

MAINE STATE LEGISLATURE

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OF THE

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Legislature*

OF THE

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simply like to remind you again of a point that he has mentioned briefly.

A few weeks ago, two or three weeks ago I checked up on this and there were 4,064 old, dear old teachers, I think the term was used here a minute ago. I would like to reiterate too that this is aid to the elderly. These are old teachers indeed, and you are looking at one of them right now; old retired teachers.

Just remember this, most of these people, including myself, were teaching during the depression at a very small salary and were teaching during the war. So when they retired they had — and many of these teachers retired years ago and had a very minimum amount of retirement. Now just keep this in mind because these people do deserve to be brought in under the system and treated the same as the other state employees.

I wholeheartedly endorse everything Mr. Millett has said, and I hope we will go along with this.

The SPEAKER: The Chair recognizes the gentleman from Lincoln, Mr. Porter.

Mr. PORTER: Mr. Speaker, Ladies and Gentlemen: I am not only a retired teacher, I am a tired teacher, I have taught 35 years, only one of which was in the State of Maine, and that was way way back in 1926. However, I retired from Connecticut which has a system nowhere near as good as we have here in the State of Maine.

I think all of us would like to have our state employees and teachers treated alike. I think the citizens of the state would like that to be done. But in order to have it done it has got to be costing somebody some money. The question is, are we willing to contribute to have both groups treated alike? I for one am willing. However, my service to the state is very very limited. But I think that is the question that we must decide. Are we willing to put these two groups on an equal basis? I think your vote will determine how you feel.

The SPEAKER: The Chair

recognizes the gentleman from Bath, Mr. Ross.

Mr. ROSS: Mr. Speaker, I request that this matter be put to a vote, but I believe that the old retired teachers here in this House who stand to benefit from this should disqualify themselves from voting.

The SPEAKER: The Chair recognizes the gentleman from Oakland, Mr. Brawn.

Mr. BRAWN: Mr. Speaker, Ladies and Gentlemen of the House: Yesterday a gentleman stood on this floor and denied our committees some books because he said we could not afford it. I wonder why today, when things are coming his way, he wants it.

The SPEAKER: All in favor of this Bill "An Act relating to Service Retirement of Teachers under State Retirement System," House Paper 1329, L. D. 1743, being passed to be engrossed will vote yes; those opposed will vote no.

A vote of the House was taken.

109 having voted in the affirmative and 5 having voted in the negative, the motion did prevail.

Sent to the Senate.

Passed to Be Enacted

An Act Providing Notice of Severance Pay by Employers (S. P. 155) (L. D. 424)

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed.

The SPEAKER: The Chair recognizes the gentleman from Machias, Mr. Kelley.

Mr. KELLEY: Mr. Speaker, Ladies and Gentlemen of the House: As a member of the Labor Committee and as a erstwhile employer, I have reviewed with considerable apprehension the flood of labor bills submitted to this legislature.

Now one would think that in today's financial climate in Maine that a moratorium on labor legislation would be in order. In actual fact, we have gone the other way and have enacted bill after bill designed to complicate the employers' problems. L. D. 424 is a case in point. This bill has thus far slid along through the legislature with little or no comment

and no one has paid particular notice of it.

In fact, that reminds me of a story. Downeast a number of years ago we had a man who had a rather large family, had a rather casual attitude toward the members of the family. One day a bookkeeper from the company who employed this man met him on the street and he said, "Gibby, I am preparing your income tax return but I must have the name of your youngest child. What is his or her name?" Gibby scratched his head for a moment and he says, "Damned if I know. I always called him Bobo."

Now that is the same with this bill right here. This little Bobo has thus far slid along with little or no notice. But what it provides in effect is, if an employer wants to go out of business, for whatever reason, he must provide, you might say, a bonus for his employees if he employs a hundred or more.

Now no one is kidded by this business of 100 or more. This is a foot in the door. The next time it will be 50 and so on down to 3 or 4. It was amended to include the word "voluntarily," if he voluntarily goes out of business. Now the word voluntarily is one to conjure with in the context of this bill.

For instance, suppose the employer's building burns down and he decides not to rebuild. Has he voluntarily gone out of business? Or let us say that market conditions are such that he decides to close out. Did he voluntarily come to this decision, or should he have hung on until he faced bankruptcy? Or take the case of pollution abatement. That is rapidly becoming a factor in many business decisions today. If he cannot afford this, he closes his doors, did he "voluntarily" go out of business?

But in the final analysis, our present employment security laws are designed to take care of this situation. What matter if the employee is laid off or if the business goes under? In either case he has access to unemployment; he is not thrown out into the labor market with no financial aid whatever.

In essence, this little bill amounts to a compulsory bonus, due and payable regardless of the employer's financial predicament.

Mr. Speaker, ladies and gentlemen of the House, I move the indefinite postponement of this bill and all of its accompanying papers.

The SPEAKER: The gentleman from Machias, Mr. Kelley, now moves that L. D. 424 be indefinitely postponed.

The Chair recognizes the gentleman from Brunswick, Mr. McTeague.

Mr. McTEAGUE: Mr. Speaker and Members of the House: Because, as Mr. Kelley has stated, this bill has not been debated before, and because the matter is in enactment, the calendar does not reflect the committee report. Therefore, I would like to read the signers of the committee report for whatever help that may be to the members of the House. "Ought to pass" with the Committee Amendment — that is, as the bill is before you — Senators Tanous, Marcotte, Levine; Representatives Rollins, Simpson, Bedard, Genest, Bustin, McTeague and Good. "Ought not to pass," Representatives Lincoln, Kelley and Lee. In other words, it is a ten to three report.

This is a bill that I think is particularly appropriate to be considered at this session of the legislature, because of the difficult economic circumstances under which we do exist nation-wide, and certainly here in the State of Maine. I would like for you to keep this point in mind as a fundamental one if you evaluate this bill.

This bill does not require the large employers that it applies to — and by the way, as Representative Kelley has suggested, it only applies to employers of 100 or more. He fathoms an intention to take it down to employers of five or three. This is beyond my knowledge, and I believed beyond the knowledge of any of the ten members of the committee that voted for the bill. But the option given is this: When an employer is going to go out of business, particularly a large employer of 100 or

more — and I think all of you have experienced either in your own towns or in adjoining towns what a tragedy this is, not only for the employees immediately involved and their families, but for municipal government because of the effect of the tax rate for the whole town.

We have had closings in places like Lincoln, Brewer, Brunswick and many other communities, of large industries employing well over 100 people. We had a closing in the Town of Brunswick of a shoe shop that employed about four or five hundred people with not as much notice as we might have had, and it caused very significant difficulty from which we have not yet recovered.

All we ask is this, that if they are going to close and they know it, and it is voluntary — and in answer to the question if the mill is burned down is the closing voluntary or not, I would say, assuming that the fire was caused under normal circumstances, that of course it is involuntary. How can you operate a shop out in the open? But if they are going to close down, we ask only this; they don't have to pay a nickel. They do have to extend the decency and the courtesy that I am certain many employers do use at any rate, to give some notice to their employees and the town so they can plan.

Imagine being a citizen of a town, you go to town meeting, you make up your tax rate, you estimate your income from taxes, you set the rate, and gee, just after that town meeting — a week after — a mill in your town that employs 500 people and pays a good share of your taxes closes down.

In practical terms you are not going to be able to collect the taxes, so your town's income has gone down. Your welfare costs are going to go up, and other costs in your town are going to go up.

You have got a real problem. And the reason you have the problem is because the owners of this particular mill that we are using for an example, did not have the courtesy, were not good enough citizens of the community to bother to let the other people in the town, their employees, the munic-

ipal officials, other businessmen know.

Imagine yourself as a small businessman in a town with two or three thousand with a shop that employs three or four hundred people that is your major employer. You are just about to order some spring or summer goods for your business. You assume business conditions are rather good. Unbeknownst to you, after you have invested ten or twenty thousand dollars of your money ordering new stock and you are committed to it, this large employer closes down. Mr. Kelley has expressed concern for the small businessman. I think we all have that. What happens to the small businessman when one of these large employers closes down without the courtesy of even giving some notice? He is caught. He is the one holding the bag.

The outfit that ran off that goes to set up a plant in South Carolina or Mississippi, with their stockholders and often their board of directors in New York, they are fine. They don't care about us. But we are here. We earn our living here. If they choose to pay severance pay to the employees laid off, well, at least that is a little help. But it is not too much. Much better that they choose to say, "We are going to have to close down."

Now does an employer, a large employer of 100 or more know that he is going to close down a month or so in advance? You bet your bottom dollar he does. He has probably known it a year in advance, and all we ask is for a month's notice. The object again is not to have severance pay paid so much to the employees who are laid off, it is for the protection of those people to get advance notice.

Let's look at the situation of a small employer. A small employer who employs two or three or five or ten or even fifteen closes down. Well, why shouldn't we apply the law in that case? The reason is simple. We don't really need it with the small employer because when it is only a small employer, let's say, in the City of Rockland closes down, lays off two or three people. If the rest of the commun-

ity is functioning fairly well, there is a good chance that those two or three people can get jobs elsewhere.

But when you have the major employer in a community closed down, it is not a matter of only two or three people looking for work. It might be two or three hundred, or two or three thousand; and then it is almost impossible to find work in that area. You may have to go elsewhere; you may have to go to Connecticut.

Again, if you are going to have to do this, isn't it fair that you ought to have some time, some notice on it? I think we were all taught perhaps at the time we came to quit the first part-time job that we may have had as teenagers, that it is only good courtesy if you are going to leave the employment of an employer, it is only good sense and good morals to tell him a little in advance. Because the employer might have to hire another employee to replace you.

I remember it was suggested to me, and I as a matter of fact quit my first job without giving two weeks notice, and the employer didn't say much — maybe he was glad to be rid of me. But I can remember when I got home and told them I quit and told them without notice, I was let know that this was not the way you should act if you wanted to be a responsible employee.

It is not the way you should act if you want to be a responsible employer, either. The basic thing again is that if you give the notice, if you tell your employees that you are going to be leaving, the cost to you is a zero. If the large employer who closes down doesn't tell the employees that he is going to close down until that Friday afternoon when they get their final paycheck and at 3:00 o'clock the word spreads in the plant, "Well, at 4:30 we are all out of work," you have a situation which is desperate, desperate for those employees, their families and the community. And this bill can prevent this sort of thing in regard to those employers who have decided to leave, and they have decided to leave voluntarily, and all we ask

is that they bother to tell us about it.

Mr. Speaker, when the vote is taken, I ask for a roll call.

The SPEAKER: The Chair recognizes the gentleman from Augusta, Mr. Bustin.

Mr. BUSTIN: Mr. Speaker, Ladies and Gentlemen of the House: When Mr. Kelley, the gentleman from Machias, initiated his attack on this bill, he apologized for the fact that so much labor legislation was coming before this House, because the economic condition of the state was in trouble. I find this a nebulous argument at best to apply to a bill that requires only that workers be given a 30-day notice before their jobs are being wiped out.

The severance pay provision, as the gentleman from Brunswick has indicated, is really only an incentive to be decent. He only has to pay severance pay if he doesn't give the 30-day notice that the business is going to be closed. This provision doesn't even apply to employees who have been there less than a year, and it does not apply to employees who have been discharged for reasonable cause.

It is often said that labor has no rights unless they are negotiated at the bargaining table or unless they are legislated. And this is a right that should be legislated; a right that workers should have. For all it calls for is fair play and decency.

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

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

The SPEAKER: The Chair recognizes the gentleman from Norway, Mr. Henley.

Mr. HENLEY: Mr. Speaker and Members of the House: I am in complete agreement with Mr. Kelley, although I do not see much danger in this bill. I say we are just wasting our time. We had the very thing occur in my area rela-

tive to a firm employing over 100 people, they did notify the people. But I say this bill has no value, because most any industry of that size would notify their employees, and it doesn't make any difference whether they do or not, those people are still out of work. And the town still receives the impact.

So I don't see much sense in this legislation anyway. I would just as soon see it killed.

The SPEAKER: The Chair recognizes the gentleman from Millinocket, Mr. Simpson.

Mr. SIMPSON: Mr. Speaker and Members of the House: I would just like to read the Statement of Fact on this bill 424. "Employers of large numbers of employees have closed their businesses without notification to their employees of the impending close-down.

"Such lack of notice enhances a period of economic recession which invariably results in a community where large numbers of people simultaneously lose their jobs.

"This bill would alleviate the adverse economic impact upon the employees and the community in which they live."

This bill was primarily written up because of the conditions, the situations which developed in both Lincoln and Brewer, and I am sure those people in Lincoln and Brewer can tell you what the impact was when those two businesses closed their doors.

The SPEAKER: The Chair recognizes the gentlewoman from Bethel, Mrs. Lincoln.

Mrs. LINCOLN: Mr. Speaker, Members of the House: If I remember right, this bill was heard quite a few months ago. But if I remember correctly it was the shoe industry that came and testified that many times they do not know a month ahead that they will have to close. It depends upon how the orders come in. And they felt that this was very much of an injustice to that one particular industry.

We all know how the shoe industry is having difficulties right now, we get so many imports. And I distinctly remember that that was one reason why I had voted the way I did on this bill. I certainly hope the bill is defeated.

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

Mr. JALBERT: Mr. Speaker and Members of the House: Coming from one of the largest shoe centers in the world I can assure you and the lady from Bethel, Mrs. Lincoln, that the shoe manufacturers know when they are going to start a shoe here, send it to Spain to be practically finished, and then bring it back here to be polished off. The Spain area, of course, is the extremely low area. But I assure that lady that they know. They know a long ways ahead of time. Their programs are long and well planned and long range.

The SPEAKER: The Chair recognizes the gentleman from Eastport, Mr. Mills.

Mr. MILLS: Mr. Speaker, I pose a question through the Chair to any member of the House that cares to answer. It is my information that one division of Bates in Lewiston closed without notification, there were two shoe factories in Norway closed and one in Brunswick. Is this true?

The SPEAKER: The gentleman from Eastport, Mr. Mills, poses a question through the Chair to anyone who might care to answer.

The pending question is on the motion of the gentleman from Machias, Mr. Kelley, that An Act Providing Notice or Severance Pay by Employers, Senate Paper 155, L. D. 424, be indefinitely postponed. If you are in favor of indefinite postponement you will vote yes; if you are opposed you will vote no.

ROLL CALL

YEA — Ault, Baker, Bragdon, Bunker, Clark, Crosby, Cummings, Dudley, Hall, Hardy, Haskell, Hayes, Henley, Immonen, Kelley, K. F.; Lee, Lewis, Lincoln, Littlefield, MacLeod, Maddox, McNally, Mosher, Norris, Page, Payson, Porter, Pratt, Rand, White, Wight, Williams.

NAY — Bailey, Barnes, Bartlett, Bedard, Bernier, Berry, G. W.; Berry, P. P.; Berube, Binnette, Bither, Boudreau, Bourgoin, Brawn, Bustin, Call, Carrier, Carter, Churchill, Clemente, Collins, Conley, Cooney, Cote, Cottrell, Curran, Curtis, A. P.; Curtis, T. S., Jr.; Cyr, Dam, Dow, Drigotas, Dyar, Emery, D. F.; Emery, E.