speaker, I move for acceptance and passage of the joint committee's favorable report.

THE SPEAKER:

Question is on acceptance and passage. Will you remark, sir?

MR. GEJDENSON (48th):

Yes, Mr. Speaker. The Clerk has an amendment, Senate "A".

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Is the gentleman referring to LCO 8087?

MR. GEJDENSON (48th):

Yes, Mr. Speaker.

THE SPEAKER:

The Clerk please call LCO 8087, Senate Amendment Schedule "A".

THE CLERK:

Senate Amendment Schedule "A", LCO 8087, offered by Senator
Murphy, 19th district.

MR. GEJDENSON (48th):

Yes, Mr. Speaker. Before moving to reject Senate "A"--

THE SPEAKER:

Would the gentleman excuse me, sir. Does the gentleman seek
leave of the chamber first to summarize Senate "A"?

MR. GEJDENSON (48th):

Yes, Mr. Speaker.

THE SPEAKER:

Is there objection to the gentleman from the 48th summarizing
Senate "A" in lieu of the Clerk's reading? Hearing no such objection, the
gentleman from the 48th to summarize.

MR. GEJDENSON (48th):

Senate "A" does to the fires portion of the quits and fires issue
what Senate "A" had earlier done to quits. Senate "A" disqualifies people
if they were fired for felonious or repeated wilful misconduct totally which
doesn't sound bad at first listening to the language until you start reading
the possibilities for repeated wilful misconduct.

Mr. Speaker, I urge rejection of Senate "A" and so move.

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Motion is for rejection of Senate "A" and will you remark, sir?

MR. GEJDENSON (48th):

Yes, Mr. Speaker. The courts have found that among things that are considered wilful misconduct are momentarily leaving a running machine, (record 13) false denial of an arrest record, excessive absence, allegedly for illness but without proof and a substantial number of tardinesses without good cause. So if you have an employee that you want to get rid of, watch him. If he shows up late a couple of times or if he's been sick and he hasn't given you a note from his doctor, fire him, because you're not going to have to pay unemployment comp and you'll be rid of him. That's what this bill is going to tell the people of the State of Connecticut.

Other things that are considered wilful misconduct are violation of company rules or orders given by employers. If an employer orders you not to talk with other workers while you are on the machine and you've done that a number of times, that's repeated wilful misconduct. You can be fired. You won't get any unemployment compensation and the employer will be rid of you.

Mr. Speaker, I urge we reject Senate "A" because it is the kind of onerous legislation that is even more damaging to the people of this state than our previous action. Thank you.

THE SPEAKER:

Will you remark further on the motion to reject Senate "A"?

MR. MOYNIHAN (10th):

Mr. Speaker, very briefly and the chamber has been extremely patient, I think the draftsmanship of Senate "A" is very very clear. It talks about wilful misconduct, felonious misconduct and I think Mr. Gejdenson overemphasized the point. It also grounds repeated tardiness, repeated

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absenteeism, theft from an employer, there are a broad range of reasons that--for which--would also be described by the wording in the amendment and I would urge a vote of no on the motion to reject.

THE SPEAKER:

Will you remark further on the motion?

MR. DE MERELL (35th):

Mr. Speaker, I'd like to move that when the vote is taken, it's taken by roll.

THE SPEAKER:

Motion is for a roll call vote when appropriate. All those in favor of the motion will indicate by saying aye. In the opinion of the Chair, in excess of 20% of the members present and voting are supportive of the motion and when appropriate, a roll call will be ordered.

Will you remark further on the amendment? Will you remark further on the motion to reject? If not, will the members please be seated, will the staff and guests come to the well. The machine will be open.

In deference to the members who are arriving in the room, the vote is on Calendar No. 1025, the vote is on Senate Amendment Schedule "A", a roll call pursuant to the motion of the gentleman from the 35th. The motion is to reject Senate "A". The vote is in the obverse. Yes is no, no is yes, vis-a-vis the substance of Senate "A".

The machine is still open. Have all of the members voted and is your vote properly recorded? If so, the machine will be locked and the Clerk will take a tally.

MR. MC KENNA (85th):

Mr. Speaker, my vote is in opposition to what I wanted.

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For what purpose does the gentleman from the 85th rise?

MR. MCKENNA (85th):

I would like to change my vote, to the affirmative.

THE SPEAKER:

The gentleman from the 85th from the negative to the affirmative,
from a nay to a yea. The Clerk please note.

The Clerk please announce the tally.

THE CLERK:

Total Number Voting.....147
Necessary for rejection..... 74
Those Voting Yea.....63
Those Voting Nay.....84
Those Absent and Not Voting..... 4

THE SPEAKER:

The motion to reject FAILS, Senate Amendment Schedule "A" is
ADOPTED. It is ruled technical.

MR. GEJDENSON (48th):

Mr. Speaker, speaking on the bill as amended, I will now ask
and hope that the chamber would reject the bill. That may be a bit optomistic.

I can see where confusion could have occurred because you haven't
spent as much time as I have or maybe you have, I don't know, maybe you came
to different conclusion, but I can see where possibly confusion can result
from looking over the quits issue. It's very easy to end up saying, the
guy is a lazy bum. He doesn't deserve to be helped. But I can't under-
stand how the members in this House cannot see the implications of this
bill. I've worked for good employers, I've worked for bad employers, I've
worked for a dollar a day and most of the time, I don't think this bill if
it passes would have made one bit of difference to me because most of my

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employers were really good people. What this kind of legislation is going to do for the guy that just wants to get rid of people, that wants to push people around, that likes to keep his employee where he belongs, down on his knees, we're going to give it to him. You know it's great. We're going to come up here and protect business because that's the great cry of the mid 70's. We're in a recession and if you don't do what I want you to do, I'm going to leave your state. If you don't do what I want you to do I'm going to close down my plant, you're not going to have any jobs. That's the great cry. But what do you do to people? You know you're talking about corporate executives. I read of one, obviously the highest, in this state who makes \$32 thousand grand a year--a week, I'm sorry. Makes \$32 thousand grand a week. Makes \$32 thousand grand a week. And you want to protect him and you want to protect his stockholders who make over twenty grand a year. God forbid we should tax them. But some poor slob is going to go out and pick up forty bucks a week from his unemployment office, oh oh watch out, there's going to be one guy, and I'm going to find him for you and I'm going to bring him here as an example of who's going to abuse this system. That's great. I hope we pass this bill and I think it's going to be wonderful when you get those calls. But the heck with them, we're protecting business. I know people are running for Governor, people are running for re-election and we've got to take care of business. And I care about business. I think everybody in this chamber does. I spent six months this year just on one, went to a neighboring town, I'm happy, it's jobs in my area.

But somebody has got to protect the people. The people don't have lawyers, they don't have corporations. You know we sit here and every time we get a chance to nail the little guy, let's do it because it's a great

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issue this year. You know we can bring up all those abuses. The fact that the corporate giants run around in jets and write it all off on taxes and everything else, we can't do anything about that but doesn't seem to upset those very same people who are up here worrying about some guy that may end up with, if he's the average, 75 bucks a week and probably a lot less.

Thank you.

THE SPEAKER:

Will you remark further on the bill as amended?

MR. COATSWORTH (32nd):

Mr. Speaker, as one who has served as chairman of the Committee on Labor for the previous two years, I can certainly understand the frustration that Mr. Gejdenson must feel on a bill that he thought did address itself to a problem which Connecticut faces, has been amended and in so doing by amendment created what I believe is a major mistake for the direction of the State of Connecticut.

I'll be brief. I understand that the votes have already been very well decided. There's very little I have to say here this afternoon that will change the minds of many of my colleagues but the bill as amended by the Senate talks about those who have been discharged or are suspended for felonious conduct or repeated wilful misconduct, who determines what is felonious conduct, who determines what is repeated wilful misconduct? I think we've changed the balance. We severely altered the balance between employer and employee in Connecticut with the passage of the previous bill and I believe the passage of this one. I think that's a mistake. I think it's the wrong direction to go in. I don't believe it will help the business community meet some of its problems. I don't believe for one moment

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that the abuses discussed on the floor of this House will change with the passage of this kind of language but I do believe, Mr. Speaker, that individuals who have worked all their lives and find themselves in the very difficult situation with an employer who is prone to abuse the system will be denied benefits and I think that's a mistake. I think all of us have acted with a great deal of haste and a great lack of understanding and that's unfortunate and that's going to cause problems for my constituents and yours. (record 14)

I would urge you to vote against the bill.

THE SPEAKER:

Will you remark further on the bill as amended?

MR. MOYNIHAN (10th):

Mr. Speaker, I rise to speak on behalf of the bill. I think it's been very carefully drawn. I may be repeating myself but it talks about felonious conduct, repeated wilful misconduct. It does not talk about the kind of situation that has been described by the previous speakers where the employer establishes working conditions that force the employee out.

I might add the record of the labor department is very clear in the appeals that they have taken under the current law. The appeal process has worked. The majority of cases they ruled in favor of the employee and I think they will continue to do so when there is a clear case of the employer abusing his end of the bargain.

I might add I think this is a step in the right direction. I will be back before you next year perhaps with some suggested legislation that will impose some further demands on employers. I think it's a double-edged sword since 1975 when I started speaking out on this issue. I think we've needed reform on both sides of the aisle and I think we as a chamber

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should continue to push for reforms both in the employer and employee area. I would urge your support of the bill. As I say, I think it's carefully drawn and I think it speaks to a problem and I think it deals with the problem properly. Thank you, Mr. Speaker.

THE SPEAKER:

For further remarks, the gentleman from the 105th.

MR. PAWLAK (105th):

Mr. Speaker, I would just like to make a few remarks which I think are appropriate to the bill. I think that the bill itself is a fraud and Rep. Gejdenson has eloquently expressed the feelings of many of us who recognize the fraudulent nature of the bill. The bill provides a stacked deck to anybody who is fired notwithstanding the fact that the person may be readily able to go all the way to the supreme court, that person is unable for many reasons to do so. If, as is the case, if 75% of the people are unorganized, they are confused, they are terrorized by the thought of making an appeal. As a matter of fact, many of them don't know they can appeal and I have been called by private persons in the severe circumstances to advise them as to what they can do. The employers have highly paid, highly skilled greatly experienced people available to represent them at the appeal if such course is taken. These people work every day of the week at that business. The unfortunate person who is fired is like a lamb being led to slaughter.

This bill might have some merit, Mr. Speaker, if the CBIA or the various chambers of commerce or other representatives, groups or associations of the business and industrial people provided in their bill some sort of assistance to anyone who needs it. If the CBIA or the chamber of commerce said yes, whenever a person feels he has been unfairly fired, he

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shall be provided with competent counsel, then perhaps we might be able to--we might have reason not to doubt their sincerity but it has been very carefully drawn up and that, of course, is an outstanding omission, not inadvertent but certainly deliberate.

In conclusion, I would like to urge people in this House who have any compassion at all for the unfortunate people who will be involved and more unfortunately will be made to suffer, along with their wives and their families and their husbands, to vote against the bill.

THE SPEAKER:

Will you remark further on the bill as amended?

MRS. RAPOPORT (73rd):

Thank you, sir. I think the thing to discuss at this particular time is the fact that the crucial and ironic problems with the legislation before us are not going to be solved because they do not address the problem for which they were conceived. If one would look beneath the cloak of emotionalism surrounding this issue, it's patently obvious that the proposed legislation is destructive, not constructive. Such legislation cannot subsume reason, logic and fact. It was wrong before in the past and it will be wrong now and in the future.

The bill before us and the one we just passed are difficult bills. This one refers to the terms repeated wilful misconduct. The term repeated is an addition to the present language and is, I believe, an attempt to quell potential dissatisfaction. However, such semantic subterfuge cannot disguise the fact that the courts of the State of Connecticut have consistently ruled that single instances of misconduct do not constitute a legitimate disqualification for unemployment compensation. The periods of disqualification are disputable. But truly the phraseology "good cause" is what I'm after.

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What is "good cause"? If the party appeals this disqualification by employing the judicially recognized offenses of provoked discharge or constructive departure, he may find himself without assistance for many months as he moves from referee to court. This has the effect of locking people into a desperate search for funds. It forces the aggrieved party to settle for any employment regardless of his or her talents and experience in order to merely survive. The alternatives--an AFDC, the unemployed father grant or general assistance of which, by the way, the state pays 90%.

This legislation cannot hope to set reasonable guidelines on mitigating and extenuating circumstances as included, by the way, in the legal ... of provoked discharge and constructive departures from the state statutes.

We talked about the appeals process in the previous legislation. The appeals process here is the same. It's a cruel and formidable gauntlet to run to seek a righting of a perceived wrong. This legislation is not going to hire additional referees or speed up the appeals process. Human beings, not statistics, will live in enforced destitution and desperation while they appeal their disqualification. Is this cost effective I ask you? Is this effectively going to screen potential fraud or unworthiness? Is it going to substantially effect Connecticut's unemployment debt, the bottom line of this entire reason for legislation today? Is this legislation moral? I think not. Honesty and reasoned examination point to the glaring defects of both the quits and the fires. I suggest, ladies and gentlemen, representatives in this House, let your conscience and not pragmatism guide your consideration of this measure. Thank you.

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THE SPEAKER:

Further remarks?

MR. MAHONEY (118th):

Mr. Speaker, thank you Mr. Speaker. Passage of this legislation is a step backward for the working man and woman in America. If any of the members of this House are representative of any ethnic group of workers in your area, then I would urge you to heed what I have to say.

You've seen much written and said about the requirement that employers engage a percentage of this nationality, a percentage of that, and we've also heard all kinds of discriminating remarks that they don't do the job, they're not capable of it. This legislation opens the door for all the business and industry to throw them out on the street, to establish a point in the eyes of the public because they're going to come back and say, we tried to comply with the federal regulations. We hire a percentage of this group, a percentage of that group but look at our records. We've had to fire all of these people. It's interfering with our work. So you're writing, you're writing off your constituents to the welfare rolls by passage of this legislation. It restores the feudal system of ancient England when the employer owned the land and the employee. Go back to the Civil War days when the plantation owner owned the plant and the employees. It's a return of slavery in my mind.

Another area that you should consider, this opens the door to deprive every mature person, forty-five, fifty, fifty-five and sixty that are nearing that pension age, they're fired for some little things that will pay them off with 42 weeks of compensation. And you deprive them out of their just due pension.

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Members of this assembly, I urge you to please consider these points before you cast your vote. I'm against this legislation.

THE SPEAKER:

Will you remark further on the bill as amended? If not, will the members please be seated, the staff come to the well. The machine will be open. The Clerk will take a tally.

The Clerk please announce the tally.

THE CLERK:

Total Number Voting.....147
Necessary for Passage..... 74
Those Voting Yea.....88
Those Voting Nay.....59
Those Absent and Not Voting..... 4

(record
15)

THE SPEAKER:

The bill as amended is PASSED.

MR. O'NEILL (34th):

Mr. Speaker, I move for suspension of the rules for the immediate transmittal to the Governor.

THE SPEAKER:

Is there objection? Is there objection? Hearing none, the rules are suspended for that purpose and the bill as amended is transmitted to the Governor forthwith.

The chamber will be at ease for approximately five minutes.

The House will come to order. The Clerk please call on page 10 of today's Calendar, Calendar No. 1124.

THE CLERK:

Page 10 of the Calendar, Calendar No. 1124, substitute for House Resolution No. 181, ^File No. 999, A Resolution Approving a Collective

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forth out of this session some standards for appeal that will protect the innocent.

THE CHAIR:

Are you ready to vote? Question is on the adoption of the bill as amended by Senate Amendment Schedule A. Machine is open. Please cast your vote. Machine is closed and locked. Total voting 36. Necessary for passage 19. There are 23 yeas, there are 13 nays. The bill as amended is adopted.

THE CLERK:

Continuing on page 1 of the Calendar, Calendar 393, File 321. Favorable Report of the Joint Standing Committee on Labor and Industrial Relations. Substitute for Senate Bill No. 60. An Act Concerning Elimination of Unemployment Compensation for Individuals Who Are Fired From Their Jobs.

THE CHAIR:

Senator Murphy.

SENATOR MURPHY:

Mr. President, I move adoption of the Joint Committee's Favorable Report and adoption of the bill. I believe the Clerk has an amendment.

THE CLERK:

Yes. Clerk has Senate Amendment Schedule A, File 321, Substitute Senate Bill 60, LCO 8087. I believe copies are on the desks of the Senators. LCO 8087.

SENATOR MURPHY:

Mr. President, I move adoption of the amendment.

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THE CHAIR:

Will you explain it please, Senator?

SENATOR MURPHY:

First of all, Mr. President, the amendment contains the language which we adopted in the previous bill covering quits, because the Legislative Commissioner's office had indicated that unless this language was put in the so-called fires file, if this bill before us passed without it, it would be considered a repeal of the previous action that we took a few hours to debate. That's the first part of the amendment. The second part changes the criteria as to what constitutes a fire under our unemployment compensation law. It indicates that anyone who is fired or their employment is terminated for felonious conduct or is terminated for repeated wilful misconduct would be barred from unemployment compensation benefits until, as we discussed in the quits bill, they had earned ten times their benefit ratio. Again, Mr. President, what it does is it limits the area or narrows down the area into which one would fall into the category of fires, and for those people who fall into that category, they would be excluded from unemployment compensation until, as I mentioned previously, they had earned the ten times their benefit ratio, and when the vote is taken on the amendment, Mr. President, I move that it be by roll call.

THE CHAIR:

Senator Rome.

SENATOR ROME:

Mr. President, through you to Senator Murphy, the language here

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of felonious conduct, is there a statutory definition?

THE CHAIR:

Senator Murphy.

SENATOR MURPHY:

Mr. President, what is intended by this language as far as putting it as to legislative intent, what we're talking about here, we're talking about conduct which an employee would be guilty of, which conduct would constitute a felony under our general judicial penalty or criminal statutes.

THE CHAIR:

Senator Rome.

SENATOR ROME:

Mr. President, I rise with serious reservations to support the amendment. I think it somewhat improves the present legislation, but only time will tell if, in fact, in reality, it does. I specifically refer to line 56. In line 56, No. 1, we're going to add language "felonious conduct or," and I hope that the clarification offered by Senator Murphy will be significant, but the next word remains in the statute and that next word is repeated. The word is "repeated." I give you an example, in Texas, as a matter of fact, a ball player assaulted his manager. He did quite a job on him, and under our old law, I believe that is called wilful misconduct, and under our old law, that second baseman would not be able to collect unemployment compensation for a period of five weeks. Now, he gets a second punch or punches because we now say, it must be "repeated wilful misconduct." I would caution you that that creates a

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problem for me. I have tried to utilize the time on both these amendments so as to expedite the process of improvement. I find this less than perfect. As a matter of fact, I find it give me considerable difficulty. As I have suggested that the, I intend to vote for it with that reluctance as I have suggested that on Senator Fauliso's amendment on the first⁺ piece of legislation, that I hope that we could address the problems that I've just suggested and I could give you many more of one instance of wilful misconduct including throwing a hammer into a hundred thousand dollar machine and fouling it up and still having the second bite. I think if we seriously address the problem at another time on another labor bill to suggest that people who commit a physical assault on a fellow employee without justification, the people who do extensive damage not even damage, but extensive damage to the property of another employee or the employer, that they ought to be permanently disqualified on the basis that that is by definition that we should establish. Wilful misconduct of a separate variety and an important degree. I, in the spirit of ending the debate and exercising the judgement that this bill makes some slight improvement, I will support the amendment and hope we all will support the bill.

THE CHAIR:

Senator Fauliso.

SENATOR FAULISO:

Mr. President, may I ask a question of the distinguished Minority Leader? In that episode pertaining to the ball player, did he punch him twice or did he punch him once, because then the question of re-

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peated might be invoked.

SENATOR ROME:

He punched him good.

THE CHAIR:

And they haven't lost a ball game since hardly.

SENATOR LIEBERMAN:

Mr. President, just to complete the Circle, he was then traded to the Mets. Mr. President, I rise to oppose this amendment and I must say that if Senator Rome has these questions about this amendment I really would wish that he would join me in voting against it and let's work on a clean slate to write a better amendment. Mr. President, it's late in the day. There's been a long debate, and I guess the ball is rolling in a particular direction which is toward total disqualification of quits and fires. I really urge my colleagues in the Circle to stop for just a minute, and focus in on the fires question separately. I'm not going to repeat everything that was said before, but if we're talking about any impact on the fund, from the best estimates that I have received from the Labor Department, we're talking in the separate question of fires of three million dollars a year, which is really, well, if 17 was nothing, this is nothing times two. The second point goes to the philosophy that a lot of people have addressed themselves to in talking about quits. Many of us read this whole law differently and we put our own policy and philosophical judgements into it. But many people in the Circle have said that they always felt that unemployment compensation was available for those who were out of work through no fault of their own. Now, we could

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argue about what no fault means and how it relates to repeated or wilful misconduct or whatever the terms of the statute are. The truth is though, that there's a difference here. A quit is when the employee, for whatever the reason, walks away from the job. He makes his own decision. A fire is when the employer tells the employee to leave the job. That is not the decision of the employee. He is not out of work and claiming unemployment compensation because he wants to. It is the decision of somebody over whom he has no control. I think this is extremely unfair, an unfair amendment, and I will strongly ask my colleagues to stop, look, listen and vote against it.

THE CHAIR:

Senator Cloud.

SENATOR CLOUD:

Mr. President, a question of Senator Murphy, through you.

THE CHAIR:

Go right ahead, Senator.

SENATOR CLOUD:

Senator Murphy, in connection with your amendment 932, where you want to amend 956 in the bill inserting the words, "felonious conduct," does this mean that a person who the employer feels has been engaged this kind of conduct, who has not been arrested, or convicted of a crime, shall be able to be fired and denied unemployment compensation as a result of that activity the employer describes?

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THE CHAIR:

Senator Murphy.

SENATOR MURPHY:

Through you, Mr. President, basically, Senator Cloud, what is intended here is that if the employer has evidence that an employee is guilty of felonious conduct or a felony, let's assume embezzlement or arson or something of this nature, they would terminate their employment and claim that it was for felonious conduct. Separate and apart from the criminal proceedings although criminal proceedings may or may not follow, the administrative procedure would follow and it would be up to the employer to satisfy the administrative procedures those involved that, in fact, the employee was guilty of this conduct. Of course ^{if} they don't sustain the burden then the employee is entitled to unemployment compensation retroactive into the first week.

THE CHAIR:

Thank you, Senator. Further remarks? Will the Clerk please announce an immediate roll call in the Senate?

THE CLERK:

Immediate roll call will take place in the Senate. Would all Senators please be seated. Immediate roll call has been ordered in the Senate. Would all Senators please return to the Chamber.

THE CHAIR:

Question's on the adoption of Senate A. Machine is open. Please cast your vote. Machine is closed and locked. Total voting 36, necessary for passage 19. There are 20 yeas and 16 nays. Senate Amendment Schedule A is adopted.

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Clerk has received several other amendments. Senate Amendment Schedule B, File 321, Substitute Senate Bill No. 60, LCO 8014, offered by Senator Reimers, copies are on the desks of the Senators.

SENATOR ROME:

It's my understanding that's been withdrawn.

THE CLERK:

All three of them, or just that one?

SENATOR ROME:

All three of them.

THE CLERK:

All right.

THE CHAIR:

Senator Murphy.

SENATOR MURPHY:

If there's no further amendments, Mr. President, then I'd move adoption of the bill as amended and ask that the vote be by roll call.

THE CHAIR:

Everybody's in their chairs. Machine is open. Please cast your vote. Machine is closed and locked. Total voting 36, necessary for passage 19, 20 yeas and 16 nays. The bill as amended is adopted.

SENATOR MORANO:

Mr. Speaker. Mr. Speaker, I move for reconsideration.

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THE CHAIR:

You're on the wrong floor, Mike. You want to go down and see Kennelly. You go down and see Kennelly.

SENATOR MORANO:

Mr. President. Honorable Mr. President. I move for reconsideration of the bill. I was on the prevailing side and I would hope when the vote is taken that they vote no.

THE CHAIR:

Question in on reconsideration. Are there remarks to be made? Do you want the vote taken? Senator Morano?

SENATOR ROME:

Roll call, Mr. President.

SENATOR HANNON:

Mr. President.

THE CHAIR:

Senator Hannon.

SENATOR HANNON:

Mr. President. Just a point of inquiry, is reconsideration on 59 and 60, both?

SENATOR MORANO:

I was going to take them one at a time, Mr. President.

THE CHAIR:

I think you should. These are the bills worked on today. Yes. O.K.

SENATOR MORANO:

The one we just passed.

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THE CHAIR:

Very well. Everybody in their chairs? Question is on reconsideration. Machine is open. Please cast your vote. Machine is closed and locked. Total voting 36, necessary for passage 19. There are 16 yeas and 20 nays. The motion to reconsider has been defeated.

SENATOR MORANO:

Mr. President.

THE CHAIR:

Senator Morano.

SENATOR MORANO:

Mr. President, I move for reconsideration of Calendar No. 392, substitute Senate No. 59, File No. 323. I voted in the affirmative and I would hope that when the vote is taken that it will be no.

THE CHAIR:

Any further remarks? If not, question is on reconsideration. Machine is open. Please cast your vote. Machine is closed and locked. Total voting 36, necessary for passage 19. There are 13 yeas and 23 nays. The motion to reconsider has failed.

SENATOR LIEBERMAN:

Mr. President, I would ask that we mark as passed retaining all the other items on the Calendar and delay taking them up until tomorrow's session.

THE CHAIR:

All right, Senator. The Clerk has some business she'd like to