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Another day at the office

Mike McCoy of Iron Workers Local 29 welds on the 16th floor of the First and Main Building under construction in downtown Portland. The union “raising gang” topped out the environmentally friendly, 346,500 square-foot office building on Feb. 16. General contractor Hoffman Construction threw a recognition party for the entire crew Feb. 4. Weather has played a factor on the project as snow storms in late December and high winds in January forced workers off the job for more than a month and a half. The developer is San Francisco-based Shorenstein Properties.

Congress passes stimulus package

By DON McINTOSH
Associate Editor

To respond to the biggest economic crisis in at least a generation, Congress in mid-February passed its biggest stimulus package ever, the American Recovery and Reinvestment Act of 2009. The act’s \$787 billion in new federal spending and tax cuts will cushion the plight of the jobless and put some people back to work.

Will it bring about recovery? Time will tell. The package may end up creating as many as 700,000 jobs in construction, for example, but there are already 1.7 million unemployed construction workers, and Americans lost 598,000 jobs overall last month alone.

The Obama Administration says 3.5 million jobs will be created or saved over the next two years (estimating 44,000 jobs in Oregon and 75,000 jobs in Washington), with over 90 percent in the private sector.

The final bill signed by President Barack Obama on Feb. 17 was very different from the version the U.S. House passed two weeks earlier — tax cuts were increased, infrastructure spending was decreased, and state governments got a lot less aid. The U.S. Senate made change after change to accommodate its Republican minority, which then voted against it anyway. Leaders of both chambers then met to work out differences in their versions, and presented a final bill for approval in the House and Senate.

“I feel like we had a bipartisan package,” said U.S. Sen. Jeff Merkley (D-Ore.) at a Feb. 16 Portland press conference explaining the bill. “We did not have a bipartisan vote.”

In the Senate, the final version passed 60 to 38, with Republicans providing all the “no” votes and just three of the “yes” votes. In the House, where it passed 246 to 183, not a single Republican voted for it, while all but seven Democrats voted for it.

“You’ll have to ask those across the aisle why they chose to go a different direction,” Merkley said. “I think they’ve stated fairly clearly what they’re doing. They hope to take the mess they’ve created over the last eight years and turn it into President Obama’s mess.”

Since late last year, unions have

fought hard in Washington, D.C., for a federal economic rescue bill that would emphasize spending on infrastructure — so-called “shovel ready” projects that could immediately employ workers. But infrastructure investments ended up being less than 10 percent of the American Recovery and Reinvestment Act, while tax cuts were four times that amount. The package is projected to cost \$787 billion; \$461 billion of that is new spending, and \$326 billion (41 percent) is tax cuts.

Tax cuts are a diluted way to stimulate an economy compared with direct spending, critics like U.S. Rep. Peter DeFazio (D-Ore.) argued. DeFazio was one of the seven Democrats to vote against the stimulus bill, after infrastructure spending was greatly reduced.

The biggest of the tax cuts — the Making Work Pay tax credit — amounts to just under \$8 a week for an individual.

Unlike the multiple rounds of tax cuts approved during the Bush Administration, this set of cuts does not give the biggest benefit to the richest payers. The Making Work Pay tax credit was proposed by President Obama in order to fulfill a campaign promise that 95 percent of American workers would see lower taxes. The credit will be \$400 for individuals and \$800 for couples and it will appear immediately on paychecks, thanks to a change in the withholding formula. It applies to wage earners making up to \$75,000 (\$150,000 for a couple), and fades out gradually above that amount. It will cost the U.S. Treasury \$20 billion this year, \$66 billion next year, and \$30 billion the year after. Then business tax cuts in the bill amount to \$76 billion over the next two years. And another \$70 billion is the cost of a one-year “patch” to limit the Alternative Minimum Tax. It’s hard to see how that could be considered a stimulus: Congress has passed a similar measure every year since 2001.

For the most part, the tax cuts will generate relatively little economic activity. But the spending parts of the stimulus package will put money in the hands of unemployed and low-income workers, and put some back to work. The summary of the stimulus package’s

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Elections Division looking at Sizemore

It appears Oregon’s newly-installed Secretary of State Kate Brown will use the power of her office to make sure election laws are complied with — even by longtime scofflaw and union foe Bill Sizemore.

On Feb. 12, the Oregon Elections Division, which Brown oversees, opened an investigation to determine whether Sizemore violated campaign finance laws last year in waging several ballot initiative campaigns. Sizemore fielded four ballot measures in November that were opposed by unions and rejected by voters. Oregon law requires political campaigns to disclose who their funders are. But a Dec. 1 judge’s ruling in a long-running teachers union lawsuit against Sizemore highlighted

evidence that he moved money around in ways that may have violated the law.

Five organizations set up or controlled by Sizemore — CBS Consulting, Initiative Resource Management, American Tax Research Foundation (ATRF), the Initiative Preservation Institute, and Democracy Direct — received or spent money from Sizemore’s millionaire financial backers, Loren Parks and Richard Wendt, or from groups they control.

The investigation will seek to find out whether those five groups should have registered as political action committees and whether the official ballot measure committees run by Sizemore failed to report in-kind contributions from the groups.

ATRF, for example, received \$913,000 from Loren Parks, his company, and his charitable foundation over a two-year period, much of which was paid directly or indirectly to Sizemore, who was working to get measures on the ballot.

Sizemore has been given a deadline of March 16 to provide details about the purposes and activities of the groups, and to make all financial records for the groups available to an Elections Division compliance specialist.

If Sizemore is shown to have failed to report political campaign contributions, he could face civil penalties of up to \$10,000 for every transaction he failed to report.