# MINUTES OF THE MEETING BUSINESS AND INDUSTRY COMMITTEE MONTANA STATE SENATE

#### February 16, 1981

The meeting of the Business and Industry Committee was called to order by Chairman Frank W. Hazelbaker on February 16, 1981, at 10:00 a.m. in Room 404 of the Capitol.

All Committee members were present, with the exception of Senator Dover, who had been previously excused.

Senator Hazelbaker introduced Senator Mike Anderson, who is Chairman of the Judiciary Committee and sponsor of Senate Bill 370, the purpose of which is to regulate the sale of ground beef.

Senator Anderson explained the differences in what is known as "hamburger". He said that this is listed in the USDA Index of consumer bills. The economy type of hamburger lists a 30% fat content, but it does not contain anything other than pure meat and trimmings. In the regular the fat content is 24%, while the extra lean contains no more than 18% fat. Beef Putty Mix is defined in this section. The fat content must be listed on the package. A major portion of hamburger is sold through food markets and grocery stores. Senator Anderson advised that the sponsors of this bill are not trying to regulate the fast food establishment.

#### PROPONENTS:

Mons Teigen, representing the Montana Stockgrowers Association and the Cowbelles, said that they are in favor of the change of classification of hamburger with regard to fat content. However, they do have a reservation in regard to the amendments, and prefer the reference to imitation hamburger, but they have been told about this, and they have no objections.

Vern Sloulin, Chief of the Food and Safety Standards of the Food and Drug Law of the Montana Board of Health, stated that the Federal standards are 30%; 20% in Montana and over 30% elsewhere. He said that they run 300 samples per year to determine fat content, and since last season there has been a lot of reaction from restaurants, who feel that it was improperly written. He said that the Board of Health agrees with them. To have good hamburger you need about 24% fat. Our standard is 20-21%. They have worked all year for a compromise between the consumer and the industry. They are now proposing a three-grade system: Economy level - 305; regular -24% and lean - up to 18%. They are concerned that the consumers be informed as to what he or she is buying. This should be put on the label. Mr. Sloulin said that his office will continue to run samples in the local health departments, of which there are He advised that they also have Field Supervisors who test hamburger, and he closed by saying that his office is in favor of this Bill.

Frank Capps, representing the Montana State Food Distributors, stated that they support this Bill. They feel that State and Federal regulations should be the same.

Ron Anderson, Buttrey Food Stores, Great Falls, Director of Sanitation and Safety, said that they support this Bill with the following amendments: Page six - lines 24-26 - add - an additional grade of hamburger - lean, which reads as follows: Lean - 18% fat content - extra lean - 14% fat content.

#### OPPONENTS:

Jo Bruner, representing Women Involved in Farm Economics, stated that they do not believe in changing the name of the imitation hamburger product. Passage of this Bill would allow the present sign to be taken down and replaced with a placard. Should a retail establishment desire to have this sign on display at all times, there would be no problem, but a placard in its place is not the same. She said that her group is intersted in the people in the market place, as well as the consumer, and they intend to make every effort to inform them on what they are eating.

#### QUESTIONS FROM THE COMMITTEE:

Senator Lee to Mr. Capps: Do you agree that we need another classification to change the fat content on lean and extra lean? Mr. Capp replied that he does not see a need for that, but if the Committee feels that there is such a need, they will go along with it.

Senator Goodover asked Senator Anderson if this applied mainly to grocery stores rather than fast food establishments, and Senator Anderson replied that it applies to everyone who sells hamburger. He explained that if we start putting restrictions on everything, the independent restaurant operators will have to buy a lot of expensive equipment. He commented that some restaurant operators, for example, Don Larsen of Jorgenson's, can tell the content of the meat just by looking at it.

Senator Goodover asked if there were any restaurant or fast food operators present, and Ben Brown replied that they are in accord with the Bill. He said that it is easier for the consumer to see what they are adding. He said that they serve all beef hamburgers.

Senator Hazelbaker then introduced Senator Ryan, from District 19, Cascade County, who began his presentation by saying that this is for something good to go with hamburger! Senator Ryan introduced Senate Bill 380, which is a Bill to include winery-wine distributor franchise agreements within laws regulating brewery-beer distributor agreements. In conclusion he urged a "Do Pass on Senate Bill 380.

#### PROPONENTS:

Roger Tippy, Attorney, spoke in behalf of the Wine Association.

Al Dougherty, Attorney, said that the brewers will get behind this type of legislation. He commented that the last section of the Bill would add a new MCA Section. Mr. Dougherty explained that this legislation is copied from the Beer Franchise Section, and is proposed to be enacted as a new section. He urges that the committee "Do Pass" this Bill.

#### **OPPONENTS:**

Sidney Abrams, Seattle, a representative of the Wine Institute, stated that the difference between wine and beer is that wine represents 5% of the total sales as compared to beer sales. He said that the beer industry has become concentrated. He explained that wine, compared to beer, is a small business. Mr. Abrams said that California, Washington, Oregon and Idaho all have wine industries. He further stated that wineries have a difficult time. He further explained that the wholesalers are asking for passage of this Bill because of a vested interest; they are doing everything to discourage competition. Mr. Abrams said that in this Bill the wholesalers want exclusive territories, but small wholesalers coming into the scene would not be allowed under this. He commented that passage of this Bill will have an impact on prices, because when you have a monopoly, you increase prices.

#### QUESTIONS FROM THE COMMITTEE:

Senator Blaylock to Roger Tippy: Two years ago, when we put the wine in, there was a lot of talk about how we are going to distribute this. I was told that the agreement was that we were going to keep this wide open - why are we going to try to limit competition?

Mr. Tippy replied that they were talking about the competition between brands, between the private sector or the state. In a state like this, it is self-affecting; no one is going to come down from Great Falls and sell wine on a regular basis.

Senator Regan asked, if this is true, why is this Bill necessary?

Mr. Tippy replied that delivery is not the most important part of this. The major problem is the ability to protect the wine business of wholesalers. What chances are there for the members of his family to take over his business, if a big wine industry decides to cancel the franchise?

Senator Hazelbaker asked Mr. Abrams, in the history of distributor relations, have wineries done this? The field of Competition Contract Law provides that the large winery can make this type of change. There are contract provisions to carry on with the business.

Mr. Abrams explained that this type of franchise bill is being proposed elsewhere.

Senator Lee asked Mr. Abrams, how does this compare with other states, such as Utah, Idaho and California; is this common practice, and is there this interpretation?

Mr. Abrams replied, no, this is sheltered. This is a business which exists by Law. Such a business cannot be disenfranchised. It has to go through the wine wholesaler. In some states the

Federal Trade Commission testified that this is against the Antitrust Law.

Senator Ryan commented that the apprehension did not come to fulfillment. We are not dealing with the Slot Machine Bill, and I don't know that the Mafia is involved in the wine franchise business. I do not anticipate them coming into Montana, and getting involved in this. I urge "Do Pass".

Senator Hazelbaker then introduced Senator Towe, who spoke as the sponsor of Senate Bill 250, which is designed to protect employees and communities from large-scale layoffs, and to create a Board of Economic Readjustment. He said that this is closely parallel to Initiative 88, which never made it on the ballot. He further stated that he submitted this to the Legislature before it is decided again if that initiative is necessary. deals with plant closure. There has been research done on this. Senator Towe said that there have been Laws introduced in four states, Ohio, Michigan, Massachusetts and Indiana, and he said that legislation has been introduced more than once. He further explained that this applies to the closing of a plant which employs at least 250 individuals; whereas the initiative listed 50 individuals. Passage of this Bill would only cover a small number of employees; only very large employers in the State of Montana would be affected. Also, passage of this Bill would not affect temporary or seasonable employees who cannot be included, because there are changes on a seasonable basis. Covered employers would be those who have been operating for five or more consecutive years. He explained that the employer must immediately notify the Department of Labor, local government, the employees, the employee organizations and a newspaper of general circulation in the county. The rules shall require notification to occur at least 180 days prior to the action decided upon by the employer, unless the Department determines that circumstances beyond the control of the employer make notification impossible. Senator Towe then read the Bill. He said that he was impressed with the Anaconda Copper Mining Company which obviously contributed more than 15% to cities affected by this very type of He thinks that they contributed 25%. He also said that he wishes to make a change in this Bill, and he added sub-section three: Any company which has been paying a Severance Tax, a portion of which has been deposited in the Coal Tax Severance Trust Fund is exempt from the payment. There is a proposal for a Hard Rock If that passes, those people will be contributing to Anybody who is contributing to the Coal Severance a trust fund. Tax Constitutional Trust Fund would be exempt from the payment. The Department shall adopt rules to provide for such things.

He said that the reason for this Bill is obvious; 1500 employees were suddenly found without a job. He feels that there needs to be advance planning or work, so that everybody can get ready for it. When it is a company that employs over 250 employees, this is a major impact, and it is a major concern. The National Employment Priorities Act is a Federal bill introduced in 1974 and 1979 for this type of planning. This matter is getting a good deal of

attention. There are a number of European countries which have done this: Great Britan, West Germany, Sweden, France, Belgium, The Netherlands and Mexico. They all protect their workers from such a traumatic happening.

#### PROPONENTS:

Jim Murray, representing the AFL-CIO.

Mr. Murray stated that is is one of the most exciting days that I have had in the 15-20 years in the Montana Legislature. deals with plant closings. We feel that the Bill does not go far enough, but it is a step in the right direction. cases, closures were by companies which had record-profit years. Costs of shut-downs are borne by the workers, their families, the community and the taxpayers. This Bill makes the company share some of the misery caused by their actions. This Bill only affects employers who employ at least 250 employees in a single work place. We think that this is too large a number; at 50 employees, this covers only three percent of the employees in the State. Major distributors would not be included. Upon the decision to close, the company would have to notify the public, the local government involved, the press and the employees. They would have to provide an Impact Statement. They would have to continue Health Insurance benefits for six months, or until the employee found work. In addition, they would have to offer new jobs in other companyowned plants if such jobs were open. They would have to furnish moving costs and help establish employee businesses. Prosecution for violation of the Law would be civil damages, of not more than three times the compensation paid under Section 3. Senate Bill 250 would not cost the taxpayers of Montana anything. It would only take money away from businesses closing down to maximize their profits. He urges "Do Pass" on Senate Bill 250.

Howard Rosenlef, representing Carpenters Local 88, spoke in favor of this Bill.

John Winston, a worker with Champion Building Products, said that when Evans Products closed the Mill, 450 workers were laid off. He stated that he works on the Green Chain, and he said that he has seen a man, who is older, but who has taken a job there because he needs a job to support his family, cry, because the work is too hard for him. He said that this type of work is very difficult, even for him, (and he is young), but this individual had taken this job because it was the only job available, and he had to have work. He explained that the man, his neighbor, was a skilled craftsman, but he cannot find anything that requires his skills, and because of his ties with his family and his home, he cannot find work elsewhere. He also said that no one wants to hire someone of that age. The financial cost and the human cost of irresponsible comapanie picking up and leaving is huge. He talked about Local 338-Bonner. He said that operations have been closed in some cities of Oregon and California, and he feels that the Mill in Bonner will be shut down. He appealed to the Legislature to grant the workers some protection. Mr. Winston said that the company received a \$3,000,000

payoff, and they were not willing to help their workers with anything but a token settlement. Because this covers only those plants who employ 250, it would not help small plants. He asked that the Legislature please lower the threshold to 50 or 100. He explained that the Western states are hostages of giant corporations. In closing, he said that passage of this Bill would go a long way to make the closure of these plants bearable, and he urged a "Do Pass".

Howard Olson said that he is in support of the testimony.

Martin Mavernack, representing Steelworkers Number 6002, said that he was in favor of this Bill.

June McCarthy said that the Initiative Petition processing was not harassing the people in the polling places - they were just doing their job. She stated that the people in Anaconda never dreamed that they could be shut down, but she said that it can happen, and therefore we have to be prepared.

Franz Ortloff, from the International Association of Machinists, said that he was in favor of the Bill.

Joe Lampson, of the Democratic Central Committee, stated that he was in favor of the Bill.

Randy Semers of the Operating Engineers, said that they feel that legislation was passed in 1975 for sensible development of industry coming into MOntana. He commented that people in Montana are concerned about a sensible development of the state's resources.

Jerry Driscoll of the Laborers Union stated that he was in favor of this Bill.

#### **OPPONENTS:**

Buck Boles, representing the Montana Chamber of Commerce, said that they disagree with the method of dealing with problems as presented in Senate Bill 250. This carries over to small business as well. The support for this concept is a limited one. If the individual union members were in favor of this concept, they could have qualified the Initiative for the ballot. This is a bargaining table issue. In the State of Ohio this was defeated. Two bills of this type were defeated in Indiana. The main argument against this Bill is because Montana has an image of being anti-development. He feels that passage of this Bill will undo all the good which has been done to encourage development of the State. We don't contribute any more to Montana's anti-business image. Montana is ranked 33 of the 48 states in manufacturing business climate. We rank 10th in the cost of doing business expenditures, and we ranked 40th in controlling pollution. It costs more to manufacture items in Montana than it does in other places. The workers of this State They want to turn Montana's business image around. this reason, he urges "Do Not Pass" on Senate Bill 250.

At this point Senator Regan asked Mr. Boles to give her the criteria upon which these anti-development ratings are based.

James Lewis, representing the Anaconda Copper Mining Company, explained that the company understands the reasons for the introduction of this type of legislation. They feel that their company policies have shown responsibility in these matters, and have earned corporate respect from the employees. They feel that they have a responsibility to their employees. They also feel that local and state government should remain outside of an employer-employee relationship. The Bill offers penalties for locating a business in Montana and discourages financial incentives. The best solution is an agreement between company and community, not legal mandates. They are opposed to this Bill because it creates fixed solutions to indeterminate problems.

Jim Mockler, who represents the Montana Coal Council, stated that this Bill does not place everything on an equal ground. (Please see attached proposed amendment submitted by this Opponent.) In closing he commented that the industry he represents supplies the highest wages of anyone in the State of Montana.

George Johnson, speaking for and representing American Smelter and Refining Company, said that they test the ore before they decide to use it. They figure all factors. This Bill would be an additional cost to the operation of this company; it would not be in the best interest of the working people. He explained that the company has to conform with FEPA regulations; they fix regulations so that there is no technology to meet them at this time. The company wants to keep operating in both places; they think that this is a bad Bill for both the workers and the business community.

Bill Hand, Executive Secretary of the Montana Mining Development Association, said that they oppose the Bill, although they do recognize the problem.

Gary Langley, sho represents the National Federation of Independent Buesinss, said that they have 5,000 members in Montana. He said that 80% of them responded to the survey - they oppose the concept and they oppose the Bill.

Robert Helding, an attorney, who is also the Executive Director of the Montana Wood Products Association, stated that they too oppose this Bill. The timber industry will be here if we have the wood to cut, and the businesses to sell it to. He urged defeat of what he called this "anti-business" measure.

Jack Hill, Executive Director of the Great Falls Economic Growth Council, read a resolution opposing Senate Bill 250. He stated that they wish to go on record in opposition of this Bill. They feel that this Bill would funtion as a disservice to development of industry in Montana.

Keith Olsen, Executive Director of the Montana Logging Association, said that their average member has less than 10 employees. The proposed legislation appears to be a fight between big business and big government; this is about the third time that the association

has encountered legislation aimed at the Anaconda Copper Mining Company, but which is not aiding independent logging contractors. They are afraid that passage of Senate Bill 250 will encourage closure of some mills. This Bill will result in fewer facilties. It will eliminate jobs. What the state needs is a healthy economic climate. Jobs cannot be legislated, they must be created. Montana would become a no-growth economic state. They urge that the Committee consider all the ramifications of this Bill.

Russ Ritter, Vice President of Carroll College, stated that they have approximately 250 people whom they employ at Carroll. This Bill would affect them. They oppose it until there is better clarification of the Bill.

Bill Sternhagen, representing the Northwest Mining Association, stated that they feel that this Bill should be given a "Do Not Pass".

#### QUESTIONS FROM THE COMMITTEE:

Senator Blaylock to Mr. Boles: You said that there were several hotels in Montana which employ over 250 - which hotels are they?

Mr. Boles: Yes, they are the Heritage, Sheraton and the Outlaw Inn.

Senator Goodover to Mr. Murray: You indicate that with the amendment of the 50-people limitation section, which would affect only three percent of the people, with 250 people as the base - how many people would be affected?

Mr. Murray: I don't know - considerably less.

Senator Goodover: This would represent an effort to get a foot in the door at this time so that this figure could be altered.

Mr. Murray: We would like to set this figure at 50.

Senator Kolstad: He said that he is surprised that the Democratic Party encourages this Bill. He commented to Senator Towe that he had cited some of the European countries that have supported similar legislation; considering this, because all of these countries are socialistic, don't you think that we are innovative enough to adopt our own policy?

Senator Towe replied to Senator Kolstad: Define socialism. I don't find that West Germany is socialistic, nor is Great Britain. They all do well economically.

Senator Kolstad asked: Would you agree that this is an antibusiness peice of legislation, and Senator Towe replied, no.

Senator Lee: I agree with the intent of this Bill; there really is a problem in this country. But I have a problem with this piece of legislation. I wonder what basis you can give that will support

this Bill conscientiously. How could we enact legislation that would be retroactive on businesses that are already operating in the State?

Senator Towe replied that he doesn't think that there is that much difference in the many laws as to whether or not they are passed before the company comes into the State and affects the people who are in the State. The Coal Tax affected companies already doing business at the time that the Law was passed. They have tried every possible way to raise constitutional issue on that matter, and that was not one that they raised.

Senator Towe stated that this has been a good hearing on an important issue. It is proof of what I present. I suspect that this Bill may not go very far, but the thing that I think is really important is when Jim Lewis agreed that companies have responsibility to their employees, and they also have responsibility to the community in which they operate. A good citizen will take care of those responsibilities. The testimony of John Winston shows that all companies do not take care of those responsibilities. What are Are we to stand by and say, "Gee, that's tough"? we to do? we to let the ACM do something worthwhile for their employees, and other companies who do not feel that responsibility, do nothing? This Bill will require everybody to do an equal amount. that to the Committee. I think that the only feeling for us to encourage is for responsible businesses and industries to come into the State, and if you accept responsibility, we welcome you, we want you, we appreciate you, we appreciate the business that you bring, and a good system is taking care of the responsibility to the communities and to the workers that they employ. If industry says that is, in fact, a responsibility to employees and communities, why is that going to deter different companies from coming in? that because most industry recognizes that as a responsibility, but has no intention to carry that out? If they recognize that this is a responsibility and intend to carry it out, then they will come into the State, and they will take car of their responsibility. If they don't want to do this, I am not sure that we want to welcome these industries. We will hear another Bill to make the business climate in this State better.

Senator Towe then introduced Senate Bill 220, which he explained has two purposes: To set up a permanent legislative committee on economic development, to be considered the Economic Development Oversight Committee, which would consist of six member, and whose procedures are basically the xame as the Revenue Oversight Committee. The powers and duties of the committee are to review legislation intended to work for economic development. This has oversight authority. The responsibility of this committee is to, first, monitor and oversee the economic development of the State of Montana, and two, to help out in any place it can; to suggest ways that the economic development can be improved; to work for change which will promote economic development and bring industry into the State. They could work on legislation which could promote jpbs and better business environment. They need to oversee several items, such as Senate Bill 21, and the other two bills which deal

with small business investment corporation and relate to a Division of Economic Development. The difference will be created whether or not the Bill passes. The idea is to oversee it in much the way that the Boal Board was created - to oversee all Coal Tax matters. Economic development is important, and it is important to those who want this type of legislation.

#### PROPONENTS:

Pete Jackson of WETA, stated that he supports the Bill, particularly on the first points.

#### OPPONENTS:

None.

#### QUESTIONS FROM THE COMMITTEE:

Senator Goodover asked Senator Towe if his new committee would be charged with reviewing legislation which adversely affected economic development, and Senator Towe replied that it would be if the committee chose to do so.

Senator Blaylock said, if the Governor is setting up a division to encourage economic development in Montana, I wonder if we really need this.

Senator Towe replied, I think that that's exactly why we need a committee. The State Legislature can only advise. I have great faith in G. Schneider and in Gary Buchanan. I think that they can benefit from the establishment of a Committee. I think that this would help them to do a better job.

Senator Boylan commented that the man who is doing this may need some help in his program.

Senator Goodover asked why would the Governor's Economic Development Commission be any more responsive than existing committees which have been fighting for years and get no input?

Senator Towe said, I am not unahppy with this situation, but I think that when we have a legislative committee that makes a reccommendation, they will think before they ignore it. I think that more often than not that the next time you will see the reaction that the next time around, when the Coal Tax Oversight Committee says, "stop, we do not want any more grants unless you come in with a plan explaining exactly what is going to happen; you must propose plans and objectives", they will do this. They said that they were not obligated to do this, but they went ahead and This helps the administration do a better job if they have this type of input. I would like to call attention to one thing in this Bill which is particularly important: If Senate Bill 21 passes, it has been heard by the Taxation Committee, and it is still in Committee. That Bill sets up a Board of Economic Development, which is set up by State Government.

first Board is appointed by the Governor, and it is important that we get this Board out of politics altogether. The Board will fill its own vacancies.

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

FRANK W. HAZELBAKER, Chairman

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#### ROLL CALL

### BUSINESS and INDUSTRY COMMITTEE

### 47th LEGISLATIVE SESSION -- 1981

Date\_2-16-81

NAME	PRESENT	ABSENT	EXCUSE
Goodover, Pat - Vice Chairman	Х		
Hazelbaker, Frank - Chairman	х		
Blaylock, Chet	x		
Boylan, Paul	х		
Dover, Harold			х
Kolstad, Allen	х		
Lee, Gary	х		
Regan, Pat	X	·	-
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Each day attach to minutes.

NAME	Jo Brunner	F	BILL NoSB 370
ADDRESS	<u> </u>		DATE 2/16
WHOM DO	YOU REPRESENT W	.F.E.	
SUPPORT		POSE X	AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: Women Involved in FarmEConomics wish to go on record as being in opposition to SB 370

Specifically, we object strongly to changing the name of the hamburger product that has been adulterated with non-meat additives. Page 1--lines 18-21, section 1, mays that the terms beef patty or beef patty mix are understood by the meral custom and usage in the food industry.----

The general public better understands the word imitiation, as do the beef producers.

Page 7, lines 13-17 defines the word hamburger towhich has been added binders and extenders again defined in terms stated to be understood by the food industry, and asks for the deletion of that definition. W.I.F.E. believes that kkek the consumer also understands that definition. Our concern is for the consumer knowing just what he is eating than for a more palatable definition.

Beef patty mix-or beef patty-it won't take very long for the word mix to be dropped because it is allowed and is easier said and printed---implies that the patty is all hamburger that has been made into the very common and widely used term for a shaped hamburger--a patty. And--one made of beef.

This bill would allow the permanent sign taken down and replaced with a placard, ---- non permanent--page 9 -para- 26- lines 15-17. If the establishment, retail establishment intends to have this sign on display at all times where the customer can read and understand it, why the change to non-permanancy?

Page 10-11,--lines 23-6 gives an overall formula for informing the general public just what they are eating--it must be printed on a label--as in a grocery store--it must be printed on a menu--if there is a menu--or it must be displayed on a placard.--So--thats what placard means? When you go into MacDonalds or Wedny's or whereever it going to say on that placard up behind the counter that they serve beef patties--and list the ingredients? We could almost go along with that.

But its doubtfull if that is really the placard this bill has in mind. It would be bad for their business.

Certainly, our concern is for our people in the cattle business. We are interested in making a living for them. But we are also interested in the consumer. The products they consume provide our living and if they are not happy with that product, it costs us. W certainly do not intend to tell them what to eat—we do intend to make every effort to keep them indormed and what they are eating, and the term beef patty does not do so.

Again W.I.F.E. opposes this bill and we ask you do not pass

FORM CS-34 S.B. 370

NAME: Mate: 2-16-81
NAME: Motion Marcian DATE: 2-16-81  ADDRESS: 615 E Commercial ANACCIDA
PHONE: 563-3310
REPRESENTING WHOM? Steel weeker Union 6000
APPEARING ON WHICH PROPOSAL: S.B. 250
DO YOU: SUPPORT? AMEND? OPPOSE?
COMMENTS:

NAME: Tella: Toncila - DATE: Feb. 76,19	Ş
ADDRESS: 287 Herre amenda DUT	
PHONE: 563-6603	
REPRESENTING WHOM? Carpointer 188	
APPEARING ON WHICH PROPOSAL: 5/3 250.	
DO YOU: SUPPORT? AMEND? OPPOSE?	
COMMENTS:	

NAME: Sack Sampbell DATE: 2//6	1./7/
ADDRESS: 1215 West 4th Penoconda, MT.	
PHONE: 563-7820	
REPRESENTING WHOM? Carp for for 50	
appearing on which proposal: $56, 350$	
DO YOU: SUPPORT? AMEND? OPPOSE?	
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NAME: Driscoll	DATE: 2-16-81
NAME: Dry Driscoll  ADDRESS: 4344 Stone St	Billing ?
PHONE: 257-1655	<del>De la compagni</del>
REPRESENTING WHOM? Laborers Ford	
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APPEARING ON WHICH PROPOSAL: SB 250	
DO YOU: SUPPORT? AMEND?	OPPOSE?
COMMENTS:	
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NAME: James D. Mock'ep	DATE: 3/16/8/
ADDRESS: Helena	
PHONE: 443-6233	
REPRESENTING WHOM? Mt. Coal Counc	./
APPEARING ON WHICH PROPOSAI: S.B. 23-C	) 
DO YOU: SUPPORT? AMEND?	OPPOSE?
COMMENTS:	

## Amendment To SB. 250

page 1: between lines 2; and 23 insert: (5) Responsible parts means any employer, employee organization, the State of Montana and the political sabdivision there of." renumber the following subsections. line 11: pollowing "retreach" an employershall" insert "responsible party shall" line 7: delete "employer" insert responsible
party" page 6 page 7 line 17: delete "an employer" insert "the line 22: delete "employer" insert "responsible
party" page 7 line 25: Following 'period." delete balance of line. page 2 page 3 lines I and 2. delete

Towe amendment "deleté 'employer" insert

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PHONE: 363-3568 OF 563-6  REPRESENTING WHOM? Man State Case	ci of Cup
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NAME:	John	Whiston		DATE: 2-	-16-81
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PHONE:	543	-5679			
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JAMES W. MURRY

EXECUTIVE SECRETARY

Box 1176, Helena, Montana —

ZIP CODE 59601 406 442-1708

Room 100 Steamboat Block 616 Helena Ave

TESTIMONY OF JAMES W. MURRY ON SENATE BILL 250, SENATE BUSINESS AND INDUSTRY COMMITTEE, FEBRUARY 16, 1981

THE MONTANA STATE AFL-CIO STRONGLY SUPPORTS SENATE BILL 250, WHICH DEALS WITH PLANT CLOSINGS. THIS BILL IS NOT AS STRONG AS WE WOULD LIKE, BUT IT IS A STEP IN THE RIGHT DIRECTION.

IN 1980, MONTANA WAS BATTERED BY SEVERAL CLOSURES OF LARGE COMPANIES. THE CROWNING BLOW WAS THE SHUTTING DOWN OF THE ANACONDA SMELTER AND THE GREAT FALLS REFINERY BY THE ATLANTIC RICHFIELD COMPANY (ARCO). OVER 1500 WORKERS LOST THEIR JOBS.

IN MANY CASES, CLOSURES WERE BY COMPANIES LIKE ARCO AND THE EVANS COMPANY, WHICH HAD RECORD PROFIT YEARS. AS THE GIANT COMPANIES MAXIMIZE THEIR PROFITS, COSTS OF THE SHUTDOWNS ARE MOSTLY BORNE BY THE WORKERS, THEIR FAMILIES, THE MERCHANTS WHO DEPEND ON THEIR PAYCHECKS, AND THE TAXPAYERS WHO WILL HAVE TO PICK UP THE ADDED BURDEN.

SB 250 DOES NOT STOP LARGE COMPANIES FROM MOVING JOBS TO JAPAN. IT SIMPLY MAKES THE COMPANY SHARE SOME OF THE MISERY CAUSED BY THEIR ECONOMIC DECISIONS. IT IS ESPECIALLY MPORTANT, SINCE PRESIDENT REAGAN WANTS TO DISMANTLE TRADE READJUSTMENT ASSISTANCE.

THIS B LL ONLY AFFECTS EMPLOYERS, PUBLIC AND PRIVATE, WITH 250 EMPLOYEES AT A SINGLE WORK LACE. WE THINK THIS IS TOO LARGE A NUMBER, BUT THIS WAY AT LEAST THE GIANT COMPANIES WOULD BE COVERED. SUCH A COMPANY WOULD BE COVERED IF IT LAID OFF AT LEAST 250 PIRSONS OVER ANY TWO-YEAR PERIOD. LABOR DISPUTES WOULD NOT BE INCLUDED. CONSTRUCTION SITES, TEMPORARY AND SEASONAL SITES, AND WORKPLACES IN EXISTENCE FOR FEWER THAN FIVE YEARS WOULD ALSO NOT BE COVERED.

UPON DECISION TO CLOSE, THE COMPANY WOULD HAVE TO:

- (1) NOTIFY THE PUBLIC, THE GOVERNMENTS INVOLVED, THE UNIONS AND THE EMPLOYEES.

  (WE BELIEVE THERE SHOULD BE A TIME LIMIT SUCH AS ONE YEAR BEFORE CLOSING. THE BILL DOES NOT HAVE ANY LIMIT.)
  - (2) PROVIDE AN IMPACT STATEMENT.
- (3) CONTINUE HEALTH INSURANCE BENEFITS FOR SIX MONTHS OR UNTIL THE EMPLOYEE FINDS FULL-TIME WORK.
- (4) PAY SEVERANCE TO EMPLOYEES EQUAL TO THE AVERAGE MONTHLY WAGE OF THE EMPLOYEE TIMES THE NUMBER OF YEARS WORKED, WITH A MAXIMUM OF \$25,000.
- (5) OFFER NEW JOBS IN OTHER COMPANY-OWNED PLANTS IF COMPARABLE JOBS ARE OPEN.
  RELOCATION EXPENSES MUST BE PAID.
- (6) PAY 25%, OF THE ANNUAL PAYROLL OF THE AFFECTED EMPLOYEES INTO A COMMUNITY READJUSTMENT FUND. THIS FUND WOULD PROVIDE GRANTS FOR ASSISTING LOCAL GOVERNMENTS IN DEALING WITH IMPACTS, HELPING EMPLOYEES START BUSINESSES THAT WOULD EMPLOY 10 OR MORE PEOPLE, RETRAINING EMPLOYEES AND PROVIDING MATCHING FUNDS TO A POLITICAL SUBDIVISION TO SECURE FEDERAL JOB-CREATING ASSISTANCE.

THE PENALTY FOR VIOLATION OF THIS LAW WOULD BE CIVIL DAMAGES OF 1 OT MORE THAN

THREE TIMES THE AMOUNT OF SEVERANCE PAY OWED TO THE WORKERS.

(WE THINK THE PENALTY SHOULD BE THREE TIMES THE ENTIRE AMOUNT SHORTED BY THE COMPANY.)

SB 250 WOULD NOT COST THE TAXPAYERS OF MONTANA ANYTHING. IT WOULD SAVE THE TAXPAYERS MONEY IN TOWNS HIT BY SHUTDOWNS. IT WOULD NOT COST RESPONSIBLE BUSINESSES ANYTHING. IT WOULD ONLY TAKE MONEY FROM BUSINESSES CLOSING DOWN TO MAXIMIZE PROFITS.

SB 250 WOULD NOT AFFECT COMPANIES DECLARING BANKRUPTCY. IT WOULD NOT STOP A COMPANY FROM MOVING. IT WOULD SIMPLY HOLD GIANT CORPORATIONS RESPONSIBLE FOR THEIR ACTIONS BY FORCING THEM TO SHARE THE BURDEN OF PLANT CLOSURES.



### MONTANA CHAMBER OF COMMERCE

P. O. BOX 1730 • HELENA, MONTAN \$ 59894

PHONE 4-1

Testimony

to the

Senate Business & Industry Committee
Frank Hazelbaker, Chairman

in opposition to SB 250

by

Forrest H. Boles, President Montana Chamber of Commerce

Mr. Chairman, members of the committee, my name is Forrest Boles, President of the Montana Chamber of Commerce.

While the Montana Chamber recognizes the effect of major plant closures on workers and the communities in which the plants are located, we disagree strongly with the method of dealing with the problem as presented in this SB 250. Our opposition is based on several factors:

- 1. Like other bills aimed at "large" companies, it carries its effects over to other "smaller" firms. For example, several of the major motels and hotels in Montana would come under this legislation.
- 2. The support for this concept is limited. An initiative petition supported and circulated by the AFL-CIO last summer to do essentially the same thing as this bill failed to attract enough signatures to get on the ballot. It seems to me that if the individual union members were strongly behind this concept they could have, by themselves, qualified it for the ballot.

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# Amendment To SB. 250

fage 1: between lines 22 and 23 insert! (5) Responsible parts' means any employer, employee organization, The State ox Montara and the political sabdivision. Thereof." renumber the following subsections. line 11: pollowing "retreach" an employershall" insert "responsible party shall" line 7: delete "employer" insert responsible
party" page 6 line 17: delete "an employer" insert "the page 7 line 22: delete "employer" insert "responsible
party" page 7 line 25: Following 'period." delete balance of line. page 2 page 3 lines I and 2. delete Towe · amendment "delete
"responsible party" employer" insert

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### Bill Summaries

- SB 220 would create a legislative economic development oversight committee which would review economic development programs enacted by the legislature and make reports and recommendations concerning these programs to the next legislature.
- Work force by 250 employees to notify the department of labor and industry, employees, employee organizations, local governments and the news media of the proposal. An impact statement would then be prepared. The employer would pay 25% of his annual payroll into a community adjustment account, and would be required to make a payment to each affected employee and retain insurance benefits for 6 months after the closing. The department could award grants from the community adjustment account to affected local governments and employee groups seeking to form their own businesses. Civil penalties are provided for violation of this act.
- SB 370 would regulate the sale of hamburger in various forms. The bill defines patty mix and sets fat content standards for 3 grades of hamburger. The bill also provides that notice must be given to consumers of the grade of hamburger offered for sale or consumption.
- SB 380 would include franchise agreements between a winery and wine distributor within the laws regulating brewery and beer distributor agreements. The bill also sets forth illegal acts which a winery may not perform in regard to a franchise agreement.

# BEFORE THE BUSINESS AND INDUSTRY COMMITTEE MONTANA SENATE February 16, 1981

Senate Bill 380

) TESTIMONY OF MONTANA ) BEER & WINE WHOLESALERS ) ASSOCIATION IN SUPPORT

Mr. Chairman and committee members, I am Roger Tippy of Helena, representing the beer and wine wholesalers' association in support of SB 380. Our members include 33 of the 35 licensed wine distributors in Montana, and they urge your favorable consideration of this bill on the grounds of fairness and consistency.

This portion of the beer law was enacted in 1974 by a bill carried by former Sen. Jack Devine. In essence, it requires breweries to put their distributor franchise agreements in writing and to file a copy with the Department of Revenue, to designate the distributor's territory in the agreement, prohibits the brewery from cancelling the agreement on less than 60 days' notice, and permits a distributor to leave his business to heirs designated in his will. The breweries once resisted such laws but have come around now to support them in the states.

Wine was of course under the state monopoly until Initiative 81 was put before the people at the 1978 election. The Attorney General's explanatory statement said in part that wine would be distributed like beer was distributed under present law. However, certain aspects of the beer law, including the franchise protection provisions, were not carried over into the wine initiative. The wholesalers' association views this discrepancy as an oversight and hopes the 1981 legislature will correct it.

The last section of the bill would be a new MCA section. This language also tracks the language of section 16-3-221. It would have been awkward to insert the phrase "or winery" after every reference to a brewery in that section; therefore the language is proposed to be enacted as a new section.

Thank you for your consideration of this legislation.

P.O. BOX 5008

### DIVISION OF JEWEL COMPANIES, INC. 601 SIXTH STREET S.W. GREAT FALLS. MONTANA 59403

AREA CODE 406 761-3401

### February 16, 1981

Testimony Favoring S.B. 370 With Proposed Amendments

Honorable Chairman and Committee Members:

My name is Ronny A. Andersen. I am employed by Buttrey Food Stores Division, Jewel Companies Incorporated, Great Falls, Montana, as the Director of Sanitation and Safety.

The following testimony in support of S.B. 370 is respectfully offered for your consideration. Though we favor S.B. 370 we would like to propose the following amendments.

(1) Lines 24 and 25 on page 6 appear to mandate only three grades of hamburger or ground beef. We propose that an additional grade of hamburger or ground beef be added as follows:

Paragraph (c) line 6 page 7 be changed to read

(c) "lean hamburger" or "lean ground beef" must have a maximum fat content no greater than 18%.

A new paragraph (d) be added to read

(d) "extra lean hamburger" or "extra lean ground beef" must have a maximum fat content no greater than 14%.

The grades in the current bill define hamburger or ground beef at maximim fat percentage very close to or above the current standard of 20% fat and do not take into account the sale of product with much lower fat percentage. Since hamburger or ground beef with a percentage of fat less than 14% has been routinely provided to the consumer in Montana, we suggest the new system should reflect this grade. The current grades could very well result in problems of interpretation of the regulation as it applies to product advertised or otherwise promoted with less than 14% fat. If one could not differentiate such a product from other product, it would not be available in the market.

(2) Paragraph (2)(c) and (d) lines 9 through 15 and paragraph (3) lines 16 through 23 appear to leave some doubt as to whether the grade and maximum fat content must appear on the label if one is used, or whether they must appear merely

on a placard. In order to preclude future interpretation problems we respectfully submit that clarification is warranted. Such information is required on the label in some states and it is relatively simple to accomplish at a negligible cost.

We hope our comments have been of assistance to the committee and that you give favorable considerations to our suggestions. Thank you.

Sincerely,

Ronny A. Andersen, Registered Sanitarian

Director, Sanitation and Safety





### BEFORE THE SENATE BUSINESS AND INDUSTRY COMMITTEE

IN SUPPORT OF - - SENATE BILL 370

MR. CHAIRMAN AND MEMBERS OF THIS COMMITTEE. FOR THE RECORD MY NAME IS CURTIS HANSEN. I AM THE EXECUTIVE VICE PRESIDENT OF THE MONTANA RETAIL ASSOCIATION. I APPEAR HERE TODAY IN SUPPORT OF SENATE BILL 370.

SEVERAL MONTHS AGO WAS MY FIRST EXPERIENCE THAT HAD ANYTHING TO DO WITH THIS SUBJECT MATTER. PRIOR TO THAT TIME, MY WIFE WOULD SEND ME TO THE STORE TO GET SOME "HAMBURGER", I WOULD GET TO THE STORE AND SEE; GROUND BEEF, GROUND CHUCK, GROUND ROUND, AND LORD ONLY KNOWS WHAT ELSE. IT SEEMED LIKE THEY HAD EVERYTHING BUT HAMBURGER. SO I WOULD CALL MY WIFE, TELL HER WHAT THEY HAD, AND ASK HER WHAT KIND OF HAMBURGER SHE WANTED.

Then, through a mutual friend I met Vern Sloulin and the introduced me to Cal Campbell from his office. My life thasn't been the same since. OH, for the simple life again!

SINCE THAT TIME I HAVE VISITED WITH VERN ABOUT THE NEED TO MAKE THE MONTANA STATE STATUTES WITH REGARD TO HAMBURGER TYPE PRODUCTS, MORE INFORCEABLE AND MORE IN LINE WITH FEDERAL REGULATIONS ON THE SAME SUBJECT MATTER.

I AM STILL ANYTHING BUT AN EXPERT ON THIS SUBJECT, BUT I HAVE TALKED TO MANY OF THE MEMBERS OF THIS ASSOCIATION AND MANY SMALL INDEPENDENT GROCERS. THEY ALL FAVOR SENATE BILL 370 AS IT READ WHEN I SHOWED IT TO THEM. THEY HAVE INDICATED TO ME SEVERAL MATERIAL MATTERS AND CONCERNS THAT I THINK I SHOULD BRING TO YOUR ATTENTION ON THEIR BEHALF.

- 1) Most small independents don't grind their own ground beef anymore, because they can't afford the instrument that is required to measure the fat content properly.
- 2) Most of them buy their ground beef products in bulk, unpackaged and unlabeled.
- Most were sure that as a result of this bill they
  would be able to purchase economy style or type ground
  beef from their supplier and therefor could offer their
  customers a better deal on a less expensive ground
  beef that would be just as good for many cooking and
  meal making needs.
- 4) ALL WERE ESPECIALLY PLEASED THAT THEY COULD PROPERLY IDENTIFY THIS ECONOMY PRODUCT BY POSTER OR PLACARD RATHER THAN HAVING TO DO SO ONLY BY THE MEANS OF A SPECIAL LABEL ON THE PACKAGE, BECAUSE THEY DID NOT HAVE, AND FELT THEY COULD NOT AFFORD THE EQUIPMENT TO PRODUCE THE PROPER LABELS.

They felt that if they had been required to make up special labels in addition to now having to buy their ground beef because of the fat content standards and testing, they might just as well go out of the ground beef business altogether.

They felt that now that they can no longer grind their own ground beef products, that the only way they could remain competitive with the larger chain supermarket type stores was to buy in bulk and package their own.

THIS BILL HAS STIRED THEIR INTEREST. AWARE THAT THERE IS SUCH A BILL PENDING, THEY HAVE STARTED TO FOLLOW ITS PROGRESS AND ARE TALKING TO EACHOTHER AND OTHERS ABOUT IT.

They have contacted me expressing their concern over rumors they have heard about specific labeling requirements for the reasons as stated previously.

MR. CHAIRMAN AND MEMBERS OF THIS COMMITTEE, ON BEHALF OF THOSE MEMBERS OF THE MONTANA RETAIL ASSOCIATION, I WOULD REQUEST THAT YOU GIVE CAREFUL CONSIDERATION TO THIS BILL, TO ANY ATTEMPTS AT AMENDING THE LABELING REQUIREMENTS, AND THEN MOVE THIS BILL ON TO THE SENATE FLOOR WITH A UNANIMOUS "Do Pass" RECOMMENDATION.

THANK YOU.

### TESTIMONY ON MONTANA S. B. NO. 250

PRESENTED TO

SENATE COMMITTEE ON PLANT CLOSURES

Вч

JAMES E. LEWIS

Manager, Labor & Field Employee Relations
The Anaconda Copper Company

HELENA, MONTANA

FEBRUARY 16, 1981

GOOD MORNING. MY NAME IS JAMES E. LEWIS. I AM MANAGER OF EMPLOYEE RELATIONS FOR THE OPERATIONS DEPARTMENT OF THE ANACONDA COPPER COMPANY. WE APPRECIATE HAVING THE OPPORTUNITY TO COMMENT THIS MORNING ON SENATE BILL 250.

At the outset, I'd like to state that the Anaconda Copper Company understands the reasons for the introduction of this type legislation. However, we feel that in fact our Company policies and procedures in these matters have proven corporate responsibility toward employees affected by closures.

We must oppose Senate Bill 250 for reasons that I will expand on later. Our Company believes that when plant closures become a business necessity, companies have a responsibility to their employees to ease the short term financial disruption caused by these decisions. Most firms acknowledge this obligation.

IT IS OUR POSITION THAT LOCAL AND STATE GOVERNMENTS SHOULD REMAIN OUTSIDE OF A GOOD FAITH EMPLOYER/EMPLOYEE RELATIONSHIP.

S.B. 250 is restrictive legislation and we feel it would create a disincentive for business to establish operations within the state. This disincentive would exist at a time when the state, I am sure, is trying to attract new businesses to locate within the state. The bill creates fixed legal solutions to the indeterminate

PROBLEMS ASSOCIATED WITH MAJOR LAY-OFFS OR PLANT CLOSURES.

USUALLY, THE SHUTDOWN OF FACILITIES OR THE TRANSFER OF

OPERATIONS BY A BUSINESS ENTERPRISE IS THE RESULT OF SUCH

FACTORS AS A LOSS OF MARKET, OBSOLESCENCE OF FACILITIES,

OVERALL RESTRICTIVE STATE AND FEDERAL REGULATIONS OR THE

EXHAUSTION OF ECONOMIC NATURAL RESOURCES.

DEALING WITH SOME OF THE SPECIFICS OF THE BILL, THE MANDATORY COMMUNITY ASSISTANCE PAYMENTS AND THE MANDATORY RETRAINING AND TRANSFER OF EMPLOYEES MAY HELP THE MONTANA WORKER IN THE SHORT RUN. HOWEVER, IT IS OUR OPINION THE LONG TERM RESULTS WILL BE TO SLOW THE GROWTH OF STATE INCOME, REDUCE REAL WAGES, ADD TO INFLATION AND INCREASE UNEMPLOYMENT. BUSINESSES THAT ARE ALREADY LOCATED IN THE STATE WILL BE UNWILLING TO EXPAND AND NEW BUSINESSES WILL BE UNWILLING TO LOCATE IN THE STATE OF MONTANA.

PRICE SWINGS ARE A WAY OF LIFE IN THE MINERAL COMMODITY
BUSINESS. A SLOWDOWN IN THE ECONOMY OR A CHANGE IN THE
SUPPLY AND DEMAND CURVE CAN CAUSE RAPID PRICE DECLINES AND,
INDEED, COULD PUT AN ABRUPT END TO THE MINING OPERATION.
WHEN A MINE FIRST OPENS, ALL PARTIES CONCERNED REALIZE THAT
ITS LIFE IS LIMITED. SOME DAY THE ORE WILL RUN OUT. HOWEVER, THE EXACT DATE WHEN PRODUCTION WILL END CANNOT BE
PRECISELY DETERMINED. WITH THIS KIND OF UNCERTAINTY IN THE
MINING INDUSTRY, LAWS SUCH AS S. B. 250 WILL OBVIOUSLY MAKE
A COMPANY THINK TWICE BEFORE BEGINNING A NEW PROJECT.

The added costs to companies inherent in this Bill will result in a lower rate of return on projects and could drop some projects below the point where new development, expansion or continuing operations are viable. Stand alone economics is a way of life in the business community. Each operation must carry its own weight, or the corporation will allocate capital in a different direction.

Additionally, the mandatory community assistance provisions of S. B. 250 are a somewhat contradictory message. Historically, state and local governments offer tax credits, utility incentives or other motivators to attract business. This Bill offers penalties for locating a business in Montana and serves to discount any incentive.

THE REAL FINANCIAL IMPACT ON A LOCAL GOVERNMENT FROM A PLANT CLOSING OR RELOCATION DEPENDS ON THE SPECIFIC COMMUNITY INVOLVED AND ITS RELATIONSHIP WITH A COMPANY'S OPERATIONS. OBVIOUSLY, A MUTUAL BENEFIT BETWEEN COMPANY AND COMMUNITY IS DERIVED FROM BUSINESS OPERATIONS. THE VALUE OF THAT BENEFIT AND THUS THE IMPACT OF ITS LOSS DEPEND ON MANY COMMUNITY-BY-COMMUNITY FACTORS, SO THAT NO ONE PARTICULAR SOLUTION IS EQUITABLE IN ALL CASES.

One overall legislated solution by state government, such as S. B. 250, is ineffectual when applied to every situation at all times. What is reasonable and beneficial in one case might be counter-productive in another. The best solution is an agreement reached between company and community without resort to legal mandates. The absence of mandated solutions provides flexibility to address individual problems and signals a favorable business climate to employers and potential employers.

ANACONDA ALSO OPPOSES MANDATORY RETRAINING AND RELOCATION OF EMPLOYEES ON SIMILAR GROUNDS. WE FAVOR A VOLUNTARY APPROACH THAT IS CONSISTENT WITH EMPLOYEE AIMS AND ABILITIES, AND EMPLOYER NEEDS.

ADDITIONALLY, OUR ATTORNEYS TELL ME THAT THERE IS A LIKELIHOOD THAT CERTAIN SECTIONS OF S. B. 250 COULD BE DETERMINED BY A COURT TO BE ILLEGAL. THE SANCTIONS IMPOSED ON A BUSINESS COULD CONSTITUTE A TAKING WITHOUT COMPENSATION AND COULD CONSTITUTE AN UNLAWFUL BURDEN ON INTERSTATE COMMERCE.

In conclusion, I would restate that Anaconda opposes S. B. 250 because it creates fixed solutions to indeterminate problems. Private industry needs flexibility to address individualized problems with unique solutions. Government intrusion on business decisions may fundamentally alter the risk-taking investment decisions made by business managers.

THANK YOU. I WILL BE HAPPY TO ENTERTAIN ANY QUESTIONS YOU MAY HAVE.

esearch and Education Foundation

## MONTANA STATE BALLOT



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Dear NFIB Member:

Please take a few minutes and complete the following questions which pertain to small business issues in your state.

We are interested in your answers to the questions in this survey, and any comments you may have.

Please return the entire survey for processing.

Thank you.

Wilson S. Johnson, President

### TAXES/FISCAL

### 1. QUESTION

Should the state phase out the inventory tax over a five-year period by providing an income tax credit as an offset against tax paid on business inventories?

Favor	Oppose	Undecided	
87%	5%	8%	1

### **BACKGROUND**

Montana is one of the few states that still levies a business inventory tax. The most difficult aspect of repealing this tax is the loss of revenue to local units of government. This proposal would phase the inventory tax over a five-year period by increasing the tax credit increments 20% each year until a full credit could be taken.

### 2. QUESTION

Should local governments be allowed to levy local option taxes if they are approved by the voters of the city or county involved?

Favor	Oppose	Undecided	
<u>49%</u>	46%	<u>5%</u>	12

### BACKGROUND

The most recent economic recession has made local governments look for new sources of revenue. The state Legislature will consider legislation which allows cities and counties to impose local sales and/or excise taxes. This proposal provides residents with the opportunity to decide whether their local governments should operate within the amount realized from existing sources of revenue or whether cities and counties should be able to expand their tax base, upon approval of the voters.

### 3. QUESTION

Should capital gains, interest income and depreciation for capital investments be indexed for inflation?

Favor	Oppose	Undecided	
85%	12%	_3%_	13

### **BACKGROUND**

Inflation causes taxpayers to pay taxes on gains from the sale of property which are not, in fact, real gains and it causes distortions in interest income. It also causes businesses depreciating capital investments over a number of years to receive allowances in less valuable dollars, which results in an overstatement of earnings and overpayment of income taxes.

### 4. QUESTION

Should the state inheritance tax be repealed for children and grandchildren?

Favor	Oppose	Undecided	
84%	9%_	7%	14

### **BACKGROUND**

The 1979 Legislature exempted the surviving spouse from the inheritance tax. Estimates indicate that 60% of the total taxes collected under the inheritance tax laws in 1979 were paid by surviving children and grandchildren. The elimination of this tax would reduce annual state collections by \$3.8 million.

# CONSTITUTIONAL AMENDMENT

### 5. QUESTION

Should the Montana Legislature adopt a resolution requesting Congress to propose an amendment to the U.S. Constitution requiring a balanced federal budget, or to call a Constitutional Convention if Congress fails to act?

Favor	Oppose	Undecided	
84%	10%	<u>6%</u>	15

### **BACKGROUND**

The purpose of the resolution is to force Congress to take one of two actions. If 34 states pass similar resolutions, Congress must call a Constitutional Convention for the singular purpose of adopting a Constitutional Amendment for a balanced federal budget, if Congress has failed to take the initiative to propose such an amendment. The Constitutional Amendment would then have to be ratified by two-thirds of the states. To date, 30 states have passed this resolution.

### 6. QUESTION

Should Montana's constitution be amended to limit the growth of state government spending to the percentage increase in the growth of state personal income and population?

Favor	Oppose	Undecided	
89%	7%	4%	

### **BACKGROUND**

State government expenditures have more than doubled over the last five years. By limiting future increases in state tax revenues to the increase in statewide personal income and population increases, the constitutional spending limitation would be an "insurance policy" against further erosion of earnings through taxes.

### **GOVERNMENT**

### 7. QUESTION

Should Legislation be adopted to enact a state regulatory flexibility act?

Favor	Oppose	Undecided	
<u>63%</u>	<u>16%</u>	21%	17

### **BACKGROUND**

Most rules and regulations adopted by state agencies have varying impacts on individual businesses, depending to a large degree on the size of the business. A regulatory flexibility act would require state agencies to vary the regulatory standards as well as the reporting requirements in a flexible manner, whenever possible, taking into account the size and nature of the regulated business.

### 8. OUESTION

Should legislation be enacted to require the state to pay interest on accounts it does not pay within 30 days after receipt of billing?

Favor	Oppose	Undecided	
<u>87%</u>	_10%	_3%_	18

### **BACKGROUND**

Small business is quite often penalized by state government because of late payment by government of its bills. If the profit margin is small, late payment can eliminate any profit for the business. This proposal will allow assessment of an interest penalty of 1½% per month on overdue accounts.

### 9. OUESTION

Should the state create within an existing agency: (Please check only one of the following.)

a. A business license information center;

b. A business license coordination center;  $\frac{29\%}{2}$ 

c. Neither of the above;  $\frac{41\%}{3}$ 

d. Undecided.  $\frac{15\%}{4}$ 

### **BACKGROUND**

A license information center would provide information about which licenses are required for any business operation and which agencies issue the licenses. In addition, a business coordination cerwould be responsible for (1) recommending the elimination, consolidation or simplification of unnecessary license requirements; (2) recommending revisions in fee structures and administrative procedures; and (3) developing a permanent master license certificate.

### 10. QUESTION

Should a \$2 million appropriation be made to create a Montana product development corporation?

Favor	Oppose	Undecided	
25%	<u>60%</u>	<u>15%</u>	20

### BACKGROUND

The purpose of the proposed nonprofit public corporation is to help overcome Montana's shortage of venture capital and to stimulate and encourage development of products and inventions within Montana. The corporation will provide financial aid to persons for commercial development in situations where financial aid would not otherwise be available.

### **LABOR**

### 11. QUESTION

Should legislation be adopted to require businesses to provide notice of closures?

Favor	Oppose	Undecided	
12%	80%	8%	21

### **BACKGROUND**

There is a national labor movement backing legislation to require firms with 50 or more employees to provide one year's notice prior to closing, reducing the workforce or relocating to another community or state. This type of legislation also requires certain financial obligations, retraining and relocation rights for workers.

### 12. QUESTION

Should the growth of state employment be limited by tying it to the percentage of the state's growth in population?

Favor	Favor Oppose		
85%	10%	5%	22

### **BACKGROUND**

Statistics show that among the 11 western states, Montana is ranked fourth in the number of state employees per 10,000 population. According to the most recent government statistics, Montana employed over 19,000 people with a payroll of over \$17 million in 1978. This proposal would tie the growth of government employment to the percentage of population growth in Montana.

COMMENTS:	 		
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Joe Lawrence	No. Democratic Form	250	
KATONO K. MUSNA	Mc Dowld's Cop	370/	
JACK WHIPPLE	McDorald's	370	
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