

⑧ Bruce Roy
United Steelworkers

Good Evening Commission Members

My name is Bruce Roy, and I am a resident of the Town of Jay. In my work career, I have worked in the textile industry for 4 years, and have been in the paper industry at the Wausau Papers Otis Mill in Jay for almost ~~20~~²⁷ years as a 3rd generation papermaker. I am also privileged to be a member and officer of the United Steelworkers Local 11 and I serve as the President of the Maine Labor Council of the United Steelworkers.

When I began work in the textile industry in 1975, at Carleton Woolen Mills in Winthrop, I could see the handwriting on the wall. While they had almost state of the art technology in their weaving department, most of the rest of the mill was still using 1950's or earlier equipment. Other textile operations in the state were announcing closure or plans to move their operations to the southern US in search of tax breaks and cheap labor. I was sure that I did not have a future in the textile industry.

So I turned to my roots....the paper industry where my father and grandfather had both worked. My thoughts were that if the mill had remained strong through their working lives, that I would be far better off there than in the textile industry. At the age of 22, sometimes you don't always make the wise-est decisions.

A job in the paper mill was not as secure as I believed it to be, and there were long stretches of unemployment due to lack of orders in those first few years. The mill was one slated for closure by International Paper in 1978, and had been purchased by James River that same year. Other than installing modern process control computers, the mill was mostly 1930's, 40's, and 50's equipment being operated at speeds that exceeded rational thought. One machine was actually braced to the wall to keep it from swaying at the higher speeds. Wider and faster paper machines had been built in a new mill in Jay and elsewhere in the US. The mill I worked in was relegated to making paper in small quantities that the "big" mills did not want to make.

Less than 30 days after I started in the paper mill, I got married. My wife had a job in the shoe industry, and the migration south had already begun in that industry much as in textiles. By the mid-80's, she was laid off from the shoe shop, a victim of the lowest bidder strategy taking hold in corporate America. By then the shoe and textile companies werent just moving south, they were moving offshore in a mass exodus toward cheap labor, no environmental regulation, and with tax advantages provided by our government.

Despite harsh personal experience, I still thought the paper industry would be safe in the long term. Into the mid-80's, paper companies were still investing in modern mills and equipment here in Maine. After all, the paper companies owned millions of acres of land which held the trees that could be turned into paper. Those of us of a moderately advanced age can remember certain paper companies advertising their forestry practices of harvesting and replanting on the evenings that Apollo coverage from the moon was being shown on TV. They made it sound so great, and by and large the people of Maine believed.....and continued to believe into the 80's.

In the mid 80's, the truths began to show. A man named Bill Butler, who was a logger and activist in what was the Maine Woodsmen's Association, began sounding the alarm that Maine's paper companies had begun to liquidate their land holdings in the state in preparation for leaving for places like Indonesia and India and Brazil and Russia. The paper industry had pretty much ruled the state with its political clout, and government officials (both elected and appointed) could not believe that Maine could be abandoned in such a way. Stop and think.....how many paper companies own land in Maine today?? I believe the answer is none. And to think, in the mid 80's NAFTA, CAFTA, the WTO, FTAA, and China trade deals were but an inkling in some MBA's brain stem.....

But the simple truth is this: Since the mid 80's, there have been no...zero...zilch...nada...new paper mills built in the US. Almost all new paper mill investment has been in places such as those I mentioned beforeIndonesia, India, Brazil, Russia.....and you can add China to the list. All of these places are very, very far removed from Maine.....where we have the trees. So why isn't the paper industry investing in the US? The answer is simple.....corporate greed and government enabling.

The former head of General Electric, Jack Welch, celebrated by business gurus as a genius, made a statement that effectively sums up the thought process at the corporate level. He said something to the effect of : If corporations were smart, they would build their factories on barges so they could float them to countries that had the lowest labor costs, substandard labor laws, and the least amount of environmental regulation. Thus.....Corporate greed.....and I don't expect that to go away anytime soon.....

When NAFTA began in 1994, it's supporters claimed that it would increase US exports, create jobs here in America, and raise the standard of living in Mexico. But none of these things happened. Instead, US jobs were lost, exports fell and imports rose, and the standard of living in Mexico fell by 25%. In 1950 the difference in the standard of living between the US and Mexico was 3 to 1. Today it is more than 16 to 1. The working families of BOTH countries lost on that one deal. Thus.....government enabling. OUR GOVERNMENT.....and it continues to this very day. It is this enabling that we can have an effect on, though.

How can any trade agreement be good for the workers here in the US? Here in Maine we have seen the disaster that free trade deals have caused. NAFTA alone has cost the state thousands of decent manufacturing jobs. The new jobs created since pay an average of 28% less than the jobs lost and most offer no health insurance. We have already lost most of the shoe and textile factories, and now the paper industry is investing more overseas than here in the US. I don't see any good in this for workers here at home.

I have seen the pain in the faces of those who have lost their jobs when corporations are allowed to write these trade agreements that fuel a race to the bottom and make quality jobs our leading export. Free trade should mean fair trade that safeguards the public interest, not simply boost private profits. It seems that there is a new kind of terrorism today.....economic terrorism, where companies hold nations and their people as economic hostages.

Corporations today should be talking about economic patriotism

Here in Maine in 1980, my union had more than 43 locals and 18,000 members. They were in since-forgotten places such as Lisbon, Topsham, Dixfield, Wilton, and Winslow to name a few. Today we have 20 locals and somewhere around 4,500 members, and I expect that number to drop due to further job cuts among the remaining mills.

There is enough blame to go around. Both Democrats and Republicans voted for our current trade arrangements. And we bought into those arguments at the local level when we did not stand up and fight tooth and nail to prevent "that giant sucking sound" as Ross Perot so aptly put it.

Former PACE President Boyd Young, in testimony before Congress in 2001, said that he was there to ask for Congress's help in saving America's manufacturing base, and the family and community supporting jobs associated with it. He went on to add that the US, as a matter of public policy, was systematically exporting the manufacturing base of this country.....the same base that fueled our victories in WWII and the Cold War. This is an important point in that it draws a national security issue into the debate. If we don't make things in the US any more, then where do we get the ammo and weapons necessary to fight a war? Sadly, the answer is not what a patriotic American would expect. We buy ammo from Russia and Canada to fight the war in Iraq, and ideas are being floated to build our warships in other countries, which would close shipyards here.

In August 2004, I had the pleasure of hearing US Rep. Bernie Sanders of Vermont talking about trade issues. Without my using his salty language, he basically said that if we in labor do not stand up for ourselves.....no one else will. There is a systematic attack on working families in this country, and organized labor is the only thing standing in the way of a complete and total restructuring of our economy....one that definitely favors the rich and tries to wipe out the middle class in this country.

Progress toward a world wide economy is all but inevitable. But unless there is a major change in the direction of trade policy we will see a sharp decline in the living standards of working families here in Maine. Free Trade must also mean Fair Trade. The working men and women of Maine should not have to be involved in a race to the bottom of the economic ladder so that multi-national corporate interests can be served at the top.

Excerpts from Leo Gerards letter here

Yes, we in labor are now much more educated and aware. And we are fortunate to have the Maine Citizen's Trade Policy Commission holding hearings throughout the state to gain citizen input on the impact of our government's trade policies. It is sad to say, but this type of commission would not be possible in our current administration in DC. Any such commission at the federal level would most likely be comprised of clones whose views match the President, with no tolerance for dissent.....much like his 2004 campaign and the Social Security tour..... If you

don't agree, you don't get in. I thank you for your attention to my remarks and your concern for the working families of this great state.

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since forgotten places such as Lisbon, Topsham, Dixfield, Wilton, and Winslow to name a few.
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the direction of trade policy we will see a sharp decline in the living standards of working families
here in Maine. Five trade deals mean four jobs. The working men and women of Maine
should not have to be involved in a race to the bottom of the economic ladder so that multi-
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Leo W. Gerard
International President

April 11, 2006

VIA FAX

U.S. House of Representatives
Washington, D.C. 20515

Dear Representative:

The United States has recently completed Free Trade Agreements with Oman, Peru and Columbia and the Administration has indicated its desire to bring the agreements with Oman and Peru to a vote in the near future. On behalf of the 850,000 members of the United Steelworkers (USW), the dominant union in paper, forestry products, steel, aluminum, tire and rubber, mining, glass, chemicals, petroleum and other basic resource industries, I want to express our opposition to these agreements.

Our members have seen first hand the devastation wrought upon our industrial economy by our nation's trade policies. The lack of effective enforcement of our existing trade laws combined with a series of trade agreements that favor corporate interests above those of workers and ordinary citizens has led to a staggering trade deficit, the hollowing out of our industrial base and failure to improve the working conditions and wages of workers abroad.

The USW is an international union and as such believes in a fair, rules-based trading system. We supported the US-Jordan Free Trade Agreement because the labor and environmental provisions had parity with provisions for intellectual property and had an enforceable requirement that labor laws meet ILO standards. The U.S. Trade Representative (USTR) missed a valuable opportunity to negotiate a Peru FTA that would follow this model when Peruvian President Alejandro Toledo indicated publicly in September of 2005 that he would willingly incorporate the ILO core labor standards and an enforcement mechanism into the core text of the Agreement.

Instead, USTR quickly dismissed the offer as unworkable and negotiated an agreement identical to CAFTA which specifically excludes the vast majority of labor rights obligations from the Agreement's dispute settlement and enforcement mechanisms. In fact, in every FTA recently negotiated, the only labor language supported by USTR simply requires that nations enforce their own labor laws. They offer no recourse if a country chooses to weaken or eliminate their labor laws. The same, however, can not be said for the commercial trade and investment provisions of

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these Agreements, all of which carry serious sanctions and meaningful penalties for violations of commercial provisions.

The recent approach of the USTR to ask the country involved in an FTA to modify their labor laws to more closely meet ILO standards, as in the case of Bahrain, has unfortunately proven to be a failure. Although many in Congress were willing to let this agreement pass because of assurances that Bahrain would improve its existing labor laws, the improvements still have not been verified months after the agreement has been in effect. This fact was emphasized by Chairman Thomas during the Ways and Means Committee hearing on the Oman FTA when he stated that the Bahraini government only agreed to introduce these modifications, not to actually enact them. Trade Subcommittee Chairman Shaw also pointed out that under the Agreement, even if Bahrain does make the changes, it can also later weaken them without penalty. This is hardly a ringing endorsement for the effectiveness of this approach in dealing with substandard worker protections.

Taken on a country by country basis, it is inconceivable that the USTR could argue that this approach is sufficient to deal with the glaring labor law deficiencies, lack of enforcement and outright suppression of worker rights that are well documented. Among the most troubling:

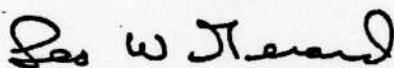
- Oman's 2003 revised labor laws still do not allow for freedom of association and the right to organize and bargain collectively. There are no independent unions in Oman and Omani law only allows the formation of "worker representative committees" subject to government approval. The committees are subject to constant government supervision and are required to provide meeting notices and agendas to the government a month in advance. Most troubling, government representatives also attend the meetings. The Omani government has offered to bring its laws up to ILO standards by October 31, 2006, and we commend them for doing so. However, **after the failure of the Bahrain model, Members of Congress must insist that the Oman FTA not be brought up for a vote until it can be determined the government has actually complied.**
- Peru has a poor record for enforcing their existing labor laws and according to the U.S. State Department's 2005 Country Reports on Human Rights Practices, an estimated 2.3 million children were engaged in work.
- Columbia is known as the deadliest place in the world for trade unionists. In 2004 alone, 200 trade unionists were killed and more than 3,000 union members have been murdered in Columbia since 1985. According to the International Confederation of Trade Unions' Annual Survey of Violations of Trade Union Rights, only five people have ever been indicted in these cases.

Workers must earn a decent wage, have the right to form independent unions and enjoy basic workplace protections and labor rights if employment is to be a reliable route out of poverty. **Trade agreements must do more than move capital and jobs out of this country.**

The USW represents the majority of workers in energy intensive industries in the U.S. There is real danger that the Oman FTA could lead to significant U.S. job loss in this sector if the dramatically lower costs of energy in Oman encourage industries to use the country as an export platform. As Dow Chemical stated in testimony before the Ways and Means Committee, Oman presents a "key growth opportunity for American companies heavily reliant on sustained access to low cost energy and feedstocks."

For these reasons, and others, the United Steelworkers urges you to oppose these Agreements if they come before you for a vote and insist that they be renegotiated to include enforceable labor and environmental standards in the core text of the Agreement.

Sincerely,



Leo W. Gerard
International President

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