

THE CHAIRMAN'S CORNER



A monthly column to inform ABC members about national and local issues impacting Maine's construction industry.

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ABC's 2010 Chairman - Doug Newman of Newman Concrete Services in Richmond.

As Maine construction companies struggle through the worst recession in a generation, it seems pretty clear that not everyone is sharing the pain. While our industry suffers steep declines and 20% unemployment, the public sector seems to be getting along just fine.

Contrary to the commonly held view that the federal stimulus spending is a

windfall for construction companies, the vast majority of federal dollars have been spent propping up state governments. In fact, less than 13% of stimulus dollars in Maine have gone to infrastructure related projects. The rest has been used to fill the State's budget gap.

While our employees endure pay cuts or sit home collecting unemployment, it's business as usual for Maine's public

employees. Public pay and benefits, which compared favorably with the private sector in good

times, look even better now. As the private sector sheds jobs at an alarming rate, public employees enjoy job security that only comes with tenure and tax increases.

Those receiving benefits from government have likewise done pretty well. During the Baldacci administration, welfare eligibility has increased significantly. This is not a case of people falling below an arbitrary poverty line—the State of Maine has raised the line to cover more people. Under Medicaid alone, 20% of the population is eligible for taxpayer financed healthcare.

The situation at the federal level is even worse. The number of federal government employees has increased by over 10,000 a month resulting in a federal workforce that has grown by 15% since President Obama took office. At the same time, the number of federal employees making over \$100,000 per year has increased by 20% since the recession began. The average federal worker's compensation is now about \$14,000 higher than a comparable private sector employee.

This is more than a case of sour grapes by the private sector. This growth in government represents a real threat to the future prosperity of our families, our businesses and our country. The Obama administration has forecasted annual budget deficits of over a trillion dollars as far as the eye can see. The accumulated national debt will soon reach \$20 trillion dollars. Add in

the unfunded liabilities for entitlement programs and the United States will soon reach \$100 trillion in debt.

Unless we want to go the way of Greece, someone has to pay for all of this spending. That someone is us – the private sector. It is our businesses, our customers and the businesses we buy from that will be required to pay the tab. Unless we reign in the size and cost of government, it will be impossible for us to maintain our current standard of living.

How did we get here? Simply put, we have allowed government to become self sustaining. As the size of reach of government increased, more people became dependant on it for their livelihood, whether it was a paycheck or a welfare check. Together with public sector unions, non-profits and service providers who depend on government grants and programs for their existence, well-funded liberal advocacy groups complete the progressive political and legislative machine.

Thanks to your tax dollars, these entities are well financed. Public campaign financing makes it easy for

their people to run for office. Additional tax dollars extracted from mandatory union dues add even more

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campaign clout. Boots on the ground are easily recruited from the ranks of those who depend on the political status quo. Once in office, legislators know their re-election depends on voting for the agenda of those who got them there.

In the last election, public sector unions like the SEIU and their allies spent hundreds of millions of dollars and countless man hours to elect the current majorities in Washington DC and Augusta. The result has been bigger government, higher taxes and more regulation. Those who depend of government have benefitted at the expense of those who pay for it.

The good news is that Americans appear to be waking up to the threat. No matter how entrenched the left's political machine, they still answer to the American people. If enough of us stand up this November and demand a more responsible government, we will get it. ABC members have seen the threat for some time and are engaged like never before. It may take more than one election to break their hold on government but we need to start on November 3rd.

**Doug Newman, Chairman - ABC Board of Directors
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