



Label Letter

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Union Label & Service Trades Department, AFL-CIO

PUBLIC WORKERS: LATEST TARGETS OF OPPORTUNITY FOR UNION HATERS

Described in the media as the “faceless, nameless bureaucrats”—cops, firefighters, teachers, nurses, trash collectors, snow plow operators, food inspectors, Social Security clerks, scientists, homeland security personnel, and others—are being blamed for the gallons of red ink swamping government budgets at all levels.

“Wages—too high. Pensions—too generous. Health care—too expensive. Job security—unsustainable!”

The sorry fiscal state of government is providing a target of opportunity for America’s right wing as it turns its attention on public workers and the unions that represent them.

The battle cry from the right: eliminate the jobs, cut the pay, “tame” the pensions, shift the cost of health care. And, as state and local legislatures begin new sessions, as governors outline their budget plans for the coming year—public workers are squarely in the sites of lawmakers.

Individual unions and the AFL-CIO are fighting back in defense of public workers with political action, truth squads and research information to get facts in front of the media, the public and elected officials. One such effort is “Stop the Lies,” by the American Federation of State, County and Municipal Employees (AFSCME). AFSCME’s materials, posted on the union’s website, include data on the causes and suggested cures for state and local government budget issues.

One fact sheet, for instance, points out that the effects of the Great Recession—the longest and deepest since World War II, which economists declared over in June 2009—will linger in government budgets for years to come.

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A Manufacturing Comeback?

Credit the USW-supported Alliance for American Manufacturing (AAM) for the slogan: “Making it in America.” It’s a phrase the group adopted as a theme for its bus tours, public forums and rallies starting several years ago. With assistance from unionized steel and manufacturing companies, the Alliance has sponsored public forums, rallies and bus tours to bring the plight of American manufacturing to the attention of voters and lawmakers at the federal, state and local level. Not long after AAM got started, steel worker Ike Gitlin and AAM’s media director Steve Capozzola, who is also handy with the guitar, penned a catchy tune, “Are We Making It in America.”

Maybe the push is paying off. For the year, the U.S. added 330,000 manufacturing jobs, a net gain of 2.5%, the Wall Street Journal reports. Economist Mark Zandi predicts a sustained gain in manufacturing jobs of about 2% over the next four years.

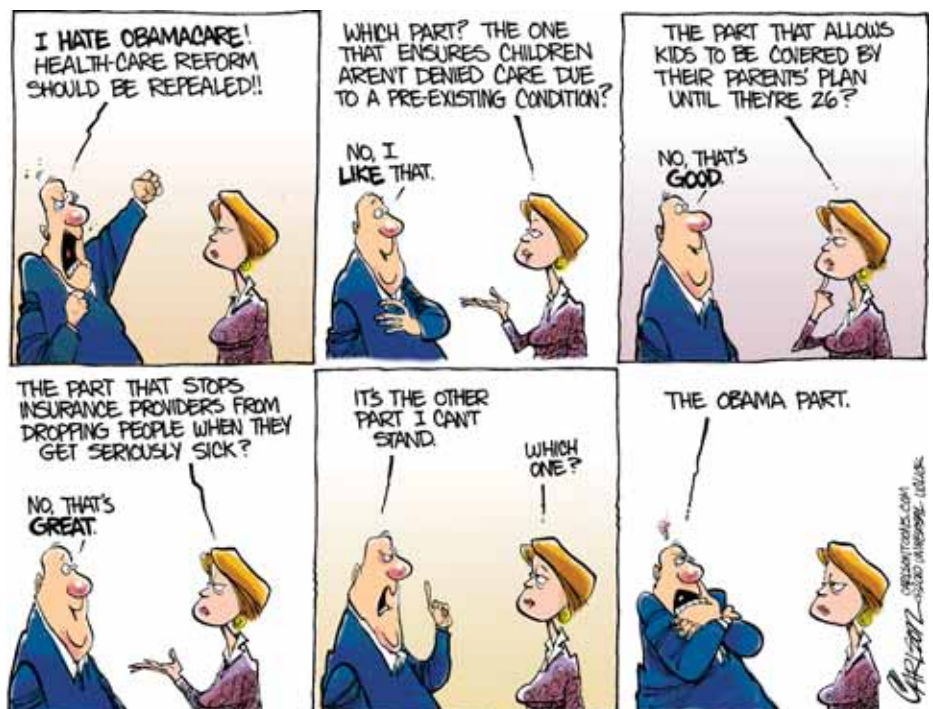
A variation of the “Make It in America” phrase appeared in a speech by President

Obama last summer as he pressed for more investment in green technology and energy efficient goods. It was picked up as well by then House Majority Whip Steny Hoyer (D-MD) around the same time in a House floor speech, and inserted more recently into the domestic agenda during the House Democrats planning session in Baltimore in mid-January.

But, manufacturing statistics for 2010 reflect a mixed bag. On one hand, big companies like Ford, General Motors, General Electric and Whirlpool, recognizing the public mood in support of US made goods, have all announced plans to “bring back jobs.”

Part of the growth is the result of the stimulus package. Some officials are also crediting the separate tax incentives that the Obama Administration inserted into the year-end compromise that extended the Bush tax cuts. The package included tax breaks for investments and for hiring new workers.

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PUBLIC WORKERS (CONTINUED FROM PAGE 1)

AFSCME notes that critics of public workers ignore the cause of these budget deficits: lost revenue—the stock market crash and plummeting real estate values have cut state tax collections by 12% on average and many states have lost far more than that. Clearly, the culprits who sparked those disasters were not rank and file public workers.

OTHER POINTS:

- States have already closed some \$430 billion in budget shortfalls in actions taken between FY 2009 and 2011—jobs cuts, layoffs, furloughs, pay cuts or freezes, and slashed spending for benefits and services. In addition to working public employees harder and longer, jurisdictions are shortchanging public transportation, cutting education and programs for the elderly, public health and housing. So, the “have-nots”—public employees and taxpayers alike—are feeling the pain pretty heavily.
- According to the Center on Budget and Policy Priorities, states face continuing budget shortfalls totaling \$140 billion as they enact their 2012 budgets.
- The problem is revenue shortfalls, not overspending. The historic decline in government revenues is unprecedented in data going back as far as 1962.
- State general fund expenditures declined in real dollars in both FY 2009 and FY 2010—this has only happened once before in the 32 years since this data has been tracked.
- State and local general revenues will eventually increase, but there is a considerable lag between the recovery of the economy and the restoration of fiscal balance in state and local governments.
- Few media reports note that state

and local pension plans are far from generous—providing around 50% of replacement income for typical workers. So a salary of \$40,000 to \$50,000 a year becomes a pension of \$20,000 to \$25,000 a year—far short of survival for middle class workers.

- Most public workers already contribute a significant percentage of their salary to their pension plans; many have been switched from defined benefit to defined contribution plans—shifting costs even further on workers. Furthermore, the shocks of the stock market crash pushed most public employee pension plans into crisis—with the values of those funds crushed by investment losses, not overgenerous payments.

In many states lawmakers have taken up the call for increased employee contributions and new vesting requirements. Typically, 80% of the current funds balance comes from employee contributions and investments—only 20% of the balance can be traced back to contributions from the state. Moreover, during the 90s and the “go-go” stock market era, many states diverted the employer share of pension contributions to other uses because the state pension plan was “overfunded” at the time.

FACT: In Virginia, the state’s governor boasted last year of a \$400 million budget surplus. How did that happen? The state skipped (deferred) paying \$620 million into the employee retirement fund. In the private sector, when employers do that, the Labor Department steps in and sometimes people get arrested.

Walk In My Shoes

THOM KOTT, AmeriServ Financial Union Investment Representative

I have a unique position as a member of United Steelworkers Local 2635-06. I am a banker.

AmeriServ Trust and Financial Services Company is headquartered in Johnstown, PA. I connect unions with investments that meet their membership needs. We offer investments that create employment opportunities for Union trades, in addition to a competitive return.

AmeriServ Financial is also a union bank, with more than half the workforce represented by my Local.

As a union bank, we understand the issues important to our brothers and sisters, while providing competitive investments that reward your “Buy Union” preference. As a Union-affiliated bank, we compete daily with the huge Wall Street banks that share very little in common with working people on “Main Street.” The unions we welcome as clients appreciate our attention to the best interests of their members, not the best interests of Wall Street.



What’s Your Story?

In 150 words or less—accompanied by a picture of you at work...Help us walk in your shoes. We’re open to all union members, active, retired, laid off.

The pictures and stories we get will be published in the Label Letter and posted on the Department’s website—and perhaps in posters and other promotional materials.

E-mail a walk in your shoes to: info@unionlabel.org; or send by regular mail to: Walk In My Shoes, c/o Union Label & Service Trades Dept. (AFL-CIO), 815 16th St. NW, Washington, DC 20006

WATCHING THE NFL LOCKOUT CLOCK:

The NFL Players Association’s Lockout Watch provides a clock ticking down the seconds to the threatened player lockout and the latest inside facts, numbers and stories behind the ongoing NFL negotiations, including nuggets like “Despite the world’s worst economic crisis since the Great Depression, the NFL continues to experience unprecedented growth in both revenue and popularity.”

A Manufacturing Comeback? (continued from page 1)

CORPORATE AMERICA GETS IN ON THE ACT

GE says it is moving 200 jobs back to Bloomington, IN, where members of the International Brotherhood of Electrical Workers make refrigerators. GE also plans to restore 400 jobs at its Appliance Park location near Louisville, KY—where members of the CWA/IUE produce washing machines. Ford is investing \$400 million in its Kansas City assembly plant. Over the next two years, according to the *Wall Street Journal*, Ford plans to add 7,000 new workers.

The *Journal* says Whirlpool is spending \$120 million to expand its manufacturing operations in Cleveland, TN—the first big manufacturing commitment by Whirlpool in 15 years. Whirlpool was lured back with the promise of \$30 million worth of incentives by state and local officials. Caterpillar is building a \$120 million plant in Victoria, TX—on 320 acres of free land.

Dow Chemical became the latest to announce U.S. expansion—with a release in January describing plans for a new 800,000 square foot plant in Midland, MI, where it says the company will build hybrid car batteries and solar roof shingles.

THE CORPORATE VISION FOR U.S. MANUFACTURING

In his new book, *"Make It in America: The Case for Re-Inventing the Economy,"* Dow CEO Andrew Liveris adapted the slogan to bolster his vision for the return of manufacturing in the U.S. It's conditioned on more tax breaks for corporations and protection against "lawsuit abuse" as well as government support for infrastructure and education.

Dow, some might recall, was prominent during the 1980s and '90s for its efforts to offshore large segments of its production facilities—claiming that tough environmental regulations, high energy prices and U.S. wages had forced the company to abandon much of its U.S. presence in favor of production in third world nations. The company has 94 locations around the globe and now employs around 22,000 workers stateside—about half of its workforce.

Now, says Liveris, it's time to "reinvent" the U.S. economy to "incentivize manufacturers to create the jobs of the future." Liveris concedes that reduced manufacturing "has played a role in high unemployment, unsustainable federal and state spending, and a massive —

and growing federal deficit." He lists an eight-point agenda for the nation, though he doesn't quite explain how that might square with the draconian new plans to eliminate almost all federal spending by the deficit hawks, t-partiers and the new Republican majority in the House of Representatives.

Among other things, Liveris says the U.S. must develop new infrastructure and emphasize R&D and education—some goals that most labor and progressive organizations might share. He also calls for regulatory reform, tax policies "that support manufacturing" and "reform in civil justice" to support "advanced manufacturing and end lawsuit abuse." The latter three goals fit more appropriately on the conservative agenda.

ARE THE DEFICIT HAWKS OUT TO KILL THE RECOVERY?

The big question now is whether the positive momentum in job growth will survive the new onslaught by Congressional deficit hawks and t-partiers who have come up with a 100-point, \$100 billion plan to slash government. The language for the plan, which was circulated by Ohio Republican Congressman Jim Jordan and the Republican Study Committee, comes right out of the t-party's agenda.

The list is a chilling inventory of anti-government, anti-working-family plans—including some—like repeal of Davis Bacon—that have no connection whatsoever to government spending. Topping the plan is partial privatization of Social Security, privatization of Medicare, increased taxes on the middle class and the elimination of corporate taxes while neglecting national investments in infrastructure.

The Republican dominated House already passed a repeal of the Health Care Reform Act—which they claim to be a "symbolic" repudiation of the centerpiece of Obama's Administration. The Republicans are also shooting for elimination of "automatic" pay increases for federal workers for the next five years; cutting the civilian workforce by 15 percent and repeal of all stimulus funding. The RSC plan would eliminate Amtrak support, sharply reduce education spending, cut Medicaid support for the states, slice federal travel budgets in half, and eliminate the newly created Energy Star program and the Freedom Car and Fuel Partnership.

Put U.S. Business to the Test See If They'll Pledge to 'Bring One Home'

Deborah Leydig, an enterprising small business owner in Barrington, IL, is challenging U.S. manufacturers to "Bring One Home." Leydig says she got the idea attending a home wares trade show in Chicago where she saw a display of the many appliances that were invented and originally made in the USA, but have since moved overseas. A profile of Leydig's business published in the *Chicago Tribune* last year noted that some people have a passion for the environment, some for fair trade, but "Leydig's passion is jobs."

In 2007, Leydig cleaned up an old structure in Barrington and opened up her unique general store featuring only made in USA products. She keeps careful records and discontinues product lines if the manufacturer moves offshore.

Explaining her idea to make a crusade of it, Leydig says: "We hunger for products made in the United States, we want the quality and safety that comes with the stamp—Made in the USA. We also know that when we buy American we are saving an American job and hopefully creating an American job that was lost. What could be better?"

In addition to establishing her brick and mortar store in Barrington, Leydig has set up an online shopping mall for customers who want to shop via the internet (www.nortonsusa.com).

Interested in joining Leydig's Bring One Home campaign: send an e-mail to bringonehome@nortonusa.com.



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Creating Trade Policies That Create Jobs

■ BY U.S. SEN. SHERROD BROWN

A mother of three living in an Ohio hometown may not care much about United States export policy. She is probably too busy providing for her family: getting her children to the school bus on time, working long hours at the small business she started, and trying to make ends meet.

But U.S. export policy affects Ohioans in small towns, rural areas, and major cities. As the third largest manufacturing state in the country, Ohio has a lot to lose and a great deal to gain from U.S. trade policies.

The International Trade Commission (ITC) recently held a hearing on seamless pipes – the kind used in industrial plants throughout the world – where I testified on behalf of steelworkers in Youngstown and Lorain.

U.S. imports of Chinese seamless tubes and pipes rose from 156,000 tons in 2006 to more than 366,000 tons in 2008 – increasing by more than 100 percent and capturing more than 34 percent of the market in 2008. This level of imports was unsustainable in the best of conditions. During the economic crisis, the results were horrific. Domestic producers faced a dearth of new orders, and much of the domestic industry was shut down. As a result, workers in Lorain and Youngstown were idled or laid off. For the small business owners who rely on these workers to keep the doors of their sandwich shops open, U.S. trade policies matter, too.

That's why U.S. workers petitioned the ITC to stand up for our industry against Chinese imports. When workers in other industries – like tires or oil steel tubes filed similar petitions – enforcement measures taken by the Obama Administration led to the creation or retention of hundreds of new jobs across our state, almost immediately.

Stronger trade enforcement is essential to saving Ohio jobs. It is also imperative that U.S. trade policies support U.S. companies in the first place.

That's what I told President Obama at the White House this month when he convened members of the President's Export Council. He's laid out an important goal of doubling exports over the next five years. If we're serious about achieving this, we must crack down on



Sen. Sherrod Brown

illegal practices by our trading partners that undermine American manufacturing.

Ohio workers can compete with anyone in the world, but when China manipulates its currency or gives unfair subsidies to its industries, that's not competing – it's cheating. Promoting the value of exporting to new markets is not going to be enough; vigorous trade enforcement is vital if we are going to achieve this goal.

Recently, I urged the ITC to make a decision in favor of American manufacturers of coated paper because currency manipulation is hitting the industry hard. Coated paper – like the glossy paper used as magazine covers – is manufactured in my state. Ohio has major coated paper companies in Miamisburg and Hamilton. Coated paper imports from China and Indonesia, however, are adversely impacting our suppliers. We are at risk of letting our coated paper industry slip away if we continue to allow the anticompetitive practices of foreign companies to undermine U.S. companies.

For example, the largest coated paper producer in China – a nation that lacks the natural resources needed to make coated paper – sells its products in the U.S. market at prices drastically lower than U.S. companies. How is that possible when this Chinese company buys its raw materials from other countries, transports the pulp to Asia, and then ships the finished product to the United States? It's clear that China manipulates the system by manipulating its currency. As a result, Chinese prod-

ucts imported into the U.S. are at least 40 percent cheaper than their true cost. We cannot afford to sit by idly as China breaks every trade rule at the expense of U.S. companies and U.S. jobs.

If the Administration is serious about American manufacturing and boosting exports, we need to be certain that our trading partners play by the same set of rules that we do.

Finally, Justice for 9/11 First Responders

Firefighters, police officers and emergency medical responders celebrated on Dec. 22nd last year when the James Zadroga 9/11 Health Compensation Bill was finally passed. President Obama signed the measure the following week.

International Association of Fire Fighters President Harold Schaitberger hailed the action as “a major legislative victory.”

The bill was passed three months earlier in the House of Representatives, but Senate Republicans blocked it on procedural grounds until the final hours before Congress adjourned at the end of the year.

The bill includes \$1.8 billion to monitor the health of first responders who worked to rescue World Trade Center victims and later to recover remains. Secretary of State Hillary Clinton, who was a key sponsor for the bill when she was still in the Senate, was on hand to mark the passage along with Sen. Kirsten Gillibrand, her successor in the Senate, and New York's senior Sen. Chuck Schumer. Clinton was one of the original sponsors of the measure, along with Rep. Carolyn McCarthy (D-NY) in the House.

The act was named for James Zadroga, a New York City detective who died in 2006 from health problems related to his recovery work on the World Trade Center site.

A Part-Time Postal Service?

As the American Postal Workers Union (APWU) struggles to force management negotiators to resolve their disagreements at the bargaining table, negotiators for the National Association of Letter Carriers are poised to start talks for a new collective bargaining agreement. Bargaining between the Postal Service and the National Rural Letter Carriers Association (NRLCA) ended with an impasse which is now before an arbitrator. NRLCA represents 100,000 rural letter carriers.

The outcome of these struggles will determine the fate of some 80,000 workers represented by the three postal organizations.

APWU, which represents 220,000 clerks, maintenance workers and motor vehicle service staff, went to the table

early this Fall to replace the contract that expired in November 2010. If the parties fail to reach agreement within 60 days of the contract expiration, unresolved matters will go to impasse.

The biggest issue for APWU is protecting the full-time workforce against outsourcing and part-timing plans, the planned shutdown of thousands of post offices and the “excessing” of USPS workers who could be relocated to other facilities or activities. APWU says USPS relocation plan is a thinly disguised way to shed thousands of workers.

For the NALC, staffing and scheduling are certain to be top priorities as well. USPS has been pressing Congress to allow it to reduce mail delivery to a five-day schedule, a move that would cost NALC about 20 percent of its members. USPS

claims that rising costs and wages, can't be sustained without cuts. The postal unions counter that the USPS would go from a deficit to black ink if Congress would allow the Postal Service to make an internal transfer of its own money—surplus pension funds—to cover a requirement imposed by Congress that USPS come up with \$5.5 billion to pre-fund future retiree health care for postal employees.

NALC points out that if the transfer of funds got the green light, USPS would go virtually overnight from red ink to a net profit of \$700 million over the past four years—even with the worst recession in 80 years.”

NALC also notes that “no other institution in America, public or private, is obligated to pre-fund future retirement benefits at all.”

Efforts to Rein In the Power of Unions

Published in the Wall Street Journal: January 16, 2011

To the Editor:

Once again, labor unions are under attack (“Strained States Turning to Laws to Curb Labor Unions,” front page, Jan. 4).

What is remarkable is the extent to which politicians (primarily, though not exclusively, Republicans) are using the current economic situation to fulfill longstanding political goals. We should not be surprised that the dominant response seems to be: weaken labor unions; undermine entitlement programs; cut taxes on the wealthy; privatize public assets; deregulate.

Not surprised, perhaps, but certainly angry. We got into this mess because of the greed and stupidity of bankers, and the willingness of legislators to deregulate the financial sector in the first place and permit a wide polarization of income and wealth.

No plausible case can be made that this economic crisis is somehow the fault of the elderly poor, or Medicaid recipients, or union members or the unemployed, but it is these people who are bearing the brunt of budget cuts and deregulation. Using an economic crisis as an excuse to reduce further the threadbare safety net and labor market protections — to further a political agenda that far predates our current sorry economic condition — is shameful.

Chris Howell Oberlin, Ohio, Jan. 4, 2011

The writer is a professor of politics at Oberlin College.

The Union Label Red White & Blue Book

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EndNotes

By Rich Kline, *President, UL&STD*



President Obama, Please Stand Up for U.S. Solar

When President Obama met with China's leader recently, he had the opportunity to stand up for the US solar industry. The Obama Administration has emphasized the positive economic potential of green energy.

It would be a shame, therefore, to backtrack from a provision in the military appropriations law that calls for the Defense Department to buy American-made solar panels.

The US military buys an increasing amount of solar products. From a number of angles, including economic, job creation and security, buying American-made solar equipment makes sense.

China won't be happy with this policy, which according to the *New York Times*, was written to comply with the World

Trade Organization's rules. China's own economic stimulus policy dictates that its funds be spent within China.

Some of China's clean-energy subsidies for its industries are under protest by the US. More complaints are likely to be filed. China unfairly subsidizes wind turbines and solar panels, in addition to manipulating its currency.

If China were to sign and adhere to the WTO's side agreement on government procurement, then it would meet the requirements of the new policy. But China, a principal beneficiary of free trade, chooses not to sign the side agreement. Why? Simply because China wants to protect Chinese industry.

So, Mr. Obama, please, stand up for US solar. Support the Buy American provision in the Defense Department spending law, regardless of Chinese protests.



Buy Local, and Buy Union

"Buy Local" has become a popular slogan. Many shoppers have taken it to heart. Showing their support for local farmers, consumers are buying local produce, dairy products and meats.

Farmers markets are springing up around the country. And not just in the countryside, but also in cities and towns, where a consciousness of the

need to have locally-produced foods has grown stronger.

Buying local supports family farmers. It is a sound precept for rural communities, providing an economic boost and good nutrition at the same time.

Can the concept be extended to other products? If consumers were as conscious of locally-made goods as they are of foodstuffs, perhaps more union-made, American-made wares would be on display.

Taking the nation as a whole, enlarging the sense of "local" to the entire US, we might encourage domestic manufacture and the marketing of American-made, union-made goods.

It's a commonplace remark and one often heard that US goods are no longer available in certain categories. But who is demanding them? From luxury stores to dollar stores, the merchandise is largely foreign-made.

Rather than decry the sources of these foreign products, American consumers can become more demanding of locally made, that is, of US origin, products. The resurgence of American manufacturing won't stem from a change of heart by offshored industrialists or marketers.

It can only occur when a strong outcry from consumers is heard to say, "We want locally made, American-made, union-made goods and services." It's good for shoppers, workers and both the local and national economy.