

Testimony on Behalf of Together We Rise CT
Regarding Raised Bill 535
An Act Establishing the Apprenticeship Connecticut Initiative
April 2, 2018

Good morning Senators Fonfara and Frantz, Representative Rojas and members of the Finance, Revenue and Bonding Committee. My name is Colleen Shaddox. I live in East Haddam, and I am testifying on behalf of Together We Rise CT. TWR empowers Connecticut residents to work for social justice. More than 1,000 Nutmeggers work through Together We Rise to act on behalf of their values.

Together We Rise opposes Raised Bill 535. This legislation proposes to enrich a corporation at the expense of Connecticut taxpayers at a time when we are told that the state cannot afford to help to its neediest residents. It deepens Eastern Connecticut's reliance on the defense industry, which already gets far too many of our federal tax dollars and is vulnerable to political whim. Most importantly, it funds mass killing machines that threaten our children and our planet.

Opposition to nuclear weapons

Two weeks ago, more than 300 people gathered in East Haddam for March for Our Life, joining vast numbers nationwide. Students told us that they wanted to feel safe. Parents demanded that our government protect the interest of these young people - not the profits of weapons manufacturers. That does not just mean Smith & Wesson – it means General Dynamics.

The subs built at Electric Boat are part of the nuclear triad of air, land and sea based launch capability. They are called “attack subs.” Nuclear weapons endanger each and every one of us. During the 1980s, there were four occasions (that we know of) when either the Soviet Union or the United States mistakenly thought that the other had launched a nuclear attack.¹ When the USSR ceased to be, some hoped that our endless stockpiling of these weapons would cease. But another threat – real or imagined – always seems to emerge to keep this multi-billion dollar industry humming.

We have held our breath as the president – who can launch a nuclear strike without consulting Congress – hurled provocative tweets at North Korea. Incoming National Security Advisor John Bolton is on record as supporting a first strike against North Korea. We cannot pretend that financing these weapons has nothing to do with the dangers created by our outsized nuclear arsenal. Raised Bill 535 will add to our complicity should these weapons be used.

Opposition to funding a megacorporation

The bill's title implies that its main purpose is to establish apprenticeship programs. However the majority of the proposed bonding, \$100 million, will go to a company “engaged in the design, construction and lifecycle support of submarines for the United States Navy,” in other words, to Electric Boat. Those funds can be used for a long list of purposes: land acquisition, machinery, planning -- for almost any purpose EB desires. Its parent company, General

¹ Sources: Union of Concerned Scientists; Erich Schlosser, *Command and Control: Nuclear Weapons, the Damascus Incident and the Illusion of Safety*; *Mother Jones*; The Nuclear Files.

Dynamics, is valued at more than \$67 billion.² Its stock price is more than four times that of Apple's. In 2016, it had the highest operating earnings, operating margin and price per share in the company's history, according to General Dynamics' annual report. In 2017, again according to the company's annual report, growth continued, with a \$31 billion increase in revenue, largely made up of federal spending.

General Dynamics also profited from the federal tax bill. "The new lower tax rate enables the company to fund incremental capital spending. We expect to invest \$3 billion over the next four years to enhance productivity and capacity at our businesses," Chair and CEO Phebe Novakovic wrote.³

I would suggest that any expenses EB may experience in Groton due to increased orders should come out of that \$3 billion, not out of my pocket.

Furthermore, the "good, middle-class jobs" we hear so much about at EB are doubtful. EB's Director of Human Resources told the *New London Day* in January that starting wages at the weapons maker are \$14 per hour.⁴ In 2014, The Alliance for a Just Society calculated that a living wage in Connecticut was \$19.08 for a household of one. When corporations do not pay living wages, taxpayers subsidize them through the School Nutrition Program, food stamps and various other ways. Journalist Alex Nunes found that the state of Rhode Island has spent \$3 million in state medical assistance for EB employees and their benefits since 2014.⁵

Call for more responsible use of funds

Together We Rise is based in East Haddam, one of Connecticut's most beautiful towns. Local businesses have traditionally benefited from visitors to our state parks. But those parks have been open less frequently because the state is in a "permanent fiscal crisis." A decrease in state aid means that our schools will have fewer resources, and I'm certain that my neighbors and I will get higher property tax bills.

For years there have been cuts to services for people with disabilities, for aid to cities and towns, for HUSKY A and for the Medicare Savings Program. That means that the most vulnerable Connecticut residents are not getting the services they need to be healthy and in some cases to become independent.

Together We Rise has tried to respond to the lack of state support for residents in need. We have helped with lunches for our seniors, because the existing program is underfunded. We've fundraised for our local food and fuel banks and collected pads and tampons for women who cannot afford them, socks for homeless people, and care packages for people returning from prison. Many like-minded groups have done similar work, but it does not begin to equal a true safety net.

² Nunes, Alex. *New London Day*. 2/4/18

³ General Dynamics AR 2017, page 1.

⁴ Moser, Erica. *New London Day*. 1/11/18

⁵ Nunes, Alex. *Nunes Weekly*. Accessed <https://nunesweekly.com/2018/03/29/the-myth-of-general-dynamics-electric-boat-and-its-middle-class-jobs/>.

Give all these realities, it is incomprehensible that the state is discussing a \$150 million corporate giveaway. Whether the dollars come out of bonding or the current budget is immaterial. This bill would commit my tax dollars to corporate welfare instead of the common good of the community.

On a state level we will be mirroring federal spending, which has always put the interests of defense contractors before that of citizens. Joanne Goldblum, a Connecticut resident and founder of the National Diaper Bank Network, put it well:

About 15 percent of Americans live below the Federal Poverty Level. Economists estimate that it would take 1 percent of Gross Domestic Product to lift them out. In the last fiscal year, that would have worked out to \$185.7 billion. The president's 2018 budget request calls for \$640 billion for the Department of Defense. Through public policy, we choose poverty for millions of Americans, a disproportionate number of them children.⁶

Call for better opportunities for our children

In addition to opposing the \$100 million gift to General Dynamics, we oppose the so-called “apprenticeship” program at a cost of \$50 million. We strongly support our public schools, but as General Dynamics’ financials clearly show, they can afford to train their own employees.

For as long as I can remember, Connecticut has made itself the thrall of the defense industry, which is always vulnerable to political whim. Worse – we send our children to work building machines that could cause their annihilation. We must do better by our young people:

- Connecticut should create more pathways for young people to enter the biotech industry, which already has a strong base in the state.
- We should devote resources to our infrastructure, which will create jobs, make the state more attractive to business and improve convenience and safety for us all.
- The state should support workforce development in green industries and health care. The Bureau of Labor Statistics ranks health care as the strongest employment growth sector through 2026, with job growth predicted to almost double that of the number-two industry, professional and business services.

In summary, Raised Bill 535 takes money from taxpayers to make a gift to an extremely well resourced corporation whose products threaten life on earth. This is proposed at a time when the state is slashing essential services for its neediest residents and cutting aid to cities and towns. Together We Rise opposes it in the strongest possible terms.

I thank you for your attention and welcome your questions.

Colleen Shaddox
Together We Rise
April 2, 2018

⁶ Goldblum, Joanne. Instead of charity, how about justice? *Huffington Post*. 1/16/18.