

Capitol Hill
2nd Floor
Labor + Commerce Room

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Introduction- Name. 25 year old carpenter and a member of the carpenter's union.

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My Purpose - To voice opposition to HB 155 in defense of union.

-I have decided to do this of my own accord, My opinion is my own and I do not speak on the behalf of local 2247

I have multiple issues with the proposed bill, but in order to keep my arguments organized, I will begin by discussing specific points listed in the proposed bill.

The first point: Inflationary pressures should push the limit for non-davis-bacon jobs up to \$75000.

The reason is as follows

My counterpoint: Inflationary pressures are negligible. The ultimate goal of the Davis-Bacon act is to insure sufficient wages for the working class and their families. Wages for the working class have lowered, relative to inflation, for the last 30 years despite growing gdp and overall higher wage payouts. In other words, there's more money in our economy than there used to be, yet the middle and working classes are seeing less money than before. To illustrate my point I turn to the 2008/2009 version of The State of Working America (A biennial publication tracking the progress of American wage-earners):

"...the entry-level hourly wage of a young male high school graduate in 2007 was 18.2% less than that for the equivalent worker in 1979, a drop of \$2.62 per hour." (state, 7)

"[The recent] pattern of growth led the top 1% to more than double their share of income from 10% in 1979 to 22.9% in 2006, with the top-most sliver expanding their income share nearly four-fold from 1.4% to 5.5%. In contrast, households below the 95th percentile saw no change, and those below the 90th percentile saw a decline in their income shares. In other words, there has been a huge income redistribution from the bottom 90% to the upper 5%, particularly the upper 1%." (State, 26-27)

If we prefer a more recent analysis, the book deals with what it terms "Business cycles", which refer to decades. For instance: The 1970s, 90s, or 2000s. It states that, "For the first time since the Census Bureau began tracking such data back in the mid-1940s, the real incomes of the middle-class families are lower at the end of this business cycle than they were when it started." (State, 2).

This leads to the obvious conclusion that recent trends are driving inequality up, and the middle and lower classes down. Further, "Data on income concentration going back to 1913 show that the top 1% of wage earners now hold 23% of total income, the highest inequality level in any year on record, bar one: 1928." (state, 3). I think we all remember how 1928 kicked things off for the American economy.

What this bill proposes will fundamentally alter the playing field for working class individuals, specifically those in the building and construction trades. It may be presumed that this bill will not affect the majority of job-opportunities for unionized construction workers, but according a report circulated by my union last year had 1400 jobs in the \$2000 to \$75000 range that were funded by the state. This bill also not only effect union members but also those non-union workers who have the opportunity to make davis-bacon wages. This bill, which amounts to a lowering of wages, will

exacerbate the issue of already increasing inequality in the United States, at the expense of the working folks.

In his Manuscripts of Adam's Diary, Mark Twain once said "Principles have no real force except when one is well fed." An effective lowering of wages may add some anecdotal evidence to this quote.

Removing unions from the sphere of job contracts contained in this dollar-range will have a noticeable negative impact on my professional cohort as well as society as a whole. "...the high levels of unemployment in the early and mid-1980s and in recent years disempowered wage earners and provided the context in which other forces - specifically, a weakening of labor market institutions and globalization - could drive up wage inequality. Significant shifts in labor market policies and institutions, such as the severe drop in the minimum wage and deunionization, can explain one-third of growing wage inequality." (State, 7).

There are other factors to consider when attacking unions, "Unionized workers earn higher wages than comparable non-union workers and also are 18.3% more likely to have health insurance, 22.5% more likely to have pension coverage, and 3.2% more likely to have paid leave. The erosion of unionization (from 43.1% in 1978 to just 19.2% in 2005) can account for 65% of the 11.1 percentage -point growth of the blue-collar/white-collar wage gap among men over the 1978-2005 period." (State, 8). In other words, less unions means the rich get richer and the poor get poorer.

To add insult to injury, this pay downgrade is not warranted. Productivity amongst wage-earners has increased by 19% from just 2000 to 2007 alone. Productivity in this context is defined as "output per hour". If you were wondering how such a thing could be measured, watch "the corporation" documentary and it gives a vivid account of how well Nike was able to record their employees' productivity. We have been working harder and smarter and have yet to reap any rewards other than attempts at reducing our hourly wage.

Inequality is on the rise and this democracy does not like it. "In the USA, the 2005 Maxwell Poll on Civic Engagement reported that over 80 per cent of the population thought the extent of inequality was a problem, and almost 60 per cent thought the government should try to reduce it." (Spirit, 241). I believe this bill would do precisely the opposite of what the people have willed.

So to bring us back to the original point, if we would like to take into account inflationary pressures and the effect they have on the Davis-Bacon Act, perhaps we should revisit inflationary pressures on our wages. We aren't earning the equivalent to what we used to, although those at the top are earning much, much more.

The Second Point: Transportation issues could easily surpass the \$2000 threshold.

Counterpoint: This further reinforces the need to hire locally. Don't we remember the ads? - "Come on Juneau it's up to you!". Transportation implies imported labor. We have a term for this in my profession: Scab-Labor. If anything this point adds merit to the Davis-Bacon Act by reiterating the need to hire local labor, thus strengthening the local economy for which the project is intended in the first place.

The Third point: For small projects requiring less skilled labor, the rigidity of LDBA and the hoops that contractors must jump through drive up the price of a bid.

Counterpoint: Concerning Unions, we already have that part figured out. For small projects requiring less skilled labor there is the need for laborers, which have their own union and will also be damaged by this bill. These laborers receive a lesser wage than more skilled workers. Therefore, the gradencies of pay have already been accounted for. There should be no need to adjust pay to be lower than the current laborer's union wage. If you believe there is, perhaps you should try taking care of your family after digging ditches for 10 hours a day on less than \$28 an hour.

The Fourth point: Not only does the administrative burden of an LDBA job push a contract ever closer to the \$2,000 mark, it discourages small, local contractors from entering bids.

Counterpoint: Any contract that requires bidding to occur, by its very nature, is exclusionary. The bidding process is akin to survival of the fittest, in which only the most successful businesses are competitive. This will inhibit small scale company bids from succeeding, but this is not a union/non-union issue. Current trends are leading away from unionized jobs toward the private sector; historically, private sector construction jobs average much less in worker-level wages. State and federal jobs are the last bastion of high paying working-class jobs, removing this refuge will irreparably damage working-class. There is plenty of non-union work to be found if one so chooses, typically in the residential sector. But as it stands, if these non-union workers would like a more promising career within the union they will have much more difficulty if the Davis-Bacon Act is tampered with. Higher davis-bacon limit = less union work.

The Fifth Point: Alaska's adoption of a higher threshold would be consistent with the experience of most other states.

Counterpoint: Alaska's adoption of a higher threshold would be consistent with the war that is being waged on the working class throughout the entire nation. My assumption is that this bill is simply a tester, and that more severe measures will soon follow.

"a man "buy[s] tools or land for himself: then labors on his own account another while, and at length hires another new beginner to help him". Said the late Abraham Lincoln (Tycoons, 116). How true is this for the working class today? How true would it be if we effectively lower the hourly wage for construction workers?

I'm thankful to be able to discuss this with some of our State representatives. During the time of the Stamp Act (circa 1765) Journeymen and Apprentices were not allowed to vote and therefore could not attend town meetings. (Zinn, 65). This reinforces my belief that our country today is better than it once was. But Bertrand Russel once said, "...the importance of moral action diminishes as the social system improves." (Russell, 125). Russell also reminded us that, "A wise humanity, in politics as elsewhere, comes only of remembering that even the largest groups are composed of individuals, that individuals can be happy or sad, and that every individual in the world who is suffering represents a failure of human wisdom and of common humanity." (Russell, 227). I believe that my standing here represents a failure on the part of our policies.

The former NY Times reporter, Sydney Schanberg was quoted, saying "We Americans are the ultimate innocents. We are forever desperate to believe that this time the government is telling us the truth." I'm hoping that the attempt to push this bill through is merely, what I believe to be, misguided but altruistic intentions and not simply the result of rhetoric by the business class. Hopefully we all have enough sense and national experience by now to know that in sociopolitics what is good for the goose often has negative impacts on the gander. From where I stand, I don't see much in terms of economics trickling down, and if the proposed bill pushes through, I will probably see even less.

Rousseau philosophized that "Men always will what is good for them, but do not always see what is good for them. The people is never corrupted, but is frequently misinformed. And only when it is misinformed does it give the appearance of willing what is bad for it." I'm hopeful that this talk helps clarify what is good for the people.

From an ideological standpoint, the proposed bill may make perfect sense. But in lieu of the statistics on modern day working pay and conditions it becomes clear why this bill is a hazard.

"To argue with a person who has renounced the use of reason is like administering medicine to the dead." -- Thomas Paine. None of us are dead, and all of us have the ability to use reason.

On the national scene. Unions are being attacked. I ask you, do not follow their lead.

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