

# THE GUILD Reporter

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## 16 years later, Rochester has a new contract

Ending a drought of nearly 16 years, the Rochester Guild has reached a new collective bargaining agreement with the Gannett-owned Democrat and Chronicle. Although local leaders conceded the two-year contract falls short of some of their objectives, they expressed satisfaction at finally having basic workplace protections.

“We have workplace rules that cannot be changed on a whim,” said Steve Orr, the local’s president and an investigative reporter at the paper. “We have the ability to question unfair decisions without fear of retribution, which is more than many other newspaper employees across the country can say. Given the turmoil and challenges in the newspaper industry today, this is no small feat.”

Agreement on the contract, which the local’s 90 newsroom members ratified July 15, followed an 18-month break in negotiations that ended when Gannett announced, mid-June, that it was going to freeze its corporate-wide employee pension plan but enhance its 401(k) plan. Because the change had to be negotiated with Gannett’s unions, the Rochester Guild seized on the opening to re-open broader negotiations.

Most details of the agreement have not been released, but are known to include a modest improvement in layoff and discipline language that nevertheless “falls well short of our initial proposal,” Orr said.

The 401(k) plan, meanwhile, includes a 5% company match and an additional 2% contribution, with no matching funds required, for veteran employees. Wage increases continue to be linked to a merit play plan that the local agreed to long ago. Health care coverage also is unchanged, although Orr said employees’ out-of-pocket costs will rise as the company’s grow.



Guild members at the Baltimore Sun line up behind 100 black chairs, each with a pink slip, symbolizing the latest round of job cuts.



Sun reporter Larry Carson offers market advice to Sam Zell, who “bought” the Tribune chain with borrowed money—a lot of it.

## Newspaper asset bubble has burst

What does the newspaper industry have in common with tulips, biotech companies, IT start-ups and the housing market? Only that all, at various times, have been the beneficiaries and then the victims of valuation bubbles, greed driving up asset prices to intolerable levels before suddenly—and always “unpredictably”—collapsing.

And, always, the collapse ruins the lives of countless thousands who were little more than bystanders.

More than 6,000 U.S. newspaper jobs have been lost in the past year, half of them since the end of May, and the cuts keep coming: among Guild shops, 54 at the Providence Journal, 54 at the Honolulu Advertiser, an unspecified number at the Lexington Herald-Leader and 125 at the San Francisco Chronicle

just this past month. The Baltimore Sun, one of several tarnished jewels in the Tribune chain, whacked another 100, prompting a massive protest outside the Sun’s offices. In Maine, the threat of 20 Guild members getting laid off at the Blethen dailies prompted so many employees to volunteer for unpaid time off that all but two were spared the ax—for now.

Yet despite these and other desperate measures, the nation’s fleet of newspaper chains is sinking beneath the crushing debt it took on during a manic period of industry consolidation. Surviving cyclical and secular market changes requires deep reserves and nimble responses, but most newspaper chains are too weighed down for either.

GateHouse Media, which went public just two years ago and became an instant Wall

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## Big business: champion of democracy?

By Andy Zipser  
Editor, The Guild Reporter

As the CWA, like the rest of organized labor, makes a major push on behalf of the Employee Free Choice Act, big business is beginning to push back—and, ironically, is doing so under the banner of workplace democracy.

The Employee Free Choice Act, or EFCA, has three fundamental elements that labor leaders say are essential for safeguarding workers’ rights to unionize. One would require binding arbitration of a first contract if an employer

and a new union can’t reach agreement within a set period. A

### ANALYSIS

second would increase fines against employers who illegally intimidate or fire employees who are trying to organize a union.

But the provision attracting the most anti-EFCA propaganda is one that would give workers the right to union representation based solely on a majority signing authorization cards. Workers already have that right now—if an employer agrees. But a company also can disregard the authorization cards, and compelling a union to seek a representation election under the supervision

of the National Labor Relations Board.

Put another way, under current law it’s up to an employer to decide how workers will decide whether they’re going to have a union. Under EFCA, the decision of whether to hold an election or to go with a show of hands via card-check would be up to the workers themselves. That might sound like a more democratic approach, but the thought that their employees might skip NLRB elections has business interests in a tizzy.

“The obvious intention and design of the bill is to eliminate pri-

vate ballots as the primary means of certifying unions in this country,” declared Steven Law, chief legal officer of the U.S. Chamber of Commerce. “This is un-American,” echoed Chamber president Tom Donohue, in announcing that defeating EFCA has become the business group’s top legislative priority.

For business interests suddenly to express concern for the democratic rights of the working class is much like that old saw about a talking pig: the wonder is not what it says, but that it can say anything at all. At a time when workers increasingly are treated as liabilities rather than assets, for employ-

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MONICA LOPOSSAY / WASHINGTON-BALTIMORE GUILD

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GUILD REPORTER FILE PHOTO

Baltimore unit chairman Gerald Borstel and unidentified supporters phone Guild headquarters with the results of NLRB voting in early 1965, following a company-inspired attempt to oust the Guild by creating a competing company union, the Sunpapers Employees Association. The final tally: the Guild, 444; SEA, 181; "no union," 18.

## Union activist and newsman dies, 84

Gerald H. (Jerry) Borstel, a lifelong newspaperman and supporter of union causes for many decades, died July 22 at the age of 84.

Following short stints at a college paper and two community weeklies, Borstel went to work for the Baltimore Sun in 1955 as a copy editor and layout man. He soon joined the American Newspaper Guild and became active as the local's grievance chairman, secretary and vice president and

president, playing an instrumental role in bringing about the 1964 merger of the Baltimore and Washington locals.

The following year, as president of the Baltimore unit of the merged local, Borstel repelled a company-led attempt to replace the Guild with a company union. The company had hoped to drive a wedge between the unit's leadership and members unhappy with the merger, and although the Guild handily won an NLRB-supervised election, 444-181, the attack foreshadowed the exceptionally contentious negotiations lying ahead.

Sure enough, bargaining soon hit impasse, forcing Borstel into leading his members out on strike. The 48-day walkout forced the Sun to suspend publication for the first time in its 120-year history, resulted in improved wages and benefits for its Guild-represented workers and won Borstel local and international awards for his leadership.

Seeking a career change after the strike, Borstel left the Sun in 1966 to work in the publicity department of the International Union of Radio, Electrical and Machine Workers, now affiliated—as is the Guild—with CWA. There he wrote for and was soon named editor of the IUE News and became department head a few years later. Borstel retired from the IUE in 1989.

Survivors include two sons, Christopher L. and John A.; a brother, Robert W.; and two granddaughters.

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## Guild briefs . . .

### More than \$200,000 won

The Philadelphia Guild has won more than \$200,000 in back pay on behalf of six advertising sales reps who were fired by Philadelphia Newspapers without just cause. The award followed the local's successful challenge of the dismissal last November of Eileen Bowman, who had been with the company more than 20 years, with arbitrator Ralph Colflesh ordering that Bowman be reinstated and made whole with all back pay and benefits. Philadelphia Newspapers subsequently settled another five similar arbitrations; three of the grievants chose not to return but also were made whole for lost wages.

### ProJo looks to cut 54 . . .

The Belo-owned Providence Journal is offering voluntary buyouts to about 260 Guild-covered workers as part of a corporate-wide reduction in force. The buyouts are targeting 20 job titles that the company believes are overstaffed, with a goal of cutting up to 54 workers by Sept. 12. Terms of the offer include 1.5 weeks' pay for each of the first 15 consecutive years of service and 2.5 weeks' pay for each year of service thereafter, to a maximum payout of 40 weeks, plus payment to cover six months of medical insurance. "This marks the end of the Journal as we have known it," said Guild President John Hill. "We will still have a quality newspaper, but it will be significantly different from what existed as recently as 10 years ago."

### . . . as SF Chron whacks 125

The Hearst-owned San Francisco Chronicle has announced it intends to reduce payroll by 125 positions and is offering a buyout package similar to the last round of cuts. The buyout offer, which runs through Aug. 22, includes 2 weeks' pay per year of service, with a minimum of 4 weeks to a maximum of 52 weeks; COBRA commensurate with weeks of service, with a minimum of 2 months to a maximum of 12 months; and uncontested unemployment benefits. If there aren't enough takers, the company said, layoffs are likely.

### Another Hearst on-line dodge

The Albany Guild has filed a grievance against the Hearst-owned Times Union for making a new "design director" of an online product an exempt position. The local's action follows a similar Guild challenge at the Hearst-owned Seattle Post-Intelligencer that ended in a court decision favoring the Guild, and echoes questions that are being raised at the Hearst-owned San Francisco Chronicle over online jobs that management is proposing be excluded from Guild jurisdiction.

### Monterey unit ratifies

Members of the Newspaper Guild in Monterey ratified their new contract July 24. The agreement includes annual pay increases of 1% and a 1% annual allocation to the merit pool, as well as an employer match to the 401k plan and a new severance benefit for laid-off employees. The contract also provides that base pay for ad department employees will average 75% of total earnings.

### New pact: annual 6% raises

The dozen or so employees at the advocacy group American Rights at Work unanimously ratified a new three-year contract that includes annual 6% raises. The agreement also upgrades salaries for three positions, extends Washington-Baltimore Guild jurisdiction to cover temporary employees and protects against consultants being hired to do Guild work. Other improvements include doubling of layoff severance; compensatory time for working weekends; and doubling—to \$2,000 annually—the individual education reimbursement.

### Rallies yield new contract

After several weeks of rallies and protests, the Washington-Baltimore Guild won a new three-year contract with Casa of Maryland that increases wages 4% a year and provides health insurance for dependents for the first time. Upgrades for several

positions and a 5% increase for employees making less than \$32,000 boosts the overall first-year increase to 4.8%. Other gains include increased time off for exempt employees; increased money for education and training; increased notice in case of layoffs; guaranteed two days off for employees regularly scheduled to work weekends; compensatory time for overtime-exempt employees required to work holidays, and four weeks notice for holiday work. The new contract, which covers approximately 45 workers at the immigrant support organization, was overwhelmingly ratified July 18.

### Prepping for a reader strike

Unionized employees at the Honolulu Advertiser are passing out pledge cards asking readers to cancel their subscriptions in the event of a strike. The Hawaii Newspaper and Printing Trades Council represents 600 people at the paper's six unions—including the Guild—who have been working without a contract for more than a year. It plans to distribute 100,000 of the cards.

### Workers asked to skip raise

Citing industry-wide problems, management at Philadelphia Newspapers has asked its unions to decline a \$25-a-week raise scheduled to begin Sept. 1. Guild leaders say they are evaluating the situation and will provide members with at least five days' notice if they decide a membership meeting is warranted; because the increase is a contractual item, any change will require a membership vote.

### CBC yields on diversity beef

The Canadian Media Guild has reached a settlement with the Canadian Broadcasting Corp. on the first grievance ever filed under its "Employment Equity and Diversity in the Workplace" contract provision. The grievance was filed on behalf of an employee who had worked continuously at CBC for nearly three years on a non-permanent basis but was not offered a position, even though she had been praised for her performance and the work she was doing was to continue for some time. The Guild asserted that she should have been given special consideration because she was at least as qualified as others seeking the work and is a woman of color in a classification and area where people of color are under-represented.

### Moving from 2-tier to 2%

The Southern California Media Guild defeated an effort by MediaNews to set up a two-tier wage scale at the Long Beach Press Telegram, instead receiving a pay-raise offer of 2%—hardly robust, but an improvement over the zero percent that had been on the table for more than a year. An agreement still seems out of reach, however, because of company demands for outsourcing rights. Meanwhile, Harry Saltzgaver, associate publisher of several MediaNews newspapers in the region, told a local business association in late July, "In case you didn't know it, the PT is dead."

### Radio complaint shot down

An administrative law judge has rejected claims that the Washington Post illegally refused to bargain with the Washington-Baltimore Guild over assigning employees to work on the now defunct Washington Post Radio and on the Onion, a satiric paper. Guild leaders said the ruling "turned on seemingly obscure language about mid-term bargaining that was inserted into the 1995 contract" despite Guild opposition. The judge did find, however, that the Post had failed to provide the union with information to which it was entitled. At press time, local leaders were reviewing the decision to determine whether to file an appeal with the full NLRB.

### New AO in Philadelphia

The Philadelphia Guild has promoted Bill Ross to administrative officer, following Frank Santafede's retirement, and has named Rita Dooling its office manager and administrative assistant. Ross, a 20-year union staff member, got his start as a Teamster and was first hired by the local in June, 2000.

# Newspapers no longer cash machines

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Street hit by paying hefty dividends, reported a second-quarter loss of \$430 million, suspended those rich dividends and became the third newspaper company to be delisted by the New York Stock Exchange in recent months. Its shares recently were trading for 69 cents apiece—down from a high of \$22.

The Sun-Times Media Group, which earlier this year slashed expenses “to the bone” by more than \$50 million, is seeing double-digit percentage drops in revenue each quarter and is publicly questioning its own survival. Its shares have been selling for around a quarter apiece, adding the Sun-Times to a growing roster of newspaper companies who stock sells for less than a copy of the paper.

Privately owned Philadelphia Media Holdings, which operates the Guild-represented Philadelphia Inquirer and Daily News, got its creditors to agree to hold off on seeking a default declaration until Sept. 10 so it can try to get its house in order. Its proposed remedy? Asking its unionized employees to forego the \$25-a-week raises that are scheduled to kick in next month. The whole operation is so rickety that the company’s debt is trading for less than 50 cents on the dollar and sinking steadily.

Journal Register Co. won similar forbearance from its creditors, who are allowing it to skip interest payments until November. But

Standard & Poor’s downgraded its debt to the lowest possible rating, “D,” which typically is a prelude to filing for bankruptcy protection. Its shares were being quoted on the over-the-counter market for less than a nickel apiece, although JRC reports that it now has only 131 shareholders, so the price is moot.

Even more substantial newspaper companies, like McClatchy and Lee Enterprises, have hit historic lows in stock trading, with Lee dropping below \$3 a share and McClatchy closing in on \$4. Concurrently, Fitch Ratings downgraded McClatchy debt deeper into junk-bond territory, rating it as “highly speculative” and with a “limited margin of safety.” McClatchy was wounded by continued earnings deterioration, with profits slumping almost by half in the second quarter from the first and no signs of a turnaround in the near future. Lee, meanwhile, reported per-share earnings for its most recent quarter fell to 6 cents a share, from 49 cents a year earlier.

Avista Capital Partners, which bought the Minneapolis Star Tribune just last year, now wants out and is looking for someone to buy the \$400 million in debt it took on to finance the purchase. But with its senior debt trading at around 50 cents on the dollar—and second-tier debt significantly below that—Avista’s prospects are not bright.

What all these companies have in common is substantial leverage at a time when



AMY DAVIS / WASHINGTON-BALTIMORE GUILD

**Tanika White, co-chair of the Sun's Guild unit, contends that ongoing newspaper job cuts result in “a community without eyes.”**

advertising and circulation revenue are declining, raising serious questions about how they will be able to afford debt payments. And this list doesn’t even include the two biggest debt-burdened newspaper owners, MediaNews and Tribune Co., with the latter so heavily leveraged its survival beyond next year is being questioned. MediaNews,

meanwhile, has started selling newspapers in an attempt to generate much-needed cash.

Publishers are quick to blame the internet for their woes, claiming that readers—and the advertisers seeking their eyeballs—have been defecting to the new medium at an accelerating pace. That much is true, of course, but less readily acknowledged is a decades-long view of newspapers as cash machines that would continue generating 20% and 30% profit margins for—well, maybe forever. High margin expectations led to higher prices, as newspapers changed hands with growing frequency: the Philadelphia dailies, for example, have had three owners in three years. But in most cases the only way to afford those high prices was to take on enormous debt—and when profit margins dropped in half, or less, the cash flow to meet debt obligations suddenly evaporated.

Just like a homeowner with a subprime mortgage who can no longer refinance his way out of a financial squeeze, the nation’s newspaper owners—private and public—are facing foreclosure. Like such homeowners, they are cutting all possible expenses. But the analogy breaks down at that point because the cuts newspapers are making—typically including payroll, page count and press run—are their very stock in trade. It’s as though a homeowner tried to lessen his mortgage by shedding his roof, windows and doors.

## To see newspaper kabuki, go to Maine

Yet another high-stakes newspaper struggle, pitting debt-burdened owners—and perhaps buyers—against employees struggling to preserve their jobs and incomes, is unspooling in Maine. And as is so often the case, the result can be a confusing mix of contradictory claims and threats.

The Blethen family, more widely known for its equally troubled stewardship of the Seattle Times, is trying to unload its daily newspapers in Portland, Augusta and Waterville, as well as some smaller non-daily publications. It appears to have a potential buyer. But its financial situation apparently is so dire it is undergoing its fourth round of layoffs in the past year, is reducing page count to save on ink and paper and is arguing in court that its Guild contract can be deep-sixed by a new owner despite contract language that says otherwise.

Indeed, a nine-page affidavit by Charles

Cochrane, the Blethen family’s chief executive in Maine, contends that the company is losing so much money it may have to shut down its Maine dailies if it doesn’t sell them soon. And such a sale, the affidavit contends, is “highly uncertain,” further increasing the importance of a court decision allowing the new owners to disregard the Guild contract.

Outside the courtroom, however, the weather is entirely more sunny. The Blethen interests have signed a letter of intent with Maine Media Investments, a consortium of potential buyers, granting it an exclusive period of 60 to 90 days in which to negotiate a purchase. A newsroom visit Aug. 6 by Richard Connor, a Pennsylvania newspaper publisher and one of MMI’s principals, was greeted with a standing ovation by Guild members. And despite all the poor-mouthing, an Aug. 1 headline in the group’s flagship paper, the Portland Press Herald,

proclaimed, “Potential buyers say the Portland Press Herald/Maine Sunday Telegram have a healthy future.”

Meanwhile, Guild members—the union represents about 350 employees in the Blethen group—volunteered to take more than 400 shifts off without pay between now and the end of the year, resulting in only two unionized employees being laid off. “Going into this, there were 20 Guild positions (that were to be cut),” Tom Bell, the local’s president, told a Press Herald reporter. “I think this shows a lot of solidarity among our work force.”

And although the Guild is defending its contract in court—which, it is arguing, is the wrong venue for resolving any contractual issues that should properly go to an arbitrator—Bell also has signalled he is willing to reopen contract talks with a new buyer. “Changes must be made to accommodate their

business plan,” he said, following a closed-door presentation by the investment group.

Aside from the kabuki dance in Maine, the outlook for Blethen looks increasingly bleak. Cochrane’s affidavit asserts that the company is losing money at an accelerating rate and that the possibility of a Seattle Times default on debt is growing. Meanwhile, the Pacific Northwest Guild last month opened contract talks with Seattle Times management. While the local presented a modest set of proposals, in hopes of reaching a quick settlement, “frankly, some of the company’s proposals may make that very difficult,” it reports.

Further muddying the waters, the Teamsters-represented drivers at the Seattle Times have given 30 days’ notice of their intent to terminate their contract, after which a strike-lockout option will exist. The Teamsters walked the Guild’s picket lines for seven weeks in the winter of 2000.

## Contract prognosis: concessions or strikes

Guild-represented employees at the Minneapolis Star-Tribune gave overwhelming approval to a new three-year contract despite a spirited “vote no” campaign, but negotiations with three other unions at the financially troubled newspaper have collapsed. Meanwhile, Guild negotiations at newspapers in Hawaii and Ottawa are teetering on the edge of a strike or lockout.

The Star-Tribune is owned by Avista, a New York-based private equity firm that bought the paper in 2007 with no prior newspaper publishing experience. The firm has since defaulted on some of its debt obligations and told union representatives it was looking to cut newsroom costs by 10% a year. The new contract appears to achieve that goal.

Approved by a vote of 210-27, the agreement includes a 16-month wage freeze, followed by three semiannual raises of 1% to 1.5%. It also shifts a greater share of health care costs to employees and cuts six newsroom positions. The combination of the wage freeze, minimal raises and higher health costs, argued opponents, could add up

to a 19% cut in real wages over the life of the agreement—and an even bigger hit for lower-paid workers.

Even harsher cutbacks demanded of the newspaper’s three other unions, representing drivers, pressmen and mailers, resulted in a 77-27 vote by the pressmen to reject a tentative agreement. The agreement had already been ratified by the drivers, 83-27, and the mailers, 92-42, but all approvals were conditioned on the other two unions also ratifying. Given the pressmen’s rejection, “all three contracts are dead in the water and management has to start over at the beginning,” according to a union source.

Elsewhere, the Ottawa Newspaper Guild reported that two days of conciliation with the Ottawa Citizen had failed to bear fruit, resulting in a union request for mediation that has been scheduled for Sept. 8 and 9. The following day, Sept. 10, the parties will be in an “open” position, meaning either a lockout or a strike would be legal under Canadian labor law. The local represents 206 employees at the CanWest-owned newspaper.

Although an issue about bylines remains on the table, the main impediment to an

agreement is wages, with CanWest seeking a five-year deal with annual increases of less than 2%. The Guild, noting that the national inflation rate has broken through 3% and is rising, wants a maximum three-year agreement with salary increases of 5% in the first year and 4.5% thereafter.

And in Hawaii, where the local is mired in contract talks at both the Honolulu Advertiser and the Tribune-Herald, a group of prominent local residents is attempting to pour oil on troubled waters. Calling itself Friends of the Honolulu Advertiser, the group is asking Gannett to postpone laying off any workers until contract settlements are reached, and is likewise asking the unions to put aside plans for a strike.

Substantially the same group formed eight years ago to successfully avert the planned closing of Honolulu’s other daily newspaper, the Star-Bulletin.

The Advertiser’s six unions, including the Hawaii Newspaper Guild, have been negotiating under the umbrella of the Hawaii Newspaper and Printing Trades Council. The council earlier this year took a strike vote that was approved, 358-17, but has

never given a required 30-day notice before walking out. But strike talk was in the air again July 16, a day after a bargaining session union representatives characterized as “amiable,” when management unexpectedly announced it was laying off 54 employees, or about 9% of the workforce. Among those fired was Dick Adair, the newspaper’s cartoonist since 1981.

And although company negotiators may have been “amiable,” the revised proposals they put on the table July 15 were anything but. Among the company’s demands are a proposal to allow subcontracting, a two-tiered pay structure that would penalize new employees 25% and a pension plan freeze.

The next bargaining session at the Advertiser was scheduled for Aug. 25

Meanwhile, the Tribune-Herald cut its earlier wage offer by half, to a 1% increase in each of two years, and threatened to keep reducing it the longer talks continue. Management, represented by notorious attorney Michael Zinser, said that its low-ball offer is not based on any economic factors but only on its own “willingness to pay.”

Bargaining in Hilo was set for Aug. 20.

## Industry news

### More work can mean deeper anxiety

As newspaper staffs keep shrinking—some suffering repeated cuts within months of each other—it's not surprising that the survivors feel depressed and guilty. But it's not just the loss of friends and co-workers that is to blame. According to a Norwegian study recently published in the *Journal of Occupational and Environmental Medicine*, the more overtime employees work—something that's more likely in an understaffed workplace—the more likely they are to report depression or anxiety.

### Job insecurity boosts inefficiency . . .

More bad news about how the current economic climate warps workplace dynamics: those lucky enough to have jobs are biting their tongues and tolerating managerial abuse that they otherwise might confront, presumably with unhealthy personal results. A survey of 1,000 U.S. employees by Lake Research Partners for the AFL-CIO found that more than a third (36%) feel pressured by the weak economy to keep working for a bad boss. Leading complaints are that bosses are lazy and dishonest, with between one-fifth and one-third of respondents saying their bosses take credit for their work, don't provide them with recognition for their efforts and don't provide opportunities for advancement.

### . . . and rattles future outlook

Hard economic times also mean, no surprise, that workers grow more nervous about keeping their jobs regardless of how low a profile they might keep. According to a Pew Research Center survey of 2,413 adults, 14% of middle class workers said they were very or somewhat likely to be laid off in the coming year, with another 12% believing it was at least somewhat likely that their companies will relocate and 10% of the opinion that their jobs might be outsourced. Altogether, Pew found, 25% of middle class workers—and 35% of lower class workers—are worried they'll lose their jobs within a year.

### Wage earners feeling the squeeze

Weekly unemployment claims are hitting six-year highs and the overall unemployment rate in July climbed to 5.7%, amid predictions that it could go to 6.5% by the middle of next year. The tightening job market, together with rising inflation—now running 4%-5%—has resulted in significant real wage and benefit losses for most workers.

### Another raid on working class assets

Proving yet again that the managerial class views itself in exceptional terms, some of the largest U.S. companies collectively have shifted hundreds of millions of dollars of executive benefits into rank-and-file pension plans. The move, as explained by the *Wall Street Journal*, lets companies capture tax breaks intended for pensions of regular workers and use them to pay for executives' supplemental benefits and compensation. The disclosure came the same week that the Bush administration signalled it would be receptive to legislation allowing companies to transfer their defined benefit pension plan assets to banks, supposedly because banks would do a better job of investing the assets. Such a move would create a notable conflict of interest for the bankers, whose first fiduciary responsibility is to their shareholders, not to the pension plan participants whose future benefits would be at risk.

### Bill challenges media consolidation

Still battling to overturn a Federal Communications Commission relaxation of ownership rules that will accelerate media consolidation, the Guild and CWA are supporting a bipartisan "resolution of disapproval" (H.J. Res. 79) that has been introduced by Reps. Jay Inslee and Dave Reichert. The House resolution follows similar Senate action to rescind the changes. An online campaign, which urges action be taken by Aug. 30, is at [www.unionvoice.org/campaign/fightconsolidation/like8n2v7j8wtd8?](http://www.unionvoice.org/campaign/fightconsolidation/like8n2v7j8wtd8?)

### Georgia war deadly for journalists

Noting that the death rate of journalists covering the Georgia-Russia conflict was exceeding that of the opening days of the Iraq war—which developed into the bloodiest of modern times for the media—the International News Safety Institute appealed to all sides Aug. 12 to exercise restraint. Five news staff, including four journalists and a driver, were killed in the first five days of fighting; at least 10 journalists were reported wounded.

### Guess who's been skating tax-free?

About two-thirds of corporations operating in the United States did not pay taxes annually from 1998 to 2005, according to a new report from the U.S. Government Accountability Office. Although a greater proportion of large corporations than small ones pay taxes, about 28% of large corporations paid no taxes in 2005; the GAO categorized just 998 of the 1.3 million corporations in the study as "large." The GAO also found that a slightly higher percentage of foreign firms paid no taxes, with 68% sending nothing to the Internal Revenue Service from 1998 to 2005, compared with 66% of U.S. companies.

# Testimony: when even the minimum wage is too much

By Mark Gruenberg  
Editor, Press Associates Inc.

**E**nforcement of wage-and-hour laws, to ensure workers get at least the minimum wage and the overtime pay they deserve, has dropped drastically under the Bush administration, impartial investigators and a low-income workers' advocate told Congress in a mid-July hearing. As a result, low-wage workers are routinely cheated.

In a contentious meeting of the House Education and Labor Committee, investigators for the non-partisan Government Accountability Office revealed how the Dept. of Labor Wage and Hour Division routinely didn't count complaints, sent workers with legitimate gripes to private lawyers and closed almost half of all complaints with perfunctory phone calls to employers.

Kim Bobo, executive director of the Chicago-based Interfaith Worker Justice—which goes to bat in counseling centers for low-income workers nationwide—added that the wage and hour agency is so understaffed that it does fewer probes now than in the year it was founded, 1941. "And wages are stolen," she said.

The only witness who disagreed with the evidence was Alexander Passantino, acting administrator of the Wage and Hour Division, who responded "wrong . . . wrong . . . wrong" on every point raised by the GAO. But even Passantino admitted his agency doesn't handle all the complaints it gets, explaining that although he repeatedly asked for "more resources"—more money to hire more inspectors—he was turned down. He didn't say by whom, or how much more he sought, and he ducked out before reporters could quiz him.

The Wage and Hour Division is supposed to enforce the 70-year-old Fair Labor Standards Act, the law that established the minimum wage and the right to overtime after 40-hour weeks. But low-wage workers are often victims of the lack of enforcement, GAO probers Anne Marie Lasowski and Greg Kutz testified. Moreover, they added, the agency is so understaffed that even when there is enforcement it comes so late the statute of limitation runs out before DOL can file a

complaint, leaving the workers without recourse.

For example, a \$60,000 violation involving 24 workers at a garment factory in Santa Fe Springs, Calif., "was dropped because there weren't enough attorneys available to handle it," Kutz said. Indeed, in a representative sample of 15 cases he probed deeply, half were dismissed because the time for filing expired before DOL assigned a lawyer to the workers.

Lasowski also said it was difficult to tell how well the department was doing its job because DOL kept changing its performance measurements. In the 10 years covered by GAO's report, 1997-2007, 90% of the division's 131 performance measures on how it handled minimum wage and overtime cases "changed every two years," she said. "But there has been a decline in enforcement actions from 1997 to the present," she added, as well as a drop in wage and hour inspectors over that time, from 942 to 732.

That decline, from 47,000 cases in 1997 to 30,000 last year, means the division is handling fewer than two-thirds of the 48,000 cases it had in 1941, when it investigated one of every eight worksites.

Lasowski noted that some industries are notorious for repeat violations, routinely cheating workers out of the minimum wage and overtime in poultry processing, the garment trades, agriculture, hotels, restaurants and health care. All those industries have high proportions of low-wage workers who are especially vulnerable to such abuse, Bobo added, as well as a disproportionate number of immigrant workers: low-wage workers can't afford the private lawyers to which the DOL often refers them, while many immigrants are scared of deportation, even if they're here legally. The Fair Labor Standards Act covers workers in the U.S. regardless of their status.

Committee Democrats were not happy with what they heard. "Simply put, this is theft. This is illegal," said chairman George Miller (D-Calif.). "This is an agency in denial," added Rep. Phil Hare (D-Ill.) afterwards. Asked if, in his career as a shop steward for UNITE in a Rockford, Ill., textile plant, he got calls about wage and hour violations, he replied: "A lot, every month."

## Labor confronts race issue

**C**onfronting the very real possibility that many union members may be reluctant to vote for a black presidential candidate, union leaders meeting in Chicago said they would advise their followers to "vote your jobs" and remind them that economics trump race.

Not that everyone attending a closed-door session August 4 of the AFL-CIO Political Committee, held the day before the federation's two-day executive council meeting, reached that point with equal ease. Indeed, retiring AFT President Ed McElroy, who is white, insisted that his union had endorsed Hillary Clinton in the primaries because Barack Obama's campaign "had an inability to address issues," drawing a sharp rebuke from Postal Workers President Bill Burrus, who is black. "This is a bunch of bullshit. It's about race," Burrus retorted, drawing vigorous applause from the room.

Burrus told his colleagues that the historic significance of Obama's campaign is on a par with the Supreme Court's 1954 school desegregation decision and Dr. Martin Luther King's 1963 "I Have a Dream" speech. Burrus reminded them that even his own union had separate black and white locals when he first joined, in 1954.

He also observed that Obama "cannot win if he portrays himself as a victim," and that the union movement must take the lead in educating its members and retirees—especially its older white members—on where their interests lie. (The same point was made the next day to the full council by top Obama campaign officials David Axelrod and David Plouffe, according to the AFL-CIO's political director, Karen Ackerman.)

More than half of all U.S. voters have never had the opportunity to vote for or against an African-American in a general election, Burrus noted, "and now they're being asked to do so" for the highest office in the land. "And, subconsciously, we're all a product of our upbringing," he added. "My point is not to engage in a 'blame game,' " but to get union leaders to think about how to educate their members to fairly consider Obama.

While individual unions and union leaders must tailor their messages to their memberships, the AFL-CIO has taken a broader, two-pronged approach. First, it has been defining McCain in terms of his anti-worker record; and second, following the federation's endorsement, it started introducing Obama—and his pro-worker policies—to union members through precinct walks and by distributing hundreds of thousands of flyers.

The federation's strategy, according to Ackerman, was to drive down the McCain's positive numbers even before the Democrats had settled on a candidate. In February, for example, AFL-CIO polling showed 57% of union members had an image of McCain as an independent "straight talker," a maverick and someone who bucked GOP President George W. Bush. Yet McCain voted for every job-losing trade treaty brought before the Senate, opposes workers' rights, opposes increases in the minimum wage and sports an overall voting record that makes him among Bush's most reliable supporters.

Highlighting these "inconvenient truths" and the contradictions between McCain's message and the reality, a spring and summer of union-driven leafleting, precinct walks and face-to-face challenges at McCain's rallies have driven the candidate's favorability rating "to the mid-thirties." Obama, meanwhile, has taken uniformly pro-worker stands on economic issues—but as Burrus stressed, racial considerations can still override that difference.

The racial dilemma has been driven home for AFL-CIO Secretary-Treasurer Richard L. Trumka, who a month earlier gave a blunt speech on the subject at the Steel Workers convention in Las Vegas. Since then he has received numerous letters and e-mails from union members saying that his insistence they put economic interests ahead of racial ones is "asking me to do something I can't do." Labor's only response, one union leader summarized, is to tell unionists over and over again that Obama's pro-worker policies can help them, whereas McCain represents a continuation of the Bush legacy. —PAI

# Democracy flag flaps from business pole

Continued from page 1

ers to publicly fret about workers' rights and American values is . . . touching. Or let's be more honest and call it for what it is: cynically manipulative.

The fact is that the current system, little changed for more than 50 years, has been gamed so well by business interests that the percentage of unionized employees has trended steadily downward for almost all that time. Employers like NLRB-supervised elections because they give them multiple opportunities to derail an organizing drive, from confronting employees one-on-one to threatening to shut down or relocate a business if workers unionize to filing court appeals if an election nevertheless goes against them. As a result, less than 8% of the private-sector workforce now belongs to a union, while the number of lost NLRB elections climbs in tandem with the rise of a "union-avoidance" consultant industry.

TNG-CWA has no shortage of examples of this phenomenon, but none was more blatant than the years-long effort by employees of the Chinese Daily News to gain Guild representation. Management employed all the union-busting tricks of the trade—hiring a union-busting consultant, intimidating workers and punishing Guild supporters—but the *coup de grace* was delivered with its successful manipulation of labor law to invalidate the initial election results. By the time a second election was held, nearly five years of constant

management assaults had achieved their intended effect: where the initial vote was 78-63 in support of Guild representation, the 2005 vote was 92-52 against it.

Such corporate bullying never would have happened if the Chinese Daily News had been compelled to recognize authorization cards, but employers continue to argue that secret ballots are the only way to protect workers from being intimidated. Meanwhile, economists John Schmitt and Ben Zipperer have documented that almost one in five union organizers or activists "can expect to be fired as a result of their activities in a union election campaign."

There is nothing inherently sacrosanct about ballots or elections, as residents of Iron Curtain countries could attest during the Cold War, and as many Americans felt in 2000 and 2004. Any system can be manipulated. The key question is not what method is used to ascertain what workers want, but how to safeguard their right to choose. What employers clearly want, on the other hand, is to safeguard a system that they know how to work to their advantage—and if that means pushing various rhetorical hot-buttons, that's just how the game is played.

Some measure of just how threatened business feels by the possible loss of a system it has mastered can be seen in a recent Wall Street Journal story about politically-oriented meetings that Wal-Mart required its store managers and department heads to attend. The



The Dayton Daily News, where Guild members have been unable to negotiate a new contract for 21 years, has become a CWA poster child for the Employee Free Choice Act. Although the company recently said it was willing to return to the bargain-

ing table, seven months after it improperly declared impasse, no dates had been set at press time. The Dayton Guild filed two charges of unfair labor practices against the company last December that also have not been scheduled for a hearing.

fiercely anti-union employer made it "clear that voting for Democratic presidential hopeful Sen. Barack Obama would be tantamount to inviting unions in" because of Obama's professed support of the EFCA, the Journal reported.

Blatant electioneering aside, Wal-Mart's position clearly defies U.S. labor policy as spelled out in the National Labor Relations Act (see related item, page 6) and makes clear that when it comes to EFCA, corporate protestations about worker democracy are merely a fig leaf for an anti-union agenda.

Nor is Wal-Mart alone, although it may be the least circumspect. Something called the Coalition for a Democratic Workplace, claiming several hundred industry associations as members, is running anti-EFCA television ads in the Midwest and fielding lobbyists in Washington, D.C. The so-called Employee Freedom Action Committee, run by the same Rick Berman who in recent years placed misleading full-page newspaper ads excoriating labor unions for their undemocratic ways, also is stepping up to the plate. All told,

the business lobby has acknowledged amassing a war chest of \$50 million to date to fight just this one issue.

EFCA, meanwhile, passed easily in the House last year but has foundered in the Senate, where it has majority support but not enough to clear a 60-vote filibuster hurdle. So one goal of its union supporters is to elect more pro-labor Senators; another is to elect Obama as president, not only because he has vowed to sign the legislation if it reaches him but because Republican John McCain has promised to veto it.

## Education must be seen as core union mission

By Barbara Saxberg  
Canadian Media Guild

If there's anything we should have learned from numerous labor battles, it's that real union strength comes from the shop floor. Nothing is more compelling than grass roots involvement, and nothing is more certain to spark such involvement among otherwise inactive union members than labor education. Yet labor education is one of our most underutilized resources because it costs money and takes time—two things that are often in short supply.

As a result, many of us now playing an active role in the Guild have learned our unionism on the fly. We may have faced an arbitrary supervisor, heard an inspiring speaker or tried to assist another member in trouble, and we learned from the experience. But by itself, this informal learning is not enough to build the union and give us the tools and skills we need to successfully defend ourselves and our working conditions. Moreover, the lessons we learn in this informal and sometimes slapdash fashion may not be ideal.

In her 1995 book, "Union Leadership Development in the 1990s and Beyond," Susan Eaton warned that if a union doesn't take an active role in the education of its members, its members will get one by default . . . and the result may not be what a union wants. "Unless one has a culture in which education and training are prized, admired and respected as activities at the core of the union's work, education will often be unrecognized, unrewarded, and undervalued," she wrote. "Learning will occur whether or not it is planned, but it may not be in accord with

union goals and values."

Education programs, on the other hand, are widely understood to be key to any union's growth, power and development. Paul Clark, in his 2000 book, "Building More Effective Unions," notes for example: "Good [union] leaders are not only concerned about the state of their union today or tomorrow; they are also concerned about its long-term success. They look beyond their own time in office and work to ensure the viability of the organization after they are gone. One important way to do this is to make sure that the organization has a cadre of people ready and willing to assume future leadership positions."

CMG leaders, faced with the immense challenge of running a local of more than 6,000 members scattered across 10 Canadian provinces and throughout the territories, heard about the subject first-hand a few years ago from noted labor expert Professor Gregor Murray, of the Université de Montréal. Addressing a CMG conference, Murray stressed the importance of labor education for union survival and insisted that unions must stop looking at education as an optional "extra," but rather must view it as part of their core mission.

It's reassuring, then, to know that CMG offers a variety of labor courses, from hour-long sessions to one-day workshops. And since 2002 it has been running two-and-a-half day-long courses on weekends, open to the general membership and union activists alike, focusing on conflict resolution, the art of negotiation, enforcing and interpreting collective agreements, labor law and, most recently, a "Leadership in Action" course.

But has it made a difference? Does

CMG's on-the-ground-experience validate the academics' claims? Two studies of the weekend sessions strongly indicate that the answer is yes—that the program has been an effective mobilizing tool, is a source of new activists and has increased awareness of the union. The latest survey, for example, was conducted last fall and included these overall results:

- 76.5% of respondents indicated they had been able to use the skills they learned a fair amount or quite a lot, while 22.35% said they had been able to use their skills a little.

- 66% said they were much more aware of the union as a result of taking a CMG course, while 12.6% said they had a little more awareness. An additional 21% responded "other," in almost every case because they already had significant knowledge about the union.

- 37% said that as a result of taking a course they had increased their participation in union activities a fair amount or quite a lot; 21.8% said their participation had increased a little. An additional 30% indicated "other" because they were already active.

- 59.6% indicated they had developed better workplace relations a fair amount or quite a lot as a result of taking a course, while another 23.9% said their relations had improved "a little." 11.9% responded "other," in most cases because they had taken a course too recently to assess a change.

- 38.2% indicated their working conditions had improved as a direct result of taking a course, while 40% noted "a little" improvement. The 14.5% who responded "other" had taken a course too recently to assess its effect.

One of the most important and encourag-

ing responses was to a question that asked, "If you are now involved in the union, how much did taking a CMG course trigger your involvement?" More than 60% of respondents answered in the affirmative, including Brendan Elliott, who chairs the NextGen committee. "My first introduction to the union was through one of these courses," he wrote. "And it was through participation in the courses, as well as interacting with other participants, that I felt inspired to get involved. I can confidently say that if it was not for education being offered by the union, I wouldn't be active at all within the union."

The study more broadly indicated—as suggested by Elliott's response—that group learning is very important, with respondents taking comfort and inspiration from sharing their experiences with people doing similar work. And it demonstrated that the education program is having a positive impact on working conditions, relationships and problem-solving at the grassroots level. It's given participants a sense of belonging, as well as skills and confidence to build a better and stronger union.

Union education is an important strategic tool, one that should be given a value equivalent to our other major priorities of negotiating and preserving our rights and working conditions. It builds us from within; it creates and maintains our culture. And it's critical if we are to engage and involve our members now and for the future.

Saxberg, a newly elected TNG-CWA vice president representing Canada East, also is CMG's national director of education. For more information about CMG's education program, go to [cmg.ca/education.shtml](http://cmg.ca/education.shtml).

# It all began 75 years ago this month . . .

By Heywood Broun

You may have heard," writes Reporter Unemployed, "that, although the newspapers are carrying the bulk of NRA publicity, a number of the publishers themselves are planning to cheat NRA re-employment aims.

"The newspaper publishers are toying with the idea of classifying their editorial staffs as 'professionals.' Since NRA regulations do not cover professionals, newspaper men, therefore, would continue in many instances to work all hours of the day and any number of hours of the week.

"The average newspaper man probably works on an eight-hour-a-day and six-day-week basis. Obviously the publishers, by patting their fathead employees on the head and calling them 'professionals,' hope to maintain this working week scale. And they'll succeed, for the men who make up the editorial staffs of the country are peculiarly susceptible to such soothing classifications as 'professionals,' 'journalists,' 'members of the fourth estate,' 'gentlemen of the press' and other terms which have completely entranced them by falsely dignifying and glorifying them and their work.

#### White-Collar Hacks

"The men who make up the papers of this country would never look upon them-

selves as what they really are—hacks and white-collar slaves. Any attempt to unionize leg, rewrite, desk or makeup men would be laughed to death by these editorial hacks themselves. Union? Why, that's all right for dopes like printers, not for smart guys like newspaper men!

"Yes, and those 'dopes,' the printers, because of their union, are getting on an average some 30 per cent better than the smart fourth estaters. And not only that, but the printers, because of their union and because they don't permit themselves to be called high-faluting names, will now benefit by the new NRA regulations and have a large number of their unemployed re-employed, while the 'smart' editorial department boys will continue to work forty-eight hours a week because they love to hear themselves referred to as 'professionals' and because they consider unionization as lowering their dignity."

#### Keeping Hypocrisy Out

I think Mr. Unemployed's point is well taken. I am not familiar with just what code newspapers publishers have adopted or may be about to adopt. But it will certainly be extremely damaging to the whole NRA movement if the hoopla and the ballyhoo (both very necessary functions) are to be carried on by agencies which have not lived up to the fullest spirit of the Recovery Act.

Any such condition would poison the movement at its very roots.

I am not saying this from the point of view of self-interest. No matter how short they make the working day, it will still be a good deal longer than the time required to complete this stint. And as far as the minimum wage goes, I have been assured by everybody I know that in their opinion all columnists are grossly overpaid. They have almost persuaded me.

After some four or five years of holding down the easiest job in the world I hate to see other newspaper men working too hard. It makes me feel self-conscious. It embarrasses me even more to think of newspaper men who are not working at all. Among this number are some of the best. I am not disposed to talk myself right out of a job, but if my boss does not know that he could get any one of forty or fifty men to pound out paragraphs as zippy and stimulating as these, then he is far less sagacious than I have occasionally assumed.

Fortunately columnists do not get fired very frequently. It has something to do with a certain inertia in most executives. They fall readily into the convenient conception that columnists are something like the weather. There they are, and nobody can do anything much about it. Of course, the editor keeps hoping that some day it will be fair and

warmer, with brisk northerly gales. It never is, but the editor remains indulgent. And nothing happens to the columnist. At least, not up till now.

#### Bosses I Have Met

It is a little difficult for me, in spite of my radical leanings and training and yearnings, to accept wholeheartedly the conception of the boss and his wage slaves. All my very many bosses have been editors, and not a single Legree in the lot. Concerning every one of them it was possible to say, "Oh, well, after all, he used to be a newspaper man once himself."

But the fact that newspaper editors and owners are genial folk should hardly stand in the way of the organization of a newspaper writers' union. There should be one. Beginning at 9 o'clock on the morning of October 1 I am going to do the best I can to help in getting one up. I think I could die happy on the opening day of the general strike if I had the privilege of watching Walter Lippmann heave half a brick through a Tribune window at a non-union operative who had been called in to write the current "Today and Tomorrow" column on the gold standard.

*The column that catalyzed formation of the American Newspaper Guild, published on the front page of the New York World-Telegram on Monday, August 7, 1933.*

# . . . but the fight continues, little changed

*[As corporate interests ramp up their lobbying campaign against the Employee Free Choice Act (see page 1), leading the charge under the ironic flag of democracy and workers' rights, their allies include the U.S. Department of Labor and the National Labor Relations Board—two prominent examples of regulatory agencies captured by the regulatees. The item below suggests how far we've fallen; the item at right, a remedy.]*

By Edwin S. Smith

Those who deeply oppose the objects of the National Labor Relations Act are always seeking an instrument with which to castigate the Labor Board. A popular weapon for this purpose at present is to charge that the Board is engaged in undermining the constitutional guarantees of freedom of speech and of the press.

In one of its orders the Board has required that an employer cease and desist from distribution to his employees of anti-union literature. In about a dozen other cases the Board, without making any specific order on the subject, has found that the distribution of such literature constitutes an unfair labor practice on the ground that it infringes on the right of employees to self-organization free from interference from the employer, a right which the Act guarantees.

Whenever the Board has taken such a stand, a reading of the case as a whole will reveal that the distribution of literature intended to influence the minds of employees against unions takes place against a general background of anti-union and illegal actions by the employer, of which the dissemination of printed anti-union statements is merely a part.

The fundamental premise underlying the Wagner Act is that because of his superior economic power, certain rights of the employer are not exercised in a vacuum. They find expression in a situation which compels the worker to remember that if he does not heed the spoken or written warning of his employer he may find himself

without a job. It is in order to make the weak relatively stronger, and thus to bring about an approach to equilibrium, that democracies, including our own, have recognized the necessity and propriety of collective bargaining by employees.

[Smith then quotes at length from a District Court ruling, subsequently upheld by the Fourth Circuit Court of Appeals and the U.S. Supreme Court, including the following passage:]

"It must be remembered in this connection, however, that any sort of influence exerted by an employer upon an employee, dependent upon his employment for means of livelihood, may very easily become undue, in that it will coerce the employee's will in favor of what the employer desires against his better judgment as to what is really in the best interest of himself and his fellow employees. One purpose [of labor law] was to insure free and untrammelled action on the part of the employees in the choice of their representatives for the purpose of collective bargaining; and it is a violation of the terms, as well as the spirit of the act, for the employer to address arguments to the employee couched in such terms, or presented in such manner as to lead the employee to fear that he may suffer from the action of the employer if he does not follow the wishes of the latter in making his choice of representatives."

In finding that the distribution of literature condemning unions is an unfair labor practice discouraging self-organization, the Board is following not only the dictates of common sense but the indications already given by the courts. The attempt by the employer from his authoritative and powerful position relative to his employees to influence their vote has long been recognized as anti-democratic.

*Excerpted from a speech Smith, a member of the National Labor Relations Board, gave at the 1938 American Communications Association Convention.*

By David Sirota

History books teem with six-word phrases, from the comforting ("Nothing to fear but fear itself") to the inspiring ("Mr. Gorbachev, tear down this wall") to the embarrassing ("Read my lips, no new taxes"). But the six words, "on the basis of union membership" could be more momentous than any of those. Though hardly Franklin D. Roosevelt's rhetoric, Ronald Reagan's bluster or George H. W. Bush's clumsiness, the clause could solve America's wage crisis.

Of course, when Tom Geoghegan told me this in a Chicago park two weeks ago, I almost snarfed my coffee through my nose. Solving major social problems typically demands more than six words. But as the longtime labor lawyer and author explained his idea to me on a muggy afternoon, it started making sense.

Geoghegan reminded me that data show the more union members in an economy, the better workers' pay. The problem, he said, is that weakened labor laws are allowing companies to bully and fire union-sympathetic workers, thus driving down union membership and wages.

Enter Geoghegan's six words. If the Civil Rights Act were amended to prevent discrimination "on the basis of union membership," it would curtail corporations' anti-labor assault by making the right to join a union an official civil right.

"Hang on," I interrupted. "Joining a union isn't a civil right?"

Correct.

Under current law, if you are fired for union activity, you can only take your grievance to the National Labor Relations Board (NLRB)—a byzantine agency deliberately made more Kafkaesque by right-wing appointees and budget cuts. Today, the NLRB takes years to rule on labor law violations, often granting victims only their back pay—a tiny cost of doing business.

Union leaders are now focused on reforming the NLRB—an admirable goal—but Geoghegan's plan implies that workers are harmed by being legally leashed to Washington in the first place. His proposal says that rather than being forced to rely on an unreliable bureaucracy for

protection, workers should be empowered to defend themselves.

The six words would do just that. Regardless of whether the NLRB is strengthened or further weakened, persecuted workers would be able to haul union-busting thugs into court. There—unlike at the NLRB—plaintiffs can subpoena company records and win costly punitive damages.

Bolstering his argument, Geoghegan told me to consider variations in corporate behavior.

For example, because the Civil Rights Act bars racial discrimination, businesses are motivated to try to prevent bigotry: They want to avoid being sued. This is why no company brags about being racist.

But when it comes to unions, there is no such deterrent. The lack of civil rights protection effectively encourages businesses to punish pro-union employees—and publicize the abuse to intimidate their workforce. By making the six words law, the dynamic would shift. Companies would have a reason—fear of litigation—to respect workers' rights.

When Geoghegan and I finished chatting, I remembered why I believe he is America's most talented writer and thinker on labor issues. His relative anonymity is a tragicomic commentary on the media and the American Left. The Milton Friedmans are celebrated by pundits and cast in bronze by conservative think tanks, while the Geoghegans are dismissed by the chattering class and ignored by a progressive movement that regularly venerates Hollywood celebrities as its heroes.

Perhaps, though, this proposal will change things. In developing a way to shift incentives, Geoghegan has discovered a solution that both unionists and economists can love. It cribbs the best from liberals' pro-union sympathies and conservatives' distrust of Big Government, and should make him famous (or at least a Cabinet secretary). After all, anyone who can bring such disparate ideologies and adversaries together is worthy of serious consideration—as is his six-word stroke of genius.

*Sirota, a fellow at the Campaign for America's Future, is a bestselling author whose newest book, "The Uprising," was released in June.*

