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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	re: Non-selection to National Labor Relations Board (1 page)	12/14/1994	b(6)
002. profile	DOB (Partial); POB (Partial) (1 page)	11/22/1995	b(6)
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Clinton Presidential Records
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Harold Ickes
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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

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Unions Win Senate Approval of Retraining

52-45 Vote Preserves Benefits of Workers Who Lose Jobs Because of Trade Agreements

By Judith Havemann
Washington Post Staff Writer

Organized labor won a hard-fought and rare victory in the Senate yesterday, preserving benefits for U.S. workers who are thrown out of work when their jobs move overseas because of international trade agreements.

The 52 to 45 vote to save workers' entitlements to special retraining assistance came as the Senate began voting to revamp the nation's job-training programs by turning them over to the states with a block grant, or lump-sum payment.

More than 80 separate job training, vocational and adult education programs would be repealed, funds reduced about 15 percent—according to the Democrats—and states required to set up new, streamlined systems to help people find jobs.

Labor and Human Resources Committee Chairman Nancy Landon Kassebaum (R-Kan.) said the bill will establish a single system "where anyone, regardless of why

they are unemployed, can find help."

States would be required to set up one-stop centers to offer workers counseling, placement and referral to academic or occupational training services. A quarter of the \$5.9 billion block grant would be earmarked for "employment" activities to be largely carried out at the one-stop centers, and another quarter set aside for vocational and adult education.

When the key elements of the bill take effect in 1998, dozens of familiar programs would be wiped out, including the Job Training Partnership Act, one of former vice president Dan Quayle's principal legislative achievements when he was in the Senate.

The broad consolidation of programs is expected to pass today with bipartisan support, but the effort to toss the Trade Adjustment Assistance program into the single job-training pot ran into strong opposition from organized labor and others.

Sen. Daniel Patrick Moynihan (D-N.Y.) said trade adjustment as-

sistance was "crucial in obtaining the necessary agreements" that led to the passage of the North American Free Trade Agreement (NAFTA) and the General Agreement on Tariffs and Trade (GATT). "Strip Trade Adjustment Assistance from the trade laws and you will never see a trade agreement again," said Moynihan. It would be a "commitment broken."

Sen. Edward M. Kennedy (D-Mass.) the ranking minority member of the labor committee, said the Trade Adjustment Assistance program had been "a matter of national policy for Republicans and Democrats alike." Some of the commitments, Kennedy said, are only two to three years old.

"These workers have worked generally for a lifetime, have suffered by an act of Congress, and we should do no less than meet this responsibility," he said.

Kassebaum said, "It makes no sense to maintain a separate and distinct program for workers laid off" because of trade agreements. "I believe governors and local elected officials will be responsive to those laid off" for this reason,

and will be putting those people "first and foremost."

Bill Cunningham, a lobbyist for the AFL-CIO, said it would have been "criminal" for the Senate to "renege" on its long-term commitment to workers displaced by GATT and NAFTA.

The trade adjustment assistance comes in two forms: job training and extended benefits for up to two years for workers who lose their jobs. Only job training, a roughly \$250 million annual program, was affected by the Senate vote, but Cunningham said related action in the House Ways and Means Committee yesterday made it likely the entire program would emerge intact in this session of Congress.

If so, it would make trade adjustment assistance to workers one of the few entitlements for the non-elderly likely to survive the Republican revolution. Republican leaders in both the Senate and House are attempting to wipe out the entitlement to welfare and Medicaid health insurance, and the House has voted to eliminate the entitlement to foster care and adoption assistance, as well.

The Kassebaum job-training bill,

called the Workforce Development Act, also has drawn fire for turning over to the states the operation of the Job Corps, a live-in program for "at-risk" young people. Kassebaum, who conducted hearings that revealed outbreaks of violence and crime at some centers, would require the worst 25 centers to close.

The House passed similar job-training legislation—without the Job Corps provision—in September.

The House voted 345 to 79 to consolidate nearly 100 education and job-training programs into three block grants to states for adults, youths, and family education and literacy.

The Senate work force act, once part of the welfare reform legislation, was separated from welfare after Democrats objected that states would devote too large a share of their job-training funds to training recipients for jobs so they could meet mandatory work requirements in the welfare legislation.

FOR MORE INFORMATION

To stay updated throughout the day on the progress of legislation before Congress, see Digital Ink, The Post's on-line service. To learn about Digital Ink, call 1-800-510-5104, Ext. 9000.

Trade adjustment & career training
summary
AFL-CIO

Uranium Enrichment Sale Reviewed

By Daniel Southerland
Washington Post Staff Writer

With little fanfare, Congress and the Clinton administration are moving to sell off a giant government corporation valued at about \$1.5 billion—the first major federal privatization action in nearly a decade.

The new company, with headquarters near Montgomery Mall in Bethesda, is called the United States Enrichment Corp. Its business is little known, but it is a profitable one: enriching uranium for nuclear power utilities.

The plan to privatize USEC has gained wide support in Congress and the administration, and President Clinton is likely to approve it, congressional sources say. Committees in the House and Senate have adopted similar versions of a bill governing USEC's privatization, and the issue is now expected to be dealt with in conference.

But a General Accounting Office report prepared last month questions whether taxpayers will get full value for the deal. The GAO contends the analysis done by USEC's financial adviser, J.P. Morgan Securities Inc., to arrive at a value for the corporation should be revised, allowing for a much greater return to the government for the corporation's sale.

The GAO also said the Treasury Department, not the corporation, should handle the privatization process in order to safeguard taxpayers' interests.

In letters to the GAO, the Treasury Department and William H. Timbers Jr., president and chief executive of USEC, strongly criticized the GAO report. Timbers called the report "seriously flawed" and asserted Treasury already was playing a leading role in the privatization process.

USEC's privatization plan forecasts the corporation's stock could be sold for \$1.5 billion to \$1.8 billion, minus about \$100 million in estimated transaction fees.

After future taxes and the cash USEC expects to take with it from the Treasury are factored in, the total return to the Treasury from privatizing USEC could be \$1.7 billion to \$2.2 billion, the GAO said.

But the GAO said its analysis showed the corporation could be worth much more. It calculated the "net present value of the cash flows" for USEC as a government corporation, on which its sales price is partly based, might range from \$2.8 billion to \$3.5 billion. In other words, the govern-

ment could earn a return on USEC \$1 billion or more higher than the amount estimated by the corporation's financial advisers. Or, the report indicates, the government could earn more by not privatizing USEC.

"The numbers used by GAO are all preliminary data," said Hal Shelton, chief financial officer for USEC. "Until we have a specific method for privatization, we won't know what the final numbers are."

Shelton said the GAO used misleading discount rates in calculating estimated value of USEC.

And he said, the agency overlooked costs that would have been involved in keeping USEC inside the government, such as anticipated increases in electricity rates and costs for refurbishing USEC's two gaseous diffusion plants that supply enriched uranium.

USEC and the Treasury Department are soon to select an investment banker to conduct the transactions involved in selling the corporation.

The privatization could go one of two ways, USEC said—an initial public offering of common stock, or a merger or acquisition by a large corporation.

"The Treasury Department is playing an active, dominant role," Shelton said.

Bill Magavern, energy director with Public Citizen, a citizens advocacy group founded by Ralph Nader, said "strict conflict of interest rules are necessary to prevent USEC officers and executives from enriching themselves at taxpayer expense."

"A hasty privatization deal could end up costing taxpayers far more than any tax cut contribution from the asset sale would save them," said Magavern, who added that Public Citizen favors the privatization of USEC if it is properly executed.

"Safeguards will need to be considered to ensure that the taxpayers' interests are protected if, because of the complexity of the privatization effort, the corporation is undervalued when sold," the GAO said.

According to the GAO, the USEC case is important, partly because it may lay the groundwork for future federal privatizations.

Despite several proposals and much discussion of privatization in Congress, no major privatization has occurred since 1987, when Consolidated Rail Corp. was sold to investors for \$1.65 billion.

Unions Have Become 'Irrelevant,' Warns Leader of Kirkland Foes

By Frank Swoboda
Washington Post Staff Writer

The leader of the coalition trying to oust AFL-CIO President Lane Kirkland warned yesterday that unions had become "irrelevant" to the lives of most American workers.

"The problem with the American labor movement, the problem with unions, is that we are irrelevant to the vast majority of unorganized workers in our country," John J. Sweeney, president of the 1.1 million-member Service Employees International Union, told delegates to an SEIU legislative conference. He said he had "deep suspicions" that unions also were becoming irrelevant to many union members as well.

Sweeney, 60, leads a coalition of 11 major unions seeking to block Kirkland's reelection to a ninth, two-year term at the AFL-CIO convention in October. The leaders of the unions argue that Kirkland, 73, must be replaced if the labor federation is to deal with the challenges facing organized labor today. Last week, five more unions joined the anti-Kirkland coalition, and Sweeney said yesterday that another four would join this week, giving Kirkland's opponents nearly 60 percent of the votes in October.

In his first public statement since the fight over Kirkland's leadership spilled out into the open earlier this year, Sweeney used his

See AFL-CIO, C4, Col. 2

AFL-CIO, From C1

speech to spell out of some of the changes Kirkland's opponents want:

- More spending on organizing;
- Financial support for Democrats to be conditioned on their support for labor's interests.
- Greater visibility and power within the AFL-CIO for women and minorities.

Sweeney insisted that the effort to force Kirkland to retire was not part of a battle over personalities. "It's about the future of the labor movement," he said.

Sweeney said the coalition still hoped that Kirkland would step down and allow AFL-CIO Secretary-Treasurer Thomas J. Donahue to be drafted for the presidency. Donahue, 66, is a favorite of the union insurgents as well as other union leaders supporting Kirkland, but he has refused to oppose Kirkland for the AFL-CIO's top job. Donahue has announced that he will retire in October.

Should Kirkland refuse to step down, however, Sweeney said Kirkland's opponents were prepared to take him on at the convention and beat him. "That's not a threat, that's a promise, and John Sweeney never breaks a promise," said Sweeney, who is a likely candidate to oppose Kirkland.

At the top of Sweeney's list of needed changes was a call for the

84-union AFL-CIO to spend at least a third of its \$60 million annual operating budget on organizing, particularly multi-union, industrywide campaigns. Kirkland's critics argue that the federation spends too much money on foreign operations and not enough on organizing at home.

Sweeney also called on the AFL-CIO to focus more of its political efforts at the grass-roots level and to adopt a "new attitude toward

The SEIU president suspects unions are becoming irrelevant to many current union members.

rewarding our friends and punishing our enemies." He warned that labor may be many congressional Democrats' best hope for future campaign money.

"While labor's clout is seen as being diminished, we may be the only money game in town for many Democratic members of the House and Senate," he said. Since Democrats are in the minority in Congress and no longer have "all those big committee chairmanships any more . . .

that means business is unlikely to off money on Democrats."

Sweeney also said the labor movement's leadership should better reflect the changing demographics of the workplace if it hopes to grow.

The SEIU, the AFL-CIO's third-largest union, is one of the most diverse and fastest-growing unions in the nation.

"More than half of working Americans are women, and our own polls tell us they are the most likely prospects for union membership," Sweeney said.

"The new work force, the growing service sector work force, is increasingly younger, and filled with more people of color," he said, "and our polls tell us they too are prime prospects to join our movement."

But when these people look at union and AFL-CIO leaders and union staffs, he said, they do not see people like them.

51 16/90

LABOR: A HOUSE DIVIDED

Supporters and opponents of AFL-CIO President Lane Kirkland

Pro	Union
Douglas Dority	United Food and Commercial Workers
Morton Bahr	Communications Workers of America
Lenore Miller	Retail, Wholesale and Department Store Workers
William Bywater	International Union of Electrical Workers
John Barry	International Brotherhood of Electrical Workers
Albert Shanker	American Federation of Teachers
Frank Hurt	Bakery, Confectionery and Tobacco Workers
Jay Mazur	International Ladies Garment Workers Union
John Sturdivant	American Federation of Government Employees
James Norton	Graphic Communications International
Jack Sheinkman	Amalgamated Clothing and Textile Workers
Michael Sacco	Seafarers International Union
James Hatfield	Glass, Molders, Pottery Plastics and Allied Workers
Moe Biller	American Postal Workers
Vincent Sombrotto	National Association of Letter Carriers
John T. Joyce	Bricklayers and Allied Craftsmen
Marvin J. Boede	Plumbing and Pipe Fitting Journeymen and Apprentices
Gene Upshaw	Federation of Professional Athletes
Edward Hanley	Hotel and Restaurant Employees
Gloria Johnson	AFL-CIO Executive Council member
Robert A. Georgine	AFL-CIO Building and Construction Trade Department
Con	
Gerald W. McEntee	American Federation of State, County and Municipal Employees
George Becker	United Steelworkers of America
Owen Bieber	United Auto Workers
Arthur Coia	Laborers International Union
Ron Carey	Teamsters
Wayne Glenn	United Paperworkers International
Frank Hanley	International Union of Operating Engineers
George Kourpias	Machinists and Aerospace Workers
Sigurd Lucassen	United Brotherhood of Carpenters and Joiners
John J. Sweeney	Service Employees International
Richard L. Trumka	United Mine Workers of America

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December 14, 1994

Memorandum to Leon Panetta

From: Joan Baggett

Subject: Union Issues

I. Clinton Administration set-backs/problems for organized labor:

A) NAFTA and Trade Issues - - The Administration's continued priority on expanding free trade has raised serious concerns within the labor movement. Opposition to NAFTA is still deeply felt among the rank-and-file. National union leadership signaled a willingness to move beyond NAFTA but are deeply troubled by actions since the NAFTA fight. Of particular concern was the President's decision to de-link trade and human rights in deciding to continue MFN status for China. They object to our handling of GSP cases involving Malaysia and Indonesia & have serious concerns about the APEC agreement. The admission of China to the WTO is also looming as an issue.

The Miami Summit again raised questions about how serious the Administration is in addressing labor's very real concerns on labor standards & worker rights. Fast track authority for Chile accession to NAFTA is already shaping up as a fight over labor & environmental standards. How we decide these issues and manage this debate will be watched very closely.

Finally, at the same time we are expanding free trade, we are also reforming job training programs. These reforms would eliminate trade adjustment assistance (TAA) as a separate program. The Kennedy Administration (Pat Moynihan) secured organized labor's commitment to the first GATT round by proposing the TAA program. Labor opposes elimination of TAA.

B) Striker Replacement -- not only was the bill to ban the hiring of permanent replacement workers in a strike defeated in the senate, but an overwhelming majority of rank-and-file union activists believe that the Administration did little to support this bill.

(NOTE: Opposing NAFTA and passing striker replacement were at the top of labor's agenda. This double defeat, with the perception among many that the President pulled out every stop for NAFTA and barely lifted a finger for the striker replacement bill are a big part of the problem the President has with this constituency. No other issues cut as deeply with union activists as NAFTA and striker replacement. There is an overall perception among rank-and-file union activists that the Administration has been too pro-business and not pro-labor.

C) Health Care Reform -- the AFL-CIO was perhaps the President's strongest supporter in the push for reform of our health care system. In the next round, there are a number of issues unions will be concerned with. First and foremost will be the implications for workers if, in the absence of comprehensive reform, Medicare and Medicaid program spending is cut to raise money for either deficit reduction and/or expansion of coverage (comprehensive reform).

Their concern stems from the fact that cuts in public health spending mean cost-shifting to private sector providers who in turn shift higher prices to private payors with insurance. Even if we can lessen the cost-shifting associated with the spending cuts by targeting expanded coverage for some new groups such as kids or the unemployed, it still does not ease the burden for those workers with insurance who are facing increased efforts by employers to cut benefits at the bargaining table.

Labor also will be concerned that insurance market reform (e.g. portable coverage and eliminating pre-existing condition exclusions) in the absence of comprehensive cost controls will drive costs up and provide incentives for employers to drop coverage in a voluntary environment. Additionally, they will be adamant about no taxation of benefits and lukewarm to medical savings accounts as another mechanism for employers to shift costs. We have not been supportive of taxation and somewhat leery of savings accounts but it is premature to give assurances.

State flexibility most likely still splits the movement with the multiemployer plans seeking to retain ERISA federal preemption and the public health care unions desiring more state flexibility as a way for the state to financially assess large employer plans to pay for uncompensated care---dollars that support health care workers' jobs. The Administration is discussing this issue and taking a hard look at what degree of flexibility is politically feasible. This requires a better read of the Republican Governors and Congressional members.

Lastly, the unions will raise the threat to job security that health care workers are experiencing as the industry reorganizes and downsizes in the face of managed care generally and Medicaid waivers. Secretaries Reich and Shalala met with AFSCME President McEntee and SEIU President Sweeney to address this issue and HHS offered up a number of initiatives in the Medicaid waiver process. The DOL is attempting to work through the National Commission for Employment Policy to establish a designated task force on health care issues as well as convene meetings of industry and labor leaders to discuss these issues.

D) Campaign Finance Reform -- The Administration's proposal from last year barred "soft money" in federal elections, but opened up a channel for hard money (including PAC money) to state parties, to be used for grass-roots activity.

Went to
press
soft money
w/ members &
friends

12/17/84 10:01 202 219 7871 DOL OSEC 003

taken several positions in court cases that unions opposed -- most notably one which sided against the United Mine Workers; (4) USTR and workers' rights. These kinds of issues usually affect one or two international unions, but taken together, could add up to big trouble for the Administration with labor.

H) Dunlop Commission report -- This commission appointed by Secretaries Reich and Brown has been looking into workplace issues, concentrating primarily on worker/management relations. The commission issued its findings in October and is due to release its recommendations in January. A number of unions have gotten drafts of the commission's recommendations. The unions believe that one part of the report, involving changes in section 8 (a) (2) of the National Labor Relations Act (the section that prevents employers from establishing "sham" unions) would be devastating for them if it stands as currently written.

II. Clinton Administration accomplishments regarding organized labor:

A) created 5 million new jobs, most paying at or above the national average;

B) appointed a National Labor Relations Board that is fair to workers and their unions for a change. The appointments of Chairman Bill Gould, member Peggy Browning and General Counsel Fred Feinstein are recognized by the labor movement as perhaps the most significant made by the administration;

C) passed Hatch Act reform;

D) rescinded three anti-labor Reagan/Bush executive orders -- one on the hiring of Patco workers

E) passed Family and Medical Leave Act;

F) played an activist role in helping to resolve tough collective bargaining disputes (American Airlines, Long Island Rail Road, UPS, Teamster national trucking contract, Mineworkers and Bituminous Coal Operators Association, baseball)

G) created National Partnership Council for federal gov't unions and DOL Task Force on Excellence in State and Local Government through Labor Management Cooperation for other public workers;

H) November AFL-CIO legislative newsletter reported that 32 bills supported by organized labor were signed into law by the President;

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1) Revitalized enforcement at DOL (OSHA, Federal Contract Compliance, Mine Safety and Health, Wage and Hour) and increased DOL budget -- more front line workers.

(NOTE: From the standpoint of most union leaders, the problems listed above far outweigh the accomplishments.)

III. What we can do for organized labor -- we need to prove that "we are on their side."

A) **NLRB Appointments** -- the President currently has the opportunity to make another Democratic appointment to the Board. Labor's and the Administration's choice for this position is Sarah Fox, a staffer for Senator Kennedy. Another Republican seat on the board becomes open in August. Negotiations are underway to package the Fox appointment with the Republicans' choice. Labor supports this strategy.

While these negotiations are taking place (it may take several months to finalize) the Administration must make a recess appointment to ensure that

(b)(6)	
(b)(6)	Labor would like to see

[001]

critical that we make a recess appointment to ensure that the board is not immobilized with two Democrats and two Republicans.

B) **Support an increase in the minimum wage** -- Organized labor has long advocated increases in the minimum wage. This is a good "on your side" issue for the Administration. Whether we win or lose, this would go a long way in sending an important signal to working Americans.

C) **Defend important union programs** -- the Republicans are likely to attack a number of federal government programs important to organized labor, like, Davis-Bacon, OSHA, NLRB, Fair Labor Standards Act. The Administration must be seen actively fighting to protect these programs.

D) **Budget** -- An increase in the budgets of the NLRB, OSHA and additional funding for job training would be important to unions. Budgetary issues of immediate concern are: funding for the NLRB; funding for AMTRAK; Mass Transit Operating Assistance; Davis-Bacon; cargo preference; shipbuilding -- Target 11 Loan Guarantees; operating differential subsidy program for the maritime industry; federal workers retirement; privatizing of prisons; agency restructuring; Department of Energy cleanup; infrastructure funding; Mine Safety and Health Administration; and Wage and Hour division of DOL.

E) **Executive Orders** -- there are two that would send strong signals of support to organized labor:

10.02 202 219 7971 DOL USEC 0003

1) Prevent the federal government from entering into contracts with employers who have permanently replaced striking workers. While likely to be opposed by the NPR, this order would resonate with union leaders and rank-and-file activists better than anything else the President could do. Short of that, DOL and the NLRB could produce a list of the 100 worst labor law offenders and the President could send that out to every agency in the federal government urging that these employers not be considered in the awarding of federal contracts.

2) Issue an order that prevents federal government contractors from using federal dollars to promote or oppose union organizing. Labor was successful in securing language like this in the Head Start bill as a way of preventing employers from using federal money to oppose them in organizing campaigns. This order would send a strong "on your side" message to labor.

F) Grants -- we should do a better job of making sure that unions are being considered in the awarding of OSHA, Employment and Training, HUD, HHS and other federal government grants.

IV. Administration coordination with the labor movement -- For the White House, our current method of dealing with labor is much too scattered. Bob Rubin and George Stephanopoulos meet with top AFL-CIO officials regularly and the WH Political office deals with the day-to-day, nuts and bolts troubleshooting. With Rubin leaving, Stephanopoulos having so many other important responsibilities, and the pending changes in the WH political operation, we must establish one point person, high up in the organization to deal with labor's concerns across the administration. This must be someone who understands the issues and the politics and who can get things done. There must be staff below this person to deal with the day-to-day problems, concerns and hand holding.

V. Audience -- when communicating with organized labor we must recognize that there are four primary audiences who often have different priorities and are reached in very different ways. (1) International union presidents and top officers and staff; (2) State and local union leadership and staff; (3) rank-and-file activists; and (4) union members. The following section focuses primarily on the first three audiences. The fourth, union members will be reached, by and large, with the same message as the general public as a whole.

VI. Communications

A) Union conventions and conferences -- the President should be scheduled to speak at several union events over the next several months -- some in person

and some via satellite.

B) Walk a picket line -- when candidate Clinton walked on the picket line with striking Caterpillar workers that sent a signal throughout the labor community that he understood their concerns and was "on their side." We should pick one particularly egregious strike situation and schedule the President to join in a rally. Other Administration officials should be encouraged to join a picket line.

C) Produce a video for union audiences -- the President should speak directly to union members and be introduced by each international union president. This will further buy the presidents in. The video would be shown at union conventions, conferences and local union meetings.

D) Regional AFL-CIO conferences -- the DOL is proposing that seven regional conferences of state-level union representatives be organized. This would be an opportunity for all of our labor-related agencies (DOL, NLRB, Federal Mediation and Conciliation Service, National Mediation Board) to spotlight the things they are doing. The President should attend a conference and speak to some of the others via satellite.

E) Newsletter column -- we should produce a quarterly column from the President to be sent to union publications.

F) Town Hall Meetings -- When traveling, the President should meet with workers in different industries to talk about the problems they face on the job. This could include airlines, telecommunications, supermarkets, auto, office, construction, health care, garment, manufacturing, public safety, rail, service, retail, etc. Another series of meetings could be conducted with a cross section of workers who face different work-related problems. This could include: workers injured or survivors of workers killed on the job, people who work full-time with no health care coverage, people looking for work, unemployed Black teens, migrant workers, workers with no benefits, people in part-time jobs who would like to be working full-time, single parents who work outside the home. The unions could help us identify groups of workers in any community. This effort would go far in reaching mid-level union leaders and proving that we are on their side.

G) Telephone call from President to next AFL-CIO Executive Council Meeting - Top level Administration officials should attend the AFL-CIO Executive Council meeting in February and the President should call in to the meeting and speak to the group.

H) Send a signal across the Administration -- the Chiefs of Staff should be instructed that the Administration needs to work better with organized labor and be sensitive to their interests. This must come from the top down.

Remarks
as prepared for
Vice President Al Gore
to

United Auto Workers Convention
Washington, DC
February 7, 1995

There's an old labor song, "Which Side Are You On?"

Well, you know, sometimes pictures say much more than words.

During the '92 campaign, so many people saw the pictures of Bill Clinton in Peoria with Owen Bieber, carrying a sign, and joining people on the picket line outside Caterpillar.

People saw that picture and they knew which side Bill Clinton was on!

I know that negotiations have resumed between Caterpillar and this Union. The President and I hope that both parties appear at the bargaining table without preconditions and make every effort to resolve this dispute. It's gone on too long!

Meanwhile, I'm proud to be with you today as we continue the fight for working people in Peoria and all over America.

It'll be a tough fight. Because, let's not fool ourselves. Those who have championed the rights and values of working people in America are under attack.

And on November 8, we took a hit. A big hit.

Nobody knows this better than you. The people in this room were the ones outside the polling booths, running phone banks, driving people to the polls on that bleak Tuesday.

There are those who say that election marked the end of the Democratic party. They're the same people who've been saying unions are dead in America.

I say: Not ... so ... fast.

The U.A.W. knows how to fight. You knew how to fight in the Thirties against those who believed labor disputes should be decided by clubs and baseball bats and shotguns.

You know how to fight now.

And you know how to fight back.

We're going to fight back together.

Because while we invite Republicans to join hands with us, we remember what they did to working people when they got the chance.

And make no mistake about it: we will not work with them when they are breaking the backs of working men and women.

We remember what Republicans did to OSHA and the NLRB. We remember how they fought the minimum wage increase... fought the plant closing law... fought the anti-scab bill... fought unemployment benefits.

When we campaigned in 1992, we had a different idea.

We promised to put people first.

There were those who said his economic policy wouldn't do that. Here are the facts.

Almost 6 million new jobs. The lowest unemployment in over four years! The lowest unemployment for African Americans in two decades!

\$700 billion less deficit -- \$10,000 for every American family!

Tax cuts for fifteen million American families.

That's putting people first!

Remember the people who said Democrats were too divided to work together?

Think of all the good ideas that last administration vetoed -- and remember how many are now law.

Like motor voter. It's now law. Because of this Administration.

Family and Medical Leave. It's law. Because of this Administration.

The assault weapons ban. It's law. Because of this Administration.

Last fall's AFL-CIO newsletter listed all the bills supported by organized labor signed into law by the President. There were 32 of them.

That's putting people first!

And think about the accomplishments of this Administration that speak directly to the passionate concerns of organized labor.

We put Bill Gould and Peggy Browning and Fred Feinstein on the NLRB and now we have a Board that believes in collective bargaining.

And incidentally, we'll be making another appointment to that board soon. I guarantee this: it'll be another step towards a Board that -- for a change -- is fair to workers!

We passed Hatch Act reform because we believe you don't lose the basic rights of citizenship because you work for the federal government!

We rescinded those anti-union executive orders of the Reagan Bush years -- including the one on Patco!

We played an active role helping resolve tough collective bargaining disputes, whether American Airlines, or the Long Island Railroad, UPS, the Teamsters national contract, the Bituminous Coal Operators Association.

This Administration doesn't duck the tough fights. We help settle them.

Secretary Bob Reich has put teeth into enforcement at the Department of Labor, whether OSHA ... or Federal Contract Compliance ... Mine Safety and Health.

And let me mention one thing that was possible only because the UAW has acted as a full partner.

The Clean Car Initiative.

Everybody knows the need to produce a generation of vehicles for the 21st Century -- one that goes beyond anything the auto companies -- or government -- could do alone.

Now we'll do it. And it's because of an unprecedented willingness by labor, business and government to work together.

For that, I thank the UAW.

We made a great start.

Are we going to be able to finish the job? Are Republicans going to be able to dismantle what we have worked so hard to build?

Because they're trying.

The other day, Dick Arney tried to answer the question: "If you want to balance the budget why not tell us where you'd cut?"

Here's what he said.

And I quote.

"The fact of the matter is that once members of Congress know exactly, chapter and verse, the pain that the government must live with ... their knees will buckle."

What's he mean? Are we afraid to trust the intellect of the American people? Democrats believe that as citizens and taxpayers Americans have the right to know. They have a right to know if Republicans plan to cut social security. They have a right to know if Republicans plan to cut Medicare.

And that's why Democrats are working so hard on Capitol Hill to have a "Right to Know" provision added to the balanced budget.

You know, Americans don't want to kill government. They want to fix government.

When we see Republicans insisting on measures that mean draconian cuts in Medicare and Medicaid -- we draw the line.

When we see capital gains plans that give tax breaks to the wealthy -- we draw the line.

When we see the Republicans urging modification of Section 8(a)(2) of the National Labor Relations Act we draw the line. We oppose tampering with the prohibition against company dominated unions!

Unfunded mandates? Gotta reduce em.

But not in a way that undermines the safety of drinking water. Not in a way that guts OSHA.

There ... we draw the line!

That's what we're against. Let me tell you what we're for.

And let me start with one area that may surprise you.

Health care.

We fought together on health care, last year. And we lost.

But nobody knows better than people in this union how great the need is for health care reform. Owen, I know you talked about this in your speech Sunday night.

We still have a crisis in health care.

The President pointed this out in the State of the Union. Over a million people lost health insurance last year. For those who still have it, the copays are getting steeper.

Rising health care costs mean less for wages. We won't get it all next year. But we're still committed to universal coverage. We are still committed to a system of health care that's always there!

Here's a second area.

The President's Middle Class Bill of Rights.

There are those who say this Administration didn't mention the middle class until the election results were in.

What nonsense. We've been working for the middle class since Day One, whether by creating jobs, cutting taxes, passing student loan reform or passing bills like Family and Medical Leave.

But it's time to finish the job we've started. And what better way than to return money to the pockets of working Americans and help them realize their dreams.

To send their children to college.

To own a home.

To afford medical care.

To put something away for retirement.

When it comes to these deeply felt aspirations, government shouldn't block the road. It should pave the way. And that's what Bill Clinton's Middle Class Bill of Rights is all about.

And there's one other issue.

Majority Leader Arney has said he wants to repeal the minimum wage.

We want to raise the minimum wage.

It's at its second lowest level since 1955.

There are those who think minimum wage workers are all teenagers. They're not. Only a third are. Almost half are over the age of 25.

There are those who think the minimum wage costs jobs. We've looked at the data. It doesn't.

Are we to tell Americans we believe in the value of work, then make it impossible for working Americans to rise above the poverty level?

Let Republicans be the mean-spirited party carrying that message. Let's work together to make sure that the message we send Americans is that Democrats believe you can get ahead if you work hard.

Let our message be: if you work hard, government will work hard for you.

I come from a family that has always fought for working people. I remember my father who supported this union -- and was supported by this union. Some of you with long memories will remember the year he first ran for the Senate against Kenneth McKellar, not one of the great champions of labor in our history.

His slogan was "The thinking fellar votes for McKellar."

My mother came up with ours: "Think some more, vote for Gore."

My mother and father trusted the good sense of the voters in Tennessee. And I trust the good sense of the American people.

We've worked too hard to build this country up to see protections for working people torn down.

And nobody has worked harder to build this country than the UAW.

When most people think of this union they think of the auto industry. And it's true that the cars that came off the assembly lines revolutionized America. We see that in every facet of our lives, from Burger King drive-ins to the vast network of highways linking every community in America.

But you did more. When America sent men and women into space they were sent there in spacecraft built by UAW workers. When America sent troops into combat, from Korea to Haiti, they rode in tanks and planes built by UAW workers.

And when it was time to look beyond America's borders to fight the menace of totalitarianism, the UAW was there.

Thirty three years ago, when President John F. Kennedy spoke to the UAW he pointed out how much this union has done to build "strong, free trade unions around the world."

I wish President Kennedy could be here today to see the fruits of those efforts. The Cold War is over. Democracy has won.

It has even won where no one expected democracy to win. Owen, Sunday night you quoted Nelson Mandela. I was privileged to be there in South Africa when Nelson Mandela took the oath of office. And looking around, I could see UAW representatives. That was fitting. Over the years the UAW worked so hard to end apartheid.

And as dramatic as it was, that victory, last year, was one of many. No organization did more to keep America strong at home, and to win our battles abroad ... than the United Auto Workers.

Let's work together in the next two years, to preserve what we have won.

Abroad, that means peace, and democracy.

At home, it means jobs, growth, and fairness.

The Administration of Bill Clinton wants to be your partners, whether taking up a sign on a picket line in Peoria, or signing a bill to help working Americans.

We stick to the values of our past. But we work for the future.

That's how we realize the American Dream.

That's how we make sure that the best days for this country and this union are yet to

be.

American Federation of Labor and Congress of Industrial Organizations



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March 8, 1995

To: Presidents of National and International Unions
Principal Officers of AFL-CIO State Federations
Principal Officers of AFL-CIO Central Labor Councils

Dear Trade Unionist:

Today, President Clinton signed an historic Executive Order declaring it to be the policy of the federal government not to contract with employers that permanently replace lawfully striking employees. A copy of the Order is enclosed.

Under the Executive Order, the Secretary of Labor is authorized to investigate any complaint submitted to the Department by employees of a federal contractor with a federal contract worth more than \$100,000. If the Secretary determines that "organizational units" of the contractor have permanently replaced lawfully striking employees, the Secretary may proceed to debar those organizational units from receiving any future federal contracts until the labor dispute has been resolved.

In addition, under the Executive Order, if the Secretary finds that a federal contractor has hired permanent replacements after today, March 8, 1995, the Secretary may proceed to terminate existing contracts with the employer (although such termination can be overridden by the head of the contracting department or agency).

This Executive Order could not be more welcome. It places the moral authority and market power of the federal government against employers who resort to the discredited practice of permanently replacing workers with scabs. We have expressed to the President our appreciation for this bold initiative.

The Republicans and a few Democrats in Congress already have begun an effort to attach to appropriations legislation a rider to prevent the Executive Order from being implemented. The AFL-CIO is leading the fight to defeat these Republican attempts and calls upon all trade unionists to join in this effort.

Sincerely and fraternally,

President

Enclosure

For Immediate Release

March 8, 1995

EXECUTIVE ORDER

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ENSURING THE ECONOMICAL AND EFFICIENT ADMINISTRATION AND
COMPLETION OF FEDERAL GOVERNMENT CONTRACTS

Efficient economic performance and productivity are directly related to the existence of cooperative working relationships between employers and employees. When Federal contractors become involved in prolonged labor disputes with their employees, the Federal Government's economy, efficiency, and cost of operations are adversely affected. In order to operate as effectively as possible, by receiving timely goods and quality services, the Federal Government must assist the entities with which it has contractual relations to develop stable relationships with their employees.

An important aspect of a stable collective bargaining relationship is the balance between allowing businesses to operate during a strike and preserving worker rights. This balance is disrupted when permanent replacement employees are hired. It has been found that strikes involving permanent replacement workers are longer in duration than other strikes. In addition, the use of permanent replacements can change a limited dispute into a broader, more contentious struggle, thereby exacerbating the problems that initially led to the strike. By permanently replacing its workers, an employer loses the accumulated knowledge, experience, skill, and expertise of its incumbent employees. These circumstances then adversely affect the businesses and entities, such as the Federal Government, which rely on that employer to provide high quality and reliable goods or services.

NOW, THEREFORE, to ensure the economical and efficient administration and completion of Federal Government contracts, and by the authority vested in me as President by the Constitution and the laws of the United States of America, including 40 U.S.C. 486(a) and 3 U.S.C. 301, it is hereby ordered as follows:

Section 1. It is the policy of the executive branch in procuring goods and services that, to ensure the economical and efficient administration and completion of Federal Government contracts, contracting agencies shall not contract with employers that permanently replace lawfully striking employees. All discretion under this Executive order shall be exercised consistent with this policy.

Sec. 2. (a) The Secretary of Labor ("Secretary") may investigate an organizational unit of a Federal contractor to determine whether the unit has permanently replaced lawfully striking workers. Such investigation shall be conducted in accordance with procedures established by the Secretary.

(b) The Secretary shall receive and may investigate complaints by employees of any entity covered under section 2(a) of this order where such complaints allege lawfully striking employees have been permanently replaced.

(c) The Secretary may hold such hearings, public or private, as he or she deems advisable, to determine whether an entity covered under section 2(a) has permanently replaced lawfully striking employees.

Sec. 3. (a) When the Secretary determines that a contractor has permanently replaced lawfully striking employees, the Secretary may make a finding that it is appropriate to terminate the contract for convenience. The Secretary shall transmit that finding to the head of any department or agency that contracts with the contractor.

(b) The head of the contracting department or agency may object to the termination for convenience of a contract or contracts of a contractor determined to have permanently replaced legally striking employees. If the head of the agency so objects, he or she shall set forth the reasons for not terminating the contract or contracts in a response in writing to the Secretary. In such case, the termination for convenience shall not be issued. The head of the contracting agency or department shall report to the Secretary those contracts that have been terminated for convenience under this section.

Sec. 4. (a) When the Secretary determines that a contractor has permanently replaced lawfully striking employees, the Secretary may debar the contractor, thereby making the contractor ineligible to receive government contracts. The Secretary shall notify the Administrator of the General Services Administration of the debarment, and the Administrator shall include the contractor on the consolidated list of debarred contractors. Departments and agencies shall not solicit offers from, award contracts to, or consent to subcontracts with these contractors unless the head of the agency or his or her designee determines, in writing, that there is a compelling reason for such action, in accordance with the Federal Acquisition Regulation.

(b) The scope of the debarment normally will be limited to those organizational units of a Federal contractor that the Secretary finds to have permanently replaced lawfully striking workers.

(c) The period of the debarment may not extend beyond the date when the labor dispute precipitating the permanent replacement of lawfully striking workers has been resolved, as determined by the Secretary.

Sec. 5. The Secretary shall publish or cause to be published, in the Federal Register, the names of contractors that have, in the judgement of the Secretary, permanently replaced lawfully striking employees and have been the subject of debarment.

Sec. 6. The Secretary shall be responsible for the administration and enforcement of this order. The Secretary, after consultation with the Secretary of Defense, the Administrator of the General Services, the Administrator of the National Aeronautics and Space Administration, and the Administrator of the Office of Federal Procurement Policy, may adopt such rules and regulations and issue such orders as may be deemed necessary and appropriate to achieve the purposes of this order.

more

Sec. 7. Each contracting department and agency shall cooperate with the Secretary and provide such information and assistance as the Secretary may require in the performance of the Secretary's functions under this order.

Sec. 8. The Secretary may delegate any function or duty of the Secretary under this order to any officer in the Department of Labor or to any other officer in the executive branch of the Government, with the consent of the head of the department or agency in which that officer serves.

Sec. 9. The Secretary of Defense, the Administrator of the General Services, and the Administrator of the National Aeronautics and Space Administration, after consultation with the Administrator of the Office of Federal Procurement Policy, shall take whatever action is appropriate to implement the provisions of this order and of any related rules, regulations, or orders of the Secretary issued pursuant to this order.

Sec. 10. This order is not intended, and should not be construed, to create any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, or its employees. This order is not intended, however, to preclude judicial review of final agency decisions in accordance with the Administrative Procedure Act, 5 U.S.C. 701 et seq.

Sec. 11. The meaning of the term "organizational unit of a Federal contractor" as used in this order shall be defined in regulations that shall be issued by the Secretary of Labor, in consultation with affected agencies. This order shall apply only to contracts in excess of the Simplified Acquisition Threshold.

Sec. 12. (a) The provisions of section 3 of this order shall only apply to situations in which contractors have permanently replaced lawfully striking employees after the effective date of this order.

(b) This order is effective immediately.

WILLIAM J. CLINTON

THE WHITE HOUSE,
March 8, 1995.

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AFL-CIO NEWS UNION YES

DEPARTMENT OF INFORMATION 202-637-5010



FOR IMMEDIATE RELEASE
March 8, 1995

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EXECUTIVE ORDER A STEP TOWARDS JUSTICE

AFL-CIO President Lane Kirkland had the following comment on President Clinton's executive order banning the use of permanent replacements in federal contracts:

President Clinton's action today was a welcome step towards justice in the workplace. It sets a strong moral tone for labor-management cooperation and for dignity for those who work.

The President has used the executive order as a vehicle to help America's workers in contrast to his predecessor who used it as a weapon against the interests of working people.

The order sends a message to all Americans that quality products cannot be turned out by employers who make war on their employees. Employers are rewarded with higher productivity and efficiency when they treat their workers with respect.

The President's action was a move in the right direction and we stand ready to fight every one of the initiatives to overturn it.

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Labor Federation Expresses Its Vulnerability in Hostile Times

By LOUIS UCHITELLE

Special to The New York Times

BAL HARBOUR, Fla. Feb. 23 — This was the week of the A.F.L.-C.I.O. leadership's self-proclaimed great awakening, aptly expressed by Thomas R. Donahue, the federation's secretary-treasurer: "My God, we have to do more ourselves."

The A.F.L.-C.I.O. executive council, dropping its trademark blandness at its winter meeting here, engaged in a rare display of self-examination. Battered by defeats from the Administration and Congress, the council recognized more publicly than ever before that the federation is suffering from the same sort of powerlessness that afflicts millions of workers.

The federation had stayed aloof from the setbacks in collective bargaining and organizing that have damaged and shrunk so many unions. It had instead acted primarily as a spokesman and lobbyist for its 83 affiliated unions. But the Republican takeover of Congress in November, coming after the A.F.L.-C.I.O.'s failure to get its way with the Clinton Administration, finally forced the federation to grope for a more active role beyond Washington politics.

"We had hoped to change the labor laws to make it easier for people at work," said Mr. Donahue, who is favored by many on the executive council as the next federation president. "That hope is gone now, and we have to say, 'My God, we have to do more ourselves.' That is the shifting of gears that took place here this week."

The council is composed of 33 union leaders, most men over 60, who traditionally meet behind closed doors and say little to reporters. But by the end of the meeting, many were openly listing what they would do to make the A.F.L.-C.I.O. more powerful, or were expressing their anguish and uncertainty about the federation's future.

Their debate took the form of challenging the leadership of Lane Kirkland, the A.F.L.-C.I.O. president since 1979. They were in effect focusing on Mr. Kirkland their frustration for the Republican victory and the perception of some that the Democrats, the A.F.L.-C.I.O.'s traditional ally, had cut them loose. During an unusual five-hour meeting, with Mr. Kirkland presiding, each union leader made a case for why the president should stay in office or leave. But the debate went beyond Mr. Kirkland

The A.F.L.-C.I.O. is groping for ways to exert itself.

toward a consensus that, with or without him, the A.F.L.-C.I.O. would have to act more forcefully.

"The discussion of Lane Kirkland's future has really turned into a discussion of how we address all our difficulties," said John J. Sweeney, president of the Service Employees International Union. His members are government workers in danger of losing their jobs in the current campaign to shrink government. Mr. Sweeney is a leader of the movement against Mr. Kirkland, who said he would decide "in the fullness of time" whether to run for re-election as president.

But Kirkland supporters also pushed for change. Among them was William Bywater, president of the International Union of Electronic, Electrical and Machine Workers, whose members once included assembly-line workers making television sets — which are now virtually all made in Mexico and other low-wage countries.

"I am a strong believer in demonstrations," said Mr. Bywater, a bitter opponent of the North American Free Trade agreement, who blames the Democrats for failing the labor movement by supporting the pact. "I would have the A.F.L.-C.I.O. picket the White House and Congress," he said. He and one or two others also favor the formation of a Labor Party to field candidates in national elections.

Then, there is the example of Cesar Chavez, the late farm workers leader who led a grape boycott in the 1970's. Several executive council members argued that the A.F.L.-C.I.O. should mobilize the public against companies in conflict with unions. In this spirit, one or two suggested moving the venue of their annual February meeting from this expensive seashore resort to places like Decatur, Ill., where members of three unions have been on strike or locked out for months. That would focus attention on the struggle, they said.

The main charge against Mr. Kirkland, 72, is that he is not sufficiently outspoken and cantankerous and willing to sell labor's case on talk shows and other public forums. "I am supporting Lane Kirkland, but my advice to him is, when it is called for, get in their face more," said Kenneth L. Coss, president of the United Rubber Workers.

Mr. Kirkland, defending himself at the closed door meeting, asked the union leaders who had more charisma — or a better program — than he did.

"It is nice to have a debate about an idealized version of a perfect leader, but there is no perfect leader," Mr. Donahue said.

He pointed out that the A.F.L.

C.I.O. is, in fact, already changing. A Strategic Approaches Committee, for example, has been sending A.F.L.-C.I.O. representatives into the field to help in strikes, mainly by enlisting other unions in support. The budget is being doubled, to nearly \$3 million, to expand an institute that trains union organizers. And the federation is scrambling to set up a communications network to compete with Rush Limbaugh and other conservatives now on radio and television.

"I think you are going to see a lot more visibility from the A.F.L.-

C.I.O.," Mr. Donahue said.

Perhaps. But because it is a federation of independent unions, the A.F.L.-C.I.O.'s efforts at change constantly run into obstacles. Union organizing and collective bargaining are considered the exclusive preserves of each union, and so is collecting money to finance strike benefits. Just this week, the A.F.L.-C.I.O. rejected a proposal to set up a national "solidarity bank" that would kick in benefits for strikers whose union had run short of money. The unions cannot agree on how to finance such a fund.

Whatever the obstacles, the Clinton Administration has played a huge role in propelling the A.F.L.-C.I.O. toward change. Through most of Mr. Kirkland's tenure, the Republicans held the White House, and Mr. Kirkland held out the hope that when the Democrats took power, labor's agenda would go forward. That did not happen. Over the objections of labor, the Clinton Administration pushed Congress to approve the North American Free Trade Agreement and a new world trade agreement, and then failed to win passage of a bill that would prohibit compa-

nies from hiring permanent replacements for strikers.

"The two senators from Clinton's own Arkansas did not support us on striker replacement," Mr. Coss of the Rubber Workers said. "And that is viewed as an indication the President would not do all he could for labor."

The Administration tried to repair the damage, particularly the impression that the party took labor support for granted. "There are elements in the party that say, 'Labor has nowhere else to go but us,'" said Jack Sheinkman, president of the Amalgamated Clothing and Textile Workers Union.

Vice President Al Gore announced here that the President would issue

an executive order whose goal would be to hold back Federal contracts from companies that hire replacement workers for strikers. Labor Secretary Robert B. Reich spent more than a day here meeting with union leaders, and Democratic leaders in Congress promised that organized labor henceforth could rely on the Democrats for pro-labor policies.

They did not undo the damage, many union leaders said. "It remains to be seen how effective they are," said Mr. Coss, whose Rubber Workers are involved in the Decatur strike. "I support Clinton; he's the best we have. But we have to see the results, not the intent. The intent does not mean much anymore."

Campaign In Chicago Barely Stirs A Breeze

By DIRK JOHNSON
Special to The New York Times

CHICAGO, Feb. 25 — This is a place once famous for its punch-in-the-nose politics, where a prudent alderman donned a bulletproof vest at a raucous City Hall meeting in the 1980's and a skittish mayor-elect took his oath of office in the protective shadow of armed guards.

But the current Democratic mayoral primary is as bland as dry toast. If they can stay awake, voters here will go to the polls on Tuesday and almost surely award the nomination to Mayor Richard M. Daley, who leads Joseph Gardner, a commissioner on the Metropolitan Water Reclamation District, by more than 40 percentage points, polls show.

"This contest is so dull it could be called the Sominex Hour," said Melvin Holli, a professor at the University of Illinois-Chicago and the author of "The Mayors: The Chicago Political Tradition."

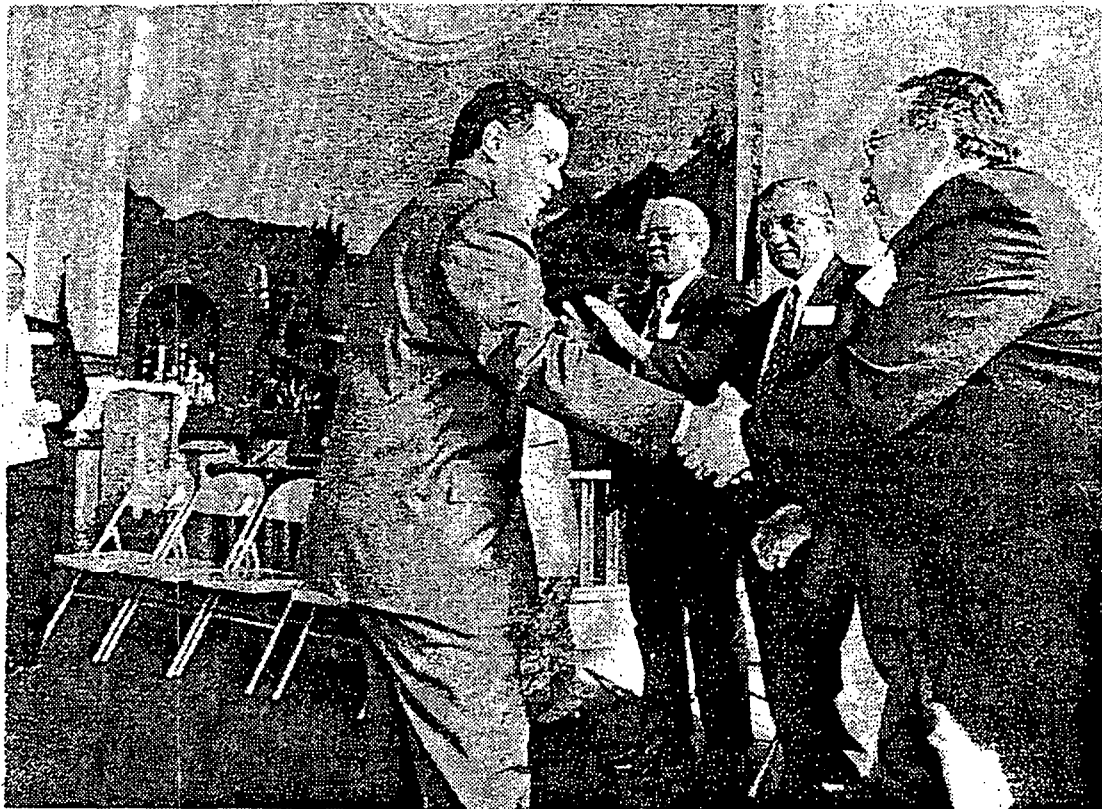
Even the issue of race relations, the usual third rail in Chicago politics, has been remarkably absent from the campaign between Mr. Daley, who is white, and Mr. Gardner, who is black. Indeed, surveys show that Mr. Daley might garner more than a quarter of the black vote, while rolling up huge majorities among whites.

Chicago, the nation's third largest city with just under three million people, is about 38 percent black, 37 percent white, 20 percent Hispanic and 5 percent Asian.

Mr. Daley, the son of Richard J. Daley, the former Mayor who presided over the fabled Democratic machine from 1955 until his death in 1976, is seeking a third term. An independent candidate, Roland Burris, a former Illinois comptroller, who is black, plans to run in the general election. On Tuesday the Republicans also will nominate a candidate, who will have scant name recognition, little money and even less chance of winning in the general election in April.

In the 1991 elections more than 675,000 people voted in the Democratic primary and only about 14,000 in the Republican race.

Since 1933 the Chicago mayor's post has been held by an Irish-American for all but a handful of years.



Todd Buchanan for The New York Times

Mayor Richard M. Daley is expected to easily win the Democratic nomination for re-election in a primary contest that has been noted for its dullness.

Mr. Daley, left, accepted the endorsement of the Coalition of Latin American Ministers at Iglesia De Dios, a church in the Humboldt Park area.

(Michael A. Bilandic, a Croatian-American, served between 1976 and 1979; Harold Washington, an African-American, was mayor from 1983 until his death in 1987, and Eugene Sawyer, the African-American alderman who was sworn in under armed guard, served from 1987 to 1989.)

Mr. Daley, 52, a relatively conservative, law-and-order politician who is popular among Republicans, is not known as an eloquent speaker and scarcely exudes the charisma of, say, the late Mayor Washington. But Mr. Daley's low-key style and attention to the concerns of workaday Chicagoans — fixing the potholes, keeping the alleys clean, talking tough on crime — apparently satisfy the majority of voters here.

The Mayor has failed to deliver on several proposals, like bringing casino gambling to Chicago and building an airport on the South Side near Lake Calumet. But his administration has been relatively free of scandal, and downtown Chicago is gleaming with new residential high-rises and office towers.

When he won election in 1989, Mr. Daley got less than 10 percent of the vote among blacks, many of whom loathed his father. In this campaign, he has won endorsements from some

prominent blacks, including Senator Carol Moseley-Braun and 100 black ministers. In fact, as a measure of the odds facing Mr. Gardner, the challenger's own pastor, the Rev. Clay Evans, is backing Mr. Daley.

"Daley has successfully avoided doing anything that would antagonize black voters," Mr. Holli said, noting that the Mayor has been a strong supporter of affirmative action and set-aside programs for minority contractors. "And some of his support among blacks, no doubt, stems from the fact that he's so far ahead. It's always nice to be allied with the winner."

Political experts here also note that voter turnout has been falling steadily in Chicago, a trend that usually benefits incumbents with strong organizations. The rate of turnout among registered voters in Chicago mayoral elections has fallen from a peak of 80 percent in 1983, when Mr. Washington's candidacy fired so much excitement among blacks, to about 40 percent today.

Mr. Holli said he and others believed that voters "simply became worn out by city politics" during the turmoil of the 1980's, when a bloc of white aldermen fought Mr. Washington in battles so pitched that they were dubbed "The Council Wars."

Mr. Gardner, 49, is regarded as thoughtful and affable, qualities that his supporters say are missing in the Mayor, who often comes across as thin-skinned and inflexible. But besides the famous Chicago name, Mr. Daley has something that Mr. Gardner does not: money. The Mayor's war chest is estimated to be more than \$4 million, compared with Mr. Gardner's \$170,000.

As a politician, Mr. Daley differs in important ways from his father. The elder Daley was a New Deal Democrat, a politician who believed in the ability of government programs to improve the lives of everyday people, although critics charged that he shortchanged black neighborhoods.

By contrast, the younger Daley has brought more members of minority groups into the inner circle at City Hall. But in many other ways, he is more conservative than his father, at times breaking with organized labor.

Indeed, Mayor Daley has spoken glowingly about some of the changes planned by the new Republican Congress. He met recently with Speaker Newt Gingrich, and afterward the Republican told reporters with a smile, "Mayor Daley and I think a lot alike on a lot of issues."

MEMBERS OF THE AFL-CIO EXECUTIVE COUNCIL

Morty Bahr -- President, Communications Workers of America, 550,000 members. Lost 100,000 members at AT&T alone after the 1984 divestiture of telephone system and thousands more at the regional Bell companies. Nonetheless, the union has been able to maintain its membership numbers. Bahr is an innovative and pragmatic bargainer who accepts and adapts to technological change. Section 8(a)(2)/labor law reform, education and job training, health and safety, and health care will be his top issues. He also has a keen interest in the effect of the expanding information superhighway on jobs for his members. CWA is in intense negotiations this year for 400,000 members who work at AT&T and regional Bell operating companies (largest round of negotiations in '95). CWA reached what he considers to be a "model" agreement with NYNEX last year.

Jack Barry -- President, International Brotherhood of Electrical Workers, 800,000 members. The IBEW has approximately one-third of its membership in construction and two-thirds in manufacturing. It has experienced a slow membership decline which it is attempting to counter with tough, confrontational organizing techniques. Davis-Bacon will be an important issue, as will construction safety/OSHA. Apprenticeship and training issues are also important to him. He is also negotiating with AT&T and regional Bell companies, although on a much smaller scale than CWA. IBEW reached an agreement last week with Bell Atlantic.

George Becker -- President, United Steelworkers of America. Becker replaced Lynn Williams last year and, although he is a more traditional trade unionist, he is an ally of Williams. The Steelworkers' membership has declined 500,000 from one million. Becker followed Williams in instilling an organizing culture in his union and attempting innovative bargaining strategies. Most of his new members are not in basic steel. He was very concerned about striker replacement and will likely show even greater interest in Section 8(a)(2). The United Rubber Workers (approximately 80,000 members) recently voted to merge with the USWA.

Owen Bieber -- President, United Auto Workers, 750,000 members. UAW membership has declined from 1.2 million in 1981. Bieber's main concern is the loss of auto jobs. He was very active in opposing NAFTA and supporting voluntary import restraints and striker replacement. He has been skillful at balancing the union's role in improving auto productivity while fending off militants within the union who want to take a hard line against auto companies. The loss of the auto parts business to Mexico is a big issue. The defense of OSHA will be important as will Section 8(a)(2). He is both detailed and descriptive in his questions and comments. When Bieber retires in June, Steve Yokich will likely replace him.

Moe Biller -- President, American Postal Workers Union, 250,000 members. Federal employee issues are important to the APWU. Biller doesn't typically participate at the Council meetings.

Marvin Boede -- President, United Association of Plumbers and Pipefitters, 300,000 members. Nearly all of Boede's members are in construction. Apprenticeship and training are key interests (he chairs the Council's subcommittee on apprenticeship and training), but he rarely speaks out at these meetings. Again, Davis-Bacon would be his top concern.

Bill Bywater -- President, International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers, 175,000 members. Bywater is vocal and unequivocal. Striker replacement and trade are his issues. He was the most vocal labor opponent on NAFTA. GE and Westinghouse are the major employers with workers represented by the IUE.

Ron Carey -- President, International Brotherhood of Teamsters, 1.4 million members (the AFL-CIO's largest affiliate). Carey was elected in the Teamsters' first-ever direct election of its officers four years ago. The election was ordered by the federal courts as part of the government's receivership of the Teamsters. Carey is up for re-election in 1996. He spent his career as a union official fighting corruption in the union and is trying to clean out the bad players. The old-school Teamsters wage constant war against him. Jimmy Hoffa, Jr. has already begun to campaign for Carey's job. Carey is interested in labor law reform/Section 8(a)(2), organizing, OSHA defense, and striker replacement. NAFTA was a huge issue with Teamster members. Carey has been among the most frustrated and outspoken union leaders regarding the Administration's failure to support the labor movement. He broke with the longstanding Teamster tradition of endorsing Republicans for President to endorse you in 1992.

Linda Chavez-Thompson -- Vice-President of the American Federation of State County and Municipal Employees. Chavez-Thompson was elected to the Council only two years ago.

Arthur Coia -- Laborers' International Union, 450,000 members. Coia replaced Angelo Fusco a little more than two years ago, and is working hard to change the union's image and reputation. The Laborers' membership is in construction and public sector employment. This union has been the subject of numerous rumors of a Justice Department/Labor Department investigation because of the union's history of ties to organized crime. They recently reached a settlement with the Justice Department in an effort to clean up the union. Coia has generally managed to stay above the fray. Coia's top issues would be Davis-Bacon, the "helper" regulation, and construction safety.

Doug Dority -- President, United Food and Commercial Workers. UFCW is a good organizing union, very sophisticated and practical in dealings with employers both when they are cooperative and when they are ruthless (in the union's view.) Hostile takeovers and leveraged buyouts have hurt the UFCW over the past decade. Dority, who replaced Bill Wynn two years ago, is very interested in labor law reform/Section 8(a)(2). The UFCW represents major food chains, meat packers. They have nearly one million members. OSHA and the minimum wage will also be important to Dority.

Bob Georgine -- President, Building and Construction Trades Department of the AFL-CIO. The possible repeal of Davis-Bacon is unquestionably his top concern, as it is with all of the building trades unions. Construction safety/OSHA is also important to him.

Wayne Glenn -- President, Paperworkers International Union, 200,000 members. Striker replacement was his big issue. The bitter International Paper strike led him to pressure for prohibitions on the use of permanent replacements. The Paperworkers' membership is declining at much the same rate as all manufacturing unions. The union is headquartered in Tennessee.

Frank Hanley -- President, International Union of Operating Engineers, 300,000 members. Operating Engineers are usually construction employees. He has also suffered a membership decline. Construction safety/OSHA, Davis-Bacon, and double-breasting employers (unionized employers that establish non-union subsidiaries and shift their work) are likely subjects of interest to him. He wrote a letter to you last year urging that you stand up for traditional Democratic values and principles. The letter was out of character for him and suggests how frustrated he was with some of the Administration's actions.

Jim Hatfield -- President, International Union of Glass Molders, Pottery, Plastics and Allied Workers, 100,000 members. Striker replacement was his highest priority. This union has suffered a major membership decline.

Frank Hurt -- President, Bakery, Confectionery and Tobacco Workers Union, 100,000 members. BCTWIU primarily represents food processing and tobacco workers. Its membership has been fairly stable. Hurt was formerly in charge of the union's organizing. Health care is a big issue.

Gloria Johnson -- Vice President, IUE (Bywater's union), and president of the Coalition of Labor Union Women. Johnson was elected to the Council two years ago. She is an outspoken advocate on issues affecting women in the workplace.

Jack Joyce -- President, International Union of Bricklayers and Allied Craftsmen, 85,000 members. Joyce's membership is down from approximately 145,000 in the mid-70s. Joyce is a smart, articulate, and respected leader. Davis-Bacon, training, international affairs, and other building trades issues would top his list.

George Kourpias -- President, International Association of Machinists, 600,000 members down from one million. The IAM represents airline mechanics, manufacturing workers, and some retail and truck mechanics. NAFTA and striker replacement were important issues to him. His union and seven others are involved in a long lasting strike against NASSCO, a San Diego shipbuilding company which President Clinton visited during the 1992 campaign and to which the federal government has provided \$22 million in loan guarantees.

Sig Lucassen -- President, United Brotherhood of Carpenters, 450,000 members. While the Carpenters are still primarily found in construction, more than one-third of the membership now works in manufacturing. His presidential election will be rerun under Labor Department supervision. Davis-Bacon will be his top concern along with ERISA preemption (i.e., ERISA has been held to preempt state apprenticeship laws) and section 8(a)(2).

Jay Mazur -- President, International Ladies' Garment Workers Union, 140,000 members almost all in the garment industry. The ILGWU has suffered a steep decline in membership largely due to imports. Accordingly, Mazur is focused on trade issues and "industrial homework" which is syphoning off his membership. In June, ILGWU will merge with the Amalgamated Clothing and Textile Workers Union forming a new 300,000 member union called UNITE (Union of Needletrades, Industrial & Textile Employees).

Gerry McEntee -- President, American Federation of State County and Municipal Employees, 1.2 million members. After rapid growth, AFSCME's membership declined in 1992 for the first time in many years. McEntee is extremely close to the Administration and was an early Clinton supporter. Health care reform, labor law reform (something to help state and local employees), OSHA coverage for public workers, the effects of health care reform on health industry workers, welfare reform, the balanced budget amendment, and the Service Contract Act are all important issues. This is another smart, aggressive, innovative, politically active union. McEntee will speak his mind.

Lenore Miller -- President, Retail, Wholesale and Department Store Union, which merged about a year ago with United Food and Commercial Workers. RWDSU had 80,000 members. Miller is concerned about basic trade union issues such as Section 8(a)(2). She was an early Clinton supporter.

Jim Norton -- President, Graphic Communications International Union, 125,000 members. GCIU's members are in the newspaper industry -- typesetters, mail room etc. Its membership has held fairly stable. Norton is comparatively new to the Council. Striker replacement and Section 8(a)(2) will be big issues.

Mike Sacco -- President, Seafarers International Union, 80,000 members. Sacco is also president of the AFL-CIO's Maritime Trade Department. His principal interests are enacting maritime reform, protecting the Jones Act, making Alaska North Slope oil available for export, and preserving cargo preference and the Service Contract Act.

Jack Sheinkman -- President, Amalgamated Clothing and Textile Workers Union, 180,000 members. The Amalgamated suffered a major decline in the 1980s but has leveled off recently, primarily due to aggressive and effective organizing strategies. Sheinkman is a major player on trade issues. He is a former attorney and, therefore, likely to talk about labor law reform (Section 8(a)(2)) as well as OSHA, trade assistance, perhaps industrial policy, and health care. ACTWU represents workers at Xerox in Rochester, NY which is recognized by some as a model of healthy cooperative labor-management relations.

Sheinkman will retire in June to become the new chair of Americans for Democratic Action. As noted above, ACTWU will merge with the ILGWU to form UNITE.

Al Shanker -- President, American Federation of Teachers, 800,000 members. Shanker has broad interests, but focuses principally on elevating standards for teachers. His union has grown dramatically and steadily. He is the longest serving Council member. His interests include labor law reform/section 8(a)(2), education and job training, and international affairs. He was an early Clinton supporter.

Vincent Sombrotto -- President, National Association of Letter Carriers, 210,000 members. Like Sturdivant (below), he will be concerned with federal employee issues. Sombrotto is quite outspoken.

John Sturdivant -- President, American Federation of Government Employees, 150,000 members. He has taken a leadership role on the National Partnership Council and in promoting the work of the Vice President's National Performance Review. Unsurprisingly, he will show a keen interest in the balanced budget amendment and the Republicans' treatment of the President's FY 1996 budget. He also has major problems with the proposed Civil Service Reform Bill.

John Sweeney -- President, Service Employees International Union, 1 million members. SEIU has experienced major growth in the public sector (currently about one-half of his members) while also achieving great success in private sector organizing. SEIU is a smart, aggressive, progressive union with a lot of young and innovative staff. Sweeney chairs the AFL-CIO's Organizing and Health Care Reform committees. The preservation of the Service Contract Act, labor law reform, welfare reform, and health care are leading issues with him.

Rich Trumka -- President, United Mine Workers of America, 80,000 members. Trumka is a young (45 or so), articulate lawyer. He served on the Kerrey/Danforth Commission on entitlements. Retiree health insurance, health care, and mine safety and health, as well as labor law reform/Section 8(a)(2) and the federal budget are among his interests. Secretary Reich helped settle a nasty strike between the UMWA and the Bituminous Coal Operators Association (BCOA) by bringing in former Secretary of Labor Bill Usery as special mediator. This was very important to the UMWA.

Gene Upshaw -- President, Federation of Professional Athletes. He does not attend many of the Council's meetings. Upshaw represents professional football players.

IN THE LOOP

Passing the Buck

By Al Kamen

Washington Post Staff Writer

White House press secretary Michael McCurry decreed last week that his troops must start being nicer to the press. He ordered a dozen aides who deal most directly with the press corps to go out of their way to do something nice each day for a reporter and then write McCurry a note saying what they had done.

Those who don't have anything to write about were to pony up \$1 to the office pizza kitty.

But old ways die hard.

The first day, the only aide who had done something nice [helping a Canadian broadcaster get a better camera shot at Andrews Air Force Base] was deputy secretary Mary Ellen Glynn, a recent arrival from the State Department who apparently hasn't learned the ropes.

So McCurry got mad and the notes started coming. Some were rejected out of hand, like the one from an aide who took credit for returning a reporter's phone call the same day. Sounds pretty remarkable for the Clinton White House but McCurry ruled that returning phone calls was part of the job.

Another aide wanted credit for purchasing Girl Scout cookies from a daughter of a member of the White House press corps. A third wanted credit for agreeing to go to the White House correspondents dinner with someone who was not a first choice. McCurry rejected those notes as well.

Word is McCurry, as part of this era of good feeling, allegedly moved the scheduled time of Clinton's news conference Friday to accommodate a network correspondent who had to go out of town.

So is the kitty flush with cash? No. "I've got nine dollars and a bunch of IOUs," McCurry said. "But I want the scraps of paper, not the money. I'm determined that we're gonna get this operation in the business of serving reporters as well as serving the president," he said.

"And besides, I like pepperoni."

Golden Child Enters Dark Days

■ The Peace Corps, golden child of another budget era, is closing some long-standing overseas operations to make ends meet. This is not one the libs can blame on Gingrich and Co. President Clinton's budget for the agency, \$234 million, is effectively a freeze, and with inflation and all, "something had to go," as one official put it.

What's going, among some domestic cuts, are two small programs—in the Seychelles and in the Cook Islands—and another in Nigeria, which in the 1960s was one of the biggest agency operations with hundreds of volunteers.

The move is not going down well with the ambassadors in those countries.

Carl B. Stokes, ambassador to the Seychelles, sent a confidential memo to the agency saying that pulling out the 14 volunteers "will cause a political shock wave that will obliterate those [21] years of good will and achievements here that the PC has compiled."

"You stress [in an earlier cable] that your goal in the planned exit is to 'emphasize the achievements of the country and the program.' There is no coherent way that can be done," Stokes said.

Ambassador Walter C. Carrington in Lagos cabled that, "Pulling the Peace Corps out of Nigeria, no matter in what terms such an event is explained, will be seen by Nigerians, whether pro-democracy or pro-military, as a political decision. It will be interpreted as just another sanction imposed by the U.S. government."

Peace Corps officials say they have no choice, though volunteers may return to Nigeria, whose military rulers have been promising democracy for a decade, when the political situation there improves. The other programs were due for phaseout anyway, officials say. The per capita income in the Seychelles, \$6,300 a year, is many times above the average in most countries the agency serves.

Talbott Speaks on the Issues

■ Are we talking wonks or what? "Several of us in Foggy Bottom... read every word in every issue of *Arms Control Today*." So said Deputy Secretary of State Strobe Talbott in a speech to the Arms Control Association. Sounds like some folks at the State Department need to get a hobby.

Court Calls and Tyson Answers

■ Just because newly installed National Economic Council director Laura D'Andrea Tyson is a major player doesn't mean she can give up her constitutional obligation—with or without a balanced budget amendment—to serve on jury duty.

Tyson yesterday was not to be found at the White House. She was down at D.C. Superior Court, sitting around waiting to see if she would be called to be on a jury. She wasn't picked, which means she won't be called for two more years.

One Commission Seat, Two Names

■ There has been some talk at Justice that outgoing assistant attorney general for legislation Sheila Anthony is a possibility for a seat on the International Trade Commission, but Sen. Daniel Patrick Moynihan (D-N.Y.) ranking minority member on the Finance Committee, which confirms commission members, is said to be backing Steven Beckman, an economist specializing in international matters for the United Auto Workers, which opposed NAFTA and GATT.

There are rumblings that Republicans may not be excited about putting a laborite on the commission, but the White House almost certainly will oblige Moynihan.

Meanwhile, Kent Markus, former chief of staff to former Democratic National Committee chairman David Wilhelm, who was brought to the department by principal deputy associate attorney general Nancy McPadden to work on the Brady bill and then the crime bill, is to be acting head of the legislative shop until designee Andy Fois is confirmed, then Markus becomes deputy to Fois.

EXECUTIVE OFFICE OF THE PRESIDENT

19-Dec-1994 08:52pm

TO: John O. Sutton
FROM: Peter J. Shakow
Office of Political Affairs
CC: Ann C. Castagnetti
SUBJECT: Lane Kirkland Letter

* In consultation with OMB (Chris Edley), Joe suggests the following language be used to reply to Lane Kirkland's December 13th letter:

✓
POJMS'

Dear Lane:

Thank you for your letter regarding funding for mass transit operating assistance, Amtrack and the U.S. maritime industry. I appreciate learning of your views.

At this point in the budget deliberations, I do not anticipate that my Administration will propose the elimination of mass transit operating assistance, or sharp reductions in assistance to Amtrack or the U.S. maritime industry.

As you know, many difficult choices must be made among competing priorities in order to formulate a budget that meets the statutory spending caps. Your views are being taken into consideration during this process.

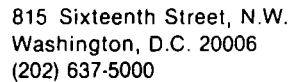
Thanks for your continued support.

Sincerely,

I assume that you will handle the letter from here on out. If this is not the case, let me know. I am happy to make edits and walk it through correspondence if y'all so desire.

Thanks.

A new Product of Love



LANE KIRKLAND PRESIDENT

THOMAS R. DONAHUE SECRETARY-TREASURER

Edward T. Hanley
James E. Hatfield
William H. Bywater
John T. Joyce
Gene Upshaw
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Moe Biller
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Michael Sacco
Frank Hurl
Douglas H. Dority

Wayne E. Glenn
Vincent R. Sombrotto
Marvin J. Boede
Morton Bahr
Jay Mazur
John J. Barry
George J. Kourpias
Frank Hanley
Ron Carey
Linda Chavez-Thompson
George F. Becker

The President
The White House
Washington, D.C. 20500

On behalf of the AFL-CIO, I write to express labor's profound concern over reports that your administration is considering the elimination of a number of federal programs -- affecting various sectors of the economy -- that are of critical importance to working people, their families and the country at large.

In the area of rail and public transit, you should be aware that any proposal to zero-out or sharply reduce federal funding for Amtrak, if adopted by Congress, would threaten the very existence of the nation's inter-city passenger rail system and with it the jobs of some 25,000 Amtrak workers. Meanwhile, the elimination of funding for local mass transit operating assistance would have a devastating impact on a large number of the 250,000 people who work for transit systems in cities throughout the country.

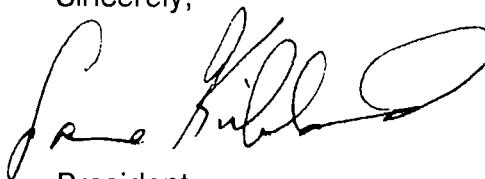
These ideas were proposed time and again during the Reagan and Bush administrations, only to be restored by Congress after careful consideration of how devastating their impact would be on travelers and commuters who depend on these services and working people whose jobs are on the line.

Further, we are counting on you to stick by your recent commitment to continue the administration's support for programs that will help maintain and revitalize the U.S. maritime industry. As I have previously expressed to you, severe cutbacks in these programs would result in the reflagging of nearly all remaining U.S.-flag vessels and the rapid loss of tens of thousands of American jobs. Without a strong merchant marine, America cannot fully secure its future as a military and trading power.

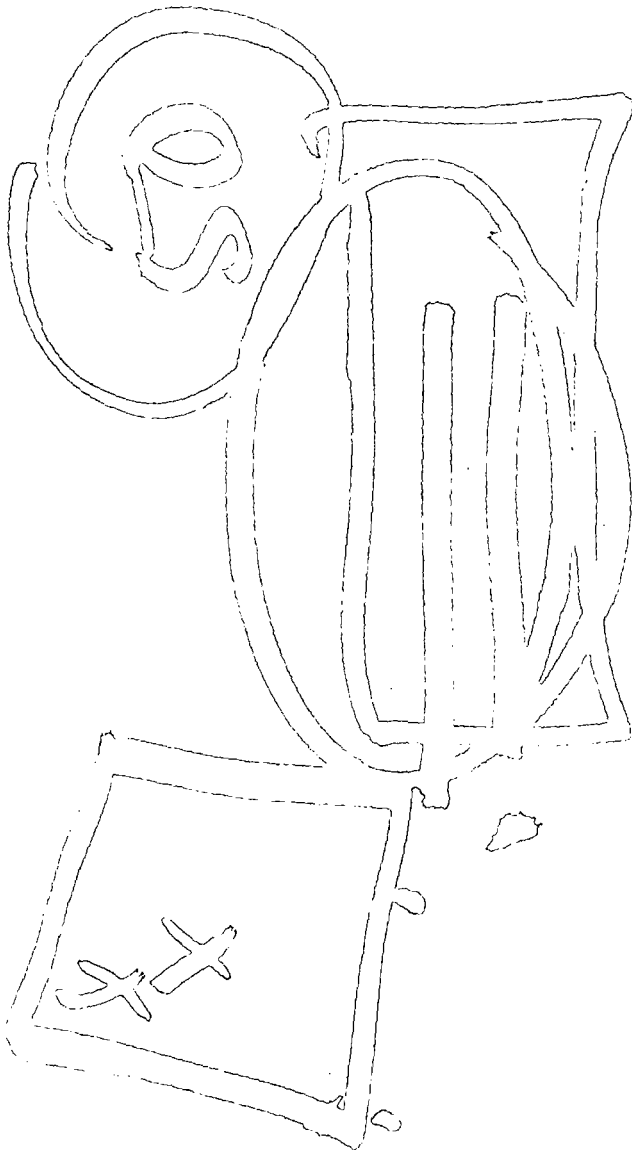
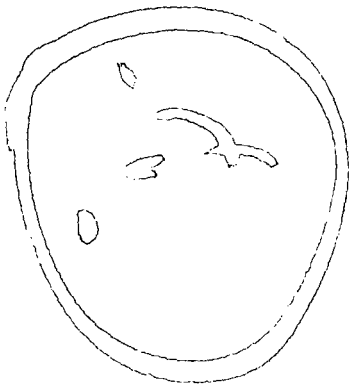
The President
December 13, 1994
Page 2

Over the course of your administration, we have been proud to support your bold efforts to redirect the nation's economic policies. In light of the realignment of Congress, we urge you to strongly defend those programs which are critical to the future of this country and its working people.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Clinton", written in a cursive style.

President



American Federation of Labor and Congress of Industrial Organizations

815 Sixteenth Street, N.W.
Washington, D.C. 20006



Mr. George Stephanopoulos
The White House
Washington, D.C. 20500



3/10

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Move in on family on porch.

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Man and woman at working at
table.

Patient being taken out of
ambulance.

Elderly woman with glasses.

School children in cafeteria.

Family sitting around table
eating.

Two limos pull away from curb.

Quick cut of workers walking in
a factory.

Family going out front door of
house.

Man with hardhat.

Doctor with family.

Welder with sparks flying.

Pan right-to-left of workers
standing together.

Working people walking across
bridge toward camera.

Add CG: Stand with us. 1-800-
458-7852. Disclaimer.

AUDIO:

AMERICA'S WORKING FAMILIES ARE UNDER
ATTACK.

THE NEW CONGRESS IS CUTTING JOBS...

WAGES...

HEALTH AND SAFETY...

HOUSING FOR SENIOR CITIZENS...

EVEN SCHOOL LUNCHES.

THEY'RE CUTTING PROGRAMS THAT HELP
WORKING FAMILIES MAKE ENDS MEET --

SO THEY CAN GIVE TAX BREAKS TO BIG
BUSINESS AND THE RICH.

IT'S TIME TO STAND UP FOR...

AMERICA'S WORKING FAMILIES...

FOR GOOD JOBS, GOOD WAGES

HEALTH AND SAFETY...

AND A REAL VOICE ON THE JOB.

STAND WITH US

WE'RE THE MEN AND WOMEN OF THE AFL-
CIO.

LEADING THE FIGHT FOR AMERICA'S
WORKING FAMILIES.

4/11/98
AFL-CIO

AFL-CIO
- evankey

NEW CONGRESS / OLD POLITICS

**Big business and the rich win.
Working families lose.**



The new Congress has launched an all-out assault on America's working families.

They voted to slash education and job training. They're gutting worker health and safety protections that save thousands of lives every year, and they oppose increasing the minimum wage, protecting Davis-Bacon and raising middle-class incomes. They cut school lunches, housing for the elderly and veterans and college loans for middle-income families. And instead of investing in better jobs and wages here in America, they want to hand out tax breaks for the rich and for big corporations that move jobs overseas.

That's not what America voted for in 1994. It's just more trickle-down economics, and it's hurting working families. Big business and the rich get richer, and the rest of us get stuck with the tab.

It's time to fight back — to stand up for America's working families. For good jobs and good wages. For health and safety. And for a real voice on the job.

We're the men and women of the AFL-CIO, and we're leading the fight for America's working families.

Stand with us, America.

**If you want to help
Call 1-800-458-7852 Today**



For America's Working Families

It's the Fight of Our Lives

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American Federation of Labor and Congress of Industrial Organizations



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George J. Kourdis
Frank Hanley
Ron Carey
Linda Chavez-Thompson
George F. Becker

June 12, 1995

To: Members of the Executive Council
Presidents of National and International Unions

Dear :

I have determined to become a candidate to succeed Lane Kirkland as AFL-CIO President. It is my hope and desire to pull together the broadest and most diverse support within the labor movement. The purpose of this letter is to begin in earnest the process of generating that support.

Lane advised me at the beginning of last week that he had decided to step down as AFL-CIO President. The reports of his decision have appeared in the press and it is his intent to make a public announcement to that effect today. Given Lane's decision I have had telephone conversations with over 65 general presidents of our 80 affiliated unions to advise them that I was considering my candidacy. Those conversations convinced me there is an overwhelming sentiment for unity in the Federation.

By any measure, the era that Lane's retirement will bring to a close has been immensely productive: it encompasses the unification of the labor movement through the reaffiliation of the United Automobile Workers, the Mine Workers, the Teamsters, and the Longshoremen's and Warehousemen's Union; the creation of the Organizing Responsibilities Procedure, the Labor Institute for Public Affairs, the Organizing Institute, the Strategic Approaches Committee, the Union Privilege Benefit Program, the grassroots Legislative Action Committee structure, the comprehensive communications program adopted last year, and more.

I am proud to have had an active role in this record of accomplishment. And, I am particularly proud to have been part of a process that opened up the Federation to all of its constituents; a process that has stimulated the best thinking of our affiliates and has mobilized their talents and energies. These initiatives were not the product of a distant leadership or any narrow group but of the labor movement as a whole.

June 12, 1995
Page two

In a world that is rapidly changing, we've done our best to meet the new conditions of work and workers. By any measure, more needs to be done. The unifying theme I see -- in what no doubt appears to the public to be simply internal political disagreement -- is an intensified commitment to progressive change in all our institutions in order to better represent all union members.

That certainly is welcome; it, indeed, comes none too soon. We face the most formidable challenges as we strive to find the means to fulfill the labor movement's historical role as the authoritative voice of America's working people.

My first priority at the Federation has been to mobilize a consensus for creative innovation. I am confident that all of you who joined with me in our project on the changing nature of work and its consequences and in the extensive committee work that made all our new programs operational realities, would second that assessment. Each one of these efforts has been hard going because the problems that must be overcome are hard problems that do not yield easy answers. But it is my conviction that we have now reached the point of agreement to go forward in our task of creating an ever more dynamic, more diverse and more self sufficient labor movement. While most of the work must be the prime responsibility of individual unions, the Federation must play a catalytic role.

The one sure means of squandering this possibility is to fall into factionalism. I see no disagreements on principle that divide us. The working men and women who depend on this movement and the millions more who seek a genuine voice on the job require that we make a common cause.

I believe I can be a significant factor in that process. I therefore seek your support.

Thank you and with every good wish,

Fraternally,



Secretary-Treasurer

A.F.L.-C.I.O. Candidates Prod Each Other to Move Unions Toward Change

By LOUIS UCHITELLE

Suddenly the A.F.L.-C.I.O., awakening to danger, is trying to train and ship out hundreds of new union organizers. Never mind the cost. And the two men vying to lead the

News
Analysis

every sore spot for workers, hoping to awaken in ordinary non-union Americans a new feeling that unions can help them.

Nearly two months into their election campaign, the candidates, Thomas R. Donahue and John J. Sweeney, keep upping the ante, turning initially vague platforms into ever more specific promises and even some action. Prodding each other, they are making a huge commitment: That organized labor will become a social movement, engaged in raising the living standards of all American workers, as it was in the 1930's, and not a collection of unions concerned mainly with trying to preserve the jobs and wages of those who are already members.

Not since the 1960's, when unions recruited Federal Government employees for the first time, enlisting tens of thousands, has there been so much innovation in the union movement and talk of change. Making money available, as the organization did last week, to send 1,500 union organizers into the field over the next 18 months is a huge undertaking for an organization that did not train any organizers five years ago and now puts only 200 a year through its three-month course.

"There has to be meaningful change," Mr. Sweeney said, a view he shares with Mr. Donahue. "We have started a dialogue and there is

no turning back."

But there is great risk in the undertaking. If the unions, through a new activism, fail to win enough public support to reverse their declining membership, then the attempt at revival might instead convince Americans that the traditional unions have indeed become irrelevant in their struggle to deal with wage stagnation, layoffs and cuts in benefits.

No group has a bigger stake in the A.F.L.-C.I.O.'s revival effort than Corporate America, and that makes the nation's executives a gauge for measuring progress. So far they are not showing any worry. "I don't see anything that is going on yet that is of major concern," said Robert Corlett, vice president of human resources for the Lockheed Martin

Corporation, the big aerospace company. "And I think other employers share that view."

The revival movement is still in a very early stage. Mr. Donahue and Mr. Sweeney have only just crossed the line from campaign promises to action. They did so last week during the summer meeting of the A.F.L.-C.I.O.'s executive council in Chicago. Lane Kirkland, long an advocate of the status quo, formally retired as president, forced out by the pressure for change. Mr. Donahue, his secretary-treasurer, became the interim president, until the October presidential election, and took four steps toward change.

The first involved the organizers. He committed the A.F.L.-C.I.O. to eventually spend \$20 million a year on organizing, up from \$3 million today. That is an eye-catching shift in resources for an organization with a \$60 million budget. If it works, the

A.F.L.-C.I.O. would become the driving force in recruiting workers into unions, a task now left to the individual unions. But what other way is there to organize a company like Wal-Mart, with employees spread across stores in every state, or the ubiquitous parts makers that supply the big auto manufacturers.

"The key is the scale," said Richard Bensinger, executive director of the A.F.L.-C.I.O.'s Organizing Institute. "The task has gotten beyond what any individual union can do."

Beyond organizing, Mr. Donahue obtained from the executive council, for the first time, the authority for the A.F.L.-C.I.O. to make no-interest loans totaling \$1 million to unions on strike and running out of money to pay their strikers. He also appropri-

ated money to train 500 local union people to be political advocates — recognizing, in effect, the federation's failure as a lobbyist in Washington, where it has been unable to win legislation that would prohibit the use of replacement workers in strikes or pass bills that would make organizing easier.

The focus is now to shift to the cities and states. The hope is that local union members, now largely passive in election campaigns, can be turned into lively agitators for or against members of Congress. They would become, in Mr. Donahue's words, "the most powerful foot soldiers of the entire electoral process."

Finally, Mr. Donahue set up a committee, with himself and Mr.

Some giant undertakings for labor.

Sweeney as co-chairmen, to draw up by early fall a proposal to revamp the federation's governing executive council. The idea is to include more women, as well as black and Hispanic union leaders. Women and minorities are close to edging out white males as a majority of all union members. But the council is still dominated by white male union presidents.

In all this flurry of activity, Mr. Donahue comes across as the incumbent, still identified with the 16-year Kirkland era, during which union membership went into steep decline. The insurgents pushing hardest for change have gravitated to Mr. Sweeney, whose just updated platform incorporated most of the proposals put forth a few days later by Mr. Donahue.

Above all, the Sweeney supporters, in talking up their candidate, point to his achievement as president of the Service Employees International Union since 1980. Early on, he threw resources into organizing, and membership in his union grew, bucking the national trend.

Such arguments keep Mr. Donahue hopping. "People say that Sweeney has the election locked up,"

he said, acknowledging that Mr. Sweeney has enough delegate votes pledged to him now to win the balloting at the A.F.L.-C.I.O.'s October convention in New York. "But don't exclude the possibility that my performance as interim president can change a lot of minds."

Maybe. But no matter who wins, converting the A.F.L.-C.I.O. into the flagship of an aggressive union movement goes beyond organizing, or revamping the executive council. Somehow the federation must persuade Americans that unions are an answer to their concerns. By nearly every union leader's reckoning, that requires the sort of authoritative, charismatic voice that made Samuel Gompers such a national figure early in the century and Walter Reuther in mid-century.

In pursuit of such a voice, Mr. Donahue and Mr. Sweeney, and their running-mates, have been crisscrossing the country in recent weeks, speaking to strikers on picket lines, at rallies to protest all sorts of issues and at demonstrations against members of Congress with anti-labor voting records.

But the constant public appearances have drawn very little national attention. Union mergers have gotten more publicity, particularly the announcement late last month that agreement had been reached to create a giant union by combining the Auto Workers, the Steelworkers and the Machinists.

Mr. Donahue and Mr. Sweeney publicly favor union mergers as a means of strengthening unions, mainly by eliminating duplicate bureaucracies and freeing money for organizing. A dozen mergers have been announced or completed in the past 18 months as unions join the

trend that has produced so many corporate mergers. But neither the union leadership nor corporate America view the union mergers as sufficient by themselves to challenge the hegemony that management now exercises over labor.

"Corporate America has become comfortable dealing with the unions that represent its workers," said William Lucy, secretary-treasurer of the American Federation of State, County and Municipal Employees. "But it has not had to face a challenge from a national union movement to corporate sway over public opinion."

THE NEW YORK TIMES, MONDAY, AUGUST 7, 1995

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Leaders of 3 Large U.S. Labor Unions Agree to Merger

By Frank Swoboda
Washington Post Staff Writer

A1

Leaders of three of the nation's largest unions have agreed to a "unification" that will create a 2 million-member union by the year 2000.

The United Auto Workers, the International Association of Machinists and the United Steelworkers unions will announce the merger today. The boards of directors of the three unions, meeting at the Omni Shoreham Hotel, approved the alliance in a vote last night.

The new union would have 1.95 million members, making it the largest union in the nation.

The merger comes at a time when more and more unions, facing global economic shifts as well as dwindling membership and political power, are banding together in an effort to increase their strength at the bargaining table.

Turmoil within the labor movement has spurred not only a raft of mergers, but also an unprecedented challenge by a number of unions, including the auto workers, steelwork-

ers and machinists, to AFL-CIO President Lane Kirkland's leadership. Kirkland decided to resign, sparking a battle over who will run the AFL-CIO this fall. As recently as the 1970s there were 129 unions in the AFL-CIO; with this merger there would be fewer than 80.

Sources said yesterday that the merger talks grew out of a bitter organizational fight between the machinists' and steelworkers' unions last year at Arlington-based USAir Group Inc. over who would repre-

sent a large group of fleet service workers.

Sources said the unions decided it was counterproductive to fight among themselves, a belief that led to the merger talks. In the case of the three unions involved in this merger, money was not a major issue. All three unions are well-heeled.

The merger also reflects an evolution of the U.S. labor movement toward a structure similar to the one Western European unions have de-

See UNIONS, A4, Col. 1

UNIONS, From A1

veloped in the post-World War II era, in which labor federations represent workers across industry lines.

In the merger of these three unions, the two major aerospace industry unions—the machinists and the UAW—would join forces. It would combine the union whose members manufacture steel with the union whose workers build automobiles. Over the last 20 years, both the machinists and the steelworkers unions have become conglomerates, often taking in units outside their basic jurisdictions.

Ironically, the presidents of all three unions—Stephen Yokich of the UAW, George Becker of the United Steelworkers and George Kourpias of the International Association of Machinists—all will be retired by the time the merger is completed in 2000. All three unions have mandatory retirement ages.

The International Brotherhood of Teamsters is currently the nation's

largest union, with 1.6 million members, and the National Education Association has more than 2 million members, but not all are covered by collective bargaining agreements. The NEA is the only major union outside the AFL-CIO.

The steelworkers, the machinists and the auto workers unions at one point all had more than 1 million members, but shrinking employment in the nation's basic manufacturing industries has taken its toll on all three unions, cutting their membership almost in half.

Other unions have been merging to cope with the forces eroding their power. The International Ladies Garment Workers Union and the Amalgamated Clothing and Textile Workers Union merged to become the Union of Needletrades, Industrial and Textile Employees (UNITE) on July 1. The 94,000-member United Rubber Workers International merged with the steelworkers' union on the same day.

In addition, the NEA and the American Federation of Teachers have been talking about joining forces, and the Newspaper Guild's convention recently approved a merger with the 600,000-member Communications Workers of America. Guild members are to vote on the merger in September.

Labor Group Chooses Aide To Kirkland

Donahue Is Named As Interim President

By LOUIS UCHITELLE

CHICAGO, Aug. 1 — Thomas R. Donahue became the interim president of the A.F.L.-C.I.O. today, but whether he can keep the job depends on how rapidly and radically he can bring change to the shrinking federation before the election of a permanent president in October.

Recognizing this, Mr. Donahue promised in a speech to immediately begin pouring millions of dollars into helping unions enroll new members. And he promised to begin training 500 people active in the labor movement to spearhead local and regional election campaigns for candidates favored by the federation. He was so emphatic on these points that his opponent for the presidency, John J. Sweeney, accused Mr. Donahue of lifting the Sweeney platform.

"It sounded like I wrote the speech," Mr. Sweeney said, only half in jest. "The issue is not how we differ — our goals are not so different — the issue is how quickly and comprehensively change will come in these two key areas: organizing and political activity."

The struggle for the presidency of the American Federation of Labor and Congress of Industrial Organizations, the first in its 40-year history, is really a struggle to revive the federation. Mr. Sweeney heads a group of insurgents who forced the previous president, Lane Kirkland,

into retirement, charging that he had done far too little in his 16-year tenure to reverse the national decline in union membership or win legislation favorable to labor.

During those years, Mr. Donahue, who is 67, was Mr. Kirkland's second in command as secretary-treasurer. The Sweeney forces maintain that that Mr. Donahue, however good his intentions, is too identified with the Kirkland regime to bring change rapidly enough to save the labor movement. Mr. Donahue tried to deal with that issue on his first full day as president, filling out the time between Mr. Kirkland's departure and the regular presidential election at the A.F.L.-C.I.O. convention in New York City in October.

Mr. Donahue insisted that he had been a catalyst for change during the Kirkland tenure, and now is stepping up the pace. While avoiding criticism of Mr. Kirkland, he promised to "sharply increase" the \$3 million a year or so that the federation had allocated to organizing, and to quickly train "1,500 new organizers for our unions."

He also said he would tap the federation's \$58 million reserve fund to support "multi-union organizing programs aimed particularly at low-wage industries and at those which have long been union-resistant."

The Sweeney camp promises to raise the organizing budget to \$10 million a year from the present \$3 million. And his supporters hold up Mr. Sweeney, who is 61, as a leader who has doubled the membership of the Service Employees International Union, which he heads. The union has 1.1 million members.

So far, corporate America has publicly ignored the struggle over the federation's leadership. But no issue raises more opposition to unions among executives than union efforts to sign up workers. The unions, on the other hand, say that without more members — the 16 million unionists today represent less than 13 percent of the nation's

work force — the layoffs and wage stagnation so characteristic of the last 20 years will continue.

In addition, union leaders say that without more members, organized labor will not be able to muster enough influence to keep a Republican-controlled Congress from weakening labor laws that protect union activities. In its heyday, the A.F.L.-C.I.O. wielded its influence to elect Presidents and successfully lobby Congress. But now, both Mr. Donahue and Mr. Sweeney argue that union political activity must shift to cities and regions where union influence is still sufficient to swing elections.

Mr. Donahue became the interim president at the summer meeting of the A.F.L.-C.I.O.'s executive council. The 32 council members, most of them union presidents, gave Mr. Donahue the interim position by a vote of 21 to 11. But Mr. Sweeney says that in October he will have delegates voting for him who represent nearly 60 percent of the 13.3 million members in the 81 unions affiliated with the A.F.L.-C.I.O.

Donahue supporters do not dispute this, but at a briefing this morning they said some of those delegates might be induced into voting for Mr. Donahue, particularly women pleased to see Barbara Easterling on the ticket with Mr. Donahue. Ms. Easterling, executive vice president of the Communications Workers of America, was elected today as Mr. Donahue's secretary-treasurer.

The Sweeney camp is also fielding a female candidate, Linda Chavez-Thompson, a vice president of the American Federation of State, County and Municipal Employees. But she is the candidate for executive vice president of the federation.

Study Cites Adult Males for Most Teen-Age Births

By JENNIFER STEINHAUER

At least half of the babies born to teen-age girls are fathered by adults, according to a new national study by the Alan Guttmacher Institute.

The study, which many researchers said is the most comprehensive of its kind, implies that a startling number of teen-age girls are having sex with men who are breaking state laws on statutory rape.

Some family-planning experts said the study also demonstrated that pregnancy-prevention programs, many in schools, failed to reach many of those responsible for unplanned pregnancies.

Drawing from a survey of nearly 10,000 mothers between the ages of 15 and 49 who were interviewed from 1989 to 1991, researchers found that half of the fathers of babies born to mothers between ages 15 and 17 were 20 or older, and that 20 percent of the fathers were six or more years older. In general, the survey found, the younger a mother was, the greater the age difference between her and her partner.

"To most people, these numbers are counterintuitive," said David J. Landry, a co-author of the study and a senior research associate at the institute, based in New York. "This research highlights that teen-age pregnancy is not just limited to teen-agers, but that in fact adult males bear a lot of the responsibility."

The sample base for the study, to be published on Thursday in Family Planning Perspectives, a publication of the institute, came from a survey by the National Center for Health Statistics, which interviewed mothers between 1989 and 1991.

The research supports recent data

that found similar patterns on state levels. For example, a California survey of 47,000 births to teen-age mothers in 1993 found that two-thirds of the babies were fathered by men who were of post-high-school age. With high school girls, fathers tended to be an average of 4.2 years older than their partners, and with mothers in junior high school, they were on average 6.7 years older.

In most states, including New York, rarely applied laws of consent

Raising questions about prevention and statutory rape.

prohibit people 18 or older from having sex with those under 16, and punishment is generally greater with the breadth of age difference.

"One begins to see the fact that this is sexual abuse among many of these teen-agers," said Mike Males, a graduate student at the University of California at Irvine and a co-author of the California survey with his adviser, Kenneth S. Y. Chew.

Indeed, their study found that among California mothers ages 11 to 15, only 9 percent of their partners were other junior high school boys. Forty percent of the fathers were high school boys, and 51 percent were adults, it found.

Other experts in family planning and sex abuse contend that in many cases of teen-age pregnancy, the girl had been sexually assaulted either by the father of her child or by someone else previously.

In Chicago, the An Ounce of Prevention Program, a social-services agency, found that 61 percent of 445 young mothers interviewed in 1986 said they had been sexually abused, beginning at an average age of 11.

Similarly, the Washington Alliance Concerned With School Age Parents, a pregnancy-prevention program based in Seattle, found in a statewide survey of 535 mothers ages 12 to 17 that the average age of the father was 24 and that 68 percent of those girls said they had been sexually abused at one point.

"The whole political debate is based on the notion that teen-age pregnancies result from planned, rational behavior, that it can just be educated or condom-ed away," Mr. Males said.

Partly in response to Mr. Males's research, Gov. Pete Wilson of California has proposed a \$12 million teen-age pregnancy-prevention initiative, \$2.4 million of which would be designated for prosecution of men who have sex with girls under 18.

Recent surveys have led researchers to question whether punitive measures against teen-age mothers designed to stymie the rates of pregnancy work, including measures like proposed reductions in Welfare benefits.

Understanding the vast age differences between girls and their partners is essential in developing prevention programs, the experts said.

"When an adult male gets a girl pregnant, it's like an immaculate conception," said Charlie Langdon, the executive director of the Washington organization. "We have to look at what can be done to bring consequences for the dads."

Lane Kirkland and the Tides of Time

AFL-CIO Chief Retires as Labor Movement Struggles to Remake Itself

By Frank Swoboda
Washington Post Staff Writer

Lane Kirkland retired as president of the AFL-CIO yesterday, a good man who, even his friends said, stayed too long.

For more than a quarter-century, first as secretary-treasurer and then as president of the 13 million-member labor federation, Kirkland fought the bosses, communism, cancer and Republicans. In the end, it was the Republicans who helped force him out.

Kirkland, 73, retired under pressure. He didn't want to leave right now. If opposition hadn't emerged, he might have resigned some time next year after being reelected to a ninth two-year term as the head of the world's largest labor organization.

When the number of unions opposing him numbered more than 20, representing 53 percent of the AFL-CIO membership, Kirkland announced he would retire. He could still count and it was clear he risked an embarrassing defeat if he decided to run for another term at the October convention.

But Kirkland's real opponent was time. Faced with a dwindling membership and Republicans suddenly in

control of Congress and actively pushing a pro-business agenda, the leaders of 11 major unions concluded early this year that Kirkland had to go. Labor, they insisted, needed a bolder leadership to win the affections of a younger, more diverse work force that has come to view unions as irrelevant.

Kirkland, his critics argued, had lost touch with the times. A man of many words in an age of sound bites, Kirkland had become an artifact of a time when manufacturing industries and their unions drove the economy, most women stayed home and the threat of communism dominated U.S. foreign policy.

Throughout his 16 years as AFL-CIO president, Kirkland steadfastly maintained the focus on foreign policy, a focus that often resulted in organized labor siding with the Reagan and Bush administrations on defense matters while castigating them on domestic policies. Kirkland and the AFL-CIO almost singlehandedly kept Poland's Solidarity movement alive in the 1980s, smuggling money and equipment into that coun-

See KIRKLAND, F3, Col. 1

KIRKLAND, From F1

try when even the U.S. government backed away.

But now, with the Cold War over and communism on the run almost everywhere you look, Kirkland's critics argue it's time for labor to come home, time for the AFL-CIO to turn

A man of many words in an age of sound bites, Kirkland had become an artifact of a time when manufacturing drove the economy.

its attention to the domestic problems facing unions in America today; time to concentrate on organizing new members for a steadily shrinking labor movement.

Kirkland's resignation has triggered a two-man race for the AFL-CIO presidency, pitting two old allies against each other who each pledge to take the labor movement in the same direction. AFL-CIO Treasurer Thomas R. Donahue, who suc-

ceeded Kirkland in that post, was elected president yesterday at a meeting of the AFL-CIO Executive Council in Chicago. Donahue's election was not in doubt because he had the support of a majority of the members of a council where each member has one vote.

But Donahue faces an uphill battle to keep the AFL-CIO presidency in October at the AFL-CIO convention, where each union has as many votes as it has dues-paying members. There he will be opposed by John J. Sweeney, president of the Service Employees International Union—the same union where Donahue served as vice president.

It is perhaps ironic that some of the unions Kirkland brought back into the AFL-CIO—including the United Auto Workers, the International Brotherhood of Teamsters and the United Mineworkers of America—helped lead the fight against him and are now backing Sweeney.

It is even more ironic that if Kirkland had decided to step down earlier, when he first came under attack, Donahue would have been the unanimous choice to succeed him. But when Kirkland initially refused to resign, Donahue, out of personal loyalty, declined the insurgents' invitation to run as their candidate.

The real race for labor is not between Donahue and Sweeney—it's against time. Can organized labor come together and agree on new leaders, a new agenda and new tactics for organizing the millions of non-union workers, particularly in the service sector of the economy? Or will it split apart as it did in the 1930s, when the CIO was formed, as it searches for new membership base?

SEC to Propose New Stock Trading Rules

Changes Could Save Investors Millions on Nasdaq Transactions

By Jerry Knight
Washington Post Staff Writer

The Securities and Exchange Commission will propose a package of new stock trading rules tomorrow that could save Nasdaq stock market investors millions of dollars a year by helping them get better prices when they buy and sell stocks.

The SEC proposals would force Nasdaq to change the way it handles orders from small investors and would for the first time give the general public access to Nasdaq computer systems that Wall Street firms use to trade stocks among themselves.

The board of the National Association of Securities Dealers last week issued its own plan for revamping the handling of small orders that NASD President Joseph R. Hardiman called "a major step forward... for individual investors."

But the NASD plan does not go as far as the proposed SEC rules, and some of the NASD's suggestions are a rehash of earlier ideas that already have been rejected by the SEC, securities industry sources said.

Nasdaq is the target of separate investigations by the SEC and the anti-trust division of the Department of Justice, which are probing allegations that small investors suffer because Nasdaq's

rules are written for the benefit of professional traders.

Responding to its critics, the NASD board last week endorsed a proposal by an outside committee headed by former senator Warren Rudman to give the public a greater voice in the way the Nasdaq market is run. Rudman's panel said powerful Nasdaq traders have repeatedly blocked or delayed previous efforts to modernize trading practices.

Traders also are likely to resist some of the upcoming proposals from the SEC, industry sources said, because huge amounts of their profits are at stake. For example, Nasdaq traders now add a small markup to the price of every share of stock they sell. But under the SEC plan, some buyers would be able to purchase stock directly from other investors and the traders would make no money on the deal.

Another part of the SEC plan intends to make it possible for investors to buy Nasdaq stocks for one-eighth or one-quarter of a point less than the quoted price. That savings—of 12½ or 25 cents a share—also would come out of traders' profits. Some researchers estimate the changes could save investors hundreds of millions of dollars a year.

The rules are intended to encourage Nasdaq traders to "do a bit better for the customers than they are doing now

and make it easier for brokers to get a better price for their customers," said Robert Colby, deputy director of the SEC's division of market regulation.

The trading rule proposals the SEC will release tomorrow apply to all stock markets, but would have the most impact on Nasdaq because it works differently than the New York and American stock exchanges. The exchanges conduct what amount to day-long auctions of securities, but on Nasdaq, shares are bought and sold from a network of dealers connected by computers.

The Nasdaq dealers have separate computer networks for trading among themselves, and sometimes stocks can be bought at better prices on those systems. The SEC would require Nasdaq to let all investors see prices on those computers and would require that small investors get the same prices available on the dealers' system.

Managers of some big mutual funds have been trying for years to get access to the dealers' computer networks, but the Nasdaq traders repeatedly have refused to open their system to the general public.

Release of the SEC proposals tomorrow will start a rulemaking process that could take many months. The SEC will give Wall Street and the public until January to comment on the proposals and then suggest changes.

THE WASHINGTON POST
TUESDAY, SEPTEMBER 26, 1995

Sweeney Claims Lock on AFL-CIO Votes

Federation Chief Donahue Hopes to Get Some Unions to Switch to Him

By Frank Swoboda
Washington Post Staff Writer

John Sweeney, president of the Service Employees International Union, said yesterday he believes he has locked up enough delegates to ensure his election as president of the AFL-CIO.

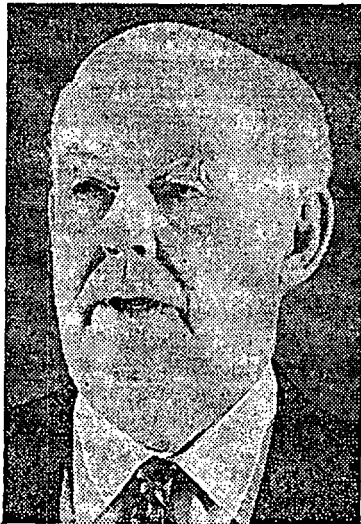
With less than a month to go before the federation's New York convention, Sweeney claims to have the support of unions representing 58 percent of the AFL-CIO membership. The AFL-CIO is locked in a rare contested election for the federation presidency at a time when unions are in serious trouble in the workplace.

AFL-CIO President Thomas Donahue yesterday acknowledged that Sweeney had a majority of the delegate votes, but he said Sweeney's majority was closer to 53 percent and he was confident he could persuade some unions to switch their support. Unions cast as many votes as they have dues-paying members in the election of the federation's national officers.

"I think there are a number of unions still in play and I intend to keep working with them right down to the convention vote," Donahue said.

The only agreement between the two candidates yesterday was that neither was likely to pull out of the rare election race for the AFL-CIO presidency before the start of the Oct. 23 convention.

A key test for Donahue will come this week when the executive board of the 378,000-member carpenters union votes on an endorsement.



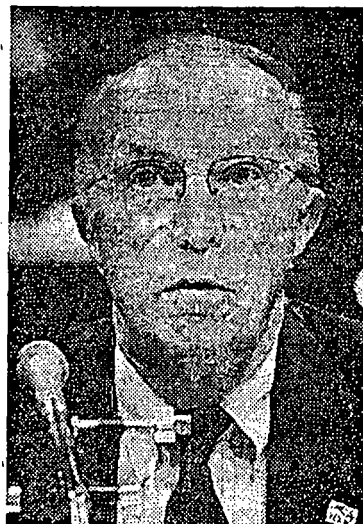
JOHN SWEENEY
... challenger for AFL-CIO chief

Donahue wants the carpenters' support to help spark other defections from Sweeney.

Carpenters President Sigurd Lucassen, a strong Sweeney supporter, is stepping down at the union's convention this week and it is unclear whom the new leadership will support in the election. Sweeney said he has had no indication that the carpenters will not support him.

Donahue conceded yesterday that he has no chance of persuading major industrial unions such as the auto workers, steelworkers and machinists to switch their votes from Sweeney, so his campaign has concentrated efforts on trying to win the support of the powerful construction unions that basically have split their support between the two candidates.

Almost all of the 78 unions have



THOMAS DONAHUE
... current AFL-CIO president

thrown their support behind one of the candidates. The remaining uncommitted unions are small, representing less than 3 percent of convention delegates.

In addition to the union support, the Sweeney camp has been actively working to woo support from the 50 state AFL-CIO organizations and the more than 500 AFL-CIO central labor councils, most of which choose not to attend the national convention.

This year, however, the presence of the state federations and central labor bodies—which each get one convention vote—could be important for votes on policy changes. The Sweeney camp yesterday claimed the support of nearly three-fourths of these groups.

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Los Angeles Times

AFL-CIO
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August 6, 1995

Thomas Donahue

Locked in the Struggle to Build a Revitalized Labor Union

BY HARRY BERNSTEIN

Organized labor is in trouble. Unions now represent fewer than one in six American workers, down from one in three during the 1950s. Meanwhile, labor's most vehement enemies hold sway—with powerful Republicans controlling both houses of Congress, and major employers fighting unions more furiously than they have in decades.

In an effort to combat these troubles, leaders of the 14-million-member AFL-CIO are in the midst of a struggle for new leadership—and Thomas R. Donahue, an articulate, charming man, is at the center of the fight. As recently as a few months ago, Donahue insisted he would be retiring this year, at age 66, after serving for decades as a union activist and leader. He was secretary-treasurer of the AFL-CIO for the last 16 years, the second-highest position in America's preeminent labor federation, encompassing 80 autonomous unions with nearly 14 million members.

But in June, Donahue announced he would seek election as president to replace the dour Lane Kirkland, 73, the longtime union leader, who had first insisted he would run for reelection but then dropped out of the race after facing strong opposition. Last week, Kirkland resigned the presidency to help Donahue, who was named interim president by the federation's 33-member executive board on Tuesday.

That was no contest, since each council member had only one vote, regardless of the size of the member's union, and most small unions supported Kirkland's choice, Donahue. His real challenge will come in October at the AFL-CIO convention in New York, where his opponent will be John J. Sweeney, president of the Service Employees Union. Sweeney claims he will have nearly 60% of the votes of the convention delegates, since votes are based on union membership, and most large unions back Sweeney. The winner of that election will serve a full two-year term and, if tradition is resumed, the new president will serve for many years. The last serious contest for the federation presidency was 101 years ago.

Sweeney and his supporters say Donahue has been too much a part of Kirkland's administration to provide the new leadership that is so urgently needed. Sweeney's prediction of his victory could be wrong, but whoever wins, he must set about revitalizing the labor movement, providing what labor has most spectacularly lacked—strong, vocal leadership that can press a coherent liberal agenda. Neither candidate has sharply attacked the other, but in a recent conversation, Donahue indirectly criticized both Sweeney and, for the first time, the uncharismatic Kirkland—who is seen as a handicap to Donahue.

A native New Yorker and graduate of Fordham Law School, Donahue is married to Rachelle Horowitz. They have two children.

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Los Angeles Times

-2-

LOS ANGELES TIMES

INTERVIEW

Newt Gingrich and the Republican majorities in Congress are pushing the most anti-worker, anti-union agenda this country has seen in decades.

Reforming labor law to restore the right of working people to associate freely in independent, democratically elected unions remains at the top of our agenda.

We need to put tens of millions of dollars into a trust fund to energize the organizing of workers in low-wage industries and new high-tech work force.

Harry Bernstein covered labor issues for The Times for 32 years. He interviewed Thomas R. Donahue by phone from the labor leader's office in Washington, D.C.

Los Angeles Times

-3-



STEVE BARRETT / for The Times

Los Angeles Times

-4-

Question: Some of your supporters have denounced your opponent, John Sweeney, by saying he is splitting the ranks of unions when they desperately need unity in their battles with corporations and their enemies in Congress. Yet aren't you doing the same thing by entering the race after the incumbent, Lane Kirkland, decided to drop out of the contest and back you to challenge Sweeney?

Answer: Until a few weeks ago, I was supported for the AFL-CIO presidency by John Sweeney and all of his present backers. I am running for the presidency because working men and women are threatened by an economic order which puts profits above people and by a political order which threatens to strip away anything that helps hard-working families whose real income is going down as profits rise. I know the men and women of the labor movement because I've been privileged to join them in more organizing drives, contract fights and political battles than anyone. I know what needs to be done to harness their talents and energy to forge the kind of unified, creative labor movement that can successfully stand up for working families. I believe that by virtue of my experience and abilities, I am the best qualified person to make the kind of changes that are needed to make the AFL-CIO into the leader of the fight for working families. I am persuaded that, over time, I can unify the labor movement behind those changes.

Q: Sweeney says the federation of unions should put a third of its budget in organizing new members. Do you agree?

A: I agree the AFL-CIO needs to vastly expand the amount of money it spends to assist unorganized workers in forming unions of their own. That is not simply a question of money, but of training, targeting, tactics and much more. One of my proudest accomplishments as AFL-CIO secretary-treasurer was our creation of the AFL-CIO Organizing Institute, to recruit and train organizers. At a time of very tight budgets, it is one of the largest programs of the AFL-CIO and is graduating 150 organizers a year—more than half of whom are women and persons of color. We need to accelerate the growth of that institute so that next year it doubles the number of organizers it graduates. I also believe we need to put tens of millions of dollars into an organizing trust fund to energize the organizing of workers in low-wage industries and in the new American high-tech work force.

Q: Since you and Sweeney have been close friends and allies for years, and you

were his mentor in the Service Employees Union, do you have serious differences over the way the federation should be run?

A: John Sweeney and I see eye to eye on the importance of organizing low-wage workers and recruiting other members; on revitalizing our grass-roots political and legislative operations so as to put to shame the far-right Christian Coalition and the National Rifle Assn., and on creating a 21st-Century communications program for the labor movement.

But I believe I am best able to build broad support within the labor movement for those kinds of changes through open, inclusive decision-making. I would not be content to allow a small group of unions to hold closed caucuses and then dictate decisions for the entire AFL-CIO. I also believe that my experience and God-given abilities make me the best qualified to represent working families with Presidents, before Congress, on the airwaves and in all of the other public forums in which working people so desperately need a strong voice. I played that role in leading the fight against the North American Free Trade Agreement, and I look forward to doing so on many other issues that are so important to workers.

Q: Some union leaders believe President Clinton is too conservative and not doing all he can to help organized labor get social legislation it advocates and labor laws that would give unions more favorable treatment than they get under present labor laws. Do you agree?

A: No. We have sometimes disagreed with Bill Clinton—just as we disagreed with Roosevelt, Truman, Kennedy and Johnson at times. But the fact remains that President Clinton has regularly been on the side of working people and the unions that represent them.

Unions and working families in general are getting a raw deal in Washington, but the culprit is not Bill Clinton—it's Newt Gingrich and the Republican majorities in Congress. They are pushing the most anti-worker, anti-union agenda this country has seen in decades. They are undercutting the promise of America for millions of working families by attacking the very programs and policies these families rely on.

President Clinton's position is clear—he has consistently supported changes in labor law that would help correct the huge tilt in favor of management and against American workers that we have today. He has appointed National Labor Relations Board members who, for the first time in years, are aggressively enforcing the law that protects the right

Los Angeles Times

-5-

of workers to organize unions. The Republicans in Congress are trying to stop the Labor Board dead in its tracks. President Clinton worked for legislation to make it illegal for employers to fire workers who exercise their right to strike. The Republicans in Congress filibustered that bill to death. President Clinton issued an executive order under which the federal government will no longer purchase goods or services from companies that permanently replace striking employees. The Republicans are trying to overturn that.

So, yes, we have some disagreements with him on a few issues, but we think he has been on the side of unions and working families.

Q: *I understand the federation so far has not pressed Clinton or Congress for an overhaul of U.S. labor laws. Is it because you see certain defeat of such proposals in the GOP-controlled Congress? Why not agitate for the laws you feel are necessary—even if you lose? Wouldn't that enable you to get more attention to your arguments for reform?*

A: The problem is that we are fighting tough battles now here in Washington and across the country against more anti-labor laws and for the things that matter to working families: good jobs, good wages and strong health and safety protections—as well as for a real, independent worker voice on the job. But reforming labor law to restore the right of working people to associate freely in independent, democratically elected unions remains at the top of our agenda.

We supported the creation of a presidential commission as a first step toward developing constructive solutions, but unfortunately that commission produced a timid set of recommendations inadequate to address the real problems workers face. Now that Newt Gingrich is running Washington, we have found it necessary to fight vigorously against legislation which would let employers set up phony unions under management's control and against the Republican's efforts to prevent the Labor Board from enforcing the law.

With the support and active involvement of America's working families, we're going to continue to fight these battles with everything we've got. We'll make sure that the American people know who it is that is taking away their shot at the American dream—and that they hold the Republican right-wingers accountable in 1996.

Q: *Since some union leaders feel Clinton has not fought vigorously enough for labor-law reform, would you go along with suggestions that labor back another candidate for the Democratic nomination who is more pro-union—or even join in a coalition for a liberal, pro-labor third political party?*

A: President Clinton has been fighting for workers, trying to get on-the-job training, college loans, a minimum wage increase, enforcement of health and safety laws and for workers rights. So I disagree with the premise of your question. If some other candidates come forward who are supportive of our goals and the goals of America's working families, we would consider their record, evaluate their electability and make our best judgment as to how best advance the cause of working families—just as we do with all political candidates.

But I don't think it is likely that anyone within the Democratic Party will mount a strong challenge to the President in 1996. It is even less likely that we will support a third-party candidate in the next Presidential election. I don't think a third-party candidate can win in 1996, and that candidate would only help elect a Gingrich clone by taking votes away from President Clinton. Working people cannot to risk that.

Q: *Some union leaders say labor should set its own standards for political endorsements, supporting candidates who, generally, meet those standards, and abstain from endorsing anyone who does not come close. Has the federation too often supported political candidates who are at best lukewarm toward labor's goals on the theory that one is "the better of two evils"?*

A: I believe we should match our efforts for and against political candidates to their efforts for or against working people. In other words, elected officials who are real, dedicated supporters of policies that help workers will earn the real, dedicated, determined support of working families and of the unions that represent them; for those who find it possible to support workers' interests only some of the time, we can be equally lukewarm in our support for them. But the problem is that, like all Americans, when union members go to the polls every year, they are called upon to choose between the candidates on the ballot. When one candidate is more favorable to the interests of working families, we owe it to our members to endorse that candidate—even if he or she falls short of perfect. It's rare in politics that you can find the perfect candidate. So you have to make intelligent choices. □

UNIONS

SMELLING SALTS FOR LABOR?

Clinton's moves to help unions may give them new muscle

Reynolds Metals Co. and Aluminum Company of America never threatened outright to permanently replace their 20,000 union members during 1993 contract talks. Still, the possibility worried union leaders so much that they reined in their demands and didn't walk out. But labor will be tougher when the pacts expire in 1996. The reason: President Clinton's recent order barring employers who hire permanent replacements from doing business with the government, as the aluminum makers do. "The order is extremely important to us," says Ernie J. LaBaff, president of the Aluminum, Brick & Glass Workers union. "Even if the companies don't say they'll hire replacements, it makes us stronger if members know it can't happen."

Labor unions have been complaining lately about how little Clinton has done for them, a core Democratic constituency. But his Mar. 8 order on permanent replacements may help ease that jilted feeling. The move could have a big impact on bargaining at large, unionized companies. Labor also is benefiting from a newly awakened National Labor Relations Board (NLRB), which is moving aggressively to curb labor-law violations by employers.

"SNOWBALL EFFECT." True, Republicans and business groups may yet reverse both efforts. They may try to cut the NLRB's budget and are opposing Clinton's order in Congress and the courts. Republicans also plan to push bills that would weaken safety and health inspections and other pro-labor programs. And even if Clintonites prevail, labor won't suddenly become a powerhouse. Still, the cumulative effect will give unions a boost. "These things have a snowball effect," says Daniel J. B. Mitchell, a management professor at the University of California at Los Angeles. "You could see an improvement in labor's bargaining position and maybe even a turnaround in organizing."

The executive order calls for federal

agencies to terminate contracts with anyone who hires permanent strikebreakers. It also allows the Labor Dept. to bar employers who already have hired them, such as tiremaker Bridgestone/Firestone Inc., from bidding on future contracts. The Administration is downplaying the impact, pointing out



Where Labor's Strength Is on the Line

Union bargaining clout has been bolstered by President Clinton's appointees to the National Labor Relations Board and by his recent order banning government contractors from hiring permanent replacements during strikes. Some major labor pacts—companies and industries—coming up this year:

EMPLOYER	NO. OF UNION WORKERS	EXPIRATION DATE
MCDONNELL DOUGLAS	19,000	Apr.
CLOTHING MANUFACTURERS	45,000	Apr.
AUTO TRANSPORTERS	16,000	May
AT&T	145,000	May
REGIONAL BELLS	250,000	Aug.
BOEING	35,000	Oct.

DATA: BUREAU OF NATIONAL AFFAIRS

that only about 19 government contractors a year use permanent replacements. And officials note that the order covers only contracts worth more than \$100,000.

But the move is certain to ripple beyond the numbers. More than 90% of the nation's 1,000 largest companies have government contracts over the

threshold, federal officials say. And while most large employers don't experience strikes or wind up hiring permanent strikebreakers, many threaten to do so to deter walkouts. Fully 82% of large unionized employers say they would hire replacements if they were struck in 1995, according to a recent survey by the Bureau of National Affairs in Washington. Of those, 25% said the replacements would be permanent. An additional 57% said they hadn't decided that issue—leaving the possibility open as a risk unions must run if they strike.

CLAMPING DOWN. Even a company such as General Electric Co., which prides itself on being an enlightened employer, likes the added leverage. GE says publicly it shuns permanent replacements. But it has long opposed legislation to ban them so labor won't gain clout. Indeed, Clinton's order "would shift the balance of power to labor if it sticks," says Sharon F. Canner, a vice-president of the National Association of Manufacturers, which is fighting the order.

Clinton's NLRB is swinging the pendulum back from management, too. One of the agency's most powerful weapons is the court injunction, which helps it to stop employers from breaking the law and delaying the consequences until a union is defeated. In the year since Chairman William B. Gould took office, the board has sought 105 such injunctions, including one against baseball owners on Mar. 27. By contrast, the board requested about 40 a year during the Reagan and Bush years.

Gould is clamping down in other areas, too. The board has set timetables for its 70 administrative judges and has assigned special judges to try to settle cases before they get bogged down in litigation. The board also is considering procedural changes to reduce the endless legal challenges employers mount to block union organizing drives. "The point is to eliminate wasteful litigation and delay," says Gould.

Of course, these changes aren't enough to revive labor. Workers still fear losing their jobs to imports or domestic rivals if they strike. And the NLRB actions do little to deal with employers who illegally fire union supporters, which occurs in a third of all organizing drives, studies show. Still, Clinton is giving labor its biggest leg up in years.

By Aaron Bernstein in New York

"I was thinking, 'If I can just get to the game, I'll be all right.'"

JOHNNY MOORE

SAN ANTONIO, TEXAS

The point guard for the Spurs never made it to that game against the Lakers back in 1985. Instead, he landed in the hospital, where after 10 days he was diagnosed with a deadly infection.

For months, Johnny was plagued by excruciating headaches and terrible nausea. His doctors told him he might go blind and lose the use of his limbs. They said he might even die.

Thanks to excellent care and a medication made possible by the research we do at Pfizer, none of these came to pass. And Johnny got another shot at life.

"They told me I'd probably never have kids," he says.

"And now I've got my little girl. I'm so thankful."



We're part of the cure.

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THE WHITE HOUSE
WASHINGTON

November 14, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING
STEVE ROSENTHAL
AARON RAPPAPORT

SUBJECT: ISSUES OF CONCERN TO THE LABOR MOVEMENT

- The unions share with you deep concerns about the reconciliation and appropriations bills now pending before Congress.
- *Reconciliation.* The unions oppose provisions in the House and Senate reconciliation bills that would enact deep cuts in:
 - major entitlement programs (including Medicare, Medicaid, student loans, and AFDC)
 - important pro-labor programs (such as the Trade Adjustment Act, the Coal Miner Retirement Provision, and the Service Contract Act).
 - income tax rates or the EITC
- *Appropriations.* The unions view Congressional attempts to undermine worker safety programs -- through spending cuts and legislative riders -- as a direct assault on American workers and their families.

Reconciliation

- The unions are fearful that deep entitlement cuts will cause significant layoffs, particularly among public service and health care workers, while efforts to devolve programs to the states will subvert protections for workers at the federal level.
- **Medicare:** The union position is that cuts should not lead to increased patient costs and should be no larger than \$89 billion in total.

- **Medicaid:** The unions support your efforts to preserve the entitlement status of Medicaid and to retain federal nursing home standards. The House reconciliation bill would eliminate the nursing home standards, but it is not clear whether they will restore standards in their final reconciliation bill.
- **Pension Reversion:** The unions are strongly opposed to the House-passed provision, which allows companies to withdraw pension plan assets above a reduced level and use them for any purpose they desire. The Senate deleted a similar provision on the floor, a major victory for both the Administration and the unions. Nonetheless, the Washington Post and the Wall Street Journal both report that Conferees have reached a tentative agreement to include a modified pension reversion provision in the reconciliation conference report. *Some unions are running paid television against this provision and this is a bill we can work together with them on defeating.*
- **Student Loans:** The unions support the Administration's attempts to minimize cuts in student loans and to protect the direct lending program.
- **Coal Miner Retiree Provision:** UMW is strongly opposed to this proposal, which would weaken current laws requiring coal companies to pay the health care costs of retired coal miners and their dependents. Although this provision is said to be subject to the Byrd rule, coal companies are working to find ways around the rule. The Administration opposes changes in the Coal Act. *dependents*
- **Trade Adjustment Assistance (TAA):** The unions strongly support the continuation of this program, which provides training and income support payments to workers laid off as a result of foreign trade. The program, which expires in 1998, has been extended in the House bill, but not in the Senate plan. The Administration supports the extension of the TAA.
- **Service Contract Act (SCA):** The public service union has put special emphasis on the preservation of the SCA, which essentially provides Davis-Bacon-like protections to low-wage workers in service industries. The House-passed bill repeals the SCA, while the Senate does not. The Administration opposes the House-passed repeal. This is undoubtedly an issue familiar to Sweeney from his long tenure as President of the SEIU, the public service union.
- **Taxes:** The unions want the smallest possible tax cut, oppose the EITC reduction, and are supportive of reductions in corporate welfare.
- **CPI:** The unions are strongly opposed to adjusting the CPI to reduce COLAs. He may stress that in addition to hitting Social Security recipients, many union contracts are tied to the CPI and that a change could therefore affect wages.

- **Employment and Training.** The unions support adequate funding for DOL's employment and training programs, particularly summer jobs and the dislocated worker program. Appropriations for employment and training activities have been reduced \$1.6 billion below the 1995 level and \$2.4 billion below your request.

Other Issues

- **Maritime Issues:** The unions may raise concerns about bills pending in the House and Senate that would phase out the independent Federal Maritime Commission and possibly transfer its regulatory powers to the Department of Transportation. The longshoreman's union, in particular, is concerned that this change might result in an industry consolidation that would produce fewer shipping ports, powerful megafirms, and many new alliances with foreign companies.
- **GI Bill for America's Workers.** Although the unions were originally concerned that TAA and Wagner-Peyser funds might be placed at risk in the consolidation of federal training, job search and workforce programs, the Administration successfully negotiated with the House and Senate to maintain separate funding for each. As a result, the unions are generally supportive of this effort to serve all workers -- and particularly dislocated workers -- better. The Administration will continue to work to strengthen the House and Senate versions in conference, while fighting Republican proposal to cut the budget for education, training, and assistance to dislocated workers.
- **Teamsters Election Funding:** A federal Consent Decree requires the Federal government to pay the costs of Teamsters election. The Administration has requested \$12 million in FY96 to carry out that order. However, while these funds have been authorized, none yet have been appropriated for this specific purpose. The Teamsters union may want assurances that the Administration will find sufficient resources within existing agency funds to meet the Consent Decree's requirements.

AFL-CIO Fight Signals End of Era for Labor

Leadership Struggle Forces Debate Over Future

By Frank Swoboda
Washington Post Staff Writer

Maybe organized labor should thank Lane Kirkland for refusing to step down as president of the AFL-CIO.

Kirkland's refusal to resign in the face of an open challenge to his presidency has forced a rare public debate on the future of the labor movement by union leaders conditioned to settling their differences behind closed doors.

NEWS ANALYSIS

Unions acknowledge they are in trouble. Their membership is shrinking, both as a percentage of the work force and in absolute numbers. Labor's political clout is on the wane. Unable to get its legislative agenda approved when Congress and the White House were in the hands of the Democrats, labor faces the prospect of losing past legislative gains at the hands of the Republican majority in Congress.

Against that backdrop, the leaders of 11 major unions representing nearly half the federation's 13 million members publicly declared their formal opposition last week to Kirkland's bid for a ninth two-year term. This week, five more unions joined the anti-Kirkland movement, raising the number of potential anti-Kirkland votes to more than 7 million, more than enough to unseat him if the coalition sticks together through the summer until the AFL-CIO convention in October.

As Gerald W. McEntee, president of the 1.2 million-member American Federation of State County and Municipal Employees and spokesman for the insurgent union group, noted, "it doesn't take a rocket scientist to figure out we've got 53 percent of the votes." In the AFL-CIO, individual unions get as many votes as they have members. McEntee said he would announce more unions opposed to Kirkland next week.

The 73-year-old Kirkland is not without his defenders. A group of 21 union leaders, representing slightly more than 4 million convention votes, has thrown its support behind Kirkland, accusing his opponents of failing to offer an "alternative vision, plan or

See LABOR, F2, Col. 1

LABOR, From F1

program to better the lives of workers." Simply opposing Kirkland, they argue, is not in the interests of working Americans.

Both sides insist that Kirkland isn't the issue. They all praise his past leadership, but some of his supporters privately say they wish he would retire

and avoid the public fighting. Even his opponents are surprised that he has dug in his heels. "No one thought it would go this far," said a union president seeking Kirkland's ouster.

But as much as both sides dislike the public civil war taking place within labor's leadership ranks, it may prove to be one of the healthiest developments in decades for an institution that has had a hard time coping with the changing world around it. Now, union leaders are being asked to choose sides in a debate about the future of organized labor that goes far beyond personalities.

Whatever the outcome of the October election, the internal politics of the AFL-CIO may never be quite the same. Unions opposing Kirkland are pushing for an end to the autocratic, top-down structure that has marked national labor policy for the last 40 years—first under the late George Meany and, since 1979, under Kirkland. The challengers insist they want to open up the leadership process, which is concentrated in the hands of a few people—including the leaders of the anti-Kirkland movement—who are selected as much on the basis of institutional tradition as anything else.

The way McEntee sees it, union leaders have to ask themselves whether they are satisfied with the way things are going at the AFL-CIO. "If they are, they can vote for Lane Kirkland," he said.

Arthur Coia, president of the Laborers' International Union, summed up the frustration of Kirkland's opponents in a recent letter to fellow members of the AFL-CIO's executive council:

"Let's face it—if every new idea someone suggests gets shot down, pretty soon no one will bother. People will just go through the motions, do what they've always done because it's the way things have always been done, and ignore the results," Coia wrote.

"Maybe that's not a fair description of life at 815 16th Street [AFL-CIO headquarters]—though I think most affiliates hold this perception—but it is clear that with the challenges facing the labor movement, the AFL-CIO needs to overhaul its organizational culture."

Kirkland's opponents are expected to announce their candidates for the top federation jobs within the next three weeks. Early betting has John Sweeney, president of the Service Employees International Union, as the presidential candidate and Richard Trumka, president of the United Mine Workers of America, as the candidate for secretary-treasurer.

4/5 Remarks by POTUS to Building Trades

AFL-CIO

- Smith

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 5, 1995

REMARKS BY THE PRESIDENT
TO THE NATIONAL BUILDING AND
CONSTRUCTION TRADES DEPARTMENT CONFERENCE

Washington Hilton
Washington, D.C.

10:20 A.M. EDT

THE PRESIDENT: Thank you very much. Ladies and gentlemen, thank you for that wonderful welcome. Thank you, Bob Georgine, for that fine introduction. All the distinguished affiliated presidents up here on the platform, and all of you out there in the audience -- and I thank those of you who brought your children. Since most of what we're doing and a lot of what I have to say is about them, I'm glad to see them here.

I forgive the person in the back who shouted, "UCLA." (Laughter.) I told the Gridiron Dinner the other night at the Press Club -- I said, my worst nightmare was a final with Arkansas and UCLA. My worst nightmare -- the team I love against a team with 54 electoral votes. (Laughter and applause.)

It was a great tournament, a great game. They won it fair and square, and I congratulate them.

You know, a lot of us here have a lot in common. Bob and I have something in common. We were both raised by strong mothers who believed in hard work and optimism and practiced what they preached and made sure that we practiced what they preached. It was our first lesson in organized labor. (Laughter.)

I'm deeply honored to be here with you today. I want to thank you for the support that you have given to our programs to train America's workers for the future. I believe that good, strong unions and collective bargaining can help us to meet the challenges that are just ahead if all of us are willing to embrace those challenges and to do what has to be done to make sure that we compete and win in the global economy.

That's why one of the very first things I did as President was to rescind the anti-union executive orders of the last 12 years -- (applause) -- and why, last month, I also signed an executive order which bars federal agencies from doing business with companies that hire permanent replacement workers. (Applause.)

I have been saying as I'm going around the country that we know what works in our own lives. What works in our own lives is when we are well-educated, well-trained, we work hard, and we work together. There is no future in this country in pitting management against labor. All of us are caught up now in a common destiny in the global economy. All of us will have more job security or more job insecurity, as the case may be, depending on how well we adapt to the challenges of today and tomorrow.

That is the way we have to look at this. We are going up or down together. And it is time we stop looking for ways to be divided, one from another, and start at looking harder for how we can resolve these divisions in an open and honest way so we can get about

MORE

the business of building our future. That's what we ought to be doing in this country, and that's what I'm trying to do for you every day at the White House. (Applause.)

I look at the unions represented here -- the carpenters, the painters, the bricklayers, the electricians, the others -- you built our home, our cities, our factories, the biggest industrial system in the world. You have built our country, and then you have had to rebuild our country. One of the greatest wonders I have seen since I have been President is the swift handiwork of your members who rushed in after the natural disasters, from Florida to the Midwest to California. You did a very good job. And we now are doing a better job with our Emergency Management Agency to try to make sure we do our part and the money gets out there to rebuild places who are torn down through no fault of their own.

Many of you have become heroes to folks whose lives were devastated in those disasters, who wouldn't have a bridge to cross a river, or roads to get them to work, or offices to work in, or roofs over their head if you hadn't worked hard to make sure that the American Dream could be restored.

All through 1992 when I was out running for President, I met a lot of people who wondered about the state of the American Dream, including construction workers, farmers, office workers, mothers and fathers. I talked with them and listened to them; I worked with them. I walked a picket line with them at the Caterpillar Workers in Illinois. (Applause.) What I found was that most people felt that they were out there on their own, struggling against forces that were bigger than they were without anybody very much concerned about what was going to happen to them.

I ran for President because I felt strongly that the end of the Cold War and the dawn of the Information Age gave us opportunities for peace and prosperity; gave our children opportunities to live out their dreams never before known in human history; but that we also had some very, very profound challenges that unless they were faced, the American Dream for all of our people would be at risk.

I wanted to make sure that middle-class Americans and their children were not forgotten. I want to make sure that poor people would have chance to work their way into the middle class. I wanted to make sure that we could keep alive opportunities for entrepreneurs to become wildly successful without forgetting that this country was built and this will country will endure by the broad middle class, and by the fact that they work hard, play by the rules, raise their children and deserve to be rewarded for it, and must be rewarded for it if we're going to keep the American Dream alive. That is why I ran for this job. (Applause.)

I also, very frankly, ran to challenge middle class America, because there are many things that government cannot and should not do. The most important things in the world to us -- our commitments, our values, our work, our family, our communities -- by and large operate independent of the government.

Today we're having a great debate here in Washington about what role our national government should play, and how far we can go in working together and moving together. Really, the debate has been going on for at least 15 years now -- a debate that, frankly, I'm getting kind of tired of. An old debate that defends government at every turn; a new debate that attacks government at every turn. An old view that says we should spend more on everything; a new view that says we should spend less on everything. An old view that said we should do more of everything; a new view that says we should do less of everything. Both views defy our

common experience, our common sense, and what we see about what's working not only here in the United States, but around the world.

What works is when the government, in my judgment, focuses on four things: First of all, creating economic opportunity -- jobs -- working for better jobs and higher incomes, and demanding responsible behavior from citizens in return.

I had an economic meeting in Atlanta last week, and Hugh McColl, from North Carolina, the chairman of NationsBank, pointed out that about that time, he said, tonight your basketball team and mine are going to have a basketball game. And the referee is going to throw the ball up, make sure the playing field is level, enforce the rules, and otherwise get out of the way. And that's about what the government ought to do. But we have to make sure the playing field is level -- (applause) -- that there are rules that are enforced, and we get out of the way. (Applause.)

The second thing that we have to pay attention to is the security of our people -- our security from attack from abroad, and our security from within. I'm proud of the fact that since I have been President, for the first time since the dawn of the nuclear age there are no Russian missiles pointed at the children of the United States of America. I am proud of that. (Applause.) But I know and you know that our security is also threatened by crime and violence and drugs on our streets. And our security is also threatened by the things which are breaking our families apart and punishing people who are doing their best to do the right things.

That's why we worked so hard to pass that crime bill with 100,000 police on the streets, and with prevention programs to give our kids something to say yes to; and why we should not walk away from our commitment to putting 100,000 police on the street. Violent crime has tripled in the United States in the last 30 years; the police forces have expanded by 10 percent. You don't have to be a rocket scientist to know that we could lower the crime rate if we did what city after city after city is doing now and put more police on the block, working with kids, trying to prevent crime and catch criminals quicker. And we must not back away from that commitment to our security. (Applause.)

And there is another element to our security, too. It's what happens to families. Are we really going to reward work? Are we going to permit people to be successful workers and successful parents? Most places today, whether they're single-parent or two-parent households, all the parents are working. That's why I fought so hard for the Family and Medical Leave Act. I saw that as a question of family security -- why I want to see all the children in this country immunized; why in the economic plan last year we insisted that we give tax breaks for families with incomes just above the poverty line so we would not encourage anybody to slip back into welfare, and because nobody who works full-time and has children in the home should live in poverty in this country. If you work hard, you ought to be able to have a decent life. (Applause.)

The third thing we have to do is to reform the government. We do have to change it. It ought to be smaller. It ought to be less bureaucratic. We ought to give more decisions back to the state and local government. We ought to give more decisions back to private citizens in their own lives. We ought to have government that meets tomorrow's problems, not yesterday's.

That's why we've worked hard at deregulation and why we have given more responsibility to states in the area of welfare and health care reform than -- in two years -- than the last two administrations combined did in 12 years. We have been the administration that has pushed the decentralization of authority for solving a lot of our problems. And we've reduced the size of

government. There are over 100,000 fewer people working for the federal government today than there were on the day I became President.

And we have also decided that we have to solve some problems too long ignored. In a little-known action at the end of the last Congress, there was a reform in the United States pension systems which saved the pensions of 8.5 million working Americans who were in danger of losing their pensions, and protected the pensions of over 30 million more. We still have work to do, and when we have to do it, we should do it well. (Applause.)

The fourth thing we have to do -- and maybe the most important of all -- is to help our people make the most of their own lives by making sure that everywhere -- everywhere -- we have a system of lifetime education and training that will permit people always to find work and always to compete and win in the global economy. That is what I think the job of government is -- create jobs, get better paying jobs, increase the security of the American people, make the government smaller and less bureaucratic, but do the job that has to be done, and give people the skills they need to make the most of their own lives. That should be our road map.

If we could create opportunity, and we can insist on more responsibility from the American people -- and I believe that strongly; that's what welfare reform is all about -- we'll help you if you're in trouble, but not for a lifetime. You've got to go to work sometime. I think that's what child support enforcement is all about. If you've got the money, you ought to be taking care of your kid, not asking the taxpayers to do it. That's what enforcing the -- (applause.) That's what enforcing the student loan program is all about. I increased the availability of student loans, but when I became President it was costing you \$2.8 billion a year because people weren't paying the loans back. We've cut that down to a billion dollars a year. If people borrowed money from the government to go to college, they ought to pay it back when they get a job so other kids can borrow the money when they come along. (Applause.)

I have called this new arrangement the New Covenant. What it means to me is simple: The government should try to create more opportunity, but the citizens of this country are going to have to behave more responsibly in seizing it. And if you put the two together, there will be no stopping the United States.

Now, if you look at what's been accomplished in the last couple of years, I think the most important thing is that we have changed the direction of economic policy in this country. We went beyond the old debate. There's no more tax and spend, but there's not more trickle-down, either. This is invest and grow economics. And look at the results. (Applause.)

Two years ago when we were fighting for the economic plan, the people who were against it said the sky would fall. If the President's plan passes, the economy will be wrecked. Everything will be terrible. Some said I was cutting too much. Some said it was an error to raise taxes on the wealthiest Americans to put against the deficit because that would hurt the economy. Well, two years later, we have over 6 million new jobs and the lowest combined rates of unemployment and inflation in 25 years. (Applause.)

In reducing the deficit by \$600 billion, we took \$10,000 in debt off the future of every family in the United States. In cutting taxes for 15 million working families, this year, on average, families with two kids with an income of \$25,000 a year or less will pay about \$1,000 less in taxes than they would have if that economic plan hadn't passed. We made it possible for our country to say, if you work 40 hours a week and you have a child in your home, you will not be in poverty. That is important, folks. If you want people to

get off welfare, we have to reward work. And it's also why, by the way, we ought to raise the minimum wage -- because people can't live on it. (Applause.)

And we didn't just spend more money on everything. We cut 300 programs, and the new budget I proposed cuts or consolidates 400 more.

We've also done what we could to help those of you in labor who have been taking responsibility all along. Last year, the AFL-CIO listed all the bills supported by organized labor that I signed into law. As of last fall, there were 32 of them -- motor voter, Family and Medical Leave, the assault weapons ban, to name just a few. Laws that increased our security as workers, parents and citizens.

But, you know, in spite of all this, there's still a lot more to do. I have people all the time come up to me in kind of bewilderment and say, well, things are going well in my business. Things are going well for our country. This country is in better shape than it was two years ago. Why are people still so negative about the future of the country? When you ask people what about the direction of the country, they say they are worried. I was interviewed by a magazine the other day saying their annual readers poll said that people understood that things were getting better, but they were more worried about their personal security than ever before. Why is that?

Well, there's a reason for that. The global economy has imposed new challenges and new burdens on our country and every wealthy country in the world, and runs the risk in our country of literally splitting apart the American idea. Let me explain what I mean by that.

From the time I was born at the end of World War II until the year I was elected governor of my state for the first time, 1978, the American people moved forward in absolute lock-step. That is, if you break the economy into people who are in the lowest 20 percent and the second and so forth on to the top 20 percent, all of them had about the same increase in their incomes. Incomes roughly doubled in America from 1950 to 1978 evenly across the board, except the poorest 20 percent had an increase of 140 percent. So we were all going forward and we were actually coming together.

Since 1978 that's all changed. Wages have been stagnant and not kept up with inflation on average for hourly-wage earners. And in the last 15 years, half of the American people are now living for the same or lower earnings that they were making 15 years ago when you adjust for inflation. Why? Because of the way the technology revolution and the global economy, where management and money and technology can fly across national borders, have divided opportunity, so that people with high levels of skill in growth industries tend to do well, and people with lower skill levels tend to get hurt. And then, if our government walks away from its obligations to invest in our future, even more people get hurt.

The other thing that's happened is because the economy is changing so fast, even a lot of people that are doing well today think they're waiting for the other shoe to drop. So many big companies getting smaller all the time. You ought to read my mail about it. People my age, even young people I grew up with -- not so young anymore -- writing me, saying, you know, I've worked for this company for 25 years; I've got to send my kids to college; we're doing great now, but what happens if they lay me off?

So there is this uncertainty in our country today, even though we are clearly in better shape than we were two years ago. We've turned away from the false choice between tax and spend and

trickle-down economics. We're moving in the right direction. The question is, how can we get everybody involved in the American Dream? How can we reward everyone's work? How can we make people more secure in living with all these changes that are rifling through the world? That is the burden that I carry to the office every day, because I know -- I know that if everybody in this country had a chance to live their lives the way most of you have lived your lives and raised your kids, this country would be fine, and our future would be unlimited.

The key to the 21st century, more than anything else, is clearly, education for young people, lifetime job training for adults. It is clear that if we can raise the skill levels of our people, constantly and permanently, and continue to change the job mix so that we're always getting America's share of those high-wage jobs, we can keep the American Dream alive and we can stop the middle class from splitting apart, so that everybody can grow and prosper. That is our great challenge. And that is the one we must not walk away from.

You have been working on this for years. You've had opportunities to train a new generation of builders. I want to especially commend the outreach programs that you've had with the Housing and Urban Development Department, reaching deep into our cities, taking thousands of young people from housing projects, teaching them the skills and clearing away the obstacles to job opportunities. You have done some things that the government could not do. And I thank you for that. I know that Bob really cares a lot about this outreach program because he spent his own early years in housing projects in Chicago. This is the kind of partnership we need more of.

For government's part, we have to do more, as well. In 1994, the educational experts said that the United States Congress, in passing our education program, did more for education than had been done in Washington in 30 years. We expanded Head Start. We established the Goals 2000 program, which writes the national education goals into law, but gives our local schools more flexibility in how they spend federal money to achieve excellence. We dramatically increased the number of programs around our country for apprenticeships from young people leaving high school who aren't going on to college. And we expanded the availability of college loans to the middle class, at lower cost and better repayment terms.

And of course, our national service program, AmeriCorps, is now bigger than the Peace Corps ever was. And there are 20,000 young people all across America working in community service projects, doing things that need done and earning funds to go on to college.

Those are the kinds of things we must do more of. Those are the kinds of things that are important. That's why I said a moment ago that if we work on education and we work on incomes, the rest of this will pretty much take care of itself, I think. That's why I hope the Congress this year will not only raise the minimum wage, but with all this tax cut talk, we can't afford a lot of these tax cuts. We've got too big a deficit. But we ought to give the middle class a break. And the most important thing we could do is give people a tax deduction for any costs they or their children have for any education after high school, because that will raise incomes over the long run. (Applause.)

Let me just ask you one other thing I want you to think about. There are a lot of exciting things going on in this town these days. And as I said, we are debating the role of government. But there must be a distinction made. If you don't believe in tax-and-spend economics; and you don't believe in trickle-down economics, and you do believe in invest-and-grow economics, and you've seen how

it is working the last two years, then you also have to reject this debate that we should spend more money on everything or we should spend less money on everything.

We have to make judgments up here based on what is important. Therefore, I would say, let's cut more spending. I have cut and cut and cut, and I want to cut some more. We've got to get this budget deficit down further. We can bring this budget into balance, and we can do it in a fair way. But we have to make judgments. We should not be cutting Head Start. We should not be cutting aid to the public schools. We shouldn't be cutting the apprenticeship programs. And we certainly shouldn't be limiting the availability of college loans to the middle class. We shouldn't be adding to the cost of college education for working families.

These are proposals that I think are wrong. We shouldn't be eliminating national service. And we certainly shouldn't be doing all these things either to pay for a tax cut for the wealthiest Americans or because we refuse to find other things to cut. That is wrong. Let's make decisions, and let's do it right, and let's stick up for education and training. (Applause.)

And you have issues in this Congress -- Bob referred to one of them, the Davis-Bacon law. We need to make this economy more competitive. But we need more high wages. We don't need a low-wage strategy. We need a high-wage strategy for the future. We need a high-wage strategy. (Applause.)

Like every other law, it shouldn't be abused. We should not pretend it's something it's not. But it is a decent thing to say that the government should stand on the side of good wages and the real wages in the community that are good and fair.

I've made appointments, like Bill Gould to the National Labor Relations Board, and Fred Feinstein to be the General Counsel, who now have given you a board that believes in the process of collective bargaining and one that believes we can be fair to workers. These are the kinds of things that we ought to do if you believe our future is in working together.

I'm not for repealing Davis-Bacon. (Applause.) I also believe that we should not walk away from our commitment to safety in the American workplace. (Applause.) In 1993 there were more than half a million construction injuries, and over 900 fatalities. We can reform OSHA in ways that you feel better about it, and employers feel better about it, where it works better and makes more sense, and helps you get more jobs and gain more income, and helps them make bigger profits. But we cannot walk away from the fundamental fact that before we were committed to worker safety, a lot more people died in the work place; a lot more people were permanently maimed in the work place; a lot of more people were hurt in the work place. There is a right way and a wrong way to reduce the burden of government.

I could just -- let me mention one other thing that affects some of your industries. I believe with all my heart if we hadn't passed the environmental protection legislation in the 1970s, the air would not be as clean, the water would be as pure as it is today and the legacy we're going to pass along to our children would not be as good. I believe that. I also believe, like any government bureaucracy, there are things about the EPA that ought to be changed. So we're going to more market-based incentives to give companies incentives to clean up the environment. And Carol Browner, our Administrator, is reducing by 25 percent the paperwork burden of the EPA. It will free up 20 million man-hours of work next year. That's a lot of time in a lot of industries that all of you work in.

We're trying to give small businesses a break. We're saying to small businesses -- I was at a union print shop in Virginia a couple of weeks ago to announce this -- if you worry about whether

you've got an EPA violation and you're afraid to call because you're afraid they'll fine you, now we're going to set up a compliance center, and if you call there and ask, if you ask, you can't be fined for six months. And you're going to be given a chance to clean up the problems.

I think we can change the way government regulation works to make it less nutty. But let's not forget that we have a common public interest in a safe workplace. We have a common public interest in a clean environment. And we have a common public interest in having a high-wage, high-growth partnership economy -- (applause) -- not a low-wage, stagnant, divided economy. (Applause.)

So I say to you, engage the members of Congress. Tell them you welcome the debate about the role of government. But government has certain responsibilities: first of all, to change and get rid of the past stuff that doesn't work; to create more opportunity; to provide more security; to insist on more responsibility, but to give people the education and training and skills they need to make it in the 21st century.

I'm telling you that if we take advantage of this time, if we keep the economic strategy that we have adopted -- that I hammered through the Congress by the narrowest of margins, with all the doubters saying, well, we had to either have tax-and-spend or trickle-down, and I knew this was the right thing to do -- if we will stay with this economic strategy, and then, aggressively go after strategies to raise wages, raise incomes, educate and train people, and if we don't throw out the baby with the bath water, this country is going to do just fine.

I am looking for a future for America like the ones most of us who are my age in this audience used to take for granted. And we can give it to our kids, but only if we are tough enough and wise enough and compassionate enough to do what we know in our heart is right. You help, we'll do it.

Thank you, and God bless you. (Applause.)

END

10:55 A.M. EDT



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REMARKS: HAROLD,
HAPPY New Year
Joe Jamison

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Remarks by John Sweeney President, AFL-CIO National Press Club December 15, 1995

Thank you for inviting me to speak with you on behalf of American workers and their families.

Two weeks ago, I had the honor of joining President Clinton's journey of peacemaking all across Ireland. Most Americans think of the problem in Northern Ireland as a religious and political divide -- and, of course, it is. But it is important to understand that this generation of "the troubles" began because of an economic divide, as well.

In 1968, large numbers of Catholics began to protest against the discrimination that denied them good jobs in growing industries. They were inspired, in part, by the civil rights struggle in our own country, which was a movement for jobs and freedom.

After more than a quarter-century of struggle, progress is being made. That is why one of our first stops in Northern Ireland was at the Mackie Engineering Works plant in Belfast.

For years, that plant was a symbol of discrimination and division. Now it is a symbol of progress and peace. On the shop floor, Catholics and Protestants work together. At the bargaining table, labor and management are cooperating. Productivity, profits and wages are all rising, and management is investing in new equipment and new jobs.

The lesson is clear: When there is dignity for everyone, everyone wins.

What is happening at Mackie may happen throughout Northern Ireland. Thanks in large measure to President Clinton's brave peacemaking, Catholics and Protestants, Dublin and London, are closer together than at any time in a generation. In that land of pain and poetry, hope and healing may finally prevail over division and despair.

That is why I found more joyous optimism on the streets of Derry and Belfast than I've seen in Detroit or the Bronx. In fact, I felt mixed feelings coming back from the peacemaking in Ireland to the problems here at home.

**Sweeney/National Press Club
December 15, 1995**

The conflict at Caterpillar, the newspaper strike in Detroit, the contract talks in New York City and the difficulties here in Washington, from the District Building to Capitol Hill, almost made me miss the relative tranquility of Belfast.

Of course, that journey made me prouder than ever of everything America is doing to make peace in Northern Ireland, the Middle East and the Balkans.

I am here today to talk about what we can do to reach another historic agreement: a new social compact between business and labor. To find new ways to grow the American economy, American companies and American wages in the new world economy. And to bridge the growing gap between the great majority of Americans who are working longer and harder for less and the fortunate few who are prospering as never before.

Andy Warhol used to say that everyone will be famous for 15 minutes. Here at the National Press Club, you give your speakers 20 minutes. I promise you that, before my 20 minutes is up, I'll give you a preview of what labor will do next year and a prediction about the 1996 elections.

To the journalists here today, let me offer this advice: The biggest story of our times will be whether America can find a way to restore the sense that we are all moving and advancing together, not sinking separately.

I am a product of the social compact that lifted America out of the Great Depression and lifted working Americans into the middle class.

My father was an Irish immigrant, a New York City bus driver and a proud member of the Transport Workers Union. Some of my earliest memories are of going to union meetings with him. We'd listen to Mike Quill -- whose brogue was better than some I heard in Dublin and Derry -- explain paycheck economics to workers and their families.

Those were tough times. But working people, business people and public officials shared certain understandings -- a social contract, if you will.

Here's what working people knew: If we got up every morning and did our jobs, then we could earn a better life for ourselves and a better chance for our children.

Here's what business people knew: If they paid their workers fairly and plowed some of their profits back into their communities, they could count on loyal employees and loyal consumers. For companies back then, good citizenship was good business.

And here's what our leaders in government understood -- and President Kennedy said it best -- "A rising tide lifts all boats."

**Sweeney/National Press Club
December 15, 1995**

For almost 30 years after winning World War II, we all prospered because we prospered together. We were concerned with raising the standard of living for all Americans -- not just accumulating enormous wealth for a fortunate few. That social compact was a formula for the strongest economy, the largest middle class and the most successful society this world has ever known.

Unfortunately, those days are gone. You all have reported what happened: the oil embargo of 1973; global economic competition; new technologies; and the deregulation of the domestic economy, from transportation to communications.

Business found new ways to compete -- ways that may succeed in the short term but which, I submit to you, are short-sighted and ultimately self-destructive.

They competed, not by American teamwork and American know-how, but by driving down labor costs. Caught in an unforgiving global economy, corporate America too often squeezed the last possible ounce of productivity out of American workers, and then threw them on the scrap-heap of unemployment or old age, with reduced pensions and health coverage.

Consider the stories you've reported on the business page:

Chase Manhattan and Chemical Bank announce a merger that will put 12,000 people out of work ---- and their stock goes up. Does a rising tide now sink all ships -- except for the luxury yachts?

And what's wrong with this picture: Caterpillar is doing great, racking up record profits, enjoying great productivity. So they decide to install a two-tier wage system, schedule work on the weekends without paying overtime and reject pattern bargaining. They force thousands of workers out on strike, commit 300 unfair labor practices and rack up more record profits.

Caterpillar says it did it to stay competitive with Kamatsu. Baloney! Kamatsu is struggling with a global market share below 3 percent, while Caterpillar has the lion's share. Know why? Because the United States government has spent American tax dollars fronting them into emerging nations in Europe, including Russia, and helping arrange financing for their operations through the World Bank!

And, finally, how about this picture: The state of Arizona and the city of Phoenix bail America West Airlines out of bankruptcy with more than \$100 million dollars in tax breaks and revenue bonds. The airline agrees not to contract out hangar jobs and rebounds with 11 straight quarters of profitability and stacks up \$300 million in reserves. Then the Teamsters crank up an organizing drive aimed at machinists working for America West. America West shows its respect for our labor laws and thanks the

**Sweeney/National Press Club
December 15, 1995**

community by illegally firing 500 \$35,000-a-year machinists and contracting out their jobs to a company in Everett, Washington, where machinists make only \$21,000.

That happened last Friday. How many of you want to fly in an airplane that's just been repaired by a \$21,000-a-year rookie mechanic? Raise your hands.

For American workers and their families, these are snapshots from hell. They paint an ugly portrait of an economy that has lost respect for workers and the jobs they do.

In a prophetic article in The New York Times last January, Lou Uchitelle added words to the pictures. "Something is wrong with America's economic boom," he wrote. "After four years of ever-stronger growth, people's wages should be going up faster than their expenses. For most people, they're not, and this is the first time in decades that a recovery has gone so long without putting more money in more pockets. And now, if the recovery runs out of steam in 1995 --- as so many economists predict --- that money might never show up."

You have reported what this means for workers: Between 1947 and 1973, the median paychecks of American workers more than doubled -- and the bottom 20 percent enjoyed the biggest gains. But since 1973, median earnings have fallen by about 15 percent, and the bottom 20 percent have fallen the furthest behind. More than 40 percent of all earnings gains have gone to the richest 1 percent.

Meanwhile, wealth became even more concentrated. The top 20 percent of all households now control more than 55 percent of all wealth. The rest of us -- 80 percent of all American households -- get to split the rest.

Profits are up. Productivity is up. Executive compensation is up. The stock market is up. Worker wages and health benefits and pensions are down.

Now, you're reporting how great gaps in wages and wealth are hurting American companies and the American economy. Think of the hardworking Iowa family Susan Sheehan describes in a recent article in the New Yorker.

Bonita and Kenny Merton live with their two sons in a small home they own in Des Moines. Kenny once had an \$11-an-hour job before the factory closed. Last year, he made \$17,239 hauling sand sacks. Bonita made \$13,977 working full time at Luther Park Nursing home. After 15 years, she's paid \$7.40 an hour, gets a ham at Easter, a turkey at Thanksgiving, \$10 for her birthday and \$20 at Christmas. She pays \$36 a month for health insurance, \$28 a month for dental coverage and gets no pension. Every year they go further and further in debt and there is no hope of ever doing better. Kenny says, "There ain't no middle class no more. There's only rich and poor."

**Sweeney/National Press Club
December 15, 1995**

Now, ask yourself whether families like the Mertons are spending confidently this holiday season. American workers are running out of money, running out of hope and are loaded with debt. That's why retail sales are lagging; why manufacturers are loaded with inventory; and why they cut 32,000 jobs last month. Macy's figured out a new way this week to blame the worker: to compensate for plunging sales, they cut the commissions of their clerks.

And can you imagine in the middle of all of this, the Republicans giving a tax break to the rich by declaring all-out war on the programs and policies Kenny and Bonita depend on just for survival?

You may have seen the television commercials we're running during the current budget battle. In one of them, Father Julio Perez, a priest in Miami, sums it up for all of us when, with his eyes filled with tears, he says: "I came to America in 1954. What a country we had then. What happened to America?"

America is becoming edgier, angrier and meaner. Until we ease the growing gaps in work, wages and wealth, you will be sending more dispatches from a wounded nation - more militia movements, more bombings, more hate crimes and more of the quiet anguish of Americans losing their sense of a common destiny and a common purpose. America will become more like the trouble spots where we send our sons and daughters to keep the peace.

So what can we do about it?

Of course, American business must change. But I stand before you today as president of the AFL-CIO because American labor must also change.

That is why I ran for president of the AFL-CIO, and that is why I won. We understand that while the world and the workplace changed, labor stood still and lost ground.

Just as today I challenge business to change, every day on my job I challenge labor to change.

First, we have to reach out to unorganized workers -- because that is the only way we can build a stronger movement. For too long, too many unions have seemed satisfied with a shrinking membership base. As our membership strength has declined, so has our bargaining power. It used to be that strong unions lifted all workers up; now, non-union employers are dragging all workers down.

Here's the truth: Our weakness encouraged employers to take the low road. Only by rebuilding our strength can we bring American business back to the high road of high wages.

**Sweeney/National Press Club
December 15, 1995**

That is why I am challenging every union and every level of our labor movement to do what the fastest-growing unions do: Put at least 30 percent of our resources into organizing. That is why we will be training at least a thousand organizers a year, pouring \$20 million into organizing programs -- and organizing from the Sunbelt to the Rustbelt and from health care to high tech.

That is why we are rebuilding our grass roots political strength, training candidates and training political organizers. Yesterday, I told a gathering of 30 Democratic senators they can also expect an end to checkbook politics: we're going to demand a voice for the working people of this country in setting strategies, defining messages and issues and a hand in running campaigns.

Second, we have to reach out to management -- from a position of strength -- because that is the only way we can build a stronger, high-wage economy.

We can no longer afford the luxury of pretending that productivity, quality and competitiveness are not our business. They are our business, our jobs and our paychecks. Too many workers have suffered because of failed and foolish, short-sighted management policies. We need to follow the example of workers and their unions in companies and government agencies and school systems across the country who are winning a voice in improving the products they make and the services they deliver.

As labor becomes stronger and smarter, we will really be in a position to offer management this challenge:

*Take your profits and invest them in growing the American economy, American workers, and American wages.

*Offer your workers the training they need for tomorrow's jobs -- not just the big-shots in the executive suites, but all your employees.

*Work with your employees and their unions. Give us a voice in decision-making. Give us half a chance to improve the quality of our goods and services. That is the path to lasting prosperity -- and we want to walk down that road with you.

We will offer this challenge with the confidence that we are prepared for conflict or cooperation -- and the choice is management's to make.

Here's an example. In the Boeing contract just ratified by 32,000 Machinists in Washington, Oregon and Kansas, management agreed to give the workers and their unions a voice in decisions to contract out work -- adequate notice, a chance to bid competitively, retraining and meet-and-confer language. It's a tremendous agreement. The only trouble was, we had to strike for 69 days to get it!

**Sweeney\National Press Club
December 15, 1995**

Our challenge to management is to avoid conflict, not promote it. Let's spend our time and our money and our energy pursuing higher profits and higher wages.

Next year, we will begin to offer these challenges not only to the leaders of labor and business but to all Americans.

Early next spring, the AFL-CIO will begin to hold hearings on falling living standards in communities across the country. We will ask working men and women what is happening to their jobs, their paychecks and their family budgets. We'll take our show on the road -- from Iowa to New Hampshire, from the South to the Midwest and the Far West -- to put the issue of wages at the center of political debate.

We want to get even more of the suggestions that already are pouring in from unlikely sources, like this letter I got last week from Rusty Hills in East Lansing, Michigan. He says, "As a conservative Republican, I suspect you and I part company on most political issues. But as a fellow Catholic, I believe strongly in just wages and an equitable distribution of profits." He goes on to make a recommendation: that we bargain wages by comparing the percentage increase in executive compensation to percentage increases for workers over the past 10 years.

In every speech I give, from the Press Club to the picket lines, I try to make this simple point: America needs a raise. Next year, we'll be asking every candidate for public office to tell working Americans how they'll get them a raise.

Then in June, we're going to start a Union Summer, as we send a thousand college students and young workers to organize voter registration and living wage campaigns across the country. We're going to begin a dialogue with working America -- union members and future members, alike.

And, come September, we'll have a Union Fall, as we organize and mobilize working Americans around the fundamental issue of raising wages and increasing incomes. If Americans vote on the issue of who can lift the poor and secure the middle class, I am confident they will make the right choices for president and Congress.

Here's my prediction for 1996: If the Republicans continue to pursue their extremist economic agenda and Bill Clinton continues to stand tall against it, we will win back the House and re-elect our president. Somebody said the Republicans won the last election by saying, "They took it from you and gave it to them," meaning poor people. We can win this one by saying, "They tried to take it from you and give it to themselves."

If we take that message to every workplace and every polling place, then we will win. And we can begin to close the gap between those who do the work of America and those who control their lives and livelihoods.

**Sweeney\National Press Club
December 15, 1995**

I believe that, in the words of the Nobel Prize-winning poet Seamus Heaney, whose writings inspired so many fighters for peace and justice: "History says don't hope on this side of the grave. But, once in a lifetime, the longed-for tidal wave of justice can rise up -- and hope and history rhyme."

Soon, you will see our labor movement "rising up," like "the longed-for tidal wave of justice." And working men and women will once again make "hope and history rhyme."

-30-

For information: Denise Mitchell 202/637-5340

THE WHITE HOUSE
WASHINGTON

AFL-CIO
-working 2/5 Give
to
John d'C
Done
9 Feb 96

February 2, 1996

Mr. John Sweeney
President
AFL-CIO
805 16th Street, NW
Washington, DC 20006

Dear John:

As always, it was good to see you. You and your colleagues provided a warm reception on a cold, snowy day.

I very much appreciated our time together and felt we had a good exchange. I genuinely feel there are a number of areas in which an ongoing discussion could produce both at least a better understanding of the issues involved and in some cases agreement and common ground regarding certain trade issues. I look forward to working with you and the appropriate people in your organization in that regard and, of course, I appreciate your personal interest and supportive attitude. We will try to get the specific follow-up details worked out in the near term.

Again, thank you for your personal and professional courtesies, and for your support of our Administration.

Personally,



-Mack McLarty

bcc: Eric
Desk
H. A. H.
ICKES

copy

THE WHITE HOUSE

WASHINGTON

21 March 1996

MEMORANDUM FOR LAURA TYSON
GENE SPERLING

FROM: HAROLD ICKES

CC: JENNIFER O'CONNOR

SUBJECT: Meeting with John Sweeney

Leon and I met with John Sweeney last week. Mr. Sweeney suggested he has many good ideas for corporations to feature as examples of good corporate citizens. Please include him in discussions of the upcoming corporate responsibility event(s) you are planning, so that we can take advantage of his ideas.

AFL-CIO
- work

THE WHITE HOUSE
WASHINGTON

March 4, 1996

MEMORANDUM FOR DISTRIBUTION

FROM: Thomas P. O'Donnell *TD*
SUBJECT: Monthly NEC AFL-CIO Meeting

Enclosed is the agenda for tomorrow's NEC meeting with the Executive Officers of the AFL-CIO. I have also enclosed a list of meeting participants, short biographies of the AFL-CIO attendees and a copy of John Sweeney's standard "stump" speech.

The next monthly meeting will be Thursday, April 4 at 11:00 a.m. Starting in May, the monthly NEC AFL-CIO meeting will be held on the first Wednesday of each month at 11:00 a.m. For example, the May NEC AFL-CIO meeting will be held on Wednesday, May 1 at 11:00 a.m.

THE WHITE HOUSE

WASHINGTON

MONTHLY NEC AFL-CIO MEETING

Tuesday, March 5, 1996

Roosevelt Room

10:30 A.M.

AGENDA

1. Opening Remarks and Introductions (Tyson/Sweeney)
2. New Directions at the AFL-CIO (Sweeney)
3. Budget Issues Update (Tyson)
4. General Issues Discussion
 - a. Economic Growth
 - b. Corporate/Business Issues
 - c. Trade
5. Next Meeting/Follow-up (Tyson/Sweeney)

NEC AFL-CIO Meeting Participants
Tuesday, March 5 at 10:30 a.m. in the Roosevelt Room.

ADMINISTRATION ATTENDEES

Laura Tyson - Assistant to the President for Economic Policy

Bob Rubin - Secretary of the Treasury

Gene Sperling - Deputy Assistant to the President for Economic Policy

Dan Tarullo - Deputy Assistant to the President for Economic Policy

Bob Reich - Secretary of Labor

George Stephanopoulos - Senior Advisor To The President And Executive Assistant To The
Chief Of Staff For Policy

Harold Ickes - Deputy Chief of Staff for Policy and Political Affairs

David Strauss (for Ron Klain) - Deputy Chief of Staff to the Vice-President

Doug Sosnik - Assistant to the President Director of Political Affairs

John Hilley - Assistant to the President and Director of Legislative Affairs

Tom O'Donnell - Chief of Staff to the Assistant to the President for Economic Policy

Jennifer O'Conner - Special Assistant to the President for Policy and Political Affairs

AFL-CIO ATTENDEES

John Sweeney - President of the AFL-CIO

Rudolph Oswald - Director of Economic Research for the AFL-CIO

Gerald Shea - Assistant to the President for Government Affairs of the AFL-CIO

Peggy Taylor - Director of Legislation for the AFL-CIO

Robert Welsh - Executive Assistant and Chief of Staff to the President of the AFL-CIO

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American Federation of Labor and Congress of Industrial Organizations



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JOHN J. SWEENEY AFL-CIO President

John J. Sweeney was elected president of the AFL-CIO at the federation's biennial convention in New York October 1995.

At the time of his election, Sweeney was serving his fourth four-year term as president of the Service Employees International Union, which grew from 625,000 to 1.1 million members under his leadership. He also was a vice president of the AFL-CIO and chair of Executive Council committees on Health Care and Organization and Field Services.

Sweeney's first job in the labor movement was with the International Ladies' Garment Workers, which earlier this year merged with the Clothing and Textile Workers Union to form UNITE. He began his SEIU career in 1960 when he first joined Local 32B in New York City as contract director. Sweeney was elected president of Local 32B in 1976, and led two citywide strikes of apartment maintenance workers, including an eight-day landmark strike of 20,000 workers in 1979. He was elected to the SEIU Executive Board in 1972 and became SEIU president in 1980.

Sweeney is a board member of the American Arbitration Association, the American Red Cross, the Catholic Youth Organization and the Citizen-Labor Organization; he is a trustee of the Asian-American Free Labor Institute, the George Meany Center for Labor Studies and Iona College.

He has served with the National Committee on Employment Policy (1995), the International Labor Organization in Geneva (U.S. worker delegate, 1984, 1985 and 1991), the Federal Mediation and Conciliation Service Advisory Council (current) and the 1992 Democratic National Convention (delegate). He co-authored *Solutions for the New Work Force* in 1989 and co-edited the UNA-USA Economic Policy Council's *Family and Work: Bridging the Gap* in 1987.

John J. Sweeney was born [REDACTED] (b)(6) He graduated from Iona College in New Rochelle, N.Y., with a degree in economics. He lives in Washington with his wife, Maureen, a former New York City school teacher, and their two children, John and Patricia. [002]

November 22, 1995

American Federation of Labor and Congress of Industrial Organizations



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Garo Upshaw
Moe Blier
James J. Norton
Frank Hunt
Stephen P. Yalich
M.A. "Mac" Fleming
Joe L. Greene
James LaSala
Andrew McKenzie
Robert A. Scardelletti

RICHARD L. TRUMKA AFL-CIO Secretary-Treasurer

Richard L. Trumka was elected Oct. 25, 1995, as the youngest secretary-treasurer in AFL-CIO history, part of an insurgent campaign to reinvigorate the American labor movement.

At the time of his election, Trumka, 46, was serving his third term as president of the United Mine Workers of America. A member of the AFL-CIO Executive Council since 1989, he chaired the Strategic Approaches and Energy Committees and served on the executive boards of the Industrial Union, Maritime Trades and Transportation Trades Departments.

In 1994, President Clinton named him to the Bipartisan Commission on Entitlement and Tax Reform, where he represented the interests of working families in policy debates on Social Security, pensions and health care.

During his tenure as UMWA president, Trumka led two major strikes against the nation's coal companies — Pittston in 1989 and the Bituminous Coal Operators in 1993 — that resulted in significant advances in employer-employee cooperation and the enhancement of mine workers' job security, pensions and benefits.

UMWA victories in those disputes were assisted by international campaigns that Trumka developed. As chairman of the committee on strategic approaches, he was instrumental in developing tactics to bring the pressure of international labor to bear on multinational conglomerates involved in disputes with U.S. workers. He also serves on the executive boards of the International Miners Federation and the International Confederation of Free Trade Unions, and played a key role in organizing a new global coalition of coal miners' unions in five countries.

Trumka is a third-generation coal miner from Nemacolin, Pa., who began working in the mines at the age of 19. He joined UMWA Local 6290, serving as safety committee chairman. He soon became an activist in the Miners for Democracy reform movement.

In the early 1970s, he graduated from Pennsylvania State University and later earned a law degree from Villanova University Law School. After serving four years on the UMWA legal staff during the reform administration of Arnold Miller, he returned to the mines in

Trumka

2

1978. He was elected to the union's executive board in 1981. He was first elected president of the union in 1982.

He has received numerous awards, including the 1995 Gompers-Murray-Meany Award from the Massachusetts AFL-CIO and the Labor Responsibility Award from the Martin Luther King, Jr. Center for Nonviolent Social Change in 1990.

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James LaSala
Andrew McKenna
Robert A. Scardolotti

LINDA CHAVEZ-THOMPSON AFL-CIO Executive Vice President

Linda Chavez-Thompson was elected executive vice president of the AFL-CIO Oct. 25 at the federation's convention in New York, part of an insurgent campaign to reinvigorate the American labor movement.

A second-generation American of Mexican descent, Chavez-Thompson has 27 years experience in the labor movement. She rose from the organizing ranks of her union, the American Federation of State, County and Municipal Employees, to become the first person of color elected to an executive office of the AFL-CIO. She is the highest ranking woman in the labor movement.

Prior to her election as executive vice president, Chavez-Thompson served as a vice president of the AFL-CIO since Oct. 1, 1993. She served on the Executive Council committees on Full Participation, International Affairs, Article XX Appeals and Housing. She was elected national vice president of the Labor Council for Latin American Advancement in 1986, and continues to serve in that capacity.

Chavez-Thompson was elected vice president of AFSCME in June 1988 and again in June 1992 without opposition. As vice president of AFSCME, she directed the union's efforts in a seven-state district -- Arizona, Colorado, Nevada, New Mexico, New Mexico, Oklahoma, Texas and Utah -- that is widely recognized as unfriendly to labor. But she achieved numerous successes there, including an organizing drive in Texas that brought in 5,000 new members over the past five years, and the passage of a collective bargaining law for public employees in New Mexico.

She was elected executive director of AFSCME Council 42 on Feb. 4, 1995, responsible for advancing legislative, political action and education programs of more than 17 local unions that make up the council.

Born (b)(6) to sharecropper parents (b)(6) Chavez-Thompson [003] began her trade union career as a union secretary. She served as an AFSCME international representative 1971 to 1973; assistant business manager and business manager of AFSCME Local 2399 in San Antonio from 1973 to 1977; and executive director of AFSCME Local 2399 from September 1977 to February 1995.

Chavez-Thompson

2

Chavez-Thompson has served on the Board of Directors of the American Cancer Society and the United Way; President of the San Antonio/Bexar County Public Employee Council; the Martin L. King Commission; the Board of Trustees of San Antonio's VIA Metropolitan Transit Authority; the Governor's Health Policy Task Force and the Mayor's Commission on the Status of Women.

Prior to moving to Washington, D.C. in November 1995, Chavez-Thompson had resided in San Antonio since 1972. She is the widow of Robert Thompson, has two children by a previous marriage and a grandson.

November 15, 1995

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RUDOLPH A. OSWALD

Rudy Oswald is the Director of Economic Research for the AFL-CIO. He has served in that position since 1976, having previously served as the Research Director of two AFL-CIO affiliated unions, the Service Employees International Union and the International Association of Fire Fighters. He was also the Assistant Director of the AFL-CIO's Education Department.

He serves on various government advisory bodies, including the Advisory Committee on Trade Negotiations, the Panel of Economic Advisers to the Congressional Budget Office, and the Labor Advisory Committee to the Bureau of Labor Statistics. He serves on the Boards of the National Bureau of Economic Research, the National Planning Association, the Joint Council on Economic Education and is a past president of the Industrial Relations Research Association.

He was educated at Holy Cross University, received his Masters from the University of Wisconsin and his Ph.d from Georgetown University. He attended the University of Munich as a Fulbright Scholar.

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**Bio for Peggy Taylor
Director, Department of Legislation
AFL-CIO**

Peggy Taylor became the Director of Legislation on March 1, 1995.

She had been the AFL-CIO's Associate Director for the Department of Legislation since March 1986.

Taylor has been an AFL-CIO legislative representative since 1979, specializing in budget, appropriations, and defense conversion issues.

Before coming to the AFL-CIO staff, she was a professional staff member of the House Budget Committee, dealing primarily with labor and employment issues. She previously served on the Senate Labor subcommittee with responsibilities including occupational safety and health programs.

GERALD M. SHEA

Gerry Shea is currently Assistant to the President for Government Affairs of the AFL-CIO. Mr. Shea was appointed to this position by President John J. Sweeney who was elected on October 25, 1995.

Prior to this appointment, from June 1994 through October 1995, Mr. Shea served as executive assistant to the AFL-CIO secretary-treasurer, and, later, executive assistant to the president. From August 1993 through May 1994, Mr. Shea was director of the AFL-CIO Employee Benefits Department.

Before coming to the AFL-CIO, Mr. Shea held the position of Assistant to the President for Government Affairs for the Service Employees International Union. He began his tenure with SEIU in 1972 as an organizer for the Massachusetts Hospital Workers Organizing Committee. Later, he served the union in various capacities, including executive director, Local 880; business manager, Local 285; Health Care Coordinator and, later, Healthcare Division Director for SEIU.

Mr. Shea is a member of the 1995 Advisory Council on Social Security and the Prospective Payment Advisory Commission.

Mr. Shea is a native of Massachusetts and a graduate of Boston College.

November 1995

not current

Robert William Welsh, Jr.

**Executive Assistant to the International President
Service Employees International Union
AFL-CIO, CLC**

Bob Welsh has been the chief of staff and top aide to the President of the Service Employees International Union since 1976. He was named to this position by former International President George Hardy and has served under President John Sweeney since Sweeney's election in 1980.

As Executive Assistant to the President, he has overall responsibility for the administration of the International Union, overseeing staff of more than 400 and an annual budget of over \$50,000,000.

Prior to becoming Executive Assistant to the President, he served as Assistant to the Executive Secretary for three years. He began his career in the labor movement with the AFL-CIO in 1972.

Prior to 1972 he worked as a community organizer for the National Center for Urban Ethnic Affairs.

Welsh holds an undergraduate degree in American History from the University of Virginia and a Masters in Public Administration from the American University.

He was elected to the Service Employees International Union Executive Board in 1992 where he serves as Vice Chair of the SEIU Committee on the Future, chaired by International Vice President Betty Bednarczyk.

He is on the board of the National Consumers league, and a member of the Industrial Relations Research Association. He is active in community affairs.

He is married to the former Joan Seidman and has three children.

+ Chief of Staff
Update: Currently Exec. Asst. to the President of the AFL-CIO

**Remarks by John J. Sweeney
President of the AFL-CIO**

**The Business Council
Washington, DC**

February 29, 1996

Thank you for that cordial introduction and thank you for inviting me here to speak to you on behalf of American workers and their families.

I am here today to talk about what we can do to find new ways to grow the American economy, American companies, and American wages in the new world economy. And bridge the growing gap between the great majority of Americans who are working longer and harder for less and the fortunate few who are prospering as never before.

In the process, I'm going to say some things about American business that will not be especially flattering. I offer my criticisms in a spirit of goodwill and I offer my apologies if you or your company are exceptions to the generalizations I make.

I am a product of the social compact that lifted America out of the Great Depression and lifted working Americans into the middle class.

My father was an Irish immigrant, a New York City bus driver, and a proud member of the Transport Workers Union. Some of my earliest memories are of going to union meetings with him. We'd listen to the thick brogue of Mike Quill as he explained paycheck economics to workers and their families.

Those were tough times. But working people, business people, and public officials shared certain understandings -- a social contract, if you will.

Here's what working people knew: If we got up every morning and did our jobs, then we could earn a better life for ourselves and a better chance for our children.

Here's what business people knew: If they paid their workers fairly and plowed some of their profits back into their communities, they could count on loyal employees and loyal consumers. For companies back then, good citizenship was good business.

And here's what our leaders in government understood -- and President Kennedy said it best: "A rising tide lifts all boats."

For almost 30 years after winning World War II, we all prospered because we prospered together. We were concerned with raising the standard of living for all Americans -- not just accumulating enormous wealth for a fortunate few. That social compact was a formula for the strongest economy, the largest middle class, and the most successful society this world has ever known.

Unfortunately, those days are gone. You all know what happened: the oil embargo of 1973; global economic competition; new technologies; and the deregulation of the domestic economy -- from transportation to communications.

Many businesses, and especially larger corporations, found new ways to compete -- ways that may succeed in the short-term but which, I submit to you, are short-sighted and ultimately self-destructive.

They competed, not by American team-work and American know-how, but by driving down labor costs. Caught in an unforgiving global economy, corporate America too often squeezed the last possible ounce of productivity out of American workers. And then threw them on the scrap-heap of unemployment or old age, with reduced pensions and health coverage.

Consider the stories you've been reading on the business page:

Chase Manhattan and Chemical Bank announce a merger that puts 12,000 people out of work and their stock goes up. AT&T says they plan to lay off 40,000 men and women and their stock goes up. Does a rising tide now sink all ships --- except for the luxury yachts?

And what's wrong with this picture: Caterpillar is doing great, racking up record profits, enjoying great productivity. So they decide to install a two-tier wage system, schedule work on the weekends without paying overtime and reject pattern bargaining. They force thousands of workers out on strike, commit 300 unfair labor practices, and rack up more record profits.

Caterpillar says it did it to stay competitive with Kamatsu. Baloney! Kamatsu is struggling with a global market share below three percent, while Caterpillar has the lion's share. Know why? Because the United States government has spent American tax dollars fronting them into emerging nations in Europe, including Russia, and helping arrange financing for their operations through the World Bank!

And, finally, how about this picture: The State of Arizona and the City of Phoenix bail America West Airlines out of bankruptcy with more than \$100 million dollars in tax breaks and revenue bonds. The airline agrees not to contract out hangar jobs and rebounds with 11 straight quarters of profitability and stacks up \$300 million in reserves. Then the Teamsters crank up an organizing drive aimed at machinists working for America West. America West shows its respect for our labor laws and thanks the community by illegally firing 500 \$35,000-a-year machinists and contracting out their jobs to a company in Everett, Washington, where machinists make only \$21,000.

That happened last December. Now tell me, really, "How many of you want to fly in a 757 that's just been repaired by a \$21,000 rookie mechanic?" Raise your hands.

For American workers and their families, these are snapshots from hell. They paint an ugly portrait of an economy that has lost respect for workers and the jobs they do.

In a prophetic article in The New York Times last year, Lou Uchitelle added words to the pictures. "Something is wrong with America's economic boom," he wrote. "After four years of ever-stronger growth, people's wages should be going up faster than their expenses. For most people, they're not, and this is the first time in decades that a recovery has gone so long without putting more money in more pockets. And now, if the recovery runs out of steam that money might never show up."

Here's what's wrong with America's economic boom: Between 1947 and 1973, the median paychecks of American workers more than doubled -- and the bottom 20 percent enjoyed the biggest gains. But since 1973, median earnings have fallen by about 15 percent, and the bottom 20% have fallen the furthest behind. More than 40 percent of all earnings gains have gone to the richest one percent.

Meanwhile, wealth became even more concentrated. The top 20% of all households now control more than 55% of all wealth. The rest of us -- 80% of all American households -- get to split the rest.

Profits are up. Productivity is up, executive compensation is up and the stock market is up. But worker wages and health benefits and pensions are down.

Now we are finally beginning to hear how this great disparity is hurting American workers as well as the American economy. Think of the hardworking Iowa family Susan Sheehan describes in a recent article in The New Yorker.

Bonita and Kenny Merton live with their two sons in a small home they own in Des Moines. Kenny once had an \$11-an-hour job before the factory closed. Last year, he made \$17,239 hauling sand sacks. Bonita made \$13,977 working full time at Luther Park Nursing home. After 15 years, she's paid \$7.40 an hour, gets a ham at Easter, a turkey at Thanksgiving, ten dollars for her birthday and \$20 at Christmas. She pays \$36 a month for health insurance, \$28 a month for dental coverage, and gets no pension. Every year they go further and further in debt and there is no hope of ever doing better. Kenny says, "There ain't no middle class no more. There's only rich and poor."

Like the Mertons, millions of American workers are running out of money, running out of options and running out of hope. They've exhausted their savings accounts, they are working two and three jobs and they are loaded with debt. They see the stock market soaring and profits roaring and they wonder, "Who the hell is getting my share?" They are frustrated and bitter and their anger is exceeded only by anxiety over possibly losing their jobs.

And can you imagine in the middle of all of this, the radical Republicans in the House giving a tax break to the rich by declaring all-out war on the programs and policies Kenny and Bonita depend on just for survival?

Because of the wage and the wealth gap, America is becoming edgier, angrier, and meaner. Until we ease the growing gaps in work, wages, and wealth, we will be reading more dispatches from a wounded nation -- more militia movements, more bombings, more hate crimes, and more of the quiet anguish of Americans losing their sense of a common destiny and a common purpose. America will become more like the trouble spots where we send our sons and daughters to keep the peace.

So what can we do about it?

Of course, American business must change. But I stand before you today as President of the AFL-CIO because American labor must also change.

That is why I ran for President of the AFL-CIO, and that is why I won. We understand, that while the world and the workplace have changed, labor stood still and lost ground. Just as today I challenge business to change, every day on my job I challenge labor to change.

Here's the truth: Our weakness encouraged employers to take the low road. And, only by rebuilding our strength, can we bring American business back to the high road of high wages. That is why I am challenging every union and every level of our labor movement to do what the fastest-growing unions do: Put at least 30 percent of our resources into organizing. That is why we will be training at least a thousand organizers a year, pouring millions into organizing programs; and organizing from the sunbelt to the rustbelt and from health care to high tech. That is why we are rebuilding our grassroots political strength, training candidates, and training political organizers.

Second, we have to reach out to business, to management -- from a position of strength -- because that is the only way we can build a stronger, high-wage economy.

We can no longer afford the luxury of pretending that productivity, quality, and competitiveness are not our business. They are our business, our jobs, and our paychecks. Too many workers have suffered because of failed and foolish shortsighted management policies. We need to follow the example of workers and their unions in companies and government agencies and school systems across the country who are winning a voice in improving the products they make and the services they deliver.

As labor becomes stronger and smarter, we will really be in a position to offer business a challenge: take some of your profits and invest them in growing the American economy, American workers, and American wages. Offer your workers the training they need for tomorrow's jobs -- not just the big-shots in the executive suites, but all your employees.

Work with your employees and their unions. Give us a voice in decision-making. Give us half a chance to improve the quality of our goods and services. That is the path to lasting prosperity -- and we want to walk down that road with you. Our challenge to management is to avoid conflict, not promote it; let's spend our time and our money and our energy pursuing higher profits and higher wages.

This year, we will begin to offer these challenges not only to the leaders of labor and business but to all Americans. Later this month, the AFL-CIO will begin to hold hearings on falling living standards in 29 communities across the country to put the issue of wages and wealth at the center of political debate. We will ask working men and women what is happening to their jobs, their paychecks, and their family budgets.

We want to get even more of the suggestions that are already pouring in from unlikely sources, like a letter I got last month from Rusty Hills in East Lansing Michigan. He says, "As a conservative Republican, I suspect you and I part company on most political issues. But as a fellow Catholic, I believe strongly in just wages and an equitable distribution of profits." He goes on to make a recommendation: that we bargain wages by comparing the percentage increase in executive compensation to percentage increases for workers over the past 10 years.

In every speech I give, from the Business Council to the picket lines, I'm trying to make this simple point: America needs a raise. And the sooner we get together and deliver one, the better off we will be, labor and management alike. So, let me offer, through you, a final challenge to American business: Labor's victories can be your victories, too. With decent paychecks, we can buy your products and services.

With a little respect -- as that song says -- we can help you compete in the global economy. We are going to challenge American business to use our brains as well as our backs, to let workers and their unions contribute to your decision-making process, to let us help you make the hard choices that affect our family budgets as well as your bottom lines.

For American business, this is our message: Join us in supporting public policies and private initiatives to build a path to a new shared prosperity for American business AND American workers.

Thank you very much

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For information: Denise Mitchell 202/637-5340

AFL-CIO

May 9, 1996

MEETING WITH AFL-CIO PRESIDENT JOHN SWEENEY

DATE: May 10, 1996
LOCATION: Oval Office
TIME: 11:05 a.m.
CONTACT: HAROLD ICKES
JENNIFER O'CONNOR

I. PURPOSE

To meet with John Sweeney, President of the AFL-CIO, on budget issues.

II. BACKGROUND

President Sweeney requested a meeting with you to discuss the prospects for a balanced budget agreement. In general, President Sweeney is worried about the implications of a deal.

Other issues that are likely to come up are:

Executive Council Meeting

The AFL-CIO Executive Council met this week in Portland, OR. Most issues discussed were internal, except discussions on the TEAM Act and China MFN.

TEAM Act

As you know, the TEAM Act is a controversial issue on Hill right now. This bill, which would weaken the law's ban on company unions, passed the House and is before the Senate. The labor movement is actively trying to avoid a vote on it in the Senate. If it comes to vote and passes, the AFL-CIO strongly urges you veto it. The Administration is on record in support of such a veto.

Secretary Reich and Chief of Staff Panetta are going up on this Hill today to discuss this issue with the Senate Democratic leadership and try to figure out how to move forward. The AFL-CIO is adamantly opposed to the TEAM Act or any amendment to section 8(a)(2) of the National Labor Relations Act.

China MFN

The AFL-CIO Executive Council passed a resolution on China MFN. The resolution states their opposition to the renewal of MFN status to China. It does not appear that labor will make this issue a big public relations issue.

III. PARTICIPANTS

The President

John Sweeney, President AFL-CIO

Gerald McEntee, President, American Federation of State, County and Municipal Employees

IV. SEQUENCE OF EVENTS

President Sweeney and Mr. McEntee will meet with President Clinton in the Oval Office.

V. PRESS

Closed Press

VI. REMARKS

None