



CLA Emblem

Christian Labor Herald

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UNION REPRESENTATION WITH INTEGRITY

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Get sick Pay more!



Doug Reese CLA National Representative-Minnesota

The theory behind health insurance is to spread the risk of paying for serious illness over a large number of people so that when illness strikes, the burden of paying the medical bills doesn't fall on only one person. This is the principle behind the national health systems of other countries as well as our *Medicare* system here in the U.S.A. This same principle is the basis of a union health plan or an employer sponsored health plan.

In the case of a union sponsored or employer sponsored health plan, all of the union members that participate in the union's plan or the workers at each company form a mini health system where the cost of health care is shared by everyone in that group. The cost of the health insurance coverage depends on the size of the group and the health of its members. Those plan sponsors then decide how to distribute costs within the group.

In some cases these plan sponsors have turned to a new strategy for controlling costs. This new strategy shifts the financial burden of being sick back to the individual. These sponsors believe that if 10 percent of the people are responsible for 90 percent of the costs, why not make those participants that are responsible for the major portion of the costs pay more? This reasoning contradicts the main principle of insurance! The main principle of any insurance is, to pool the risk across all members of the group being insured.

Individuals do not have any control over how often they use medical services. Nor, do individuals have any control over the cost of medical services. At one time or another all of us will more than likely need expensive health care at some time in our lives.

Some groups or sponsors are making changes in deductibles, cost sharing of prescriptions, co-payments, and co-insurance. These changes raise the cost of health care to the employee and these larger costs lead employees to neglect their health until they become really sick and need more expensive care than if their condition was dealt with at an earlier time. The end result? Just what all of us want to prevent—the personal and economic costs of poor health could possibly increase at a faster rate for employees, employers, — For all of us!

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This reasoning contradicts the main principle of insurance!

Tough Decisions

Doug Reese CLA National Representative-Minnesota



It happens. Workers become unhappy with the union that represents them. But then if you really think about it any organization that is run by a majority rule has this problem. The minority of any organization can become dissatisfied and become vocal about their dissatisfaction.

We normally are free to quit organizations that make us unhappy. In the United States (and in Canada), the majority of workers in a collective bargaining unit decide whether or not to be represented by a union. If the majority decides to be represented by a union the employer then must bargain with the union regarding all of the workers (even those workers that would prefer to bargain individually with the employer). The union becomes the **exclusive bargaining agent** for the unit; the employer must bargain with the union. Because of this exclusive representation a dissatisfied worker cannot escape representation by the union. As long as the majority of the employees desire to be represented by a union the union then bargains for all workers, including those workers who are discontented.

One section of the National Labor Relations Act is the duty of fair representation. This duty requires a union to represent all workers fairly. The union must have good reason for what it does. The duty of fair representation applies to contract negotiations and contract enforcement and this can lead to some tough decisions for the union.

Let's say we have a group of skilled craftsmen that earn \$20.00 per hour and in the same collective bargaining unit we have laborers that make \$12.00 per hour. The **tough decision** for the union is what size of pay increase do you bargain for? Going for a 5% increase for the collective bargaining unit will bring the skilled craftsmen a \$1.00 raise and the laborers will receive a \$0.60 raise. O.K. So now in an attempt to make it fairer the union negotiates a \$1.00 increase for all workers in the bargaining unit. Now the laborers get an 8% increase and the skilled craftsmen get a 5% increase. Let's face it. No matter what the union does some worker will probably complain. Some workers gain more than others in collective bargaining. As long as the union makes the decision in good faith and does not make the decision to harm someone or make the decision with an illegal purpose the decision is legal. The decision by the union will be illegal if the union makes a decision with the intent to harm someone. In this case the union's duty of fair representation would be violated.

"The American system of voluntary grievance arbitration is unique among industrialized nations. More importantly, it works. Indeed, it is perhaps the only aspect of our industrial relations system that is widely accepted by labor, management, and the public."

Jack Steiber,
"The Future of Grievance Arbitration,"
Labor Law Journal, June 1986, p. 366

A union can be forced to make some **tough decisions** when it enforces or administers a labor agreement. Here is an example. Jane is fired for not listening to her foreman. She constantly fights with her foreman and she refuses to follow the foreman's orders. Jane is a union member and she files a grievance with the union. After exhausting the first two steps of the grievance procedure that is outlined in the labor agreement the third step is to bring the grievance to arbitration. The union decides to drop the grievance and of course Jane gets upset with the union. Did the union violate the duty of fair representation? The union is required by law to investigate the grievance and make an impartial decision. The duty of fair representation is not violated as long as the union honestly believes that the grievance would be lost in arbitration. The duty of fair representation would definitely be violated if the union's committee denied Jane's grievance because Jane is a woman or because of her race.

The duty of fair representation applies to all workers represented by a union.

Tough Decisions

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Any worker that feels that their union violated the duty of fair representation can pursue correction of the injustice one of two ways. One way is for the worker to file a lawsuit against the union and/or the employer. Let's say in our example Jane feels that the employer violated the labor agreement by firing her without just cause and the union violated the duty of fair representation by dropping the grievance and denying arbitration. Jane could take both the employer and the union to court. The second way Jane could attempt to correct the injustice is to file an unfair labor practice (ULP) against her union at the National Labor Relations Board (NLRB).

What is the best way for Jane to deal with this?

If Jane decides to go to the NLRB the processing of an ULP doesn't cost her anything. The NLRB is a federal agency supported through our federal tax dollar. If Jane decides to hire an attorney and file a lawsuit she will more than likely be faced with some hefty attorney fees. The NLRB in this fair representation case will not act against the employer. If it is only the union that is at fault then it would be best for Jane to file a ULP at the NLRB. But, if the employer was wrong and Jane wishes to pursue the employer also, then only a lawsuit can provide the relief she is looking for.

Unions have a legal obligation to fairly represent their members in the grievance procedure. Unions do not have to take each grievance to arbitration. However, they must consider and process grievances in an effective, good faith manner.

The best strategy for a union, practically and legally, is to avoid even the appearance of improper representation. Although it is not always easy to do, union representatives should constantly remember that effective enforcement of the collective bargaining agreement is advantageous for all represented workers. For any union to not follow through on its obligations and duties affects the negotiation or contract administration process and undermines the effectiveness of the union as a body.



**United States
National Labor
Relations Board**

The objective of the union should not be to provide representation which meets the standards of the duty of fair representation. The objective of the Christian Labor Association is to provide effective representation for all represented workers. Fair representation cases arise when this broader objective is not met. Going beyond the legal minimum standards makes good sense and assures the members of the CLA adequate and proper representation.

71st CLA National Convention



The 71st National Convention of the Christian Labor Association of the United States of America was held on March 6, 2002 at Covenant Harbor - Geneva Bay Centre in Lake Geneva, Wisconsin. To the left is a picture of Delegates and National Board Members that attended the Convention.

Back Row - Bernard VanderWeide - California, Doug Reese - Minnesota, David Dingmann - Minnesota, Glowetta Bechard - Minnesota, Jeff Allen - Michigan, Rich Carlson - Minnesota, Mike Van Tubergen - Michigan,

Middle Row - Dave Burns - Michigan, Willie Van Dorp - Minnesota, Royal Rhode - Minnesota, Duane Zwagerman - Minnesota, Steve Martinie - Michigan, John Krippner - Minnesota,

Front Row - Ascension Marquez - California, Rodger Barker - Minnesota, Pat Carey - Michigan, Mike Koppenol - Michigan

Investing One Year Later

Andy Wyatt

Andy is the Co-Founder and Managing Director of Cornerstone Capital Management, Inc. Their headquarters are in Minneapolis, MN.

A Year Later: A look back and a look forward
September 11, 2002



As I write this I have spent the day in my office with my TV tuned to the ceremonies remembering the attack on America one year ago today. It seems helpful to remember, helpful to know that a year has passed, helpful to know that although it wasn't pleasant we made it. Time is one of the greatest balms for the wounds of life. The passing of the seasons brings a certain healing that few other things can.

One year later, our economy is bruised and battered, but it is far from out. In fact, little by little there is evidence of a recovery. For sure unemployment remains too high, but when I put on my economist hat I am reminded that employment is what we call a coincident indicator. In other words, unemployment numbers don't tell us what is going to happen down the road, only what is happening right now. On the other hand, temporary employment agencies are reporting a surge of new business. What does this mean? Typically in the beginning of an economic recovery, temporary employment is the first area to rise, as companies begin to see the need to add workers. This is a positive sign of things to come. Another positive is mortgage rates, which are at 32-year lows. Many people are refinancing old mortgages at lower rates, which gives them more money to spend each month, or they are using equity to remodel their current homes or move on to newer or larger ones.

So the consumer (you and me) has benefited from lower interest rates and from last years tax cuts, we have had more money to spend and as a result have kept the economy from falling further than it did. Going forward, business spending will need to pick up for economic growth to be sustained and speed up. What will it take for this to happen? First companies will need to see their earnings begin to grow again, because this is what motivates capital spending; earnings rise and those earnings are spent to create more earnings. It's a cycle. A couple of years ago we were at the top and now we are at the bottom. In a nut shell, earnings create earnings, it's that simple.

So what about the stock market? The best way I can think of to describe the condition of the stock market is it has a hangover as a result of a two-year party at the end of the 1990's. During this period stock prices rose to excessive levels as nearly everyone forgot that stock markets like economies are cyclical. As a result of this memory lapse, the market over did it and now it's paying the price. To make matters worse, fears of terrorism and a general mistrust of much of corporate America as a result of scandals at Enron and WorldCom have caused a continuation of the bear market, which began in April of 2000.

Where do we go from here, and where can we find some hope as we think about our retirement funds, which for many of us are a lot smaller than they were two and one half years ago? The answer lies in looking at the past. History is not always the best way to predict the future, but in the case of stocks and bonds I believe it is. From 1926-2001, the annualized rate of return for US stocks is a little over 10%, and for bonds that return is around 5%. These numbers hardly change at all even with the drop in the stock market so far in 2002. Human nature is a funny thing. The natural response to just about anything is to believe that whatever condition is cur-

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rently in place will be there forever. In the first three months of 2000, investors believed that the stock market would continue to go up forever. Now, 2 ½ years later, many people believe that the bear market will go on forever. Not true. Just as two years ago stock returns were way above the long-term average, they are now way below the long-term average. Therefore, from a purely historical perspective the next move will be up. History tells us that there is very little risk left in the market.

We do not believe that we will return to a period of annual returns in the 20% plus neighborhood, nor do we believe it would be healthy for the market to do so. Rather, we believe returns will be back to the historical norm of 10%. How do we get there? The answer is earnings. We believe that corporate earnings growth over the next five years will be in the 8% to 12% range, higher for some companies and lower for others. The valuation of the stock market, which is the subject of much debate among professionals, is probably pretty fair right now. In other words the stock market as a whole has a value that is fair given the circumstances. Therefore, the stock market will rise in line with earnings growth, which will be somewhere in the range mentioned above. In past bull markets investors have pushed up the prices of the market faster than the growth of earnings, this is what raising the valuation of the market means. This happens because investors are willing to pay more now in the expectation that earnings will be greater down the road. However, this time investors are smarting from betting on earnings a couple of years ago that never materialized. So we think they will be less willing to pay-up for future earnings, at least until the economy is clearly in a strong growth stage.

So what should we expect as we look to the end of the year and beyond? Economic recovery will be slow, but it will begin to pick up steam going into the end of the year and the first part of 2003. As a result profits will begin to grow and so will stock prices. Stocks look to provide the best opportunity for gain in the next couple of years. On the other hand bonds have a higher level of risk now than they have in quite some time. Why, because bonds are affected by changes in interest rates. Picture a child's teeter-totter with a bonds interest rate on one end and it's price on the other; when interest rates fall, as they have the last couple of years, prices rise. But when interest rates rise, prices fall. With interest rates at historic lows and the economy beginning to recover the chances of interest rates rising are very real, and when that happens bond prices will fall. Investors who have sold stocks in this bear market and bought bonds thinking they were safe, will lose principal as interest rates increase.

What then is the best investment strategy for the days ahead? A diversified one that doesn't put all your eggs in one basket; one that has some stocks, some bonds, some cash and some real estate. Most of us have the real estate portion covered with our homes, which over our lifetime will be a great investment. For the rest, a balanced investment strategy of stocks bonds and a little cash will prove to be just what most people need to weather the occasional market storms such as we have had the last couple of years.

Finally, the US is still the envy of the world, and our economy and businesses will continue to lead the rest of the world in the years ahead. Even though at times it doesn't seem like things will ever turn around for the economy and the stock market, they always have before and they will this time too. When I was younger and things got tough, my Dad always quoted Abraham Lincoln, who when asked how he could keep his chin up during the Civil War, said, "This too shall pass."

As an investment professional with 16 years of experience, living through one of the worst bear markets in history, when I catch my self getting weary of the fight, I sit down and remember these things: first, my eternal hope is not in the economy or the stock market. Secondly, the USA is the greatest nation in the world and we will recover. Thirdly, 75 years of stock market history tells me that stocks win hands down over any other investment, over time. And finally I always remember what Abe Lincoln and my Dad used to say, "This too shall pass."

A Grand Celebration



The Christian Labor Association of Canada marks its first 50 years in style

Dolf de Zoete is managing editor of The Guide, magazine of the Christian Labor Association of Canada.

No one was sleeping on the floor this time. But not so long ago, it happened that Christian Labor Association of Canada (CLAC) staff and National Board members attending meetings would bring their sleeping bags and crash for the night at the “CLAC hotel.” They exemplified the sort of do-whatever-it-takes attitude required to build CLAC into what it is today. Small sacrifices, committed one at a time, by many individuals over 50 years created a 28,000-member strong, independent trade union making a real difference on the Canadian labor scene.



On February 20, 2002, CLAC officially turned 50. As part of the celebrations, the organization held a national conference/convention from September 4–6 in Kelowna, located in the picturesque Okanagan valley in the country’s most western province, British Columbia. Nestled between the mountains, home to vineyards and orchards and spectacular golf courses, Kelowna provided the perfect backdrop for the event. And the Grand Okanagan, a five-star luxury hotel and conference center, was the perfect host for the three-day celebration.

The event was designed as a national stewards conference and was paid for mostly through the union’s training education funds, negotiated in collective agreements. Past CLAC stewards conferences have been regionally organized, and, in some cases, by sector, such as health care or construction. This

was the union’s first attempt to bring all of its stewards together in one conference. By any standard, it was a huge success.

The logistics of making travel, meal, and accommodation arrangements for over 400 stewards, international guests, seminar leaders, speakers, and staff, plus organizing a dozen different workshops, a banquet, and a national convention, presented a daunting challenge for the conference organizers. It took two years of meetings, planning, and careful attention to detail—backed up by dedicated staff manning the reception desk from early morning till late at night—to ensure the event proceeded flawlessly.

The conference began Wednesday evening with a keynote address by motivational speaker Maurice O’Callaghan, a senior manager for three decades with extensive experience in customer service, marketing, communications, and public relations. Using numerous anecdotes, he reflected on CLAC’s 50 years of service anniversary theme, reminding the audience that the quality of service they provide is in their hands.

The following day, the conference center turned into a college campus. Stewards had to attend five of 12 workshops on topics ranging from road rage to conflict resolution to the steward’s role in a discipline meeting. All workshops were designed to help them with the difficult and mostly thankless task of being a steward, the first point of contact for union members who need help and the key builders of better workplace relations.

Left: Doug Reese — CLA/USA President, Willy Thys—World Confederation of Labor Secretary General, & Rudolfo Geerman—Aruba Federation of Workers President
Below: Neil Roos—CLAC Executive Director



Above: Thursday Evening Banquet
Right: Christian Labor Association of Canada Convention



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The highlight of the conference was the Thursday evening banquet, which brought together 322 stewards from across the country, 57 staff, seven National Board members, 19 international guests (including four from CLA-USA), and a number of speakers and other guests, including two of CLAC's founders, Hank Kuntz and Harry Antonides. Long-term stewards and staff were both recognized for their years of service and presented with gifts as tokens of appreciation.

Ed Grootenboer introduced the international guests, who came from Europe, Africa, North America, and Central America representing various trade unions and federations. Following the end of the conference on Friday, the international guests were treated to a scenic boat cruise around Lake Okanagan and a fine dinner. They returned to Vancouver and their flights home, after a bus trip through the Fraser River canyon.

Although the celebrations centered around the stewards conference, CLAC took the opportunity to conduct some official business, holding its biennial convention on Friday morning. In the afternoon, most of the stewards and others headed back to the airport to fly home. A number, however, remained in B.C. to enjoy some vacation time, and staff stayed for meetings on Saturday.

While most conference attendees were not around to witness the struggles or endure the frugalities of CLAC's early days, everyone marvelled at celebrating and being part of something truly grand—50 years demonstrating that labor relations based on biblical principles can make a positive difference in workers' lives. And for those who willingly sacrificed their time, energy, and skills over the years, staying in a room overlooking a lake and mountains sure beats sleeping on the floor.

Freedoms and Liberties Do We have them or Not ?



Pat Carey - CLA National Representative-Michigan

Recently CLA staff members were invited to attend the 50th Anniversary Celebration of our sister union The Christian Labor Association of Canada. During this time the CLA staff was exposed to the Canadian National Anthem, "O Canada". This anthem's cornerstone was built around God. In many of the verses it can be counted that the word "God" is inserted in this ballad at least three times and other references were made to God.



In the USA we as well have many inspiring songs, anthems, and the Pledge of Allegiance that was built around the word "God." Unfortunately, today, we are being forced by a small faction of people to eliminate God from our country. These people convinced the California courts that the word "God" is unconstitutional and offensive for children to say while reciting the Pledge of Allegiance. As well others with the same agenda has successfully removed public prayer and the Ten Commandments from public schools and the Ten Commandments from some government institutions.

So the next question is, what's next, the removal of the words "In God We Trust" off our currency? Do we as citizens of the USA allow small groups to change our history and future or do we stand united against these groups? It is clear what we must do, stand united. This means leaning on congressmen, judges, and other elected officials to stand up for the rights of the majority. If we do not the United States runs the risk of losing rights, liberties, and freedom. If we lose these God given freedoms our country could be lead by dictators just like the ones we are currently at war with.

**It is clear
what we
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**STAND
UNITED.**



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Union Representation With Integrity

Clean Underwear!!?? A union that represents employees at a theme park recently won the right for the members they represent to wear their own clean underwear!

You say — “what are you talking about?!”



Honest! It seems the employees of this theme park have to wear costumes of characters when working and the company provides the costumes including **the underwear**. The company launders the costumes and the underwear. The company insisted that the employees wear the underwear that they provided with the costume.

The employees went to their union and filed a complaint that when they came to check in for their shift they were given dirty underwear along with the costumes they were to wear. The union negotiated with the company and the result of the negotiations was that the union won the right of the employees to wear their own underwear.

Ooooooh man! This is one strange world!

LAST THOUGHTS

- You never saw a fish on the wall with its mouth shut.
- The best way to forget your own problems is to help someone else solve theirs.
- Fall seven times, stand up eight.
- Only those who risk going too far will ever know how far they can go.

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