



## Protesters greet IBM shareholders at Providence meeting

04:07 PM EDT on Tuesday, April 27, 2004

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PROVIDENCE -- Computer consultant Bob Dodge drove more than five hours from his home in Pennsylvania this morning to walk in circles outside the Rhode Island Convention Center in the hopes of saving his career.

Wearing a dark suit, carrying a briefcase and a sign that said, "Jobs for Americans," Dodge was among some 60 people picketing outside IBM Corp.'s annual meeting here today to protest company plans to move U.S. jobs "offshore" to other countries.

Dodge doesn't work for IBM. But like a lot of people at the rally today, he worries about a trend by American companies, including IBM, to move American technology jobs to countries such as India, Brazil and China.

"A couple of years from now I won't have a job if this keeps up," said Dodge, a 38-year-old father of two children, who is running for Congress as an independent in the Allentown area of Pennsylvania.

Before the annual meeting, which started at 10 a.m., a group of about 30 IBM employees, retirees and labor activists carried signs and handed out leaflets protesting the computer giant's plans for offshoring and protesting cuts in retiree health benefits.

"Export executive traitors, not U.S. jobs," said one sign.

"We want shareholders to start paying attention to what the company is doing to employees and retirees," said Lee Conrad, national coordinator for the Alliance@IBM, a group that advocates for IBM employees.

A few hours later, the protesters were joined by members of several Rhode Island labor groups, doubling the group's size for a late-morning rally timed to coincide with the end of the shareholders' meeting.

City police were stationed outside the building and yellow barriers were placed near entrances, but the scene was orderly.



Journal photo / Mary Murph

**Protesters applaud speakers this morning outside the Rhode Island Convention Center, where the IBM annual stockholders' meeting was being held. They included computer consultant Bob Dodge, in dark suit with yellow sign, who drove from his home in Pennsylvania to take part.**

The group had the sympathy of at least one shareholder.

Chester Kurowski, 82, of Pawtucket, says he wonders how the trend to offshoring will affect his two grandchildren.

"For a short term gain, I think we're going to pay a price," Kurowski said.

Employee and retiree shareholders inside the meeting also spoke in support of employees and retirees, according to Conrad. The meeting was open only to shareholders.

"This is the one time all year that a manufacturing employee with one share of stock can stand up and question the CEO and board of directors," Conrad said.

The wave of offshoring that struck manufacturing employees in the 1980s is now hitting those in Internet technology jobs, said Ralph Montefusco, a member of the Alliance@IBM and an organizer of the protest today. Some workers who retrained for IT jobs after losing their manufacturing jobs now face the prospect of losing their IT jobs, Montefusco said.

"Now the IT jobs are being moved offshore, so what do they retrain for?" Montefusco asked.

Jobs at risk include software engineer and design engineer -- positions that can pay \$60,000 to \$80,000, sometimes about \$100,000, Montefusco said.

Montefusco says the company will not say how many jobs it plans to move overseas, but he pointed to research by Forrester Research claiming that 3.3 million U.S. service and technology jobs will move overseas by 2015.

IBM employs about 130,000 people in the United States, according to Montefusco. The company has 210 employees in Rhode Island.

IBM has said that it plans to hire more people in the United States than it plans to move overseas.

Samuel J. Palmisano, IBM's chairman and CEO, touched on employee compensation, retiree benefits and "global trade" during his remarks to shareholders.

He noted that the company "persisted in investing in employee salary increase programs and continued to pay out employee bonuses every year during the recent economic downturn."

"For many years now, our retirement benefits have been unsurpassed in the IT industry," Palmisano said. "Unlike nearly every competitor, we offer U.S. employees a solid pension plan, a company match in the 401(k), retiree medical coverage and periodic opportunities to buy discounted company stock."

He acknowledged that IBM believes "open, global trade brings about the most benefits to business and society," but he said the company recognizes that "the impact of these economic shifts on individuals is a very real issue."

To prepare its employees for jobs that will be needed in the future, Palmisano said, IBM invests more than \$750 million per year on training its work force.

IBM employs 320,000 people in more than 160 countries.

Dodge, the candidate for Congress from Pennsylvania, said offshoring is an important part of his candidacy, but people don't pay attention until it happens to them. The message from many at today's rally: It could happen to almost any job.

"Anything that could be manufactured or done behind a desk could be potentially offshored," said John A. Bauman, president of The Organization for the Rights of American Workers in Meriden, Conn.

Offshoring has left some people working two to three jobs "just to buy food," according to Bauman, and has taken a big toll in Connecticut, where, he said, many insurance jobs have headed overseas.

"We're literally taking our college students' futures away," said Bauman, carrying a sign that said, "Outsourcing is stealing billions from America."

Montefusco and Conrad says offshoring affects more than a company's bottom line.

Montefusco said, "It has an impact on the employees, their families, their community and their state."

Conrad said, "I think shareholders have to look at the big picture."

**DIGITAL EXTRA:** Find out more about the IBM annual meeting, including a Webcast of the meeting, at: <http://www.ibm.com/investor/>

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