



# Label Letter

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Union Label & Service Trades Department, AFL-CIO

## Postal Unions Agree: Cutting Service Won't Solve USPS Problems

The American Postal Workers Union (APWU) recently affirmed its opposition to the USPS plan to shut down as many as 3,600 facilities that are designated as “underperforming” nationwide—that’s more than 10% of all local post offices.

APWU President Cliff Guffey reiterated what he had said early this year that “cutting service to the public is not the solution to the Postal Service’s problems.”

For Guffey, Frederico Raimondo, president of the National Association of Letter Carriers (NALC), and the National Postal Mail Handlers Union (NPMHU, a division of the Laborers) the bigger problem is how to convince Congress to back off of a five-year-old mandate requiring USPS to pre-fund retirement benefits by making billions of dollars worth of cash transfers to the retirement system. Congress directed that formula in 2006 and it has already cost the service some \$21 billion, according to Raimondo. The mandate will require USPS to come up with another \$5.5 billion by September 30, 2011. If not for those multi-billion annual payments, USPS would have been profitable throughout the longest recession in the nation’s history, the unions have pointed out.

Unfortunately, congressional Republicans have chosen to ignore the pre-funding issue in a so-called Postal

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“They are willing to destroy our economy and jobs to protect tax breaks for billionaires. Working people stand with the President in his call to stop this dangerous charade and extend the debt limit past November 2012 immediately and without conditions.”—AFL-CIO President Rich Trumka

## Deficit Obsession Leads to Deficient Solutions

Blinded by the barrage of talking points about the “perils” of the federal deficit, politicians from both political parties have virtually forgotten about the plight of America’s middle class. In less than three years since President Obama was inaugurated, political discussion has turned away from creating jobs to stimulate the economy to a near obsession with the federal debt.

No one seems to recall that just a little more than 10 years ago, the federal government had a surplus in excess of \$236 billion in the last two years of the Clinton Administration.

Whenever politicians talk about the budget deficit, they typically say “we didn’t get into this situation overnight,”

but in relative terms, that’s exactly what happened. Within three years of taking office, George Bush—with the total support of his Republican colleagues in the House and Senate—had engineered a budget turnaround that produced a \$412 billion deficit by 2004.

Today, after eight years of mismanagement, two wars and a catastrophic financial meltdown, the surplus is gone and Bush’s Republican colleagues are trying to lay the blame for the deficit on the president who inherited it. Where are the politicians with the courage to talk again about ending the persistent economic recession by creating jobs,

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**Union shoppers tell us that it's almost impossible to find union-made-in-the-USA school supplies, clothes and shoes in the typical retail store.**

*Once upon a time, Golden Books, Crayola Products, and Oshkosh kidswear were all union made, but they've since moved overseas.*

If your kids are among the luckiest students in the nation, they will have a Union Teacher to guide their studies, Union members who provide custodial and support services, possibly a union principal (the National Association of School Administrators) and their school bus drivers may be union. When they pledge allegiance to the flag, most likely, it will be union made by workers at the Annin Flag Co.

### **Tell us where to go... for union-made goods and services**

Do you have a favorite store or website for union made goods and services? Share your experience with other Union Label activists. Please provide as much information as you can about which union-made products you found (especially brand names), the store and its location, a website, and any other pertinent details.



**THERE ARE A FEW RELIABLE  
UNION-SOURCED THINGS  
THAT YOU CAN LOOK FOR, SUCH AS:**

- ✓ Pens by Bic, Sharp or Shaeffer
- ✓ Wisco Scissors
- ✓ Master Lock Padlocks
- ✓ Shoes by Union Boot Pro, Alden Footwear
- ✓ Shirts, Sweats, Jeans and more—Unionline, Greybear and Unionwear Jeans
- ✓ Wigwam Socks

# Facts for Union Leaders

The U.S. has a **REVENUE** problem: U.S. tax revenue has been below 15% of gross domestic product since 2009. The last time tax revenues were under 15% of GDP for three straight years was during World War II—from 1941 to 1943.

## Do tax cuts spur economic growth?

No. U.S. Taxes were cut in 2001, 2002, 2003, 2004 and 2006. GDP grew at around 2.5% and never more than 3.6% during any of those years.

## What was the major justification for the 2001 \$1.6 trillion Bush Tax Cut?

The whole point was to burn up the budget surplus that Clinton had accumulated. In a debate with Al Gore in the fall of 2000 George Bush said: "I want to take one-half of the surplus and dedicate it to Social Security (which he didn't do); one-quarter of the surplus for 'important' projects. And I want to send one-quarter of the surplus back to the people who pay the bills (the recipients of his tax cuts were wealthy Americans and Big Business)." (*NYT* Oct 6, 2000).

## Republicans claim that U.S. tax revenues increased every year after Bush tax cuts.

The facts (according to the Congressional Budget Office) show a decline from 20.6% of GDP in the last Clinton budget to 17.5% in the last Bush Budget—and a subsequent steady decline ever since.

## Hedge fund managers:

Income for the top 25 hedge fund managers in the U.S. in 2009 averaged \$1 billion.

**Myth** Congress is working *hard* to resolve the nation's problems.

**Fact** In the first six months of 2011, the House and the Senate were in session less than 100 days each. They took a 6-week vacation starting August 2, 2011.

## GOP-Run Congress: Mission Accomplished

*Destroy as many good middle class jobs as you can as soon as you can.* Action by the leadership of the Republicans in the House of Representatives is aimed at taking out as many union jobs as possible.

**Example:** House Republicans closed down the Federal Aviation Administration—idling 4,000 headquarters personnel and 80,000 construction workers employed on airport renovations nationwide. **The reason:** The Republicans oppose rules adopted by the National Mediation Board that award union representation in elections based on a simple majority of those voting. They're holding up the FAA's budget to make that point.

The Republicans want the NMB, which governs labor relations in the transportation industry, to go back to a discredited rule that counted no-show voters as votes against—resulting in far fewer union certifications.

## And Hit the Unemployed, Too

The mislabeled "Jobs, Opportunity, Benefits and Services Act (JOBS)," authored by Rep. Dave Camp (R-MI) is intended to give "flexibility" to the states in administering unemployment funds. The bill would allow states to cut benefits to jobless workers to "avoid job killing tax increases on business."

The House Republican budget proposal would immediately cut 700,000 jobs and slow economic growth even further.—Mark Zandi, Moody's

## How U.S. Businesses Prosper Without Hiring

From 2000 to 2009, major multinational corporations cut U.S. employment by 2.9 million and hired 2.4 million workers overseas. The previous decade, those same corporations added 4.4 million jobs in the U.S. and only 2.7 million overseas.

GE CEO Jeffrey Immelt, a member of President Obama's Economic Task Force, says U.S. corporations go global, not for cheap labor, but because that's where they find new markets. "Today we go to Brazil, we go to China, we go to India, because that's where the customers are." Why are there customers in those nations, but not in the U.S.? Because there are no jobs here anymore. Duh!

The largest 500 publicly traded companies in the U.S. get roughly 47 percent of their revenue from outside the country—making the unemployed irrelevant as consumers and burdensome because they're no longer taxpayers.

## IKEA Workers Win Landmark Victory in Virginia

Workers at an IKEA factory in Danville, Virginia voted 229-61 for representation by the International Association of Machinists Woodworkers affiliate. The late July vote came after the IAM had collected more than 100,000 signatures from IKEA shoppers to complain about the company's treatment of its workers.

IAM President Tom Buffenbarger credited courageous work by the Swedwood IKEA workers themselves for the positive outcome in a right-to-work state, along with help from American Rights at Work and Change.com. "A large number of unions and organizations joined this struggle to help Swedwood workers win their fight for justice. That's what solidarity is all about," Buffenbarger said.

## USW Applauds Board Action Directing Ky River to Bargain

The Kentucky River Medical Center has settled with the National Labor Relations Board to end an epic 13-year struggle with USW, clearing the way for the parties to negotiate a first-contract with the company's nurses.

The private health care facility has agreed to a consent order that calls for the company to reinstate a number of workers, expunge records of suspension and pay \$300,000 in back pay. The agreement further sets up a \$75,000 escrow fund to cover fines that the company may recover if it fully complies with the settlement.

"This case is a perfect example why the new rules proposed by the NLRB are absolutely necessary," said USW International President Leo W. Gerard. "The representation process is in dire need of ways to streamline and speed up unionization. The current system in place allows corporations like Kentucky River to deny employees basic rights for 13 years by successfully using delaying tactics."

The Jackson, KY, company must devote a minimum of 54 hours a month in negotiations over the next six months in an effort to reach a first contract. Also, as part of the settlement, union members on the bargaining team will be paid their full wage for time spent in negotiations up to 162 hours.

The consent order flows from a contempt finding by a U.S. District Court, which ruled that the company had refused to bargain in good faith, illegally fired three union activists and suspended another, refusal to reinstate the fired workers despite valid Board orders to do so, and unilaterally changed working conditions of the bargaining unit.

"This is a great victory for our union and its members," said USW District 8 Director Ernest "Billy" Thompson. "We kept fighting when, because of the process, it would have been easy to quit any number of times. We now look forward to working with our members and negotiating their first union contract, which they elected to bargain 13 years ago."

The name "Kentucky River" is associated with a group of cases that resulted in a sweeping 2006 interpretation by the Bush NLRB and a Supreme Court decision that threatened union representation for nurses who assigned work to other nurses or "responsibly directed" the work of other nurses.

## Issa Measure Would Undo Collective Bargaining in USPS (con't)

Reform bill sponsored by Rep. Darrell Issa that would instead attack collective bargaining rights for postal workers. The mechanism is a provision that would create a "Solvency Authority" within the Postal Service that would empower "emergency managers" who could unilaterally modify the collective bargaining agreement.

The language in the Issa bill is virtually identical to a controversial law adopted earlier this year in Michigan which strips bargaining rights for public workers if a fiscal crisis is declared, according to an analysis of the bill by the Center for American Progress (CAP).

USPS and all three unions have offered several alternatives to head off the September 30, 2011 deadline they face to come up with \$5.5 billion for the prefunding mandate, including suspension of current employer payments to the Federal Employee Retirement System, an

increase in postal rates, an expansion of USPS retail operations, or a combination of all three. None of those alternatives are contained in the reform bill.

The CAP report asserts that Rep. Issa appears motivated by an anti labor ideology. The congressman went so far as to call a hearing to criticize the postmaster general for negotiating a contract with a USPS union that saved "only" \$3.8 billion over the next four-and-a-half years. Rep. Issa thought the contract should have included even more concessions from the union, arguing that "costs must be reduced to align them with falling mail volume and declining revenue projections."

Issa is also battling with APWU over ads the union is running pointing out that USPS is a self-funded operation, not costing taxpayers a cent. Issa wants the ads withdrawn. APWU said, "No way."

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## Local Union Activists Explore New Political Tacks

Unions on the West Coast are preparing to shake up the political picture by asking candidates: "Which side are you on.... Main Street or Wall Street?"

The effort reflects a deepening distrust of both major parties.

The National Nurses Union, for instance, is unveiling a plan to unleash nurse power at town hall meetings across the country to demand that politicians take a side and stick with it, according to the union's executive director Rose Ann DeMoro. The San Francisco Chronicle quoted DeMoro as saying: "It's not about Obama or the Republicans, it's about the system."

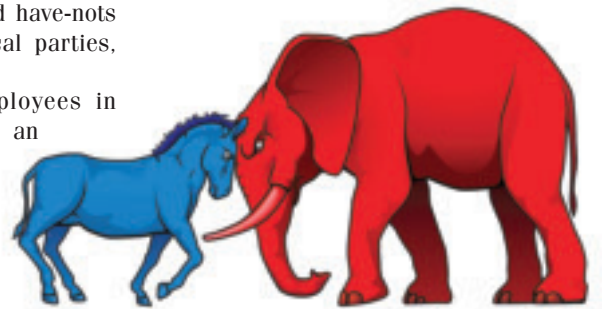
You can't narrow the wealth gap between America's haves and have-nots by going through the political parties, she said.

Meanwhile, Service Employees in California have entered into an alliance with doctors, dentists and real estate professionals to recruit moderate candidates from both the Republican and Democratic parties in state elections.

The 2012 California primary will feature a unique new "top two" system that will enable the top two vote getters—regardless of party—to face off in the general election.

The new independent expenditure organization, calling itself "Californians for Accountability and Responsibility," expects to have at least \$500,000 in the bank by August—and between \$3 million and \$5 million to back candidates in the 2012 primary.

They're planning to support a handful of candidates—Democrats and Republicans—who are not the extreme of either party.



# Deficit Obsession (con't)

addressing the nation's sagging infrastructure and restoring tax fairness?

Instead the political dialogue is dominated by a conservative philosophy obsessed with cutting the deficit even when it is evident that the "cure" will kill even more jobs in the process. The budget plan pushed by the Republican House Majority and their Senate colleagues—with its trillion dollar cuts—would, according to economist Mark Zandi, destroy 700,000 jobs and slow economic growth significantly.

For everyday Americans the real issue is jobs, good jobs that bolster the economy and reset the federal budget with growth, not cuts.

In an attempt to reverse the dialogue, the AFL-CIO sponsored a job forum on

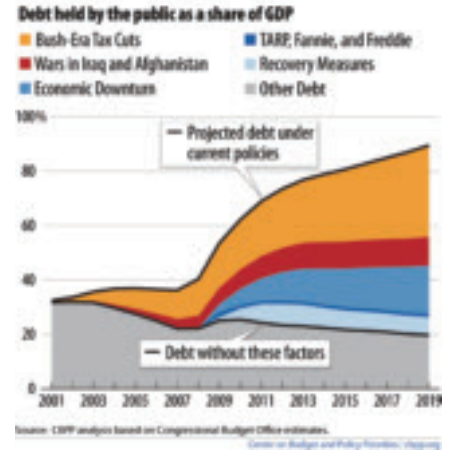
of joblessness and underemployment become the norm," Herbert said.

"I want to see decent, safe jobs for all Americans. I don't want a handout. I just want a fighting chance," said unemployed Working America member Shonda Sheen, from Yellow Springs, Ohio.

The June job numbers released by the U.S. Department of Labor paint an alarming picture: only 18,000 jobs were added to the nation's economy in June, indicating that the recovery is essentially stalled.

"We cannot get our fiscal house in order until we get America back to work," said Heather Boushey, Senior Economist for Center for American Progress. "Yet the debt-ceiling conversation is happening even as the June jobs numbers show that the labor market

## Tax Cuts, Wars Account For Nearly Half Of Public Debt By 2019



consumers. Without good jobs or shared prosperity, corporations won't spend and our economy can't prosper.

"We have a jobs crisis of epic proportions and in order to solve it – we must create a movement of enormous proportions," said AFL-CIO President Richard Trumka. "This summer working people will be out holding politicians accountable. But that is just the beginning of what we must do. Workers and communities must work together for an economy built on good jobs."

"One of the keys to continuing our economic recovery is growth," said Sen. Al Franken. "By creating high-wage, high-skill jobs, we can grow our middle class and our economy, improve people's lives, and expand our tax base at the same time. My partners in the labor community know that job creation is the smartest investment we can make as a nation."

Rep. Sander Levin said, "Blaming the unemployed for the persistent high jobless rate isn't a prescription for the economy. We need to renew proven measures, such as the advanced energy manufacturing credit and the Build America Bonds program, which helped finance \$181 billion in infrastructure projects in the last two years. And we must rein in China's manipulation of its currency, which costs American workers hundreds of thousands of jobs."

**APT DESCRIPTION:** Referring to the Republican budget-cutting agenda, Rep. Ed Markey (D-MA) said, "The Republicans are suffering from a deficit attention disorder."

July 11, 2011 in Washington. Moderated by former New York Times Columnist Bob Herbert, the session titled "The Jobs Crisis — Moving to Action: A Dialogue Between Workers and Policymakers," drew a sharp contrast between the policies that got our country in this economic crisis and are currently being advocated to get it out, and what is needed in order to spark a real economic recovery.

"America as we've come to know it—a vibrant, prosperous nation with a vast and growing middle class—cannot survive if the current, tragic levels

is moving in the wrong direction. This should be a sobering wake-up call to policy makers that addressing the jobs crisis should be priority number one."

The forum noted that many in Washington continue to tout deregulation and tax cuts as the way out of the economic hole the country is in, without acknowledging the role that those policies played in creating the current economic conditions. The strategy to encourage corporations to spend their billions of dollars in profits is doomed when politicians don't first acknowledge the truth that working people drive the economy as



## All Occasion Cards from Union Printers

Homestead Cards in Portland, Oregon offers greeting cards for all occasions with a union label. Members of the Teamsters Graphic Communications Conference can design and print custom made cards for organizations or individuals for all occasions—holidays, thank you notes, special events and much more. And the cards proudly display the GCC/IBT union label. For the full range of offerings, go to the Homestead catalogue at: [www.nationsprint.com/clients/homesteadcards/catalog.cgi](http://www.nationsprint.com/clients/homesteadcards/catalog.cgi)





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TIME VALUE

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# EndNotes

By Rich Kline, *President, UL&STD*

## ***The Job You Save Could be Yours***

**BUY LOCAL,  
BUY AMERICAN / BUY UNION**



If you have been wondering what the average citizen could do about the country's rising unemployment levels, here's a thought. Get your local school board, city,

town or borough council to initiate a Buy Local/ Buy American/ Buy Union policy whenever possible.

With consumer spending proving inadequate to energize the economy, government spending at the local level can be a big help.

Unfortunately, the Colombia, Korea and Panama Free Trade Agreements that the Obama administration supports call for restricting Buy

American programs. But pushing for local government buying programs that put Americans to work is still a good idea. If these programs become widespread maybe our lawmakers and trade negotiators will fight harder to keep them from being barred.

We are in a cycle of rising unemployment, increasing layoffs, falling confidence in economic growth and each negative event aggravates the next.

With the federal government stalemated on economic progress, anything we can do at a lower level would be helpful.

If you need help wording a resolution for your school board or local elected officials, we have some sample language that you can use. Bring some like-minded people to support your resolution when you present it.

### **A SAMPLE RESOLUTION**

We are all our neighbors' keeper. Economic decisions ripple out from the point of purchase through our communities and ultimately into the national economy.

When we choose to buy American, buy union and buy local—from employers, produc-

ers and merchants who are our neighbors—we enrich our own local economy and we help strengthen the fabric of our nation.

The purpose of this (School Board, County Commission, Borough, Township, City or State) is to protect and advance the welfare of the citizens within its jurisdiction. Economic wellbeing is one of our community's most fundamental needs.

Therefore, whenever this (Board, Council, Commission, Borough, Township, City or State) considers spending decisions, its first priority should be to focus our community's purchasing power for maximum positive economic impact on our own jurisdiction.

To accomplish that end, this (Board, Council, Commission, Borough, Township, City or State) should prioritize its acquisition decisions by establishing a ranking that would give preference to goods or services that are: (A) American-made or predominantly comprised of American components; (B) provided by an enterprise whose employees are represented by a union; and (C) offered by a provider from this jurisdiction.