

**Hayward Demos Democratic Club**

P.O.Box 56783

Hayward, CA 94545

TIME VALUE

Return Service Requested

Cuba: our dilemma. Friday, June 23, 7 pm

**Refiners limit on-hand gasoline inventory to boost profit, a consumer group's report alleges.** Excerpts LA Times 5-25-06

Meager stockpiles of California's cleaner-burning gasoline helped drive pump prices to record heights in recent weeks and are setting the stage for more of the same this summer, energy experts said Wednesday. That point was underscored in a report by the Santa Monica-based Foundation for Taxpayer and Consumer Rights, which accused oil companies of squeezing on-hand inventories to boost profits at the expense of consumers across the West. Refiners in California recently have kept enough gasoline in storage to satisfy the state's needs for 18 days, according to the consumer group's analysis of Energy Department data. If fuel production faltered, it could take 11 to 40 days to bring in replacement supplies because no pipelines bring fuel from other refining centers, the report said. Elsewhere in the country, fuel stockpiles typically cover 30 to 35 days' worth of demand, according to a study by Stillwater Associates, an Irvine consulting firm. In recent weeks, California retail gasoline prices have jumped beyond the increases seen elsewhere in the nation. The statewide average hit a record high May 18 of \$3.379 for a gallon of self-serve regular, according to AAA's daily survey. California's average eased Wednesday to \$3.36 a gallon -- but was 49 cents a gallon above the national average and about 88 cents higher than a year earlier. But the state's most recent data indicate that supplies of California gasoline fell 3.7% during the week ended May 19 to a level more than 19% below year-earlier inventories. Gasoline production, meanwhile, fell 8.4% during the week to more than 12% below refinery output a year earlier, California Energy Commission statistics indicate.

"The West is running on empty entering the peak driving season," said Tim Hamilton, author of the study released Wednesday by the Foundation for Tim Hamilton, author of the study released Wednesday by the Foundation for Taxpayer and Consumer Rights and an industry consultant. "By maintaining too little supply, the oil companies have been able to charge Western states' motorists outrageous prices for gasoline, far in excess of production and raw material costs."

Meanwhile, the per-gallon gross profit margin for California fuel producers -- which was 30 cents to 40 cents at the start of 2006 -- has exceeded \$1 a gallon for three of the last four weeks, according to energy commission estimates. The margin is the price oil companies get for their gasoline and other products minus the cost of crude oil, a refiner's largest and most volatile expense, as well as marketing and distribution costs and taxes.

**Club News:** Tabling for the Hayward Night Out will find Demos members on B St in downtown Hayward again this year. We are responsible for the table on Thursday, June 15. If you can help anytime between 5 and 9 pm on that day give Ginny a call at 781-0944 and sign up. The Eden Area United Democratic Campaign will have the materials; we provide the person power. And our day at the fair is July 5<sup>th</sup>. Call Jim Farley at 925-339-3904 and sign up for all or part of three shifts—10-2; 2-6; and 6-10. This is an election year and our message needs to be heard!

The Club has contributed \$100 to the Livermore Conversion project to again cosponsor the annual rally at the Livermore Lab memorializing the first use of an atomic bomb against a city; Hiroshima, on August 6 1945.

Join or renew your membership in Demos. Suggested dues are:  
(Check the date on your mailing label)  
Annual membership..... \$15  
Family.....\$25  
Low Income.....\$10

Send to Hayward Demos, PO Box 56783, Hayward 94545

One closing that we celebrate is that of the San Leandro gun store, The Traders, which has been ordered to close because of violating federal gun laws. If you've ever been in it it's really creepy.

Paul Koretz is an Assemblymember, not a Congressmember as we said in last month's newsletter. He is sponsoring Assembly Joint Resolution 39 which if passed by the legislature could initiate federal impeachment proceedings against Bush and Cheney. He says, "Bush and Cheney must be impeached and removed from office before they undertake even deadlier misdeeds, such as the use of nuclear weapons."

## June 2006 Newsletter

Editors: Jim Forsyth(581-5169);Peter Hendley (582-7011)

### President's Message by Craig Williams

Most people are aware of how the Patriot Act is an attack on our Constitutional Rights. The eavesdropping and other programs to take away our rights as a people gets a lot of attention in the alternative media and sometimes the mainstream media. The rights of workers should be an equally important area of concern.

The immigrant population is an area where corporate America has it both ways. They have undocumented employees in their work places at low wages often without legal protections. Being undocumented allows the employer to avoid labor law especially the Fair Labor Act. Immigrant support organizations spend a great deal of their time chasing down 'dead beat ' employers who short change immigrants and hope they'll never get caught because of the employees' tenuous legal status. Then the corporate chieftains and their Republican politicians rabble rouse their base with xenophobic campaigns. Many of the campaign ads used against immigrants this fall will be financed by corporations short changing these same immigrants.

A second more insidious development of second class citizens and workers are the student population. Roughly thirty percent of students these days drop out of school and another twenty percent fail the exit exam. Whatever the reason, this also makes for cheap, cheap labor. Many of the kids in this bottom fifty percent come from schools which are not exactly country prep schools. As one parent recently commented " just passing her courses in the gang infested, underfunded high school should have been grounds for graduation ."

Make no mistake about it, the strategy to "test, test, test" our kids is also a strategy to " flunk, flunk, flunk" them and keep them working at the bottom of the labor market. The perfect employee for a low wage service sector economy.

This dual dividend for corporate America of undocumented immigrant labor and U.S. born workers with no diplomas will create the cheap labor force a society needs after outsourcing its manufacturing base and eviscerating its middle class

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**Rep. Pete Stark**, D-Fremont, a longtime opponent of the Iraq war, said it's too late to succeed. He said Bush has "lost the war in Iraq."

"President Bush, your new mission, should you choose to accept it, is to level with the American people. Admit you took the country to war based on lies and half-truths. Accept responsibility for a lack of postwar planning. Most importantly, immediately withdraw all troops from Iraq," Stark said in a statement. SF Chronicle 5-20-06

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### June Membership Meeting

Friday, June 23, 7 pm

Westminster Hills Presbyterian Church  
27287 Patrick Ave., Hayward (Opposite Weekes Park library)

Demos and Pastors for Peace member **Mary Anne Reno** will speak about Cuba, the U.S. blockade and the P4P caravan. A video, Bloqueo, which tells the story of the blockade and the Cuban people's resistance and their solidarity with people in need throughout the world, will be shown. In addition, **Evelyn Sanchez**, of East Bay Alliance for a Sustainable Economy, our speaker on immigration from last month will return by popular acclaim.

Cuban doctors, literacy and sanitation workers have been volunteering to work in Latin American countries for years. They serve in areas that other aid groups do not venture. Not so well known is the fact that hundreds of Cuban doctors, with medical supplies and other aid, went to Pakistan after the devastating earthquake last year. Many are still there.

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Demos has endorsed the following candidates for the June 6 election:

**Mary Hayashi** for the 18<sup>th</sup> Assembly District  
**Gail Steele** for the 2<sup>nd</sup> Supervisorial district  
**Alice Lai-Bitker** for the 3<sup>rd</sup> Supervisorial District  
**Dr. John Bernard** for County Superintendent of Schools  
**Felix Elizalde** for County School Board District 4  
**Mike Sweeney** for Hayward Mayor  
**Kevin Dowling** for Hayward City Council

The California Democratic Council network of Democratic Clubs has endorsed:

**Phil Angelides** for Governor  
**Jackie Speier** for Lieutenant Governor  
**Debra Bowen** for Secretary of State  
**Jerry Brown** for Attorney General  
**Joe Dunn** for Controller  
**Cruz Bustamante** for Insurance Commissioner  
**Jack O'Connell** for Superintendent of Public Instruction

VOTE JUNE 6<sup>TH</sup> vote june 6<sup>th</sup> VOTE JUNE 6th

## The Ten Worst Corporations (Cont'd from May)

**Suez:** Suez has been a leading purveyor and beneficiary of the global trend of water privatization -- the selling off of public water systems to private entities, or the turning over of control and management of public systems to corporations. The result has been lousy service, jacked up rates and targeted efforts for well-off households at the expense of the poor. In a notable case in El Alto, Bolivia, mass demonstrations in January 2005 led the Bolivian government to cancel a water privatization contract with Aguas del Illimani, of which Suez is a major shareholder.

**W.R. Grace:** Federal prosecutors in February charged Grace with knowingly endangering residents of Libby, Montana, and concealing information about the health affects of its vermiculite mining operations. Vermiculite was used in many common commercial products, including insulation, fireproofing materials, masonry fill, and as an additive to potting soils and fertilizers. The vermiculite deposits in Libby were contaminated with a form of asbestos called tremolite. Federal officials charge that Grace knew the residents would get sick -- they allege Grace learned in the 1970s of the toxic nature of the tremolite asbestos in its vermiculite, but failed to turn the information over to the government, despite a legal duty to do so. The company allowed workers to leave the mine site covered in asbestos dust, allowed residents to take waste vermiculite for use in their gardens and distributed vermiculite tailings to the Libby schools for use as foundations for running tracks and an outdoor ice skating rink. *Conclusion of Ten Worst Corporations.*

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**Congressional hearings** seldom produce moments of high drama. But one such rare moment came last Thursday, at a House Financial Services Committee session on "Protecting Investors and Fostering Efficient Markets."

The scene: Thomas Lehner, the director of public policy for the influential Business Roundtable, had just finished testifying that giving shareholders the right to okay CEO pay packages would devastatingly "politicize corporate decision making."

"Do you think it's morally appropriate," Rep. Bernie Sanders, the Vermont independent, asked Lehner, "that CEOs now make over 400 times what their employees make?" Lehner gave the question a deft sidestep. Corporations, he told Sanders, are contributing more to charity than ever. But Sanders persisted. Is it morally appropriate, Sanders wanted to know, that America's 13,000 richest families are making as much income as the nation's bottom 20 million combined?

The Business Roundtable witness shifted uneasily in his seat. "No," he finally said softly. (Toomuch.org)

## Family Values & A Living Wage

219 former and current Cintas laundry workers in San Leandro and Union City are \$5,600 richer these days because of Hayward's living wage law. That is the final result of a successful suit against the company finally upheld on appeal by Alameda County Superior Court Judge Stephen Brick. Attorneys for the workers sued to enforce the \$10.86/hour wage mandated by the law. Cintas is a nationwide firm with more than 700,000 clients. It employs mostly low wage Latinas in its local plants. The award totaled \$1.4 million, including back pay, fines and interest. Demos proudly played a role in achieving Hayward's law. A similar effort is now underway in San Leandro. Others in California with an increased minimum wage are S.F, LA, Santa Monica and Marin County.

The movement is spreading across the country—and notably in "red" states where the much hyped "family values" talk is embarrassing right-wing lawmakers. Raising the wage paid to workers at the bottom of the ladder may not have been what they had in mind, but millions of people are asking, "what's so moral about a person working hard all day, whose family is then forced to subsist below the already inadequate poverty level, without healthcare, decent nutrition and shelter, and unable to afford amenities for the kids or help them with higher education expenses. Last month Arkansas became the first state in the South to raise its minimum above the federal level of \$5.15/hour. The legislature acted under threat of a burgeoning campaign to raise the wage by amending the state constitution.

Studies show that, apart from its morality, increasing the minimum wage results in faster small business and retail job growth. It is not hard to figure out why—every cent that low wage workers get goes right back into the economy, unlike the tax cuts that Bush gives to the very wealthy or the obscene pay and benefits doled out to corporate executives.

The California legislature is considering raising the minimum wage. Democrats are supporting AB 1835 (Sally Lieber) and SB 1162 (Gil Cedillo) that would increase the minimum to \$7.25/hour this year and \$7.75 next year, with automatic increases indexed to inflation. The Republican bill, SB 1167 (Abel Maldonado), provides the same increases but omits automatic price indexing.

Dr. Martin Luther King, who was assassinated while in Memphis to support a strike by low paid sanitation workers, said, "There is nothing but a lack of social vision to prevent us from paying an adequate wage to every American worker whether he is a hospital worker, laundry worker, maid or day laborer."

## **On closing schools** by Jim Forsyth

Marches and rallies to protest closing schools in Hayward leave one with a bittersweet feeling. Sweet because it's always positive when parents, teachers and students "hit the streets" to show their passion for excellent schools. We need more such expressions of concern, in all areas of public life. But bitter because, in this writer's opinion, the villain of the piece is not the Hayward School Board or Administration.

Why are schools failing (and not only in Hayward)? Why do Silicon Valley employers say they need software designers from India? Why the high rate of high school dropouts? The answers are varied and complex, of course, but some things are clear. Closing schools is rarely, if ever, beneficial to education. Small schools should be the norm, where students can get lots of individual attention when they need it—one on one, if necessary, and become part of an interactive group. The apparent closing of the parent coop school, Charquin, is especially sad. However, there seems to be no doubt that Hayward has money problems and closing or consolidating schools may be the lesser of two evils, including a takeover by the state a la Oakland.

School finance is an arcane and obscure process, as detailed in several past articles in this newsletter. When prop 13 passed some 30 years ago it was sold to voters as the only way retired homeowners on fixed incomes could remain in their houses. Left unsaid was the huge bonanza it represented for corporate property which is almost never reassessed. Spending on California's schools immediately plummeted and is now among the worst in the country. Prior and subsequent attempts to make the obvious adjustments, i.e. a split roll, to separate corporate profit-generating property from a homeowners primary dwelling and tax it appropriately, were defeated by heavy spending by corporate and real estate interests. Prop 56, the most recent try for a split roll was submerged by Silicon Valley cash, making the high tech industry's pleas that they "can't find software engineers in the U.S." insulting to our intelligence.

As any venture capitalist will tell you, this country is awash in money. In fact, there's more money than investment opportunities. Apparently, investors don't consider investing in Hayward schools a viable option. Is it because the dividends come in the form of children's lives rather than cash?

School boards are held to strict account for every nickel that passes through their hands. If they want more they have to go to the voters, and voters in Hayward don't have money either. But if the war in Iraq needs more money, or nuclear bomb research at the Livermore Lab needs more money, or the latest fighter plane needs money, or if star wars needs money, they don't go to the voters. They go to congress, cry national defense, and lo and behold, they get more money than they ask for! If CEO's want more money (and they always do) they go to their compliant boards and get it. They realize, even if we don't, that the money supply is virtually unlimited. The recent Delphi bankruptcy was caused, not by lack of money (they were very solvent), but by their wish to be rid of their union contract and outsource jobs.

So, let's hit the streets, and VOTE! Pass Prop 82 to tax the rich to get preschool for all 4-year olds. Vote for candidates who will stop the war, tax the rich and plug corporate tax loopholes. March in every demonstration you can find. Or make one up yourself. And support our Hayward schools.

## **The corruption right under our noses** by David Sirota

Sometimes the hostile takeover of our government by Big Money interests can be tough to see. Other times, it's right there in front of our faces. Today it's the latter as three stories in today's newspapers do a good job of highlighting the hostile takeover - and how we can actually take our government back.

The first story was a short one in the New York Times about the UAW authorizing a strike at Delphi after the company moved to slash workers' wages - this, at the very same time the company is also moving to pay out almost \$100 million in bonuses to the same executives who have helped run the company into the ground. About three quarters of the way through the story, the newspaper flippantly noted that "bankruptcy judges typically side with corporations seeking to terminate their labor contracts." Never are we supposed to ask why this is. Never are we supposed to ask why Congress has made sure our country's bankruptcy laws are so immoral and so corrupt as to allow companies to simply walk away from the promises made to workers at the very same time companies are trying to shower executives with more cash. We are supposed to accept these rip-offs - and the policies that legalize them - as some immutable force of nature, even when they are nothing of the sort.

The second story was a Wall Street Journal piece noting that Bush administration officials appeared before a congressional panel to publicly demand Congress cease moving forward with bipartisan legislation to tighten national security rules on foreign investment in strategic U.S. businesses. Dismissing all warnings raised by our armed forces during the Dubai ports controversy, the administration "urged House members to avoid changes that would add delay and complications to the government's review of such deals," reported the Journal. Forget about our country's security, forget about better scrutinizing our safeguards in a post-9/11 world - the administration is now formally on record demanding that Congress back off any effort to secure America if it even slightly impedes corporate profits.

The final story, also from the Wall Street Journal, gives us a little more hope that we can start taking our government back from the corrupt forces that so clearly own it. The piece focuses on how environmentalists have made inroads with traditionally conservative voters at the local level to push through commonsense laws over the objections of Big Money interests. As I say in my book *Hostile Takeover*, the hostile takeover of our government is far less pronounced at the state and local level - and the Journal piece shows exactly how much progress we can make if we focus our political activism farther down the political food chain (This why I am working to build up the Progressive States Network). We're up against a political Establishment in both parties that is, so far, uninterested in serious, systemic change to the point where even national security concerns are being subverted. But make no mistake about it - as I hear time and time again while traveling around the country, Americans of all political stripes are sick and tired of being lied to, and ready for a change.