

February 17, 1977  
6:00 p.m.

MINUTES OF THE MEETING  
BUSINESS AND INDUSTRY COMMITTEE  
MONTANA STATE SENATE

An executive meeting of the Business and Industry Committee was called to order by Chairman Frank Hazelbaker in Room 402 at 6:00 p.m.


DISPOSITION OF SB 383

Senator Kolstad made a motion that SB 383 Do Pass. Senator Goodover seconded. All were in favor.

DISPOSITION OF SB 282

Chairman Hazelbaker stated at the request of Senator Lee, chief sponsor of this bill, SB 282 will be withheld and a related Senate bill, SB 302, will be amended in the House.

ADJOURN: There being no further business, Chairman Hazelbaker adjourned the meeting.

  
\_\_\_\_\_  
FRANK W. HAZELBAKER, CHAIRMAN

# STANDING COMMITTEE REPORT

February 18

19 77

MR. **President**

We, your committee on **BUSINESS AND INDUSTRY**

having had under consideration **SENATE** Bill No. **383**

Respectfully report as follows: That **SENATE** Bill No. **383**

DO PASS

## Department of Labor and Industry



449-3472

Helena, 59601

THOMAS L. JUDGE  
GOVERNOR OF MONTANA

SIDNEY L. SMITH  
LABOR COMMISSIONER

### TESTIMONY Senate Bill 282

My name is Dave Fuller, I am the Commissioner of the Department of Labor and Industry and I am here in opposition to Senate Bill 282.

Several of my key staff members and I have spent considerable time reviewing and considering the probable impact of this Bill. Frankly, if other agencies in state government have spent as much time on this Bill as we have, the purpose of the Bill may already have been accomplished. Our review of this Bill has reminded us that many of the actions we take as government employees has a direct, if unmeasurable, impact on the economy. I believe that awareness is healthy and probably makes the introduction of this Bill worthwhile. On the other hand, our review has also pointed out that any further action on this Bill would cause more harm than good.

There are at least four major problems with this proposed legislation:

- 1) The Bill lacks clarity in terms of when impact statements are required. As the Bill is written, state agencies, such as the Department of Labor and Industry, would have to assume almost every action we take may have an effect on the economy.

As an example of the extremes this Bill could currently revoke, almost every economist would agree that the economy of an area reacts somewhat in the direction people expect it to go. Thus, if the Employment Security Division is going to publish its required monthly booklet, which describes the current employment picture, we would first have to get an economic impact statement describing, and I quote Section 3, "the manner and extent to which it may curtail, prevent or delay any existing or potential employment of people in the state during the 24 month period first following its effective date..."

The Employment Security Division would certainly have to provide a statement for every major budget adjustment, and for every major grant modification under their federal programs such as the WIN program and the Job Corps program. They could average two or three statements a month.

Exhibit # 7



Box 1176, Helena, Montana

ZIP CODE 59601

JAMES W. MURRY  
EXECUTIVE SECRETARY

LUNDY SHOPPING CENTER  
MISSOULA HIGHWAY

REMARKS OF JAMES W. MURRY ON SENATE BILL 282, HEARINGS OF THE SENATE BUSINESS AND INDUSTRY COMMITTEE, FEBRUARY 15, 1977

It would seem logical that any legislation painted as a boon to economic development would draw the support of organized labor. However, on behalf of the workers who would benefit most from true economic development, I appear in opposition to Senate Bill 282.

Senate Bill 282 was conceived in the best interests neither of workers nor of the Montana community as a whole. Senate Bill 282 is nothing more than a "make-work" effort on the part of industry, designed to bring government to a halt. It is no surprise to us that the big coal companies and the big corporations are backing this bill. Ever since the Montana Environmental Policy Act was signed into law, these special interests have been trying to devise a way to get back at government for requiring industry to comply and cooperate with the environmental impact statement process. If industry has one mission, besides accumulating great wealth at the expense of workers, it is to stop government. And, if ever a piece of legislation were drafted to satisfy that goal, it is Senate Bill 282.

I won't elaborate on the administrative problems and delays that would result from the implementation of this bill. You have already heard about them from some people who know a lot more than I do about how to run a government. The point is, the slowdowns and delays caused by Senate Bill 282 could result in the worst kind of economic stagnation, and that is government-induced stagnation. That's just what industry would like to see, and workers will be the victims, not the beneficiaries, of legislation falsely described as an attempt to promote employment and economic opportunities for our people.

Along with the economic opportunities that accompany development, labor is surely concerned with the social and human side of growth and development. Every time the dollar sign takes top billing on the list of priorities, the human condition slips a notch or two, and workers are generally the first to suffer from this kind of shift in priorities.

Big emphasis is placed on jobs and numbers in this bill, but what about the many other aspects of employment? What if the State Commissioner of Labor were to rule that prevailing wage should be raised for one area of the state? Under Senate Bill 282, would increased wages result in "a loss of one per cent or more of primary employment opportunities," as set forth in Section 3(c) of Senate Bill 232?

Or what if the Administrator of the Workers' Compensation Division saw a need for improved safety regulations at the Hoerner-Waldorf plant in Missoula? Currently, when companies are threatened with stricter safety regulations, they appeal to a worker's greatest fear by announcing they'll have to lay a few workers off or shut the plant down entirely because they can't afford to comply with new standards. This is one of the oldest tricks in the book used by companies to rally workers to their side when the pressure is on industry. We call it environmental blackmail, and we know it for the false threat that it is. But what if Senate Bill 282 were passed and, suddenly, the companies had some law on their side restricting state actions that would drop employment by one per cent? I'll tell you what would happen....The health, safety and welfare of