

The Chemical Plant that Could Break Tulane

In 1996, Louisiana began taking out advertisements in the *Wall Street Journal* and other publications urging industrial companies to relocate to the friendly terrain of the Bayou State. The ads depicted a government bureaucrat bending over backwards and asked: "What has Louisiana done for business lately?" The text praised Louisiana for its limits on corporate liability, prohibition of punitive damages and requirement for proof of negligence. The bottom of the ad reads: "Louisiana—the state run by a businessman."

The businessman in question is a multimillionaire, Mike Foster. Foster, who is a near mirror image of Curly on the Three Stooges, made his fortune running Sterling Sugars, the family company. Just before his election, Foster sold some of his own property to his sugar company for \$6.5 million. But Foster retains the oil and gas rights to the land and later leased them to Exxon. His latest financial disclosure form shows those leases are generating more than \$200,000 a year.

One of the first companies to take Foster up on his offer was Shintech, the U.S. subsidiary of the Japanese chemical giant Shin-Etsu. Shintech is the world's leading producer of polyvinyl chlorides and was looking to build a new plant along the Gulf Coast. Shintech's other PVC factory in the United States is located in Freeport, Texas and has a reputation as the largest and one of the most toxic chemical plants in the country. On February 13, 1996, Governor Foster wrote to Shintech CEO Chihiro Kanagawa saying that he would do all he could to entice the chemical company into locating in Louisiana.

One of the sites Shintech had investigated was a 3,700 acre sugar cane field along the Mississippi River in St. James Parish near Convent, Louisiana. St. James Parish is in the heart of cancer alley. It already harbors 11 chemical plants that emit 24 million pounds of toxins a year. The plants include Occidental, Freeport McMoran, Chev-

ron and Texaco. The parish is also home to the IMC-Agrico Fertilizer plant, which until its operations were curtailed in 1994 held the distinction of being the most toxic plant in America, discharging 174 million pounds of poisons into the Mississippi every year. For more than a decade, St. James Parish was ranked as the most toxic county in America. It still ranks in the top 10.

"Corporations in this parish have experienced major releases of toxins and people were never warned," says Pat Melancon, who heads the St. James Citizens for Jobs and the Environment. "We never know what kinds of releases have taken place. The plants refuse to be up front. They just lie and do so with the support of the local and state government. They all cover up and get away with it. That's probably the main reason Shintech wants to move here."

Governor Foster's office soon contacted one of his political pals in St. James, parish president Dale Hymel. Foster told Hymel to write Shintech's CEO and urge the company to locate in St. James. The next week Shintech's Kanagawa wrote back to Hymel. The Japanese executive told the parish president that "your letter is certainly a weight which will contribute favorably to our decision on the location for this multimillion dollar manufacturing complex. We hope very much that St. James Parish will be found to be the most economic location for this investment in view of your expressed support of such activities."

Shintech was offered a veritable trove of inducements to build its plant near Convent. Most alluring was the \$120 million in property tax relief and enterprise zone tax credits—that's nearly \$800,000 for each full-time job produced by the plant. "It's a bad set-up," says Paul Templer, director of Louisiana State University's environmental studies program. Templer estimates that the state gives out \$4 billion in subsi-

dies a year, an amount that nearly equals the entire tax revenues for Louisiana.

Within a few weeks Shintech decided that St. James Parish was indeed the most profitable location for its \$700 million plant and began applying for construction and environmental permits from the state. On November 12, 1996, while several of the permits were pending before state regulators, Shintech gave \$5,000 to Foster's re-election campaign. On the same day, Spradley & Spradley, Shintech's lobbying outfit, also contributed \$5,000. A month later, Shintech's pr firm, Harris, Deville & Associates, kicked in another \$5,000 to Foster's political coffers.

At the request of Shintech officers, the local parish government began compiling political dossiers on at least 18 members of zoning and planning commissions reviewing permits for the plant. Another dossier was reportedly compiled on members of the parish council itself. The dossier on Coastal Zone Commission member David LaBorde notes that he "does as directed by parish president." Another dossier reads: "Donald Himes, black/male, employed with chemical industry, very quiet, nonconfrontational." Before the crucial votes on the permit applications, the dossiers were faxed from the parish president's office to Shintech's legal counsel at the company's American headquarters in Houston, Texas.

Dale Hymel admitted that his office prepared the documents. "Shintech wanted to know the makeup of the board," said Hymel. "I saw it as a scouting report, like in sports. You gotta know who the players are and their strengths and weaknesses, you know?"

A key reason Shintech and other chemical communities are homing in on St. James Parish is that it is populated by poor people, less likely to resist or complain as they are poisoned. The area surrounding the Shintech site is 87 per cent black. Less than 50 per cent of the children in the area graduate from high school. More than 60 per cent of the residents are unemployed. The average per capita income is \$7,200. The cancer rate in St. James is among the highest in Louisi-

ana, a state that ranks fifth in the nation in cancer deaths.

Thus Pat Melancon's group saw as their last hope to stop the plant an executive order issued by President Clinton in February of 1994 on environmental justice. The cautiously worded order says that every federal agency "shall make achieving environmental justice part of its mission". The order doesn't define what environmental justice is, but merely instructs the agencies to identify the effects of their actions on "minority and low income groups".

First the environmental group turned to the Sierra Club Legal Defense Fund, which rejected the case. Then Melancon went to Tulane University's Environmental Law Clinic, which agreed to take it. The clinic, which is staffed by students in their last year of law school, filed a petition with the EPA asking the government for the first time to reject a clean air permit on the grounds of environmental justice.

The filing was a shot in the dark. "We are really charting new ground here," says Marylee Orr of the Louisiana Environmental Action League. "The EPA hasn't dealt much with the environmental justice issue yet. But in May, the Nuclear Regulatory Commission denied a permit to build a uranium enrichment plant near Homer, Louisiana on the grounds that it violated civil rights."

The environmentalists were given some hope on April 3, when the EPA sent a letter to the Louisiana Department of Environmental Quality asking the department to look into the issue of environmental justice prior to issuing the permit. But the letter also pointed out a major problem. The federal EPA has granted Louisiana, the state with the most feeble environmental rules in the nation, the authority to implement and enforce the federal Clean Air Act. An EPA memo written by Laurie F. King, chief of the permits section for the agency's regional office, notes that in Louisiana the federal "EPA maintains only an oversight role".

For its part, the Louisiana DEQ no longer maintains an environmental justice division. After Foster took office in 1995, the division was changed to the Office of Community and Industrial

Relations. "We try to assure a balance between these issues and the needs of business", says DEQ director Dale Givens. "But there's really not much guidance."

A clue to the DEQ's attitude can be found in the antics of Janice Dickerson, who heads the Community and Industrial Relations office. Dickerson, who is black, has ghost written letters for illiterate Convent residents supporting the plant and attacking Shintech critics. In

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one of the letters, Pat Melancon was denounced as "a self-anointed modern-day abolitionist". During a session on environmental racism at Southern University earlier this summer, Dickerson referred to Shintech's opponents as "little Hitlers, little dictators".

The governor's office is taking no chances. Enraged by the environmental justice filing, Foster has gone on the offensive against the Tulane law clinic. Soon after hearing about the petition, Foster placed a call to Tulane's president Eamon Kelly demanding that the law clinic be reined in. Kelly says he defended the clinic to the governor.

Then in May, Foster appeared before the New Orleans Business Council, where he assailed the law clinic as "a bunch of modern day vigilantes who are just making up reasons to run businesses out of the state". The business council is a coterie of 58 of the state's most influential corporate executives and some of Tulane University's biggest donors. Among its members are Edwin Lupberger, CEO of Entergy, Erik Johnson, president of Central Gulf Shipping, and Jim Bob Moffett, CEO of Freeport McMoRan. Freeport operates a plant near Convent and Moffett is known as one of Tulane's leading financial patrons.

Foster told the assembled business

leaders that unless the "bunch at the Tulane law clinic is gotten under control" the business executives should reconsider their financial support for the university. Both Moffett and Johnson have reportedly made calls to university leaders about the clinic's work, including the dean of the law school.

So far Tulane and the law clinic have stood firm. And that has angered Foster and Shintech, which wanted to begin construction on the plant in November of 1996. In retaliation, Foster has threatened to undermine Tulane's tax breaks in a heavy-handed effort to force the clinic to back off. "These are a bunch of big fat professors drawing big fat paychecks to run people out of Louisiana," Foster said in July. "And I can tell you, I'm going to look closely at Tulane's tax status. I don't think we should be encouraging a major university, which does have tax breaks from the state, to block what the state is trying to do to get legitimate business here."

Educators in Louisiana have denounced Foster's threats as an attack on free speech and academic freedom. But the governor is undeterred. When asked if the poor and black residents of Convent enjoyed a right to legal counsel, Foster snapped: "Let them use their own money, not Tulane's."

The law clinic lawyers say that while the pressure has been intense, they don't feel threatened and remained undeterred. "There's no chance these people in St. James can hire lawyers to take this case or even afford scientists," says Robert Kuehn, director of the clinic. "But the other side has lawyers, lobbyists, in-house scientists, pr firms and, from the perspective of the citizens, the entire state government."

The governor has also enlisted the services of Senator John Breaux, one of the business lobby's best friends on the Hill. Breaux has been pressuring the EPA to dismiss the environmental justice complaint. Breaux's office said: "Sure, we talked to EPA and asked some tough questions, but I wouldn't call it 'pressuring.'" After talking with Breaux, the EPA, which was supposed to decide the matter on July 23, delayed its decision until September.

Even the NAACP, which in June

(**Labor**, continued from page 1)

berry workers in Watsonville, California. Last April, Sweeney and other top federation leaders went to Watsonville and led a march of some 25,000 people.

Sweeney has also swept out some of the old guard hacks and hangers-on in the AFL-CIO. At the international affairs division, long controlled by anti-Communist fanatics from Social Democrats-USA, he's put Barbara Shailor in charge, a reformer from the Machinists.

All of this has achieved at least one important goal: to frighten business. "The outcome of Big Labor's new organizing push remains to be seen, but businesses large and small probably should be alert," *Nation's Business* reported warily in its June issue. "A more unionized workplace could push up wage and benefit costs, and it could strengthen labor's hand in Washington in pressing for more union-friendly legislation."

As one progressive union official in Washington put it: "The labor movement in America has basically ceased to exist. What Sweeney's trying to do is to recreate a labor movement."

Those people who imagined that Sweeney would be a revolutionary were bound to be disappointed. He was a cautious leader of the Service Employees International Union (SEIU) and got his job as head of the AFL-CIO because among those who wanted to oust the old guard he had the fewest enemies and was best suited to unite diverse factions.

Sweeney can't work miracles. The increasing globalization of the economy has greatly weakened workers' bargaining power. Business is hiring more and more temporary and part-time employees, and those workers are far harder for unions to organize. Labor law in the United States is so tilted in favor of business that it is exceedingly difficult for unions to win certification votes.

But even given such constraints, Sweeney has in many cases fallen short. His reputation for confrontational tactics rests largely on his experience as head of the SEIU during the 1980s. At a time when many unions were declining, SEIU was growing, partly due to mergers with smaller unions but also on the strength

of its organizing campaigns.

When Sweeney took office, the union movement was confronted with two major challenges: the lockout of A.E. Staley workers in Peoria, Illinois and the strike by workers at Detroit's two major newspapers. Neither of these was settled in labor's favor and in both cases Sweeney's relative passivity contributed

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to the defeats.

In June, thousands of workers at the *Detroit News* and *Free Press* ended an 18-month strike after failing to win any of their major demands. The strike, which took place in one of labor's proudest strongholds, generated enormous solidarity as auto and railroad workers, teachers and other unionists joined the picket lines. This was most audaciously evident on Labor Day 1995, when 3,000 unionists held off hundreds of police and succeeded in shutting down the newspapers' plants.

So where was Sweeney? While he pledged the strikers would have the full backing of the AFL-CIO, this support mostly took the form of a so-called "corporate campaign". Such campaigns rest on the assumption that strikes cannot be won at the picket line. Instead, they use hired consultants and public relations firms to devise strategies for putting financial and public pressure on companies.

In Detroit, the corporate campaign overtook picketing and attempts to build solidarity with other unions. The unions initiated a "boycott action" that targeted the parent companies of the *News* and *Free Press* (Gannett and Knight-Ridder, respectively). They also called on Detroit residents to cancel their subscriptions to the paper and local businesses to stop buying advertisements. All of this hurt the newspapers financially, but the corporate parents — willing to risk big

losses for the sake of what they hoped would be exemplary union busting — continued to publish.

In late June, after strikers made an unconditional offer to return to work, Sweeney turned up in Detroit for a week-end long demonstration that attracted tens of thousands of people. But workers had been begging Sweeney to hold a national mobilization on their behalf since he won office. "If you are going to help, for goodness sake help while the war is going on," one frustrated striker told us.

The conflict at Staley had an equally bad ending. That company, which is owned by London-based Tate & Lyle, is a leading producer of corn starch and sweeteners. The Peoria plant had a terrible record of safety and health violations; OSHA imposed fines of millions of dollars on Staley in the early 1990s. In mid-1993, after they began pressing for improved workplace conditions, 785 workers from the United Paperworkers International Union (UPIU) were locked out and replaced with scabs.

The workers organized an impressive solidarity campaign, sending out "road warriors" to farms, factories and state fairs. They pressured Miller Beer and a number of smaller companies to dump Staley as supplier of corn sweetener and had set their sights on Pepsi, Staley's biggest buyer, as their next target. Workers believed that if Pepsi dropped Staley, they would have a real shot at winning the battle with the company.

On the day in 1995 that Sweeney was elected to head the AFL-CIO, a Staley militant named Dan Lane was on the sixtieth day of a hunger strike. In an emotional address to the federation's convention, he challenged the AFL-CIO to "get on board" with the workers. "You need to be there," he said. "You need to commit to a higher cause."

Sweeney promised that the AFL-CIO would "be there with the Staley workers". Being "there", in this case, took the form of creating a task force on paper. Sweeney also personally telephoned Lane and promised him the federation would play an active role in the conflict. He urged him to abandon his hunger strike, which Lane promptly agreed to do.

But the promised support from

Sweeney never came. The federation took no steps to pressure Pepsi to drop Staley. The task force, as so often is the case in these matters, proved to be inert. The federation's lack of action left the workers at the mercy of the UPIU, a highly conservative outfit and one which never fully backed the local against Staley. In late 1995, the workers gave up the fight. But only about 200 or so were taken back by Staley; the rest were downsized.

Wypijewski says that the Staley defeat is much more complicated than a case of the workers being sold out by Sweeney. Nonetheless, she says, his posture was a significant factor. "He'd just taken office and had raised the temperature with his talk about the union movement being back," she says. "There were [union] people in Washington who really wanted to do something and this would have been the perfect test case. That's what makes his inaction so disappointing."

Sweeney and the federation have also displayed a lack of aggressiveness on a number of other fronts. Most notable is the case of Justice for Janitors in Washington, DC, an SEIU campaign begun during Sweeney's tenure, and which pits workers making \$6 per hour — many of them Latin immigrants — against the notorious real estate magnate and union buster, Oliver Carr. With its emphasis on civil disobedience, J for J inspired radical unionists at the same time that it frightened the old guard. When he ran against Sweeney in 1995, Thomas Donahue sneered at J for J's tactics, especially its blocking of traffic in downtown Washington, saying, "I intend to build bridges, not block them".

The J for J campaign is now being shut down, apparently with Sweeney's approval. In an "Open Letter to the Washington Real Estate Community" published this summer, Sweeney's close ally and successor at SEIU, Andrew Stern, wrote that J for J intends to "extend an olive branch" to landlords and "cease strikes, picketing and similar activities". J for J organizers were stricken by the letter. "The office is in disarray," said one. "People are calling to ask what's going to happen. The sad part is that I can't tell them."

Along with the Teamsters' organization of Continental Airlines, the most important victory for labor since Sweeney took office was a 69-day strike at Boeing, where workers fought off a deeply concessionary contract. The strike occurred after Machinists union workers — for the first time in a century — rejected a contract recommended

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by the top leadership. The prime supporter of the rejected deal was one of Sweeney's main allies, Machinists head George Kourpias. "Workers acting in their own interests is a threat to union leadership," says Keith Thomas, a member of Unionists for Democratic Change, a loose rank-and-file caucus that helped organize the "no" vote on the initial deal. "We are a flicker in the wind right now, but we've got to keep the flame going."

On the political front, Sweeney's splashiest venture was the \$35 million he allocated to help reelect Clinton and return Democrats to control of Congress. The latter effort failed abysmally, resulting in the defeat of only 18 Republicans. As one commentator put it, "It would have been more effective to give 35 Republicans a million dollars each to go away."

More embarrassing than the campaign's ineffectiveness was its uncritical support for Clinton. During the president's first term he supported NAFTA over labor's bitter objections, failed to mobilize support for a bill that would have banned replacing striking workers, legislation that died on the senate floor, and announced that scores of workplace safety rules would be eliminated.

Clinton's support for "welfare reform" and "workfare" make a mockery of Sweeney's "America Needs a Raise" campaign. Combined, the two measures

will flood the job market with an estimated 4 million sub-minimum wage workers by the year 2000. The incoming workers will serve to keep overall wage rates down and in some cases take away jobs held by union members.

Since winning re-election last fall, Clinton used the 1926 Railway Labor Act to ban a strike by American Airlines Pilots. He also refused to appoint the AFL-CIO's choice to head the Department of Labor, Harris Wofford. Instead, Clinton selected Alexis Herman, the Democratic Party hack who helped arrange some of the White House coffee klatches.

Sweeney promised to be more confrontational than the old guard, but his desire for a "social contract" with business differs little from the vision of labor's more conservative wing. "We want to help American business compete in the world and create new wealth for your shareholders and your employees", he told a group of corporate leaders last year. "We want to work with you to create a larger pie which all Americans can share, and not just argue with you about the existing pie."

That statement is remarkably similar to one made by longtime AFL-CIO

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head George Meany back in the 1950s (also while addressing a room full of business executives): "There is not a great deal of difference between what I stand for and what you stand for. I stand for the profit system...I believe it is a wonderful incentive. I believe in management's right to manage."

But if labor's language and tactics haven't changed much these past four decades, Corporate America's have. In the post-World War II boom era of Meany's day, employers were willing to guarantee rising living standards for workers in exchange for labor peace. In the downsizing 1990s, this is no longer the case. As *Business Week* put it in 1994, "Few American managers have ever accepted the right for unions to exist...[but] over the past dozen years US industry has conducted one of the most successful anti-union wars ever...To ease up now, many executives feel, would be to snatch defeat from the jaws of victory."

Jerry Tucker, a former board member at the United Autoworkers who now heads the New Directions Worker Education Center in St. Louis, says that as a first step Sweeney and the AFL-CIO should abandon any illusions about cooperation with business. "I hear calls for partnership, but corporations have an agenda that is not built on a working relationship. What will stop them is a united resolve built on solidarity and strategies that take advantage of the latent militancy of the working class." ■

(**Chemical Plant**, continued from page 5) overwhelmingly passed an environmental justice resolution, may now be in Shintech's pocket. On August 3, Ernest Johnson, who heads the state chapter of the NAACP, went on a stroll with Governor Foster through Romeville, a black neighborhood adjacent to the Shintech

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site. After the walk, Johnson gave the Shintech plant his blessing.

Speaking for Johnson and his group, Foster said: "I think I'm correct that the local chapter of the NAACP is supportive of the project. And, I strongly suspect that unless he (Johnson) finds a reason to be on the other side, he will support it, too. I feel like Earnest and I are on the same page."

A source inside the NAACP said that in a meeting with Foster prior to the trip to Romeville, Johnson was promised education block grants for minority education in exchange for his support of the Shintech plant. The source also said Johnson serves on a state education commission "at the discretion of the governor". Johnson would not comment.

This is not the first time the NAACP has walked away from the environmental justice issue. The group has undermined similar citizen movements in Flint, Michigan and Los Angeles. "All our lives we've believed in the NAACP and now they've betrayed us," says Albertha Hasten, head of the Concerned Citizens of Iberville Parish. "When I see a guy in a KKK outfit, I know where he's coming from and how to deal with him. But when you can't trust your own black brothers. Well, its worse than the Klan. They can get done what the Klan can't and they do it just for the money. After all the hard work we did, to now see Earnest Johnson making deals and walking through Romeville with Governor Foster, a man who's worse than David Duke. Well, I find it just so disgusting."

Foster and his allies say all this effort is worth it to provide new sources of employment. But most of the 165 positions at the Shintech plant will go to experienced and skilled laborers, not the unemployed and impoverished citizens of St. James Parish. Tulane, the university Foster has threatened to put out of business, employs 7,000 people, one of the largest work forces in the state.

"The governor keeps talking about jobs," says Pat Melancon. "But there are 11 chemicals plants near Convent right now. If these industrial plants are so great, why does our community still have 62 percent unemployment?" ■

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