



# The Western Kentucky Worker

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Prepared by Berry Craig, AFT Local 1360 and KEA-NEA

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## Exposing the Real Reason behind the Attacks against Public Sector Workers and Their Unions

By SEYMOUR SLAVIN, Ph.D.

While the country has been swamped with raging snowstorms, the biggest snow jobs have come from corporations, Republican governors and legislators, Chambers of Commerce and their puppets. This chorus of union busters has been joined by the corporate think tanks, the CATO Institute, the Heritage Foundation, American Enterprise Institute and spewed from Fox News. The reasons behind these attacks on public sector workers and their unions can be seen in the differential in salaries between unionized public workers, who can earn \$47,000 as a result of union efforts compared to public sector non-union workers who earn \$37, 284.<sup>1</sup>

The false charge that unionized public sector workers are paid too much is wrong. Studies have shown when comparing education and training, most public sector workers compared to private sector workers in similar jobs have an 11% lower salary than private workers who perform similar tasks. Data shows that workers in the private sector earn \$66,000 as opposed to \$49,132 for public employees with comparable education and skill.<sup>2</sup> Thus, many public sector workers have made salary sacrifices by choosing the public sector. This includes first responders such as police, firefighters and who lives are in jeopardy every time they aid the public.

Public Sector workers constitute the largest group of union members in the country. By attacking this sector, corporations hope to cripple and destroy the entire trade union movement. Additionally, in the process, they hope to roll back, privatize or wipe from the books important progressive legislation such as, Social Security, Medicare and protection for minorities and women, much of the agenda that benefit workers, thus, eradicating years of social legislation that unions fought many battles to obtain.

Their business model for privatization is Enron; and we all know the corruption that ensued from this model. That's why unions and their allies must organize, resist and defeat such reactionary efforts.

Those Republican governors and their crony legislators, including some Democrats, are crying wolf about fiscal distress on the part of states is only part of the story. While there may be serious budgetary problems in the states, we will show that there are a number of steps to lessen the impact of a financial meltdown, which these governors and legislators claim.

Research shows two concrete ways in which states can lessen the impact of budgetary problems. One way, is by instituting certain revenue enhancement polices, such as those advocated by The Institute of Taxation and Economic Policy. Their recent study was of eight states, Arkansas, Montana, New Mexico, North Dakota, South Carolina, Vermont, Hawaii and

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<sup>1</sup> Bender, K. A., and Heywood, J. S., 2010, "Out of Balance? Comparing Public and Private Sector Compensation over 20 Years," *National Institute on Retirement Security*, 4.

<sup>2</sup> Connell, Tula, *Public Employees Paid Less than Private-Sector Workers*, <http://blog.aflcio.org/2011/01/07> (January 2011)

Wisconsin.<sup>3</sup> These states currently offer substantial tax breaks to a tiny minority of taxpayers. This 1% of taxpayers evades paying a fair share of their taxes, by using tax breaks, claimed as capital gains. Capital gains are profits gained from selling assets, such as art objects, stocks, bonds and investment real estate. In 2008, tax payers with a federal income with less than \$50,000 comprised 66% of all tax returns, but constituted only 10% of those claiming any capital gains. In the eight states cited, 95%-100% of the tax breaks went to the richest 20% of tax payers. Over \$400,000,000 in revenue is lost to just capital gains alone. Several states recently acted to revise this exclusion, including Rhode Island and Vermont. It should be noted that the most usual assets held by most Americans, such as 401(K) s and IRAs cannot be treated as capital gains. The table that follows (figure 1) shows what a small minority of taxpayers is involved in capital gains:

### Capital Gains Income among Federal Taxpayers in States with Major Capital Gains Preferences, 2008

	Income Group (Federal AGI)	AR	HI	MT	MN	ND	SC	VT	WI	US
Share of all returns filed	Under \$50,000	72%	66%	70%	71%	65%	72%	67%	64%	66%
	\$200,000 plus	2%	2%	2%	2%	2%	2%	2%	2%	3%
Share of all returns with capital gains income	Under \$50,000	8%	10%	15%	8%	13%	7%	13%	13%	10%
	\$200,000 plus	67%	68%	75%	67%	72%	69%	74%	72%	70%
Share of total Adjusted Gross Income	Under \$50,000	31%	26%	28%	29%	24%	30%	26%	24%	22%
	\$200,000 plus	20%	19%	20%	19%	23%	19%	20%	20%	29%
Share of total capital gains income	Under \$50,000	8%	2%	7%	5%	6%	4%	4%	6%	4%
	\$200,000 plus	75%	83%	71%	79%	71%	79%	77%	76%	87%
Capital gains income as a share of Adjusted Gross Income	Under \$50,000	1%	0%	2%	1%	2%	1%	1%	1%	1%
	\$200,000 plus	16%	17%	24%	17%	18%	15%	21%	14%	15%

Source: IRS, 2008 Statistics of Income (SOI) Tax Stats: Historical Table 2<sup>4</sup>

If one were to compute this for Kentucky, it would be reasonable to believe the results would be the same.

<sup>3</sup> Institute on Taxation and Economic Policy “A Capital Idea Repealing State Tax Breaks for Capital Gains Would Ease Budget Woes and Improve Tax Fairness”( [www.itepnet.org](http://www.itepnet.org))

<sup>4</sup> Institute on Taxation and Economic Policy “A Capital Idea Repealing State Tax Breaks for Capital Gains Would Ease Budget Woes and Improve Tax Fairness”( [www.itepnet.org](http://www.itepnet.org))

A second approach is to utilize the huge bonanza millionaires will now enjoy as a result of the Bush tax cut extension for the next two years. The prolongation of the Bush tax cuts means that millionaires will receive a huge windfall of additional income. Thus, if states choose to revise their income tax rates commensurate with this huge windfall income, a new revenue stream would be available. The renewal of the Bush tax cuts effect only 5% of taxpayers in 2011. Thus, this would help mitigate state finances.

As the table below (figure 2) shows for Kentucky, additional revenues would be forthcoming for the state.<sup>5</sup>

**Impact of Extending the Bush Tax Cuts in 2011 on the Top 5% of Taxpayers in Kentucky**

Taxpayers		Obama's Bush tax Cut Extension Plan		Additional Bush Tax Cut Extensions Proposed by the GOP		Actual Bush Tax Cut Extensions Enacted in 2010 Compromise	
Income Group	Average Income	Total Tax Cuts (\$1000s)	Average Tax Cut	Total Tax Cut	Average Tax Cut	Total Tax Cuts (\$1000s)	Average Tax Cut
Next 4%	\$198,4199	-\$427,794	-\$5,482	-\$14834	-\$190	-\$442,628	-\$5,672
Top 1%	\$818,173	-\$250,583	-\$12,841	-\$363,234	-\$18,614	-\$613,817	-\$31,455
<b>Total for Top Income Groups</b>		<b>-\$678,377</b>		<b>-\$378,068</b>		<b>-\$1,056,445</b>	

**Note:** These figures do not include the Making Work Pay Credit, American Opportunity Credit, payroll tax cut, or estate tax cut.

It is apparent from the table that in 2010, the top 1% of the taxpayers in Kentucky who have incomes of \$818,173 receives total tax cuts amounting to \$613,817. If you include the next 4% of top income earners, these folks are getting \$1,056,445. Here is a pool of taxpayers, who in the name of fairness should be paying more state taxes.

Politicians and legislators, who are attacking unionized public sector workers, are anxious to dismantle civil service protections. They want to do this, so they can return to the old corrupt days when political machine bosses e.g. (Tammany Hall, Boss Tweed and other machine politicians) filled public sector employment with their cronies. If they could accomplish this, not only would they bust unions and abolish collective bargaining, but professionalism and competence would be absent from the workplace. Collective bargaining by unions reinforces high public service performance standards. What we are witnessing in Wisconsin currently, is a Republican governor trying to abolish collective bargaining, as a precursor to public sector union busting and thereby, destroy engage in the most blatant attempt all trade unions.

Thus, if state legislators were to reform current tax policies, a more fair and equitable budgetary process could take place. Ultimately, the way to overcome the fog of misstatements is to bring the truth to the American people. Thus, the attack against public sector unions can be viewed in its true light—protect the super rich and disarm the voice of the people—the trade union movement.

<sup>5</sup> Institute on Taxation and Economic Policy “State-by-State Figures: Impact of Extending the Bush Tax Cuts on the Top 5% of Taxpayers in 2011” ([www.itepnet.org](http://www.itepnet.org))

# "An injury to one is the concern of all"

*"Never before have so few with so much promised to take away so much from so many and then laugh their asses off as the so many with so little vote for the so few with so much" -- Jim Pence, The Hillbilly Report, [www.hillbillyreport.com](http://www.hillbillyreport.com).*

By **BERRY CRAIG**

The old Knights of Labor “tried to teach the American wage-earner that he was a wage-earner first and a bricklayer, carpenter, miner, shoemaker, after; that he was a wage-earner first and a Catholic, Protestant, Jew, white, black, Democrat, Republican, after,” historian Norman Ware wrote.

The Knights meant that whatever else divided them, workers had work itself in common. Work was, by far, the most important factor in their lives. Thus, workers should unite as members of the working class, the Knights urged.

Active in the late 19th-century, the Knights were among the pioneers of the union movement in America. They are long gone.

What the Knights tried to teach workers might seem like Mission Impossible today with so many union members who regularly base their votes on issues that aren't working class issues. But it is Mission Imperative.

The Knights were right. Workers, no matter what job they perform, are wage earners first. “An injury to one is the concern of all,” was the Knights’ famous motto. It still rings true.

“All” meant the whole working class. Leaders of the Knights and other early unions routinely differentiated between the “working class” and the “employer class” or “owner class.” Those terms still have meaning, too. Yet if you use them, the well-heeled union-haters will yell “class warfare!”

Never mind that most rich people stick together and vote their class interests. And since when is voting “warfare?”

For the record, it's far-right-wing, anti-union Tea Party tilting Republican types -- not union leaders – who routinely use gun imagery against politicians and policies they don't like.

Union leaders and union members don't suggest “Second Amendment” remedies. We don't urge anybody to “empty the clip and do what has to be done.” We don't wave signs warning “We came unarmed (this time)” or pack guns to political rallies.

Anyway, some of my union buddies think it's high time for union leaders to start re-emphasizing the fact that there is a working class and we're in it. They say anti-union Republican politicians are able to use social issues to con union members into voting for them because union leaders stopped drawing sharp distinctions between the “working class” and the “owner class.”

In other words, workers have lost their working class consciousness. Sadly, some workers identify more with their bosses than with their fellow workers.

Not coincidentally, many union leaders quit emphasizing the working class-owner class divide at the onset of the cold war. Unions, especially those in the Congress of Industrial Organizations, were branded as “communist” because they battled injustice on a broad front and stood for uplifting the whole working class, not just union members.

Republican Sen. Joe McCarthy, boosted by the anti-union right-wing of his party and by union-despising segregationist Southern Democrats, smeared as “red” anything liberal. The entire American right-wing eagerly embraced the anti-communist hysteria, singling out unions and accusing them of fomenting “class warfare” like the communists in Russia and Red China.

Anyway, I am a history teacher. But I am a wage-earner and a worker first, just like a factory worker, construction worker, dock worker, miner, truck driver, carpenter, plumber, firefighter, garbage collector, grocery clerk and every other worker. We all belong to the working class.

“Working class” – there, I said it.

So did the late labor leader William W. Winpisinger, many times. I heard the feisty, cigar-chomping, unapologetically democratic socialist president of the International Association of Machinists and Aerospace Workers speak at the IAM district lodge hall in Calvert City, Ky., near where I live. It was 1981.

More than a few of Wimpy’s brother and sister Machinists had fallen for the Republican social issues sucker play – guns, abortion and school prayer in particular in those days -- and helped elect Ronald Reagan president. Winpisinger challenged them to vote their class interests next time.

Wimpy pointed out that it wasn’t right-wing Reagan-style Republican “free enterprise” economics that enabled workers to enjoy a decent living. (Reagan would go on to become one of the most anti-union presidents in history.)

Union members earn good pay and benefits precisely because they belong to a union and because of government activism on behalf of the working class, he reminded his audience.

“Free enterprise,” still means what it’s always meant to the union-hating crowd: union free and free of government regulations that protect workers and the environment against the greedy excesses inherent in unfettered capitalism.

In the late 19<sup>th</sup>- and early 20<sup>th</sup> centuries, the heyday of unrestrained “free enterprise,” most workers toiled long hours at low pay in jobs that cost them their lives and limbs. “Robber Barons” like John D. Rockefeller and Andrew Carnegie made millions of dollars at the expense of millions of impoverished workers -- men, women and children.

Today’s Robber Barons and their Republican friends have declared holy war on organized labor. They want to turn back the clock to the days when government sat idly by as the owner class enriched itself by impoverishing the working class. (Regrettably, more than a few Democrats have run up the white flag, surrendered or even joined the GOP’s anti-union and anti-government chorus.)

Anyway, the problem for union leaders is easy to see, but hard to solve: How do they convince rank-and-filers to vote their class interests?

Granted, it’s always been easier for labor leaders in other industrial countries to raise working class consciousness than it has been for labor leaders in America. For example, class lines were plainer in Europe than in America.

European countries had rich kings and nobles who lorded it over peasants and workers. If you were a miserably poor peasant or worker, it was easy to see whose foot was on your neck.

Most Americans pride themselves on the fact that we've never had a rich king or a titled nobility. I'm glad we told George III and the Brits to take a hike in 1776. But from then to now, we've had a wealthy elite that has run things. And that elite has always worked hard to convince working stiffs that in America everybody can get rich.

In the late 19th century, when the gap between rich and poor widened into a chasm, Horatio Alger Jr. became famous for writing novels about poor kids who got rich by working hard and not challenging the capitalist system.

Millionaires loved the Horatio Alger stories. Alger's implication was that many, if not most, millionaires were like Rockefeller and Carnegie, who were men of humble origins. "While some multimillionaires started in poverty, most did not," Howard Zinn wrote in *A People's History of the United States*.

Zinn added: "A study of the origins of 303 textile, railroad, and steel executives of the 1870s showed that 90 percent came from middle- or upper-class families. The Horatio Alger stories of 'rags to riches' were true for a few men, but mostly a myth, and a useful myth for control."

The myth is still around. The rags-to-riches story is still the exception, not the rule. Most Americans are still born, live and die in the same economic class.

In addition, the gap between rich and poor is still wider in America than in any other industrial democracy, including Old Mother Britain, with its queen and nobility.

In America, the owner class and its friends in politics, the press and the pulpit, have always been adept at dividing workers by skill, race, gender, religion, ethnicity and nationality. Today, the wedge issues include what one of my union friends calls "The Three Gs -- God, guns and gays."

At the same time, the powers-that-be continue to gull the working class by claiming that if you own (or are making payments on), say, a three-year-old Chevy and a two-bedroom house far from Easy Street, your interests are the same as the guy who tools around town in a brand new Lexus, or a BMW, or an Escalade and beds down in a mansion behind the walls of a gated community.

A lot of union members buy it and vote for rich, right-wing Republicans who want their ballots, but, of course, not their company. GOP politicians are all for working stiffs showing up on election day to cast Republican ballots. But heaven forbid the *hoi polloi* dropping by the mansion for dinner or the country club for a round of golf on the way home from the polls.

## **Minutes the February 3, 2011 council meeting**

**Prepared by Berry Craig, recording secretary**

The **Executive Board** met at 6 p.m. with the following officers present: President Jeff Wiggins, Vice President Benny Adair, Recording Secretary Berry Craig, Financial Secretary-Treasurer Brandon Duncan, Trustees Jim Key and Wayne Chambers and COPE Chairman Howard "Bubba" Dawes.

Wiggins reviewed the correspondence he had received since the January council meeting. Duncan said he sent notices of the proposed per capita increase to unions affiliated with the council.

Dawes said he was “sorry to report that I’ve received absolutely zero from the state AFL-CIO” about the current session of the legislature. Dawes also announced that Lt. Gov. Dan Mongiardo was to be in Paducah at 4:30 p.m. on Feb. 8 to meet with labor leaders at the Plumbers and Steamfitters Local 184 hall. He also said officials of the state Democratic party were to gather with Democrats at the McCracken County courthouse at 6 p.m., also on Feb. 8.

In addition, Wiggins announced that Duncan had been elected president of the Western Kentucky Labor Day Committee and that Rick Murt of Plumbers and Steamfitters Local 184 is vice president. The offices of recording secretary and financial secretary were still open. The Labor Day Committee was to meet again Feb. 28.

Duncan said the committee will have to trim the traditional three-day program to just Labor Day if more donations aren’t received. Craig agreed to draft a letter for Duncan soliciting donations from area unions.

In other business:

- Adair, who is also president of the Jackson House Board of Directors, announced that bids for the \$1 million elevator renovation project at the high-rise retirement center could be sought as early as late March.
- Wiggins read a letter from the national AFL-CIO approving the council’s proposed per capita dues hike.

The meeting adjourned at 6:50 p.m.

Wiggins gaveled the **regular council meeting** to order at 7:05 p.m. Following the customary prayer and Pledge of Allegiance, Wiggins reviewed the correspondence; delegates waived the reading of the minutes of the February meeting and heard and approved the financial report.

Delegates discussed the need for providing Democratic opposition to incumbent State Rep. Brent Housman.

Wiggins urged union solidarity. “If we don’t walk out this door unified, we are going to get our butts kicked,” he said. “We need to get our members involved in local government,” Duncan said. “There is no reason we can’t run a labor candidate in every election.”

Wiggins also said the state Democratic party needs to be made aware “that we know best about who our candidates need to be. We want to work with the state party. But they need to recognize that labor is the entity that is most going to get things done.”

In other business:

- Duncan thanked those who supported his election as Labor Day Committee president.
- Adair repeated what he told the executive board about the elevator renovation project at the Jackson House.
- Wiggins read the dues increase resolution the required second time. It will be read a third and final time at the March meeting and if approved then, will go into effect.

Wiggins also asked Craig to write a resolution from the council to change the state AFL-CIO constitution to require union locals affiliated with the state AFL-CIO to also affiliate with, and pay per capita dues to, their area councils. A delegate from this council is to present the resolution at the state AFL-CIO convention this fall.

Further, Wiggins announced that nominations for the annual W.C. Young Award will be accepted at the March meeting.

Craig asked for input from the delegates about a proposed labor history class to be offered under the auspices of the Kentucky Labor Institute.

As recording secretary, Craig cast one ballot, officially electing the new council officers, who were nominated without opposition at the February meeting. The new officers are Jeff Wiggins, president; Benny Adair, vice president; Berry Craig, recording secretary; Brandon Duncan, financial secretary-treasurer; David Burnett, sergeant at arms; trustees David Childress, Jim Key, Wayne Chambers, Bo Johnson and Hardy Williams, and Howard "Bubba" Dawes, COPE director. All were sworn in except Williams and Johnson, who were absent and will be sworn in later.

The meeting adjourned at 7:50 p.m.

**From the Green Bay Press-Gazette Feb. 17, 2011**

## **Bargaining a basic right**

GREEN BAY — Gov. Scott Walker's War On Workers begins with his attack on public workers in his budget repair proposal. This extreme radical proposal denies our public workers the right to bargain collectively for fair contracts that include wages and benefits.

Walker blames the workers for the deficit problems in our state. This is hardly true. Public employees make 8 percent less than private-sector workers performing similar work. A state worker told me he makes \$11.99 per hour, and asked, "How much can they cut from me?" If given his way. Walker will unilaterally require public workers to pay additional costs of health care and pension contributions. He refuses to recognize that the wages and benefits of public workers were negotiated in good faith and agreed to by both parties. Workers took less wages in order maintain current health and pension benefits. Walker is incapable of understanding that "good faith bargaining" is a basic human right.

He refuses to bargain with workers on these issues, and is acting in a dictatorial fashion. Reasonable people meet to discuss the issues in order to reach a joint resolution.

Walker is ramming his plan through the Legislature without reasonable time to debate this issue.

**-- Tony Vanderbloemen, president, Greater Green Bay Labor Council**

**From Daily Kos**

## **The underlying necessity of unionization**

**By STEPHEN DAUGHERTY**

The Market is often more complex than its textbook representation. According to some, unionization defies market economics. I would argue otherwise. I would argue that it's a reasonable response to economics, like a trade organization, or anything like that.

Simply put, when your jobs can just as easily be given to a mass of other people, when you are not by yourself special or specialized enough that they can't afford to lose you, then you will lack the threat to be able to take your services elsewhere.

Ah, but if your whole shop goes with you, then you got some pull! The simple fact is, in many industries, workers are economic cannon fodder. Their replacements can be trained, their

places at the table given to somebody else easily. Only when an industry can be deprived of services as a wholesale commodity, will they respect the needs of workers in a market where the workers are consider a commodity themselves.

That's what we got to get through to people. It's not about evading the necessities of the market. It's about providing balance to the market, an upward force for workers to compete with the downward forces of the market.

If you don't like where your wages and benefits have gone, then you need to support unions. If you don't like how you and your friends are mistreated and abused, you need to stand up for yourself with organized labor.

Labor needs to be strengthened, if the middle class is to be strengthened, too. It's no accident that the best years for the middle class were the heyday of unionization in America.

When people could set the price for their services with greater strength, America could avoid more of the consequences of the middle class not being paid enough to keep up with the market. We didn't carry the deadweight of so much debt. We didn't carry the burden of a system set against us.

What corporations don't realize is that their harsh policies, ultimately, must create a response.

They can wait until that response is so powerful, so overwhelmingly strong, that it runs roughshod over their interests, or they can realize that the undercurrent of frustration and stress that might causes should instead be appeased, so as to ease all those tensions. When people are comfortable, when their needs are met, there is no class warfare, nor is there any need for it.

People will be comfortable with what the rich earn when they don't have to suffer for the rich to earn it.

**We stand in solidarity with our union brothers and sisters in Wisconsin!**

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