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the rank and file in action

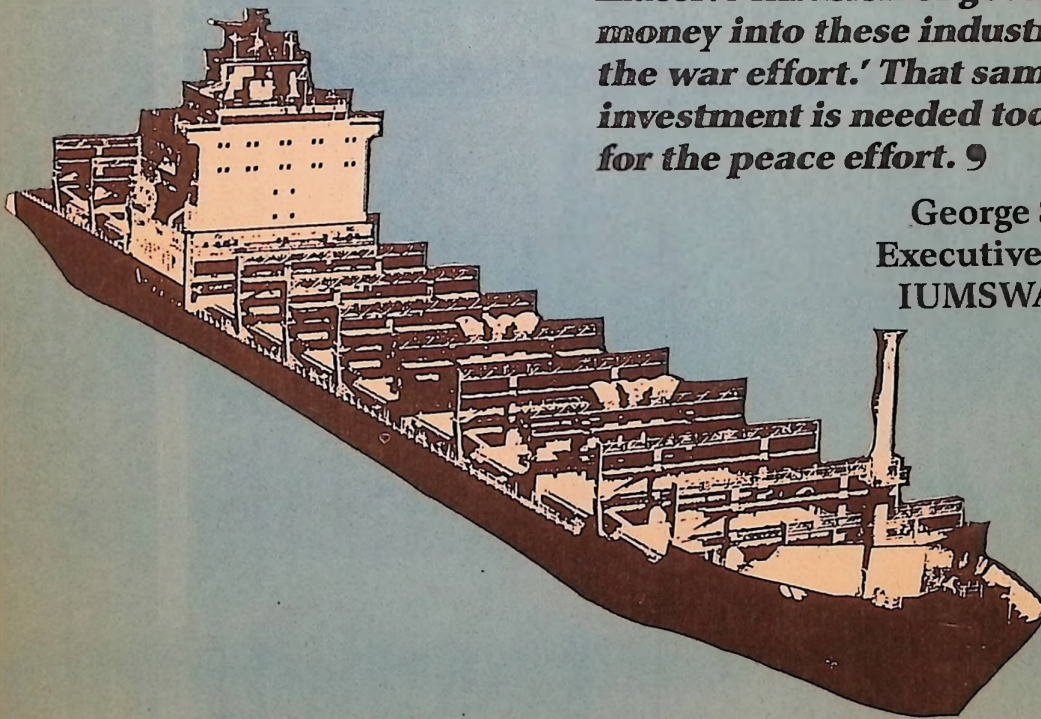
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# Labor today

VOLUME 26, NUMBER 4

WINTER 1987



**6 During World War II, the U.S. government built whole shipyards and steel mills. There was a massive infusion of government money into these industries 'for the war effort.' That same kind of investment is needed today, only for the peace effort. 9**

**George Samanc  
Executive Secretary  
IUMSWA Local 9**

## Todd shutdown threat

see page 1



## Todd Shipyards cry "Bankrupt!" Local 9 Fights to Save Jobs

Todd Shipyard Corporation has declared bankruptcy. Based on Section 1113 of Chapter 11 of the Bankruptcy Code, Todd is demanding that Shipbuilders Local 9 re-open the contract to find ways to make the company viable. "Even if we give them all the takeaways they are demanding—and they're asking for our hides—we still won't have any assurances that they'll remain open," said Executive Secretary George Samanc.

Unfortunately, this type of maneuvering by "troubled" industries is becoming commonplace. And Local 9's dilemma is not unique. Electronics factories, steel mills, grocery stores, local schools, auto plants and shipyards are all common targets of the national shutdown epidemic. Who's behind it? Why? What can be done? These are all questions Brother Samanc, the Executive Board and the 1400 working members of the Los Angeles-area local are trying to answer.

**Q: Is the Company really bankrupt?**

Now that we have won the right to be on the creditor's committee, we are in a better position to find out. But these large, diver-



Recent rally at Todd Shipyard

It'll be a long time before cargo is hauled any other way. The problem is that U.S. corporations have invested their capital in shipbuilding ventures in South Korea, Taiwan, other low-wage areas. Workers there are fighting against brutal repression of their unions and work for near slave wages. Safety and health regulations are far below U.S. regulations. This is critical in an industry as hazardous as shipbuilding. Workers are exposed to asbestos, paints, dust, sand and many other hazardous materials and conditions. These ships are then registered under foreign flags and leased to U.S. shipping companies.

**Q: If these conglomerate corporations can shut down at will or pick up and leave with entire industries as enormous and as complex as shipbuilding, what can be done to stop them?**

First of all, we need to enforce the laws already on the books. In the 1920's a piece of legislation was passed called the Jones Act. It states, in effect, that any ship that carries cargo between U.S. ports and/or a certain percentage of government-impelled cargo (U.S. aid to other countries) and/or receives operational subsidies from the U.S. government must be a U.S.-built ship. However, since the Reagan Administration,

the provisions of this law have been consistently waived and the construction subsidies in shipbuilding have not been funded since 1981.

Secondly, we have to demand that the shipbuilding industry be revitalized. We're working with our elected officials—locally, statewide, nationally—to find ways to do that. Most important to us is the expansion of trade and the lifting of discriminatory trade restrictions. Obviously, to conduct massive trading of goods between our country and most others, you need ships.

continued on page 3

**6 U.S. corporations have invested their capital in shipbuilding ventures in South Korea, Taiwan, other low-wage areas. We have to demand that the shipbuilding industry be revitalized here. 9**

sified corporations are getting very good at hiding their money.

While Todd shutdown their San Francisco and Seattle shipyards last year, and are threatening the Los Angeles and New Orleans yards, they have invested heavily in Arrow Machine Tool, a profitable corporation based in Ohio. This part of their operation remains outside of Chapter 11. It's similar to LTV claiming they're losing money in steel while investing and receiving a return of millions in military hardware.

They're going to try to prove to the banks that they've reached a certain "threshold of unprofitability" in their Shipyard Division. And in the meantime, they want to get as much as possible out of us with no guarantees about how long the operation will continue.

To complicate matters, there really is no commercial shipbuilding going on in this country.

Right now, Todd is totally dependent on Navy contracts. The last commercial ship—the last—was recently completed in Sturgeon Bay, Wisconsin's shipyard. That means there is no work left for those of us who have spent our lives building and repairing commercial ships.

**Q: Why not? Certainly ships are still used to haul cargo. Not all commercial ships are luxury liners cruising across the oceans. . .**

## Kenosha Workers Demand Justice

Thousands of autoworkers supported by other trade unionists and political representatives rallied in Kenosha, Wisconsin in early February to protest the announced closing of the Chrysler plant there. They cursed corporate America's concern with profits before people and vowed to fight to keep the plant open.

"We want justice in this country and, goddamn it, we're going to get it," said Kenosha Mayor Eugene Dorff, himself a 25-year veteran of the Chrysler plant whose

closing would shut out over 5000 workers in this small town. Presidential candidate Jesse Jackson pledged his support at the rally and encouraged the workers to draw the line against corporate violence. "Don't surrender. Don't let them break your spirit. We must come here by the tens of thousands to tell Chrysler, GE, GM, IBM and Cargill: Stop putting profits over people."

UAW Local 72 organized the massive solidarity rally. A spokesman for the union said, "Our local, our community, the en-



SUN-TIMES/Tom Cruze

tire state is united in this fight against the company. We want to bring national attention to Kenosha because the same thing could happen anywhere, anytime."

After moving to Kenosha from the Belvidere, Ill. plant and promising to stay open for 2 to 5 years, Chrysler will now move production to the Jefferson Avenue Plant in Detroit. "It's the classic Corporate game of pitting worker against worker, state against state," said a St. Louis UAW member who traveled all night to attend the rally. "As long as big business can do what it wants, they'll go on doing this forever. They've got to be hit where it hurts—in the pocket—to end this kind of thing."

Kenosha is investigating a lawsuit against Chrysler. Even though Lee Iococca, Chrysler's chairman, says it will repay Wisconsin taxpayers for the money they extended for the Kenosha plant, the union is not satisfied. "We want the plant to stay open. We want our jobs," said Rudy Kuzel, Chief Negotiator for Local 72.

Mayor Dorff agreed. "We are willing to jam the streets of Kenosha with people from around the country to make a point to Chrysler. Today, corporate rape stops here. We are going to fight back."



# Public Ownership means

## History favors U.S. Government control of industry

by Diane Stokes

"And a homeless hungry man, driving the road with his wife beside him and his thin children in the back seat, could look at the fallow fields which might produce food but not profit, and that man might know how a fallow field is a sin and the unused land a crime against the thin children..."

John Steinbeck  
The Grapes Of Wrath

When the stock market crashed in 1929 and the economy veered into the Great Depression of the 30's, over 50,000 banks were closed along with a large number of businesses. Industrial production fell by 50% and by 1933 over one-third of the labor force was unemployed.

Factories' gates were locked, clothing and consumer goods were shut into warehouses and food lay rotting on the land or hidden in storage. The owners of these goods would not sell them below an "acceptable profit." The unemployed could not buy the necessities of life, but they were blamed for the crisis.

Henry Ford spoke with the arrogance of the industrialists shortly before he laid off 75,000 workers in 1931. "The average man won't really do a day's work unless he is caught and cannot get out of it. There is plenty of work to do if people would do it."

After years of intense struggle, labor and the unemployed organized a massive movement that wrung reforms from the government and the robber barons. Although these reforms were necessary for the very stability of the economy, they were branded "unpatriotic" and "communistic". The reforms were attacked by the banks and big business because they allowed the public sector, or government, to have limited controls over

parts of the private sector, or business.

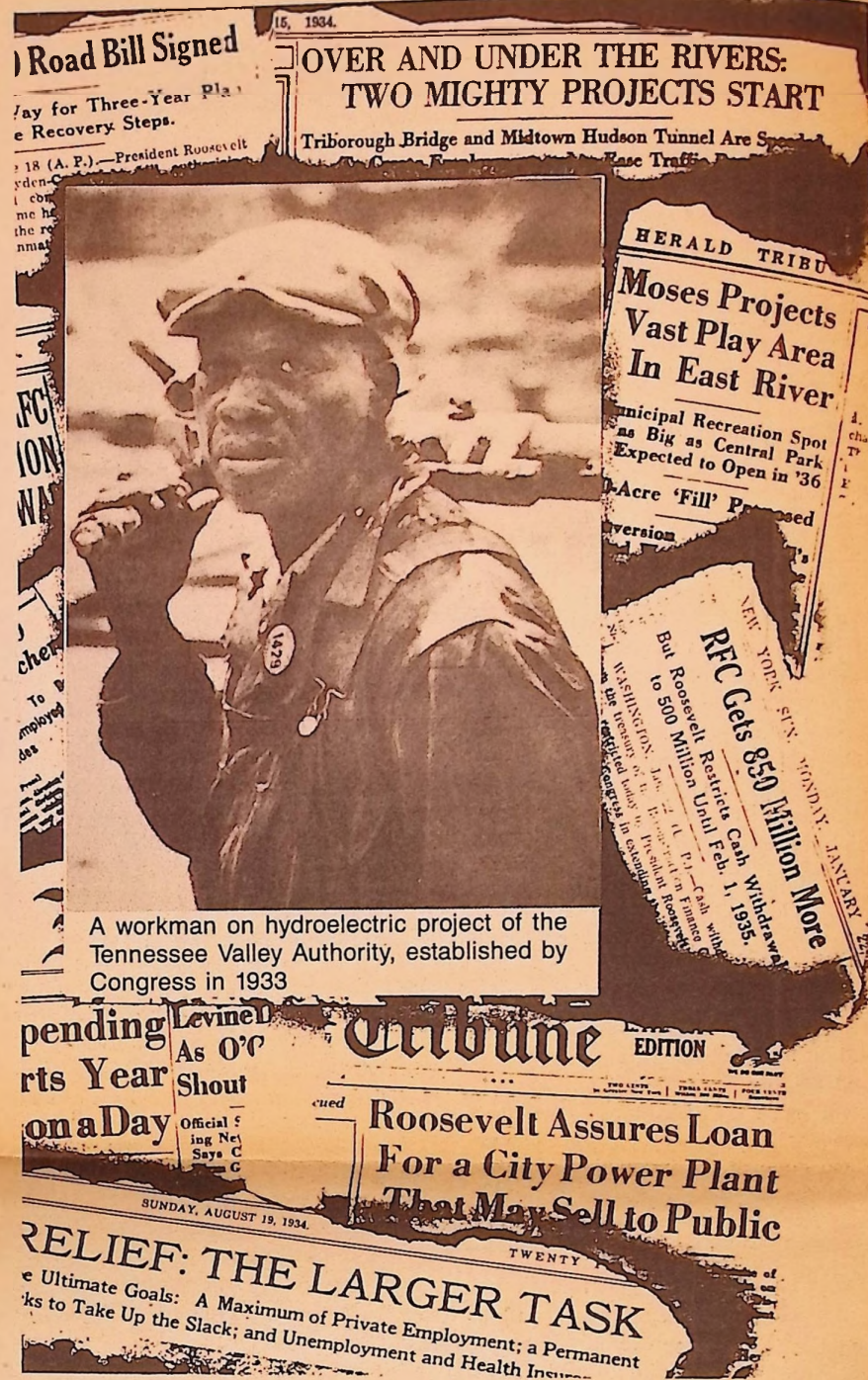
Before the New Deal of President Franklin Roosevelt in the middle 30's, the unemployed were left to starve. This was years after all other advanced industrialized nations had developed social insurance programs. England had National Unemployment insurance by 1911. As early as 1891, German citizens had gained old-age insurance. The U.S. had no programs of unemployment insurance or old-age insurance until 1935.

One-third of the nation lived in inadequate housing during the height of the depression. Homeless workers migrated or lived in shacks and tents called "Hoover-villes" while their repossessed homes and farms stood empty. By 1937 the working class won public housing under the United States Housing Authority (USHA).

The program was based on European housing developments built decades earlier. Loans were granted by the national government to local housing authorities set up by city or county governments. Construction costs were restricted by law and rents were kept low. The program was highly successful here, though it was not extended far enough.

One of the most controversial reforms of the New Deal was the Works Progress Administration or WPA. Under this program, the unemployed were hired to work at jobs suited to their training and skills. Money for the WPA came from higher taxes on big corporations. The WPA built thousands of miles of highways, roads and streets as well as thousands of public buildings, schools, hospitals, bridges, parks and public works of art.

By 1939, after only six years, the WPA was ended. Although workers' wages had been below prevailing rates, they had created public works of permanent value, learned useful skills and stimulated the economy. Because the program was funded by progressive taxes on the wealthy, the rich



A workman on hydroelectric project of the Tennessee Valley Authority, established by Congress in 1933

## Norwood, Ohio vs. GM

by Charles Spenser

Several municipalities, on their own initiatives have filed lawsuits to fight plant closings by making it costly for the employer to shut down.

The city of Norwood has filed such a lawsuit against the General Motors Corporation. It seeks to recover \$318 million which Norwood's Mayor estimates are the damages from the plant shut-down last August. (The plant produced Firebirds and Camaros). The city seeks to recover the money it had contributed to induce the corporation to build and operate its plant in Norwood.

The city was unusually generous. There were very liberal tax abatements; street and highway reconstruction, whatever GM fancied; a privileged bridge to expedite cartage; and several other big-hearted bounties and perks.

Long and complex legal battles in the courts are foreseen. Meanwhile, the 4000 auto workers who lost their jobs are living off unemployment compensation (due to run out) and supplemental unemployment benefits. The great bulk of them do not live in the unaffordable suburban city of Norwood. They commuted to the plant from Cincinnati and nearby towns in Kentucky and Indiana.

For some of the Norwood workers, it was their second time around. They had lost their previous jobs when the neighboring Fairfax plant closed down.

UAW Local 674 president Ron Rankin said the union was not directly involved in the lawsuit. "I am working to place as many workers on other jobs as I can. So far we have placed about 100 Norwood workers." But he was not optimistic about the remaining 3000-plus.

General Motors is already operating seventeen plants in Mexico and, according to Labor Research Association, plans to add twelve new plants over the next few years. The wages paid to the Mexican workers are less than \$1.00 an hour. That's the problem. The future of American workers who are impoverished by plant closings is just the other side of the "flight of capital" coin. Millions of workers in South Africa, Mexico, even Canada are battling the transnationals' aggressive profit drive.

Transnational giants such as General Motors will continue to receive even greater challenges to their "right" to move capital (and jobs) abroad.

The Steering Committee of the National Assembly to Stop Plant Closings and Fight for Jobs met in Cleveland on December 5. It recommended a petition campaign to encourage a massive demonstration for jobs in every capitol of the country. Below is a sample that could be circulated at local unions, central labor councils, state federations, unemployed centers, retiree meetings, etc. and sent to the AFL-CIO and affiliates. (CLUW's May 14 family issues demonstration in Washington, DC, endorsed by the AFL-CIO Convention, has been broadened out to include "economic justice." More in our next issue.)



### For a La

We, the undersigned, call for a demonstration and march on... jobs, jobs! We need to give... elections: jobs at decent wages... housing, not homelessness

Let's

Name \_\_\_\_\_

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# US State Department bars visit by Soviet Trade Unionists

Four Soviet trade unionists from Moscow were blocked from visiting the U.S. when the State Department refused to approve their visa applications. This action made a mockery of the spirit of the Reagan-Gorbachov Summit meetings as well as the spirit and letter of the Helsinki Accords.

A discriminatory, anti-union amendment to the U.S. immigration law was used as the excuse to bar the visit. The provision grants discretionary authority to the State Department to bar trade union members from entering the U.S. as trade unionists. This provision has been used almost exclusively to prohibit the granting of visas to unionists from socialist countries and/or World Federation of Trade Union members.

The four Soviet trade unionists were invited to visit the U.S. as guests of Labor Today. They were invited to see how workers in the U.S. live and to exchange views and questions with their U.S. counterparts. The autoworker,

steelworker, university professor and electrician were to visit Chicago, Detroit, Cleveland and Washington, DC.

On three occasions in the past ten years, Labor Today has successfully hosted trade union delegations from the USSR. With the help of several prominent trade union leaders, U.S. Senators and Congressmen, the State Department waived the same provision invoked this time.

Ironically, the day before General Secretary Gorbachov arrived in the U.S., the State Department informed Labor Today that "clearance had been granted" for the Soviet guests. Unable to confirm this with the U.S. Embassy in Moscow, Labor Today inquired again at the State Department and was informed that a "mistake" had been made. The visas were denied — the day after Gorbachov departed.

In addition, the State Department refused to give Labor Today reasons for

the denial and only responded after Senator Paul Simon's office intervened on its behalf.

Along with other democratically-minded people of the U.S., we will continue to fight for the removal of these discriminatory provisions in our immigration laws. Congressman Barney Frank (D-Mass.) is researching further legislation that would remove such bars.

Trade unionists from other countries should be able to enjoy the same rights accorded by our government to visiting diplomats, scientists, artists, students and all other sections of society.

The recently concluded INF agreement illustrates that the disarmament process has begun. It must and will continue. But the road to peace can be built more quickly if it includes more exchanges, more openness, more dialogue with our counterparts from the Soviet Union.

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