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JANITORS CHALLENGE APPLE COMPUTER

Attempts by Silicon Valley production workers to win union representation have been beaten back repeatedly by the area's notoriously anti-union employers. Among commercial electronics manufacturers, only one Xerox subsidiary is organized.

Yet many of the men and women who clean the floors and empty the wastebaskets at "union-free" firms are represented by the Service Employees International Union, Local 1877. SEIU has organized workers at many of the janitorial contractors hired by Silicon Valley firms—reportedly representing one third of the Valley's 4,000 janitors—and it is now embroiled in a struggle to represent the workers who clean up Apple Computer.

SEIU #1877 has demonstrated that it is possible to mount a sustained organizing campaign among some of the Valley's poorest workers. Instead of limiting itself to collecting cards and campaigning for votes in bargaining elections, it organizes the community. It has a history of serving its members needs outside the workplace—such as providing legal help with immigration problems.

The SEIU holds responsible the big-name employers that hire non-union maintenance contractors. In fact, it has quietly won representation at other Silicon Valley sites by pressuring property owners to hire unionized maintenance contractors.

For several years, buildings at Apple Computer's offices in Cupertino have been cleaned by employees of Shine Building Maintenance, a firm owned by Helder Pereira. Pereira, as affirmed repeatedly by the *San Jose Mercury News*, is a former janitor and Portuguese immigrant himself.

Still, his employees earn less than \$6.00 an hour—\$5.25 appears to be prevalent—and until the SEIU began its campaign, most did not have health plans. The workforce is largely Hispanic, including a large fraction of Mexican immigrants. Women janitors complain of sexual harassment.

Union janitors in the area, on the other hand, receive health benefits, earn an average of \$6.50 per hour, and enjoy the security of union

membership.

Though Federal law provides a mechanism for holding bargaining elections at firms like Shine, the SEIU, like others unions, was stymied by the firing and harassment of its supporters. In fact, a majority of Shine's employees were released last year following an audit by the Immigration and Naturalization Service.

To overcome what is essentially a rigged process, Local 1877 spearheaded the formation of a coalition of community and labor groups, "Cleaning Up Silicon Valley." The coalition has held large community meetings, staged a hunger strike at Apple's headquarters, and picketed the posh home of Apple chief executive John Sculley. With the endorsement of legendary farm labor Cesar Chavez, the union's backers called for a boycott of Apple products.

In December, Apple rejected the union's demands and signed a new contract with Shine—after Shine boosted both pay and benefits. But SEIU is not likely to give up, at Apple or other Silicon Valley corporations cleaned by non-union contractors.

Mike Garcia, President of Local 1877, wrote the *San Jose Mercury News* (December 23, 1991): "It seems obvious that Apple colluded with Shine in the bidding process to package a deal that it thinks will let the company off the hook. And provision of family health benefits is nothing but a ploy to give the janitors a piece of the pie but keep them powerless.

"Apple is rewarding Shine for its lawlessness, sexual harassment, and racist exploitation of immigrant workers. Many issues remain unresolved. To this day, Shine continues to fire workers supporting the union, so a fair election does not seem possible.

"But we will not let Apple off the hook. What Apple fails to understand is that this is not merely a union issue, it is a community issue as well. And we simply will not go away. Our struggle continues."

SEMATECH SEEKS CONTINUED FUNDING

In the fourth year of its original five-year plan, Sematech, the consortium of 14 U.S.-owned chip producers and users, has launched a campaign for renewed funding from the Defense Advanced Research Projects Agency (DARPA). With no earthshaking achievements under its belt, Sematech may find reauthorization difficult.

In December, Sematech catalogued its achievements and announced a new five-year plan. Originally intent on improving the entire wafer fabrication process, Sematech shifted midstream to an emphasis on supporting the technological advancement of U.S.-based manufacturers of semiconductor production equipment. The new plan takes that a step further, focusing on the "short loop" testing of specific processes and equipment, not an entire production line. (*Electronic News*, December 23, 1991) In addition, Sematech intends to place more effort into software, using computers to model the manufacturing process.

In the midst of a recession and sharp cuts in the overall military budget, Sematech faces an uphill fight to retain its roughly \$200 million a year budget. DARPA, reports the *Austin American-Statesman* (December 20, 1991) is proposing only \$80 million in direct Federal subsidies in fiscal year 1992, not the \$100 million sought by Sematech.

Meanwhile, three Sematech member firms are reportedly planning to withdraw from the consortium: LSI Logic, Micron Technology, and Harris Semiconductor. (*San Jose Business Journal*, December 30, 1991) They find it difficult to pay the stiff tithe in a period of financial difficulty, particularly when there are few direct rewards to membership. A fourth, Rockwell International, may also give its notice.

LSI Logic President George Wells told the *San Jose Mercury News* (January 6, 1991) that the transformed consortium strategy was worthy, but not right for LSI. He said that his company "did not join Sematech 'to become a venture capitalist for the equipment industry.'" Micron's Chairman, Joe Parkinson, told the *Mercury News* (January 11, 1992), "We think Sematech has fallen off the track of its original mission."

Since the three are among Sematech's smaller participants, their defection will probably have a greater symbolic or political effect than a direct financial impact. It will be hard for Sematech's supporters to insist that the government maintain the original funding level while corporate support is diminishing.

Ironically, semiconductor industry critics from

organized labor and the environmental movement could play an important role in restoring the Federal portion of the Sematech budget. In November, the Campaign for Responsible Technology sent a letter to Congress urging that Sematech's objectives be expanded "to benefit high-tech workers and communities where chip design and manufacturing are conducted." It suggested the development of "new non-toxic manufacturing techniques and innovative systems for enhancing the role and responsibility of workers in chip design and production."

Signatories included the Presidents of the Communications Workers and the Oil, Chemical, and Atomic Workers Union, leaders of national environmental organizations such as the National Toxics Campaign, Greenpeace, and Friends of the Earth, and Barry Commoner of the Center for the Biology of Natural Systems.

If Sematech incorporates CRT's proposals into its workplan, it may find it easier to pry additional funds loose from Congress. The labor and environmental groups that signed the letters have influence with members of Congress who are not already aligned with electronics industry leaders.

In December, CRT representatives discussed their program with key Congressional aides, and a larger group will press the issue in Washington in February. Though Sematech has received over \$500 million from the Federal purse, there have never been hearings where any stakeholders other than high-tech corporate executives have had a chance to comment on the consortium's goals, organization, or achievements.

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LOCKHEED WORKERS CHARGE RACISM

African-American employees at Lockheed Missiles and Space Company, still the largest private employer in Silicon Valley, have carried out a series of demonstration calling for an end to racial discrimination at the firm, which does almost all of its work for the U.S. government.

Employees have filed at least ten discrimination lawsuits against the firm. At least one Norman Drake, won a \$925,000 jury award after being demoted from a satellite control position to security guard.

The company admits some problems due to its size, but critics say the problems are widespread. They all calling for a Congressional probe, since Federal statute outlaws discrimination at contractor facilities.

The *San Jose Mercury News* (November 21, 1991 and January 8, 1992) reports that a leader of the protests is Anthony Eckford. Eckford was reportedly fired for insubordination last year because he wore a "Stop Racism at Lockheed" T-shirt to work.

IBM: EARLY RETIREMENT OR MASKED LAYOFFS

For many years, a few high-tech industry leader, such as IBM, have won accolades for their reluctance to lay workers off. Now, a lawsuit by Richard Rathemacher, a former IBM systems engineering manager, suggests that early retirement programs are a form of age discrimination.

Rathemacher, reports *Business Week* (October 21, 1991) left IBM in August, 1987, at age 55. After 30 years at the company, he says he was forced to accept an early retirement plan. He filed an age-discrimination suit in the U.S. District Court, and it appears he has a chance of winning.

At a time when most established U.S.-based computer companies are cutting their staffs dramatically, their older employees are at risk. With rapid changes in technology, the skills of older employees are often suspect. Rathemacher says that his first difficulties at IBM arose in 1985, when his supervisor promoted a younger employee over Rathemacher, saying he wanted "new, young blood in that job."

That statement, reported solely by Rathemacher, is backed by top-level company policy. IBM Chairman John Akers testified, in a deposition, that "one reason the company offered the

[early] retirement plan was to eliminate older, more highly paid workers."

IBM is now cutting its payroll by an additional 17,000 jobs, and early retirement incentives expected to generate a large portion of the total. While the company does offer what it considers "generous severance and retirement packages," it also requires participants to waive their right to sue IBM.

SALARY SURVEY

Datamation (December 1, 1991) moans that last year the average annual raise of information systems (IS) professionals slipped to 4.7%—the lowest level in five years. But programmers, systems analysts, information managers, etc. remain comfortably paid. The Survey notes that IS salaries rose more slowly than those of all professions, but they exceeded the consumer price index by 2.1%. Nationally, average IS pay ranged from \$30,000 for junior programmers to \$107,000 for "chief information officers."

Salaries were generally highest in the San Francisco Bay Area, with high rates also found in Los Angeles and New York City. Raises were largest in Texas cities, followed by Chicago and Los Angeles, and smallest Washington, D.C., New York, and Boston.

SCREEN DUTIES BACKFIRE

As anticipated, the Commerce Department's prohibitive tariff on active-matrix liquid crystal displays has not encouraged U.S. display manufacturing. (See *Global Electronics* Nos. 110 and 111.) Instead, it has pushed laptop computer manufacturing abroad. Instead of making its notebook computers in Colorado, Apple is producing them at its Cork, Ireland plant. IBM still threatens to follow suit.

Meanwhile, Optical Imaging Systems, the largest U.S.-based manufacturer of active-matrix displays, "doesn't even have the capacity to sell commercially—most of its screens are sold to the Pentagon."

Commerce Secretary Robert Mosbacher complains that U.S. trade laws forced his agency to impose the duties, but the manner in which they have been applied suggests that they were designed to fail—and look ridiculous. (*Business Week*, December 2, 1991)

NORTHERN TELECOM WORKERS UNITE

Northern Telecom, formerly the captive production arm of Bell Canada, is now the world's fourth largest manufacturer of telecommunications equipment. Though its Canadian employees are represented by two strong unions, the Communications Workers of Canada (CWC) and the Canadian Auto Workers, only two percent of its 23,000 U.S. employees are represented by the Communications Workers of America. Its plants in Malaysia and Turkey have no union representation.

Labor Notes (January, 1992) reports, "NT's increasing ability to move capital and jobs from high-wage, more heavily unionized nations, to low-wage ones where workers have few rights and little political clout has even put Canadian labor at risk." For this reason, the Canadian unions hosted the founding conference of the Northern Telecom Solidarity Coalition last October. The meeting, held in Toronto, was attended by 150 unionists and workers from Canada, the U.S. Western Europe, Turkey, Japan, and Malaysia.

The Solidarity Coalition is developing a common organizing brochure. It is planning an international action day this spring. It is demanding that NT management remain neutral and not interfere in organizing drives—in all countries—and it is calling for the company to negotiate with a multinational union committee on a "Global Code of Conduct."

CWC President Ford Pomeroy said, "Northern Telecom has to understand that it cannot pretend to

be a good corporate citizen in Canada while it denies basic rights to its employees in other parts of the world.... We intend to do all in our power to help Northern Telecom workers—wherever they live in the world—improve their working conditions."

SINGAPORE VENTURE SLIPS

The Singapore government's strategy for competitive semiconductor wafer fabrication is running into problems. In April, 1991 it announced the formation of Tech-Semiconductor, a \$330 million joint venture the government's Economic Development Board (26%), Texas Instruments (TI) (26%), Hewlett-Packard (24%), and Canon (24%). The venture planned originally to manufacture a TI-designed 4-megabit dynamic random access memory (DRAM) chip.

Since then, several of the world's leading chip producers have announced plans to begin making 16-megabit DRAM's this year. Tech-Semiconductor, in response, also plans to shift to 16-megabit chips, but it cannot possibly begin even partial production until 1993.

Meanwhile, industry analysts expect the soft personal computer market to prolong the glut in memory chips. The *Far Eastern Economic Review* (December 12, 1991) writes, "This may well lead to savage price cutting among rival companies fighting for market share. Large losses for the Singapore joint venture are anticipated by analysts when its chips begin to roll off the production line."

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