

Why are elected officials so enamored with trade deals?

To The Editor:

When Ross Perot ran for president, one of the great sound bites of the campaign was, "That big sucking sound you'll hear will be American jobs heading south!" He was talking about the job losses he predicted would result from the passage of NAFTA and, sadly for our country, he was oh so right.

NAFTA cost hundreds of thousands of U.S. jobs and brought social and economic devastation to Mexico.

NAFTA was followed by trade agreements with Central America, Korea, Colombia and Peru and each one accelerated the race to the bottom for wages, working conditions and environmental standards worldwide.

Now we are faced with the Trans

Pacific Partnership, a trade deal that will dwarf its predecessors. If passed, the rules of the TPP would govern approximately 40 percent of the global economy. It is projected to have a negative effect on wages for the bottom 90 percent of America's workforce (the only workers spared are those earning minimum wage, whose hourly rate cannot fall).

Only the top five percent see a clear increase in income as a result of the TPP, with the highest gains going to the top one percent. The TPP, like all the "free trade" agreements that preceded it, would clearly be a disaster for working Oregonians.

The good news? Thanks to unrelenting pressure from a variety of community, environmental and labor inter-

ests, there is a chance that this trade deal will be derailed by the growing opposition to the "fast track" process that allows approval with little Congressional input or oversight.

But the larger question is: Why are so many of our elected representatives enamored of these trade deals? They often tout them as being "good for business" and, thanks to the trickle-down theory, eventually good for all of us. However, the "business" interests that most of our Congressional delegation support are not the Mom and Pop businesses on our Main Streets. They are the interests of Wall Street, multinational corporations and the U.S. Chamber of Commerce that fronts for them. With the notable exceptions of Sen. Jeff Merkley and U.S. Rep. Peter

DeFazio, the entire Oregon Congressional delegation's first instinct is to basically follow the party line and betray the economic best interests of 90 percent of their constituents.

Democrat Kurt Schrader has signed Republican Rep. Dave Camp's bill that endorses the fast-track process.

So how has organized labor responded? Despite calls for independent, community-based political action from AFL-CIO President Richard Trumka and other national labor leaders, most of Oregon's labor unions still turn instinctively to the Democratic Party, failing to recognize the big lurch to the right that party took during eight years of Bill Clinton's leadership, especially in the areas of banking and finance.

Proposed changes to defined benefit pension plans liable to be another nail in the coffin for pensions

To The Editor:

In response to the pension article in the NW Labor Press ("Congress weighs letting union pension plans cut benefits," Nov 15, 2013), Plumbers and Fitters Local 290 voted to establish a committee to oppose enactment of any legislation that would raise the retirement age to 67 (to coincide with new Social Security laws); end current employer liabilities for money owed into defined benefit multiemployer pension plans, should the employer decide to exit the plan; or that would allow underfunded pension plans to reduce monthly benefits for both future and current retirees.

Few people know about this, and the ones who do seem content not to inform you.

Under the pretext of "strengthening private pension plans," the National Coordinating Committee of the Multi-employer Plans, (NCCMP) created the

Retirement Security Review Commission in 2011 to draft new rules and regulations to update pension law.

The NCCMP is a non-profit membership organization composed of plan administrators, businesses, and union representatives. The commission heard testimony from economists, investment advisers, and experts in alternative plan designs to advise for changes in pension law to replace the Pension Protection Act of 2006. Those rules "sunset" later this year.

And though this "sunset" may be the normal expiration of a law designed to do so, these proposed changes are not normal. They represent a giant step backwards. The changes proposed by the NCCMP commission are meant to stem the flow of employers exiting a "defined benefit" plan while making it more attractive to bring in new employers. We feel that rather than strengthening the plans,

these proposed changes are liable to be another nail in the coffin of defined benefit plans.

Defined benefit plans are considered the "Gold Standard" of retirement plans, paying 46 percent more in benefits than a "defined contribution" — or 401(k)-style — plan does. Defined benefit plans are not as sensitive to gyrations of the stock market either. Most critically, retiring at the bottom of the stock market is a disaster in a defined contribution plan, not so in a defined benefit plan.

Workers that are employed in industries that may frequently change employers — including truck drivers, mechanics, coal miners, longshore, airline workers, warehouse workers, maritime workers, actors and film crews, to name just a few — are covered by defined benefit multiemployer plans. This accounts for over 10 million workers and their families with collec-

tive assets of approximately \$450 billion.

And the federally-run Pension Benefit Guaranty Corporation (PBGC), despite its name, does not guarantee defined benefit pensions. The PBGC is empowered by the government to back up, but *not guarantee*, the pensions of troubled defined benefit pension plans. The PBGC itself will be insolvent within 10 to 15 years unless significant changes in funding are made.

We want you to decide. Read NCCMP's document, "Solutions Not Bailouts," with an open mind. The document can be found at <http://www/nccmp.org>.

If you find this report to be disturbing, contact us at sfred3@msn.com or 503-281-2600.

Fred Smith
UA Local 290
Portland, Ore.

The 'Gullibility Grand Prix'

To The Editor:

Having a foot in two camps (a union member and conservative Christian) not only provides a unique observation post, but raises questions like: which group is the most gullible? Christians who still believe the GOP has their back, or union members who still think the Democrats have theirs.

Each election cycle they both wake up just long enough to sniff the same old bone tossed to them by their "supporters."

What caused this question to resurface was the news that President Obama has once again blocked the Keystone XL pipeline. He is also pushing yet another "free trade" agreement (the Trans Pacific Partnership, or "NAFTA on Steroids") following the trail blazed by the Clinton Administration.

Based on these latest "inconvenient truths," I see union members ahead by a nose in the "Gullibility Grand Prix."

Dean Wolf
IBEW Local 48
Retired
Tigard, Ore.

The clear benefits of a higher federal minimum wage

Reprinted from the New York Times Editorial Board

Republicans sputtered with outrage when the Congressional Budget Office said that immigration reform would lower the deficit, strengthen Social Security and speed up economic growth. They called for the office to be abolished when it dared to point out that tax cuts raise the deficit or when it highlighted the benefits of health care reform. But now that the budget office has predicted (and exaggerated) the possibility that an increase in the minimum wage might result in a loss of jobs, Republicans think it's gospel.

"This report confirms what we've long known," said a spokesman for the House speaker, John Boehner. "While helping some, mandating higher wages has real costs, including fewer people working."

What Republicans fail to mention is that the report from the budget office, a federal nonparti-

san agency, was almost entirely positive about the benefits of raising the minimum wage to \$10.10 by 2016, as President Obama and Congressional Democrats have proposed.

More than 16 million low-wage workers, now making as little as \$7.25 an hour, would directly benefit from the increase, the report said. Another eight million workers making slightly more than the minimum would probably also get raises, because of the upward "ripple effect" of an increase. That would add \$31 billion to the paychecks of families ranging from poverty level to the middle class, significantly increasing their spending power and raising the nation's economic output and overall income.

In fact, the report said, 900,000 people would be lifted from poverty with a wage increase. The income of those below the poverty line would increase by a total of \$5 billion, or 3 percent, at no cost to the federal budget.

The vast majority of those getting raises would not be teenagers with part-time jobs. Nearly 90 percent of them are adults 20 and older, and 53 percent of them work full time. Women represent 56 percent of them.

But the report said there could be a cost to the wage increase, and most of the headlines have focused on the possible loss of 500,000 jobs, or about 0.3 percent of total employment. That bears further scrutiny, because, unlike the benefits, the employment estimates have been disputed by a wide variety of nonpartisan economic studies.

What the report actually says is that there is a two-thirds chance that a \$10.10 wage would produce job losses in a range from just above zero to one million. The number 500,000 was simply picked as a midpoint. (There is a one-third chance the wage increase would lead to more than a million job losses or actually increase employment.) A range that big is essentially the budget office's

way of saying it doesn't really know what would happen to employment if the wage goes up, because, as the report says, there is vast uncertainty about how much wages will go up on their own over the next three years, and uncertainty about how employers would react to a higher minimum.

The budget office didn't do its own research on those variables. It surveyed the economic literature on the subject, and chose a figure more conservative than the most recent and rigorous studies have found. That means the job-loss figure needs to be regarded skeptically, as a careful reading of the report shows, while the benefits are undisputed.

Those benefits to millions of low-wage workers overwhelmingly outweigh the questionable possibility of job losses. Lawmakers who focus only on the potential downside of an enormously beneficial policy change are the same ones who never wanted to do it in the first place.