

# OPEN SHOP GAZETTE

VOLUME XXVI

OCTOBER 1, 2009

On Sunday, September 13, 2009, the *Orange County Register* reported in an article written by Jennifer Loven of the Associated Press that “China condemns United States tire tariffs”.

“President Barrack Obama’s decision to impose trade penalties on Chinese tires has infuriated Beijing at a time when the U.S. badly needs Chinese help on climate change, nuclear standoffs with Iran and North Korea and the global economy.

China condemned the White House’s announcement late Friday as protectionist and said it violated global trade rules. At home, the punitive tariffs on all car and light truck tires coming into the U.S. from China may placate union supporters who are important to the president’s health care push.

To the White House, the issue was “simply about enforcing the rules of the road and creating a trade system that is based on those rules and is fair for everyone,” spokesman Robert Gibbs said Saturday.

Chen Deming, China’s minister of commerce, said the penalties would hurt relations with the U.S. “The Chinese government will continue to uphold the legitimate interests of China’s domestic industry and has the right to take corresponding measures,” Deming said.

The United Steelworkers blames the increase in Chinese tire imports for the loss of thousands of American jobs. In a ruling, the U.S. International Trade Commission recommended a 55 percent tariff in the first year, 45 percent in the second year and 35 percent in the third year. Obama settled on 35 percent for the first year, 30 percent in the second and 25 percent in the third, Gibbs said.

The decision comes as U.S. officials are working with the Chinese and other nations to plan the G-20 summit in Pittsburgh on September 24 and 25. China will be a major presence at the meeting and the United States will be eager to show it supports free trade.

“You can be fairly sure that when a government slips an announcement out at nine o’clock on a Friday night, it is not proud of what it is doing. That is one of the only things that makes sense about Barack Obama’s decision to break a commitment he, along with other G20 leaders, reaffirmed last April: to avoid protectionist measures at a time of great economic peril. In every other way the president’s decision to slap 35% tariff on imported Chinese tires looks like a colossal blunder, confirming his critics’ worst fears about the president’s inability to stand up to his party’s special interests and stick to the centre ground he promised to occupy in office.

This newspaper endorsed Mr. Obama at last year’s election in part because he had surrounded himself with enough intelligent centrists. We also said that the eventual success of his presidency would be based on two things: resuscitating the world economy and bringing the new emerging powers into the Western order. He has now hurt both objectives.

Last year the fear was that Mr. Obama would give in to enormous protectionist pressure from Congress. By introducing the levy, Mr. Obama has pandered to a single union, one that does not even represent a majority of American tire industry workers and he has done so against the interests of everyone else.

America’s tire-makers, who have more or less given up making low-end tires at home in favor of importing them (often from joint-ventures in guess where) declined to support the application for import “relief”. Consumers will have to pay more. The motor and garage trades will be harmed. And no one can seriously imagine that any American tire-making job will be saved; firms will simply import cheap tires from other low-cost places like India and Brazil.

....Presidents, after all, sometimes have to throw a bit of red meat to their supporters: Mr. Obama needs to keep the unions on his side to help his health-reform bill.”

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The following article appeared in *The Economist* for September 10-25, 2009, titled “*Economic Vandalism*”.

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In the Friday, September 18, 2009 edition of the *Orange County Register* a column written by Jay Ambrose

appeared. The title of the column was “*Ratcheting up trade war*” and after a brief introduction asked “*Why would he do such a thing?*” Because there was a special interest to appease – a powerful, rich, vote-producing, hugely helpful friend of Democrats – a union known as the United Steelworkers, and when it filed a grievance about China tire imports, the Obama crowd said, “Sure, that’s the ticket.”

The Administration was allowed to hike the tire tariff under a trade agreement with China, it no doubt hoped some sweet talk would avoid retaliation and there were favors to repay to labor and support needed for future elections.”

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In an article that appeared in the *Business Management Daily* on September 21, 2009, written by Jonathan Kane, Esq.

“With news from Capitol Hill that the “card – check” provision has been dropped from the Employee Free Choice Act (EFCA), employers need to be concerned that passage of the controversial pro-union legislation is now more likely than ever.

The “card-check” provision was always intended as a bargaining chip to be taken off the table as a concession. The provision would have required employers to recognize unions after a simple majority of workers signed cards, rather than after a secret-ballot election.

Now that it has been stripped out to facilitate the 60 votes needed in the senate to prevent a filibuster, a major stumbling block to enactment has been removed.

### 3 new EFCA threats:

In exchange for dropping card checks, EFCA backers gained three incredibly powerful proposals that will dramatically increase union ability to win elections.

- **Quick elections in 5 to 10 days** after 30% of workers sign cards indicating their support for a union. The National Labor Relations Board (NLRB) would run the elections, but the union will be able to control election timing. That will make it difficult for employers to make the case for remaining union-free.
- **Union access to employers’ property.** This raises powerful private property issues, but the bottom line is that the EFCA will allow union access to the workplace. That will make it easier for union organizers to persuade employees to vote for union representation. *A nagging question:* Who will compensate employers for the work time lost?

- **No “captive audience” speeches.** Employers wouldn’t be able to require employees to attend anti-union sessions.

The key to union success is the quick elections.

### What employers should do:

It is time to conduct vulnerability assessments and take appropriate action so you don’t have to confront quick elections if the EFCA becomes law. It will effectively accelerate the election timetable and employers must operate at all times in election mode.

That means creating and maintaining a pro-employee atmosphere. Everyone in management ranks must believe in it and embrace behavior and values that keep employees satisfied with their work and you company.

The current drop in the President’s popularity in the polls and widespread concern about the economy could hinder the EFCA’s chances for passage. Many believe it will cause inflation and cost jobs.

But President Obama is one of the most pro-union presidents in U.S. history and it would be naïve to think dramatically pro-labor legislation won’t be enacted during his presidency.

How we handle, listen to and communicate with employees on a daily basis will never be more important.”

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The California Apprenticeship Council will be holding their Fourth Quarterly Meeting at the end of October at the Sheraton Park Hotel, 1855 South Harbor Blvd., Anaheim, CA. We are expecting the Council to take a vote on the expansion of the AGC Apprenticeship Program to train laborers in Orange, Riverside and San Bernardino Counties. We are asking all our Open Shop members to please attend the meeting on October 29, 2009, when we expect the vote on this issue to be taken. As soon as the final Council agenda is prepared, we will provide further details.

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