

'Economic damper' — GOP

Dems rescue 'prevailing wage'

By Tim Richard
staff writer

DEMOCRATS IN THE MICHIGAN SENATE last week beat down a Republican attempt to wipe the "prevailing-wage" requirement out of construction contracts financed with local-government help.

"The prevailing wage is really put-

ting a damper on economic development," argued Sen. Robert VanderLaan, R-Kentwood, author of the amendment.

"To eliminate the notion of prevailing wage," answered Sen. Doug Ross, R-Southfield, "all of us will find ourselves buying from companies which pay the lowest wages."

IN AN 18-13 vote — two shy of the needed 20 — the Senate rejected VanderLaan's amendment to a bill aimed at giving the state Labor Department authority to enforce the prevailing-wage requirement. Seven senators were absent.

The main bill requires that the prevailing wage be paid by all contractors and sub-contractors working on projects financed by local economic development corporation (EDC) bonds. No vote was taken on the main bill, HB 4719, sponsored by Rep. Joe Conroy, D-Flint.

Supporting the VanderLaan amendment were Republicans Donald Bishop of Rochester and R. Robert Goake of Northville. Opposed was Ross. Missing for the vote were Democrats Jack Faxon of Southfield, William Faust of Westland and Dana Wilson of Ferndale.

VANDERLAAN said the Michigan definition of "prevailing wage" is about 20 percent higher than the federal definition.

The Senate GOP leader contended

the state prevailing wage is "adding 15 to 25 percent to the cost of construction, especially outstate." He said five projects were halted in Midland and Saginaw because companies balked at the state prevailing wage, which is largely a union-contract wage rather than an average wage.

"The prevailing wage has negated the effect of the Economic Development Act," said VanderLaan, arguing that the money saved by using lower interest EDC bonds is eaten up by labor costs.

"To give people high wage rates rather than jobs is wrong," he said. SEN. JOHN KELLY, D-Detroit, was first to reply.

"Labor costs are only 16 percent of total construction costs in the country," Kelly said. On that basis, Michigan's prevailing wage may be 20 percent higher than other states, but as a percentage of total construction costs, the wage differential is only 3-4 percent.

"The entire EDC act hasn't served its purpose," he said, citing national re-

ports of EDC bonds being used to help fast-food restaurants at freeway interchanges.

Kelly said EDC bonds, which are exempt from federal income taxation, and tax breaks for new businesses shift the burden of taxation from corporations to people.

VanderLaan shot back: "To create a dichotomy . . . to conjure up anti-business feeling . . . is out of date. To dredge up class warfare is to beat a dead horse."

ROSS APPROACHED the issue from the beginning.

"In private contracts, wages are determined by people buying and selling labor," he said, with government's role limited to determining a minimum wage.

But government acquired an interest when it became a major purchaser. Ross said the federal government developed its concept of prevailing wage because it wanted to pay neither the very highest nor the very lowest wages.

O & E advertising managers promoted

Two advertising managers have been promoted at Observer & Eccentric Newspapers.

Dan Chovanec was appointed advertising director, according to general manager Dick Isaham. Chovanec will oversee the entire retail and classified advertising staffs of the 12 semi-weekly newspapers.

Chovanec, 36, has worked for the O & E newspapers since March 1979 as assistant advertising director and retail advertising manager.

Prior to his work for the suburban newspaper group, Chovanec worked seven years for the Panax Corp., including two years as director of sales and promotion for The Globe and Advertiser in Fairfax, Va.

He is a 1969 graduate of Eastern Michigan University.

Chovanec announced the promotion



Curley

Chovanec

of J. Kevin Curley, 37, to Oakland County retail advertising manager. Curley, 37, had been national advertising manager of O & E since January 1979.

Prior to that, he worked for The Detroit Free Press in the national and retail advertising departments.

Short courses for all tastes at 'Ridge'

Wine tasting, time management and close-up photography are among the topics of non-credit short courses being offered this fall at Oakland Community College Orchard Ridge Campus in Farmington Hills.

Courses, beginning mid-September, will be held during a variety of time periods through December. Minimal fees are charged. Senior citizens, however, will be admitted to one short course per semester with a 50-percent discount.

Registration for non-credit leisure-time short courses is in progress and will continue through the first class meeting.

For a complete listing of short courses and registration information, call the Department of Community Services at 476-9400.

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*Total units at all Hudson's stores listed.

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