



## Labor Day: What We Need

BY ROBERT B. REICH  
 Tribune Media Services

Labor Day is traditionally a time for picnics and parades. But this year is no picnic for American workers, and a protest march would be more appropriate than a parade.

Not only are 25 million unemployed or underemployed, but American companies continue to cut wages and benefits. The median wage is still dropping, adjusted for inflation. High unemployment has given employers extra bargaining leverage to wring out wage concessions.

All told, it's been the worst decade for American workers in a century. According to Commerce Department data, private-sector wage gains over the last decade have even lagged behind wage gains during the decade of the Great Depression (4 percent over the last 10 years, adjusted for inflation, versus 5 percent from 1929 to 1939).

Big American corporations are making more money, and creating more jobs, outside the United States than in it. If corporations are people, as the Supreme Court's twisted logic now insists, most of the big ones headquartered here are rapidly losing their American identity.

CEO pay, meanwhile, has soared. The median value of salaries, bonuses and long-term incentive awards for CEOs at 350 big American companies surged 11 percent last year to \$9.3 million (according to a study of proxy statements conducted for *The Wall Street Journal* by the management consultancy Hay Group). Bonuses have surged 19.7 percent.

This doesn't even include all those stock options rewarded to CEOs at rock-bottom prices in 2008 and 2009. Stock prices have ballooned since then, the current downdraft notwithstanding.

In March 2009, for example, Ford CEO Alan Mulally received a grant of options and restricted shares worth an estimated \$16 million at the time. But Ford is now showing large profits — in part because the UAW agreed to allow Ford to give its new hires roughly half the wages of older Ford workers — and its share prices have responded. Mulally's 2009 grant is now worth more than \$200 million.

Last year, Ford reinstated merit-pay raises and matching 401(k) contributions for its salaried workers, but not hourly workers — further widening the gap between the top and everyone else.

That's in stark contrast to Henry Ford's decision almost a century ago to pay his hourly workers three times what the typical factory employee earned then. He was roundly criticized by other executives, but the founder of Ford Motor knew it was a cunning move.



Robert REICH

The higher wage turned Ford's autoworkers into customers who eventually could afford to buy the Model Ts they were making.

Henry Ford understood something today's CEOs seem to have lost sight of. Workers are consumers.

Consumer spending in America is now 70 percent of the U.S. gross domestic product. So when jobs and wages are under assault, Americans cannot keep buying as before. The result is a U.S. economy that has now all but stopped growing.

You can get a sense of how lopsided the economy has become when you look at the relationship between corporate profits and wages. Since World War II they have moved in roughly the same direction. When profits have risen, wages have risen as well. When profits have declined, companies have either laid off workers or reduced their hours.

But recently that connection has been broken. Corporate profits have continued to soar, yet big companies have continued to lay off their workers and cut wages and benefits. In fact, the ratio of corporate profits to wages is now higher than at any time since just before the Great Depression.

Corporate profits keep rising because companies are selling abroad while they're simultaneously cutting their labor costs in the United States.

This can't go on indefinitely. The world's biggest economies outside the U.S. — India, China, Europe, Brazil — are all slowing. They have plenty of their own consumers, but they also depend on exports to the United States. Yet American consumers can no longer buy. We've come full circle.

Perhaps there would still be something to celebrate on Labor Day if government was coming to the rescue. That's what it did in the first decade of the 20th century when giant corporations threatened the economy, and then again in the 1930s when American workers didn't have the money to keep the economy going.

But this time Washington is paralyzed. The president seems unwilling or unable to take on labor-bashing Republicans. At the same time, several Republican governors are mounting direct assaults on organized labor (see Indiana, Ohio, Maine and Wisconsin, for example).

So let's bag the picnics and parades this Labor Day. American workers should march in protest. They're getting the worst deal they've had since before Labor Day was invented — and the economy is suffering as a result.

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## Perry: Shooting The Messenger?

BY ANDREW DESSLER  
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Texas Gov. Rick Perry stirred up controversy on the campaign trail recently when he dismissed the problem of climate change and accused scientists of basically making up the problem.

As a born-and-bred Texan, it's especially disturbing to hear this now, when our state is getting absolutely hammered by heat and drought. I've got to wonder how any resident of Texas — and particularly the governor who not so long ago was asking us to pray for rain — can be so cavalier about climate change.

As a climate scientist at Texas A&M University, I can also tell you from the data that the current heat wave and drought in Texas is so bad that calling it "extreme weather" does not do it justice. July was the single hottest month in the observational record, and the 12 months that ended in July were drier than any corresponding period in the record. I know that climate change does not cause any specific weather event. But I also know that humans have warmed the climate over the last century, and that this warming has almost certainly made the heat wave and drought more extreme than it would have otherwise been.

I am not alone in these views. There are dozens of atmospheric scientists at Texas institutions like Rice, the University of Texas, and Texas A&M, and none of them dispute the mainstream scientific view of climate change. This is not surprising, since there are only a handful of atmospheric scientists in the entire world who dispute the essential facts — and their ranks are not increasing, as Gov. Perry claimed.

And I can assure Gov. Perry that scientists are not just another special interest looking to line their own pockets. I left a job as an investment banker on Wall Street in 1988 to go to graduate school in chemistry. I certainly didn't make that choice to get rich, and I didn't do it to exert influence in the international arena either.

I went into science because I wanted to devote my life to the search for scientific knowledge, and to make the world a better place. That's the same noble goal that motivates most scientists. The ultimate dream is to make a discovery so profound and revolutionary that it catapults one into the pantheon of the greatest scientific minds of history: Newton, Einstein, Maxwell, Planck, etc.

This is just one of the many reasons it is inconceivable for an entire scientific community to conspire en masse to mislead the public. In fact, if climate scientists truly wanted to maximize funding, we would be claiming that we had no idea why the climate is changing — a position that would certainly attract bipartisan support for increased research.

The economic costs of the Texas heat wave and drought are enormous. The cost to Texas alone will be many billion dollars (hundreds of dollars for every resident), and these costs will ripple through the economy so that everyone will eventually pay for it. Gov. Perry needs to squarely face the choice confronting us; either we pay to reduce emissions of greenhouse gases, or we pay for the impacts of a changing climate. There is no free lunch.

Economists have looked at this problem repeatedly over the last two decades, and virtually every mainstream economist has concluded that the costs of reducing emissions are less than the costs of unchecked climate change. The only disagreement is on the optimal level of emissions reductions.

I suppose it should not be surprising when politicians like Gov. Perry choose to shoot the messenger rather than face this hard choice. He may view this as a legitimate policy on climate change, but it's not one that the facts support.

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has repeatedly refused to set felony-level penalties for extreme acts of animal cruelty.

Earlier this year, Mississippi became the 47th state to pass a felony animal cruelty law, which leaves South Dakota, North Dakota and Idaho as the only holdouts. These three states, including our great state, allow the worst forms of animal torture to be treated with the severity of a traffic ticket. Until we have appropriate animal cruelty laws on the books, men who beat dogs with hammers will continuously walk amongst us, only a few hundred dollars poorer.

# THE PRESS & DAKOTAN

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Yankton Media, Inc., 319 Walnut St., Post Office Box 56, Yankton, SD 57078

OPINION | OUR VIEW

## Disasters And Budgets: What Are Priorities?

As the Missouri River flood waters recede in the region, property owners are beginning to take stock of the damage and seek whatever assistance they can to help them put their lives back together.

But will they have to wait in line? There have been numerous natural disasters this year, with Hurricane Irene's march up the East Coast this past weekend standing (at least, as of this writing) as the latest event that will likely require federal aid to pick up the pieces.

But budgetary politics — not to mention budgetary realities, which aren't always the same thing — threaten to get in the way.

On the former front, some key Republicans are again demanding that any disaster aid be compensated for with cuts elsewhere in the budget. House Majority Leader Eric Cantor's team (R-Va.) said in a television interview this week, "There's a federal role — yes, we're going to find the money. We're just going to need to make sure that there are savings elsewhere to continue to do so."

Consider, too, that FEMA has announced that it is running low on funding because of the myriad disasters faced this year, having less than \$800 million in its coffers. And given the nature of the current budget wars, the agency may find itself in a painful bind — painful, that is, not only for the agency but also for the many people who are or will be looking to D.C. for a helping hand.

With the prospect of many billions of dollars needed for the recovery from Hurricane Irene — no official estimates have yet been tabulated — any corresponding budget cutting could create a seismic impact elsewhere.

Like Missouri, for instance, where the residents of Joplin are still trying to pick up the pieces from the disastrous tornado outbreak that devastated the city last May, FEMA officials have just said that some new projects in Missouri might have to be put on hold because of the East Coast storm.

This is not sitting well with Missouri's senators. "The federal government has committed resources to help Missouri communities recover from crippling flood and tornado damage," Sen. Roy Blunt (R) said Monday, "and I expect that commitment to be fulfilled expeditiously. Recovery from hurricane damage on the East Coast must not come at the expense of Missouri's rebuilding efforts. If FEMA can't fulfill its promise to our state because we have other disasters, that's unacceptable, and we need to take a serious look at how our disaster response policies are funded and implemented."

None of this angst factors in the damage from last week's hurricane or the ongoing damage being done by a drought in the southern U.S. — or, for that matter, the flooding along the Missouri River.

As you may have noticed by the unrelenting media coverage of the quake and the hurricane during the past week, the East Coast, with its many population centers, gets a lot of attention from television crews and lawmakers. That's where a lot of people are, certainly. If our federal disaster aid becomes beholden to budgetary priorities and, consequently, political influences, then it must also be noted that out east is where the voters are and where a lot of primary attention may go.

It's not fair, but it's a battleground that may be established if disaster aid is placed under such restrictions.

Consequently, could all this impact the speed with which relatively remote places like South Dakota and Nebraska get federal disaster assistance?

That may be an alarmist way of looking at things, but as the folks down in Missouri may be discovering, even disasters can be prioritized.

This battle will be interesting to watch unfold in the weeks ahead, in no small part because it is going to hit home, one way or another. And given the unpredictability of natural disasters, who knows where it will hit next?

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### OUR LETTER POLICY

The PRESS & DAKOTAN encourages its readers to write letters to the editor, and it asks that a few simple guidelines be followed.

■ Please limit letters to 300 words or less. (During political campaigns, letters related to the campaign may be limited to 150 words.) Letters should deal with a single subject, be of general interest and state a specific point of view. Letters are edited with brevity, clarity and newspaper style in mind.

■ In the sense of fairness and professionalism, the PRESS & DAKOTAN will accept no letters attacking private individuals or businesses.

■ Specific individuals or entities addressed in letters may be given the opportunity to read the letter prior to publication and be allowed to answer the letter in the same issue.

■ Only signed letters with writer's full name, address and daytime phone number for verification will be accepted. Please mail to: Letters, P.O. Box 56, Yankton, SD 57078, drop off at 319 Walnut in Yankton, fax to 665-1721 or email to views@yankton.net.

### TODAY IN HISTORY

By The Associated Press

Today is Wednesday, Aug. 31, the 243rd day of 2011. There are 122 days left in the year.

**Today's Highlight in History:** On Aug. 31, 1886, at 9:51 p.m., an earthquake with an estimated magnitude of 7.3 devastated Charleston, S.C., killing at least 60 people, according to the U.S. Geological Survey.

**On this date:** In 1688, preacher and novelist John Bunyan, author of "The Pilgrim's Progress," died in London.

In 1888, Mary Ann Nichols, the apparent first victim of "Jack the Ripper," was found slain in London's East End.

In 1935, President Franklin D. Roosevelt signed an act prohibiting the export of U.S. arms to belligerents.

In 1941, the radio program "The Great Gildersleeve," a spinoff from "Fibber McGee and Molly" starring Harold Peary, debuted on NBC.

In 1954, Hurricane Carol hit the northeastern Atlantic states; Connecticut, Rhode Island and part of Massachusetts bore the brunt of the storm, which resulted in nearly 70 deaths.

In 1969, boxer Rocky Marciano died in a light airplane crash in Iowa, a day before his 46th birthday.

In 1980, Poland's Solidarity labor movement was born with an agreement signed in Gdansk that ended a 17-day-old strike.

In 1986, 82 people were killed when an Aeromexico jetliner and a small private plane collided over Carrizos, Calif. The Soviet passenger ship Admiral Nakhimov collided with a merchant vessel in the Black Sea, causing both to sink; up to 448 people reportedly died.

In 1988, 14 people were killed when a Delta Boeing 727 crashed during takeoff from Dallas-Fort Worth Airport.

In 1991, Uzbekistan and Kyrgyzstan declared their independence, raising to 10 the number of republics seeking to secede from the Soviet Union.

**Ten years ago:** The Middle East dominated the opening of a world conference against racism in Durban, South Africa, as

Yasser Arafat accused Israel of "racist practices" against the Palestinian people. Little League star Danny Almonte's perfect game and his Bronx, N.Y., team's records, including a third-place World Series finish, were ruled invalid after officials in the Dominican Republic, where Danny was born, determined he was 14 years old, not 12.

**Five years ago:** Iran defied a U.N. deadline to stop enriching uranium. President George W. Bush, addressing an American Legion convention in Salt Lake City, predicted victory in the war on terror, likening the struggle against Islamic fundamentalism with the fight against Nazis and communists.

**One year ago:** President Barack Obama ended the U.S. combat mission in Iraq, declaring no victory after seven years of bloodshed and telling those divided over the war in his country and around the world: "It is time to turn the page."

**Today's Birthdays:** Baseball Hall-of-Famer Frank Robinson is 76. Actor Warren Berlinger is 74. Rock musician Jerry Allison (Buddy Holly and the Crickets) is 72. Actor Jack Thompson is 71. Violinist Itzhak Perlman is 66. Singer Van Morrison is 66. Rock musician Rudolf Schenker (The Scorpions) is 63. Actor Richard Gere is 62. Olympic gold medal track and field athlete Edwin Moses is 56. Rock singer Glenn Tilbrook (Squeeze) is 54. Rock musician Gina Schock (The Go-Go's) is 54. Singer Tony DeFranco (The DeFranco Family) is 52. Rhythm-and-blues musician Larry Waddell (Mint Condition) is 48. Actor Jaime P. Gomez is 46. Baseball pitcher Hideo Nomo is 43. Rock musician Jeff Russo (Tonic) is 42. Singer-composer Deborah Gibson is 41. Rock musician Greg Richling (Wallflowers) is 41. Actor Zack Ward is 41. Golfer Padraig Harrington is 40. Actor Chris Tucker is 39. Actress Sara Ramirez is 36. Rhythm-and-blues singer Tamara (Trina & Tamara) is 34.

**Thought for Today:** "When you pray, rather let your heart be without words than your words without heart." — John Bunyan (1628-1688).

### FROM THE BIBLE

So then, there remains a Sabbath rest for the people of God. Hebrews 4:9. Portals of Prayer, Concordia Publishing House, St. Louis

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### Published Daily Monday-Saturday

Periodicals postage paid at Yankton, South Dakota, under the act of March 3, 1979.

Weekly Dakotan established June 6, 1861. Yankton Daily Press and Dakotan established April 26, 1875.

Postmaster: Send address changes to Yankton Daily Press & Dakotan, Box 56, Yankton, SD 57078-0056.

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