

Mill closure another example of failed trade policies

OPEN FORUM

By GREGORY PALLESEN

Once again, Oregon has lost a major employer as a direct result of failed U.S. trade policies.

The Blue Heron paper mill in Oregon City has closed its doors, eliminating 175 good-paying jobs. Gone is a major customer for numerous small businesses and the city's largest single source of tax revenue. The ripple effect of the mill closure will be felt by many more than the 175 direct jobs that were lost. In the midst of the worst economic crisis in generations, families and communities are now forced to grapple with this loss, one that could have been prevented had we exercised sound trade policy.

Blue Heron had been a cornerstone of the city's economy for more than a century, at one point employing more than 500 people. In recent decades, the mill's business model had focused on producing some of the world's greenest and finest-quality recycled paper. To do so, it relied heavily on the wastepaper collected from people's recycling bins throughout the Northwest.

Then, in 2001, Congress voted to allow China to join the World Trade Organization. Exports of wastepaper to China soared, while overall U.S. exports of paper and other paper products plummeted. China now produces more paper products than any other country in the world. Wastepaper is now one of America's single largest exports and its price has gone through the roof.

Chinese companies can afford to pay more than anyone else for wastepaper,

partly because they're subsidized by their government and partly because of China's low labor costs, the result of weak labor, safety and environmental standards. Although the Blue Heron mill has a backlog of orders for its products, like so many other mills up and down the West Coast, it simply can't compete.

And like so many mills that do not survive, the equipment will most likely be dismantled, shipped overseas, re-assembled and be brought back on line; producing the same products that were made here in the United States.

The Association of Western Pulp and Paper Workers had urged Congress to oppose China's entry into the WTO a decade ago, and it's been advocating policies to correct that blunder ever since. For some time we've been urging Rep. Kurt Schrader, who has an office just blocks away from the Blue Heron mill, to support trade reform legislation called the TRADE Act.

The TRADE Act would create consistent labor and environmental standards across borders, while making it easier for our government to address unfair subsidies in China and elsewhere. Schrader called the bill "too prescriptive." His solution instead has been to promote business-as-usual policies that would spread problems with the existing trade model into still new countries. Just last month, he said during a town hall meeting in Oregon City that he's leaning toward supporting the pending Korea Free Trade Agreement.

For many, the closure of the Blue

Heron mill comes as a shock; most closures do. However, the closure of the Blue Heron mill is not a surprise. Because of economic pressures, union members at the mill voted more than once to take pay cuts. Salaried employees also took pay cuts. Five years ago the Blue Heron management team shared with union leaders the business and financial status of the mill. Since then we've all made it clear to Schrader and others that if U.S. trade policies weren't changed, the mill would close.

These also aren't the first job losses at Blue Heron. The workforce had previously qualified for trade adjustment assistance, a federal program that extends unemployment and retraining benefits for those whose jobs are lost because of unfair competition from other countries or if U.S. jobs are shipped overseas. The TAA program is valuable for many who go through it, but one can't help but feeling cynical about it at the same time.

In Oregon and Washington alone, nearly 115,000 people have qualified for the program since NAFTA was enacted in 1994. But what jobs are all those people training for? How many have been forced to settle for low-paying work in the retail sector, selling goods that used to be made in America? I know literally hundreds of mill workers throughout the Northwest who have gone through the assistance program over the years, and I'm not aware of a single one who ever found a job that was better compensated than the one he originally had.

You'll hear some say that our trade policies create jobs and, yes, some jobs are created. But they fail to look at the rest of the equation — jobs created plus or minus jobs lost. Along with the job losses we also have a staggering trade deficit. The trade deficits are directly responsible for our other deficits

Our nation is broke, our states are broke and our counties are broke. We

no longer have the tax base required to maintain our infrastructure — money for our schools and basic services.

Many of our current political leaders believe the solution to our deficit problems is for working families to take pay cuts, to pay more for health insurance, to reduce or eliminate pensions. But it's our trade policies that are destroying the middle class, piece by piece, and our members of Congress are directly responsible.

We must change our trade policies.

(Editor's Note: Gregory Pallesen is international vice president of the Association of Western Pulp and Paper Workers, an affiliate of United Brotherhood of Carpenters and Joiners of America.)



Who's On Our Side?

By Tom Chamberlain

Throughout history there have tipping points when the moment, focus and outcomes have shifted.

In the 1930s, John L. Lewis, president of the United Mine Workers of America, responding to the mechanization of work, observed that organizing by craft was outdated and ineffective. He developed a strategy to organize workers by industry, resulting in bringing millions of workers into the labor movement. This, coupled with New Deal legislation, was a tipping point for America and resulted in the creation of the middle class.

Rosa Parks refusing to give up her seat on a bus was the tipping point for the civil rights movement.

Another tipping point occurred on March 25, 1911; a small fire broke out in a scrap bin in the Asch Building, which was occupied by Triangle Shirt-Waist Company. Within minutes, fire engulfed the top three floors of the building and the 500 employees — mostly Jewish and Italian immigrant women — raced to the exits to escape the flames. To reduce theft the owners had locked all exits and the foreman of each floor held the only key. The ninth floor foreman was an early evacuee, leaving ninth floor exits locked with no escape. One hundred forty-six of the 500 employees died. Hundreds of New Yorkers, including 31-year-old Frances Perkins, watched 62 death leaps from ninth floor windows.

While the fire was horrendous, it in itself was not the tipping point for workers and the union movement. In 1911, over 100 workers died every day on the job. More important is

what the union movement had done before, and did as a result of the fire.

A year before the fire, 20,000 clothing workers, including the Triangle workers, struck for increased pay and a 52-hour workweek. After almost four months, their strike was broken.

After the fire, more than 350,000 people participated in a funeral march for the Triangle dead. After three full months of continued pressure from activists, New York's governor signed a law creating the Factory Investigating Commission, chaired by Robert Wagner. The Commission investigated nearly 2,000 factories in dozens of industries and, with the help of such workers' rights advocates as Frances Perkins, enacted eight laws covering fire safety, factory inspections and sanitation and employment rules for women and children, entirely rewriting New York's labor laws and creating a State Department of Labor to enforce the laws.

During the Roosevelt Administration, Secretary of Labor Frances Perkins and U.S. Sen. Robert Wagner helped create the nation's most sweeping worker protections, including the National Labor Relations Act.

There are tipping points in our history, though, that were not so successful. During the "Battle in Seattle" in 1999, the union movement captured American attention. Our nation was focused on the impact of trade on the American worker. Unions were viewed as leading the charge for change. But we did not develop long-term strategies, and the tipping point slipped through our fingers.

Today, long term worker success isn't just about beating back anti-union legislation in Wisconsin, Ohio and Indiana. Union support grows each day we are in the streets — from Portland, Oregon, to Portland, Maine. But our success will depend on what we do when the battle is over.

Will unions capitalize on the opportunity by modifying our organizing programs as Lewis did in the '30s and '40s? Will we build our movement through increased public support as the civil rights movement did when Rosa Parks stood her ground? Or will we go back to business as usual and miss a monumental opportunity as we did in the Battle in Seattle?

A month from now we will remember the death of Dr. Martin Luther King Jr. He was killed at a sanitation worker strike. That strike was about respect. Remember, they carried signs that simply stated: "I Am a Man."

A month from now, will our leaders remember that all workers are people, demanding respect? Or will they remember that one governor denied us respect and took our rights without consequence?

History can be on our side, but only if we're willing to continue the fight after the reporters go home and this first battle ends.

Tom Chamberlain is president of the Oregon AFL-CIO.

All union members want is a decent life for their families

To the Editor:

Currently, union workers are being criticized for having better pay and benefits than nonunion workers. Also, unions are being criticized for being past their prime and should be history.

It's 2011 now, and as far as history goes, I remember in 1971 when I was working at a nonunion bank. I got \$3 an hour, a pension provided, and the bank provided medical insurance with the premium 100 percent paid. Gas for my car was 37 cents a gallon; a nice home cost \$40,000; a nice new car was \$4,000; and you could get a Big Mac, Coke and fries, with change back for a dollar.

Currently, good bank wages are \$10-12 an hour; medical insurance is not all paid; gas is \$3.70 a gallon; a nice home is \$400,000+; nice new cars, well modest ones, are \$20,000, but my old Mustang new would be \$45,000 (it was a hot one); a Big Mac, Coke and fries has left \$6 way behind. Shouldn't the wages increase reasonably?

It sure sounds to me that with the increased cost of our homes, cars and Big Macs, that nonunion wage earners are

losing more ground than union members. It also sounds like the nonunion workers need to realize that unions have gotten wages for their members that have not been as badly decimated by the ever-increasing cost of living.

Other comparisons can be made. For example, regular saving accounts in banks earned 4.7 percent interest. The same basic actuarial tables are still in use by insurance companies; however profits are higher now. These comparisons can go on and on, and the total picture shows all the union and nonunion workers falling behind.

The business climate has unions as the greedy blood-suckers, with non-union workers, who have lost much more than unions, being indignant that union workers have a so-called "gravy train."

We don't have a gravy train. We're not greedy blood-suckers. We want a decent life for our families, and that's the real foundation of our country.

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