

# 'No Pay, No Work!': Workers Occupy Plant S.F. Progress Plundered

Frank Lorenzo's much-publicized corporate union-busting at Eastern Airlines, which led to the recent strike of machinists and pilots, is representative of a host of smaller battles being waged against working people in virtually every industry across America. Here and there these attacks are meeting with resistance. Last fall, 200 relatively privileged workers at an obscure newspaper in San Francisco fought their own union "leaders" to resist an attempt by another modern-day robber-baron to mug them for their paychecks.

The newspaper, the *San Francisco Progress*, eked out an existence for more than 60 years by picking up the advertising crumbs left by the big San Francisco Bay Area metro dailies. The *Progress*, a three-times weekly free-advertising sheet, survived by carving out a niche for itself as a "hometown" newspaper featuring high-school sports and neighborhood news. It specialized in ads for supermarkets and small merchants who could not afford the artificially high advertising rates of the *Chronicle* and *Examiner*. With gross earnings of about \$12 million a year, the *Progress* was, by big-city standards, a small-time operation.

For most of its existence the paper was a marginally-profitable, family-owned enterprise; but in recent years the paper passed through the hands of a number of owners, each of whom demanded contract concessions to wring out the additional revenue necessary to pay off the loans piled up to finance the purchase. And each time ownership changed hands, the bureaucrats of the five unions involved in the production of the paper dutifully rolled over and "negotiated" pay cuts, pay freezes, increases in the work week and "give-back" work rule changes that meant, in the end, fewer jobs. Collective bargaining by the bureaucrats meant, as it usually does in such situations, that the union bargained and the company collected. The anger of the workers in the plant grew with each new give-back contract. In several instances strikes were avoided by the bureaucrats' packing contract ratification meetings with pensioners and political hangers-on. The gains of nearly 60 years of struggle were dribbled away over the course of a decade by the frightened, and in some cases crooked, local union hacks. By 1988 real wages among the typesetters had declined by nearly \$100 per week.

## Rentschler Moves In For the Kill

The final owner of the paper was the infamous Chicago-based Rentschler group. The Rentschler clan, which owns a number of Chicago-area newspapers and radio stations, is headed by William Rentschler, a Richard Nixon groupie who, according to *San Francisco Magazine* (March 1989), did time in federal prison in the early 1970s for a \$1.4 million bank fraud. True to form, Rentschler began his tenure at the *Progress* by bouncing the \$50,000 check which he offered as a down payment.

Shortly after buying the paper, the Rentschlers began to pad the payroll with family members and high-priced "consultants," each with generous expense accounts, who gobbled millions of dollars from the paper's limited revenues. By the spring of 1988, it was clear that a classic looting operation was underway. Among the five unions representing the various print workers at the paper was the Bay Area Typographical Union Local 21/Communications Workers of America (BATU/CWA). *Militant Printer*, a BATU/CWA oppositional union newsletter with a long history in the union, which is politically supported by the Bolshevik Tendency, reported in its 1 November 1988 issue:

"Beginning in April the *Progress* stopped paying into the San Francisco Printing Industry Welfare Fund (which provides hospitalization to the pressmen, mailers and Local 21). They also stopped paying the ITU Industrial Pension, Workmen's Compensation Insurance, Social Security and state and federal income taxes withheld from the workers' paychecks. At the end of the summer, *Progress* checks began to bounce so often that even the neighborhood saloons wouldn't cash them. . . .

"Beginning in June the *Progress* Chapel demanded that the company pay up but it soon became clear that all the management was willing to do was to dispense large quantities of hot air and empty promises. The Chapel got angrier with each report that the company was allegedly being looted by its 'management team' instead of paying its bills.

"Finally in October, anger turned to action and the Chapel led a series of work stoppages demanding that the money (now something in the neighborhood of \$150,000) be paid immediately. The one-to-two-hour work stoppages resulted in several of the bounced paychecks being immediately paid (in cash) and \$12,000+ being paid to purchase workmen's compensation coverage. The health and welfare and pension, however, remain unpaid. The company, having removed most of the top management, then installed a member of owner-publisher William Rentschler's family as CEO. More vague promises, evasions and a lot more hot air."

Faced with a membership in open revolt, Morris Goldman, president of Local 21 and a long-time supporter of the politics of the Communist Party, went to court and got permission to seize \$116,000 in corporate funds on November 17th to satisfy arrears in hospitalization fund payments. In retaliation the company refused to issue payroll checks. Once again, work stopped. At a mass meeting of all the workers in the plant, the union bureaucrats pleaded that the bosses be given until Monday November 21st to raise the money for the payroll.

November 21st came and went and the union leaders did nothing. But every time the company failed to make a payroll, or bounced a check, the workers downed tools and refused to either work or leave the premises until they got their money. Each time, the bureaucrats would set new "deadlines." Several partial payments were

made on wages until finally, at a tumultuous meeting on November 22nd, where the bureaucrats had to shout to be heard, they proposed that the company be given one "last chance" to make up past wages.

Supporters of *Militant Printer* joined with supporters of the Workers World Party in putting forward motions to close the plant down immediately and set up a picket line. The workers, beginning to feel the power of their numbers, time after time denounced the incompetence, greed and arrogance of the owners and demanded that the plant be shut down. The bureaucrats counterposed the "threat" of "forcing" the company into Chapter 11 bankruptcy proceedings and taking the workers en masse to apply for unemployment benefits! At this critical moment in the struggle, the supporters of the Teamsters for a Democratic Union, who had previously backed the move to close the plant down, switched sides, caved in to the bureaucrats, and voted to extend the deadline to November 29th.

Once the workers had been tricked into going back to work, the company began floating rumors of "new investors" (including the notoriously anti-union former San Francisco mayor Dianne Feinstein) and an employee stock plan that would eventually give the workers 25 percent of the non-voting stock in the company.

*Militant Printer* commented:

"The sad truth is that the *Progress* is probably already out of business. Any time a company has to expropriate their employees' pensions and hospitalization funds in order to stay open, it is probably already too late to save it. But, even if there is an angel in the wings willing to put new capital into the treasury, any talk of the workers taking a pay cut in return for 25 per cent, or any part of the business, is out of the question. The *Progress* workers pay and benefits have *already* been cut in one contract concession after another in the past 10 years and besides, 25 per cent of zero is—exactly zero.

"This paper has been bled by one owner after another until now, in the aftermath of the fiscally flamboyant [plant manager] 'Ad' Hawley, there is virtually nothing left. Two-thirds of the trucks are broken down, worthless junk, the press is a joke. The landlord has served an eviction notice, the state income tax board has reportedly moved on the paper's revenue and there is *still* a fortune owed to the various benefit funds with the office workers having been dropped from their hospitalization plan altogether. Thousands of dollars are owed on federal income taxes, unemployment benefit fund, disability fund and Social Security—not to mention the thousands owed to the various suppliers and other creditors.

"The only assets left in the plant are the skills of the *Progress* workers. Asking us to buy 25 per cent of our own skills is nothing more than a cruel hoax.

"Even under ideal conditions employee stock plans are a sham that end up pitting one worker against another and end up paying off in pennies—if they ever pay off at all."

—*Militant Printer* No. 21

In meeting after meeting until the plant finally closed, militants fought for *action* on their demands of "No Concessions!," "No Pay—No Work" and to shut the plant down. Time and again the bureaucrats equivocated and stalled until finally, on December 7th, the San Francisco County Sheriff locked the building that contained the paper's presses. On December 15th (ironically, the date of the bureaucrats' "final, final" deadline

for the company to pay up) one of the paper's many creditors pulled the plug and forced the paper into bankruptcy. The workers, most of whom had lost thousands of dollars in wages, vacation and severance pay, responded by occupying the paper's composing room for two days. They refused to leave until they were sure the paper wasn't going to be put out by scab management and anti-union elements in the editorial staff.

## Lessons of the *Progress* Struggle

The passivity and cowardice of the bureaucrats heading the five unions at the *Progress* prevented what could have become a general fight in the printing industry against a 15-year long offensive by the employers. The workers, angry and growing increasingly militant, had occupied the plant on a half-dozen occasions demanding action. These job-actions got considerable publicity in the competing San Francisco papers and the other media, and captured the attention of workers outside the industry. The *Progress* plant should have been shut down, tight! The unions under attack should have called on other workers in the industry and to workers in other unions to put up mass picket lines to keep the plant shut down while the *Progress* workers occupied the plant. Such a struggle could have set an example of how to resist the offensive of the new breed of robber barons which Lorenzo and Rentschler represent. Instead, the bureaucrats spent their time undercutting the workers in the plant and worked overtime to prevent the struggle from spreading.

In an article entitled "*Progress* Postmortem," *Militant Printer* observed:

"Whatever else can be said about the last six months of the existence of the *Progress*, no one can say that the workers took the shenanigans of the owners without a fight. Time after time plant-wide meetings were held with angry workers demanding that the company pay up and that all work cease until they did. Time after time the workers denounced the incompetency, greed and arrogance of the owners. It was, for example, repeatedly rumored that the infamous 'Ad' Hawley took an average of \$10,000 a month out of the business in salary, 'bonuses' and expenses in the time he was in charge. That one of his hand-picked flunkies turned in taxi receipts in excess of \$800 and still other rumors abounded of kick-backs and outright theft of company money intended to pay workers' income taxes, pension, hospitalization insurance and even money for disability insurance to pay those injured on the job.

"Without fail, every time the workers met, determined to take action against the company, determined to get what was rightfully theirs, more promises were made, each one more sugar-coated than the last and each one increasingly less likely to be fulfilled. Each time the workers, reluctant to lose their jobs, wanting to believe that the crisis would pass, agreed to one more deadline. Each time it turned out to be another lie.

"The part in the *Progress* tragic/comedy played by the bureaucrats of the various unions was a negative affirmation of the critical role of leadership in winning workers' struggles. Every time the workers gathered to discuss what action to take in their own defense, the people who take their dues money every month acted as the brokers between the angry workers and the owners, anxious as always to 'keep the peace'."

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The workers at the *Progress* were victims of the new breed of corporate pirate. The repeated waves of give-backs, concessions and “pragmatism” of the class-collaborationist union tops only paved the way for the complete elimination of the jobs of the workers. *Militant Printer* drew the lessons, and consistently pointed the way forward with proposals for militant strike action. Especially important was the emphasis laid on the necessity to *broaden* isolated struggles of small groups of workers into mobilizations of the class as a whole.

Within the Bay Area printing industry, *Militant Printer* has been unique in fighting for a program that

counterposes the interests of the workers to those of the class enemy. For working people to defend their jobs and living standards, it will be necessary to wage a political struggle in the union movement to forge a new leadership committed to the kind of a program put forward in *Militant Printer*—a program which connects the day-to-day struggles over wages and working conditions with the historic necessity for the workers to expropriate the Lorenzos and Rentschlers and establish a planned economy and a government of working people and the oppressed. ■