

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

One Hundred and First Legislature

OF THE

STATE OF MAINE

VOLUME II

MAY 10 - JUNE 22, 1963

and

SPECIAL SESSION

JAN. 6 - JAN. 17, 1964

DAILY KENNEBEC JOURNAL
AUGUSTA, MAINE

SENATE

Friday, May 24, 1963

Senate called to order by the President.

Prayer by the Rev. Robert L. Walden of Madison.

On motion by Mr. Wyman of Washington, the Journal of yesterday was read and approved.

On motion by Mr. Brooks of Cumberland, out of order and under suspension of the rules,

ORDERED, the House concurring, that when the Senate and House Adjourn they adjourn to meet at 4 p.m. on Monday, May 27th, 1963. (S. P. 605)

Which was read and passed, and sent forthwith to the House for concurrence.

House Papers

Non-concurrent matters

Bill, "An Act Relating to Taxpayers Furnishing List of Property to Assessors." (S. P. 434) (L. D. 1177)

In Senate, May 3, Passed to be Engrossed.

Comes from the House passed to be engrossed as amended by House Amendment "C" (H-389) in Non-concurrence.

In the Senate, on motion by Mr. Cram of Cumberland the Senate voted to recede and concur.

Bill, "An Act Relating to Expending Aroostook County Funds for Renovating the Terminal at Presque Isle Municipal Airport." (S. P. 194) (L. D. 493)

In Senate, passed to be engrossed as amended by Committee Amendment "A" (S-47)

Comes from the House, passed to be engrossed as amended by Committee Amendment "A" (H-383) in Non-concurrence.

In the Senate on motion by Mrs. Christie of Aroostook, the Senate voted to recede and concur.

Bill, "An Act Amending Certain Provisions of the Employment Security Law." (S. P. 453) (L. D. 1345)

In Senate, May 22, passed to be engrossed as amended by Senate

Amendments "A" (S-158) and "B" (S-175)

Comes from the House, Ought not to pass Report of the Committee read and accepted in Non-concurrence. (Motion to Reconsider made and lost)

In the Senate, on motion by Mr. Johnson of Somerset, tabled pending consideration and especially assigned for Monday next.

Bill, "An Act Relating to Transfer of Certain Land to the State by the City of Portland." (S. P. 218) (L. D. 527)

In Senate, May 22, passed to be engrossed.

Comes from the House Indefinitely postponed in Non-concurrence.

(Motion to Reconsider made and lost)

In the Senate, on motion by Mr. Brooks of Cumberland, the Senate voted to insist and ask for a Committee of Conference.

Bill, "An Act Relating to Transfer of Certain Land by the State to the City of Portland." (S. P. 217) (L. D. 265)

In Senate, May 22, passed to be engrossed.

Comes from the House, Majority—Ought not to pass Report read and accepted in Non-concurrence.

In the Senate, on motion by Mr. Brooks of Cumberland, the Senate voted to insist and ask for a Committee of Conference.

Communication

STATE OF MAINE
HOUSE OF REPRESENTATIVES
Office of the Clerk
Augusta

May 23, 1963

Hon. Chester T. Winslow
Secretary of the Senate
101st Legislature

Sir:

The Speaker has appointed the following Committee of Conference on the Disagreeing Actions of the two branches of the Legislature on:

An Act relating to Loans by Washington County. (S. P. 592) (L. D. 1556)

Messrs. SNOW of Jonesboro
MacGREGOR of Eastport

YOUNG of Gouldsboro
Respectfully,
HARVEY R. PEASE
Clerk of the House

HRP sr

Which was read and ordered placed on file.

ORDERS

On motion by Mr. Hinds of Cumberland

ORDERED, the House concurring, that the Joint Standing Committee on Welfare is directed to meet at the call of the Chairman during the interim for the purpose of making a continuing review of the welfare functions and activities of the State as relates to the Aid to Dependent Children Program; and be it further

ORDERED, that the Committee shall make such reports as it shall deem necessary to the 102nd Legislature; and be it further

ORDERED, that the members of the Committee shall serve without compensation, but shall be reimbursed for their actual expenses incurred in the performance of their duties under this order; such sums to be paid out of the Legislative Appropriation. (S. P. 608)

Mr. HINDS of Cumberland: Mr. President, ladies and gentlemen of the Senate, as we all know, the ADC program in our Department of Health and Welfare, has caused a lot of controversy for years and it has been the feeling of the Welfare Committee, of our Governor, and of the Department of Health and Welfare that if perhaps this committee remained and studied this problem in between the sessions that perhaps they could have some specific recommendations to make to the next legislature, in regard to the ADC program. We spend approximately \$9 million a year on this program, \$7 million of federal funds, \$1 million of state funds and \$1 million of local funds and I do think it might be wise and that is why the Welfare Committee wanted this presented.

Thereupon, on motion by Mr. Brown of Hancock, the Order was tabled pending Mr. Hinds' motion

for passage, and was especially assigned for Tuesday next.

Committee Reports — House

Report of Committee of Conference

The Committee of Conference on Bill, "An Act Prohibiting the Use of Live Birds and Animals for Certain Purposes." (H. P. 1038) (L. D. 1505) reported that the House recede and concur.

Ought Not to Pass

The Committee on Education on Bill, "An Act to Validate the Bond Issue Vote in School Administrative District No. 3 and to Authorize the Board of School Directors to Enter a Lease Agreement with the Maine School Building Authority." (H. P. 436) (L. D. 641) reported that the same Ought not to pass.

The Committee on Taxation on Bill, "An Act Exempting Sales of Malt Liquor from the Sales Tax." (H. P. 690) (L. D. 946) reported that the same Ought not to pass.

Which reports were read and accepted in concurrence.

Ought to Pass — As Amended

The Committee on Appropriations and Financial Affairs on Bill, "An Act Appropriating Moneys to Provide for Night Pay Differentials for State Employees." (H. P. 85) (L. D. 129) reported that the same Ought to pass as amended by Committee Amendment "A" (H-356)

On motion by Mr. Campbell of Kennebec, tabled pending acceptance of the report, and especially assigned for Wednesday, May 29.

Majority — Ought to Pass As Amended

Minority — Ought Not to Pass

The Majority of the Committee on Labor on Bill, "An Act Revising the Maine Employment Security Laws." (H. P. 778) (L. D. 1151) reported that the same Ought to pass as amended by Committee Amendment "A" (H-342)

(Signed)

Senators:

HINDS of Cumberland
COUTURE of Androscoggin
JOHNSON of Somerset

Representatives:

BROWN of South Portland
 GIFFORD of Manchester
 PRINCE of Oakfield
 EWER of Bangor
 NOEL of Waterville

The Minority of the same Committee on the same subject matter reported that the same Ought not to pass.

(Signed)

Representatives:

MENDES of Topsham
 DUNN of Denmark

Comes from the House, Majority—Ought to pass as amended Report Accepted and the Bill passed to be engrossed as amended by Committee Amendment "A".

In the Senate:

Mr. JOHNSON of Somerset: Mr. President, I move acceptance of the Ought to Pass Report as amended.

Mr. Hinds of Cumberland: Mr. President, I move that this item be tabled until June 3.

Mr. BROOKS of Cumberland: Mr. President, I request a division.

A division of the Senate was had.

Eleven having voted in the affirmative and seventeen opposed, the motion to table until June 3 did not prevail.

The PRESIDENT: The motion now before the Senate is the motion to accept the Majority Ought to Pass Report.

Mr. JOHNSON of Somerset: Mr. President, I ask that this be tabled until Tuesday next.

Mr. BROOKS of Cumberland: Mr. President, I request a division.

A division of the Senate was had.

Fourteen having voted in the affirmative and fifteen opposed, the motion to table until Tuesday did not prevail.

Mrs. CHRISTIE of Aroostook: I still could not let this bill go through without expressing the feeling that is predominant in my county. We feel up there that this bill is not a good bill for us because it would be detrimental to seasonal operators which most of our businesses are. For that reason I oppose the enactment of this bill.

Mr. BROOKS of Cumberland: Mr. President, I request a division when the vote is taken.

Mr. JOHNSON of Somerset: Mr. President and ladies and gentlemen of the Senate, this bill as you all know originated from a study committee composed of members representing the House, the Senate, members of industry, members of labor and members of the interested public. They had approximately 18 meetings. There were 2 members, one that did not sign the interim committee report, that I feel are not qualified because they attended approximately two meetings. However, all the others did and all the others were very much in favor of this bill. I would like also to add this before I go into my discourse here, and I can probably talk for an hour and a half inasmuch as no one desired to go along with the tabling motion.

The basis of this whole proposition, many people feel, goes back to the Estey bill. However, I would like to say that it goes beyond that time. This study was initiated prior to the enactment of the Estey bill which caused all the commotion with the employment security laws two years ago.

A peculiar part of this business is that very few people in this whole state, and I would say very few people in this representative body fully understand the working of the unemployment security laws and I would say that I am no expert on these laws myself. However, I have heard this bill discussed from both angles and I will say that if I were on either side and had a positive position I would feel that I would have to give in somewhere along the line, which I believe all of these parties did in the promulgation of this bill. No one as far as I know is entirely happy with this bill, but they all have given in a little bit. They have compromised. They have come out with something which is actually a bill that should have been passed by this legislature several years ago. I think all of you know that unemployment security when it originally started was for one purpose. It had in mind that the working man or the breadwinner, the man who provided for his family, and who was steadily employed, when the time came that he became unemployed

through perhaps no reason of his own, he then had the opportunity to receive certain amounts depending on his wages and so forth, so that he could support his family until he reached the stage where he was able to get another job. I think you will all agree, especially in certain counties, you have observed where the abuses have gone so that it has gone far beyond the point that the original law intended where you might say there is in some respects a dole or a welfare part of this business that this bill will now eliminate.

Industries that will suffer under this bill are those that are in the marginal or seasonal category. For example, the way the law is set up, if you work for a certain period of time, say six weeks, and you get your \$400 and then the outfit you work for, canning organization or a factory of any type that is seasonal, when they cut down, you then go on your 26 weeks of \$10 or \$15 or whatever you have coming to you under the present law. And it makes very little difference whether you are out looking for another job, because in many cases this is the only occupation, this plant you work for is the only one that would employ you. If you wanted a job you would have to go somewhere else. So a great many people are very happy. This has been given to them over all these years. This law will change this now.

The man who will benefit the most from this bill is the man who is now, the steady worker we will say, the one who works 12 months in the year and perhaps three or four years before he is temporarily laid off. It gives this man a little more money. It raises his maximum from \$33 to \$39. There are several bases for figuring the top amount. One is that it cannot exceed \$40. It brings it up from the maximum under the present law from \$33 to \$40. It also says that he shall not receive more than 50 per cent of the average covered wages in the state on the previous year, which in this particular case this year is \$78 and some change which means that under the average salary a year ago, no individual

could get more than \$39, even though the law says he cannot get more than \$40.

I think that the people who will be hurt, actually, will be those people — and I will agree that there are a great number, approximately 8,000 that will now not receive these small benefits but they are actually not entitled to receive these benefits because they are not in the labor market. The industries that will be hit the most will be the seasonal industries. We have members of the Senate who operate them and I think they realize that something should be changed and yet they feel that through the years we have given people this and it is difficult now to take it away from them. I will agree that it is difficult. But it is like the old saying when you find something that is bad, sometimes you have to take a lot more with it to correct it.

It is like the patient that goes to a surgeon and has a cancer of so many centimeters and it is a small one and if you take it out, that is all right but the patient will die. You have to take a lot of area around it to clean out all the bad part and then the patient will live. The employer in many cases feels that he wants to protect the unemployment security fund, which at the end of March was \$22,800,000. When it went below the \$25 million his expenses increased and when it drops below the \$20 million, the expenses of the employer will go to the higher rate which is the 2.7 rate. He feels that this additional money that is going out in the increase of the benefits will deplete the fund. However, the facts would, I feel, from the statistical engineers and the employment security department would tend to make you believe that the fund will go up because of certain peculiar things that happen.

This particular bill as you know combines many features. It combines the benefits, the costs, it defines who is qualified and the bill was all put together and thoroughly studied so that all these different parts are in very sensitive relationship. You cannot change one without hurting the other and I know that the committee when it studied

the bill decided that if there were any amendments to be offered or changes made, then no one would know what the bill would do. The law under this proposed bill, will raise the negative balance employer who is the one whose employees draw more out of the fund than they put in. Automatically his expenses, his contribution to the fund will go up from 2.7 which he is paying now to 3.7 which, if you figure it out in this particular expense that he has, is approximately 32 or 33 per cent.

Now these companies, the larger companies in many cases, who have a very stable market have been over the past several years, subsidizing actually these operators who have a negative balance which I think, if you look at it you will realize is not fair to subsidize your employment through someone that is doing perhaps a better job in the employment field and yet who is paying to support your labor market. This is one of the reasons it becomes as far as I am concerned, a good, palatable bill, and yet it is hard to take away these benefits from these different people.

However, there is another item that will save the fund approximately a million and a half to two million dollars. That is that there are many people, and they come mostly I believe in the seasonal fields that are able to get into their 26 weeks and can back up another 25 weeks to that so they get into what is called in the vernacular of the employment field, the "double-dip". The saving on this alone is one of the features that will build the fund up. The base period the way it is planned now is from April 1st to April 1st. That is the period of your employment that your benefits are based upon. However, this bill will change that and count as your base period the first four of the last five periods. In other words, you take the last five periods, the immediate period just preceding and you take the fourth prior to that and you use this as a basis for the valuation of the benefits that the employee will receive. I could talk to you at length here. I real-

ize that there are probably others who will want to talk to you. I am no expert as I said before.

But it is something that I feel should be changed. The law should be changed. I realize it will hurt certain people but I would like to say that the group that came up with this report spent a lot of time and they were well represented. You have read reports from DED I believe and in the newspapers and in one particular county where manufacturers or employers will not go to the county because the people there are very happy to live on their unemployment. There is no reflection on any particular group because if you look over the records you will find that last year the only county that had a positive balance was Cumberland County, so my county and all the rest of them had a negative balance which means that less money was put into the fund than was taken out. Now I think everyone agrees that if you are going to put money into a fund but take more out, it is not going to be long before all of you will be up to the 2.7. The one point I think several were worried about is the fact that if there is a depression or something that causes a big layoff in the labor market they all will go up to 3.7. I feel that that is one of the reasons management is a little worried about some parts of this bill.

I would like to take here a minute to go over an annual report by one of the leading companies in this state, and one of the finest reports I have ever read. It is written in the language that the average person can read and it gives quite a bit of humor. As you know, the cost of this bill, as I believe everyone is aware, is 4.8 per cent. That would be the increase in cost if this bill were passed. However, there are many people who say that 4.8 per cent will be the cost and I say to them that actually it will cost the fund 4.8 per cent, not the employer. Then you always run into a man that knows a little more than you do and he says "Well who pays the money into the fund but the employer? So it is the employers' money". I do agree with him there. However, I would like

to say that so far as I know the state pays nothing for the administration of this fund. No moneys come out of this fund for the administration. The federal government pays for the wages, the building and everything else. So if the state or the employers put this money in, nothing is dissipated as far as I can see. It all goes back to the unemployed individual somewhere along the line.

This report I have here is a company that did a net dollar sales in 1962 of \$75½ million. Their wages, salaries and fringe benefits came to \$27,331,000. I think you will agree that this is a stable outfit; they have been in business a long time. I have checked into their records on the employees, and when they start there, they are on the job until the day they retire. The only time that perhaps they would lose out for a few weeks or a month or so is when their orders may have gone behind and they might not have enough orders to keep the people steadily employed. But this is the amount that they have put into the unemployment insurance fund in 1962. \$226 thousand. I am not speaking now of a marginal or seasonal operator. I am speaking about the type of corporation that is a steady operation. Everything goes along and they have a certain amount of growth rate. They don't slip back. They are very responsible. They are one of the best outfits we have. Their unemployment insurance payments amount to \$226,000.

I think if you take that figure and take the percentage of the wages and salaries and so forth, you will find that is approximately one per cent. However, let's take it this way. They had a \$10 million profit last year. Of the \$10 million profit, sixty per cent of it went into taxes. This is one of their gripes in their report. Sixty per cent of it went into taxes. So if you want to break down the cost of this particular bill to them, and we'll say it comes to 4.8 per cent, I think you will agree that 938 companies that have negative balances today are the ones that will automatically jump up from 2.7 to

3.7 which is 33 per cent of an increase for them in this particular field. So I think it is very fair when I say of this particular company that their increase will actually be nothing as far as I can figure out. It may be one tenth of one percent. However, let's say it is three per cent. Remember this is one of the bigger outfits. We will say the cost to them to this particular fund in this area will be three per cent. So if you take the \$266,000 and multiply it by three per cent you get an increase in their cost which is high, of \$7,980. However, if you break that down a little further and find out that the federal government takes sixty per cent of their net profit you can then cut that down by sixty per cent because that will be an expense and will not be net income. So actually when you take it and boil it down it comes to the fact that the high figure, their cost under this bill would be \$3,192. Now you figure they have a payroll of \$27½ million and if you divide that into the other, you will get a percentage of less than one ten-thousandth per cent increase in their cost. I have the figures here. I am no mathematician but I figured it out.

I will say that there are other organizations that will have an increase, but the point behind this bill is that they should pay their own way. Somebody else has been paying their way all along. This outfit has been paying their way. Many outfits have been paying their way.

As far as I am concerned there are many arguments for and against this bill. You have had these papers that have been sent to you. I think you have all read them. I would hope that this bill would receive passage. When the vote is taken I would request a division.

Mr. HINDS of Cumberland: Mr. President, ladies and gentlemen of the Senate, this bill had a very good hearing before the Labor Committee with eight of the members deciding that this would be a good thing for our state and I certainly feel that perhaps some lobbyists around this legislature have stirred

up a controversy over this bill where one does not exist in many cases. I have been told by different people that their percentage was going to up and so forth, and upon checking with the employment security fund, and call them back and tell them, that they would have absolutely no increase whatsoever in their percentage on this bill. It seems to me that many people have a personal interest in regard to this, naturally, and if they find there is no increase involved, their opposition automatically is dropped. We have had letters from sardine canners even, whom I think will probably be hurt the worst with this bill, stating that they feel it is about time that they pay their proportionate share of the cost which they have been collecting for years.

I hope that all the Senate had read this document which I placed on the desks several days ago from questions which I asked the Employment Security Commission and was answered by Mr. Cote, one of their commissioners. I think as far as anything presented before this legislature is concerned, that he has given some good answers and he has made his own comments beside the bill. He has given the facts and then made his own comments in regard to this. If you have this sheet, I wish you would turn to the fourth page of the Fact Sheet. I will not read this because you have it before you but this is something that I wish you all would read, especially this page, if you haven't already read the whole document. Down under Section 3, it is especially interesting on this page and the next where it says, "There were 946 minus balance employers with total negative balances of \$22.4 million. Of that 946 minus balance employers were 33 sardine packaging firms whose balances exceeded \$10,000 or in other words, 3.5 per cent of the negative balance employers are in the sardine packing business and have been subsidized by all employers to the extent of more than 45 per cent of the negative balances.

In Item 4 beneath that is also something to think about. The only possible savings to the system re-

lates to external economic conditions which would affect cost equally under the present law.

If any of you have had employers in your area who have thought this would mean an increase to them, it might be wise if this is the reason you think you should vote against the bill and I know from talking with many Senators that many people have made up their minds how they are going to vote already, some because of particular circumstances in their area. I think if you would check with the Maine Employment Security Commission and give the name of your firm, they couldn't give any factual data but they would tell you whether or not this meant an increase to your firm. In other words whether or not that firm was running a negative balance, or at least enough of a negative balance so that they would have an increase.

There has also been some question in regard to partial unemployment. A sheet I had reproduced and placed on your desks this morning would show and explain partial unemployment benefits. At the present time, the people earning \$38 a week as it shows under this law — and everything to the left of the sheet is on the old law, and everything to the right is on L. D. 1151 — and on the left of the sheet it shows that the person who is earning \$34 or \$38 a week, there are no benefits paid whatsoever under the present plan. Under the new plan, people in this category would be included.

If you will follow the Claimants Weekly Income Bracket, the larger section on the left and the larger section on the right, you will see that you can check the benefits right across and there is very little change in the number of benefits. Under the new law there is one or two or three dollars less, in some claims. This explains the way it would be set up. For instance under the new law the total weekly benefit of \$34 if a person earned \$38 a week they would be entitled to get that \$38 plus the differential percentage of \$4 and they would be entitled to get a \$4 weekly benefit check. You go right down the line

and the same thing applies all the way through right down to persons who would make earnings of \$8 a week who would receive a benefit check of \$28 plus the \$8 he is earning or \$36 a week.

That is just to explain some of the questions on partial benefits. The next sheet that breaks down by counties are 2547 actual cases that were checked by the Employment Security Commission out of their files. This shows by county the breakdown under the present law of what a person would receive in benefits and under L. D. 1151. Take Cumberland County, for example. Under the present law the benefits for these cases were \$24.34. Under the new law the benefit would be \$29.33. However, the average duration of the week, some have changed. Some have stayed the same. However, the total benefit received under Cumberland County under the present law they would receive it for 11.1 weeks and under the new law it would be 11.8 as an average coverage. The benefit goes from \$257.27 to \$352.93 under the present law.

Take Washington County down on the end of the sheet and the average benefit in that county would be \$19.95 at present which would be raised to \$29.16. The average number of weeks would be cut down. The average now is 18.6 per cent and under the new law would be 15.1 per cent weeks. However, the total amount of benefit received would go from \$371.92 under the present law to \$439.42 under the new law.

The third sheet which I have placed on your desks this morning is based on 2547 actual cases and lists the different industries and the present benefit paid to these industries under the present law is very similar to the last sheet only this is by industries instead of counties and the new amount that a person would receive under L. D. 1151, also the duration of weeks and also the average total benefit under the new law.

It is my very sincere feeling just as the good Senator from Somerset has mentioned, this L. D. 1151 should have been put into effect

in Maine many years ago. We had one bad year when our fund threw out \$18 million dollars and we could have another one. This bill could help build this fund up and when it gets to a certain point of \$30 million, many employers are going to save a considerable amount of money over what they are saving at the present time.

It is odd on this bill. We have had a lot of correspondence during this legislature in regard to some of the many issues before us and it seemed odd to me that I haven't received one piece of correspondence against this bill because of what the lobbyists tell me that many of the industries are against it. But I find in discussing this with people from industry are not against it at all. Maybe some of the people lobbying for them are but the industries themselves are not. The S. D. Warren Company, one of the largest companies in the State of Maine, had a representative on this study group that studied this bill and in all the correspondence I have had with them, I believe they are very much in favor of this as long as it stays as it is written and as it was recommended. If there is any tampering with it at all they feel it wouldn't be satisfactory and that it must stay as written in order to be effective in this State.

I would hope that this Senate would take this into consideration and go along with the motion of the good Senator from Somerset, Senator Johnson, to accept the Ought to Pass report and agree with the other body of this legislature.

Mr. STITHAM of Somerset: Mr. President, ladies and gentlemen of the Senate, until about three and a half weeks ago I had no occasion to look into the matter of this particular bill. However, I had a letter and a call from a constituent in my county and in an industry which had a very favorable rate and after looking into the matter I found that they have paid into this fund \$283,000 over a period of time and there has only been a little over \$31,000 charged against them. That is a pretty good record.

Were it not for the fact that the present state of the fund, which until this year was down to \$23 million, the minimum being \$20 million, were it not for the fact that the reserve was down to a dangerous level, they would now be paying 1.1 per cent. They have been paying and will pay until July 1st of this year, 2.1 per cent. Starting July 1st of this year they will go down to 2 per cent. Because this particular industry is the lifeblood of a good part of the eastern part of Somerset County, I felt it was my duty to them as their representative to try to find out what this bill is all about. After digging into it — and I will assure the Senate that I spent a number of days at it — I have had three afternoons with various members of the Commission who have furnished me information but have remained neutral as to the bill itself. I am telling you the more I have looked into it, the more afraid I am for the entire economy of the State of Maine. I looked into it from a narrow point of view, for my own constituency to see how it would affect that particular industry. I find there are a half dozen industries in my locality that are in the same position. Then, gradually it began to dawn on me that this is a statewide proposition and it reaches right to the fundamental area of what we are trying to produce and that is a favorable business climate for the State of Maine.

I don't know whether all of you have the report of the committee or not. There are certain things about it that I think are obvious. We have allowed perhaps, and perhaps it was insidious and not intended, but we have allowed this unemployment compensation to become a welfare or tendency at least to become a welfare rather than an unemployment business. And it is true, perhaps, that certain steps should be taken to eliminate certain abuses in it and it is possible that certain of our industries should be declared seasonal as they may be under the existing law. I am not too sure but what if part of this bill were pre-

sented without the remainder of it, that I might feel a little differently. However that may be we have to face facts as they are.

In the last ten years, or rather, the last eleven years, we have had just five years when we received more than we paid out in this fund. In the immediate preceding five years, we have been continuously in the red, that is, up until 1962. Due to the impact of the amendments made at the last session of the legislature, we are for the first time in the black as of now. The fund is around \$25 million. We have made a step in the right direction. Going to the study that was made by the committee in which they took a sample, I believe it was supposed to be a five per cent sample, of the entire benefit applicants, 2989 cases were studied and I am assured by the Commission and by others that the sampling and the figures derived from the sampling are accurate. There is perhaps some question as to whether 5 per cent sample is adequate. But at least what they had to swap with in order to relieve, as this bill proposes, to eliminate some of the lower paid employees, there is one figure that sticks out here like a sore thumb. 807 out of that 2989 will go from \$33 to \$40 on their payment. I don't think anybody has to be much of a mathematician to realize that this is going to cost money and as the good Senator from Somerset has said, this comes from the employer. How do we expect to encourage new industry to come into Maine with the situation as it would be if this bill were put into effect?

This bill would mean that even those employers with a very favorable record would undoubtedly go to 2.7 very very shortly. It would mean that other employers that have a minus balance, and it may be a negligible minus balance, are going to 3.7 and I call your attention to the fact that the federal government for administrative purposes and to support the job training or whatever the other parts of this program are, contributes .8 per cent. This is going to mean that your favorable employers, the kind of employers that we want are

going to pay 2.7 plus the federal contribution of .8 or 3.5 per cent of that total amount of wages paid for this program. It is going to mean that the others are going to pay 3.7 plus .8 or 4.5 — four and a half per cent of their wages are going to be paid into this fund. That is not creating a good business climate for the state of Maine and I say here and now that if this bill goes through we might just as well eliminate all moneys we intend to pay in for the Department of Economic Development. There is no need to spend millions of dollars to entice business into Maine or to attempt to if the unfavorable business climate is going to be as it would be if this bill goes into effect.

This bill is a compromise but we are saving cents and going to pay out dollars. At this time I move for indefinite postponement if that motion is in order.

The PRESIDENT: The Senator from Somerset, Senator Stitham, moves for the indefinite postponement of the report and accompanying papers.

Mr. COUTURE of Androscoggin: Mr. President and members of the Senate, there isn't much for me to bring in here on this unemployment proposal, this new law, after what has been brought out by the Senator from Cumberland and the Chairman of the Committee. What I would like to bring out here when the attack on industry came into Maine caused by this unemployment compensation proposal, even though it is slightly better than what we have today, in checking the law under unemployment anywhere else in the United States, we are still basing our unemployment compensation lower in average than all of them. Even under this new proposal here that is similar to Connecticut and Vermont, ours is still lower but it is under the same system, the system they have asked for, to clarify between those in the labor market and those not in the labor market to be entitled to draw for six months in the future. The previous year we faced this opposition here and the proposed legislation and now this committee has operat-

ed and worked for a period of time. The employers were represented; the employees were also represented. The Committee was fortunate and came to an agreement and the bill was introduced by a member of the other body.

As a member representing labor in this state, I can assure you that I hesitated before signing the ought to pass report on this bill and I can assure you that the people of the State of Maine will not benefit as much as some members of the Senate claim they will. I represent some of the workers here in the state and their local union. The pressure behind me in my own locals that I am representing have pressured me to go against the bill because there were hardly any gains compared to the unfair laws that we have been living on for the past two years. I finally explained to them and made them understand that at least it is a step in the right direction and it remains to be known which way it is going. In the meantime we cannot be any worse than we are today. I can keep this Senate here in its chairs for the next four hours if I want to go into the law we are under today and this proposed law.

I can bring you hundreds of cases of unemployed people, unemployed through no fault of their own, who were disqualified. I can bring you the facts of hearings that I have appealed and in some we gained our point and some of them we lost. I can go into the debate in my consultations with your Governor in the corner office, time and time again, and some unfair laws. Finally just prior to when the legislature went into session and after proving the fact that I had brought to his attention before, and after hundreds of people had been disqualified under this, he came out himself with a statement that this should be studied after all these people had been penalized by unemployment compensation, through no fault of their own but by only being sick through an Act of God and returning to their employment when they returned to good health and were refused employment after working for years in the factory.

They were denied and they were denied by the hundreds in this state. And finally, the Attorney General ruled that they should not have been denied. We all know about that. And much more written in this bill can be challenged as far as that goes.

Finally after a study, and I spent nights and nights reading and reading over and over and as far as the Maine Unemployment Security Law is concerned I have always followed it quite closely and studied every change since the law was made in this state and I am yet to understand correctly this proposed amendment under the Unemployment Compensation Law. And it seems odd to me that any member of the Senate would get up here and make a statement that the more he reads this the more he is against it. Members of the committee were questioned by our labor committee about certain items on this bill and they said, "We will have to wait and see what turns out when this becomes a law." And that bothered me then and still bothers me. I don't even know at this time, if I want to speak honestly here, whether the employer would benefit by this or whether the employees will benefit for the simple reason that you are going not in a one year waiting period and keep drawing for 26 weeks, you are going into the fact of a quarterly law that will entitle the unemployment people to draw. You have to work a certain amount of time and earn a certain amount of money in the previous quarter. You have to earn at least half of your highest quarter that it calls for. Now they say that this bill hits the employer. How can it hit the employer if a man works three months a year and draws for 26 weeks? If he does work a quarter and then doesn't work in the second quarter or having worked a quarter previously that means he is not entitled to unemployment compensation. How can a man get up here and say that it will be a burden to the employers? I do feel it is a step forward to the employer to increase their funds so their taxes can be decreased.

Another thing I have to bring out here, in my years I spent in this legislature, either in the other body or this one — the fund has been decreased. I could go into this and bring you the date and the year and after the fund has reached a peak of being in good healthy condition, you are sure to come to the case of hardship as far as employment in the state is concerned, let the employers look forward to introducing legislation so they will be paying a large tax into the fund as it was originally proposed. Those who have seniority here possibly have been aware of past legislation that has been introduced. What did cause the funds to decrease to where they are now? An amendment that was produced and lobbied here by the lobbyists for manufacturers and employers to cut down their tax rate they were paying when the fund went down. If they had kept it the way it was originally, the way they were taxed in the beginning today we wouldn't find ourselves under conditions the way they are. I cannot blame dipping into the funds only on the working people in the state.

I don't think I am going to take any more of your time because I could keep going here until five o'clock bringing you facts and truths but I don't like the accusations of going too far ahead because I do believe that under this proposed law that it is not much gain in my estimation, to amount to anything for the working people in this state, it is only a different way to operate unemployment. I don't see any increase and I see more working people possibly being denied benefit under this law. If more of them are denied unemployment benefits that doesn't mean that the employer is getting stabbed, and our funds are lower. Whatever they don't pay, naturally doesn't decrease the fund and the law is in front of you here and on a good many occasions they will not be obliged or responsible for paying these employees under the unemployment if they haven't come in with the quarterly that this bill calls for. Somebody can take a stand in defeat-

ing the bill but otherwise than attacking certain persons for decreasing it and attacking certain persons who would benefit so much by it. It is a compromise bill between the employer and the employee. I am going to cut this short right here.

Mr. FARRIS of Kennebec: Mr. President and members of the Senate: This is certainly one of the most difficult measures upon which to make a decision that we have had before us during the session. I can well remember, a few years ago when I was privileged to serve as Chairman of the Labor Committee that I was faced with many, many problems where you are trying to make decisions as to what is good for all of the people of the State of Maine.

I have listened with great interest to the proponents and opponents of this measure, I have remained entirely neutral throughout this session, I have watched with interest the progress of the interim committee which worked so diligently in trying to produce fair legislation, and I have now come to the conclusion that it is time that we as legislators do accept the responsibility of trying to place this unemployment insurance program on a sound insurance actuarial basis. We have long been permitting it to be utilized for actually welfare purposes, and if we do only one thing today we will be doing probably the greatest thing that should be done for the State of Maine, and that is to change the philosophy of this entire program.

Now in the event we discover later on that there are technical changes that should be made because of hardship upon either employer or employee or upon the public, then we may make those changes because they will be of a technical nature, but this is probably — well, in the years in which I have been in the legislature this is the first opportunity I have had, and this may be the last opportunity we will have for a number of years to at least change the basic philosophy and place this program on an insurance basis, and I certainly hope that the motion of my good friend, the Senator from Som-

erset, Senator Stitham, is defeated and that we go ahead and adopt this type of programming.

Mr. STITHAM of Somerset: Mr. President, I ask for a division when the vote is taken.

Mr. WYMAN of Washington: Mr. President and members of the Senate: I rise in support of the motion of the good Senator from Somerset, Senator Stitham, for indefinite postponement of this bill.

Regardless of any merit the bill may have, and I am sure it does have some merit—most bills do—there are two compelling reasons why it should be defeated. The first is the cruel impact it would have by depriving approximately eight thousand workers of their unemployment compensation checks; and, secondly, granting that some corrections in the present law are necessary, it is not necessary to move so fast so quickly. Now regardless of what may be said, these eight thousand people are human beings just as you and I, and, furthermore, they are in the low-income groups, and in many cases they are struggling not only to support themselves but also children. They are in the group most in need of these checks, yet under this bill, as has been stated here today, a great deal of the money which would be taken from these people would be used to increase the already substantial payments which the higher earnings groups receive under the present law. It is shown in one of these sheets that the payments in Washington County would go from \$19.75 to \$29.16 on an average. But what good would that do if the people do not qualify? Those are mere figures and they would do no good to the people who are not able to draw.

The philosophy of this State and I think of this nation has always been for the strong to help the weak, yet the philosophy of this bill is taking from the weak and giving to the strong. Much emphasis has been laid on the sardine canning industry and the hardships which would result from the passage of this bill, but actually, according to the best estimates we can get, three-quarters of the peo-

ple who would be disqualified are not even in the sardine canning industry at all, they are in other industries spread out through the state. In the second place, this Thaanum bill, assuming it does have considerable merit, would, as has been said, do too much too fast. The corrections made in the unemployment security law by the Estey bill are beginning to help the fund, so we are told, and as a result it has improved to the extent of some two million dollars over the past two years. Granted that a few corrections are necessary in the present law, these can be accomplished in the other bills still before the legislature.

It has been said that the workers drawing these checks do not want to work but I know better. In a barrel of apples there are always some bad ones, and there are some able-bodied people who do not want to work, they would prefer to loaf, but I have people come to me in the fall and beg for year-round employment, and I dread to have the month of November come because there are so many of these people we are obliged to lay off.

These unemployment checks for these folks are far short of an adequate living in any way but they do help them and help to keep their families together and help to keep them from calling on relief.

Now the statement was made about one large company here, that it had favored the bill or at least had not taken any position on it, and I am sure there are others. The executives of the Bath Iron Works, when they studied this bill at first were very much in favor of it, yet after considerable study they changed their viewpoint and were very strongly against it. Now these people are in a very competitive business, bidding on destroyers; all their raw material, steel and everything, has to be brought up here to Maine at freight rates which are not advantageous and they are conscious of any increase in cost, yet the President of the company appeared before the committee and made the statement that he did not favor the bill. He realized it might cost more but he

said he felt the stronger companies should be willing to help the weaker companies for the general economy of the State of Maine.

Now these folks who are drawing these unemployment compensation checks did not ask for this way of living. It was established by the federal and state governments and they were told that it was rightfully theirs, and thus to abolish it in one fell swoop would be most cruel to some eight thousand workers who can least afford it.

Finally, this legislation is moving too fast too quickly. The necessary changes can be made without making such a drastic move, and I feel that this bill is not needed at this time. Thank you.

Mr. JOHNSON of Somerset: Mr. President and ladies and gentlemen of the Senate: I think the good Senator from Washington, Senator Wyman, will agree with me that the passage of this bill will definitely hurt his particular type of business, but, on the other hand, he said that the President of the Bath Iron Works said that the large companies should help the small ones. I would disagree with this, because I think any small businessman that you meet today will tell you that the big companies are trying to put them out of business in many cases. I think the Senator will agree that these larger companies have been subsidizing his particular operations, and if the larger companies are subsidizing why don't we be fair and honest about it and have an outright subsidy by the state to help these smaller or marginal operators.

My good seatmate here, the Senator from Somerset, Senator Stitham, brought up the particular company in our county that put \$283,000 into the fund and drew out \$31,000 yet their costs went up. I know why their costs went up in the past six or seven months, and that was at the time the fund went below the twenty-five million mark. That is the crux of the problem as far as I can see and as far as the employer is concerned. We are trying to get the fund up so that there will be a balance and costs will be reduced. I think he will agree that if we eliminate these

people who are not in the employment field or in the labor force we will save all these funds that they are not deserving of, which will increase the fund. And I also point out that the elimination of this cost presently of one and a half to two million dollars in this double-dip will also increase the fund. As far as labor is concerned, I think the only thing they ask is the increase from the \$33 to the \$40 maximum.

There you have it. I think it is a good bill, and I think it is a time when we should get out of politics into the statesmanship field and do something we know is the right thing to do. It should have been done some time ago. I hope the motion to indefinitely postpone does not prevail.

Mr. HINDS of Cumberland: Mr. President, just one or two more remarks. I have had enough to say here this morning but I would like to mention that of these eight thousand people that are dropped from these rolls of unemployment compensation many of these people are receiving very trivial amounts as far as unemployment compensation is concerned anyway. The large majority of them are. I do not have the exact figures. I should have had them here today but I was hoping to table this bill until later. But they are receiving amounts like one, two or five dollars a week, so thousands of those who are dropped are receiving very, very small amounts.

I might add that we should also consider — we consider bringing in new industry but we should also consider some of the very stable industries we have here in the state that are paying way more than their proportionate share where they have no unemployment problems. If the fund goes down their percentage goes up; if the fund goes up everybody's percentage goes down, and the only way to build the fund up, in my estimation and in the estimation of a good many people, is to pass this Thaanum bill before us here today.

One more thing. I would like to remind you that this is part of our Governor's program and was recom-

mended in his inaugural address. I just hope that we will all go along with our Governor today and pass this bill.

Mr. PORTEOUS of Cumberland: Mr. President and members of the Senate: I have long been concerned with this problem. I have been hearing in the debate today about some of the ones who can afford to pay and some of the ones who cannot afford to pay. I think it raises some very problems that we have in this state. We all have a concern for the workers who work in marginal industries, we have a concern for these marginal industries themselves. It is well-recognized on a national basis that there is a concern for these marginal industries where foreign competition is making it ever-increasingly difficult for them.

Now we have talked about some very large firms and some very small ones. I consider ours a medium-sized one. We have been putting money into this fund at the rate of probably a hundred dollars to every ten cents that has been drawn out, because we hardly ever lay anybody off, and I have no objection whatsoever to doing our fair share, because sometime, through some fault of management we may find it necessary to do so and then we will probably be drawing more from the fund than we are putting in. But I think those who consider this bill favorably are considering a rather unfair principle. They are considering throwing eight thousand people out from the benefits of this fund in favor of giving more to those who earn more. I would suggest that those they would throw out have been receiving benefits not in great dollar amount but more or less in proportion to the amount they have been working.

Now in some towns along the coast of Maine, the sardine canning business is the only business there, and in some small towns in the interior the woodworking business is the only business there, and some of the woolen mills are the only employers in some of the smaller towns. I think we spend a lot of time here trying to raise money to pay benefits to people through

various welfare programs, and I think this raising of the rate from 2.7 to 3.7 for those who can least afford it is certainly taking a step in the wrong direction. It probably is unfair that a firm which is on a seasonal basis and has more people unemployed and drawing more out than they are putting in, or a county that draws twice as much as it is putting in, it is probably unfair — and I could name Washington County, because it is clearly the one. But what else do we do in our practices here in Augusta along this very same line and nobody accuses us of any wrong-doing. We build roads throughout the state in areas which certainly could not support such roads if the gas tax and the excise taxes on the automobiles in general were to pay for those exact roads. We build schools in communities that need schools that they certainly could not build without help from the more prosperous areas. This is a principal that we have adopted, and as sixteen counties we take care of our State. All the money that is raised between Kittery and Bath and Brunswick on Route 1 does not go into the road between Kittery and Bath, it goes into the road from Madiscan to Bingham, from Eastport up to Presque Isle. You try to build those roads just from the gas tax from the cars that go over those roads, you just couldn't do it. So those who would support the principle of removing eight thousand people from under this umbrella who actually need the aid they get through these particular means are arguing against a principle that is already pretty well accepted and generally voted on and has been practice here in the State of Maine for many years. We have the "have" counties and we have the "have not" counties, and in the United States it is the same principle, we have "have" states and we have "have not" states. If we were to adopt this principle as far as the United States is concerned the whole State of Maine would suffer economically because if we received exactly what we put in in proportion to the rest of the states we would lose. So, rather than hurt some industries that are employing some people

in our hardest-hit areas and trying to do it because we believe that only those who put in should take out, I believe we would be much better off to resist this impulse at this time and consider better measures than this one to take care of our problem.

Mr. COUTURE of Androscoggin: Mr. President and members of the Senate: I have listened to our good Senator Porteous from Cumberland and now that he has brought other states into the State of Maine I am forced to get up.

There is one thing I would like to remind the Senate here which I think the debate shows they are not aware of. During our long hearing on this proposed legislation I saw none of the employers engaged in construction in the State of Maine present in opposition to the bill at all or to favor it. We should not forget that the people engaged in construction in this state are in the highest pay bracket in the state insofar as the unemployment compensation fund is concerned. I do not know of any contractor in the the State of Maine, that has paid below 2.7 toward the fund for unemployment compensation but yet I have not seen them come forward in opposition to this, and yet I can classify the contractors here in the state as being faced with the highest scale paid in the State of Maine. I would like to bring across to you, when they bring in other states, as the good Senator Porteous has mentioned, in the area that I represent since last fall the construction has been very low, there have been a great many people unemployed in construction and receiving compensation benefits, and instead of receiving unemployment revenue they have left the State of Maine and have gone to work out of state. Crossing the borderline of the State of Maine here, and by going to work last winter for a period of months and then being laid off in the area where they were working when this construction was ended, they came back to the State of Maine here and found themselves again out of work so far as construction went, and time and time again they have reported for their unemployment benefits.

Now I would like to have the Senate follow this carefully. After working outside of the State of Maine, just beyond the border of the State of Maine in New Hampshire and a distance of thirty or forty miles beyond this, they came back into the State of Maine here and registered under unemployment compensation, and the greater amount of money they earned that year was earned outside of the State of Maine and that entitled these people to draw from the states of Massachusetts and New Hampshire. They were side by side with people at the unemployment office in my area receiving unemployment compensation, and then when they received their check here they were reporting for the most they could ever get out of the State of Maine so far as unemployment compensation, if their earning was great enough, up to \$3000, it was \$33 a week, and that's it, period. As I say, they reported side by side with people in the State of Maine here, earning \$38, \$39 or \$50 a week, or an average of three, four, five or six dollars a week for each dependent that they have. During the time they were working outside of the State of Maine they were able to accumulate this and they came back here and they had learned what the other state has got that the State of Maine hasn't got. People are beginning to get worried in regard to what the State of Maine is doing.

Now it was brought out here that we lose industry. Suppose we lose our working force here and our qualified workers in trades that we need here, people who become dissatisfied with unemployment after learning what people in other states get, and these people leave us and go out of state? I want to remind you that before any industry comes in the first question they ask is the qualifications of the labor force available to them to operate in this state. They speak about getting industry to come in here. If we can retain our qualified workers and our machinists here that will bring in industry, but if these workers are dissatisfied they can pack their furniture and move out of the state to where they are really recognized.

I am telling you members of the Senate there is more than one way to look at this. Of course if anybody walks to my doorstep too often eventually they are going to wear it out, and if they wear it out and I step on my toe it is going to be sore and I won't like it and I will defend myself. But I do not think any Senator here should base it on stepping on himself or on the State of Maine as a whole. He should realize he is in the State Senate here and represents the people from Kittery to Fort Kent, not representing himself. If I was here representing the people with whom I am engaged and earn my living I would be speaking against the bill. My only feeling in favor of this piece of legislation was that these people are getting way below what they are entitled to in other states. Is it wrong for the State of Maine to follow the rest of the states in the United States? Do any of you realize how many states operate under the same principle of this proposed legislation here? Again, I can assure you that if there had been any objections by our people engaged in construction, that they are paying a heavy freight under the unemployment compensation, they never came forward in opposition to this bill whatsoever. They too feel that it might be a release on them possibly. But I cannot stand up here, representing these people that I do and assure them that they will be bettered by it. The only thing that makes me buy this legislation today is that by trying a new method we may be fairer to the people in this state, and if there is any step forward that would be a reason for me to buy it. But I cannot assure my own people that will be better for them. I don't know. I am willing to try anything, because nothing can be any worse that what we have now. Maybe the Estey bill has proved to have merit because it brought in funds, but I am just showing you the facts — people stricken sick by an act of God and losing their employment, people who were sick for over thirty days and who went back to their job their employment and they were replaced. There were possibly hundreds of such cases. Naturally if you take

the money out of the people's pocket eventually you will need two pockets to carry it. That is how the fund has been increased, by taking it out of people who were entitled to benefits under the law, but it was ruled by the Commission and it was challenged for over a year. The people who were entitled to receive that unemployment compensation were disqualified and they lost it. The chances are it was because they didn't follow the rest of the procedure and take the matter to court after a hearing with the Commission. A person who is unemployed and needs unemployment compensation in order to serve food at this table hasn't got any money to take the matter to court. He can go as far as the appeal because that will only cost him his time. The commission has ruled that these people were entitled to their benefit but it has been ruled otherwise by the Attorney General lately. So this is an example of how the fund has been increased.

I hope that this Senate will certainly defeat this indefinite postponement motion.

Mr. STITHAM of Somerset: Mr. President and members of the Senate: I will be brief. I do not want to belabor this, but the good Senator from Androscoggin, Senator Couture brought to my mind something I had intended to say before.

I have said what I said before and made the motion that I have made because I thought it was best for the State of Maine and not because I have been brain-washed by any lobbyist, and any facts and figures I have given you have not been furnished by any lobbyist. I have dug into this myself. I think it is important, however, and I am glad the good Senator from Androscoggin, Senator Couture, has brought up the matter of construction people, because in studying this, as I have, I have found that because of the nature of the construction business they have to have a lay-off at certain times of the year so their unemployment ratio is definitely affected and a good many of them have just been barely able to keep a favorable balance. If this Thaanum bill is passed it will mean that their employees, because they are in

the higher income brackets — it is going to affect them so that they will have immediately a negative balance, which means that they will immediately go to the 3.7 bracket.

Now the interesting part of this is that that is just opening up competition from the contractors from outside of the state. There is going to be a one per cent differential between our local contractors, State of Maine contractors, and those coming in from outside of the State of Maine, and that one per cent may mean all the difference in the world as to being able to successfully bid on any of the contracts which are going to be available here in the state. One of the larger, if not the largest contractor in the State of Maine was originally in favor of the Thaanum bill but because of its complexity they didn't understand it, and they had their own accountants go over the matter and they found that in the first year it is going to cost them an increase of \$83,000. You add that to the competition which they are going to have, that one per cent differential between in-state and out-of-state contractors, and you will see this is going to put many of our contractors in a very unfavorable position.

Mr. COUTURE of Androscoggin: I cannot very well follow the Senator. The contractor who comes from Chicago and works in the State of Maine still has to work under the same conditions as our local contractors under the laws of the State of Maine as far as unemployment is concerned if he hires people in our area. That does not affect our contractor any more than it affects our contractor in the State of Maine to bid in Massachusetts. If they do work in Massachusetts they will have to do the work under the laws of Massachusetts unemployment. If a Massachusetts contractor comes to the State of Maine there is no competition because they are still under the laws of the State of Maine. That does not mean that if a Massachusetts contractor were to come over here that the people working for him will draw from Massachusetts. The worker himself will have to be working out-of-state

and earning an amount of money to entitle him to draw from that other state. There is no competition to our local contractor whatsoever.

I am glad to hear the Senator say that our contractor is paying the higher portion of it and always has been. It means that they have heavily contributed towards this unemployment compensation fund but they were never taken into consideration. That is just what I brought out.

As far as earnings, we have many people working in construction who work year-round who will offset the people working in another industry who have to loaf. You can check through the unemployment offices over the State of Maine and figure between people employed in construction and people employed in manufacturing and other industries and get the percentage of it and you are going to find out that those working in manufacturing outside of construction is a greater amount than it is so far as construction workers. It is not every construction worker who lays off and only works nine or ten months a year any more than it is all the shoe workers or the mill workers, or whether they work in tanneries or sardine factories, it is not every one of them. The way it is pronounced here by the good Senator it is just the construction workers. They are only a small portion so far as unemployment compensation is concerned.

Mr. STITHAM of Somerset: Mr. President, I merely want to correct the impression, and I apologize if I am wrong, but my understanding is that a contractor coming in from out-of-state goes to a basic 2.7, he starts there until his experience determines a different rate. However, our local contractors will be 3.7 because of their experience rating. That is the reason for my statement that there is a one per cent differential, and I believe I am sound.

Mr. REED of Sagadahoc: Mr. President and members of the Senate: I actually don't arise to debate this bill, but I would like to say we have already made our majority floor leader tell a fib, because he told us in the Senate

chambers just before we came in that this would be a short session.

I am somewhat baffled by this piece of legislation. I was here just once before as a member of the 99th Legislature, and I find the labor leaders talking like the industrialists did at that time and the employer talking like the labor leader did, at least during that session in regard to the idea of this welfare program. Also it has been mentioned that the Bath Iron Works—of course this is the company that is in my county and I realize that my action here will probably be going against the President's wishes, and yet I am somewhat astounded by his statement before the committee because it was just during the election and especially at the 99th Legislature when he tried to impress upon me, and I think he did so, that it was probably wrong to jeopardize a company such as the Bath Iron Works which has steady employment simply to help a few seasonal industries or many seasonal industries in some of these other counties. I think this is true. You just read recently where they received a contract of some thirty million dollars, and when you do increase the amount they pay they certainly are, as far as bidding goes, jeopardized.

Also, I would like to answer the Senator from Androscoggin, Senator Couture, that I am in a way a small bridge contractor and that we for a number of years have been below 2.7, in fact we were well below 2. for a number of years. It is kind of discouraging to work hard and have them continually raise your rate. In fact the truth is that one of the reasons why I ran for this Senate is that it is much warmer in here in January than it is outdoors, and we do try to work pretty much our whole crew the year round.

Now I cannot help but think that we are talking about a compromise here, and the compromise — what is it as far as the employer is concerned? I cannot help but think it is this: It might cost us a little more money, but for that in return, at least I believe the principle of unemployment security is ours. In other words, I think that this is the employer's concept of what

unemployment insurance should be and I agree with the principle that this bill sets forth.

As far as the figures, they are probably not too clear, in fact there seems to be two sets floating around — but I cannot help but think much the same way as the Estey amendment, in the final analysis whether this bill would be a good one or a bad one is the interpretation that is put upon it. I am by and large not a gambling man but I think I am willing to gamble on this particular bill.

Now we get back to the reason, Mr. President, why I arise, and that is that I seek permission to pair my vote with the Senator from Arostook, Senator Edmunds, whom I have talked with this morning. If he were present he would vote for the indefinite postponement of this bill and I would vote against it.

The PRESIDENT: The Senate has heard the request of the Senator from Sagadahoc, Senator Reed. Is this the pleasure of the Senate? The Senator may be excused from voting.

Mr. LOVELL of York: Mr. President and members of the Senate: I have listened to this debate very carefully, particularly where it may affect industrial development, which is a field I am greatly interested in. I grant that this will probably affect seasonal industries, such as the sardine industry in Washington County, however I understand that sardines are very healthy and that you can live a long time on sardines, but, nevertheless, I do not believe the pay that the people in Washington County get on unemployment compensation is sufficient to take care of them, for the simple reason that in the State of Maine 11 per cent of our population, or 110,000 people are 65 years or over and in Washington County 14½ per cent of their people are 65 years of age or over.

I do feel, from what I have heard, and I voted against the so-called Estey bill two years ago, feeling that it was unfair and it proved unfair in the last two years — I felt that this bill was a compromise in regard to the Estey bill, and also that it had the approval of the front office. I do feel that if we increase

slightly the unemployment compensation of the skilled workers in our three largest fields of manufacturing employment, the shoe, textile and woodworking industry, that if a slight increase in the amount of money they receive in lay-off seasons or bad business times will keep these people in the State of Maine, as well as other skilled workers, that will give us a better chance to get new industry into Maine, because industry goes into an area where there are skilled workers available or workers to be trained. As you know, we lose approximately one per cent of our population each year by people leaving the state in the very productive years of their lives because of the fact they cannot get positions, but with a slight increase in the over-all unemployment compensation that they will receive under this bill it can well keep more people in Maine, and if we are to get new industry I certainly feel that that increase is important to keep them here, because without the workers it is next to impossible to get industry to come into your area.

In Sanford and Biddeford we have had a great deal of hardship. Without unemployment compensation we would have lost a great deal more workers to other states. I think that if this increase had been in effect we could have saved a good deal more. The population has dropped in Sanford and in Biddeford.

I thought that this was a compromise. I have had no contact from industrial people in either Biddeford or Sanford, and we are trying to build up industry there, I have had no contact from them against this bill. As I said, I felt that this bill was a compromise bill and I do not feel at this time that we should indefinitely postpone it, I think we should keep this bill going and possibly study it further. I am against the motion to indefinitely postpone.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Cumberland, Senator Stitham, that the bill and reports be indefinitely postponed. A division has been requested.

A division of the Senate was had.

Nineteen having voted in the affirmative and eight opposed, the motion prevailed and the bill was indefinitely postponed in non-concurrence.

Sent down for concurrence.

On motion by Mr. Brooks of Cumberland

Recessed for five minutes.

After Recess

Senate called to order by the President.

Committee Reports — Senate Conference Committee Report

The Committee of Conference on the disagreeing action of the two branches of the Legislature on Bill, "An Act Relating to Claims of Municipalities Against State for Taxes Lost from Veterans Property Tax Exemptions." (S. P. 339) (L. D. 1004) reported that the House recede and concur with the Senate and accept the Committee Report—Ought to pass and pass the Bill to be Engrossed in concurrence.

Leave to Withdraw

Mr. Farris from the Committee on Judiciary on Resolve, Proposing an Amendment to the Constitution to Prohibit the Unreasonable Interception of Telephone, Telegraph and Other Electronic Communications. (S. P. 532) (L. D. 1443) reported that the same should be granted Leave to Withdraw.

Ought Not to Pass

Mr. Campbell from the Committee on Appropriations and Financial Affairs on Bill, "An Act Relating to Matching State Funds with Local Chambers of Commerce to Obtain New and Aid Expansion of Present Industries." (S. P. 47) (L. D. 97) reported that the same Ought not to pass.

(On motion by Mr. Lovell of York, tabled pending acceptance of the report and especially assigned for Monday next.)

The same Senator from the same Committee on bill, "An Act Promoting Scenic Attractions and Vacation Facilities in Maine" (S. P. 134) (L. D. 496) reported that the same ought not to pass.

On motion by Mr. Lovell of York, tabled pending acceptance of the report, and especially assigned for Tuesday next.

The same Senator from the same Committee on Bill, "An Act Appropriating Moneys to the Employment Security Commission to Match Federal Funds Under Manpower Development and Training Act of 1962. (S. P. 224) (L. D. 608) reported that the same ought not to pass.

Mr. PORTEOUS of Cumberland: Mr. President, I move acceptance of the report and briefly say that these funds are not forthcoming unless Congress reverses itself.

Thereupon, the report was accepted.

The same Senator from the same Committee on Resolve, Appropriating Moneys to State Board of Education to Match Federal Funds Under the Manpower Development and Training Act. (S. P. 229) (L. D. 611) reported that the same Ought not to Pass.

Mr. WHITTAKER of Penobscot: Mr. President, may I inquire of some member of the Appropriations Committee as to whether or not we are now receiving funds which we would not receive if this action of the committee is approved?

The PRESIDENT: The Senator from Penobscot, Senator Whittaker has posed a question to any member of the Appropriations Committee who may answer if they choose.

Mr. CAMPBELL of Kennebec: Mr. President and members of the Senate as I understand it, under the Manpower Act of 1962, Congress has appropriated and we are going to receive federal funds through June 30, 1964. Beyond that date there is no indication as to whether this money will or will not be available. One of these two bills is designed to become operative and take effect only if the Manpower Act is continued for a further period of time.

Thereupon, the report was accepted.

Mr. Porteous from the same Committee on Bill, "An Act Extending

Duration of Subsidy for Newly Formed School Administrative Districts" (S. P. 92) (L. D. 229) reported that the same Ought Not to Pass; and on motion by Mr. Farris of Kennebec, the bill was tabled pending acceptance of the report and was especially assigned for Monday next.

Mr. Edmunds from the same Committee on Bill, "An Act Relating to Establishment, Maintenance and Operation of Regional Technical and Vocational Centers." (S. P. 383) (L. D. 1086) reported that the same Ought not to pass.

(On motion by Mr. Farris of Kennebec, tabled pending acceptance of the report and especially assigned for Monday next.)

Ought to Pass in Second New Draft

Mrs. Harrington from the Committee on Agriculture on Recommitted Bill, "An Act to Create Water Conservation Districts and to Expand Powers of Soil Conservation Districts." (S. P. 553) (L. D. 1490) reported that the same Ought to pass in Second New Draft under New Title: "An Act to Expand Powers of Soil Conservation Districts." (S. P. 603) (L. D. 1570)

Mr. PIKE of Oxford: Mr. President and ladies and gentlemen of the Senate, this is really the outcome of the original bill of Senator Harrington, the extension bill, number 125. This is the third redraft we have had on it. This one I think has the approval of everyone. Harold Schnurle in fact sat in on the redraft and we got the water out of this one pretty well. Otherwise I think it is safe and I move the acceptance of the unanimous ought to pass report of the committee. (Laughter)

The motion prevailed, the report was accepted, the bill read once and tomorrow assigned for second reading.

**Majority — Ought to Pass
Minority — Ought Not to Pass**

The Majority of the Committee on Appropriations and Financial Affairs on Resolve, Appropriated Moneys to

Construct a Car Ferry Ramp at Peaks Island. (S. P. 91) (L. D. 228)
(Signed)

Senator: PORTEOUS of Cumberland

Representatives:
SMITH of Falmouth
BRAGDON of Perham
PIERCE of Bucksport
JALBERT of Lewiston
EDWARDS of Raymond

The Minority of the same committee on the same subject matter reported that the same Ought not to pass.

(Signed)

Senators:
EDMUNDS of Aroostook
CAMPBELL of Kennebec

Representatives:
HUMPHREY of Augusta
MINSKY of Bangor

Mr. CAMPBELL of Kennebec: Mr. President, I move that the Senate accept the Minority Ought not to pass report.

Thereupon, on motion by Mr. Porteous of Cumberland, the bill and reports were tabled pending motion by Mr. Campbell to accept the Minority report; and the bill was especially assigned for Tuesday next.

**Majority — Ought to Pass in New Draft
Minority — Ought Not to Pass**

The Majority of the Committee on Judiciary on Bill, "An Act Relating to Percentage by Weight of Alcohol of Blood of Operators of Motor Vehicles." (S. P. 275) (L. D. 789) reported that the same Ought to pass in New Draft — under the same title" (S. P. 607)

(Signed)

Senators:
FARRIS of Kennebec
CAMPBELL of Kennebec
BOARDMAN of Washington

Representatives:
THORNTON of Belfast
KNIGHT of Rockland
CHILDS of Portland
PEASE of Wiscasset
SMITH of Bar Harbor

The Minority of the same Committee on the same subject matter

reported that the same Ought not to pass.

(Signed)

Representatives:

RUST of York
BERMAN of Houlton

On motion by Mr. Farris of Kennebec, the Majority Ought to pass report was accepted, the bill read once and tomorrow assigned for second reading.

Second Readers

The Committee on Bills in the Second Reading reported the following Bill:

Bill, "An Act Relating to Publications Printed or Published by the State." (H. P. 252) (L. D. 321)

Which was read a second time and passed to be engrossed in concurrence.

Enactors

The Committee on Engrossed Bills reported as truly and strictly engrossed the following Bills:

House

Bill, "An Act Appropriating Funds to Aid in Dredging the Kennebec River Harbor." (H. P. 18) (L. D. 43)

(On motion by Mr. Philbrick of Penobscot, tabled pending enactment and especially assigned for Wednesday next.)

Bill, "An Act Exempting from Sales Tax Sales of Meals Served by Certain Institutions and Homes Licensed by Department of Health and Welfare." (H. P. 949) (L. D. 1383)

(On motion by Mr. Edmunds of Aroostook, placed on the Special Appropriations Table pending enactment.)

Bill, "An Act Relating to Election Recounts." (H. P. 1058) (L. D. 1523)

Bill, "An Act Relating to Reporting of Divorces to State Registrar of Vital Statistics." (S. P. 309) (L. D. 975)

Which Bills were passed to be enacted.

Orders of the Day

The PRESIDENT: Under Orders of the Day with reference to Item 1-4 and 1-5 on today's calendar the

Chair will appoint in both matters as Senate conferees: Senators Brooks of Cumberland, Whittaker of Penobscot, Campbell of Kennebec.

The President laid before the Senate the first tabled and specially assigned matter, (S. P. 604) Joint Order relative to Legislative Research Committee to Study Feasibility of Combining Municipalities Not Included in School Administrative Districts," which was tabled on May 23rd by Mr. Whittaker of Penobscot, pending passage.

On motion by Mr. Whittaker of Penobscot, the order received passage.

Sent down for concurrence.

On motion by Mr. Whittaker of Penobscot, the Senate voted to reconsider its action whereby it adopted the "Ought not to pass" report of the committee on S. P. 229, L. D. 611, Resolve, Appropriating Monies to State Board of Education to Match Federal Funds Under the Manpower Development and Training Act, and on further motion by the same Senator the resolve was tabled until Tuesday next pending acceptance of the committee report.

Mr. Stilphen of Knox was granted unanimous consent to address the Senate.

Mr. STILPHEN: Mr. President, I would just like to have the record show that, as I understand it, this is the last day that our good doorkeeper Maurice Knowles will be with us and that he is taking a leave of absence for the remainder of the session. I would like to have the record indicate that I as a Senator here over the last three terms have enjoyed very much his cooperation with us and I think the whole Senate feels the same.

The PRESIDENT: The Chair appreciates the remarks of the Senator from Knox, Senator Stilphen. Mr. Knowles has been a great friend to both the old-timers in the Senate and the youngsters alike, as they say "one of which I am whom".

We recall definitely your participation as a beautiful singer in so-

cial events, Maurice, and I remember that on occasion you have offered the morning prayer at the start of the session. I know that you have not been blessed with perfect health and you feel you should take sick leave. You take with you the best wishes of the Senate and

all of us hope that you will return soon. (Applause)

The adjournment order having been received from the House,

Adjourned until next Monday at 4:00 P.M.