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Chalk one up for the people

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NCR Today

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Through the cyberspace grapevine I received an account today about a vote the Bath, Maine, City Council took this week trimming a request for yet another huge corporate subsidy. This from activist Bruce K. Gagnon, coordinator of Global Network Against Weapons & Nuclear Power in Space. He blogs at Organizing Notes. Here's what he wrote:

The Bath, Maine City Council last night voted 7-1 to give Bath Iron Works (owned by the General Dynamics Corporation) a tax break for the next 15 years. The council approved a 15-year tax rebate for BIW that is expected to save the company about \$265,000 annually for the first 10 years and an additional \$212,000 annually for the following five years. The entire tax subsidy package is estimated to come to about \$3.7 million.

The one vote against the tax break came from the one member of the council who tried to dramatically reign in the tax break but was unsuccessful when he proposed two amendments to further shorten the years of the tax break and the amount given by the city.

Initially the city considered a tax break for BIW that would have given them more than \$6 million over a 25-year period. But the intervention by concerned citizens successfully trimmed the request by a couple million dollars. To the struggling city, with a population of about 8,500, that is a lot of money.

About 30 people from Bath spoke up during the final public hearing before the council made its decision. The speakers were nearly evenly split with just a couple more opposing the tax break.

Virtually all of the speakers in favor of the tax break were BIW workers/management.

The first person to speak during the public portion of the meeting was a University of Southern Maine professor of finance who lives in Bath. The professor said she studied the city budget and "strongly recommended against" giving the corporate subsidy. She said it "Produced a tax shift that taxpayers must pay. It is a regressive tax. You need to say no to this proposal."

The point was frequently made that BIW doesn't really need this tax break as they have contracts to build multi-billion dollar ships for the next 10 years. (Just as the meeting began last night a story appeared at the web site of the *Portland Press Herald* about BIW being in the running for a \$20 billion contract to build destroyers for Saudi Arabia. This clearly indicates that the Obama administration has extracted economic rewards for the US led campaign to destabilize Syria and Iran who are long-time foes of the monarchy in Saudi Arabia.)

BIW's strategy throughout this process has been to frighten the community about the boogeyman in some other state that just might steal the shipyard away if the city faltered in the "partnership" with the corporation.

During my time to speak to the city council I told the story about the Boeing Corporation in Seattle, Washington that has similarly threatened to pull out of that community unless they got more corporate welfare. I said:

The latest big deal everyone is talking about is Boeing in Seattle where the company is threatening to move manufacturing of their new 777X airplane to an anti-union state in the south unless they get big tax breaks from the state of Washington and major health care and pension concessions from the Machinists Union. Union leaders were quoted as calling the deal "crap" and in recent days union members voted to reject the Boeing proposal with 67% opposed.

But the state has voted to give Boeing the largest corporate tax break in US history. The tax breaks are expected to be worth \$8.7 billion and would run through 2040. Despite this record tax subsidy, Boeing still hasn't committed to building the 777X in Washington.

And guess what? Boeing has not been paying any federal corporate taxes in recent years?..zero.

BIW's chief council, Jon Fitzgerald, told the council, "We are gambling that we can improve our productivity, not certain that we will build the new outfitting hall.... we need this [tax break]."

Most of the city council talked about how complicated and agonizing the decision was. I'm sure that is true because the pressure on them from the public was heavy. None of the councilors told stories about hearing from the public who opposed the tax break. They only told particular stories about those who said, "Give BIW the break." But in spite of that public posturing by the council they still did vote to trim BIW's request by a couple million dollars.

They really didn't want to trim the subsidy. Bath is fundamentally a corporate colony. They trimmed it because they heard from residents all over the city and got more than 300 emails from people around Maine that opposed the tax break (thanks to Roots Action for the help).

Key in this public uprising was the door-to-door work that we did that enabled us to reach about 90%

of the homes across the city. It's not easy in Bath to speak out against BIW but many people found a way to make their voices heard.

I concluded by remarks last night with this:

This truly is a race to the bottom of the barrel as taxpayers are being squeezed left and right. Its no wonder when I was helping take flyers door-to-door in Bath virtually every person I spoke with opposed these tax giveaways to BIW. I heard over and over again that people were going to have to sell their homes because they couldn't afford to pay property taxes anymore.

Not only taxpayers get squeezed by these corporate subsidies but workers do as well. The Boeing workers in Seattle are refusing to go along with the program. Workers at BIW are seeing their health care being cut and continuing layoffs at the shipyard are forcing many workers to do the jobs of 2-3 others. In order to increase profits corners get cut in the production and quality gets impacted. At the same time General Dynamics profits are at record highs and top CEO compensation is larger than the municipal budget of Bath.

In the end this was a victory for the struggling citizens of Bath. They made it happen and they should be proud that their collective voices forced a reluctant city council to make serious adjustments to BIW's tax break request.

Our local committee, called Bath Citizens for Responsible TIF Action, did a great job on this campaign. Many of us had never worked together before but we all became friends and I would imagine we'll find other local work to focus on in the future. One of the members last night, a former BIW worker, called for the city to establish an economic conversion commission to begin planning for a new way of providing jobs in the community.

The work goes on.....

Bruce K. Gagnon

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