



# THE EAGLE



**LOCAL 1103**

Volume 109 • No.09

Monthly Publication • Port Chester, New York

September 2010

## *The 72nd CWA Convention and Legislative-Political Conference*



*Secretary Treasurer Doug Sheahan, Vice President Kevin Sheil, Business Agents Mark Crumm, Kevin Scrobola, U.S. Representative Nita Lowey (NY), President Joey Barca, Business Agents Joe Mayhew and John Gentile talk about expiration of tax cuts for the rich.*

The 72nd CWA Convention and Legislative-Political Conference were held from July 26 through July 29 in Washington, DC. The theme of this year's convention was "A New Path for Challenging Times." The theme illustrates the need for the CWA, along with the entire labor movement, to formulate new strategies and to form new coalitions that will be necessary to rebuild this movement.

The convention was attended by the entire Local 1103 Executive Board along with over one thousand delegates from CWA Locals throughout the United States, Canada and Puerto Rico.

The Local 1103 delegation went to work almost immediately after arriving on Sunday as District 1 had scheduled it's own meeting on that day. District 1 Vice President Chris Shelton reviewed the political agenda and also prepared the delegates on the issues that were going to be raised on the convention floor.

In his opening remarks, President Larry Cohen emphasized that "New coalition action is critical to rebuilding

our movement. With only seven percent bargaining power in the private sector, labor alone cannot move our agenda. Fortunately, others pushing for change realize they need partners as well." Under the banner One Nation, key progressive groups are working together, and the CWA along with the AFL-CIO have joined and endorsed these efforts. One Nation has grown to include more than 170 labor, civil rights, environmental and progressive groups. The delegates to the convention resolved to support "a core political agenda that encompasses the One Nation theme: "Putting Americans Back to Work, Bringing America Back Together." The One Nation coalition will march in Washington on October 2nd. Go to CWA1103.org for more details.

Delegates voted to adopt several changes that are intended to support every level of CWA in building our Union. These actions continue the Ready for the Future plan adopted in 2005. After lengthy debate and a role call

*continued on page 3*



**CWA 72nd  
Convention**

..... pg. 1 & 3

**LPAT Members  
SPEAK OUT**

..... pg. 4

**Retiree's  
Corner**



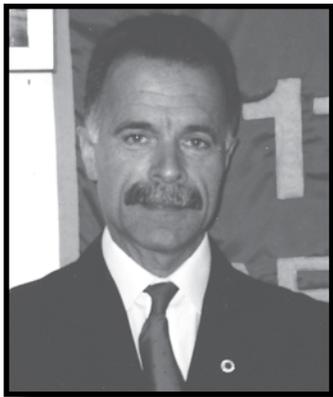
..... pg. 5



**Protect Social  
Security!**

..... pg. 6

# In My View . . .



The 1103 Executive Board has returned from the 72nd CWA National Convention and Legislative Conference held in Washington D.C., delegates from across the Country and around the world came together to make our Union improve and excel.

Based on Finances and after a healthy debate on the Convention floor an important change was voted in, to hold Conventions every other year instead of annually, and to make the term of our National Officers 4 years instead of 3. The Legislative Conference that began as soon as the Convention concluded was also highly successful. We met with every Congressional Office that has jurisdiction over you the Members and Lobbied for Bills that if made into Law would greatly improve our "Quality of Work Life". Our road ahead will be very difficult but not impossible and as long as we have your support and your involvement we will achieve our Goals.

On October 2, 2010 there will be a most important Rally in Washington D. C.

1103 along with all CWA Locals will be sending Members to this most important event. Backed by the AFL-CIO, this Rally will have many faces and will be joined by a host of other National Activists Organizations. We will be focusing on Jobs, the Environment, and Civil Rights to name a few. It's vitally important that we send a collective message to our Lawmakers on Capital Hill. Take a stand by signing up early. As we get closer to October 2, we will be giving you the logistical information for our Bus Trip.

As of equal importance are the upcoming Mid Term Elections. Our choice has never been this clear. You can Vote for the Party of "No" and return to the failed "Bush Policies" of the past (you know the policies that brought our great Nation to the brink of Financial Disaster) or Vote for the "Dems" so that we can stay on the course of Progressive Change. We must not allow the "Right" to feel secure in their classifying us in Labor as "Special Interest". They have never gotten over the fact that they lost the Presidency and that President

Obama has changed Health-Care for the better, signed into law the Fair Pay Act, and gave the American People Wall Street Regulation as well as Banking Reform. As I have said on many occasions, although the Employee Free Choice Act had to be stalled in light of these other important initiatives, it is our time now to sit at the table and enjoy the fruits of our labor and you can bet if the Republicans get control of Congress we will never see the Employee Free Choice Act in our lifetime. So do the right thing, step up and be counted on October 2, in Washington D.C.

In Solidarity,

Joey Barca Jr.



## THE EAGLE

**Proud To Be 1103**  
**Official Publication of the**  
**Communications Workers of America Local 1103**

**OFFICERS / STEWARDS**

Joseph A. Barca, Jr. .... President  
Kevin Sheil.....Vice President  
Douglas Sheahan.....Secretary/Treasurer

**BUSINESS AGENTS / STEWARDS**

Mark Crumm      John Gentile  
Joe Mayhew      Anthony Pugliese      Kevin Scrobola

**STAFF**

Fran Gottron .....Organizer  
Anthony Masini.....Office Administrator

**Union Hall: 914-939-8203    Tape: 914-939-8205**  
**website: www.cwa1103.org**

**EDITOR: Kevin Sheil**

PERIODICALS POSTAGE PAID AT PORT CHESTER, NY 10573  
(USPS 663-570) September 2010

The Eagle USPS 663-570 is published monthly, 12 times a year by CWA 1103, 345 Westchester Ave., Port Chester, NY 10573. Periodicals Postage is paid at Portchester NY 10573, USA. The Eagle. Postmaster: Please send address change to: The Eagle, 345 Westchester Avenue, Port Chester, N.Y. 10573

## A Labor Day Message

by Richard Trumka -AFL-CIO President

vote, the delegates approved a biennial schedule for CWA conventions that will take effect in 2011. They also voted on new provisions to handle appeals, elections and other issues. Terms for union officers have now been increased from three to four years. They approved the merger of District 2 and District 13, effective 2011. Members in Pennsylvania, Delaware, Maryland, West Virginia and the District of Columbia will become part of District 2-13. Delegates also voted to combine the Communications and Technologies and the Telecommunications offices, creating a new office with a single Vice president. Delegates voted to give CWA's Canadian Director a vote on the Executive Board.

One of highlights of the convention was hearing from both Ado Wilhelm, Mobile Communication Divisional Director of Ver.di and Kronelia Dubbel, Works Councilor, Deutsche Telekom Customer Service. Ver.di is the largest Union in Germany and the world with more than 2 million Members. Ver.di represents 250,000 workers at Deutsche Telekom throughout Europe. Deutsche Telekom is the parent company of T-Mobile USA. These two people have been leading the effort in Germany to stop the Union busting by T-Mobile in the United States. Together, the CWA and Ver.di have joined to form the TU, a new Global Union, so workers at T-Mobile know they are joining not only CWA but Ver.di. This is a new approach for Unions representing workers of multi-national corporations. Ado Wilhelm told the convention that the Greek Union had rejected Deutsche Telekom's purchase of shares in Greece Telecom because they had been made aware of the treatment of T-Mobile workers in the United States. They were told a company like that was not welcome in Greece. He stated that the CWA's determination to bring bargaining rights to the T-Mobile U.S.A. workers was an inspiration to him and he was proud to stand by us. Despite this united effort, T-mobile USA management and their Deutsche Telekom parent company persist in a total effort to block any Union recognition in the U.S.

CWA Local 1103 has been working locally on this organizing campaign for T-Mobile USA workers for over two years.

We are proud to say that once again our own CWA 1103 Retired Members Council President, Jeanette Spoor sang the national anthem to open the convention.

The Local 1103 delegation left the convention feeling confident that CWA is on the right track to lead the way on the new path for these challenging times.

*Fran Gottron,  
Organizer*

### *'I Would Join a Union'*

More than 70 years ago, President Franklin Roosevelt said, "If I were a worker in a factory, the first thing I would do would be to join a union."

President Barack Obama recently referenced FDR's statement and took it further:

"I think that's true for workers generally. I think if I was a coal miner, I'd want a union representing me to make sure that I was safe and you did not have some of the tragedies that we've been seeing in the coal industry. If I was a teacher, I'd want a union to make sure that the teachers' perspective was represented as we think about shaping an education system for our future."

Like Roosevelt's, Obama's words were spoken in the midst of painful economic upheaval—the recession that almost became the second Great Depression. So why are the benefits of joining a union so clear to presidents when the bottom falls out of the economy? Several reasons.

In both cases, the revered financial sector failed our country and left working families with the disasters of joblessness, destruction of wealth and little hope for climbing out. In both cases, the presidents realized that stimulating the economy—reviving consumption—was essential at a critical moment. And unions, which enable working people to bargain fairly with employers for decent wages and family-sustaining benefits, make that possible.

In both cases, presidents knew that if the powerful minority continued to grow more powerful and the rich minority grew richer while people who work for a living suffered horribly, the fundamentals of our nation would not be sustainable.

They knew what unions are—people. People who come together to improve their workplaces, improve their lives, strengthen their communities and have a real voice for social and economic justice in public policy.

They knew unions could build and now rebuild the middle class, the engine of democracy and of national prosperity.

They knew unions could make "Made in America" a symbol of national pride and an imprimatur that means quality.

They knew unions could bring balance to our workplaces and win protection from abuse—whether it was federal prohibition of child labor in Roosevelt's day or crackdowns on dangerous coal mine operators and Wall Street rogues today. I did work in a coal mine—so I know first hand how right President Obama was. In 1890, the miners who came together in Columbus, Ohio to form their union were black and white, they spoke more than a dozen native languages. They had dirty, dangerous jobs. Bosses cheated them on paychecks, charged them for the tools they used and placed less value on their lives than on the lives of the mules hauling the coal.

But when they joined together as workers who shared a common fate, they began to build a better life. And when they built a better life for themselves, they helped build a better life for everyone in America. When they sent their children to college, America got a better education.

That's what a union meant a hundred years ago, 70 years ago. And it's what a union means today.

Working people coming together to build a better life. To build a middle class. To build opportunity for the next generation. To foster social and economic justice at work and in our society. To strengthen democracy and spread prosperity throughout America.

*Today's unions—that's who we are.*

## CWA Legislative & Political Conference – LPAT Members Key to Winning Workers Rights

Washington DC- CWA National Executive Vice President- Annie Hill led off the political legislative conference with what could only be described as a war room briefing. Rather than a welcome it was a detailed list of resources, strategy, and objectives to push a Worker Rights legislative agenda harder than ever before in the upcoming elections and congressional year. “We have signed up 1300 Legislative/Political Action Team (LPAT) members in 22 states covering 101 locals,” she proclaimed, “And that’s just the beginning. By March of 2010 we had identified an LPAT Strike Force that within 48 hours could deliver CWA’s message to congress members in over 100 key congressional districts.” She further declared, “Today that number has increased to 272 districts, more than doubling our access to congress by our LPAT strikeforce.”



Members of the Local 1103 Executive Board meet with U.S. Representative Chris Murphy (CT) to thank him for his ongoing support of Connecticut’s municipal workers and their pensions.

The concept of the LPAT is for it to be the special forces of the Stewards Army dealing specifically with political legislative issues. An LPAT member would be in every workplace across the country and at a moments notice, generate letters, phone calls and email messages to members of congress. In this way, any job related bill would carry a name and face of a CWA member, as well as the effects it would have on Union workers.

In 2010, the crowning achievement of the LPAT was winning the Labor friendly appointments of Craig Becker and Mark Pearce to the National Labor Relations Board. When Senate Republicans used the filibuster to block these desperately needed appointments the LPAT trip-switch was triggered. Members of Congress were literally swamped with contacts from LPAT members resulting in getting 150 members of congress to sign a letter encouraging President Obama to make recess appointments to both these friends of Labor. Within 48 hours the appointments were made! Today we have a functioning NLRB and hundreds of back-logged cases are being heard by judges who understand that the Department of Labor was set up to protect workers, not advance the agenda of big business.

In recognizing the LPATs work across the country, An-

nie acknowledged that activism is hard work, but it is not hopeless. She listed the following legislative campaigns that were part of house bills that were passed largely due to LPAT activity:

- Repel of the Reverse Morris Trust
- Protecting GE Plant work on the F-136 Alternative Engine
- National Public Safety Officer Collective Bargaining Rights
- Protecting the Research Assistanes in NY & California

Yet, she is quick to point out that although these protections have passed the House of Representatives they are now waiting in a dysfunctional Senate in which 41 Republicans are using the archaic practice of a filibuster to block every bill and hold the working men and women of America hostage. To the amazement of American workers, they have even attempted to use the filibuster to block an extension of unemployment insurance benefits, claiming the small amount of money these out-of-work Americans receive was keeping them from returning to work. Outrageous! In her final comments, Vice-President Hill trumpeted that when the Senate returns to Washington, CWA would use the LPAT to demand the Senate change the rules for debate and end the filibuster. If successful, we would finally get votes on all the before mentioned vital legislation, as well as passing the Employee Free Choice Act (EFCA).

### Keynote Speaker Nancy Pelosi

“*Make it in America*” is our agenda, Speaker of the U.S. House of Representatives Nancy Pelosi told a packed room of Legislative/Political Conference attendees. “This has a double meaning, we want people to be able to make it (personally) and products to be made in America,” said Pelosi in a determined voice. The Speaker of the House then spoke in detail of how the “*Make it in America*” agenda would bring back prosperity to the American Worker.

### The House “*Make it in America*” Agenda will:

- Close tax loopholes that encourage outsourcing jobs overseas by giving tax breaks to company that move plants and jobs overseas.
- Create new jobs in the energy technology (wind/solar) that were invented in the United States but are being up-scaled in other countries.
- Demand fair trade and access to be honored by global competitors (China) or lose American business
- Ensure that men and women in the armed services who return home get the training to work in these new technology
- Build-out coast-to-coast broadband high speed communications

### **Specific Bills:**

- U.S. Manufacturing Enhancement Act – Levels the playing field for U.S. firms who build it in America.
- Sector Act –Brings together Union and business owners in collaboration to train Americans in industry critical to link skills with new technology.
- National Manufacturing Strategy Act- Ensures that Americans can provide for its own defense by not outsourcing defense manufacturing.
- Clean Energy Manufacturing Export Assistance Act – Helps clean technology firms market and sell products made in the USA
- Employee Free Choice Act – Allows workers to form a Union safe from the harassment and threats of employers.

While Pelosi's pride is evident that the House has already passed most of these bills to ensure American worker success, she is critical of the Senate Republicans who are holding up votes to get Americans back on the right manufacturing track and not providing for even the basic support of out-of-work Americans. "They (republicans) opposed the unemployment benefit extension saying it must be paid for first, yet they are willing to give 700 billion dollars in tax breaks to the rich that will never be paid for" Pelosi said. "There is a big difference between our voting" Pelosi sarcastically retorted. The speaker was very clear on what that difference was in the House of Representatives. Labor built the middle class and the "Make it in America" House agenda is about giving Labor the tools



U.S. Representative Jim Himes (CT) speaks to the Local 1103 Executive Board about how he is fighting to preserve Social Security for Connecticut's citizens.

to make the middle class strong again.

The CWA leadership and the Legislative Political Conference attendees are also clear in what we need to do to make the middle class strong again. In the 2010 election cycle, using our LPAT Members we will contact CWA Members at least 10 times through letters, workplace flyers, phone banks and voter registration for the purpose of supporting those in congress who supported our jobs and punish those who did not by taking their jobs away from them at the ballot box. We will encourage member participation in the legislative process to ensure those with millions cannot buy fairness away from us. Collectively our votes and voices cannot be drowned out by money if we are willing to take the time to join a phone bank, get involved in a Labor to Labor walk, write a letter, send an E-Mail, and yes, get out and VOTE!

---

## **Retiree's Corner**

Greetings Fellow Retirees,

I trust you had a fabulous summer in spite of the heat wave. Welcome to all of our new retirees. We hope you will join our chapter and help us continue to maintain the benefits we have fought for and won.

This year our annual Christmas Luncheon will be held at Antun's of Westchester, located at 35 Valley Avenue, Elmsford, NY 10523. Mark your calendars with the date: Tuesday, Dec. 14, 2010 from Noon to 3 PM.

Carol Finley, a recent retiree and our webmaster, has graciously offered to run workshops at the hall for any retiree who wishes to become internet savvy. Please call the hall and leave your name and telephone number if you are interested.

As of December 31, 2010 our lottery fund raiser will be discontinued. Beginning January 1, 2011 a 50/50 raffle will be held twice a year in June and December. Details to follow in the next issue of the Eagle.

Bill Gross was a guest speaker at our September 15th membership meeting at Holy Rosary School in Hawthorne. As always he explained and gave us important information concerning our health benefits. Our retirees were also treated to free chair massages offered by Dr. Michael McKeon, of Thornwood Chiropractic.

This past July I attended the Retired Members Council Annual Meeting and the National CWA Convention both held in Washington, D.C. Ray Myers, President of RMC District 13 and Executive

President of the CWA Council chaired the meeting.

Kudos to all our district Council officers! Ray along with his fellow officers did a fantastic job! We got a lot accomplished at this meeting including several by-laws amendments. Ron Collins, CWA District 2 VP gave the welcome opening address to our members at the morning session. He is a retiree and serves on the national bargaining committee. He assured us that although contractually the union can only bargain for the active members of CWA the retirees are never shortchanged in regard to their benefits.

CWA President Larry Cohen, Executive VP Annie Hill and Secretary-Treasurer Jeff Rechenbach addressed our membership at the afternoon session of our meeting. As always, they pledged the Union's unmitigated support for the retirees.

We can only get better and stronger and to do this we need all of our CWA retirees to become members of the National CWA Retirees Council and then join our RMC chapter.

Applications can be downloaded from the Council's website: <http://cwa-union.org/issues/entry/c/rmc> and from the chapter's website: <http://www.cwalocal1103rmc.org/>

Together we can make a difference!

In Solidarity,  
**Jeanette Spoor**  
**President CWA Local 1103 RMC**

## Labor Joins Drive To Protect Social Security From Deficit-Cut Panel

WASHINGTON--Labor organizations, including the AFL-CIO, AFSCME, the Service Employees and the National Education Association, have joined 57 other groups to unveil a mass movement to protect Social Security from an Obama administration-named deficit-cutting commission.

Speakers at a Washington press conference of the coalition, [www.strengthen-socialsecurity.org](http://www.strengthen-socialsecurity.org), emphasized the nation's main retirement system has a cumulative \$2.6 trillion surplus -- which the rest of the government has borrowed to offset part of its deficit -- and that the surplus and benefits it pays for should not be tampered with.

The 60 groups in the coalition, also including the NAACP and NOW, together have millions of members. Leaders promised to make the threat to Social Security an election issue.

Just four -- the AFL-CIO, the NEA, SEIU and [moveon.org](http://moveon.org) -- claim more than 20 million members combined. The labor-founded Alliance for Retired Americans (ARA) alone plans 62 events, executive director Ed Coyle said.

AFL-CIO President Richard Trumka added three other factors caused the huge deficits Obama's panel is addressing: Two wars, the GOP Bush government's tax cuts for the rich and 'the recession Bush caused.'

Workers "are saying We paid three times (for the deficits) and now you want us to pay for a fourth time?" The American public says: 'Let them (the wealthy) help this time, not us again.'

The groups' campaign responds to reports the 18-member commission has "put everything on the table," including cutting Social Security and Medicare, to try to reduce future federal deficits.

Any possible action needs the votes of 14 of the panel members, who are evenly split between Democrats -- including former SEIU President Andy Stern -- and Republicans. Obama would then review and modify the recommendations and send them to Congress, where Democratic leaders have promised to vote on them.

"When will they learn?" AFSCME President Gerry McEntee sarcastically asked. "That same crowd" which pushed former GOP President George W. Bush's unsuccessful Social Security privatization plan wants to bring it back. Are they for real? Can you picture all the 70-year-old Bricklayers, trash collectors, Fire Fighters and nurses out there? What kind of society do we want?"

Meanwhile, the GOP is floating its

own ideas to cut Social Security retirement benefits, including raising the retirement age to 70.

When House Majority Leader Steny Royer, D-Md., said he would consider that, [MoveOn.org](http://MoveOn.org) mobilized activists in his district to let him know they disapprove, political director Justin Ruben said.

McEntee, whose union set up and funded the groups that led the fight against Bush's privatization plan five years ago, promised more of the same in this year's election cycle, as did Coyle. Trumka told PAI afterwards the save Social Security campaign would be part of the federation's overall political drive this fall.

If you break the promise to America's working families, we'll hold you accountable," warned McEntee. "Many groups, including the alliance, will be involved in the 2010 elections, demanding clear, unequivocal answers from the candidates on where they stand on Social Security," Coyle added.

Raising the retirement age prompted NEA President Dennis Van Roekel, McEntee and SEIU Executive Vice President Eliseo Medina to point out the average Social Security benefit is \$14,000 yearly, or "less than the minimum wage for a full-time worker," Medina said.

"When families are relying on credit cards to pay for groceries, when families are worried if they're even going to have a paycheck next month, saving for retirement isn't even an option. The one retirement source we can count on is Social Security."

Trumka said raising the retirement age to 70 translates to a 13% benefit cut, because workers would have to delay retiring. That's on top of a prior cut imposed on workers born after 1960, who now cannot retire -- at full Social Security benefits -- until they hit age 67, he pointed out. Combined, the two cuts would be 25%, he added.

But at some point, given the retirement of the Baby Boomers and the governments borrowing from Social Security, its payments will exceed its income.

Asked for ways to solve that problem, close the federal deficit, or both, speakers offered some suggestions: Eliminating the cap, currently \$106,000, on the amount of income subject to Social Security taxes, and, most importantly, creating jobs.

Trumka added "actually capping health care costs, by passing the public option or single-payer health care," both ideas dropped from Obama's health care overhaul.

Other union groups in the coalition are the Coalition of Labor Union Women, the Teamsters, the Steelworkers, USW

Retiree District 7, CWA retirees, the AFL-CIO Building Trades Department, the fed's Department for Professional Employees, the Teachers, the Heat and Frost Insulators, IFPTE, UAW, National Nurses United, ARA and seven locals in Washington state -- two of them from UFCW -- plus the state fed.

(An editorial by Press Associates Union News Service)

### Saving Social Security: Here We Go Again

Pardon our peevishness at having to listen to this repeatedly broken record, but once again the enemies of Social Security are caterwauling that its benefits must be cut.

The difference is this time, a Democratic White House gave them the platform, in the form of President Obama's bipartisan commission to reduce future federal deficits -- and that congressional Democrats are spooked by the specter of endless red ink.

As a result, the panel's co-chairs, former top Clinton White House aide Erskine Bowles, a Democrat, and former Sen. Alan Simpson, R-Wyom., say "everything is on the table" in the deficit-cutting exercise. Those are code words for cutting Social Security and Medicare as ways to reduce the federal deficit to manageable levels.

And when congressional Republicans float the idea of raising the retirement age to 70 for everyone -- it's gradually rising for anyone born after 1960, anyway -- House Majority Leader Steny Hoyer, D-Md., says he would consider it.

Just a few facts might be useful before you get taken in:

\* Social Security takes in more money than it pays out, and will at least through the middle of this decade. Its trust fund theoretically holds a \$2.6 trillion surplus. Even when its annual outgo starts to exceed income, Social Security could draw upon its banked surpluses - but with one big "if," to that statement.

The "if" is that Social Security, at some point, may have to start cashing in IOUs it holds from the rest of the government. The government has borrowed Social Security's surplus, or some of it, to cover the multi-billion-dollar deficits racked up by recent Republican presidents Ronald Reagan, George H.W. Bush and George W. Bush. The Clinton administration's budget surpluses in its final years helped Social Security.

\* There is another way to keep Social Security solvent, and AFL-CIO President

*Continued on next page*

*Continued from page 6*

Richard Trumka suggested it at the press conference announcing creation of a grand coalition to defend Social Security from the budget-cutting axe: Lift the cap on taxable income for Social Security purposes.

Look at your pay stub and you'll see what he's talking about. There's automatic withholding of payroll taxes for your income tax, plus automatic withholding for Social Security and another withholding line for Medicare.

But the latter two are withheld only until your income -- and it's only your pay -- reaches \$106,000 (this year). After that, nothing is withheld. Trumka suggested abolishing that limit.

We'd actually flip his idea around: Exempt the first \$100,000, and impose the Social Security withholding tax on everything above that -- and on all types of income, not just what's on your pay stub.

That means corporate bonds, stock dividends, etc., etc., etc. In other words, all the sources the rich tap to gain their gravy trains.

\* There's an even better way to solve the red ink problem for the entire federal budget, without touching Social Security at all. It's a 4-letter word: JOBS.

When people don't have jobs, they don't pay into Social Security, they don't pay into Medicare and they don't pay payroll taxes. Revenue goes down, spending on income support goes up and the budget deficit heads for the stratosphere.

As another speaker at the press conference said, put people to work and the payroll taxes will roll in. But since the private sector is unable to create jobs, unwilling to create jobs, or both, then it's up to the federal government to step in.

If your local hardware store down the street can't hire you because it lacks the money (because the banks won't lend it any) or the software giant downtown prefers hiring computer nerds in India rather than in the U.S., then it's time to create a new New Deal, as Rep. Phil Hare, D-111., and others have proposed.

Have the government hire you and put you to work, fixing the country, modernizing its infrastructure, making "green" products, building broadband, whatever.

Because then you'll earn a paycheck, then your payroll taxes will go to regular income tax withholding, to Social Security and to Medicare -and then the deficit will go down. You'll benefit, the country will benefit and Social Security will benefit.

And then we won't need a deficit-cutting commission that can be used as an excuse to cut Social Security. Because there will be less of a deficit to cut, or, if

the economy really booms, none at all. And Social Security will be safe for you and your kids and your grand kids, too.

## **A PAI Special Report:** **Social Security At 75 -.** **America's Leading Retirement** **Program Under Attack Again**

WASHINGTON--Social Security celebrates its 75 birthday this month, and in a familiar position: It's the most beloved federal program, and the leading source of retirement funds for millions of people. But it's under attack again -- and defended by organized labor again.

The program, enacted by Congress as one of the capstones of the New Deal, was signed into law by President Franklin Delano Roosevelt on Aug. 14, 1935. The movement for Social Security had been building for two decades, but the enormous destitution of the Great Depression pushed it over the legislative finish line.

"There is no tragedy in growing old, but there is tragedy in growing old without means of support," Roosevelt told his advisory committee on economic and social security, which was drafting the legislation, the previous November.

Social Security was a massive and fundamental change in government's role in providing for the needy. Before the Depression, in the U.S., that task was left to private charity.

As the late AFL-CIO President Lane Kirkland once told Congress, before Social Security, "the poorhouse" was the destination for the indigent elderly, and most elderly were poor. He asked lawmakers if they wanted to go back to that.

"We can never insure 100% of the population against 100% of the hazards and vicissitudes of life, but we have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age," FDR added when he signed the Social Security Act.

But he also warned the Social Security law, which also included jobless benefits, aid to the blind and disabled, and what was then Aid to Dependent Children, "represents a cornerstone in a structure which is being built but is by no means complete."

FDR's Labor Secretary, Frances Perkins -the first woman Cabinet member -- chaired the advisory panel that drafted the legislation, and she campaigned for it. Even then, she said Social Security was part of retirement, with along pensions and savings.

"As I see it, we shall have to establish

in this country substantially all the social-insurance measures which the Western European countries set up in the last generation," Perkins said. "But they do not promise anything like complete economic security. More important than all social-insurance devices together is employment."

In a throwback to the 1930s, organized labor now echoes Perkins then. AFL-CIO President Richard L. Trumka repeatedly points out Social Security's alleged looming deficits disappear when people are put back to work and pay taxes into its trust fund.

As might be expected in the 1930s, business and the Right Wing vehemently denounced Social Security for its threat of government intervention.

Some leftist voices -- such as Upton Sinclair, Francis Townsend and Sen. Huey Long, D-La. -- felt it didn't go far enough. The left's opposition has stopped. The Right's never has.

"Industry has every reason to be alarmed at the social, economic and financial implications," GM President Alfred Sloan said then.

"Never has any measure been brought in here so insidiously designed to prevent business recovery, to enslave workers and to prevent the possibility of employers providing work," added Rep. John Taber, R-N.Y. They wanted to rely on charity or the private sector -- which wasn't there.

"As late as 1932, only about 15% of the labor force had any kind of potential employment-related pension," a history of Social Security says.

"Because pensions were often granted or withheld at the option of the employer, most of these workers would never see a retirement pension. Indeed, only about 5% of the elderly were in fact receiving retirement pensions in 1932," it adds.

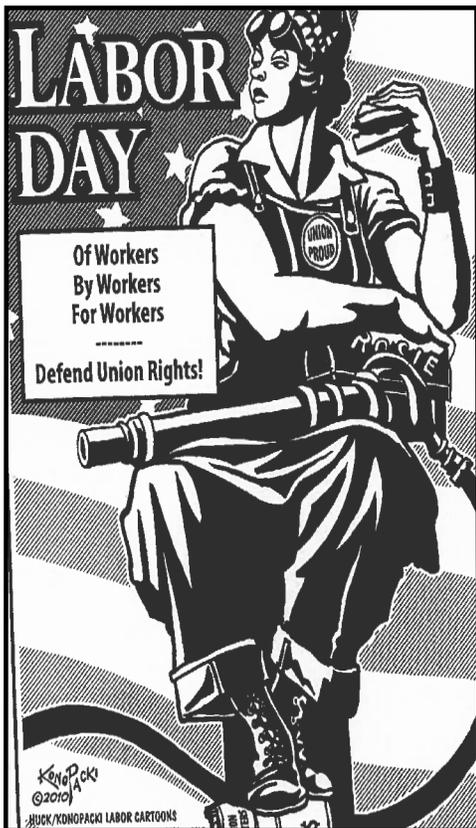
Another 3% had state-guaranteed pensions. Almost nine of every 10 in that group lived in New York, California and Massachusetts.

But there were so few Republicans in Congress and the Depression so discredited their economics that though 95 of the 96 House Republicans and 12 of 19 GOP senators voted to kill the old-age section of the Social Security Act, it -and the entire legislation -- sailed through. They were overwhelmed by the Democrats.

Roosevelt did make one key concession: He funded Social Security as a social insurance program, by payroll taxes -- even though his liberal advisors pointed out the tax would fall proportionately more heavily on the poor, as it still does.

FDR later conceded the liberals were right economically, but politically the payroll tax cemented Social Security in everyone's

*Continued on back cover* 7



**COMMUNICATIONS WORKERS OF AMERICA - LOCAL 1103**

(AFFILIATED WITH A.F.L.-C.I.O.-C.L.C.)

345 WESTCHESTER AVENUE • PORT CHESTER, NY 10573



## PERIODICAL

*Social Security ...continued from page 7*

minds. That's because all contribute, he said -- and all get "a moral, legal and political right to collect their pensions ... With these taxes in there, no damn politician can ever scrap my Social Security program."

There were other changes over the years: Expansion of Social Security from just workers to their survivors and dependents, in 1939; the first ever benefits increase, in 1950; Congress periodically raised benefits from then until it instituted permanent cost-of-living increases in 1972; rising payroll tax rates; taxation of benefits in 1983.

In 2009, for the first time since COLAs began, inflation was so low there was no rise in benefits. Labor stopped GOP President George W. Bush's partial privatization scheme in 2005.

But before that, the combination of high unemployment and high inflation hit in the late 1970s and early 1980s. Moreover, looking down the road, the "Baby Boomers" were going to start retiring. Social Security's reserves had to be rebuilt and bolstered.

In 1982-83, "Social Security was in crisis," says retired Rep. Barbara Bailey Kennelly, D-Conn., then a member of the House Ways and Means Committee, which

crafts Social Security legislation.

"We didn't know if the checks would go out the next several months. And the 'Baby Boomers' were coming.

"So we had to increase payroll taxes to have people pre-fund their own retirement," adds Kennelly, now head of the National Committee to Preserve Social Security and Medicare. A bipartisan commission, including Kirkland, crafted the legislative solution, which also included a gradual increase in the retirement age.

In 1940, the first year Social Security started paying monthly benefits, 222,488 elderly and dependents received a total of \$35 million. In 1950, when the first-ever benefit hike kicked in, 3.48 million elderly received \$961 million. In 2009, more than 51 million people received \$659 billion in Social Security old age and survivor payments.

With numbers like that, the Right Wing has raised its voice again, repeating the old argument, first uttered in the 1935 debate, that payroll taxes would not bring in enough to fund Social Security.

But now they have a platform to preach to: Democratic President Barack Obama's commission charged with finding ways to reduce future federal deficits. It says "everything is on the table," including Social Security benefits.

The system shouldn't face benefit

cuts, because it's part of the deficit solution, not part of the problem, retort Trumka, Service Employees Executive Vice President Eliseo Medina and other defenders of Social Security.

They noted the system has \$2.6 trillion in reserves. What they did not say is that much of its money is tied up in IOUs from the rest of the government, thanks to deficits mostly accumulated under GOP rule.

"There was a crisis" in 1983, contends Ed Coyle of the Alliance for Retired Americans. "There is no crisis today." But Obama's budget projections show a deficit.

His budget estimates for the five years starting this Oct. 1 show Social Security would take in \$3.82 trillion over that time in payroll tax receipts, and pay out \$4.03 trillion.

The Economic Policy Institute retorts, in a study released July 26, that the rest of the government must pay interest to Social Security on those IOUs it holds -- and that pushes the system's annual revenue strongly into the black. EPI calculates the Social Security surplus will rise to \$4.3 trillion in 14 years. That keeps its benefits coming.

"We can't allow anti-worker interests to destroy the one guarantee all Americans have to provide a basic and reliable income when we retire," Medina concludes.