



VOICE OF THE ILWU

HONOLULU HAWAII
LOCAL 142

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August 2003

Unions march to celebrate Labor Day

This year's main Labor Day event featured a march through Waikiki on September 1 instead of the usual concert at the Waikiki Shell. The march, sponsored by the Hawaii State Federation of Labor, brought 16 labor organizations and 11 community and political groups together to support the rights of immigrant workers. About 40 ILWU members and retirees participated in the march.

The march also featured the Waipahu and Pearl City High School marching bands, taiko drummers, and Korean dancers.

The focus on immigrant workers' rights is part of a nationwide campaign by the labor movement to build support for meaningful reform of immigration laws. The Immigrant Workers Freedom Ride (see story below) is also part of this campaign.

Labor Day organizers plan to



ILWU members and retirees joined dozens of other unions to celebrate Labor Day with a rally and a march through Waikiki on September 1, 2003.

return to the hugely popular "Labor in Concert" program which featured family activities in the afternoon and an evening of top entertainment at the Waikiki Shell. The annual event had become bigger and better each

year and drew 10,000 union members and their families in 2002.

Hawaii and Kauai Divisions held pensioners picnics in August to celebrate Labor Day. Maui did not hold a Labor Day celebration.

ADDRESS LABEL

Justice for immigrant workers and their families

Three ILWU members will take part in a cross-country journey to expose the injustices of current policies toward immigrants in the United States. The three members are: Nemesio Sanchez, retiree from Mauna Kea Beach Hotel and organizer/mobilizer from Hawaii Division; Bob Zahl, member at HC&S and the Local Executive Board; and Bill Udani, former Hawaiian Waikiki Beach member and currently with the Local's organizing department.

On September 20th, they will join nearly one thousand immigrant workers and their allies who will board buses in Seattle, Portland, San Francisco, Los Angeles, Las Vegas, Minneapolis, Chicago, Houston, Miami and Boston and cross the United States over the next 12 days.

The "Freedom Riders" will travel some 20,000 miles of U.S. highways and stop at more than 100 cities, towns and workplaces along the way, where rallies and other educational events will call for an end to policies that discriminate against immigrants.

Immigration Reform

The Freedom Ride will call for immigration policies that: 1) Reward work by granting legal status to hardworking, taxpaying, law-abiding immigrant workers already established in the United States; 2) Renew our democracy by clearing the path to citizenship and full political participation for our newest Americans; 3) Restore labor protections so that all workers, including immigrant workers, have the right to fair

treatment on the job; 4) Reunite families in a timely fashion by streamlining our outdated immigration policies; and 5) Respect the civil rights and civil liberties of all so that immigrants are treated equally under the law. The federal government remains subject to checks and balances, and civil rights laws are meaningfully enforced.

On October 1st and 2nd, the buses will converge on Washington D.C. where riders will meet with members of Congress. On October 3rd, the

—continued on page 2



The "Freedom Riders" will travel some 20,000 miles of U.S. highways and stop at more than 100 cities, towns and workplaces.

Spinosa, McEllrath, Furtado win second term

ILWU International President James Spinosa won a second three-year term as leader of the union after the results of rank-and-file balloting held in July were certified. Spinosa ran unopposed on the strength of the victory in last year's longshore contract struggle that maintained 100 percent employer-paid health care, won the biggest pension increases in the history of American unions and laid out a framework to introduce new technology run by union workers.

Incumbent International Vice President, Hawaii, Wesley Furtado, also won reelection, defeating challenger George Martin by a vote of 6,581 to 3,131. Local 23 and International Executive Board member Willie Adams was elected International Secretary-Treasurer to replace retiring Joe Ibarra. Adams received 6,035 votes to prevail over Marina

Secchitano who received 4,014 votes.

All four of the ILWU officers who led the union through the successful longshore contract negotiations last year were reelected. Besides, Spinosa, International Vice President Robert McEllrath and Coast Committeemen Ray Ortiz, Jr. and Joseph Wenzl all ran unopposed and are returning for another term.

The new International Executive Board will consist of: John Tousseau, Mike Mitre and Larry Carleton for the Southern California Area; Trinidad Esquivel III for the newly created Southern California Desert Area; Fred Pecker, Kevin Gibbons and Richard Cavalli for the Northern California Area; John Evans and John Rapp for the Columbia River Area; Max Vekich, Jr. and Conrad Spell for the Puget Sound Area; Pete Hendrickson for Alaska; Tom

Dufresne for Canada; Dave Freiboth for the Inlandboatmen's Union; and Eli Miura, Pam Green, Martin Jenson (replaces Teddy Espeleta), Arthur Reeves (replaces Richard Kaniho), and Jerry Lagazo for Hawaii.

Richard Kaniho and Teddy Espeleta were originally elected to the International Executive Board as the Hawaii representatives from the tourism and pineapple groupings. However, both of them resigned to take positions as full-time business agents. As provided by Article 5.05 of the ILWU Local 142 Constitution, the Titled Officers appointed Arthur Reeves and Martin Jenson to fill the vacancies created by the resignations. These appointments were confirmed by the Hawaii and Maui Division Executive Boards.

For more results and a break down of the vote by areas, see page 8.

Around the ILWU on Labor Day



Local organizer Bill Udani gives ILWU fans to bystanders on the march route. Printed on the back of the fan is information on the advantages of having a union and how to contact the ILWU's organizing department.



"Everyone loves a parade." Local beach goers and foreign visitors greeted the Labor Day marchers with the same enthusiasm and good will. They also loved the ILWU fans which helped them cope with the summer heat.



Proud to be ILWU. This group of members are proud to support their union by wearing ILWU tee-shirts. ILWU shirts, hats, and pins can be purchased through your ILWU Division Office.



ILWU retirees rode this trolley bus through Waikiki. The banner supports the Jones Act which insures that the U.S. will have an American owned and manned shipping fleet which can be used in times of national emergencies or for national defense. This would not be possible with foreign shipping companies.

Important Notice on ILWU Political Action Fund

Delegates to the 30th Convention of the ILWU, meeting in Honolulu, Hawaii, April 7-11, 1997, amended Article X of the International Constitution to read:

"SECTION 2. The International shall establish a Political Action Fund which shall consist exclusively of voluntary contributions. The union will not favor or disadvantage any member because of the amount of his/her contribution or the decision not to contribute. In no case will a member be required to pay more than his/her pro rata share of the union's collective bargaining expenses. Reports on the status of the fund and the uses to which the voluntary contributions of the members are put will be made to the International Executive Board.

"The voluntary contributions to the Political Action Fund shall be collected as follows:

"Up to One Dollar and Fifty Cents (\$1.50) of each March and July's per capita payment to the International Union shall be diverted to the Political Action Fund where it will be used in connection with federal, state and local elections. These deductions are suggestions only, and individual members are free to contribute more or less than that guideline suggests. The diverted funds will be contributed only on behalf of those members who voluntarily permit that portion of their per capita payment to be used for that purpose. The Titled Officers may suspend either or both diversions if, in their judgement, the financial condition of the International warrants suspension.

"For three consecutive months prior to each diversion each dues paying member of the union shall be advised of his/her right to withhold the contribution or any portion thereof otherwise made in March and July. Those members expressing such a desire, on a form provided by the International Union, shall be sent a check in the amount of the contribution or less if they so desire, in advance of the member making his/her dues payment to the local union for the month in which the diversion occurs.

"Those members who do not wish to have any portion of their per capita payment diverted to the Political Action Fund, but wish to make political contributions directly to either the Political Action Fund or their local union, may do so in any amounts whenever they wish."

No contribution - I do not wish to contribute to the ILWU Political Action Fund. I understand that the International will send me a check in the amount of \$1.50 prior to July 1, 2003.

Less than \$1.50 - I do not wish to contribute the entire \$1.50 to the ILWU Political Action Fund. I will contribute _____. I understand that the International will send me a check for the difference between my contribution and \$1.50 prior to July 1, 2003.

More than \$1.50 - I wish to contribute more than the minimum voluntary contribution of \$1.50 to the ILWU Political Action Fund. Enclosed please find my check for \$_____.

Signature _____
 Name _____
 Address _____
 Local # _____ Unit # _____

Return to: ILWU, 1188 Franklin Street • San Francisco, CA 94109
NOTE: CONTRIBUTIONS ARE NOT DEDUCTIBLE AS CHARITABLE CONTRIBUTIONS

Abercrombie: Jones Act creates good jobs

U.S. Representative Neil Abercrombie met with ILWU officers in August to report on his efforts to bring jobs to Hawaii. Abercrombie explained how the Jones and Passenger Services Acts will lead to the creation of 3,000 American jobs when the Norwegian Cruise Lines hires the crews and support staff for the two cruise ships it will operate in Hawaii. The Jones and Passenger Services Acts require Norwegian Cruise Lines to hire American workers and operate under American labor and environmental laws.



Abercrombie points to the slogan on the cover of the ILWU Constitution—"An Injury to One is an Injury to All."

Freedom ride for immigrant rights—continued from page 1

representatives on the Freedom Ride, three from the ILWU and five from the Hotel Employees and Restaurant Employees (HERE) Local 5, will begin their journey in Los Angeles, California. The trip will include the following cities: Palm Springs, CA; Phoenix and Tucson, AZ; Las Cruces, NM; El Paso, San Antonio, Austin and Dallas, TX; Memphis, Nashville and Morristown, TN; Richmond, VA; Washington, DC; Liberty State Park, N.J.; Flushing Meadows Park, Queens, N.Y.

The Immigrant Workers Freedom Ride takes its inspiration from the

original Freedom Rides of the 1960s which challenged the racial segregation of the American South where blacks were required to sit in the back of buses and wait and eat in separate areas of bus terminals. The U.S. Supreme Court had ruled these practices illegal, but many Southern States ignored the law. To draw attention to the continuing injustices, black and white "freedom riders" rode buses into the deep South and sat in areas designated for "whites only." They were met by violence, but this forced the federal government to take action to enforce its own laws.

Economic "recovery" leaves workers behind

The latest unemployment figures—for the month of August 2003 came out—and economists were shocked. Everyone thought a few jobs would be created. But U.S. companies cut another 90,000 jobs in August. The job loss was in every industry sector and in every part of the country.

Yet the economy is growing. What this actually shows is that part of the economy that makes up the profits of corporations and ends up in the pockets of the very rich—that part is growing. The part of the economy that goes to working people in the form of wages—that part is shrinking. The economist are now calling this a "Job-loss Recovery" because every month, jobs have been lost.

Hardship for workers

The last two years since 2001 have been a disaster for ordinary working people in the United States. Their conditions and standards of living have quickly gone from bad to worse. Millions of better paying union jobs have been wiped out. Unemployment and poverty are higher than ever.

Families have fallen deeper into debt and financially troubled local governments and communities are being forced to cut funds from

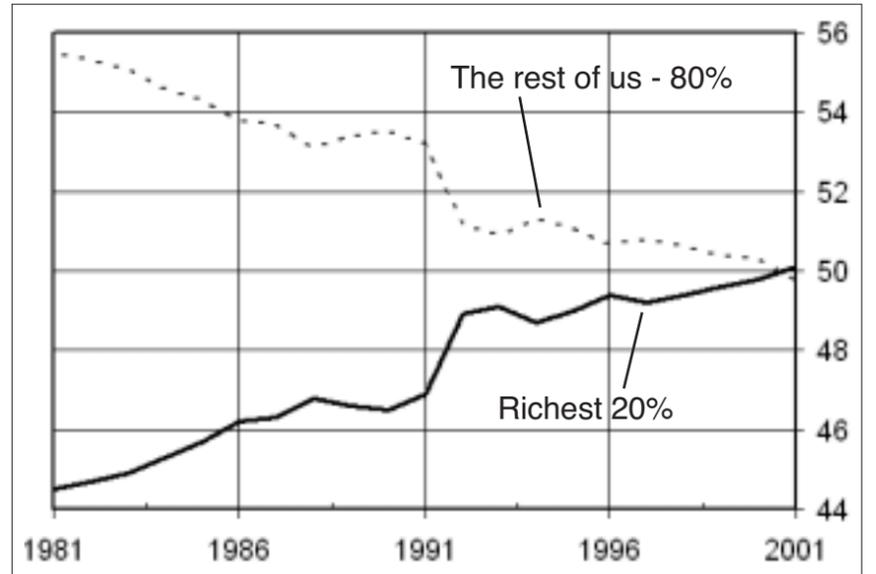
schools, public transportation, and other needed public services. The federal government is also deep in debt, with no money left to bail out the states, to strengthen Social Security, or to help senior citizens with the skyrocketing cost of prescription medication.

At the same time, the fortunes of a tiny handful of the richest Americans have never been better. Their wealth is once again growing rapidly. The attacks of 9/11 did very little damage to their bank accounts and financial assets. The 2001 recession is officially over and the US economy is growing again, thanks to massive increases in defense spending for wars in Afghanistan and Iraq. Worker productivity is as high as ever, and so are corporate profits. Better still, they got the biggest and most generous tax breaks in history with cuts in taxes on inheritance, dividends, and capital gains.

Opposite Directions

The charts to the right clearly show these two very different and opposite trends. The first chart shows the share of income received by the richest 20% of households and the 80% of the rest of us. The heavy solid line shows how the richest people got more than one-half of all

Chart 1 - Richest 5% Get Half of All Income



income in 2001. The money going to the rest of us—about 87.5 million households—has steadily gone down to less than 50% by 2001.

The share going to the rich will increase even more beginning in 2002 as President Bush's taxcuts

were designed to give 53.3% of the benefit to the richest 5%.

The data is from "Historical Income Tables" U.S. Census.

<http://www.census.gov/hhes/income/histinc/inchhdet.html>

U.S. Workers More Productive than Ever

Productivity means business is able to squeeze more and more work out of fewer workers. The productivity of U.S. workers has been steadily increasing since 1990 and took a big jump after 2001.

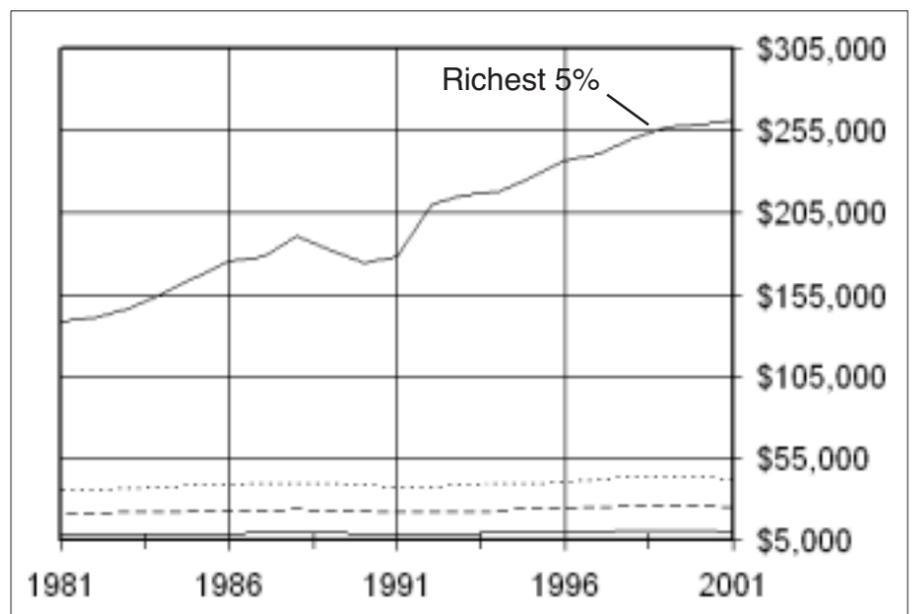


Fewer Jobs, Higher Unemployment

The total number of U.S. jobs grew steadily since 1992 but came to a stop in 2000, then jobs began disappearing.



Chart 2 - Rich Enjoy Steady Increase of Income



This second chart (above) shows how the income of the very rich has rapidly increased while the income of ordinary workers has increased only slightly. Moreover, the income for the bottom 80% of all households reach their highest point around 1999 and then begins to decline. Income of the richest 5% continued to grow after 1999 and will grow even faster as Bush's taxcuts go into effect.

The solid line at the top of the chart shows the income of the richest 5% of households. They represent 5,464,850 households. Their average annual income grew from \$138,638 in 1981 to \$260,464 in 2001. These amounts are in 2001 dollars and are

adjusted for inflation (see technical note).

The three lines near the bottom of the chart is 65,578,200 households or 60% of all U.S. households. The dotted line near the bottom is the middle 1/5 of households, with an average annual income of \$35,465 in 1981 and \$42,629 in 2001. The dashed line is the next lower 1/5 of households, whose income was \$21,492 in 1981 and \$25,468 in 2001. The solid line at the bottom is the poorest 1/5 of households with an average income of \$8,786 in 1981 and \$10,136 in 2001.



Technical notes - the dollar figures in the chart are adjusted for inflation and price changes to account for changes in the buying power of money. The dollar amounts for all dates are in 2001 dollars. The dollar amounts are also averages—the total income received by a particular group is divided by the number of people in that group. This tends to understate the difference in income for the very rich, whose income ranges from \$150,000 to billions.

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Officers report to Convention on work of the union

The Report of the Officers is a unique and important part of ILWU democracy. It reaffirms that the rank and file at this Convention make the policies that guide the work of this union. It reaffirms that the Titled Officers must take their direction from the membership.

In this report, the Local President, Vice President, and Secretary-Treasurer review the major work, accomplishments, and shortcomings of our Union during the last three years.

Farm Bill brings stability to Sugar industry

Amfac Sugar Kauai brought in their last harvest in November 2000, and the remaining workforce of 200 were permanently laidoff. The closure leaves only two sugar companies left in Hawaii—HC&S on Maui and Gay & Robinson on Kauai.

In the last 10 years, nine sugar companies went out of business, putting 2,200 ILWU members out of work and destroying the economic livelihood of many rural communities in Hawaii. These workers and their communities were victims of one-sided US trade policies, such as the North American Free Trade Agreement (NAFTA), that are mainly designed to protect and maximize profits for US companies while doing nothing for working people and consumers.

The Bush Administration is pushing for the passage of another trade agreement, the Free Trade Area of the Americas, which would extend NAFTA-like trade agreements to the countries of South and Central America. This agreement is scheduled to be implemented at the end of 2004 and would probably mean the end of Hawaii's sugar and

pineapple industries.

There was some good news for our sugar members. The 2002 U.S. Farm Bill keeps most of the sugar program in place, including sugar price supports of 18 cents a pound for cane sugar. Every several years the Farm Bill comes up for renewal and the big industrial users of sugar, like Campbell Soup and Coca Cola, constantly try to reduce the 18 cents or cut sugar out of the program so they can get their hands on cheaper foreign sugar. Any reduction in the 18 cents price support would destroy the sugar industry in Hawaii and in most of the United States.

In an uncanny coincidence, a delegation of members from our sugar units were in Washington, D.C. on September 11, 2001, to lobby Congress to keep the sugar program in the Farm Bill.

The 2002 Farm Bill provides some stability to the industry, which enabled our members at HC&S on Maui to win a five-year contract with an unprecedented 3 percent wage increase each year. The contract with Gay & Robinson on Kauai expires this year. ♦

Longshore gain control over technology

West Coast longshore negotiations dominated the attention of our union and our longshore members from June 2002 to January 2003. Even before negotiations started, the association of longshore employers, the PMA, made it clear they were going to take on the ILWU. The PMA began to line up their supporters in the Bush Administration and among big corporations like K-Mart. Negotiations centered around very difficult issues of technology and jurisdiction.

Talks got nowhere in the adversarial conditions created by the PMA. On September 27, 2002, the PMA locked out the union. On October 9, citing national security concerns, President Bush ordered the ports reopened and the union and management to return to the bargaining table. After the lockout, the backlog of cargo, congestion, and chaos severely affected the normal flow of cargo on the docks. The PMA tried to blame the union for the drop in productivity.

The attempt to shift the blame backfired on the PMA. On November 14, at a hearing before a U.S. District judge, the Justice Department agreed with the union that the PMA was to blame for the chaos and loss of productivity.

The PMA finally settled down to serious bargaining, and a tentative agreement was reached 9 days later on November 23. The agreement was approved by the full longshore caucus on December 12, 2002, and ratified by the members by January 23, 2003.

Following the successful completion of the West Coast longshore agreement, similar agreements were hammered out for our Hawaii longshore members. Substantial improvements were made in pension benefits, but this required a trade off with wage increases coming at the end of the 6-year agreement.

Wage increases for longshore were about 2% in 2000 and 2001 and 0% in 2002 and 2003.

Strategic Victory

The 2002 longshore agreement was a major, strategic victory for the ILWU by giving the union a say in new computer technology that threatened to eliminate the jobs of hundreds of ILWU marine clerks.

A special agreement on the application of technologies and preservation of marine clerk jurisdiction was worked out. Management is required to discuss new operations and technology with the union, provide information needed to



Amfac Sugar Kauai final harvest.

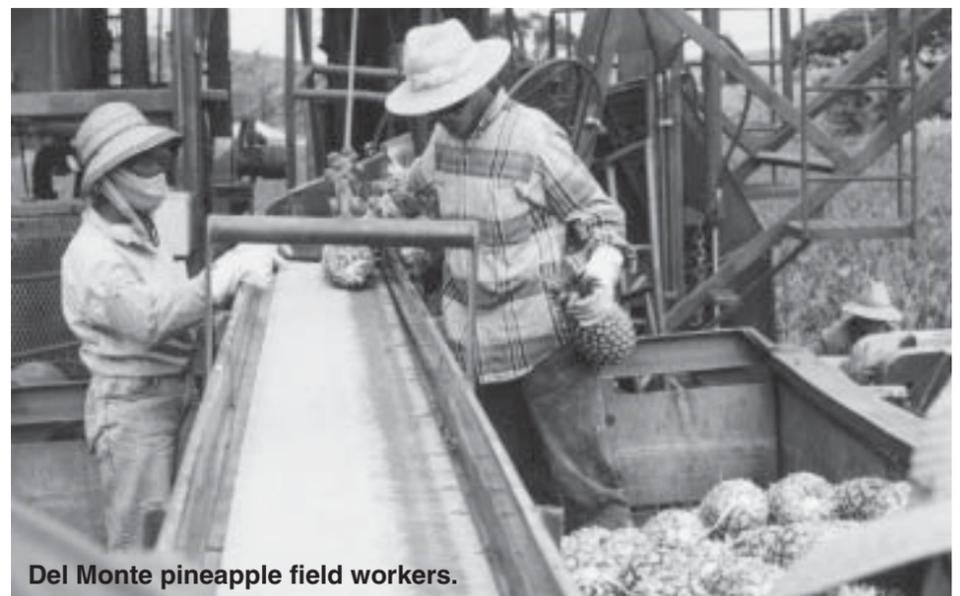
Pineapple struggles against global giants

There are three companies in our pineapple grouping that are facing very different financial situations. Dole and Del Monte have been making money, while Maui Land and Pineapple has lost money in the last two years.

Maui Land and Pineapple is a Hawaii-based company in three lines of business—pineapple, tourism, and commercial property. The company

employs about 2,000 people and generates about \$100 million in revenues from pineapple and \$50 million from their resort and commercial property. The company produces fresh pineapple and operates the only pineapple cannery left in the U.S. Growing losses from their canned pineapple operations had led the company to focus more on fresh

—continued on next page



Del Monte pineapple field workers.

understand issues, and bargain over the issues.

All work created or modified by technology within the traditional jurisdiction of marine clerk work stays with the clerks. All current jobs are protected and major increases were made in pension benefits to encourage clerks to retire.

In most American workplaces, management has total control over the introduction of new technology. Where this is the case, management will always use new technology to increase productivity, so that a few workers can do the work of many. This allows management to cut jobs and maximize their profits. Management gets all the benefit of technology, while workers are the

victims.

The ILWU longshore division, however, has had a say in new technology ever since the Mechanization and Modernization Agreement of 1961. Under the leadership of ILWU president Harry Bridges, a breakthrough was made in the way the union approached the issue of new technology. Basically, Bridges understood that workers could never win in the long run by standing in the way of modernization.

The only winning strategy was to cooperate with management in making the workplace more efficient, but to make sure that the union had a say in how technology is implemented and that workers shared in the benefit. ♦

ILWU Local 1 Report on of the

142 Officers the Work Union

Pineapple, (continued)

pineapple. The company reported a loss of \$4 million in the first 6-months of 2003 and \$5.6 million in 2002. The company made a profit of \$7.5 million in 2001.

Dole and Del Monte are classic examples of how companies have globalized production to take advantage of lower labor costs in the developing countries. Both companies no longer produce canned pineapple in Hawaii. Instead, they focus on the more profitable fresh and fresh-cut pineapple. Canned pineapple sold under the Dole and Del Monte brands come from Thailand or the Philippines.

Del Monte's global operation

Del Monte is a global, multinational company that operates in 50 countries, has 25,000 employees, and does business in a large variety of fruits and vegetables. The company does over \$2 billion in business and has been reporting record profits in the last few years. Bananas account for most of the company's sales, but fresh and fresh-cut pineapple is Del Monte's biggest and most important profit maker. The company reported a record high net income of \$195 million in 2002. The company produces pineapple in Costa Rica, the Philippines, and Hawaii and has 50% of the pineapple market in the United States.

Multi-national giant Dole Foods

Dole Foods is an even bigger global company that employs 57,000 people in 90 countries with \$4.4 billion in annual revenues. In the last two years, pineapple and fresh fruits have been the companies best and most important line of business, accounting for about two-thirds of the company's revenues and income. Income from fresh fruits and pineapples have increased astronomically from \$1.5 million in 2000 to \$217.8 million in 2002. The company grows pineapples in Latin America, Hawaii, Philippines and Thailand. Dole reported a 2002 income of \$156 million, but took an accounting loss of \$120 million.

Due to the turbulent situation with West Coast longshore bargaining at the time, the union negotiating committees from Dole, Del Monte, and Maui Land and Pineapple, decided to extend the contract which was to expire on November 30, 2002, for one year until January 31, 2003. In January 2003, the union committees agreed to a second one-year extension because of the impending war with Iraq and to give Maui Land and Pineapple time to improve its financial situation. ♦

9/11, SARS, and Iraq War hurt our Tourism Grouping

There are 11,000 members in our Tourism Grouping, which is more than half the membership of Local 142. This grouping includes hotels, golf courses, and industries related to tourism.

Favored Nations Battle Won

Our union won a significant victory with a contract settlement at the Royal Lahaina Hotel in March 2001 which finally limited the hotel's use of the "favored nations clause." The "favored nations clause" was part of a legal and contractual dispute between the union and a number of hotels which goes back to 1994.

In 1994, almost all of the neighbor island hotels organized by the ILWU were members of the Council of Hawaii Hotels and covered under a master hotel contract with the same wages, benefits, and contract language. The industry was going through rough economic times and the Council asked the union for help.

ILWU hotel members agreed to make a sacrifice and help the hotels by postponing a number of wage in-

Katz, and the Big Island hotels, advised by management attorney Ron Leong, told the union they would stop deducting dues unless the union agreed to extend the contract without the last wage increase. The union could not agree to give up a wage increase promised to our members; the hotels stopped deducting union dues; and ILWU hotel members began an industry-wide struggle for fair contracts that would take several years to resolve.

To make a long story shorter, the union won fair contracts at most hotels, supported in part by National Labor Relations Board decisions and arbitration awards in the union's favor. Favored nations remained an issue at the Royal Lahaina which was finally resolved

tactics.

The Project started in early 2000 and worked with the Hyatt Maui, the Grand Wailea Resort, and the Royal Lahaina hotels. The Project had a temporary staff of 5 full-time people—a director, a researcher, and three mobilizers. The Project ended in mid-2001 and the final report and training session for our full-time officers was held on August 14, 2002 as part of the ILWU Labor Institute.

The Project was successful—good contracts were won at the Hyatt Maui, Grand Wailea, and Royal Lahaina; the success of the Project's contract campaigns created a stronger climate of mobilizing within our organization; and the lessons learned from the Project were passed on to our full-time officers and many unit leaders.

9/11 Shock

Our tourism members were hit by the severe shock to the tourism industry following September 11, 2001. The disruption to air travel, the focus on airport security, the Bush Administration's decision to fight a global war against terrorism and to start that war by overthrowing the Taliban government of Afghanistan created a climate of fear and uncertainty which caused a 25% decline in visitors to Hawaii. This included a 50% drop in Japanese visitors.

For the next six months, hotels cut hours and laid off hundreds of workers. Our union was kept busy making sure the hotels followed seniority and other contract terms as they cut hours and laid off workers. We also sought extended unemployment insurance and medical coverage to help members who lost their jobs. Several food bank distributions were made.

The loss of income suffered by our hotel members also caused a serious drop in our union's dues revenues, which are based on a percentage of income.

This required the officers to take a series of steps to safeguard the financial health of our union. An FTO wage increase scheduled for January 2002 was suspended, new programs were put on hold, and all expenses that could be delayed were put off. In practice this applied mostly to the purchase of equipment and educational classes, which were expenses completely under our control.

Visitor arrivals gradually recovered towards the middle of 2002, which enabled us to gradually restore all programs and to give the FTOs a wage increase as of October 2002.

Iraq War Shock

The hotel industry took another hit in late 2002, when President Bush began the buildup for a war against Iraq and asked Congress for authority to use military force against Iraq. Waikiki and the Big Island suffered the greatest loss, while Maui and Kauai were not seriously affected.

When Bush finally launched the



ILWU members protest Pacific Beach Hotel's violation of worker rights.

creases, with the understanding the hotels would restore all negotiated increases on the last day of the contract.

The hotels were also concerned about competition from new hotels like the Grand Wailea that were not members of the Council of Hawaii Hotels. They did not want these non-Council hotels to have an advantage if the ILWU negotiated a cheaper contract with that hotel. To prevent this, the Council wanted a "favored nations clause" which would allow them to implement any cheaper terms from these other contracts. The union agreed, with the understanding that "favored nations" was temporary and would drop dead when the contract expired in May 1995.

When the contract expired in 1995—the hotels, under the influence of management attorney Robert Katz, quit the Council and began negotiating separate contracts with the union. The hotels also betrayed their employees and refused to honor their agreement to restore the last wage increase. Some hotels, like the Royal Lahaina and the Renaissance Wailea Resort, took the position they had the right to continue using the favored nations clause, even though the contract had expired and they were no longer part of the Council.

The Maui hotels, advised by Robert

by the March 2001 agreement.

Mobilizing Project

The success at the Royal Lahaina was only possible because the Local committed massive additional resources in the form of the Tourism Mobilizing Project.

The Mobilizing Project was conceived in mid-1999 as a way to rebuild and focus union and member power in the hotel industry for the year 2000 negotiations. Industry bargaining had broken up after the 1995 contract, separate and diverging agreements were negotiated at each hotel, and the favored nations clause in some contracts was a major threat to union standards.

The idea of the Mobilizing Project was to maximize the union's bargaining power in contract negotiations by mobilizing members and waging a corporate campaign against that employer. The Project would research an employer's weaknesses and vulnerable points, then organize to put pressure on that employer through member mobilizing, taking the struggle to the community, reaching customers or clients or shareholders, using government agencies and regulations, and other

—continued on page 7

Local Officers' Report

General Trades face normal challenges

Unlike our other groupings which are based on a single industry, our general trades grouping is made up of many different industries. Some of the larger industries within general trades are: Supermarkets (Foodland, Star Market, Sack 'n Save); Health Care; Macadamia Nut; Automotive; Construction related; Trucking; and Bakeries.

Except for industries that depend on tourism and the spending of tourism workers, most of our general trades companies were not affected by the downturn in tourism after 9/11. Some industries, like health care and construction have done well throughout this period.

Supermarkets are up against a nationwide trend where "big box" national chain stores like K-Mart and Wal-Mart have been taking market share from the more locally based food markets, resulting in the loss of business and the layoff of thousands of workers. The big stores will come into a community and sell at lower prices until the competition is wiped out, then raise prices. This practice has led to wide-spread community opposition, which slowed, but has not prevented, the expansion of these national chains into Hawaii. Our local supermarkets are up against a future of intense competition where employers will constantly

try to get fewer workers to do the work.

Bad weather and insect damage resulted in a 5% smaller harvest in 2003 for our macadamia nut companies. Lower priced nuts from Australia, a major competitor for Hawaii, also caused a drop of about 2 cents a pound in the price of nuts.

The Mauna Loa factory was purchased in 2000 by the Shansby Group, an equity investment partnership based in San Francisco. They have a long term contract to purchase nuts from the ML Macadamia Group, which owns the orchards. The farm price for nuts have fallen from a high of 67 cents per pound in 2000 to 57 cents a pound in 2003. This means our macadamia members will be faced by continued pressure from management to cut costs and layoff workers. Wage gains averaged 1.68% during this triennium.

Nationwide, health care and construction are two of only a handful of industries that are expanding and hiring more workers. Almost all other industries have cut jobs as productivity gains allow management to get more work out of fewer and fewer workers. This is the main reason behind the so-called "jobless recovery" where the U.S. economy is expanding but at the same time jobs are being cut. ♦

Organizing the Unorganized

Our organizing record in this triennium reinforces the necessity of going into an organizing drive with the goal of getting a first contract.

Our organizing department reported 16 wins involving 1,148 workers, but only seven of these wins achieved first contracts and another five will likely get a first contact.

This is a gain of only 388 members.

In the remaining 5 drives, the company went out of business, laidoff all the workers, decertified the union, or the election was so close that it will be extremely difficult to get a fair contract. These organizing drives involved 781 workers. ♦

ILWU Memorial Assn. Building Completed

The 22nd Convention approved the renovation of the ILWU's 50-year old building at 451 Atkinson Drive. We decided to proceed with the renovation after the financial shock of 9/11, because leases and contracts had already been signed and it would have been more costly to delay the work.

Major construction began in January 2002 and was completed on schedule in December 2002. The work required the temporary relocation of all of our offices to 720 Kapiolani Blvd.

It appears that the total cost of renovation will be just slightly over budget at around \$5.1 million. This includes the architectural design, construction, furnishing, phone and

air conditioning systems, and the cost of relocation during the construction.

Considering some of the unusual events of this triennium, our union's finances are in fairly good shape. The only reason our budget is severely strained in the coming triennium, is due to one reason—the need to contribute \$2.5 million to our staff and officers pension fund in the next three years. This is a problem faced by many pension funds, due to low return in the current stock market and the loss of value following the stock collapse of high technology companies in 2000. ♦

Education and Membership Services

A total of 26 education programs attended by 694 people were held in the last triennium. This included 24 classes for rank and file members on grievance handling, leadership, political action, and advanced leadership training at the labor institute. Two classes were held for full-time officers. In addition, four Local 142 members attended the International's Leadership Education and Development (LEAD) Institute in Palm Springs in September 2002, one of whom also helped with instruction.

All classes were put on hold for six months between 9/2001 and 3/2002, until it became clear that the tourism industry was recovering.

Membership Services

Our Membership Services Program has continued to provide needed social services and assistance to members, their families, and to retirees. After 9/11, we lobbied the state for extended unemployment benefits for laid off hotel workers and

organized several food distributions through the Hawaii Food Bank.

The increasing cost of prescription drugs is a serious hardship for our retirees. In 1999, the University Health Alliance canceled their prescription drug plan for our sugar retirees on the Big Island. When all attempts to find a replacement plan failed, we set up our own program through HMSA. To keep the plan affordable for our retirees, we did all the administrative work such as billing and collecting monthly premiums. In this way, we were able to provide some benefit to our retirees until November 2002.

The problem of high drug costs for seniors is a national problem that can only be solved by putting more federal dollars into Medicare to provide our seniors with drug coverage, by controlling the high prices set by pharmaceutical companies, or by controlling costs through a single payer system such as the Canadian health system. ♦

Contract Administration

Legal costs related to arbitration remain a major expense. About half of this cost comes from the expense of having our law firms do a preliminary review of a large number of grievances that our business agents submit to employers with "an intent to arbitrate." Around 130 grievances reach the intent to arbitrate stage each year, and only the more serious cases are reviewed by our attorneys.

Due to the impact an arbitration can have on the interpretation of contract terms, our Local Executive Committee (composed of the three titled officers and four division directors) must approve all cases

actually submitted to arbitration.

Consequently, a much smaller number of cases (about 20 a year) go to arbitration, which can cost over \$20,000 a case and much more depending on the complexity of the case. This cost includes the fees charged by the arbitrator, the administrative costs of holding a hearing, and the legal work that goes into preparing and presenting our member's grievance.

New cases continue to enter the system as fast as old cases are resolved. This suggests that our grievance workload will remain this high in the near future. ♦

Union Political Action

Our Divisions, members, and retirees put in a tremendous effort in the 2002 elections to support union endorsed candidates. Their efforts went a long way in educating our members on the issues, keeping labor friendly candidates in office, and maintaining strong Democratic majorities in the House and Senate.

Unfortunately, their efforts were not enough to elect Mazie Hirono and defeat Linda Lingle. Lingle's victory is a major setback for the working people of Hawaii. It has been 40 years since Hawaii has had a Republican governor. Lingle's win was by no means a sign that Hawaii's people support the pro-business ideology and platform of the Republican Party. If this were the case, the Republicans would have made some gains in House and Senate races. Instead, they lost 4 seats in the House, which now prevents them from pulling bills out of committee and forcing votes on bad bills. The Republicans gained 3 additional seats in the senate for a total of 5 out of 25 seats.

Lingle won because Republican

candidates and the Party concentrated their efforts on her election and a lot of money from outside Hawaii helped pay for a sophisticated and calculated campaign. This would not have been enough to win, except Ben Cayetano alienated a lot of voters, the Democrats were divided and disorganized, and Mazie Hirono's campaign suffered a number of set backs because of Jeremy Harris.

As Governor, Lingle has the power to appoint the department heads of all state agencies, state judges, and hundreds of members of boards and commissions. As expected, she appointed like-minded people who favor management and business over labor and working people. Lingle's veto of 50 bills after the 2003 session was also consistent with her Republican outlook.

Maintaining strong Democratic majorities in the Hawaii legislature is vitally important in 2004 because this is the only way to limit the damage and prevent the kind of attacks on working people that we see on the national level. ♦

Visit your ILWU Hall

The union hall is not just a place for ILWU members to hold meetings and negotiations, it is a place for members to get to know each other and learn about the union. Come down to your ILWU union hall at 451 Atkinson Drive in Honolulu and view the historic ILWU mural, see the renovations made to the building, and meet the people who work for you!

Local Officers' Report

Workers are facing a crisis Politics must be our central focus for 2004—continued from page 5

war on March 20, 2003, without the approval of the United Nations, there was another deep drop in Japanese visitors to Hawaii and a smaller decline of West Coast visitors. Again, Waikiki and the Big Island were the hardest hit.

Despite 9/11 and the Iraq War, we were able to negotiate fair contracts with most of our hotels. Hotel wage increases averaged 3.5% during this period.

The situation described in each of our industrial groups appears fairly normal, but there has been an unprecedented and sudden reversal in conditions for working people in America and for us in Hawaii.

Almost from the day he took office as president in January 2001, following a split-decision by the Supreme Court to stop the recount of the Florida vote, George W. Bush and his administration have been attacking working people with devastating results.

Union Busting

Bush has taken union busting to new heights. Bush and his Administration are using the excuse of national security and the threat of terrorism to bust government unions and take away the right to unionize from hundreds of thousands of federal workers. Using this excuse, Bush threw out union representation for 2,000 government workers in the Justice Department and in the National Imagery and Mapping Agency. One day these workers were in the union—the next day the union was gone. The workers did nothing to justify such an extreme action. Some of those workers have been in the union for 20 years and there was never any problem with security.

The real reason Bush is busting unions was revealed when 60,000 airport screeners working for the new Transportation Security Administration were denied the right to join unions and bargain collectively. The Bush Administration claimed, that in order to fight terrorism and protect national security, government bosses had to have the unlimited flexibility to change work assignments, change hours, and change conditions of employment without having to deal with a union or union contract. This sounds like any other boss who wants absolute control over his workers. It never occurs to them that unhappy and demoralized workers may do a lousy job which poses an even greater security risk.

Jobless Economy

Over 3 million jobs have disappeared since Bush took office. Most of the loss has been in good paying jobs in manufacturing as companies replace workers with machines or move production to Mexico and other low wage areas. Our country has lost

jobs in 25 of the 31 months that President Bush has been in office, making this the worst jobs record of any president in 70 years.

Because of this loss of jobs, unemployment is over 6.2%—which is the highest in 9 years. The unemployment rate is even higher in California, Oregon and Washington, which is bad news for our tourism industry because most of our visitors come from the West Coast.

Over 9 million people are actively looking for work but can't find jobs. Another 2 million have given up looking or are underemployed at part-time or temporary jobs.

More Americans are being pushed into poverty—almost 33 million people live at or below the poverty levels. This is 12 percent of the population, and the highest in 26 years. Personal bankruptcy hit an all time record with over 1.5 million people filing for bankruptcy last year in 2002. Personal debt—mostly charged on credit cards—is also at an all-time high of 14 percent of our disposal income.

Ordinary working people in the U.S. are worse off today—millions of jobs have been lost, unemployment is the highest in 9 years, poverty and personal bankruptcies are at record highs. The bad economic conditions of working people also affects the fiscal health of state and local communities, which are being forced to cut education and needed public services.

To make matters worse, the federal government doesn't have enough money to help the states or to pay for all its existing programs. The occupation of Iraq is costing more than \$50 billion a year. The Bush tax cut was the most expensive in history. This year's federal deficit is expected to be over \$450 billion—another record breaker. Bush will push the National debt to \$6.750 trillion as of Aug 2003 and it will get higher every year.

To deal with the deficit, Bush plans to borrow the money and raid the surplus in the Social Security and Medicare trust funds. Instead of putting more money into Medicare to provide prescription drug coverage or to strengthen Social Security, Bush plans to weaken the programs.

Give to the Rich

Yet, for one very small group of individuals, life has never been better. A very small group of people (58,000 individuals) own one-third of the financial wealth of the world—18,000 are Americans. It is this tiny group of the very wealthy who have benefited the most from the actions of the Bush Administration. Their companies are getting the lucrative contracts to rebuild Iraq's oil industry and infrastructure. Their companies are getting the defense contracts for military equipment and

supplies.

It is this tiny group of the very wealthy who benefit the most from Bush's tax giveaways that will cut taxes on inheritance, on stock dividends, and capital gains. Bush made a big TV production about mailing out rebate checks for the child tax credit, but that credit is only increased for two years—2003 and 2004. It drops back to the old rate after that, and so does most of the other tax cuts that benefit the middle class and the poor. On the other hand, the benefits for the very rich, like eliminating the tax on capital gains and stock dividends, get better and better. By the year 2006, the richest 5 percent—the most wealthy people in America—will get over 72% of the tax cut. Their share of the tax burden decreases, while the burden increases for middle class working people.

Most of President Bush's policies are calculated to take care of the wealthy and their businesses. The Prescription Drug program rewards insurance and pharmaceutical companies. The Healthy Forest Initiative relaxes environmental rules and opens up the wilderness to mining and logging companies. The Bush energy policy allows utility companies to avoid clean air requirements. Bush has changed rules to make it easier to privatize millions of federal jobs. He reversed job safety rules to prevent repetitive stress injuries and changed overtime rules to benefit business.

For a more detailed list of what Bush has done to help business and hurt workers, go to the AFL-CIO's Bushwatch website at:

[http://www.aflcio.org/
issuespolitics/bushwatch/](http://www.aflcio.org/issuespolitics/bushwatch/)

Another good list is the "Countdown to Election Day: 525 Reasons to Dump Bush" at:

<http://www.525reasons.com/>

Attack on Freedom and Democracy

Even more ominous are the Bush administration attempts to grab power and put the presidency above Congress and the Courts. The Patriot Act gave the Bush administration unprecedented power and seriously threatens the constitution rights and freedom of the American people. Most of these attacks on our fundamental rights and democratic institutions are being done in the name of national security and the war on terrorism.

The world has become a more dangerous place as the result of Bush's misguided foreign policy. His policies of preemptive war, unilateral action, and bullying the United Nations are proving to be disastrous.

Perspective

Whenever we talk about the importance of union political action, we often use the example of how

gains that took years to achieve can be wiped out by a simple change in the law—by a stroke of the pen that signs a law into existence. We constantly urge our members to vote and get involved because politics directly affects our standard of living and can change the quality of our lives. We urge our members to support union endorsed candidates, because the wrong people in office can do a lot of damage.

We repeatedly warned how the Republican Party is the party of big business and the wealthy, and how it would be a disaster for working people if the Republicans ever took control of our government.

The Republicans did gain that control after the presidential elections of November 2000. A Republican dominated Supreme Court intervened in the recount of Florida's vote and essentially appointed George W. Bush president over Al Gore. The Republicans also held tiny majorities in the House and Senate. Control of the Senate shifted to the Democrats for a short period of time, but Republicans regained the Senate after the midterm elections of November 2002.

For the first time in 50 years, the Republicans had outright control of the Presidency, the Senate and House. We knew President Bush and the Republicans would begin to take care of big business and the wealthy and do so at the expense of working people. But we also expected the changes to come about more slowly and for the Republicans to be open to compromise and balancing the interest of business and working people.

We were wrong. What we didn't anticipate, even in our wildest nightmares, was how unrelenting, far reaching, and one-sided this attack would become. We didn't foresee how quickly our gains could be destroyed and programs dismantled.

George Bush has made politics the central issue for working people. All our hard work at the bargaining table, in protecting our members' rights on the job, and the gains we made over the years are in jeopardy because of the impact of Bush's policies on our economy, on our community, and on the international community.

The path forward is clear—we must take our country back in 2004, get rid of George W. Bush, and put this country on the right path again where working people come first.

The theme of this Convention, "**Defend Our Rights. . . Protect Our Union**", sums up the challenge before this union and before us as leaders of this union.

*Eusebio "Bo" Lapenia Jr.
Robert G. Giraldo
Guy K. Fujimura*

ILWU pensioners on Kauai and Hawaii enjoy Labor Day



Alfred Castillo (r), president of the Kauai Division Pensioner Council and the McBryde club, presents a prize to one of his fellow retirees.



Members of the Pepeekeo Pensioner Club (with President Barbara Hanog, standing) enjoy the hanafuda tournament at the Hawaii Division Labor Day event for pensioners in August. Food was prepared by Hawaii Division staff and volunteers.



Kauai pensioners enjoyed playing games like balloon darts, frisbee throw, and mini-golf.



The Paaulo Pensioner Club, led by president Sandra Gomes, serenade the pensioners.

Special bond between Hawaii and Canada

The ILWU Pensioners Organization in Canada gave honorary membership to five Hawaii members--President of Local 142 Hawaii "Bo" Lapenia Jr., John Arizumi, Fred Lee, Tony "K" Kahawaiolaa, and Gladys Paulino.

A letter from the Canadian Pensioners Organization explained: "This action was taken because of our appreciation of the unqualified assistance given to our members when they visit the great State of Hawaii, by your local officers and

membership. This development of trust and friendship has been continuous since the first International Convention convened in Vancouver, Canada in 1965, that bringing together of our two memberships was a significant event that has strengthened our bond and helped make this Union, the ILWU, a much stronger organization.

In naming the five people as above we do so with the knowledge that they are representative of the total membership of ILWU Local 142."

Union Plus Scholarships Applications Available

Applications for the 2004 Union Plus Scholarship program are now available. To download an application go to: www.unionplus.org/scholarships or send a postcard with your name, return address, telephone number and international union affiliation to: Union Plus Education Foundation, c/o Union Privilege, P. O. Box 34800, Washington, DC 20043-4800. The application deadline is January 31, 2004.

International Election results for Titled Officers

ILWU Region	Mainland		Hawaii		Sec.-Treas.	
	President	V. President	V. President			
	Spinosa	McEllrath	Furtado	Martin	Adams	Secchitano
Southern California	3,745	3,297	2,699	877	2,403	1,265
So. Cal. Desert Area	121	122	48	78	69	64
Northern California	792	789	436	466	269	714
Oregon & Columbia River	566	563	402	159	435	162
Puget Sound	769	739	445	245	693	146
Alaska	117	122	71	46	86	41
Canada	984	959	655	326	579	442
IBU	538	524	339	230	300	320
Hawaii	1,917	1,807	1,486	704	1,201	860
Grand Totals	9,549	8,922	6,581	3,131	6,035	4,014

Hawaii Members of the International Executive Board

	Lagazo	Espeleta	Green	Miura	Kaniho
Total Votes	1,677	1,782	1,683	1,734	1,705

2003 Bouslog scholarship winners

Seven ILWU children won Harriet Bouslog labor scholarships to the University of Hawaii.

Kauai winner Britnee Boeder is the granddaughter of ILWU member Henry Emura from Kekaha Sugar. Maui winners are: Joice Castillo, the daughter of Reynaldo Castillo from Kaanapali Beach Hotel and Rochelle Garcia, the daughter of Billy Garcia from Maui Pineapple.

Hawaii winners are: Dianne Agbigay, daughter of Wenceslao Agbigay from Mauna Loa Mac Nut and Carly Hayashikawa, daughter of Eric and Cory Hayashikawa from the Fairmont Orchid Hotel.

Oahu winners are: Chad Ching, grandson of June Carvalho from Wahiawa General Hospital and Shun Pactanack, son of Ceferino Pactanac, Jr. from the Honolulu Airport Hotel.