



# Label Letter

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Union Label & Service Trades Department, AFL-CIO

## They're Doing It Again

**N**obody likes Wall Street. So it's not really helpful when JP Morgan Chase CEO Jamie Dimon or former Treasury Secretary Paul O'Neill, or even current Treasury Secretary Timothy Geithner issue dire warnings about what will happen if Congress fails to lift the U.S. debt ceiling before August 2nd. We hear them say: "the banking system will collapse" and it sounds like 2007 all over again.

Whether you're a factory worker in Omaha, a letter carrier in Detroit, an office worker in Jersey City or a T-Party adherent in Cleveland, you would probably have the same reaction: "Why do I care if the financial marauders get thrown under the bus?"

As much as we dislike the messengers, however, the message they are sending just happens to be true. And bet your last dollar that the biggest losers will, again, be America's working people.

Republican congressional leaders are publicly stating that it might be a good thing to let the deadline pass, but privately many of them—tea partiers and the so-called "moderate" Republicans alike—are hearing plenty from corporate America.

Once again, working Americans and corporate America are on the same side, albeit for different reasons. If it all goes under, we all go under.

The Republican party line is that they want to "force government to live within its means." House Speaker John Boehner says his side won't relent until Democrats agree to \$3 trillion in spending cuts without any increase in taxes.

Chamber of Commerce EVP R. Bruce Josen called the congressional kerfuffle over the U.S. debt limit a "joke" while leading economist Lou Campbell called it "theater." But, no one is entertained, and nobody is laughing about the economic consequences that would follow if Congress fails to increase the debt limit.

## Hacking Away at Government is Surefire Prescription for New, Deeper Recession



### Here's what would happen:

The U.S. will default on obligations it has already incurred. (It would be illegal to write checks with no available funds to honor them.)

Social Security payments will stop. As would Veterans benefits. Troops would go unpaid. There will be no money to pay federal workers salaries or benefits. No mail service. Government agencies will shut down. Corporate and individual creditors (bond holders) will go unpaid.

If that isn't bad enough—foreign creditors would be cut off, including China, our biggest lender. All the nations that sell us oil will go unpaid. Oil shipments will stop.

*Getting the picture?*

Not like this hasn't happened before. California—the eighth largest economy in the world—briefly flirted with default in 2009 when the legislature and the governor couldn't agree on a budget. The result: the state issued IOUs to vendors and creditors, but held enough cash back to pay its general obligation bonds. Even today, California remains in a precarious financial position as financial experts note that the state owes some \$15 billion to bond holders even though revenues have fallen by some 15%. California must take steps before the end of June to either renew a series of taxes enacted during the height of the recession, or risk defaulting on its debt.

 **DO BUY**

# UNION-MADE FOR ALL YOUR OUTDOOR GRILLING NEEDS



Choose from more than 80 brands of quality dogs or sausages (made by **UFCW\*** members).

Cook'em up on a (**Int'l Union of Allied, Novelty & Production Workers**-made) Weber Grill; or a Thermador (**IBB\***-made).

Wrap'em up in buns by (**BCTGM\***) Oroweat Brand by Bimbo, or Parkerhouse and Kaiser rolls by Canada Bread Co.

Dress'em up with Heinz, Open Pit or French's condiments (from **UFCW\*** members).

Fill it all out with (**UFCW\***-made) Ebro or Van de Camp Baked Beans, Frito Lay snacks (**UFCW\***-made) and a wide range of deserts (from **BCTGM\*** members).

Prep all your meals using (**USW\***-made) Cutco Cutlery.

Cook like the pros with All Clad pots, pans and skillets (**USW\***).

Wash it all down with soft drinks from Coca Cola, Barq's Root Beer; lemonade or other varieties from Minute Maid (**IBT\***). Cool off with Miller (**UAW\***) or Budweiser (**IBT\***) beers... More than 40 other brand name beers are union-made

**BCTGM:** Bakery, Confectionery, Tobacco Workers and Grain Millers

**IAM:** International Association of Machinists

**IBB:** International Brotherhood of Boilermakers

**IBT:** International Brotherhood of Teamsters

**UAW:** United Auto Workers

**UFCW:** United Food & Commercial Workers International Union

For a complete lists of Union-Made summer cookout goods, go to [www.unionlabel.org](http://www.unionlabel.org)

**Enjoy carefree living this summer as you support good union jobs!**

## HOW TO FIND UNION-MADE TIRES

The U.S. Department of Transportation requires that all tires sold in the United States carry a code which shows, among other things, the company and plant that made the tire. The code would look like this: DOT BE XX XXX XXX

The two symbols (either two letters or a letter and a number) which follow “DOT” indicate the company and the plant where a tire was manufactured. For example, the above code indicates a tire made by B. F. Goodrich in Tuscaloosa, AL. The following is a listing of all U.S. and Canadian unionized tire plants and their DOT codes. By comparing this list to the code on the tire you are buying, you can be certain you are getting a USW-made tire.

CODE	COMPANY, CITY
BE	B. F. Goodrich Tuscaloosa, Ala.
BF	B. F. Goodrich Woodburn, Ind.
VE, YE, YU, 8B	Bridgestone/Firestone Des Moines, Iowa
D2, E3, W1, Y7	Bridgestone/Firestone Laverne, Tenn.
2C, 4D, 5D	Bridgestone/Firestone Morrison, Tenn.
UP	Cooper Findlay, Ohio
UT	Cooper Texarkana, Ark.
JU, PC, UK	Goodyear Medicine Hat, Alberta
DY	Denman Tire Warren, Ohio
JJ, MD, PU	Goodyear Gadsden, Ala.
DA	Dunlop Buffalo, N.Y.
JN, MJ, PY	Goodyear Topeka, Kan.
JE, MC, PT	Goodyear Danville, Va.
JT, MK, TA	Goodyear Union City, Tenn.
JF, MM, PJ	Kelly-Springfield Fayetteville, N.C.
CC	Yokohama Tire Salem, Va.

\* Any Goodyear racing tire made in the United States is a USW-made tire.

\*\* Any Goodrich racing tire or off-the road tire made in the United States is a USW-made tire.

In addition to company brands, these codes will also appear on “Associate Brand” and “Private Brand” tires manufactured at the above plants. The key, then, to being sure of getting a USW-made tire is the DOT code. Be sure and check it with this listing.

## Clearing Away the Smoke on the U.S. Deficit Issue

When House Republicans talk about the federal deficit, they infer that the problem is wild federal spending, “maxing out the U.S. credit card” and sending as yet unborn generations into impossible debt. The facts are far different.

The debt—about \$15 trillion—is real enough, but it’s not as if there are no assets to pay back the folks who have lent that money to the U.S. The U.S. government does exactly the same thing that big corporations do when they need ready cash. Uncle Sam issues bonds and notes to financial markets and investors stand in line to buy them, just as they do for corporate stocks and bonds. Economists worry that too much government debt will tend to crowd out private investment, and that can be a legitimate problem—but only when there are too few investors with too little money to buy from both sources.

Despite all the talk about the U.S. being broke, there are still lots of willing investors out there eager to invest

in the U.S. as a sound buy.

If and when Congress eventually acts to lift the debt limit, the U.S. Treasury Dept. will have the authority to issue about \$1 trillion in bonds to sell to investors to cover a wide range of the nation’s obligations—to pay Social Security recipients, U.S. military personnel, to run various government agencies, to generally keep the government running.

If August 2nd comes and goes without Congress authorizing the additional debt, all bets are off. Worldwide, financial markets would collapse, signaling the start of an all new worldwide recession, or worse.

Furthermore, if the Republicans succeed in demanding trillions in budget cuts without any tax increases the problems involved in funding the government will continue.

Cooler heads say the only long-term solution is vigorous economic recovery combined with a mix of tax increases and carefully selected cuts in federal spending.



## PUT A UNION LABEL ON IT

### APWU Reaches Out to Vets To Fill Newly Created USPS Jobs

The American Postal Workers Union is reaching out to military veterans in an effort to fill thousands of newly-created jobs in the Postal Service.

Under the terms of APWU’s recently-concluded collective bargaining agreement with the Postal Service, veterans with at least a 30 percent service-related disability would go to the top of the list for openings for Postal Support Employees (PSE), a newly created title, provided they score 70 percent or better on their job applications. Other veterans who

served in certain locations would also qualify for extra points to qualify for the jobs. The Postal Service has not yet announced the openings and interested individuals are encouraged to conduct frequent searches on the USPS jobs website ([www.usps.com/employment](http://www.usps.com/employment)). Under the terms of the contract, USPS is required to give absolute preference to qualifying veterans before hiring others as long as there are veterans on the list. More information on job openings and the hiring process is also available on the APWU website ([www.apwu.org](http://www.apwu.org)).



# Leading U.S. Corporations Enjoy Free Ride on Taxes

CTJ Study Finds 12 Big Companies Shirking Taxes; Most Pay Nothing

## DIRTY DOZEN PAID NEXT TO NOTHING IN TAXES

COMPANY	U.S. PROFIT	FED TAX	FED RATE
<b>GE</b>	\$7.7	-\$4,737	-61.3%
<b>American Electric Power</b>	\$5.9	-\$545	-9.2%
<b>Dupont</b>	\$2,124	-\$72	-3.4%
<b>Verizon</b>	\$32,518	-\$951	-2.9%
<b>Boeing</b>	\$9,735	-\$178	-1.8%
<b>Wells Fargo</b>	\$49,370	-\$681	-1.4%
<b>Fed Ex</b>	\$3,023	-\$23	-0.8%
<b>Honeywell</b>	\$4,903	-\$34	-0.7%
<b>IBM</b>	\$8,861	\$1,001	3.8%
<b>Yahoo</b>	\$1,663	\$145	8.7%
<b>United Technologies</b>	\$7,935	\$791	10.0%
<b>Exxon Mobil</b>	\$19,655	\$2,783	14.2%

While the Chamber of Commerce bleats about the dangers of “deficit” government spending, a dozen highly profitable U.S. companies are paying nothing, or nearly nothing to the taxman.

A study by Citizens for Tax Justice (CTJ) finds that 12 companies—all household names—reported \$171 billion in pretax U.S. profits and, as a group, paid less than 1.5% of that in taxes over the past three years. The vast majority of those companies had at least one year in which they paid no taxes. If those companies were paying at the rate that the law says they should—35%—they would have forked over almost \$60 billion in taxes for that period, boosting government revenues by some 12 percent.

When news accounts of the CTJ study surfaced, apologists for corporate tax dodgers—including the Tax Foundation—complained that the figures used came not from IRS returns, but from company accounting statements in their annual reports. That brings up another interesting point: if companies had to pay taxes on the figures they report to shareholders would their tax obligations increase?

CTJ’s findings are part of a larger ongoing review of tax avoidance by the entire list of Fortune 500 companies. “These 12 companies are just the tip of the iceberg of tax avoidance,” said Bob McIntyre, director of CTJ. He said eliminating tax subsidies to corporations should be the cornerstone of the government’s deficit fighting strategy.

# Labor Stands Up in Fight Against Raging Floods



Ironworkers Local 21 Business Manager Mike Baker was joined by Local President Stu Steffens to secure a labor monument along the Missouri River as floods continued to menace communities up and down the river valleys of the Midwest in June. Scores of union members in the region answered the call of their communities to save lives and property during the crisis. United Labor Agencies in state feds and central labor councils have been mobilized to provide relief as well. Omaha Federation of Labor President Terry Moore expressed the sentiments of labor families everywhere: “The labor movement and its labor agency stand ready to help wherever we can in this time of disaster.” He pledged to continue to respond as long as necessary.



## Label Letter

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# NJ Dem. Senate Leader Ignores Union Leaders in Pension Fight

Ten international union leaders—including AFL-CIO President Rich Trumka and Randi Weingarten, president of the American Federation of Teachers—signed a letter to New Jersey Senate President Stephen Sweeney urging him to back away from plans to pass

a law increasing state employee pension and health care costs. Sweeney is cooperating with Republican Gov. Chris Christie on a plan to circumvent bargaining on employee benefits. Christie is counting on saving \$323 million in the state budget by making changes in pension and health care

funding. The budget measure has a July 1 deadline.

The union leaders said Sweeney, as a Democrat, should be standing with working families and defending collective bargaining rights. “This is a vote we take seriously,” they wrote.

## New Round of Attacks Aimed at NLRB Authority

# Playing Politics With the Law

**B**oeing is howling over a complaint issued by the Acting General Counsel of the National Labor Relations Board finding probable cause that Boeing acted to punish its unionized workers by moving assembly for its “Dreamliner” aircraft to Charleston, South Carolina in retaliation for a strike three years earlier. The complaint alleges that Boeing’s decision to move major segments of its production out of Seattle, Washington to Charleston, South Carolina was motivated to get back at the International Association of Machinists (IAM) for the 18-week strike it conducted in 2008 that cost the company an estimated \$1 billion.

Boeing General Counsel Michael Luttig capped off a blistering 14,000 word presentation before the Senate Labor Committee, accusing the Acting NLRB General Counsel Lafe Solomon of attempting to “change radically the balance of relations between labor and management as has been struck by the

NLRA as the Act has been interpreted for the last 75 years.”

Conservative lawmakers and their allies in the media took up the battle cry. South Carolina Republican Sen. Jim DeMint called the decision “thuggery.”

Boeing launched a major media offensive against the Board and the Machinists Union as soon as the ink dried on the determination that sufficient evidence exists to issue a complaint.

In the Senate Committee hearing, AFL-CIO attorney Sarah Fox, challenged Boeing’s claims that the complaint represents “unprecedented government interference in legitimate business decisions,” rather, she said, it is a response to company decisions that were alleged to have been based on discrimination against employees who exercised their statutory rights—which is not permitted under the statute.

In his remarks to the hearing, Harkin reminded his colleagues that

unions are the voice of the U.S. middle class. “Unions are one of the few voices left in our society speaking up for the little guy, and if we let powerful CEOs trample all over these rights without consequences, we might as well give up on having a middle class altogether.”

The Boeing case is but one line of attack orchestrated by the Chamber of Commerce, major corporate interests and the right wing. In four states, the Board’s authority to grant voluntary recognition based on card check has been challenged by legislators who claim that the Board cannot allow workers to establish a union unless they do so by a secret ballot majority.

State lawmakers in Utah, Arizona, South Carolina and South Dakota have enacted changes in their respective state constitutions—changes that they claim can curtail the power of the National Labor Relations Board to authorize union representation.

## NUMBERS THAT MATTER

**28%:** How many U.S. workers participate in a traditional (defined benefit) pension plan.

**82%:** How many union workers have access to traditional pensions.

**21%:** How many non-union workers have access to traditional pensions.

### TAX FACTS

**Taxes in the U.S.:** Are today at the lowest levels in more than **60** years.

**Tax Revenues in the U.S.:** At **14.8%** of Gross Domestic Product (GDP) are the lowest they have been since 1950.

**1.3% of GDP:** How much corporations contribute to overall federal revenue.

At **1.8%:** U.S. has the lowest corporate tax load among **32** countries of the Organization for Economic Cooperation & Development (OECD).

**18.11%:** Effective tax rate paid by **400** of America’s richest people—down from **26.38%** 20 years ago.

**30 of the 400** richest Americans: have an effective tax rate of less than **10%**

**100 of the 400** richest Americans: paid between **10** and **15%**.

**“No new taxes?”**—President Reagan raised taxes in seven of the eight years he was president.

## Welcome New Board Members



Joe Sellers



Tim Tuttle

**T**he Union Label Executive Board welcomes two new members to its ranks. Joe Sellers, president of Sheet Metal Workers Local 19 in Philadelphia, replaces SMWIA’s Joe Nigro. USW’s Tim Tuttle, director of the union’s Glass Division, was appointed to the board vacancy that has existed since the death of John Murphy.

# Wisconsin's M&I Bank Flees Stockholders by Meeting in NY

**W**isconsin-based M&I Bank moved its shareholder meeting from Milwaukee to New York City in June in an attempt to dodge ugly publicity about the bank's planned merger with the Bank of Montreal. The deal—spotlighted in a public campaign spearheaded by the Sheet Metal Workers and other unions in Wisconsin—included \$65 million in severance payments to bank executives and saddling its new parent corporation with millions in TARP obligations to the federal government. Paranoid M&I executives adjourned the meeting in seven minutes.

M&I is the largest corporate supporter of Gov. Scott Walker.



## Walk In My Shoes

**LUCY BISWAS**, Room Attendant, Washington Hilton, UNITE HERE Local 25

**A**fter our team meeting, at around 8:15 each day, we begin our assigned rooms. I have 15 rooms to clean each day—because I have been here 36 years. That was one of the issues in our 2007 contract—housekeeping relief. Younger housekeepers (less than 30 years on the job) have 16 rooms assigned.

I started when I was 22. The cart gets heavier all the time. We have to work with the room door closed for our safety, so we might have to open and close these heavy room doors four or five times for every room. Changing linen, moving furniture, vacuuming—your back and shoulders begin to hurt all the time.

Depending on the groups that are in the hotel, each room can take between 20 to 30 minutes or more. Some groups might have up to five people in each room. Those rooms take more time.

The union has always been here and it has made this job less difficult.

Our contract requires that we get added compensation when the hotel is extremely busy. When the supervisor checks the room, if things are not just right you can get disciplined. I raised a family with this job—three children. Besides my job, I am now a really busy grandmother of six—the oldest is 17, youngest is four months.



## NASCAR's Union-Made-in-the-USA Trophy



**T**he coveted NASCAR Championship Chase Trophy is presented annually to the highest scoring driver in the NASCAR circuit. The imposing 10-ft tall trophy was crafted by members of the Sheet Metal Workers International Association employed by Kelley & Carpenter of Hamilton, Ohio, including Aric Karacia (left) and Dale Carpenter. It took 190 hours in the shop to craft the 12-gauge black iron flag section mounted on a massive composite base. This is the second Chase Trophy built by Kelley & Carpenter. The first is displayed at the Hendrick Motor Sport Museum in Concord, North Carolina. NASCAR is second only to professional football in terms of U.S. spectator events.

## 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](mailto:info@unionlabel.org); or send by regular mail to: Walk In My Shoes, c/o Union Label & Service Trades Dept. (AFL-CIO), 815 16<sup>th</sup> St. NW, Washington, DC 20006





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# EndNotes

By Rich Kline, *President, UL&STD*



## ***Playing Chicken With the U.S. Economy***

The Republicans have and will continue to play chicken with the American economy and government's vital services. They threaten to stand aside and allow a government default to gain unfair, devastating cut-backs in government programs. Their proclaimed billions in cuts is nothing more than a smokescreen behind which they protect, and hope to expand, tax breaks for the rich and for corporations.

Unlike Ronald Reagan, the patron saint of trickle-down economics, they don't promise prosperity. They simply say they want to "save" Medicare, Medicaid and Social Security from problems that most experts say are not only years away, but also correctable with modest changes in benefits and tax rates. The Republican prescription—turning these programs over to private sector cronies—would

be the path to destruction. The fact is that many Republicans and their right-wing political and corporate allies have always opposed these social programs, mainstays of the American safety net for the aged, ill and unemployed.

Notably, some of the richest Americans, Warren Buffett and Bill Gates to name but two, believe that the richest Americans should pay at a higher rate than middle class and low-wage earners. Unfortunately, too many Republicans still adhere to the trickle-down tenets of the economic faith. Never mind that Reagan, as Governor of California and President of the United States, raised taxes when it became necessary.

The United States is in for a political rollercoaster ride. As we race downward to deadlines on raising the debt limit and budgetary issues, the Republicans seeking thrills and votes from Tea Partiers will scream for program cuts for the most of us and tax breaks for the few of us.

Elsewhere in this issue of *The Label Letter*, we describe the likely effects of these rightwing tactics. Whether a government default actually occurs or not, harm is being done. Our reputation as a stable economy and a political state run by reasonable officials is in question. We need leaders in both major parties

who hold the public good above their political self-interest. Sadly, the spectacle we see reveals crass opportunism and jockeying for position.

Increasingly, we learn of big money from wealthy individuals, corporations and their stalking horse think-tanks and foundations polluting public discourse. They have a clear goal, the preservation of their wealth and privilege. And, they see this struggle as a zero-sum game: if they win, we lose. On that point, at least, we agree.

We find it especially discouraging that some companies with whom unions cooperate to gain approval for business expansion and other goals are also working closely with the reactionary right. The Supreme Court's outrageous *Citizens United* decision has empowered corporations to use their unbridled wealth to influence public policy and in a subterranean way to affect the electoral process.

Because the Labor Movement helped create the programs that the right detests, because the Labor Movement gives a voice and the power of solidarity to workers and their families, we are their prime target.

Happily, the attacks on our cherished hard-won programs and labor rights has spurred a strong response. Join it and defend your rights.