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Testimony of Phil Sherwood
Deputy Director, Connecticut Citizen Action Group
Before the Commerce Committee
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Good morning Senator LeBeau and Representative Berger and other members of the Commerce Committee. My name is Phil Sherwood and I am the Deputy Director of the Connecticut Citizen Action Group (CCAG). CCAG is a membership based organization comprised of approximately 25,000 members.

We would like to express strong support for HB 5922, AAC Commitments of Responsible Corporations. CCAG believes the concepts in this bill are long overdue. The legislature should act to leverage the power of tax dollars to address excessive compensation to executive's salaries from companies that receive state assistance or discontinue pension programs.

The public understands, and policy makers have supported, the fact that there are laws that prevent the government from entering into contracts with companies that discriminate in their employment practices. This bill recognizes the importance of not using tax dollars in handouts to companies that increase economic inequality by paying executives hundreds of times more than their workers.

The dome of the State Capital Building is 285 feet tall. Lets say that the height of 285 feet represents the 2003 average compensation for Fortune 500 CEO's. The average worker salary would be only about 7 inches tall compared to the 285 feet, a ratio of 419 to 1. In 1965, the ratio was 41 to 1. Why should taxpayers be underwriting this disturbing trend that undermines the economy and their own opportunities for prosperity?

We understand that there are some who might say that if a corporation is making billions, shouldn't the individuals associated with that be rewarded. They may make the argument that these huge payouts are somehow proportional to the wealth transferred to the stockholders. If you subscribe to that logic, fine. If there is that much money to go around why do they need tax payer money? If there is that much money to go around, what is the justification for not raising the average pay?

We've entered into economic times that are likely the worst since the Great Depression. It is time that we use our tax dollars in ways that drive up the standard of living and can aid in the recovery of this downturn rather than exacerbate it.

I would like to thank the Commerce Committee for the opportunity to comment on HB 5922, and would like to especially thank Representatives Aresimowicz and Zalaski for taking a lead on this important public policy.

Phil Sherwood,
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