

Organizing and action to protect our future



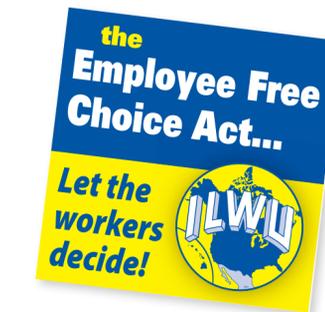
Takin' it to the bank. When Bank of America took billions of tax dollars for their public bailout, nobody expected they'd spend the money to attack unions – but that's exactly what the B of A did by joining a corporate campaign to kill the Employee Free Choice Act. Union activists from the LA County Labor Federation invited current and former warehouse workers to tell the news media about the ugly reality of union-busting now underway at Rite Aid's distribution center in Lancaster, CA. The group visited seven banks on March 26th and got plenty of positive media coverage. Rite Aid worker Angel Werner (lower left) told the bank manager, "if we don't have good jobs, we won't have money to put in your bank. The union-busting that you're funding is hurting me and other workers." ILWU supporter Sonia Ramos (lower right) was illegally laid-off by Rite Aid. Her husband, Jesus Ramos, (upper right) is still employed by Rite Aid, but the illegal layoff has been difficult for their family.



ILWU's delegation to D.C. in April included (top left to right: Lindsay McLaughlin, Leg. Dir.; Nate Lum, Local 142 Longshore and I.E.B.; Lawrence Thibaux, Local 10 and I.E.B.; Max Vekich, Jr., Local 52 and I.E.B.; Peter Peyton, Local 63; Leal Sundet, Coast Committee; Bob McEllrath, Int. President; Dawn DesBrisay, Local 40 President; Willie Adams, Int. Sec-Treas.; Ray Ortiz, Jr., Coast Committee; Wesley Furtado, Int. V.P., Hawaii.

Help stop union-busting: wear the new ILWU button

Letting friends, family, and co-workers know about the "Employee Free Choice Act" is easier with the latest ILWU button. Bulk shipments were sent to local unions in early April. Locals that run out of buttons can contact the ILWU Communications Department for more. The buttons are also being distributed to members of Congress in Washington, D.C. where accounts of Rite Aid's union-busting tactics are causing alarm – and proving the need to pass the Free Choice Act.



Why stronger unions and the Employee Free Choice Act can help us out of the economic mess and restore the middle class



Guest column by former U.S. Labor Secretary Robert Reich.

Why is this recession so deep, and what can be done to reverse it?

Hint: Go back about 50 years, when America's middle class was expanding and the economy was soaring. Paychecks were big enough to allow us to buy all the goods and services we produced. It was a virtuous circle. Good pay meant more purchases, and more purchases meant more jobs.

At the center of this virtuous circle were unions. In 1955, more than a third of working Americans belonged to one. Unions gave them the bargaining lever-

age they needed to get the paychecks that kept the economy going. So many Americans were unionized that wage agreements spilled over to nonunionized workplaces as well. Employers knew they had to match union wages to compete for workers and to recruit the best ones.

Fast forward to a new century. Now, fewer than 8% of private-sector workers are unionized. Corporate opponents argue that Americans no longer want unions. But public opinion surveys, such as a comprehensive poll that Peter D. Hart Research Associates conducted in 2006, suggest that a majority of workers would like to have a union to bargain for better wages, benefits and working conditions. So there must be some other reason for this dramatic decline.

But put that question aside for a moment. One point is clear: Smaller numbers of unionized workers mean less bargaining power, and less bargaining power results in lower wages.

It's no wonder middle-class incomes were dropping even before the recession. As our economy grew between 2001 and the start of 2007, most

Americans didn't share in the prosperity. By the time the recession began last year, according to an Economic Policy Institute study, the median income of households headed by those under age 65 was below what it was in 2000.

Typical families kept buying only by going into debt. This was possible as long as the housing bubble expanded. Home-equity loans and refinancing made up for declining paychecks. But that's over. American families no longer have the purchasing power to keep the economy going. Lower paychecks, or no paychecks at all, mean fewer purchases, and fewer purchases mean fewer jobs.

The way to get the economy back on track is to boost the purchasing power of the middle class. One major way to do this is to expand the percentage of working Americans in unions.

Tax rebates won't work because they don't permanently raise wages. Most families used the rebate last year to pay off debt – not a bad thing, but it doesn't keep the virtuous circle running.

Bank bailouts won't work either. Businesses won't borrow to expand without

consumers to buy their goods and services. And Americans themselves can't borrow when they're losing their jobs and their incomes are dropping.

Tax cuts for working families, as President Obama intends, can do more to help because they extend over time. But only higher wages and benefits for the middle class will have a lasting effect.

Unions matter in this equation. According to the Department of Labor, workers in unions earn 30% higher wages – taking home \$863 a week, compared with \$663 for the typical nonunion worker – and are 59% more likely to have employer-provided health insurance than their nonunion counterparts.

Examples abound. In 2007, nearly 12,000 janitors in Providence, R.I., New Hampshire and Boston, represented by the Service Employees International Union, won a contract that raised their wages to \$16 an hour, guaranteed more work hours and provided family health insurance. In an industry typically staffed by part-time workers with a high turnover rate, a union contract provided janitors with full-time,

sustainable jobs that they could count on to raise their families' – and their communities' – standard of living.

In August, 65,000 Verizon workers, represented by the Communications Workers of America, won wage increases totaling nearly 11% and converted temporary jobs to full-time status. Not only did the settlement preserve fully paid healthcare premiums for all active and retired unionized employees, but Verizon also agreed to provide \$2 million a year to fund a collaborative campaign with its unions to achieve meaningful national healthcare reform.

Although America and its economy need unions, it's become nearly impossible for employees to form one. The Hart poll I cited tells us that 57 million workers would want to be in a union if they could have one. But those who try to form a union, according to researchers at MIT, have only about a 1 in 5 chance of successfully doing so.

The reason? Most of the time, employees who want to form a union are threatened and intimidated by their employers. And all too often, if they don't heed the warnings, they're fired, even

though that's illegal. I saw this when I was secretary of Labor over a decade ago. We tried to penalize employers that broke the law, but the fines are minuscule. Too many employers consider them a cost of doing business.

This isn't right. The most important feature of the Employee Free Choice Act, which will be considered by the just-seated 111th Congress, toughens penalties against companies that violate their workers' rights. The sooner it's enacted, the better – for U.S. workers and for the U.S. economy.

The American middle class isn't looking for a bailout or a handout. Most people just want a chance to share in the success of the companies they help to prosper. Making it easier for all Americans to form unions would give the middle class the bargaining power it needs for better wages and benefits. And a strong and prosperous middle class is necessary if our economy is to succeed.

Robert B. Reich was Secretary of Labor (1993-1997). He currently teaches at the University of California at Berkeley. For more information, see www.robertreich.org

MEMBERS SPEAK OUT

How is the recession affecting you – and who's to blame?



"I'm one of the union stewards at the world's largest borax mine, owned by the Rio Tinto Corporation. Demand for our minerals is down, so the company did a round of layoffs. They started by sending out letters, and eventually cut about 50 hourly personnel. There was another letter that would extend the total layoffs to over a hundred hourly employees. It's been real hard on the families here. One of the younger workers was asking me how he could continue providing health benefits for his pregnant wife. The company tried to take advantage of things by offering us an early retirement if we agreed to turn our back on several brothers who were unfairly fired, and withdraw important grievances. Our members turned down that deal, which many of us felt was a bribe. Then the company offered a better deal to a sister union. They're using "divide and conquer" tactics against us, but we're not buying it. The way it see it, both political parties are responsible for this mess. They let big companies and the finance sector become largely unregulated. Despite what they say, neither party represents the working man anymore; they've both allowed good jobs to be destroyed and the blue-collar middle class to be dismantled."

Larry Munsee, Local 30 Boron, CA

"The recession has affected everyone in one way or another. Though I've been fortunate to not have been negatively impacted, the uncertainties have us trying to spend less on things we don't need, pay off debts and increase our savings. As for the causes, there's plenty of blame to go around. Former Federal Reserve Chairman Allan Greenspan made it too easy for consumers with poor credit to buy houses and borrow large amounts of money from banks with low interest rates. Fannie May and Freddie Mac were not regulated properly, and now the economy is riddled with foreclosures. The government and Bush's bad spending habits on the war significantly contributed to the downfall as well. Inflation is on the rise and the economic downturn has spiraled from there."



Kelli Schrader, Local 28 (Local 8 Casual) Portland, OR



"I'm on the day winch board and only worked two days last week. Now it's Wednesday and I've only had one day so far. I used to get week-end work, but haven't worked a Saturday since the Superbowl. So now my wife is working more hours, and I'm thinking about doing some work on computers and phone systems, like I used to. And I may have to give up coaching, which I love and have been doing for 12 years. Since the stock market crashed, I think a lot of working people don't trust the banks. I stopped putting money into my 401(k), and I'm worried about our pensions – especially for the old-timers. It all comes down to big business and outsourcing jobs. It may take a general strike for people to wake-up."

Felipe Riley, Local 10 Oakland, CA

"In the past, I could get higher-paying work, but now I'm working the lower-skill jobs that pay less. I'm looking at a 35% cut in pay. My family is watching what we spend and keeping our fingers crossed that things will turn around. It's partly Bush's fault because nobody was at the wheel or watching what the stock market was doing. But the biggest problem is corporate greed. CEOs lied about what they were doing and then got rewarded. When we do something wrong, we get fired – and we sure don't get a bonus. These guys ripped us off, got bailed out, left with a pat on the back and a big fat bonus. Our grandchildren are going to pay for this mess. Hopefully Obama will get us moving in the right direction."



Mike Swartz, Local 29 San Diego, CA