

Union leaders, Gov. Kitzhaber, join president at White House 'Insourcing American Jobs' forum

WASHINGTON, D.C. — Steelworkers President Leo Gerard and Auto Workers President Bob King joined President Barack Obama at the White House Jan. 11 to call on companies across the nation to invest in America at an "Insourcing American Jobs" forum.

Gerard and King joined the vice president, members of the Cabinet and other senior administration officials, along with Oregon Gov. John Kitzhaber and representatives from companies that have brought jobs back or decided to make significant investments in the United States.

The forum focused on the increasing trend of insourcing — where companies are bringing jobs back to the United States and making additional investments here in America.

In conjunction with the summit, Obama released a \$12 million proposal to expand current U.S. programs that lobby firms to invest and create jobs here.

Gerard spent his time at the summit reiterating points he has made before to Obama, about the need for investment in high-quality, high-paying factory jobs and in rebuilding the crumbling U.S. infrastructure.

The summit produced no specific ideas to encourage insourcing, but provided examples of firms returning jobs to the United States. They included stories from Ford, DuPont, Intel, Oregon's KEEN, Inc., and others.

"Ford's competitive labor agreement with its UAW partners is making it possible to build small cars profitably in the U.S., invest \$16 billion here at home, and add 12,000 jobs in U.S. plants by 2015," an Administration fact sheet on summit participants said.

"Ford is insourcing jobs from China, Japan and Mexico. Instead of adding production for the Fusion in Mexico, Ford is planning to bring that additional work to its Flat Rock plant in Michigan. This insourcing effort will ensure the viability of a key assembly plant in the

U.S. and add over 1,200 new jobs. Also, Ford has committed to in-source the production of F-650 and F-750 commercial trucks from a joint venture in Mexico to Ohio Assembly Plant in Avon Lake," the fact sheet added.

Portland-based KEEN has grown from its first trademark sandal with innovative toe protection, to more than 500 shoe styles, becoming a worldwide leader in the footwear and apparel industry. It operates nonunion.

The Administration released its own blueprint, to be included in its budget to be sent to Congress in a few weeks, for federal "lobbying" for businesses to invest and expand in the U.S. Obama said his budget plan also would include new investment tax incentives, but did not detail them. The centerpiece of the White House plan is expanding the SelectUSA program, which the Administration launched last year, by \$12 million and 35 more workers.

Obama called SelectUSA "the first

federal program to promote and facilitate U.S. investment in partnership with our states." The program will also work with states on more than 300 cases per year to overcome investment obstacles.

Obama also wants to increase current federal small business international trade loans to up to \$5 million per loan, with a 90 percent federal loan guarantee. The loans would go to small businesses trying to expand overseas, which face competition from subsidized foreign imports, or who are trying to insource jobs from abroad.

"To maintain our manufacturing base and to encourage even more production in Oregon, we need to have a long-term business plan, an educational system that provides students and workers with advanced skills, reliable and affordable energy, and an environment that encourages investment by lowering fixed costs such as health care," Gov. Kitzhaber said. "We are working on all these things, and following through on them will mean a sustained and robust advanced manufacturing sector in Oregon."

Bakers, Teamsters scramble to protect members in Hostess Foods bankruptcy

KENSINGTON, Md. (PAI) — The Bakery, Confectionery, Tobacco and Grain Millers (BCTGM), the Teamsters, and other unions representing Hostess Foods employees scrambled to protect their members as the snack food company filed for bankruptcy Jan. 11 for the second time this century.

The 2012 filing, like that in 2004, could affect some 5,500 BCTGM members at Hostess plants nationwide, Union President Frank Hurt told Press Associates Inc. Teamsters represent 7,500 Hostess drivers and merchandisers, while several other unions have smaller contingents there. There are no Hostess plants in Oregon, and one in Seattle.

Regardless of the final details, Hurt predicted his members would be harmed by whatever the federal bankruptcy judge in New York City permits the firm's owners — mostly a group of venture capitalists — to do.

"Those with the gold make the rules," Hurt said. "And hourly workers are left holding the bag."

The big question, Hurt said, will be if the bankruptcy court gives the reorganizers of Hostess so much leeway in cutting workers' pay, pensions and benefits, and tearing up union contracts, that it doesn't make sense to continue the effort to save Hostess.

"I haven't heard from our attorneys to what extent the law will let them gut our contracts," he added. "I'm telling our members we want to keep the company in business."

Bakers Union attorneys appearing at a Jan. 11 hearing asked the court to order the company to tell them their bot-

tom line to stay in business. "Then let us decide whether we will work under those conditions or not," Hurt said.

Hostess, maker of Twinkies and Wonder Bread, first flagged the unions that it was headed for the financial rocks last summer. The company wanted to cut costs by proposing "a lousy-ass" health insurance plan for the workers, Hurt said.

The Teamsters said, and Hurt agreed, that workers' sacrifices helped Hostess emerge in 2009 from its first bankruptcy.

In a formal statement, Hurt said Hostess' financial problems — which have prompted the company to stop its payment into the labor-management run Taft-Hartley multi-employer pension plan covering the industry — were the result of mismanagement. Hostess claims its pension obligation of \$1 billion is too much.

"I find it deeply offensive and highly disingenuous for the company to claim its financial woes are the result of its union contracts and pension and health benefits obligations," Hurt said. "We contend the company is in dire financial shape because of a string of failed business decisions made by a series of ineffective executives who have been running this company for the past decade."

"BCTGM has contracts with dozens of baking companies across the country, including Bimbo Bakeries USA, the nation's largest and most successful. The vast majority of those companies are doing just fine because they have experienced baking industry professionals managing them," he

added.

Hurt said Hostess has been a long-standing participant in the Taft-Hartley pension fund. He said the \$1 billion number cited by management is Hostess' "withdrawal liability" — the cumulative amount it would have to pay if it dropped out of the plan.

The union pointed out that contributions Hostess paid into the fund were negotiated through the collective bargaining process and are part of an overall economic compensation package. "Pension benefits that retirees receive each month are paid by the fund and not the individual companies," Hurt noted.

Both the Bakers and Teamsters hope Hostess gets back on its feet and members retain their jobs. Both unions said they will fight for that while working with other stakeholders to restructure the firm.

Dennis Raymond, director of the Teamsters Bakery Conference, said management must sacrifice, too. "Our members have already given at the well, and this time it will take sacrifices among all parties — management, lenders, equity holders and employees — to restructure Hostess into a viable enterprise well-positioned for future growth," he said.

Noting the venture capital firms that control Hostess are in it to make money for themselves, Hurt said their interests "are driving" the bankruptcy filing "and that doesn't bode well for us."

Hurt concluded: "It's criminal what happens to workers in this country" in corporate bankruptcies.

Why it's Bonamici for me

By former
Congressman Les AuCoin

As I watch the special election in Oregon's 1st Congressional District — a seat I captured for Democrats 38 years ago for the first time in history — I think of advice the iconic Senator Wayne Morse gave me in my first campaign in 1974. In the darkness of his car at the end of a long day of campaigning, the old warhorse tapped me on the knee and said:

"Young man, always remember who you are and what you're willing to lose an election for! The one who cannot will do anything to win. And that's a dangerous man — because he will always put politics above principle and self above country."

Morse's standard distinguishes the Democrat in this race, Suzanne Bonamici, from her contortionist Republican challenger, Rob Cornilles. Bonamici is an unapologetic Democrat who will put government back on our side — to create "trickle up" policies, to protect the environment, to safeguard Medicare, to stop wars of choice rather than necessity, and to make the very rich pay a fair share of taxes to help reduce the deficit.

Her weather vane Republican challenger is posing as a moderate because he knows it's the only way he can win against Suzanne, a former Federal Trade Commission lawyer and state legislative star. So he talks about a flat tax, while in truth, he supported the Bush tax cuts that added \$2.5 trillion to the deficit to benefit the 1 percent.

Cornilles just told the Portland City Club that he'd be an independent moderate. But less than two years ago, he called himself "the original Tea Party candidate." And two years ago last Sep-

tember he was warmly received as a pep talk speaker at a Portland Tea Party rally.

The differences go on — Bonamici protected consumers as a lawyer with the Federal Trade Commission. Cornilles exploited his workers by failing to pay his share of their payroll tax — for which the government slapped him with a \$83,000 federal lien. Bonamici will protect Social Security and Medicare; Cornilles told the Daily Astorian (January 2010) that he would cut those programs before he'd cut the Pentagon budget.

The 1st District's Jan. 31 balloting will be the nation's only federal election on that day.

Trust me, a Cornilles win will be seen as a mandate for House Speaker John Boehner and his Tea Party obstructionists to step up their war against our values.

But a Bonamici victory will be an unmistakable call to end the rise of Republican Ayatollahs and Wall Street flimflam artists who almost destroyed the U.S. banking system and created our current economic mess.

I urge you to vote for Suzanne Bonamici, the only candidate in this race who puts "principle above politics."

[NOTE: 14 months ago, my wife and I moved to Montana to spend our remaining good years close to our granddaughters. But having started the Democrats' 38-year hold on Oregon's 1st District, I am compelled to comment on this race.]

(Editor's Note: Les AuCoin was the labor-endorsed congressman in the 1st District from 1975 to 1993. In 1992 he ran unsuccessfully for the U.S. Senate against Bob Packwood. Today he is a full-time author, writer, lecturer and blogger.)