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Latest figures show slowing economic recovery

By John Wojcik

Hopefully, the weather this weekend will be a lot better than the economic news. The government reported that GDP growth slowed dramatically in the second quarter. "The United States economy expanded at an annual rate of 2.4 percent in the second quarter," according to the latest Commerce Department report. That was after expanding 3.7 percent in the previous few months.

Since most economic forecasters are predicting even slower growth for the second half of the year, generally around a rate of 1.5 percent. At that rate it will take years until the economy returns to anything like the level it was at before the financial crisis hit.

Adding to the bad news was the latest foreclosure data.

"In the first half of 2010," McClatchy reports, "More than 1.6 million U.S. properties were hit with foreclosure filings, which include bank repossessions, default notices and auction sale notices. That's up eight percent from the first six months of 2009 and puts the U.S. on pace to top three million filings this year.

"From the Bush administration's HOPE for Homeowners program to the TARP-funded HAMP program," McClatchy said, "community groups, consumer advocates and homeowners themselves



say anti-foreclosure programs have been largely ineffective because banks don't have a strong incentive to modify loans that favor them financially."

The housing crisis, it seems, has created still another problem. Evidence is piling up that it has become a major contributor to the unprecedented lack of mobility on the part of American workers.

An article in the Washington Post noted that "with many people locked in homes by underwater

T H I S W E E K :

- **Latest figures show slowing recovery**
- **Editorial: July 26, Cuba: Absolved by history**
- **Auto comeback celebrated, but at a cost**
- **Maestros sindicato honra a maestros en Louisiana**
- **Arizona protests include civil disobedience**

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mortgages, only 1.6 percent of Americans moved between states in a one-year period that ended in March 2009 - a labor stagnation not seen in half a century."

"In the past, people tended to move where the jobs are," said Assistant Treasury Secretary Alan

The labor movement and its allies have been saying that massive job creation programs are needed to get the nation out of its worst economic crisis since the Great Depression.

Krueger. “Now it is necessary to have more of a strategy to move the jobs and create new jobs in areas where the people are.”

The labor movement and its allies, of course, have been saying that massive job creation programs are needed to get the nation out of its worst economic crisis since the Great Depression. Progressives have also been saying that were it not for the job creation that resulted from President Obama’s first stimulus program, the nation might have already slipped into a full-scale depression.

Banks and financial institutions, however, have not given credit to job saving and job creation programs. There have even been a number of Wall Street-funded studies lately that try to say the taxpayer bailouts of Wall Street are the main reason a depression was avoided.

Dean Baker of the Center for Economic and Policy Research has challenged the line of reasoning in those Wall Street studies. “It effectively assumes that if we did not do the bailouts, that we would have done nothing, even as the financial

sector melted down.

“This is comparable to doing an analysis of the benefits of eating chicken where the counterfactual is that people are eating nothing. Needless to say, we would find very large benefits to eating chicken in such a study,” he said. The Republican and conservative agenda, meanwhile, continues to put forward no solutions to the problems reflected in this week’s poor economic data or the economic crisis, in general. In an interview, Paul Ryan, R-Wis., was asked what Republicans would do for the economy. “I’d revisit some of the major issues over the last year. Health care, energy, taxes, financial regulation,” he said.

“Ah,” said Mark Thoma, professor of economics at the University of Oregon in Eugene. “So his solution to uncertainty is to create even more uncertainty about the policies that will be in effect next year?”



John Wojcik writes for the People’s World.

July 26, Cuba: Absolved by history

By PW Editorial Board

The 26th of July was the beginning, not the end.

On July 26, 1953, a small band of Cuban revolutionaries launched an armed attack on the Moncada Barracks in the city of Santiago. The attack was intended to start a revolution against the corrupt dictatorship of Fulgencio Batista, and was led by a young man named Fidel Castro, who had been an activist student at the University of Havana.

The rebels did not succeed on that day. Some were killed and many others became prisoners, some of whom were murdered by Batista’s goons. But eventually a mass campaign led to the amnesty of Castro and other remaining prisoners.

But the 26th of July was the beginning, not the end. Moncada led to the formation of the 26th of July Movement, which became the central organizing force of the 1959 Cuban Revolution, celebrated every year on January 1.

On trial, Fidel Castro famously said “history will absolve me.” That turned out to be an understatement. Not only has the Cuban Revolution

survived 10 hostile U.S. presidencies, it has been a beacon of hope to the oppressed worldwide.

Besides transforming Cuba and adding to the socialist experience, it has contributed mightily to ending colonialism in many parts of the world, and especially to putting an end to the odious apartheid regime in South Africa.

It’s in the American and Cuban people’s interests for us to fight harder than ever to abolish the 50 year trade blockade against the island. We can start by getting our congressional representatives to support HR 4645, a bill to end the restrictions on travel to Cuba, which will also loosen restrictions on food sales to Cuba.

And let us not forget that five dedicated Cuban patriots are serving outrageously unjust jail sentences in U.S. prisons for the “crime” of working to stop terrorist attacks on Cuba. Let us resolve to celebrate July 26 by intensifying our work for the freedom of the Cuban Five!

Auto comeback celebrated, but at a cost

By John Rummel

President Obama visited a General Motors in Hamtramck and a Chrysler plant in Detroit to celebrate the comeback of the two auto companies. But the comeback has come with a cost.

The president received enthusiastic receptions from workers at both plants. Over a thousand at Chrysler's North Jefferson plant gathered to hear him. At GM's Hamtramck plant, where the new electric Chevy Volt is being made, Obama told cheering workers, "It's estimated that we would have lost another million jobs if we had not stepped in."

He was referring to the government loans that saved auto jobs and enabled the two auto companies to keep afloat after their 2009 bankruptcies. The auto bailout package was passed despite the objections of most Republicans.

At last month's convention, outgoing UAW President Ron Gettelfinger said, "We must never forget there were several right-wing conservatives in Washington who wanted us to fade away ...the contempt for the UAW was so great that some were willing to let the industry collapse to destroy us."

In 2010, the companies have become much "leaner." It was only 30 years ago that GM had 395,000 hourly employees. Today that figure is closer to 50,000. Also thinned out were many parts companies, white collar jobs and car dealerships.

Michigan has lost 800,000 jobs since 2000, and 250,000 Detroiters are unemployed. New hires at the auto plants now start at \$14 an hour. Previously they started at \$28.

Auto analysts report that GM's fixed cost per vehicle will drop from \$10,400 last year to \$7,280 this year and to \$5,772 by 2012. Chrysler's reduction likely is in the same range.

Through such steps as restructuring labor contracts and reducing over-capacity by closing



plants, auto companies are able to make profits even with a much lower sales volume. This phenomenon is being seen in other industries too. Profits are climbing even as sales remain far below previous highs.

Ford Motor Co. earned its biggest quarterly profit in 12 years and it expects its North American employment to grow by 2,000 people. But this is after shedding more than 100,000 workers in the preceding decade.

While all this is good for the companies, what about the "leaner" working class that has been created? How much can be purchased with those leaner wallets?

Michigan's unemployment rate remains above 13 percent.

The problem is great, and many here note that one union by itself cannot solve it. AFL-CIO President Richard Trumka has outlined a five-point program that labor and working people can unite behind: invest in infrastructure and green jobs, implement fair trade policies, change our tax policies, enact comprehensive immigration reform and reform our broken labor laws.

Michigan has lost 800,000 jobs since 2000, and 250,000 Detroiters are unemployed.

Arizona protests include civil disobedience

By Joe Bernick

Thousands turned out in Phoenix and around the state of Arizona to both celebrate the recent court decision on SB 1070, and to protest those remaining sections not included in the injunction.

Major protests took place in several venues, including here in Tucson.

Civil disobedience was a major part of the actions.

In Phoenix, arrestees at the Federal Courthouse included Alfredo Gutierrez, a former state senator, who was a Democratic candidate for governor, narrowly defeated by Janet Napolitano in the 2002 Democratic primary, and Dan O'Neal, an Arizona Progressive Democrats of America leader.

Dozens were arrested for blocking the streets in front of Maricopa County Sheriff Joe Arpaio's Phoenix offices.

Peter Morales, national president of the Unitarian Universalist Association, and local United Food and Commercial Workers organizer Martin Hernandez were among those arrested protesting the anti-immigrant Arpaio.

At a press conference following his release, Hernandez said, "These laws create fear in the community, and they also create worker rights violations."

Arpaio had announced plans for major raids in Latino communities to coincide with the first day SB 1070 was to go into effect. But protesters managed to postpone his racist raids by blocking buildings for most of the day. Besides the civil disobedience, thousands more rallied at the state Capitol.

In Tucson there were protests, CD and prayer vigils.

Maestros sindicato honra a maestros en Louisiana

Por Tim Wheeler

La convención de La Federación Norteamericana de Maestros (AFT por sus siglas en inglés) honró aquí a 300 maestros filipinos en Louisiana que se defendieron de una agencia inescrupulosa que los atrajo a EEUU en donde trabajaban bajo condiciones de semiesclavitud. La Dra. Loretta Johnson, vicepresidenta ejecutiva, presentó el Premio Internacional de Democracia a Ingrid Jomento-Cruz, fundadora de la Federación de Educadores Filipinos de Louisiana, en una ceremonia celebrada el 9 de julio. "Les costó gran valentía a los maestros filipinos exponerse", dijo Johnson. "Solo piense sobre las grandes cualidades que estos maestros tienen: valentía personal, su afán de hablar y su creencia en la acción colectiva".

Johnson señaló que su local, el Sindicato de Maestros de Baltimore, (BTU por sus siglas en inglés) ha recibido a los maestros filipinos en sus filas y eligió a la filipina Aileen Mercado a la junta ejecutiva del BTU.

Cuando los maestros filipinos se comunicaron con AFT, el sindicato respondió rápidamente, dijo Jomento-Cruz a la convención. "Unos cuantos años atrás, no teníamos voz; éramos vulnerables, temerosos. Hoy nos estamos organizando y nunca jamás estaremos silenciosos sobre los derechos humanos y laborales".

Un video proyectado en una pantalla gigante relató la historia horrorosa de los maestros filipinos. Ellos pagaron a la compañía de reclutamiento de Los Ángeles \$15,000

cada uno como cuota de colocación para posiciones de enseñanza que les prometían salarios anuales de \$40,000.

Pero cuando llegaron a Los Ángeles les dijeron que tenían que pagar miles de dólares más y que serían colocados en Louisiana, contrariamente a promesas anteriores. El video demuestra un edificio parecido a una prisión rodeado por una cerca de alambre de púas afilados enrollado al tope.

Los maestros fueron detenidos incomunicados pero Jomento-Cruz lograba comunicarse con la Federación de Maestros de Louisiana, sindicato que lanzó una investigación y ayudó a los maestros a organizarse.

Una demanda de AFT resultó en que la Comisión de Fuerza Laboral de Louisiana mandara la compañía reembolsarles a los maestros \$1.8 millones en cuotas escondidas.

La Federación de Educadores Filipinos también registró una demanda con el Departamento del Trabajo de EEUU protestando las cuotas altas, comisiones y alquileres inflados que el reclutador trató de cobrarlos a cambio de visas estadounidenses de trabajo.

Dijo Jomento-Cruz que la solidaridad de AFT era en el espíritu filipino del "bayaihan", donde los vecinos ayudan a una familia que se reubica al llevar la casa de la familia al hombro a la nueva localización. "Esencialmente, bayanihan se puede identificar con el espíritu del sindicalismo".

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