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AFL-CIO : AFL-CIO Briefing Book [1]

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S	17	3	1	1

THE WHITE HOUSE

TUESDAY FEBRUARY 18, 1997

Gene Sperling	POTUS
Bill Samuel: sky page #862-8342 Gerry Shea: 213/612-8360 AFL-CIO Office (Debbie or Rhonda): 213/612-8375 The Biltmore: 213/624-1011 Confirm#1263090 Northwest #231 LV National 7:35pm AR Detroit 9:09pm Northwest#339 LV Detroit 10:20pm AR LAX 12:22am	

THE WHITE HOUSE

WEDNESDAY FEBRUARY 19, 1997

Gene Sperling Information	Gene Sperling Schedule
Bill Samuel: sky page #862-8342 Gerry Shea: 213/612-8360 AFL-CIO Office (Debbie or Rhonda): 213/612-8375 The Biltmore: 213/624-1011 Confirm#1263090 Ticketed for: United #60 LV LAX@9:55pm AR DULLES@5:32am Option: LV LAX@3:45pm AR DULLES@11:17pm Release Info 9am 6-6755/6-6766 CODE: 7890	8:00-8:30 Briefing w/Bill Samuel 8:30-9:00 Meeting w/ Bob Georgene (of the Building and Construction Trade) Rm 509 9:00 Council Begins in Crystal Room 9:15-9:45 Cynthia Metzler speaks and Q & As 9:50-10:30 Gene speaks and Q & As seated next to Sweeny and Trumpka TBD 10:30-12:30 George Kourpias President of Machinists President of Steelworkers 12:30-1:00 Andy Stern (Pres of Service Employees) 1:30-2:00 Jerry McIntee (ASCFME)

THE WHITE HOUSE

THURSDAY, FEBRUARY 20 1997

Gene Sperling	POTUS
7:45-8:15 COS Mtg 9:00-9:10 RELEASE: Housing Starts 6-6755 6-6766 CODE: 7890 9:10-9:30 NEC Staff Mtg 9:30-10:15 Prep for POTUS Mtg 10:15-10:45 WEB 11:00-12:00 Budget Working Group@324. 12:30-1:30 Mtg w/ Gordon Brown 1:30-2:00 Phone/Office Time 2:00-3:00 Higher Ed Tax Cuts Mtg@231 3:00-4:00 Mandatory Ethics Training (This is the last one) 4:30-5:15 TBD: Child's Health Mtg 5:15-6:00 Phone/Office Time 6:00-7:00 HOLD	

THE WHITE HOUSE

WASHINGTON

February 17, 1997

MEMORANDUM FOR GENE SPERLING

FROM: Michael Warren

SUBJECT: Briefings for the AFL-CIO Trip, February 18-9, 1997

Please find attached the following briefings and information for your trip to the AFL-CIO annual Convention:

HOT ISSUES

Tab 1 News Articles on AFL-CIO

Tab 2 Hot Issues

OVERVIEW/REFERENCE DOCUMENTS

Tab 3 The President's Notes on Possible Policy Announcements Related to Labor Issues

Tab 4 Vice President's Talking Points

Tab 5 NEC Background on Economic Conditions from Peter Orszag

Tab 6 One-pager on California Economy, from Russell Horwitz

Tab 7 Speech Prep, from Russell Horwitz

Tab 8 Full Agenda For The AFL-CIO Conference

NEC ISSUE BRIEFS

Tab 9 Balanced Budget Amendment Talking Points, from Russell Horwitz

Tab 10 Eliminating Unnecessary Subsidies To Corporations And Broadening The Business Tax Base

OTHER ISSUE BRIEFS

THE VICE-PRESIDENT'S BRIEFING BOOK

AFL/CIO

ADDITIONAL READING MATERIAL

Tab O	"Education at a Crossroads: What Works and What's Wasted" by Congressman Pete Hoekstra of Michigan
Tab P	Department of Commerce Report on Pricing Outlook
Tab Q	Draft Memo from Gene Sperling to Erskine Bowles on "Choice" No-Fault Auto Insurance
Tab R	Briefing Memo from Elgie Holstein Children's Health E.O.
Tab S	Briefing Memo from Elgie Holstein on Yucca Mountain/Nuclear Waste
Tab T	Briefing Memo from Elgie Holstein on Particulate Matter/Ozone

10TH STORY of Level 1 printed in FULL format.

Copyright 1997 Associated Press
AP Online

February 17, 1997; Monday 18:41 Eastern Time

SECTION: Financial pages

LENGTH: 1107 words

HEADLINE: AFL-CIO Outlines Member Strategy

BYLINE: KEVIN GALVIN

DATELINE: LOS ANGELES

BODY:

The AFL-CIO stemmed the decline in membership last year, according to federation officials who on Monday outlined a broad organizing strategy to bolster labor's ranks.

Recruiting new union members on a large scale is essential to reviving labor as a social and political force. With steadily declining numbers over the last few decades, its strength has waned.

''America needs a raise, and one of the most effective solutions is a bigger and stronger labor movement, one capable of acting as a counterweight to the corporate forces now dominating our economy,'' said AFL-CIO President John Sweeney.

As the federation's executive council met this week, there was widespread support for Sweeney's call to energize the labor movement.

While claiming some victories in regaining members during Sweeney's first year as president, there also have been stinging setbacks such as labor's offer to unconditionally end the Detroit newspaper strike.

An irate unionist took Sweeney to task during a news conference Monday, accusing him of failing to do enough to support the Detroit strikers. Sweeney denied it was a surrender and portrayed the unions' unilateral back-to-work offer as a strategic decision that forces the company to ''now decide whether to rehire the workers or to risk ... backpay liability.''

Sweeney said membership in affiliated unions increased by about 12,000 members in 1996, to slightly more than 12.9 million. With the AFL-CIO's help, the labor movement over the past year has notched up organizing victories among state workers in Maryland and hotel workers in Las Vegas.

Yet, labor's strength is a far cry from when unions represented nearly 35 percent of the nonfarm workforce three decades ago. Unions overall showed a decline in membership in 1996, from 14.9 percent of the labor force in 1995 to 14.5 percent in 1996, according to the Bureau of Labor Statistics.

In the past, the federation left organizing to its affiliates. But Sweeney's insurgent campaign was based on a promise to commit resources and staff to recruitment.

2ND STORY of Level 1 printed in FULL format.

Copyright 1997 The Washington Post
The Washington Post

February 18, 1997

LENGTH: 701 words

HEADLINE: AFL-CIO Shifts Venue in a Bid To Shift Image;, Midwinter Meetings Focus on Organizing

BYLINE: Frank Swoboda, Washington Post Staff Writer

BODY:

LOS ANGELES, Feb.17 -- Gathering away from the plush Gold Coast resorts of Florida and Puerto Rico for the first time in their history, leaders of the AFL-CIO opened their annual midwinter meetings here today in an effort to create a new symbolism for a changing labor movement.

No more scenes of portly labor leaders sunning themselves poolside in Bal Harbour, Fla., far from the cities and lifestyles of most workers they represented. No more lavish parties to mark the ascension of a colleague to the federation's ruling executive council. No more half-day meetings to give the union leaders more time to golf.

This week, the nation's top labor leaders are gathered at the Biltmore Hotel, which shares a history they can only hope to match. Once grand and vibrant in the 1930s, the stately hotel fell on hard times as the city changed around it, only to be rescued and restored by new investors. Labor too is looking for new investors for its own restoration plan.

The central theme for the union leaders this week is organizing new members. Without membership growth, the leadership acknowledged today, the already diminished political and economic power of the labor movement will only fade further.

"We can't survive unless we grow," AFL-CIO President John Sweeney told a news conference after the council's morning session. Sweeney was elected to the federation presidency 16 months ago on a pledge to organize new members for a labor movement he said had become "irrelevant" to the lives of most American workers.

Since he took over the AFL-CIO, membership among the federation's member unions has risen slightly, to 12.9 million. But, as Sweeney noted today, "we continue to decline as a percentage of the work force." Union members constitute about 15 percent of the nation's work force, but barely 10 percent of the private sector, where union representation once ran as high as 35 percent.

Sweeney praised labor's effort last year in the federal elections and the way labor turned out its own members. But, he said, it fell short because there were "far too few union members."

To counter that, the AFL-CIO plans a series of organizing efforts, including a major campaign to attract more women to the labor movement, especially the millions of blue-collar women in such low-paying fields as health care and garment manufacturing. Women are the fastest-growing segment of the nation's union membership. In 1960, women comprised 18 percent of the union membership. By 1972, that number had grown to 22 percent. Today, 39 percent of all union members are women.

"The AFL-CIO has 5.6 million women members; we are the largest organization of working women in America and we're going to act that way," said Karen Nussbaum, director of the AFL-CIO's Working Women's Department. She said the new campaign will involve every department of the AFL-CIO.

Asked what she would say to male union members who might question how the efforts to attract women to labor's ranks would affect them, Nussbaum noted, "We've had a lot of success with the Men's Department." But she said success won't continue unless unions attract more members who will help everyone win better contracts, no matter what their gender or color.

The campaign is being called "Ask a Working Woman," and will involve questionnaires to working women nationwide, hearings in more than two dozen cities and a national conference in Washington next fall to help set a legislative and bargaining agenda for labor.

Women are not the only organizing targets this year. Hoping to spend the kind of money on organizing that it did on elections last year, the executive council is asking every union and each of its local unions to dedicate at least 30 percent of their budgets to organizing activities by the year 2000. In the past, organizational spending has often been a stepchild for most unions, according to federation officials.

As part of the new campaign, labor plans to largely bypass the National Labor Relations Board and take to the streets to sign up new members, visiting them at their homes and getting them to sign union representation cards rather than going through the cumbersome NLRB election process.

021897

LOAD-DATE: February 16, 1997

3RD STORY of Level 1 printed in FULL format.

Copyright 1997 The New York Times Company
The New York Times

February 18, 1997, Tuesday, Late Edition - Final

SECTION: Section A; Page 12; Column 5; National Desk

LENGTH: 941 words

HEADLINE: Labor Dares Republicans To Cut Its Political Clout

BYLINE: By STEVEN GREENHOUSE

DATELINE: LOS ANGELES, Feb. 17

BODY:

John J. Sweeney, the A.F.L.-C.I.O. president, issued a defiant "make my day" declaration today to Republicans in Congress who want revenge on the labor movement for its pull-out-the-stops drive to defeat them in last fall's elections.

"We're going to resist and oppose any efforts that are made toward recriminations for any of the good work we did last year," Mr. Sweeney said at a news conference on the first day of the federation's winter meeting here. "If there is going to be any attempt at retribution, we'll be as out front as we have been on any other issue."

The A.F.L.-C.I.O. spent $25 million on its anti-Republican broadcast spots last year, in what many union leaders call their biggest campaign effort ever. thing Republicans are talking about curbing labor unions' independent nding on elections. Several Republicans have proposed legislation that could cripple such spending by forbidding unions to use a member's dues on campaigns unless he or she had signed an authorization card.

Since the party increased its majority in the Senate and maintained control of the House in the face of the labor effort, some Republican supporters say punishment is sure.

"As is often said, when you set out to kill the king, you better succeed, and they didn't, so they had better watch out," said Paul Huard, chief lobbyist for the National Association of Manufacturers.

But A.F.L.-C.I.O. lobbyists say they are not alarmed, because numerous Republican moderates, shaken by last fall's assault, have told union leaders they intend to remain close to labor.

"They're trying to posture themselves as worker-friendly," said Peggy Taylor, the A.F.L.-C.I.O's chief lobbyist, noting that this could prevent Republican leaders from mustering a majority on anti-labor measures.

"We won't just be playing defense," she added. "There'll definitely be some offense from us."

Labor unions have a long wish list. They hope they can focus on a few issues h such widespread public support that Republicans would block the issues at their peril. Union officials point to what happened last year with labor's campaign for a higher minimum wage: The public backed it so overwhelmingly that publicans were pushed into approving it.

Dennis Rivera, president of 1199 National Health and Human Service Employees Union, said he hopes one subject that will catch fire in the same way is labor's pet proposal to extend health coverage to the 10 million American children without medical insurance.

Douglas H. Dority, president of the United Food and Commercial Workers, wants labor to go even further this year and push for universal health coverage. "We have a situation where more and more employers are simply cutting off employer-paid health coverage to employees."

Another issue that union officials say could gain momentum would be requiring all employers to provide pensions, even small ones, to all workers. A.F.L.-C.I.O. lobbyists also say they will push for laws to insure that health maintenance organizations provide quality care.

"We want to find a way to get at financial incentives that discourage doctors from providing quality care," said Ms. Taylor.

She said the federation also backs proposals to take Federal money that labor unions say subsidizes the transfer of jobs overseas and use it to build or modernize schools. "A lot of schools are crumbling and are not wired for the Internet," she said. "Teachers like this idea. Parents like it. Construction workers like it. Telecommunications people like it."

A.F.L.-C.I.O. officials said they would support President Clinton's proposals o expand the family leave act, broaden child-care coverage and provide tax redits and deductions to go to college. The federation is asking locals to send letters opposing the Republican drive to add an amendment to the Constitution requiring a balanced budget; it is also planning a campaign against replacing Social Security with a private system.

The executive council of the American Federation of Labor and Congress of Industrial Organizations is refining its legislative agenda as part of a four-day meeting whose main theme is focusing the federation's energies on recruitment. The percentage of the unionized work force has been shrinking for decades, and Mr. Sweeney has vowed to concentrate on organizing to keep labor from sliding into irrelevancy.

He said workers need "a bigger and stronger labor movement, one capable of acting as a counterweight to the corporate forces now dominating our economy."

Mr. Huard, the manufacturers' lobbyist, doubted that labor would be able to take the offensive this year. "My guess is they'll pretty much be reduced to the fire brigade stuff, rushing to stop things they don't like," he said.

Labor's lobbyists are already rushing to stop two Republican proposals. One would make it easier for employers to set up groups of workers to cooperate with management. Labor says this measure will create employer-dominated worker representation, but managers say this proposal will merely foster cooperation to build more efficient companies.

The other proposal would let workers take compensatory time rather than overtime pay. Republicans call this a worker-friendly measure designed to give ployees more flexibility, but labor leaders say it is a back-door attempt to orce workers to take compensatory time instead of overtime pay when managers know that many workers intent on getting ahead will never take the time off.

Mr. Sweeney said, "We are not about to stand on the sidelines and see labor protections broken down under the guise of flex time or comp time."

GRAPHIC: Photo: As labor unions across the nation push to expand, Arturo Rodriguez, the United Farm Workers president, and Linda Chavez-Thompson, an A.F.L.-C.I.O. executive vice president, met yesterday in Los Angeles to work on a campaign to organize strawberry workers. (Associated Press)

LANGUAGE: ENGLISH

LOAD-DATE: February 18, 1997

The Washington Times
TUESDAY, FEBRUARY 18, 1997

AFL-CIO chief focuses on swelling ranks

By Kevin Galvin
ASSOCIATED PRESS

LOS ANGELES — The AFL-CIO experienced a tiny net gain in members last year, stemming a long-term decline, according to federation officials who yesterday outlined a broad organizing strategy to bolster labor's ranks.

Recruiting new union members on a large scale is essential to reviving labor as a social and political force. With steadily declining numbers over the last few decades, its strength has waned.

"America needs a raise, and one of the most effective solutions is a bigger and stronger labor movement, one capable of acting as a counterweight to the corporate forces now dominating our economy," said AFL-CIO President John Sweeney, addressing the federation's executive council meeting here.

Mr. Sweeney said membership in affiliated unions increased by about 12,000 members in 1996, to slightly more than 12.9 million. With the AFL-CIO's help, the labor movement over the past year has notched up organizing victories among state workers in Maryland and hotel workers in Las Vegas.

But labor's strength is a far cry from when unions represented nearly 35 percent of the non-farm work force three decades ago. Unions overall still showed a decline in membership in 1996, from 14.9 percent of the labor force in 1995 to 14.5 percent in 1996, according to the Bureau of Labor Statistics.

While claiming some victories in regaining members during Mr. Sweeney's first year as president, there also have been stinging setbacks such as labor's offer to call off the Detroit newspaper strike without any management concessions.

An irate unionist took Mr. Sweeney to task during a news conference yesterday, accusing him of failing to do enough to support the Detroit strikers. Mr. Sweeney denied it was a surrender and portrayed the unions' unilateral back-to-work offer as a strategic decision that forces the company to "now decide whether to rehire the workers or to risk . . . back-pay liability."

In the past, the federation left organizing to its affiliates. But Mr. Sweeney's insurgent campaign was based on a promise to commit resources and staff to recruitment.

The federation announced a three-pronged campaign to draw more women into unions and promised to intensify efforts to organize 20,000 California strawberry pickers.

Karen Nussbaum, director of the AFL-CIO Working Women's Department, said the federation would survey working women and meet with hundreds of them directly to get a better picture on how unions might help them in the workplace. A national agenda to help working women is expected to be developed in the fall.

But the federation's successes were tempered by what was widely perceived as the defeat of the Detroit newspaper strikers, who were led by the AFL-CIO's largest union, the Teamsters.

More than a year after six unions representing 2,500 workers walked off the job against the Detroit News and the Detroit Free Press, the unions announced an unconditional back-to-work offer last week.

The federation also has kept a low profile during the standoff between American Airlines and its pilots, in part because the pilots don't belong to an affiliated union.

Privately, some union leaders said they are concerned that other airlines will be emboldened by President Clinton's decision to invoke emergency powers and delay the strike.

While Mr. Sweeney didn't directly criticize Mr. Clinton, he said he "had hoped that the process of collective bargaining could have continued."

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By bringing other unions in to support the United Farm Workers in their efforts on behalf of strawberry pickers, the federation hopes to convince growers that a nickel increase in the cost of a pint of strawberries could be used to pay workers a living wage.

Doug Dority, president of the United Food and Commercial Worker, pledged to support the strawberry campaign after visiting the fields and the homes of low-wage farm workers.

No consumer boycott has been organized, but Dority said he would ask company executives at the more than 100 grocery stores to not stock California strawberries.

''What we want to do is to get the word back to the strawberry growers that they have to improve the conditions in the field,'' he said.

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(PROFILE

(CO:United Foods; TS:UFD; IG:FOD;)

(CO:AMR Corporation; TS:AMR; IG:AIR;)

(CAT:Business;)

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Copyright 1997 The New York Times Company
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February 17, 1997, Monday, Late Edition - Final

SECTION: Section 1; Page 12; Column 3; National Desk

LENGTH: 1547 words

HEADLINE: A.F.L.-C.I.O. Puts Recruiting at Top of Its Agenda

BYLINE: By STEVEN GREENHOUSE

DATELINE: LOS ANGELES, Feb. 16

BODY:

Having roused the torpid A.F.L.-C.I.O. in his first year as president, John J. Sweeney will announce on Monday the federation's ambitious all-out gamble to save the labor movement from further decline by shifting its focus to recruiting new members.

In moving the federation's emphasis toward organizing and away from politics, its thrust of last year, Mr. Sweeney hopes to reverse a 20-year slide in union membership, a trend that labor leaders see as a cancer that has sapped their strength both in politics and at the bargaining table.

With the goal of attracting new members, Mr. Sweeney will propose at the A.F.L.-C.I.O.'s winter meeting here this week a $60 million advertising effort to burnish labor's image and a campaign to reach out to working women. He will also pledge to spend more than $2 million on labor's two biggest recruiting drives: organizing 20,000 strawberry workers in California and tens of thousands of construction, hotel and health care workers in Las Vegas, Nev.

Outlining goals that some labor experts call overly optimistic, Mr. Sweeney said in an interview: "We're not going to double our membership in the short term. But if we turn around the decline in members and create a focus on organizing and set modest goals of some growth every year, whether it's 3 or 4 percent, over the long term we will build a stronger labor movement."

In the four-day meeting, the labor leaders, meeting in an urban center instead of their traditional locale, a beach resort, will hear Vice President Al Gore, discuss the labor standoff at American Airlines and refine their legislative agenda.

Mr. Sweeney undertakes his new organizing effort after his relatively successful first year as president. Under him, the federation raised its slouching public profile, pushed Congress into raising the minimum wage and excited college students about labor by enlisting more than 1,000 of them as summer interns. In addition, the federation spent $35 million to make itself a force to reckon with in politics, although its campaign efforts failed to achieve labor's big goal of returning the House to Democratic control.

Some labor experts caution that Mr. Sweeney's success at reawakening the American Federation of Labor and Congress of Industrial Organizations, an umbrella group that has 13 million members, was child's play compared with the task of recruiting millions more workers to unions.

"It will be 100 times harder," said Gregory Tarpinian, president of the Labor Research Association, a consulting group in New York. "It will be the basis by which Sweeney is judged."

The number of union members nationwide dropped by 92,000 last year and by 388,000 the year before; the percentage of American workers in unions has sunk to 14.5 percent, compared with 35 percent in the 1950's. With the work force growing by about two million people a year, unions will have to add almost 400,000 new members a year to keep from falling further behind -- a tall order considering labor's recent slump and the crusade by many companies to keep out unions.

Talking about the federation's big gamble to increase its numbers, Richard Freeman, a Harvard University labor economist, said: "If they don't organize beyond the rates in which they've been organizing people, they're captains of a sinking ship. One of Sweeney's great strengths is he's addressing the idea that organizing is the lifeblood of the union movement."

As part of Mr. Sweeney's effort to remake labor's flaccid image and show that union leaders care more about organizing workers than sunning themselves, the federation has moved its winter meeting out of the plush resort of Bal Harbour, Fla., for the first time in seven decades. Instead, A.F.L.-C.I.O. leaders will convene in downtown Los Angeles, where they will meet with low-paid hotel, garment and strawberry workers, all in the thick of organizing drives.

The 54-member executive council will debate how to help American Airlines pilots, who went back to work after President Clinton ordered a cooling-off period of up to 60 days in their brief strike. It will also analyze the failure of a 20-month strike by 2,000 Detroit newspaper workers, who made an unconditional offer on Friday to return to work.

Labor's chieftains will be courted by two likely rivals for the Democratic Presidential nomination in 2000, Mr. Gore and the House minority leader, Richard A. Gephardt. They will hone their policy recommendations for President Clinton and debate whether to keep supporting Alexis M. Herman, the embattled nominee for Secretary of Labor.

The central theme, though, will be the leaders' recognition that expanding labor's ranks is essential to their goal of stemming the two-decade-old decline in wages (after inflation is taken into account) and narrowing the widening gap between America's rich and its middle class.

Indeed, Mr. Sweeney, with David Kusnet, wrote a book last year, "America Needs a Raise" (Houghton Mifflin), which says, to nobody's surprise, that forming unions is often the best way for American workers to win better pay and benefits.

Articulating labor's populist message, Andrew L. Stern, president of the Service Employees International Union, said: "The fundamental challenge facing the labor movement is, Can we raise wages for American working families in a long-term sustained fashion, and can we distribute the growth that the economy has experienced in a way that serves the interest of working families and not just corporate executives?"

"We can't raise wages unless we represent significant portions of the members in our industries," Mr. Stern continued. "The American experience is that collective bargaining built the greatest middle class in the history of the world, and the erosion of the middle class's position is directly related to the erosion of the labor movement's strength."

With plans to spend 45 percent of this year's budget on organizing, the Service Employees union is serving as a model for others. As the labor movement's fastest-growing union, the Service Employees group has jumped to 1.1 million members, from 625,000 in 1980. Mr. Sweeney headed that union for 15 years.

In contrast, other unions spend 3 percent of their budgets for recruiting, on average, less than a tenth of the percentage unions spent in the organizing heyday of the 1930's. Because recruiting is done by the individual unions and not the A.F.L.-C.I.O., Mr. Sweeney has adopted the role of inspirational leader and spark plug for organizing.

To encourage the federation's 78 affiliate unions to spend more on recruiting, Mr. Sweeney has pushed through the executive board a plan in which the A.F.L.-C.I.O. will provide $20 million in matching grants for organizing drives.

"We have to keep the momentum going," Mr. Sweeney said, "and make the transition to a stronger emphasis on organizing."

Many unions are embracing new approaches to attract members. While unions rarely cooperate with each other on recruiting, 15 building trades unions have banded together to organize Las Vegas construction workers. In Maryland, three unions have organized 35,000 state workers in a cooperative effort.

In another novel approach, labor has designated certain cities, most notably Las Vegas, as hothouses for organizing in which numerous unions undertake drives that aim to create an enthusiasm and pro-labor message that feed on each other.

The labor movement has also gone international. To pressure the Japanese owner of the New Otani Hotel in Los Angeles to accept a union, the hotel workers union has sent members to Tokyo to demonstrate and enlist the support of Japanese labor.

"There are still an awful lot of labor leaders sitting back and waiting to see whether these new approaches work," said Richard W. Hurd, a labor relations professor at Cornell. "It's important for Sweeney to have some big successes to win the enthusiasm of those leaders who are less committed to the new approach. That will make it possible for this to snowball in the long run."

Daniel Yager, general counsel for the Labor Policy Association, a lobbying group for employers, said corporate America was unhappy about the A.F.L.-C.I.O.'s recruiting plans.

"Their agenda is probably American business's worst nightmare," he said. "Having gambled a huge sum of money on remaking Congress and losing, the A.F.L. will now feel it has to deliver something. So they're going to devote the lion's share of their resources to organizing. We sincerely doubt that they're going to gain membership, but they will create a great deal of havoc and distrust."

No one expects companies to roll over as labor revs up its organizing machine. Many leaders fear a replay of last month's events, when the Communications Workers of America lost by just a few hundred votes in a long and expensive campaign to organize 10,000 reservation takers and other service workers at USAir.

"Employers are very strong and very much opposed," said Professor Freeman, of Harvard. "It's as if the unions are in a boxing ring against someone who's stronger and faster. If they can just keep themselves going in the later rounds, the other guy might tire and they might have more stamina, and they have to be ready to take advantage of that."

LANGUAGE: ENGLISH

LOAD-DATE: February 17, 1997

13TH STORY of Level 1 printed in FULL format.

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Los Angeles Times

February 17, 1997, Monday, Home Edition

SECTION: Part A; Page 5; National Desk

LENGTH: 1481 words

HEADLINE: RONALD BROWNSTEIN / WASHINGTON OUTLOOK;
NATIONAL PERSPECTIVE;
Visit to Mexico Confirms Gephardt Skepticism About NAFTA's Benefits

BYLINE: RONALD BROWNSTEIN

DATELINE: TIJUANA

BODY:

On his way to the annual AFL-CIO meeting that just opened in Los Angeles, Richard A. Gephardt stopped off here and received a succession of small offerings from the world's infinite reservoir of sorrow.

Gephardt, the top-ranking Democrat in the House of Representatives, spent Friday bouncing up and down rutted roads to meet with small groups of Mexicans who work in the foreign-owned maquiladora factories that have proliferated along the border.

There was the woman whose daughter was exhibiting signs of lead poisoning. There was also the man who was arrested while leading a protest against the dismissal of workers trying to organize a union. There were the stories of workers who had lost fingers, or even a hand, in an assembly-line speedup.

Above all, there was the exhausting daily struggle with grinding poverty in an economy that still pays what one woman bitterly called "hunger wages." Most of the families who spoke with Gephardt, House Minority Whip David E. Bonior (D-Mich.) and the small delegation of union officials and academics accompanying them, live in ramshackle squatter villages where they have assembled shacks from mud and wood and the occasional brick; many lack electricity or running water.

In a simple one-room community center--where flecks of paint fell from the whitewashed ceiling like a gentle dusting of snow--the group heard from a woman named Claudia who packs audiotapes into boxes for an international company from 5:30 in the afternoon until 2 in the morning. For this, she earns 45 pesos a day, or about $ 5.40. To make ends meet, she's been forced to remove her two teenage sons from school and send them to work in the factories as well. "I told the supervisors," she said quietly, "it is not enough for us to make in one day what the workers in America make in one hour."

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Los Angeles Times, February 17, 1997

The story in Tijuana is not one of undifferentiated exploitation. At quitting time outside a gleaming new Samsung television assembly plant, several of the young workers said they were glad to be working for the South Korean manufacturing giant because the money was better than they could make in their villages to the south, if they could find work at all. It's hard to see how Mexico would be better off without these plants, or, for that matter, the North American Free Trade Agreement that has encouraged their growth by ensuring access to the U.S. market.

Yet, the day's conversations made it equally clear that here at least NAFTA has not fulfilled its promise of encouraging reform in Mexico. Toxic waste is still dumped at night in streams where poor families bathe; workers who try to organize independent unions are still as likely as not to find themselves out of work. High productivity in some of the world's most sophisticated factories still hasn't produced a living wage.

For anyone who believes the integration of the global economy is not only inevitable but also ultimately beneficial, it was a sobering day. For those who were already skeptical--a group that would include Gephardt and his delegation--the spectacle of a South Korean company hiring teenage Mexican workers at subsistence wages to assemble state-of-the-art televisions for export to the U.S. only confirms their worst fears. "Welcome to the economy of the 21st century," the Missouri lawmaker said as he drove into the Samsung factory.

In an extraordinary act of rebellion against a president of their own party, Gephardt joined with Bonior in fall 1993 to lead the unsuccessful opposition to Clinton's NAFTA treaty. Since then, the Democratic divisions over trade have quieted, but that truce may be about to end.

Clinton is pushing Congress for expedited authority to negotiate the expansion of NAFTA, first to Chile and then throughout South America. Congressional sources believe that Clinton wants Congress to grant him that "fast-track" authority by May, when he's scheduled to make his first trip to South America.

As he toured Tijuana, Gephardt left little doubt that he's dubious about providing Clinton such a sweeping writ, without guarantees that much stronger labor and environmental standards will be included in any NAFTA expansion. "I'm not convinced NAFTA is working," he said. "You have to try to improve it, and you certainly don't rush into other agreements with other countries and repeat the same mistakes."

Few experts feel comfortable rendering a final judgment on NAFTA; though the U.S. trade deficit with Mexico has exploded since 1994, it's impossible to separate the treaty's effects from the meltdown of the Mexican economy in the peso crisis. What's more certain from Gephardt's trip is that the debate over Clinton's free-trade agenda is likely to persist as a biting issue inside the Democratic Party--and one of the dividing lines as party insiders begin to choose sides behind Clinton's potential successors.

With the last election just behind us, it is, of course, much too early for any rational person to be thinking about the election of 2000. But for those who are thinking about it nonetheless, this week's AFL-CIO meeting in Los Angeles looms as something like the first scrimmage of spring training. On Tuesday, the union federation's powerful executive council will hear from Gephardt and from

Vice President Al Gore.

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Several Democrats are already believed to be mulling campaigns in 2000, including former Sen. Bill Bradley of New Jersey, Sen. Bob Kerrey of Nebraska, and Sen. Paul Wellstone of Minnesota, who's considering a gadfly candidacy from the left.

But most Democrats now consider the key figures to be Gephardt and Gore. Gore brushes asides questions about his intentions as premature, but if he's breathing, he's running. Gephardt says he won't make up his mind until after 1998, but one close advisor said: "I think Dick wants to be president . . . and the chances of him running in 2000 are very high."

History suggests that the chances of Gore winning the nomination are also very high. As a private memo Gore has read points out, in the modern primary era, the only sitting vice president who sought and was denied his party's nomination was Harry S. Truman's aged sidekick, Alben W. Barkley, in 1952. Money, endorsements and media attention all flow downhill for the incumbent veep.

Yet events could greatly complicate Gore's path. Recession or scandal could engulf the Clinton administration--or singe the vice president himself. Alternately, Clinton might enjoy broad success with his centrist course yet still inspire a backlash from his party's left.

Gephardt is the most logical champion to lift that banner. He's careful not to criticize Clinton but also clear that he considers the president's agenda too crimped. Asked if Clinton's second-term priorities--balancing the federal budget, reining in entitlements, expanding free trade--are sufficient to advance sluggish middle-class living standards, Gephardt says no. He wants to talk about increasing public investment, pursuing a harder line on trade, deploying carrots and sticks to push corporations to raise pay for "workers who are creating value."

Gephardt is a politician whose weaknesses are intimately connected to his strengths. At his best, he has a dogged capacity to enlarge the political debate beyond the deficiencies of government to the daily concerns of those who feel left behind by economic change. At his worst, he has a paleoliberal tendency to view politics as simply a process of mollifying interest groups--a blind spot that led him, fatally, to discourage Clinton from pursuing welfare reform early in his first term.

Gephardt's criticism of NAFTA is likely to win loud applause from the union council Tuesday. But it's anathema to another group that will gather in Los Angeles on the same day: a delegation of 16 high-tech executives from the booming Silicon Valley, meeting privately with Gore over dinner. Gephardt's unmet challenge is finding a way to speak to voters who feel they are getting ahead in the new economy--like the Silicon Valley leaders (led by ace venture capitalist John Doerr) already flocking to Gore. If Gephardt can't broaden his appeal beyond those who fear what the future holds, he will probably never sit in the Oval Office.

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Still, Gephardt's skepticism about the brave new world of the global economy can be a useful corrective to a Clinton message now tilted too far in the other direction. Taking optimism to excess, Clinton now rarely even acknowledges that anyone feels left out by economic change. When the president visits Mexico in April, he's likely to again accentuate the positive. He might offer a more balanced appraisal if he first follows Gephardt's trail through the molar-rattling roads and precarious shacks clawed like scars into the hillsides of Tijuana.

Ronald Brownstein's column appears in this space each Monday.

GRAPHIC: PHOTO: Talks by House Minority Leader Richard A. Gephardt, left, and Vice President Al Gore to the AFL-CIO may mark the opening of each man's presidential bid. PHOTOGRAPHER: Associated Press

LANGUAGE: English

LOAD-DATE: February 17, 1997

1ST STORY of Level 1 printed in FULL format.

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Los Angeles Times

February 18, 1997, Tuesday, Home Edition

SECTION: Business; Part D; Page 1; Financial Desk

LENGTH: 607 words

HEADLINE: REPORTER'S NOTEBOOK;
UNIONS PUTTING HARD LABOR INTO RECRUITMENT

BYLINE: STUART SILVERSTEIN, TIMES STAFF WRITER

BODY:

Organized labor has faced many enemies over the last several decades, but one of its worst problems has been the lethargy of most of the nation's unions themselves in recruiting new members.

To turn that situation around, national AFL-CIO leaders meeting in Los Angeles on Monday put the spotlight on successful union-organizing drives and announced new initiatives to expand recruiting by their affiliated unions.

Workers, labor leaders said, generally are eager to join unions--sometimes even when they fear they could lose their jobs for supporting a labor-organizing effort.

For instance, officials of the Service Employees International Union reported that more than 70% of low-paid, home-health-care workers contacted by their organizers in Northern California have expressed support for the union.

When organizers approach these workers, the reaction commonly is, " 'Where have you been? I've been waiting for the union. Where can I sign up?' " said Kristy Sermersheim, executive secretary treasurer of SEIU Local 715 in San Jose.

Over the last two years, Sermersheim's local has signed up 4,600 such workers as members in Santa Clara and San Mateo.

To take advantage of the apparently growing interest among women in labor unions, the AFL-CIO also unveiled a program called "Ask a Working Woman." The initiative will involve polling of thousands of working women about changes they want to see on the job.

Union officials will meet with working women in 25 cities throughout the country--including Los Angeles, San Diego and San Francisco. In addition, a national conference will be held in Washington in September to map out an agenda for organizing working women.

The AFL-CIO backed up its plans by citing polling evidence that women are more supportive of union ideals than men, along with government figures showing that the percentage of union members who are women jumped from 22% in 1972 to 39% last year.

Separately, AFL-CIO officials said they are working on a "Senior Summer" program to enlist senior citizens in union-organizing efforts. The program would be modeled after Union Summer, an initiative started last year in which college students and young union rank-and-file members helped out on picket lines and elsewhere to boost union recruiting.

The initiatives come as AFL-CIO President John J. Sweeney and other top AFL-CIO officials applied pressure on union leaders to boost their spending on organizing. The national AFL-CIO itself has pledged to spend $ 30 million on organizing this year, up from about $ 2.5 million in 1995.

However, the payoff from the extra organizing effort is still modest, at best. The AFL-CIO released figures showing that its affiliated unions' membership rolls totaled 12.91 million last year, up just over 12,000 from the year before.

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In the 1970s, the United Farm Workers antagonized supermarket chains and their union workers by staging boycotts and protests against stores selling table grapes.

But now the old rivalry between the farm workers and the dominant union in the supermarket industry, the United Food and Commercial Workers, appears to have been buried.

These days, farm worker union leaders are focusing on organizing California's 20,000 strawberry pickers, and the UFCW is pledging to urge the employers of its roughly 800,000 members to support the cause.

Currently, there are no plans to boycott strawberries in connection with the organizing effort. Instead, union leaders are counting on pressure from the supermarket chains and community and religious groups to persuade growers to improve conditions for workers.

GRAPHIC: PHOTO: AFL-CIO President John Sweeney greets worker Sunday at L.A. meeting with local union leaders and activists. PHOTOGRAPHER: ROBERT GAUTHIER / Los Angeles Times

LANGUAGE: English

LOAD-DATE: February 18, 1997

23RD STORY of Level 1 printed in FULL format.

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Los Angeles Times

February 16, 1997, Sunday, Home Edition

SECTION: Opinion; Part M; Page 6; Opinion Desk

LENGTH: 1202 words

HEADLINE: THE STATE;
IS L.A. THE PLACE FOR A RESURGENT UNION MOVEMENT?

BYLINE: Gregory Rodriguez, Gregory Rodriguez, an associate editor at Pacific News Service, is, a research fellow at Pepperdine's Institute for Public Policy

BODY:

The AFL-CIO's 54-member executive council will be convening its winter meeting this week in Los Angeles--not South Florida, as it has for seven decades--because the nation's labor leaders say they want to be closer to where the action is.

Miguel Contreras, who heads the Los Angeles County Federation of Labor, the nation's second-largest metropolitan labor council, will open the proceedings with a pitch to the executive council to invest in union organizing in Los Angeles. To cement his case, he is likely to contend that L.A. is critical to the future of labor for some of the same reasons that New York was earlier this century. Ours is the most heavily immigrant metropolis in America, and immigrants once made up the backbone of many American unions. Los Angeles also has the nation's largest manufacturing base, the traditional source of union strength.

Contreras may also speak of the enormous potential for organizing the region's Latino immigrants, who constitute nearly a quarter of the county's workers and 38% of Angelenos employed in manufacturing. Such an appeal would dovetail with the national leadership's reemphasis on organizing, in general, and recruiting "minorities," in particular. But the larger question is whether organized labor will give the foreign-born Latino working class a boost up the economic ladder.

The recent ascendance of Latinos to the top posts of several local unions, as well as the County Federation of Labor, has buttressed expectations that immigrants will use unions as a means of securing their portion of the American Dream. But just as the local labor leadership will have to convince national leaders of the importance of Los Angeles to the labor movement, so, too, will they have to sell the viability of unions to a growing and vital sector of the work force.

Immigrants were not always the coveted targets of Southern California's union organizers. In the 1970s, it was common for local unions to call the Immigration and Naturalization Service when foreign-born strike breakers, legal or illegal, were employed. Immigrants, in general, were often dismissed as too docile to join labor unions. It was only when it became clear that foreign-born workers presented an opportunity to strengthen the waning movement that more and more organizers became convinced of the necessity of organizing immigrant workers.

Enlightened self-interest, then, induced California's labor movement to become one of the state's most pro-immigrant institutions. David Sickler, special assistant to the president of the AFL-CIO and the person widely credited with turning around local unions' approach to immigrants, says labor leaders have worked hard to promote the image of unions as immigrant-friendly. In 1994, California's labor leaders were among the most vocal opponents of Proposition 187, the anti-illegal-immigrant initiative. Even the state's more conservative building-trade unions, which have called for tougher sanctions against companies hiring illegal immigrants, opposed 187. Without union backing, the October 1994 march against 187 probably would not have materialized into the largest protest in Los Angeles history.

After Congress passed the Immigration Reform and Control Act in 1986, the AFL-CIO started the Laborers Immigrant Assistance Project to help eligible immigrants wade through the amnesty process. In 1989, the union founded CIWA, the California Immigrant Workers Assn., to promote both organizing and the "culture of unionism" among immigrants. At its high point, CIWA had upward of 12,000 members and played key roles in several of the most successful union-organizing efforts involving Latino immigrants. Citing budgetary concerns, the AFL-CIO terminated funding for the project in 1994.

In the 1990s, several highly publicized efforts to mobilize Latino immigrant workers have been undertaken. In 1990, 200 Central American and Mexican-born janitors of Service Employees International Union Local 399 struck and negotiated major increases in wages and health care. In 1990 and 1992, respectively, machinists at American Racing Equipment and drywall hangers in Orange County organized themselves and staged wild-cat strikes, leading to union representation and higher wages. Labor activists point to these and other successes as proof that Latino immigrants are single-handedly spearheading a resurgence in Southern California 's labor movement.

But the absolute numbers of foreign-born Latino workers who have been organized in the past several years is relatively small, according to Kent Wong, director of the Center for Labor Research at UCLA. As of 1994, only 12.4% of foreign-born Latino workers in Los Angeles County were unionized, compared with 19.2% overall. At 26%, U.S.-born whites have the highest rate of unionization in the county.

While several local unions have begun individual campaigns to organize foreign-born workers, it will take, by all accounts, major injections of money from international unions and the national AFL-CIO, as well as new strategies, to organize a critical mass of immigrant workers in Los Angeles. The decade's organizing victories here are largely regarded as demonstrating potential that can only be realized if the national AFL-CIO goes after L.A. like it is going after Nevada. Last week, President John J. Sweeney announced plans for the largest organizing effort in decades, a $ 6-million-plus campaign to fully unionize Las Vegas.

Meanwhile, the Los Angeles Manufacturing Action Project, a much-heralded, areawide, multiunion, community-based effort aimed at organizing the Alameda Corridor has lost support from eight of the nine unions that had initially funded it. While some unions like UNITE, the garment union, pulled out to push their own organizing, others dropped their support out of the belief that

Los Angeles is just too difficult to organize. Daniel Stewart, organizing director for the Oil, Chemical and Atomic Workers Union, is pessimistic about his organization's ability to unionize the corridor's estimated 17,000 workers in the plastic industry.

The decision by Guess? to move a large portion of its clothing manufacturing to Mexico to avoid, in part, a union-led campaign against it exemplifies the difficulties L.A.'s labor unions face. While the mobility of capital is not unique to the region, our proximity to the border makes the problem all the worse. Certainly, Las Vegas' appeal for organizers is due, in large part, to the fact that hotels can't pick up and move to Asia.

There is also the question of whether a downsized economy can be effectively organized. While this is a national challenge for unionizers, Los Angeles seems to best express it. Two-thirds of the region's labor force works in companies with fewer than 1,000 employees. Of the nation's 50 largest urban areas, L.A. has the third-highest percentage of firms with fewer than 100 employees.

Its demographics and economy make Los Angeles a laboratory for the future of American labor. It remains to be seen whether organized labor can make itself as relevant to the region's Latino immigrant workers, as it was for European immigrants earlier this century.

GRAPHIC: GRAPHIC-DRAWING: (...) NANCY OHANIAN / for The Times

LANGUAGE: English

LOAD-DATE: February 16, 1997

10TH STORY of Level 1 printed in FULL format.

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February 17, 1997; Monday 18:41 Eastern Time

SECTION: Financial pages

LENGTH: 1107 words

HEADLINE: AFL-CIO Outlines Member Strategy

BYLINE: KEVIN GALVIN

DATELINE: LOS ANGELES

BODY:

The AFL-CIO stemmed the decline in membership last year, according to federation officials who on Monday outlined a broad organizing strategy to bolster labor's ranks.

Recruiting new union members on a large scale is essential to reviving labor as a social and political force. With steadily declining numbers over the last few decades, its strength has waned.

''America needs a raise, and one of the most effective solutions is a bigger and stronger labor movement, one capable of acting as a counterweight to the corporate forces now dominating our economy,'' said AFL-CIO President John Sweeney.

As the federation's executive council met this week, there was widespread support for Sweeney's call to energize the labor movement.

While claiming some victories in regaining members during Sweeney's first year as president, there also have been stinging setbacks such as labor's offer to unconditionally end the Detroit newspaper strike.

An irate unionist took Sweeney to task during a news conference Monday, accusing him of failing to do enough to support the Detroit strikers. Sweeney denied it was a surrender and portrayed the unions' unilateral back-to-work offer as a strategic decision that forces the company to ''now decide whether to rehire the workers or to risk ... backpay liability.''

Sweeney said membership in affiliated unions increased by about 12,000 members in 1996, to slightly more than 12.9 million. With the AFL-CIO's help, the labor movement over the past year has notched up organizing victories among state workers in Maryland and hotel workers in Las Vegas.

Yet, labor's strength is a far cry from when unions represented nearly 35 percent of the nonfarm workforce three decades ago. Unions overall showed a decline in membership in 1996, from 14.9 percent of the labor force in 1995 to 14.5 percent in 1996, according to the Bureau of Labor Statistics.

In the past, the federation left organizing to its affiliates. But Sweeney's insurgent campaign was based on a promise to commit resources and staff to recruitment.

The federation announced a three-pronged campaign to draw more women into unions and promised to intensify efforts to organize 20,000 California strawberry pickers.

Karen Nussbaum, director of the AFL-CIO Working Women's Department, said the federation would survey working women and meet with hundreds of them directly to get a better picture on how unions might help them in the workplace. A national agenda to help working women is expected to be developed in the fall.

By bringing other unions in to support the United Farm Workers in their efforts on behalf of strawberry pickers, the federation hopes to convince growers that a nickel increase in the cost of a pint of strawberries could be used to pay workers a living wage.

Doug Dority, president of the United Food and Commercial Worker, pledged to support the strawberry campaign after visiting the fields and the homes of low-wage farm workers.

No consumer boycott has been organized, but Dority said he would ask company executives at the more than 100 grocery stores to not stock California strawberries.

''What we want to do is to get the word back to the strawberry growers that they have to improve the conditions in the field,'' he said.

But the federation's successes were tempered by what was widely perceived as the defeat of the Detroit newspaper strikers, who were led by the AFL-CIO's largest union, the Teamsters.

More than a year after six unions representing 2,500 workers walked off the job against The Detroit News and the Detroit Free Press, the unions announced an unconditional back-to-work offer last week.

The federation also has kept a low profile during the standoff between American Airlines and its pilots, in part because the pilots don't belong to an affiliated union.

Privately, some union leaders said they are concerned that other airlines will be emboldened by President Clinton's decision to invoke emergency powers and delay the strike.

While Sweeney didn't directly criticize Clinton, he said he ''had hoped that the process of collective bargaining could have continued.''

(PROFILE

(CO:United Foods; TS:UFD; IG:FOD;)

(CO:AMR Corporation; TS:AMR; IG:AIR;)

(CAT:Business;)

17TH STORY of Level 1 printed in FULL format.

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The New York Times

February 17, 1997, Monday, Late Edition - Final

SECTION: Section 1; Page 12; Column 3; National Desk

LENGTH: 1547 words

HEADLINE: A.F.L.-C.I.O. Puts Recruiting at Top of Its Agenda

BYLINE: By STEVEN GREENHOUSE

DATELINE: LOS ANGELES, Feb. 16

BODY:

Having roused the torpid A.F.L.-C.I.O. in his first year as president, John J. Sweeney will announce on Monday the federation's ambitious all-out gamble to save the labor movement from further decline by shifting its focus to recruiting new members.

In moving the federation's emphasis toward organizing and away from politics, its thrust of last year, Mr. Sweeney hopes to reverse a 20-year slide in union membership, a trend that labor leaders see as a cancer that has sapped their strength both in politics and at the bargaining table.

With the goal of attracting new members, Mr. Sweeney will propose at the A.F.L.-C.I.O.'s winter meeting here this week a $60 million advertising effort to burnish labor's image and a campaign to reach out to working women. He will also pledge to spend more than $2 million on labor's two biggest recruiting drives: organizing 20,000 strawberry workers in California and tens of thousands of construction, hotel and health care workers in Las Vegas, Nev.

Outlining goals that some labor experts call overly optimistic, Mr. Sweeney said in an interview: "We're not going to double our membership in the short term. But if we turn around the decline in members and create a focus on organizing and set modest goals of some growth every year, whether it's 3 or 4 percent, over the long term we will build a stronger labor movement."

In the four-day meeting, the labor leaders, meeting in an urban center instead of their traditional locale, a beach resort, will hear Vice President Al Gore, discuss the labor standoff at American Airlines and refine their legislative agenda.

Mr. Sweeney undertakes his new organizing effort after his relatively successful first year as president. Under him, the federation raised its slouching public profile, pushed Congress into raising the minimum wage and excited college students about labor by enlisting more than 1,000 of them as summer interns. In addition, the federation spent $35 million to make itself a force to reckon with in politics, although its campaign efforts failed to achieve labor's big goal of returning the House to Democratic control.

Some labor experts caution that Mr. Sweeney's success at reawakening the American Federation of Labor and Congress of Industrial Organizations, an umbrella group that has 13 million members, was child's play compared with the task of recruiting millions more workers to unions.

"It will be 100 times harder," said Gregory Tarpinian, president of the Labor Research Association, a consulting group in New York. "It will be the basis by which Sweeney is judged."

The number of union members nationwide dropped by 92,000 last year and by 388,000 the year before; the percentage of American workers in unions has sunk to 14.5 percent, compared with 35 percent in the 1950's. With the work force growing by about two million people a year, unions will have to add almost 400,000 new members a year to keep from falling further behind -- a tall order considering labor's recent slump and the crusade by many companies to keep out unions.

Talking about the federation's big gamble to increase its numbers, Richard Freeman, a Harvard University labor economist, said: "If they don't organize beyond the rates in which they've been organizing people, they're captains of a sinking ship. One of Sweeney's great strengths is he's addressing the idea that organizing is the lifeblood of the union movement."

As part of Mr. Sweeney's effort to remake labor's flaccid image and show that union leaders care more about organizing workers than sunning themselves, the federation has moved its winter meeting out of the plush resort of Bal Harbour, Fla., for the first time in seven decades. Instead, A.F.L.-C.I.O. leaders will convene in downtown Los Angeles, where they will meet with low-paid hotel, garment and strawberry workers, all in the thick of organizing drives.

The 54-member executive council will debate how to help American Airlines pilots, who went back to work after President Clinton ordered a cooling-off period of up to 60 days in their brief strike. It will also analyze the failure of a 20-month strike by 2,000 Detroit newspaper workers, who made an unconditional offer on Friday to return to work.

Labor's chieftains will be courted by two likely rivals for the Democratic Presidential nomination in 2000, Mr. Gore and the House minority leader, Richard A. Gephardt. They will hone their policy recommendations for President Clinton and debate whether to keep supporting Alexis M. Herman, the embattled nominee for Secretary of Labor.

The central theme, though, will be the leaders' recognition that expanding labor's ranks is essential to their goal of stemming the two-decade-old decline in wages (after inflation is taken into account) and narrowing the widening gap between America's rich and its middle class.

Indeed, Mr. Sweeney, with David Kusnet, wrote a book last year, "America Needs a Raise" (Houghton Mifflin), which says, to nobody's surprise, that forming unions is often the best way for American workers to win better pay and benefits.

Articulating labor's populist message, Andrew L. Stern, president of the Service Employees International Union, said: "The fundamental challenge facing the labor movement is, Can we raise wages for American working families in a long-term sustained fashion, and can we distribute the growth that the economy has experienced in a way that serves the interest of working families and not just corporate executives?"

"We can't raise wages unless we represent significant portions of the members in our industries," Mr. Stern continued. "The American experience is that collective bargaining built the greatest middle class in the history of the world, and the erosion of the middle class's position is directly related to the erosion of the labor movement's strength."

With plans to spend 45 percent of this year's budget on organizing, the Service Employees union is serving as a model for others. As the labor movement's fastest-growing union, the Service Employees group has jumped to 1.1 million members, from 625,000 in 1980. Mr. Sweeney headed that union for 15 years.

In contrast, other unions spend 3 percent of their budgets for recruiting, on average, less than a tenth of the percentage unions spent in the organizing heyday of the 1930's. Because recruiting is done by the individual unions and not the A.F.L.-C.I.O., Mr. Sweeney has adopted the role of inspirational leader and spark plug for organizing.

To encourage the federation's 78 affiliate unions to spend more on recruiting, Mr. Sweeney has pushed through the executive board a plan in which the A.F.L.-C.I.O. will provide $20 million in matching grants for organizing drives.

"We have to keep the momentum going," Mr. Sweeney said, "and make the transition to a stronger emphasis on organizing."

Many unions are embracing new approaches to attract members. While unions rarely cooperate with each other on recruiting, 15 building trades unions have banded together to organize Las Vegas construction workers. In Maryland, three unions have organized 35,000 state workers in a cooperative effort.

In another novel approach, labor has designated certain cities, most notably Las Vegas, as hothouses for organizing in which numerous unions undertake drives that aim to create an enthusiasm and pro-labor message that feed on each other.

The labor movement has also gone international. To pressure the Japanese owner of the New Otani Hotel in Los Angeles to accept a union, the hotel workers union has sent members to Tokyo to demonstrate and enlist the support of Japanese labor.

"There are still an awful lot of labor leaders sitting back and waiting to see whether these new approaches work," said Richard W. Hurd, a labor relations professor at Cornell. "It's important for Sweeney to have some big successes to win the enthusiasm of those leaders who are less committed to the new approach. That will make it possible for this to snowball in the long run."

Daniel Yager, general counsel for the Labor Policy Association, a lobbying group for employers, said corporate America was unhappy about the A.F.L.-C.I.O.'s recruiting plans.

"Their agenda is probably American business's worst nightmare," he said. "Having gambled a huge sum of money on remaking Congress and losing, the A.F.L. will now feel it has to deliver something. So they're going to devote the lion's share of their resources to organizing. We sincerely doubt that they're going to gain membership, but they will create a great deal of havoc and distrust."

No one expects companies to roll over as labor revs up its organizing machine. Many leaders fear a replay of last month's events, when the Communications Workers of America lost by just a few hundred votes in a long and expensive campaign to organize 10,000 reservation takers and other service workers at USAir.

"Employers are very strong and very much opposed," said Professor Freeman, of Harvard. "It's as if the unions are in a boxing ring against someone who's stronger and faster. If they can just keep themselves going in the later rounds, the other guy might tire and they might have more stamina, and they have to be ready to take advantage of that."

LANGUAGE: ENGLISH

LOAD-DATE: February 17, 1997

"Hot Issues"
February 18, 1997

1. Transcript of Remarks by President Clinton on Welfare Reform, White House Press Office [February 18, 1997]

2. "Companies Find Doing Right Can Be Good For Profits" [Associated Press, February 18, 1997]

3. "CCWA and UFCW Discuss Merger" [Associated Press, February 18, 1997]

4. "Analysts Look to History When Studying American Airlines Situation" by Doreen Hemlock [Sun Sentinel, South Florida, February 18, 1997]

5. "Clinton Urges Churches to Help Find Jobs for Needy" [Associated Press, February 18, 1997]

6. "Northwest Airlines Pilots Feel Heat from American" by Gail Mark Jarvis [Saint Paul Pioneer Press, Minn., February 18, 1997]

7. "Contract Negotiations Put Several Airlines at Risk of Strikes" by Douglas Feiden [Daily News, NY, February 18, 1997]

8. "Detroit Papers Must Decide on Unions' Return-to-Work Offers" [Associated Press, February 18, 1997]

9. "Clinton's Improbable Subject: Better Car Seat" by Walter Mears [Associated Press, February 18, 1997].

Date: 02/18/97 Time: 15:14
bTranscript of Remarks by President Clinton on Welfare Reform (2 of

To: National Desk
Contact: White House Press Office, 202-456-2100
WASHINGTON, Feb. 18 /U.S. Newswire/ -- Following is a transcript of remarks by President Clinton in a roundtable discussion on welfare reform (2 of 2):

I met a man with only 25 employees in Kansas City, and five of his employees were former welfare recipients. And they were happy at work and he was happy with them. And he only hired them because he figured that the marginal cost of hiring them, since he got the welfare check as a wage subsidy for a couple of years, lowered his risk of adding to the work force. And, sure enough, when he added to the work force, he generated some more work and it turned out to be a profitable decision for him.

I talked to a former governor last week who's back in private business, who's got a small business, who told me once I explained the proposal to him that he would now go hire three or four people from the welfare rolls because it lowered the marginal cost of adding employees to him. And there is no reason to believe, if we all work on this, that we can't create another million jobs over four years without bankrupting businesses, and that it wouldn't be better for people who otherwise are going to be permanently dependent on welfare.

And it is not true that we have withdrawn all supports. We are spending more on child care. I want to also spend $3 billion on public service related jobs to create over a third of a million t[illegible]e. And the health care and the nutrition guarantees are still [illegible]e. So I think it will be a good thing if we make this work, but there is no automatic system for doing it and that's why we need your help.

THE PRESIDENT: Let me say this, first of all, I agree with what you said about people being in college -- I don't think -- people who are going to college who are full-time students -- we are looking at whether -- if there's some way to get -- to deal with that because I don't think people should be pulled out of college. I agree with that. (Applause.)

Secondly, for one thing, you just -- from the point of view of the state of New York, this is a -- we need to -- we're trying to work this out because the states basically have control of this -- the state of New York would be much better with you as a college graduate, which is the point you tried to make. So I believe that.

Now, the other problem is these training programs essentially are all run by the states and the cities. But I will do some -- you've given me some things that we need to obviously do some work on. We need to make sure that there is an adequate training and preparation. That's one of the things I know that you've talked about what you can do here because an awful lot of people who move from welfare who are just thrown into these jobs don't last because they were never prepared for them in the first place and they're traumatized as a result of it. And oftentimes, just basic p[illegible]paration of a few months can make a -- a few weeks even -- can [illegible] all the difference in the world. So we'll go back and do -- we w[illegible] pay some more attention to that.

But on the college education thing, I think you're right, and I think we ought to find some way to accommodate that and we're working on that. (Applause.)

THE PRESIDENT: If I could just make one point on that. Next to education and child care, the thing we hear most all around the country from people who seek to move from welfare to work or very c' 'n even to go to college is whether they have adequate sportation. And this ISTEA act that Lou just mentioned, which is -- it took me a long time to remember what all those little letters were for. But the bottom line is, I asked the new Secretary of Transportation, Rodney Slater, to look at that to see that we were allocating enough money in here not only for mass transit, but also for the appropriate subsidies to make sure that poor people could have access to this. Otherwise, they won't be able to get to work.

And this is an interesting opportunity for New York to make an alliance with smaller cities. For example, there was just a study on Atlanta, which said that in something like 80 percent of the entry-level jobs in the city of Atlanta were filled by people who lived in low-income neighborhoods in Atlanta. In the suburban towns outside just that touch Atlanta, only 55 percent were. And it was clearly the result of the inadequate ability of low-income people to access transportation to get there.

So this is a huge issue, Lou. It's a huge issue for welfare reform and basically for the integrity of poor families to be able to sort of aspire and move and do things.

Senator, were you going to say something about this?

SENATOR MOYNIHAN: Yes. We very much appreciate your endorsing the existing formula, Mr. President. (Laughter and applause.)

THE PRESIDENT: Is that what I did?

SENATOR MOYNIHAN: Wyoming, Montana --

THE PRESIDENT: I thought we could do a little better on mass sit.

SENATOR MOYNIHAN: The newspapers out there, did you hear that? (Laughter.)

THE PRESIDENT: Never misses the lick. (Laughter.)

THE PRESIDENT: Let me say, as I'm sure you know, all the members of Congress who are present here supported the efforts we made last year to raise the minimum wage. And that, plus doubling the earned income tax credit, the refundable earned income tax credit for lower income working people, led in 1995, before the minimum wage even went into -- we had the biggest drop in poverty, in the poverty rate, among single women with children in 20 years.

And so I couldn't agree with you more. We have still 20 percent of our kids living in poverty. And it's not very complicated. I mean, it's the reverse of why we have lowered the poverty rate among our seniors to 11 percent, and it's the lowest it's ever been in history because we met a national, common commitment to investing in retirement and health care for seniors. And one of the things that I earnestly hope we can do is to -- in the next two years is to do something really significant to deal with the fact there's still 10 million children in our country without health care. And they're not primarily people who are presently on public assistance because they're eligible for Medicaid.

But education, health care and safety are the three big priorities that we have for our children. And I think they're all important and we're nowhere near where we ought to be.

THE PRESIDENT: Let me just say very briefly, I think you're right on both counts. We have five American corporations including UPS and Sprint, Monsanto, Burger King -- and somebody I've left out

-- United Airlines -- who have agreed to head a national effort to get major corporation to hire and train people in good jobs.

The second point you made, though, is absolutely right, we have to have -- this will not work unless we also have a floor plan for p' 'icly-financed jobs for people in training programs in the aning, and also just continuing support for higher education. I .1 give you an example. We've been working very hard for months now to try to get a new agreement among the world's nations on telecommunications services, giving American companies the right to compete in other countries for telecommunications services. We finally got an agreement that was far better than I ever dreamed we could get. It is estimated it will bring a million new jobs to America -- this one agreement -- a million new jobs over the next 10 years, but not one of those new jobs will be a low-skilled job. Every one of those jobs will require a level of skills and education that the folks that want to go to work, but don't have those skills, desperately need.

THE PRESIDENT: One of the best things we did in the last session of Congress, in the last days, was to add 200,000 more work-study slots. There was another 100,000 in my new budget. If they pass we will go to a million people on work-study in this country in the next two years.

If we can do that, surely -- if you think about the numbers you're talking about, you're talking about maybe 100,000 nationwide of the million people that must be in the work force -- surely we can get some consideration for permitting a certain number of hours worked on the campus in connection with elections. I want to say that I think the one thing that I know that is not working the way t' ' thing is being applied now is rules that, in effect, force le out of college. You know, we're cutting off our nose to spite our face. These are not people who do not want to work. So I will work on that for you. (Applause.)

Q Mr. President, in relationship to your coming to be with us and your announcing your concern for Partnership of Hope, we have created this, a symbol of our determination not to quit until we have really announced that there is signficant progress towards narrowing the gap between the haves and have-nots. We call it Emancipation From Poverty.

The symbol, you will observe, has red, white and blue. That's the evidence that we are committed to your leadership and to the well-being of our nation. And then you see the yellow, which is our symbol of hope, something you know something about in a very special way because that's where you're from.

And so we want you to look at this symbol until we translate it into quality movement towards changing the whole spirit of the nation so that everybody understands it's a spiritual issue and that if we are interested in being blessed of the God we serve, we will not stop until every child of God has a fair opportunity to work and to thrive.

THE PRESIDENT: Thank you. (Applause.)

END 12:10 P.M. EST

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-02-18-97 1522EST

Date: 02/18/97 Time: 16:06
GCompanies find doing right can be good for profits

NEW YORK (AP) Yla Eason recalls the day 12 years ago when her ;ar-old son told her he could never be a super-hero. His action dolls were all white, and he was black.

Six months later, Ms. Eason gave her son what he yearned for: a black super-hero doll. But she had to do it the hard way. She created a company to produce some of the first ethnic dolls in the country.

Today, Ms. Eason's company, Olmec Toys, has millions of dollars in sales, a sign that big retailers ignore the minority market at their fiscal peril.

Moreover, Ms. Eason is one of a growing number of people in all manner of industries who realize that a social vision can go hand in hand with sound management and profits.

She and four other entrepreneurs received the sixth annual Business Enterprise Awards on Tuesday following a keynote address by President Clinton. The awards are given by the Business Enterprise Trust, a non-profit group founded by television producer Norman Lear.

Other winners this year are: Donna Klein, the work-life director at Marriott hotels, for starting a resource hotline for lower-wage workers; McKay Nursery in Waterloo, Wisc., for allowing migrant workers to share in profits; Motorola Inc., for paying more than $160 million to train its work force; and Max De Pree of furniture maker Herman Miller Inc., for allowing employees to share in company gains.

In his speech, Clinton said, ``This country will never be what ould be if some people are beyond the message of Max De Pree, Motorola and others'' that all individuals can flourish.

He urged the more than 300 business leaders at the awards ceremony to help hire welfare recipients, who will need jobs under the president's welfare reforms. ``You have to find a way to make it good business,'' he said.

Undoubtedly, companies are increasingly doing good to satisfy savvy consumers and investors. Yet, the movement toward humane management isn't a public relations gimmick for some.

After surviving downsizing and reengineering, some managers are increasingly appreciating the secret weapon they've always had: people. Progressive companies are realizing that work-life programs or other initiatives once thought ``soft'' actually can help the bottom line.

``This movement toward social responsibility reflects the growing recognition that it's not just top management that's involved in generating profitability,'' said Charles Fombrun, a professor and author of a book on corporate images called ``Reputation.''

During decades at the furniture company started by his father, De Pree helped replace traditional hierarchies with work teams. He introduced a profit-sharing program for employees and capped the chief executive officer's pay at 20 times that of the average worker's.

``Years ago, we were seen as being a little kooky,'' said De , chairman emeritus of the Zeeland, Mich. company. ``But the results indicate that, kooky or not, these were good things to do.''

During De Pree's tenure as CEO, revenues tripled and the company's stock market value increased five-fold.

A recent conference at New York University's Stern School of Business underscored the link between social responsibility and financial health. A study of 216 companies showed a premium on stock market values for companies with a strong reputation for being socially responsible.

The financial payback for Marriott International, headquartered in Washington, D.C., has been high since Ms. Klein, the work-life director, started a 24-hour hotline that links social workers with employees.

Unlike other companies' resource lines, the hotline was aimed at lower-wage workers, who often are late or quit due to child care, language or housing problems.

Now workers stay at their jobs longer and are less often tardy or sick, giving the hotel a four-to-one payback on its investment, said Ms. Klein. That's not including time saved by managers who are drawn into employee problems.

It isn't always easy to do the right thing, award winners agreed. When Ms. Eason started her toy company, she was told that blacks don't buy black dolls.

Now, she can hardly go to another toy maker's showroom without seeing multicultural dolls.

``It gives me competitive pressure,'' she said. ``But we have proven we were right   there is definitely a market for these products.''

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Date: 02/18/97 Time: 16:06
CCWA and UFCW Discuss Merger

LOS ANGELES (AP) The United Food and Commercial Workers and Communications Workers of America have begun talking about a merger.

Morton Bahr, president of the CWA, and two UFCW officials confirmed that each union had formed a merger committee and that the committees met for the first time on Monday.

``The discussions center around the potential of forming a new union that's based around community organizing,'' Bahr said.

On the surface, the two unions have few similarities. CWA, which has about a half-million members, represents primarily telephone and communications workers; the UFCW represents grocery store workers and retail clerks.

But both represent workers employed growth areas of the economy, and UFCW President Doug Dority and Bahr formed a close personal relationship when they both supported interim AFL-CIO President Thomas Donahue against John Sweeney, who took over the federation.

Institutionally, the food workers' board is appointed by the president, while many CWA officers who would have to OK any agreement are elected regionally.

Bahr said the differences are minimal ``if your philosophy is community organizing that represents every eligible worker in the community that spans the gamut from workers at the bottom level who desperately need trade unionism to those who work in white collar and highly skilled.''

Unions have looked to merge to increase their clout and e ctively deal with multinational corporations.

The United Steelworkers, the International Association of Machinists and the United Autoworkers have announced their intention to merge and form the nation's largest union.

Bahr said two other unions have already expressed interest in joining a merger of his union with the foodworkers, but UFCW officials say any decision on a merger is a long way off.

APNP-02-18-97 1614EST

Date: 02/18/97 Time: 16:06
Analysts Look to History When Studying American Airlines Situation

Doreen Hemlock, Sun-Sentinel, South Florida
ght-Ridder/Tribune Business News

Feb. 18--The last time a U.S. president named an emergency board in an airline dispute, management and labor did not accept the board's recommendations. A 43-day strike resulted, affecting 60 percent of domestic passengers.

That was in 1966 when machinists walked out on five airlines.

The same scenario could await American Airlines and its pilots union, as the first presidential emergency board in 31 years works to propose recommendations to solve a contract dispute.

"My crystal ball says they are going to walk again," said Barbara Beyer, president of Avmark Inc., an aviation consulting firm in Washington, D.C. "I think its going to be a long hot summer for labor and management."

Analysts say it's hard to draw too many lessons from 1966.

In that case, after President Lyndon Johnson's board failed and unions went on strike, Congress started writing a law to order machinists back to work.

Before that law could pass, the union accepted a settlement that was criticized as too favorable to labor. One of Johnson's key economic advisers called the new contract "excessive."

But times were different then. Airlines were regulated and linked up with each other. There were no aviation hubs and commuter carriers. And that strike involved a key national union -- not one isolated pilots union that is not even a member of the powerful AFL-CIO.

"Aviation now is as different as the railroad system is from cruise s," said Michael Boyd, an analyst at Aviation Systems Research Corp. in Gorden, Colo. "This is all new territory now."

Still, some analysts see parallels with railroads, which also are governed by the 1926 Railway Labor Act.

In railway disputes, presidential boards or Congress have commonly intervened.

Joshua M. Javits, an airline labor lawyer in Washington, D.C., said frequent intervention has made collective bargaining in the railway industry "merely a formality."

"The real negotiating takes place in the halls of Congress," said Javits.

The railroad precedent shifts the focus in the American Airlines' dispute to Capitol Hill.

Under federal law, a presidential emergency board has 30 days to make its non-binding recommendations. If the two sides don't reach an accord within another 30 days, unions can strike. Or Cong-ress can impose a settle-ment.

Analysts say it's still unclear how a Republican-led Congress would act in this dispute. Lobbying likely would affect the outcome, as it did with President Clinton's decision to act.

In the meantime, the emergency board faces its toughest job in determining who will fly new mini-jets for AMR Corp., American Airlines' parent company.

American's pilots insist only they fly the new aircraft; management wants them flown by American Eagle, the company's lower-cost commuter subsidiary.

As they debate, other U.S. airlines are buying the small jets, which fly higher, quieter and farther than turboprops.

Atlantic Southeast Airlines, a regional carrier owned partly by Delta Air Lines, last month contracted to buy 30 of the jets from Canada's Bombardier for about $600 million. It also took options to buy 60 more -- in the industry's largest order to date.

Atlantic Southeast said it preferred the Canadian planes, because their manufacturer has plans to develop a stretched model for 70 passengers.

That's just the kind of change that fuels the fears of American Airlines' pilots.

They say that once American Eagle starts flying the 50-passenger planes, then management will let them fly the 70-seaters and other bigger jets -- chipping away at the American's higher-paid jobs in favor of Eagle's cheaper labor.

ON THE INTERNET:

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KBviaNewsEDGE

Date: 02/18/97 Time: 16:01
CClinton urges churches to help find jobs for needy

NEW YORK (AP) President Clinton received unvarnished opinions about welfare reform today as he appealed to the nation's churches t rovide the jobs needed to make the welfare law he signed a s ess.

Clinton visited historic Riverside Church in Harlem, which started a program for welfare recipients a month ago at Clinton's suggestion. He spoke with several of the church's 2,000 members, ranging from those on welfare to millionaire magazine publishers.

``This can be done and I need your help to do it,'' Clinton said. ``It is part of all our mission in life to do this anyway.''

But Clinton was told that the federal government can't expect the private sector to become an automatic safety net for millions of people who lack the skills for long-term employment. He was told that those leaving public assistance need training and education, so they won't always be locked into the most undesirable jobs.

``I've seen the women clean the toilets. It's horrid and it's demeaning,'' said Nilda Roman, who is part of Riverside's community working group.

Later, the president told the Business Enterprise Trust Awards luncheon that there are thousands of welfare recipients who are eager to work ``and a painful number literally don't know the first thing'' about holding a job.

``This country will never be what it ought to be if there are people who are literally beyond the message,'' Clinton said. ``I believe we can do better.''

Although he spent much of the day talking welfare, Clinton was also raising cash for Democrats at a $1 million dinner before t eling to Boston later tonight.

The president said the problem of creating jobs for those coming off welfare would be eased if one person were hired by each of the 135,000 churches, synagogues and mosques that have more than 200 members.

However, Clinton warned that the steady job growth that the economy has experienced in recent years likely won't last. With the tax credits he has proposed and a willingness on the part of the private sector, he said, finding work for welfare recipients would be ``a manageable problem.''

Earl Graves, CEO of Black Enterprise magazine, called it ``unrealistic and unfair'' for Clinton to suggest that businesses ``sacrifice profit margins in order to do the government's job.'' He said lasting jobs for those on welfare can be engendered only with a federal safety net and training for the unskilled.

``The involvement of the private sector ... is not a substitute for government-provided resources,'' Graves said. ``Unlike the federal government, we can go out of business.''

Clinton said the federal government will not totally withdraw its support from those who leave welfare for good. He cited an extra $3.3 billion he earmarked in his fiscal 1998 budget plan for welfare-to-work efforts, and a plan to allow employers to claim a 50 percent credit on the first $10,000 of a hired welfare recipient's annual wages for up to two years.

``I don't think it's accurate to say this bill destroys the s ty net for poor people,'' Clinton said. ``It will be a good g if we make this work, but there is no automatic system for doing it and that's why we need your help.''

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Date: 02/18/97 Time: 15:40
N hwest Airlines Pilots Feel Heat from American

by Gail Marks Jarvis, Saint Paul Pioneer Press, Minn.
Knight-Ridder/Tribune Business News

Feb. 18--Now that President Clinton has made sure that American Airlines passengers can relax about an impending strike, Northwest Airlines' pilots have begun to sweat about their labor negotiations.

And they may have good reason.

Clinton's decision to stop a strike by American Airlines pilots Saturday night, "completely pulled the carpet out of the industry's collective bargaining," said Joseph Blasi, an airline labor expert and Rutgers University professor. "It shows the union got totally creamed in the first round of negotiations."

Although there's no telling how the American negotiations will resolve after a 60-day cooling off period, Northwest pilots fear they may get creamed, too. And despite their well-placed Washington connections, politics may work against the pilots.

Flying without a contract since October, the 5,500 Northwest pilots are in the midst of negotiations over many of the same issues that their brethren at American were prepared to strike over.

While 11th-hour negotiations between the company and the Air Line Pilots Association are probably at least a year away, the Northwest pilots' online site was abuzz Sunday and Monday with worried, angry pilots.

"Like you, I am very disappointed that President Clinton (interceded)," w e Northwest pilots' negotiator Steve Wilson to pilots wondering whether 'd suffer the same fate as American's pilots. "I think the repercussions a profoundly troubling for us."

Clinton invoked the Railway Labor Act of 1926 to stall a strike. That the law was used to avert a pilots' strike -- after being used only to prevent railroad strikes during the past for 30 years -- scares the daylights out of pilots who have watched railroad workers lose power.

The pilots, whose average annual income is about $120,000, are afraid that if airline executives no longer fear that a strike will shut them down, unions will have little muscle. "I question what motivation any airline management would now have to negotiate in good faith, particularly a management that looks as though it will have to increase costs to reach an agreement," said one pilot's e-mail.

Officially, Northwest pilot union spokesman Paul Omodt declined to speculate Monday about the potential impact of the president's action.

But via their Web site, union leaders have been trying to assure their members that they're in better hands than are American pilots. Northwest union leaders have emphasized that a different union, the Allied Pilots Association, represents American pilots.

In addition, leaders from Air Line Pilot's Association, or ALPA -- which represents Northwest pilots -- point out that they supported Clinton in the '96 election, while American pilots favored Bob Dole. ALPA leaders also say on the Internet that they'll be smart about starting early to build support on Capitol Hill, while American pilots' union didn't.

In the past, ALPA also has used the Washington connections of Duane Woerth, a first vice president for the union.

Nonetheless, some Northwest pilots remain skeptical.

Here's why:

Woerth also is on Northwest's board of directors, a position pilots requested in exchange for concessions that kept Northwest solvent in 1993. And some pilots fear that Woerth has become too close to Northwest Co-Chairman Al Checchi and CEO John Dasburg.

The pilots also worry that their power in Washington may be no match for

Checchi, a large Democratic Party contributor and the son of a former Washington bureaucrat. He's believed to be well-positioned to get an audience with Clinton.

Checchi, who's running for governor of California, also holds sway in Congress, which can stop a strike. He has strong ties to Minnesota's James Oberstar, a powerful Democratic member of the House Transportation Committee.

After buying Northwest airlines in 1989 with co-chairman Gary Wilson, Fred Malek and a handful of other investors, Checchi's first order of business was to fly to Washington, D.C. That's when he introduced himself to Oberstar and was first asked by the northern Minnesota congressman to put some type of Northwest facility in his district.

Checchi eventually delivered on Oberstar's request after getting a $270 million loan from the state of Minnesota while Northwest struggled with financial troubles in 1993.

When Northwest threatened to file for Chapter 11 bankruptcy in 1993, Oberstar was one of several influential Democrats -- including then Northwest board member Melvin Laird and Walter Mondale -- to implore Clinton to get involved.

As a result, Transportation Secretary Frederico Pena called Northwest executives and the company's three union leaders together in Washington. Within a week they had tentative agreements that gave Northwest $250 million in union concessions.

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Date: 02/18/97 Time: 14:59
Contract Negotiations Put Several Airlines at Risk of Strikes

Douglas Feiden, Daily News, New York
ght-Ridder/Tribune Business News

Feb. 18--It isn't over yet.

If you thought the threat of chaos in the skies ended when American Airlines pilots were ordered back to work at midnight Saturday, guess again.

At least a dozen major airlines are in the midst of contract negotiations with their unions -- and a strike at any of those carriers could create massive economic disruptions and a new nightmare for inconvenienced passengers.

Showdowns loom at Continental, where pilots are seeking their first raise since 1992, and at Northwest, where unions want hefty pay hikes to make up for concessions that helped the airline fend off bankruptcy in 1993.

Those talks are expected to be dicey because, after years of steep losses, the airline industry has been racking up record profits.

Also, unions are taking an increasingly militant tack in trying to squeeze carriers for more money.

But union muscle-flexing may be tempered by President Clinton's swift intervention to quell, at least temporarily, the American strike.

He ordered pilots back into the sky after a 22-minute walkout, kicking off a 60-day cooling-off period.

"The main message of the presidential intervention for the unions is don't be greedy," said Chris Partridge, an aviation industry consultant at London-based Avmark International.

Other potential flashpoints could be at TWA and USAir, where contracts v all six unions -- from pilots and mechanics to flight attendants and omer-service agents -- expire this year.

Pacts between Northwest and its six unions also run out this year, and the company is demanding increased productivity as labor leaders clamor for higher pay.

In addition, pilots at United, Continental and USAir are all haggling over new contracts and had been keeping a close watch on the American negotiations.

United's pilot union recently voted down a 10 percent pay hike, setting the stage for another possible confrontation.

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Date: 02/18/97 Time: 09:33
DDetroit papers must decide on unions' return-to-work offers

DETROIT (AP) Detroit's two daily newspapers must now decide her to accept unconditional offers from six unions to return to work after a 19-month strike.

The last of the striking unions, The Newspaper Guild Local 22, made its offer Monday to Detroit Newspapers Inc., which runs business and production operations for The Detroit News and the Detroit Free Press.

Newspaper officials have five days to respond now that all the offers are in. Disputes are expected to drag on for months in the courts no matter what the papers do.

Detroit Newspapers contends that the unconditional offers mean the strike is legally over. Union leaders, however, have said they will continue strike-related activities, including subscriber and advertiser boycotts.

Tim Kelleher, Detroit Newspapers senior vice president for labor relations, called those plans ``bizarre.''

``We're not sure what tactic these guys are taking,'' he said.

Some 2,500 employees at the two papers went on strike in July 1995 over issues including wages, work rules, union jurisdiction, job cuts and health care costs. About 430 have returned to work.

The newspapers have hired 1,300 replacement workers and have said they do not intend to displace them with returning employees. If the papers reject the return-to-work offers, the unions are expected to seek a court order to return striking members to their jobs.

Detroit Newspapers is liable for back pay if it rejects the ...rs and is later found to be responsible for the strike because of unfair labor practices.

William Schaub, regional director of the National Labor Relations Board, has ruled that the papers did commit unfair labor practices, but his decision is being appealed.

APNP-02-18-97 0941EST

Date: 02/18/97 Time: 08:30
RWALTER MEARS: Clinton's improbable subject: better car seat

WASHINGTON (AP) In President Clinton's Saturday morning radio . al, the episodes feature miniature proposals with worthy goals, low costs and topics that sometimes seem improbable for White House microphones.

All of the above apply to his latest broadcast, a presidential pledge to help make children's car safety seats easier to hook up properly. Under federal regulations he proposes, the seats would come with standard buckles and new automobiles would have latches to fit them, effective in 1999.

``As the president has said, the era of big government is over,'' Clinton's $1.69 trillion, five-volume 1998 budget notes, in outlining broad federal roles, which don't get to the car seat level.

That is not to suggest that new federal standards aren't a good idea.

``We're moving closer to the day when safe, well-attached car seats will be the rule of the road,'' Clinton said Saturday. Safer for children, simpler for parents often frustrated by the mechanics of widely varying car seats, which now are required in every state.

``Anyone who's ever wrestled with a car seat knows what I'm talking about,'' said Clinton, the first president to wrestle with the topic in a nationally broadcast address.

In a way, his proposals for limited federal programs, persuasion and sometimes advice on topics from education to crime control to safe driving are attuned to his era of smaller government. In a her way, they're attuned to a broadened Washington reach.

Clinton has said, repeatedly, that there is not a program for every problem, that government doesn't have all the answers. His mini-menu offers some, but with limits, especially on costs. He is, after all, pledged to a balanced budget in five years. But even low-priced proposals require rules, standards and the regulators to enforce them.

The strain between the two sometimes is evident, as when Clinton pushed the idea of requiring uniforms for public school pupils as a step to instill discipline and to reduce jealousy and friction that can stir violence.

``Let me be clear: Washington will not tell our schools what to do,'' he said in that Saturday radio talk, just about a year ago. He said parents, teachers and local school officials will have to make the decision, and the federal government can only advise.

So he told the Education Department to distribute a manual to each of the nation's 16,000 school districts on the advantages of making uniforms mandatory.

The five-minute weekly radio talk, usually live, at 10:06 Saturday mornings, has become Clinton's forum for offering and often repeating such ideas.

It is a presidential format dating from Richard Nixon's time, although only Ronald Reagan and now Clinton made it a weekly fixture. Reagan delivered 331 of them; most were presidential sermons for his programs and philosophy.

``Believe me, Saturdays will never seem the same,'' he said in last of his weekly talks.

George Bush used the medium sporadically. Clinton not only revived it, he made it into a production, usually broadcasting live from the Oval Office with an invited audience, sometimes featuring people affected by the measures he is discussing.

For his push to expand the family leave law to permit working people up to 24 hours, unpaid, a year, for things like school conferences and children's medical appointments, he invited three families who got emergency time off under the existing law, the f t he signed as president.

Early in his presidency, Clinton concentrated his talks on his major proposals to Congress, particularly on economic matters. He still does so some Saturdays. But more often, he adds to the catalogue of cautious proposals that have been his style since the Republicans took over Congress in the 1994 elections.

The Republicans get broadcast time for a Saturday radio talk of their own. But with different voices and without the White House pulpit, it is an unequal match.

It always has been difficult to calculate the size of the listening audience, but replays, clips and news accounts magnify the impact, especially on quiet weekends.

Just the thing for modest proposals, among them:

Clinton's announcement of a $14.3 million first installment for school equipment and training to link classrooms to the Internet.

Word of an administration handbook for police on dealing with witness intimidation by street gangs.

His directions to federal agencies to save surplus food from their cafeterias for distribution to the hungry.

His preview of changes in automobile air bag rules to reduce the risk of harming children.

And, of course, easy to install car seats.

One of these Saturdays, perhaps, there'll be instructions on how to program a VCR.

EDITOR'S NOTE Walter R. Mears, vice president and columnist . The Associated Press, has reported on Washington and national politics for more than 30 years.

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POTUS NOTES ON POSSIBLE POLICY ANNOUNCEMENTS RELATED TO LABOR ISSUES

pg 5:

"I am for (a) and (b)--we need to discuss (c)--need some standards or guidance--also could give guidance to solve interpretation problems with (b) but on merit (b) is the strongest of all.

pg 7:

"Too strong"

pg 9:

What's the rec?--~~Take~~ I'd be willing ____ to do 2 or 3 years ~~of work on the~~ if we do more above. Can't promise to veto a good bill because its not better. Use Senate filibuster for this

pg 10:

we certainly can make tax credits contingent on this and using welfare credits should require or ____ paying above minimum wage

DRAFT:February 17, 1997; 2:11PM

Talking Points
Vice President Al Gore

AFL-CIO Annual Meeting
Los Angeles, CA
February 18, 1997

Opening--Thank yous

- Let me begin by congratulating you and the entire labor movement. Thanks to your hard work -- mobilizing your members, educating voters, turning out voters -- you made history in the 1996 elections. You helped re-elect the first Democratic Vice President in 60 years . . . and, oh yes, the first Democratic President in 60 years, too.

- Seriously, we couldn't have done it without you. And from the bottom of my heart, I thank you. Turn-out in the 96 elections was somewhat low, but the percentage of voters from union households actually increased. In fact, nearly one out of every four voters came from a union household. Thank you. You made a real difference.

- But the labor movement's performance in 1996 was extraordinary for other reasons, too. You faced the most anti-worker Congress in history -- a band of members intent on ripping apart the whole fabric of worker protections and worker rights. And not only did you beat them back -- you made incredible progress. A higher minimum wage. Portable health insurance. Strengthened environmental protection. Pension reform. And a new commitment to education and job training. All this in Newt Gingrich's Congress. Truly amazing. You've turned that old football adage on its head. You've shown that sometimes the best defense is a good offense.

Reiteration of Past Pledges

- This year, we'll work to hold our gains -- and then to make new ones. As I pledged to you last year, President Clinton will veto any legislation that guts OSHA or MSHA -- or that undermines health and safety protections for

American workers. Our commitment to safe workplaces for all working men and women is not negotiable.

- President Clinton also will veto any bill that authorizes company unions or sham unions. Last year, we pledged to veto TEAM Act. This year, our principles are the same. The President will veto any bill that undermines the collective bargaining process or permits company unions filled with employers' hand-picked representatives, this President will ink up his veto pen.

- President Clinton also will veto any attempts to repeal Davis-Bacon or the Service Contract Act.

- And, of course, we'll continue to protect Medicaid and Medicare. We'll continue to invest in education and job training so that every woman and man has the chance to succeed in this economy.

- And, yes, we'll continue to oppose a balanced budget amendment. We don't need to rewrite the Constitution. And we sure don't need judges holding up Social Security checks. Let me take a moment to recognize all of organized labor, but especially my friend Jerry McEntee, for all you've done to lead the fight on this. A lot of people thought this issue would sail through Congress -- and that right now we'd be fighting in state legislatures. But once again, as he has done time and again on the big fights, Jerry revved up his troops and made a stand. Because of Jerry's leadership, and again, the AFL-CIO, we have a real fighting chance to defeat this bad idea again. And I want to thank Jerry and each of you for your tremendous efforts.

- That's our defensive strategy. And it's important. The President and I understand that with this Congress, the White House is the last line of defense for working people and the unions that represent them.

<u>**New pledges**</u>

- But, as I mentioned, we've learned from you that sometimes the very best defense is a strong offense. So here's some of our offensive strategy for the coming year. And I'm happy to make these announcements for the very first time before you this morning.

- First, we're going to send a message to companies that want to do business with the federal government: how you treat your employees and how you treat unions counts with us. If you want to do business with the federal government, you'd better get your house in order, you'd better clean up your act, and <u>you'd better not bust unions</u>. Because we're going to start changing the rules to make it clear that part of having the kind of integrity and business ethics and performance capability that we expect of a federal contractor is having a satisfactory record of labor relations and employment practices and policies. That means following the law. This is important for <u>all</u> working people, and we mean it. strong

- Believe it or not, under past practices, federal contractors can even get reimbursed for the costs of trying to persuade employees not to join unions, and for the cost of fighting unfair labor practices allegations. But we're going to start changing those rules because they're just plain wrong. The larger principle is clear: the right to organize and the right to strike are fundamental rights -- and nobody's tax dollars to be spent undermining these rights.

- This is extremely important. Just before I came to this meeting, I met with a group of workers who have been trying to organize. Their stories were incredible. There is simply not a level playing field out there. And government ought to be doing whatever it can to level that playing field and give workers a real-life right to organize.

- The second piece of our offensive strategy concerns flex-time: We believe strongly that there should be a link between expanding Family and Medical Leave Act and any flextime legislation Congress considers. And any flextime proposals must address our principles of choice for employees, real protection against employer abuse, and preservation of basic worker rights. And President Clinton will veto any comptime bill that does not meet these flextime principles. In other words, President Clinton will not sign any -- repeat <u>any</u> -- legislation that obliterates the principle of time-and-a-half for overtime or that destroys the 40-hour workweek. If you work overtime, <u>you</u> should get to decide whether you want extra time or extra money.

- Third, we support campaign finance reform. And we welcome your help in cleaning up this crazy system. But we oppose -- and we will fight -- any effort that targets labor unions and their members, or that denies workers the right to be involved in the political process. That is why the President will veto any legislation that would prevent labor from communicating its views on candidates and legislative issues that are important to its members and their families.

- Fourth, President Clinton will issue an executive order that encourages federal agencies to consider using project labor agreements for any construction contracts they manage. Many agencies don't know they have this authority, so we're going to inform them directly -- because project labor agreements have proven to be good for workers, good for management, and good for taxpayers.

<u>**Close**</u>

- Finally, let me turn another adage on its head. It's been said that what matters are not words, but deeds. And that's partly true. That's why I wanted to underscore my commitment to the trade union movement with the specific deeds I just mentioned. But sometimes words matter as much as deeds. And there's one word you'll be hearing me say a lot in the future: <u>union</u>.

- Unions matter -- perhaps more than at any time in our history. And unions are critical if we are to reverse the inequality our country has suffered the last 20 years. Unions are essential to making sure that every worker has the opportunity to build a decent life. We need to let people know what you and I already know: that workers who are in unions earn more, get better health care and pension benefits, are safer on the job, and can be more productive than workers who aren't unionized. And the advantages of being in a union are even greater for women and minorities. I've said it before and I'll say it again: the state of our Union depends on the strength of our unions.

- So I pledge to you this morning that I will help you spread that message. <u>I will be your partner in the fight for higher wages</u>. And I will work with the President's team to spread the word -- or actually those two words . . . <u>Union, yes</u>!

- You're on the brink of making history. John Sweeney's lean, mean recruiting machine will power labor back. And as you organize, organize, and organize some more, I want you to know that I am on your side.

- Thank you again for all you've done.

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1420 words

ECONOMIC PROGRESS IN CALIFORNIA UNDER PRESIDENT CLINTON

President Clinton's strategy to strengthen the economy is based on reducing the federal budget deficit, lowering trade barriers, and empowering workers, families, businesses and communities to succeed. Here are some of the results for California after 47 months of the Clinton Administration:

Improved Economic Conditions in California:

- The unemployment rate has dropped from 9.7% to 6.8% in 47 months.
- 808,000 new jobs added in 47 months -- after 57,900 lost during the previous 4 years combined.
- 762,700 new private-sector jobs added in 47 months -- after 167,100 lost during the previous 4 years combined.
- 94,600 construction jobs added in 47 months -- after 110,700 lost during the previous 4 years combined.
- New business incorporations have increased 5% **per year** -- after decreasing 11% during the previous 4 years.
- The Help Wanted Index has increased 19%.
- Bank lending has increased by $15.6 billion -- after declining by $14.4 billion during the previous 4 years.
- Consumer confidence has increased 73%.
- Business failures have declined 4% **per year** -- after increasing 21% **per year** during the previous 4 years.

What President Clinton's Accomplishments Have Achieved for the People of California:

$15,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN CALIFORNIA: The national debt will be **more than $1 trillion** lower than was projected before the passage of the President's economic plan. That's about $15,000 of reduced federal debt for each family of four in California.

10 TIMES MORE CALIFORNIA FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 2,146,915 working families in California will receive a tax cut. This compares to an increase in the income tax rate for only the 218,777 wealthiest taxpayers in California.

TAX CUT FOR 178,917 SMALL BUSINESSES IN CALIFORNIA: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from $10,000 to $17,500. About 178,917 small businesses in California are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

4,959,000 CALIFORNIA WORKERS PROTECTED BY FAMILY AND MEDICAL LEAVE ACT: The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave for the birth of a child, to care for a sick family member, or if they become too sick to work. This law covers about 4,959,089 workers in California, and protects the jobs of 297,914 workers in California who are likely to use unpaid leave this year alone.

1.65 MILLION STUDENTS AND FORMER STUDENTS IN CALIFORNIA WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 1.65 million California borrowers -- 1.16 million current borrowers and 490,000 new borrowers in the next few years -- can take advantage of the new direct student loan program by participating directly in the program or by consolidating guaranteed loans into direct loans. Some will benefit from lower interest rates, and all will benefit from more repayment options, including income contingent repayment.

American Federation of Labor and Congress of Industrial Organizations

815 Sixteenth Street, N.W.
Washington, D.C. 20006
(202) 637-5000

EXECUTIVE COUNCIL

[illegible]

** NOTICE **

Memorandum

TO: Political Directors

FROM: Steve Rosenthal, Director
Political Department

DATE: February 13, 1997

RE: Los Angeles Meetings

Please find attached an updated agenda for our political meeting and the full agenda for the Executive Council.

If you have comments or questions please call Marta David at 637-5104.

I look forward to seeing you in Los Angeles.

AFL-CIO EXECUTIVE COUNCIL
February 17 - 20, 1997
Biltmore Hotel
Los Angeles, California

Sunday, February 16

3:00 Working Women Committee Meeting: Imperial B

3:30 Economic Policy Committee Meeting: Imperial A

4:00 Los Angeles Labor Council "Welcome to LA" Party, Union Station

Monday, February 17

7:30 Article XX/XXI Review Committee Meeting: Imperial A

8:15 Safety and Health Committee Meeting: Imperial B

9:30 Council Convenes: Crystal Ballroom

Review and Adoption of the Agenda

Minutes of December Council Meeting

Welcome: Miguel Contreras, Executive Secretary-Treasurer,
Los Angeles Federation of Labor

Welcome: Art Pulaski, Executive Secretary-Treasurer,
California Federation of Labor

Session I: Building a Movement for American Workers

Overview of Organizing Activities in 1996

Review of AFL-CIO Membership

Significant Organizing Campaigns in 1996

Overview of 1997 AFL-CIO Organizing Program

Organizing Committee Report:
- Vice President Arthur Coia

Richard Bensinger, AFL-CIO Director of Organizing
- Changing to Organize Program
  - Elected Leader Taskforce Meetings
  - Organizing Conferences
- Right to Organize Project
- Organizer Recruitment and Training
- Strategic Research for Organizing Campaigns
- Industry Campaigns
- Geographic Campaigns
- Union Summer '97
- Constituency Groups Organizing Projects

Working Women Organize Project: Karen Nussbaum, Director, AFL-CIO Working Women Department

Major 1997 Campaigns

- Organizing Las Vegas Building Trades Workers:
  - Vice President Robert Georgine

- Organizing Workfare Workers:
  - Vice President Morty Bahr
  - Vice President Jerry McEntee
  - Vice President Andy Stern

12:30	Recess Press Conference: Tiffany Room
	Balanced Budget Committee Meeting: Imperial A
	Trade Committee Meeting: Imperial B
2:00	Council Reconvenes
	Organizing California Strawberry Workers: Vice President Arturo Rodriguez Executive Vice President Linda Chavez-Thompson
2:30	Gray Davis, Lt-Governor, California
3:00	Representative Maxine Waters (D-CA)
4:00	Recess
	International Affairs Committee Meeting: Imperial A
5:00	Finance Committee Meeting: Corinthian
6:00	National Council of Senior Citizens Reception
7:00	National Council of Senior Citizens Dinner

12:30	Recess
	Press Conference: Tiffany Room
	Union Privilege Board Meeting
2:00	Council Reconvenes
	Albert Gore, Jr. Vice President of the United States
4:00	Recess
	Union Pension Funds Committee Meeting: Imperial B Civil and Human Rights Committee Meeting: Imperial A
5:30	AFL-CIO Reception in Honor of Vice President Al Gore Tiffany Room

__Wednesday, February 19__

7:30 Full Participation Committee Meeting: Imperial B
Public Affairs Committee Meeting: Imperial A

9:00 Council Reconvenes

Session III: Providing a New Voice for Workers in a Changing Global Economy

Report of the International Affairs Committee:
Vice President George Kourpias

Update on International Affairs Department: Barbara Shailor, AFL-CIO International Affairs Director
- American Center for International Labor Solidarity
- Meeting with International Trade Secretariats
- Update on Singapore Trade Meetings

Neal Kearney, Chair, Council of International Trade Secretariats

Report of the Trade Committee, Vice President Jay Mazur

Recent Contract Victories

Update on Corporate Affairs Programs: Ron Blackwell, Director, AFL-CIO Department of Corporate Affairs

Economic Education for Working Families Update: Bill Fletcher, AFL-CIO Education Director

Report of Committee on Union Pension Funds:
Secretary-Treasurer Richard Trumka

Capital Strategies Program: Bill Patterson, Director, AFL-CIO Office of Investment

Report of Committee on Workplace Democracy:
Vice President Morty Bahr

Report of the Strategic Approaches Committee:
Secretary-Treasurer Richard Trumka

Frontier Hotel Strike Update

12:30 Recess

Press Conference: Tiffany Room

AFL-CIO Building Investment Trust Board Meeting

2:00 Council Reconvenes

Report of Committee 2000

Report on AFL-CIO Headquarters Renovation

Article XX/XXI Review Committee Report

Steve Coyle, AFL-CIO Building Investment Trust

Update on Field Reorganization: Marilyn Sneiderman, AFL-CIO Field Mobilization Director

Administrative and Financial Matters

Report on Union Privilege Program

4:30 Recess

March and Demonstration in Support of New Otani Hotel Workers

5:30 Reception in Honor of Congressman Dick Gephardt
Tiffany Room

Thursday, February 20

7:30 Committee 2000 Meeting: Corinthian

9:00 Council Reconvenes

Report of the Finance Committee: Secretary-Treasurer Richard Trumka

Report of Full Participation Committee:
Executive Vice President Linda Chavez-Thompson

Session IV: Providing a New Voice for Workers In Our Communities

Public Affairs Committee Report: Vice President Doug Dority

Union Cities Report: Marilyn Sneiderman
Miguel Contreras, Los Angeles Labor Council
Amy Dean, South Bay, California Central Labor Council
Ernie Grecco, Baltimore, Maryland, Central Labor Council
Dan Radford, Cincinnati, Ohio Labor Council

State and Local Central Bodies Committee Report:
Vice President Wayne Glenn

Education Committee Report: Vice President Al Shanker

Energy Subcommittee Report: Vice President Robert Wages

Safety and Health Committee Report: Vice President Lenore Miller

Civil and Human Rights Committee Report: Vice President Steve Yokich

Working Women Committee Report: Vice President Gloria Johnson

Labor and the Environment Workgroup Report:
Vice President William Lucy and Vice President Robert Wages

12:30 Working Lunch

Continuation of Reports

Adjourn

Tuesday, February 18

7:30 Workplace Democracy Committee Meeting: Imperial A
Committee on State and Local Central Bodies Meeting: Imperial B
Economic Policy Subcommittee on Energy Policy Meeting: Imperial C

9:00 Council Reconvenes: Crystal Ballroom

Session II: Building a New Political Voice for Working Families

Senator Tom Daschle

Representative Dick Gephardt

Update on Clinton Administration Appointments: Gerry Shea, Assistant to the President for Government Affairs

Legislative Committee Report: Vice President Ron Carey

Legislative Report: Peggy Taylor, AFL-CIO Legislative Director

Representative Xavier Becerra (D-CA)

Recommendations for the AFL-CIO Political Program:
Vice President Gerald McEntee, Chair Political Committee
Steve Rosenthal, AFL-CIO Political Director

Economic Policy Committee Report: Vice President George Becker

Balanced Budget Committee Report: Vice President Gerald McEntee

Charlene Barshevsky, United States Trade Representative

BACKGROUND ON PELL GRANT INCREASE

Overview. The Pell Grant is the main federal grant that allows millions of low-income and moderate-income families to have access to college. Despite the fact that the President's budget contains well over $200 billion in discretionary cuts over 7 years, the President's balanced budget includes a 25 percent increase in Pell Grant funding in FY1998, and additional increases through FY2002.

- **$2 Billion Program Deficit Eliminated.** The projected $2 billion Pell Grant program deficit was eliminated within the first two years of the Clinton Administration.

- **Record Increase in FY1997:** The President's FY1997 Budget called for funding to support a $2,700 maximum Pell Grant -- nearly a 10 percent increase over the FY1996 level -- to provide Pell Grants to about 3.7 million students in 1997, an increase of 60,000 over 1996. The President successfully secured this increase -- then the largest increase in the maximum Pell Grant award since implementation of the program in the 1970s.

- ***Another* record increase in FY1998:** The President's FY1998 Budget beats his own 1997 record with funding to support a $3,000 maximum Pell Grant -- over 11 percent (or $300) increase over the FY1997 level. This increase represents the largest increase in the maximum Pell Grant award in two decades. Raising the maximum award to $3,000 provides more aid to currently eligible students and makes an additional 130,000 students eligible for the grants.

- **Expansion of independent student eligibility:** The President's FY1998 Budget also proposes expanding the eligibility of low-income students (generally age 24 or older) who are financially independent from their parents. This expansion provides an average increase of more than $800 to 819,000 low-income, independent students, and brings 218,000 students into the program who are currently not eligible.

- **Helping over 4 million students in FY1998:** The President's FY1998 Budget that increases the maximum Pell Grant award to $3,000 and expands the eligibility of independent students offers Pell Scholarships to over 4 million students pursuing postsecondary education and training.

$1,500 HOPE SCHOLARSHIP COLLEGE TAX CREDIT

Overview. Currently, millions of Americans have access to college through Pell Grants and the federal student loan program, including the President's Direct Student Loan program, but the average student with loans now graduates $10,000 in debt and many more may not go on to college because they are reluctant to borrow so much money. The annual cost of a public college increased from 9% of the typical family's income in 1979 to 14% in 1994. [Education Department, 1996] *President Clinton's HOPE Scholarship Plan makes it clear that two years of college should be as universal as high school, and builds on his comprehensive program to guarantee that a college education is both accessible and affordable to all Americans at any time in their life.*

- **Guaranteed Average Tuition For Two Years of Community College:** The HOPE Scholarship Plan will ensure that low- and middle-income students can get up to a $1,500 tax credit, a Pell Grant, or a combination for tuition and required fees in their first year after high school, and another $1,500 in their second year if they work hard, stay off drugs, and earn at least a "B" average. This $1,500 credit is $300 above the national average community college tuition and would make tuition free for 67% of all community college students **[year/source]**. It would enable states that set tuition within $300 of the national average *to make community college tuition free for every student.* The credit would be indexed to inflation each year to protect its value.

- **$1,500 For The First Two Years At <u>Any</u> College For Students Who Earn At Least a B Average:** While the HOPE Scholarship tax credit is priced to pay for the full cost of two years of community college tuition for students who earn at least a "B" average in their first year, the $1,500 credit can be applied to tuition at any college, from a two-year public community college to a four-year private college. This $1500 tax credit will be a substantial downpayment for parents sending their children to colleges with higher tuition.

- **Available to Half-Time Students:** The HOPE Scholarship tax credit is designed to assist parents and current workers who want to further their education. Those who can only go to school half-time because of their job or parenting obligations, are eligible for up to the full $1500 credit for two years. The "B" average requirement also applies to half-time students the second time they claim the credit..

- **Includes 1-Year Certificate Programs:** Students at training and technical programs eligible for Pell Grants under Title IV of the HEA are also eligible HOPE Scholarships.

- **Interaction with the $10,000 Education Tax Deduction:** Eligible students in their first two years or their parents can choose between either the Hope Scholarship or the deduction. The deduction is up to $10,000 a year per family. The credit is $1,500 per student.

- **Costs:** The HOPE Scholarship Plan is fully paid for within the President's balanced budget. The$10,000 deduction costs $17.6 billion from 1997-2002. The $1,500 tax credit costs $18.6 over the same period.

- **Middle Income:** Both the credit and deduction are phased out for joint filers with income between $80,000 and $100,000, and for single filers with incomes between $50,000 and $70,000. These income limits would apply to the $1,500 tax credit as well as the $10,000 deduction.

- **"B" Average:** To remain eligible for the credit, students must earn at least a "B" average -- a 2.75 grade point average -- in the first year they claim the tax credit. Based on the National Postsecondary Student Aid study, more than half of students earn a 2.75 average or better.

- **Drug Felons Not Eligible:** A student is ineligible if, in accordance with the Drug-Free Post-Secondary Education Act of 1990, he or she has been convicted of committing certain felony offenses involving marijuana, controlled substances, or dangerous drugs.

- **Administration:** The Secretary of Education and the Secretary of the Treasury are working with the higher education community to minimize administrative burdens on institutions, students, and taxpayers while ensuring the integrity of the tax system. .

$10,000 EDUCATION DEDUCTION

As part of his proposed Middle Class Bill of Right, in 1994, President Clinton proposed a $10,000 tax deduction for education and training tuition at any time in one's life. The deduction is $5,000 in 1997 and 1998, and increases to $10,000 in 1999. This deduction would significantly reform the tax code to provide incentives not just to invest in physical capital but also to invest in education and skills.

- **Breadth of Application**: The tax deduction would be for tuition and required fees for anyone who is enrolled at least half-time in a degree or certificate program, or for anyone enrolled even part-time in courses that improve the student's job skills.

- **Supplements HOPE Scholarship Tax Cut**: In any year, students in the 13th and 14th grades could receive either the HOPE Scholarship or the $10,000 tax deduction. Eligible students in their first two years or their parents can choose between either the HOPE Scholarship or the deduction. Students that relied on the $1,500 tax credit in the first two years of college would still be eligible for the $10,000 deduction in the remaining years of college or graduate school or for qualified lifelong learning. Students not eligible for the tax credit would still be eligible for the $10,000 deduction. The deduction is up to $10,000 a year per family. The credit is $1,500 per student.

- **Income Limits**: For joint filers, the deduction would be phased out at incomes between $80,000 and $100,000. For single filers, the deduction would be phased out between $50,000 and $70,000.

- **Unlimited Number of Years**: While the HOPE Scholarship is for the first two years of college, the $10,000 tax deduction is available any year a family had education expenses. For example, a family of four with an income of $40,000 and five years of annual tuition expenses totaling $10,000 would receive a $7,500 tax cut over that five-year period.

Family Earning $40,000 1 college freshman and 1 college senior **$2,250 TAX CUT** ($1,500 HOPE Scholarship tax cut and tuition tax deduction assuming $5,000 in tuition)	**Family Earning $40,000** 1 parent in training and 1 college junior **$900 TAX CUT** (tuition deduction for $2,000 in training tuition and $4,000 college tuition)	**Family Earning $40,000** Annual tuition expenses of $10,000 over 5 years **$7,500 TAX CUT** ($1,500 per year)

EXPANDED IRAs

The President first proposed expanding IRAs in 1994 as part of the Middle Class Bill of Rights, and has included it in every Administration budget since then. The President's proposal doubles the income limits for IRAs to make 20 million more families eligible for tax-deductible IRA contributions and would allow penalty-free withdrawals for education, first-time home ownership, major medical expenses, and during long-term unemployment.

- **Doubles Income Limits -- Making 20 Million More Families Eligible:** Deductible IRAs are currently available only to families with incomes under $50,000 or who are not covered by an employer-provided pension plan. Eligibility for deductible IRAs is currently phased-out for single taxpayers with incomes between $25,000 and $35,000, and for married couples with incomes between $40,000 and $50,000.

  The President's proposal doubles the income limits, making more middle class families -- especially those with two incomes -- eligible for this expanded IRA. It doubles the income limits for making tax-deductible IRA contributions from $50,000 to $100,000 for married couples, and from $35,000 to $70,000 for single taxpayers. It indexes these thresholds as well as the $2,000 maximum annual contribution amount, for inflation.

- **Allows Early Withdrawals for Education, First Home Purchases, Major Medical Expenses and During Long-Term Unemployment.** The current penalties for early withdrawals may discourage many from saving. Under current law, IRA savings can be withdrawn penalty-free only after age 59 1/2. Before age 59 1/2, withdrawals generally are subject to a 10% penalty tax.

  The President's proposal would allow penalty-free withdrawals for major life expenses, such as education and training, first-time home purchases, and financially devastating medical expenses such as nursing home care for a parent. To promote the education needed in the new economy, the President's proposal would allow penalty-free withdrawals for the education of workers and their families and would permit investment of IRA funds in State pre-paid tuition programs.

HOPE and Opportunity:
Making college affordable for all Americans

More than ever, today's employers look for job applicants with more than a high school diploma. Since the success of the post-World War II GI Bill, the Federal Government has expanded college aid, making it possible for more Americans to attend college. But for too many, the financial strains are still severe. The President's HOPE and Opportunity plan ensures that these barriers to higher education continue to fall for all Americans.

What's *new* in the plan being announced today?

- ✓ Largest Pell Grant increase in 20 years -- a funding boost of 25%.
- ✓ Nearly $4 billion in new help for Older Students over five years.
- ✓ Student loan fees slashed and interest rates reduced.
- ✓ Community service loan forgiveness excluded from taxation.
- ✓ New details and changes in the HOPE Scholarship tax credit and the $10,000 tax deduction.
- ✓ Extend tax benefits for educational assistance from employers, and provide new tax incentive for small businesses to provide assistance.

Pell Grant increase and expansion

- Largest increase in two decades: $300 boost in the Pell Grant maximum, for a $3,000 maximum award. Since FY 1996, the maximum award will increase $530, or 21 percent.
- A 25 percent funding increase over last year -- $1.7 billion more than the FY 1997 appropriation.
- 3.6 million students now eligible will receive an increase of up to $300. The increase will make 130,000 more moderate-income families eligible for the grant.
- Older student provision will make Pell Grants available to additional 218,000 low-income students generally aged 24 or over, at a cost of $3.9 billion over five years.
- After these changes, the number of Pell Grant recipients will exceed 4 million.

Pell Grants are the foundation of student aid for low- and moderate-income families. Increasing the maximum award to $3,000 provides more aid to currently eligible students, and makes an additional 130,000 students eligible for the grants. In addition, the budget would increase the eligibility of older, low-income students. With this change, any student from a low-income family can receive a Pell Grant, eliminating the need for the HOPE tuition tax credit to be refundable (i.e., available to those without tax liability). Poor students -- those who have little or no tax liability -- benefit more from the Pell Grant program than they would from HOPE, because of the higher award level and its availability for all four years of undergraduate education.

Cut student loan fees and interest

- Borrower-paid loan fees cut in half for 4 million low- and middle-income students, and by a quarter for 2.5 million other loans to student and parent borrowers.
- $2.6 billion in borrower savings over five years produced by the fee cut alone.
- Interest rate during in-school period cut for 2 million students.

Before 1993, borrowers lost up to 8 percent of their student loans in required fees before the money ever reached them. In 1993, the President's aggressive student loan reforms spurred a 50 percent cut in allowable fees that has already saved families nearly $2 billion. The 1998 budget proposes -- for both the Direct and guaranteed loan programs -- to cut loan fees from 4 percent to just 2 percent on need-based Stafford loans, and to 3 percent on other loans for students and parents.

The Congressional Budget Office and other analysts have noted that lender costs during the in-school period -- when students are not required to make payments on their loans -- are very low. The budget reduces the interest rate during that period by one percentage point.

HOPE Scholarship tax credits.

- Up to $1,500 per-student tuition credit for course work beginning on or after July 1 of this year.
- Non-refundable.
- Credit can be claimed in 2 taxable years.
- Credit can be claimed for any students who have not finished 13th and 14th years of education.
- The tax credit is expected to help 4.2 million students (1998), and would save families $18.6 billion from 1997-2002.

The tax credit is available for students enrolled on at least a half-time basis during the first two years of postsecondary education. The credit may be claimed in no more than 2 taxable years. To receive the credit for the second time, the student must have at least a B- grade point average in course work completed before that year. Federal grants (but not loans or work-study) would reduce the allowable tax credit. No credit would be available for any student convicted of a drug-related felony. Refundability was eliminated because the needs of the poorest students are better addressed in the Pell Grant program discussed above (the proposed changes in Pell Grants for older students, described above, cost the same as refundability would have cost over five years).

The credit would be phased out for taxpayers filing a joint return with adjusted gross income between $80,000 and 100,000. For single and head-of-household returns, the credit would be phased out between $50,000 and 70,000. (The phase-out ranges and the amount of the credit would be indexed).

Tax deduction for higher education and training

- $10,000 maximum deduction.
- Available for job training and re-training, in addition to traditional higher education.
- Deduction is "above the line" -- available even if the taxpayer does not itemize.
- Expected to help 8.1 million students (1998), and would save families $17.6 billion in taxes between 1997-2002.

The deduction could be claimed for out-of-pocket tuition and fees paid for any student enrolled at least half-time in a degree or certificate program at an eligible school beyond high school, including graduate school. In addition, the deduction would be available for the cost of training -- whether or not it leads to a degree -- that helps the student, older worker, or job-seeker improve or acquire job skills. A student in the first two years of postsecondary education could choose either the credit or the deduction, but not both. The deduction phases in, beginning with a $5,000 maximum per-family for course work beginning on or after July 1, 1997, and increasing to a $10,000 maximum deduction beginning in 1999. The deduction would be phased out at the same income levels as the credit.

Tax-free Education Savings

- Families with incomes up to $100,000 would be eligible for IRAs, and could make penalty-free withdrawals for higher education.

- Combined with tax deduction (above), the IRA savings for higher education for middle-income families would be never be taxed.

The President's budget would allow Individual Retirement Accounts to be used for postsecondary education expenses free from early withdrawal tax penalties, and would make over 20 million families eligible to make tax-deductible IRA contributions. Currently, if an individual (or spouse) already participates in an employer's retirement plan, eligibility is phased out for taxpayers filing a joint return with adjusted gross income between $40,000 and $50,000 (between $25,000 and $35,000 for single taxpayers). The proposal would expand the phase-out ranges for 1997 through 1999 to $70,000 to $90,000 for joint filers ($45,000 to $65,000 for single). Beginning in 2000, the phase-out range would match the ranges described for the higher education tax credit. The budget would also create a special IRA that could be used to save for education and other needs, subject to the same income limits.

Community Service: Work-Study and loan forgiveness

- Budget funds 1 million College Work-Study slots by the year 2000.

- Incentives to reach the goal of 100,000 work-study reading tutors by 1999.

- Tax-free loan cancellation for public service.

The College Work-Study program provides students with additional aid through subsidized jobs. The President has called on colleges to commit half of the increased funding since FY 1996, $120 million for FY 1998, to supporting community service jobs. The Secretary of Education recently waived the institution's required portion of the awards for students that participate as reading tutors -- part of America's Reading Challenge, helping to ensure that every child can read independently and well by the end of third grade. The budget's three percent increase over 1997 continues the President's commitment to raise the number of Work-Study recipients to a million by the year 2000, and 100,000 reading tutors by 1999.

Under current law, a charity or private educational institutions that forgives a loan as part of a program that enables graduates working in certain professions (such as rural medicine or teaching) to pay off their student loans through community service must report the loan forgiveness as income to the graduate. The budget would exclude the loan forgiveness from income.

Presidential Honors Scholarships

- One-year, $1,000 scholarships for at least 132,000 students constituting the top five-percent of all high school graduates in the country.
- The budget provides $132 million in FY 1998.

The President proposes an achievement-based scholarship program, rewarding the best and the brightest of high school students. It would grant $1,000 honors awards to the top five percent of graduating students in every secondary school in the Nation, making clear the Federal government's commitment to academic excellence.

Educational assistance from employers

- Extend tax exclusion for employer-provided education assistance (Section 127) through the year 2000, for both undergraduate and graduate education.
- Tax credit to encourage small businesses to offer educational assistance to employees.
- Benefit 1.7 million employees a year.

The current exclusion from an employee's income of up to $5,250 per year of postsecondary educational assistance provided by an employer expires this year, and expired for graduate-level assistance last year. The President would extend the exclusion, and reinstate the graduate-level component, through the year 2000. In addition, for 1998-2000, small businesses would be given a new incentive to provide educational assistance to their employees through a ten-percent tax credit for amounts paid under an employer-provided educational assistance program for education provided by a third party.

THE WHITE HOUSE

WASHINGTON

February 18, 1997

MEMORANDUM FOR GENE SPERLING

FROM: ELGIE HOLSTEIN EH

RE: **Climate Change: Additional Information**

Attached is some additional information, prepared by OSTP, on the climate change issue.

THE LONGER-TERM VIEW: THE RELATIONSHIP OF EMISSIONS TO ATMOSPHERIC CONCENTRATIONS

Most discussions have focused on what steps might be taken in the medium term (2010-2020) to reduce emissions of greenhouse gases. Such actions represent only an initial step and, by themselves, would fall far short of significantly reducing the risks of climate change. Much more long-term planning will be necessary to achieve the goal of the Framework Convention on Climate Change:

> *"stabilization of greenhouse gas concentrations . . . at a level that would prevent dangerous anthropogenic interference with the climate system. Such a level should . . . allow ecosystems to adapt naturally to climate change; ensure that food production is not threatened; and enable economic development to proceed in a sustainable matter."*

This paper describes emissions paths that would be necessary to achieve various longer-term goals of stabilizing atmospheric concentrations of greenhouse gases. It also explores the implications that a longer term goal has for shaping near-term policy decisions.

Several aspects of the climate change issue underscore its long term nature, but also suggest a need for beginning action now:

-- Once emitted, carbon dioxide will remain in the atmosphere for 150-200 years.

-- Lags in the climate system result in temperatures increasing for several decades and sea level rising for centuries after greenhouse emissions have ceased to increase.

-- Uncertainties in scientific understanding of climate change and its relationship to long-term costs and benefits make selecting any specific ultimate concentration goal somewhat speculative at this time.

-- It has taken decades for the infrastructure of fossil-fuel based technologies to develop. A transition to alternative sources of energy will also require many decades, but will only begin in earnest if research and development is begun now and if proper incentives are provided.

I. GLOBAL EMISSIONS AND ATMOSPHERIC CONCENTRATIONS

In the absence of any actions specifically to limit carbon dioxide emissions, the Intergovernmental Panel on Climate Change (IPCC), as shown in Figure 1, estimated that current emissions (as shown by the 2 upper lines labeled Business as Usual [BAU]) of 6 billion tons of carbon per year could grow to between 15-25 billion tons of carbon by 2050 and continue to increase through the end of the next century.

Global CO_2 Emissions & Concentrations

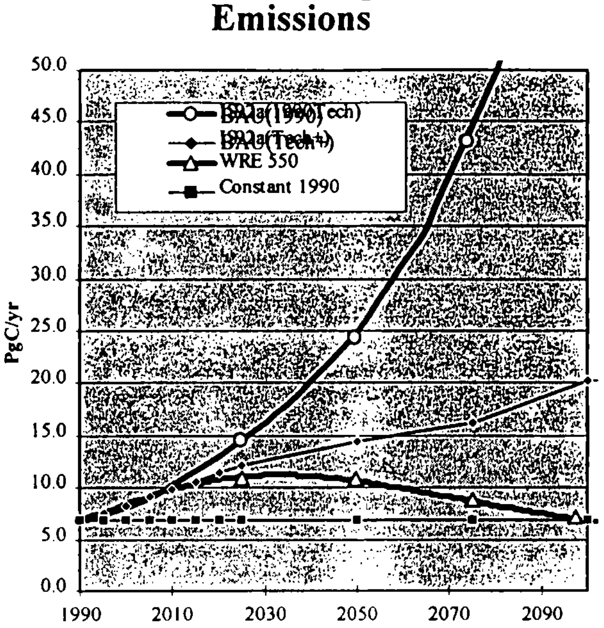


Figure 1

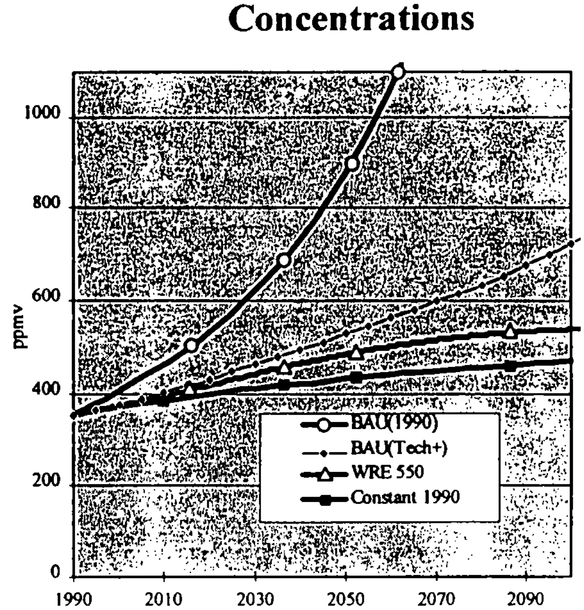


Figure 2

Figure 2 shows the impact of these emissions scenarios on atmospheric concentrations. For context, preindustrial levels of carbon dioxide were about 280 ppm, and have increased to today's levels of about 360 ppm. The BAU "1990 tech" scenario assumes technology remains constant at 1990 levels in the future. The BAU "tech+" scenario assumes technology improves substantially and results in lower costs for alternative fuels and enhanced energy efficiency; this latter scenario represents the "central case" developed by the IPCC and is sometimes referred to as "IS92a". In both of these scenarios, emissions grow substantially over time and concentrations far exceed a doubling of preindustrial levels before the end of the next century.

If it were possible to cap global emissions in both developed and developing countries at 1990 levels, figure 2 (line labeled "constant 1990") shows that concentrations would nonetheless continue to rise throughout the next century and beyond, eventually exceeding a doubling of preindustrial levels. (Note that the other greenhouse gases make the effective concentration about 20% higher than indicated by CO_2 alone.)

Figure 3 shows the projected long-term atmospheric concentrations if emissions were stabilized at different levels. The figure shows that if emissions were stabilized at current levels (6 PgC/yr), atmospheric concentrations would grow to almost 500 ppm by 2100 and continue increasing thereafter. It also shows that if worldwide emissions are frozen at 10 PgC/yr, roughly 33 percent higher than today's level, then atmospheric concentrations would more than double from pre-industrial levels by 2100, and continue to increase thereafter.

CO2 Concentrations Associated with BAU(Tech+) and Alternative Energy Related Emissions Stabilization Levels

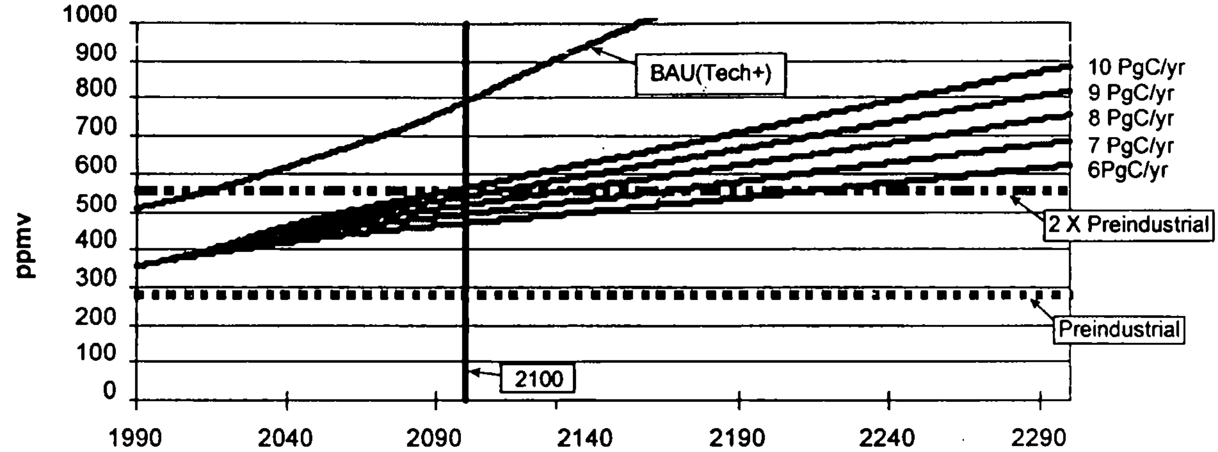


Figure 3

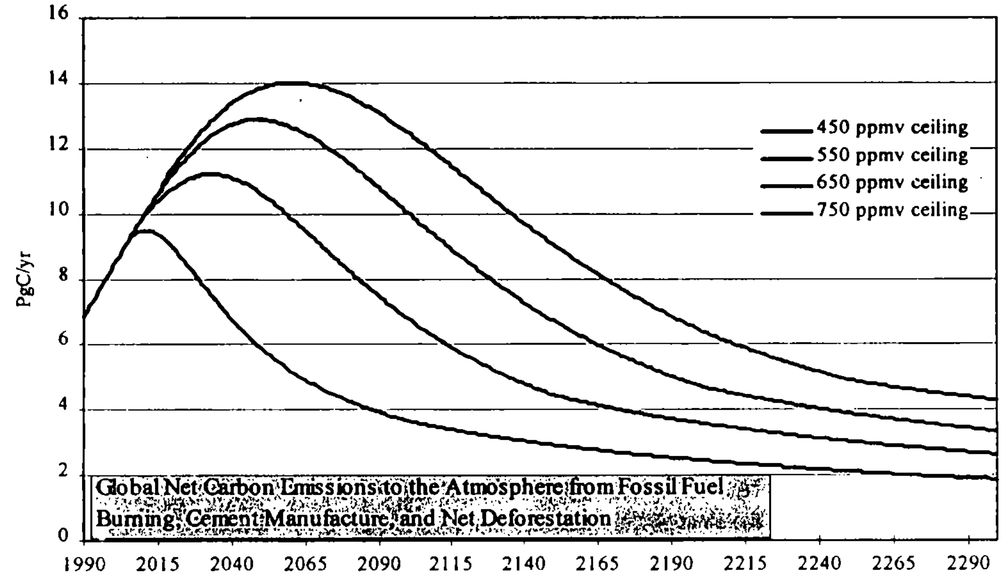
Table 1 shows how various concentration targets relate to emissions pathways. For example, to meet a 550 ppmv concentration goal, global emissions must begin to deflect from the business-as-usual curve by 2013. In this scenario, emissions would peak at 9.7 PgC/yr in 2033 and drop rapidly thereafter.

Researchers have examined in some detail the annual emissions paths required to meet atmospheric carbon concentration targets of 450 to 750 ppm. These targets require significant reductions in cumulative projected global carbon emissions; and as shown in Figure 3, all of them require dramatic reductions in annual emissions rates sometime during the next century. To achieve 450 ppm target – which still represents a two-thirds increase in atmospheric concentrations over preindustrial levels – annual emissions must begin declining steeply within the next quarter-century and must fall to less than half the current rate by 2100. To achieve a 550 ppm concentration target – which represents about a doubling in atmospheric concentrations – annual emissions must begin declining steeply during the second quarter of the century. Furthermore, these budgets must be distributed both across countries and across time.

The relationship between CO2 concentrations and emissions pathways (energy emissions only)*				
Steady State Concentration ⇒	450 ppmv	550 ppmv	650 ppmv	750 ppmv
Deflection Date BAU (Tech+) [a]	2007	2013	2018	2023
Maximum Emission Date	2011	2033	2049	2062
Maximum Emission [b]	8.0	9.7	11.4	12.5

[a] The deflection date is the year in which emissions first fall below BAU emissions.

[B] Maximum PgC/yr fossil fuel carbon emissions. If other greenhouse gases were included, emissions would be effectively 20% higher; thus, reductions would have to occur sooner than the deflection date noted to achieve a given concentration.



* - note: the curves in the graph represent slightly different values than those in the table because the graph takes cement manufacture and deforestation into account in addition to energy emissions

Figure 4

II. DEVELOPED AND DEVELOPING COUNTRY EMISSION TRENDS

Figure 5 presents current and projected emissions of carbon dioxide for developed and developing countries. Of the current emissions of roughly 6 billion tons, approximately two-thirds are from developed and one-third from developing countries. The U.S. is currently the largest emitter of carbon dioxide, with China the second largest source. However, on a per capita basis, the U.S. emits about 5 tons of carbon per capita, compared to an average of approximately 4 tons per capita in Japan and Western Europe, and 0.4 tons per capita for developing countries. Figure 6 shows per capita emissions for the BAU case out to 2100. While per capita differences remain large over time, by the middle of the next century, developing countries would become a source for more than half of total global emissions.

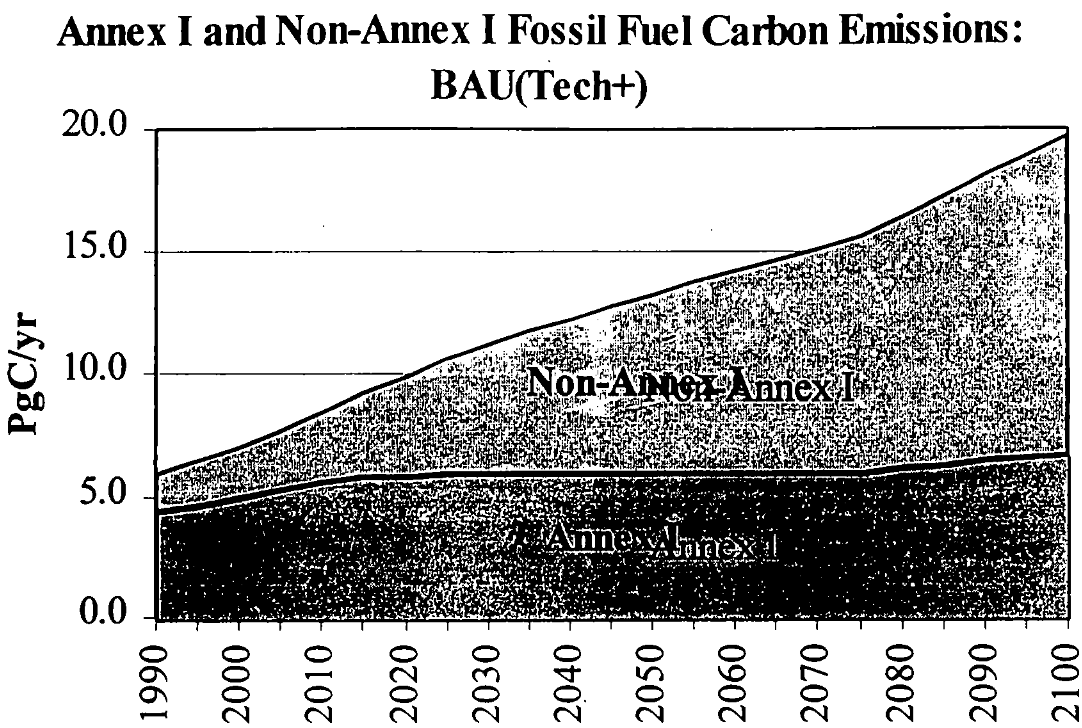


Figure 5

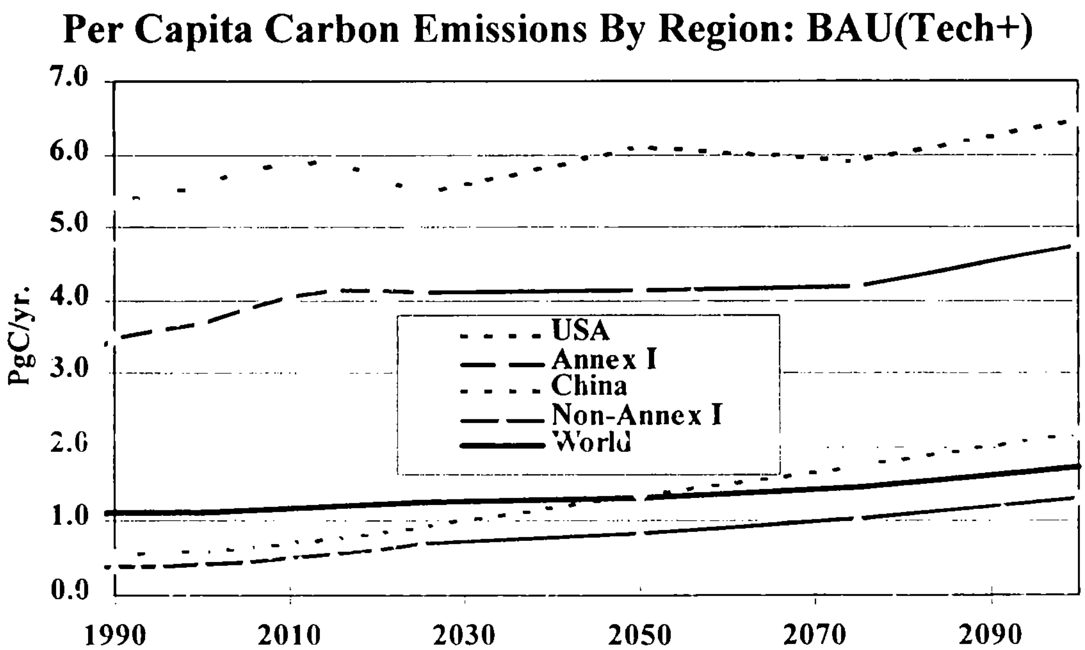


Figure 6

III. ILLUSTRATIVE EMISSION REDUCTION SCENARIOS

Limited mid-term actions to reduce emissions by developed countries alone have little impact on shifting the atmospheric concentrations curve. The top line in Figure 7 shows the small change in concentrations if Annex I (developed countries) freeze emissions at 1990 l vels in the year 2010. Successive lines show what a coal ban in various parts of the world (beginning in 2020) might do to emissions and concentrations. Without the participation of developing countries, concentrations will not stabilize.

Global Paths for BAU(Tech+), Annex I Emissions Stabilization, Coal Bans

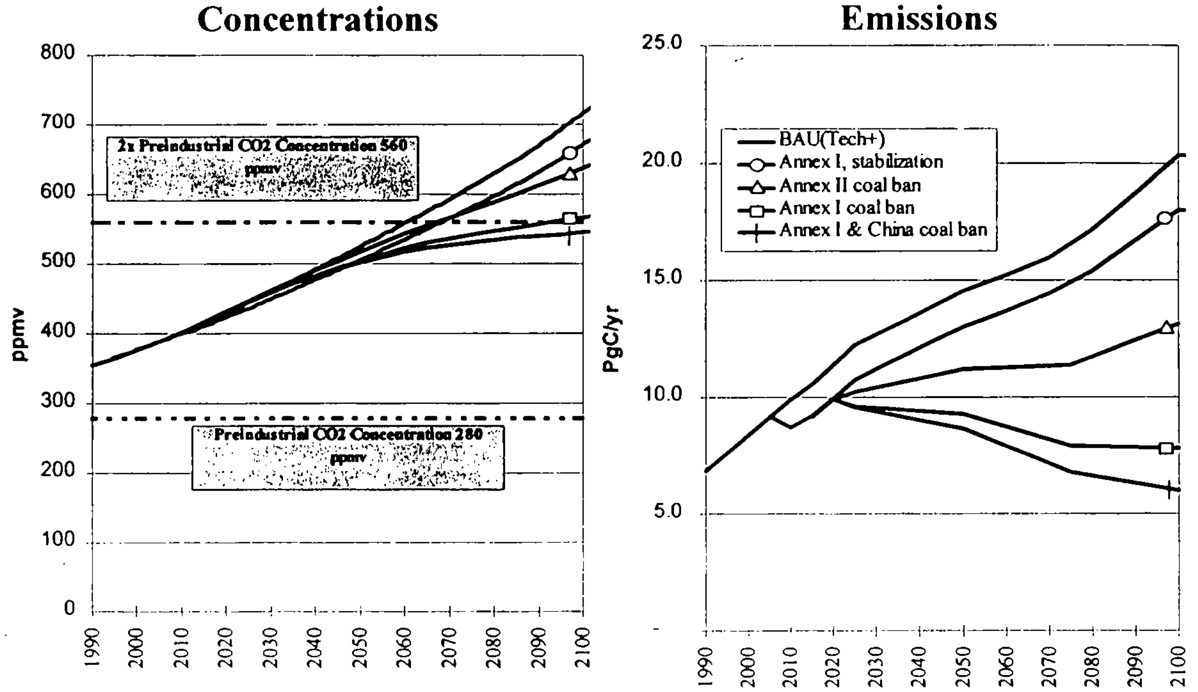
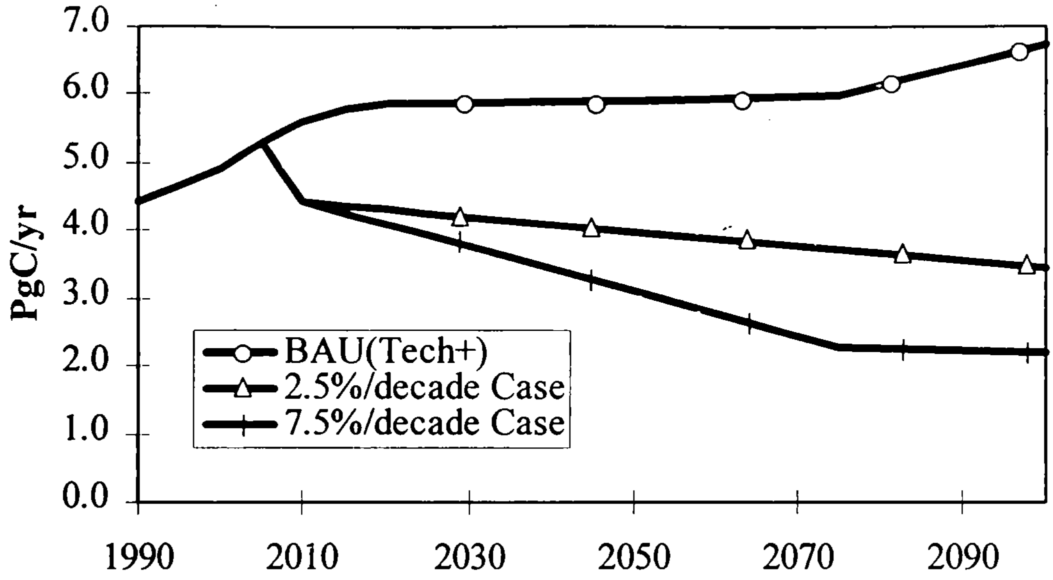


Figure 7

Annex I Fossil Fuel Carbon Emissions: BAU(Tech+), and 2.5%/Decade, & 7.5%/Decade Reductions



2.5%/Decade Case assumes that Annex I nations stabilize emissions at 1990 levels in 2010 and then reduce emissions at 2.5%/decade through the year 2100.

7.5%/Decade Case assumes that Annex I nations stabilize emissions at 1990 levels in 2010 and then reduce emissions at 7.5%/decade until they are 50% of 1990 levels after which time they are held constant.

Figure 8

Figure 8 illustrates two possible emissions profiles for developed (Annex I) countries. Both scenarios assume a freeze in emissions at 1990 levels in 2010. On the hatched line, emissions are then reduced by 2.5% per decade and in the lower line they are reduced at 7.5% per decade. The highest line is the business-as-usual (TECH+) scenario from the IPCC.

Figure 9 is based on the Annex I pathways described in Figure 6. They show the pathway developing countries would need to follow to stabilize concentrations at 450 ppm, 550 ppm and 650 ppm. These figures show that to achieve stabilization at 550, developing countries would be able to emit on their currently projected path until about 2020 before significant reductions would be required.

Figures 10 and 11 show the **per capita** emissions for both developed and developing countries that result from the scenarios described in the previous two figures. They show that under these scenarios, developed country emissions stay substantially greater than those in developing countries (which rise to 1 TC/person only in the 650 ppm case).

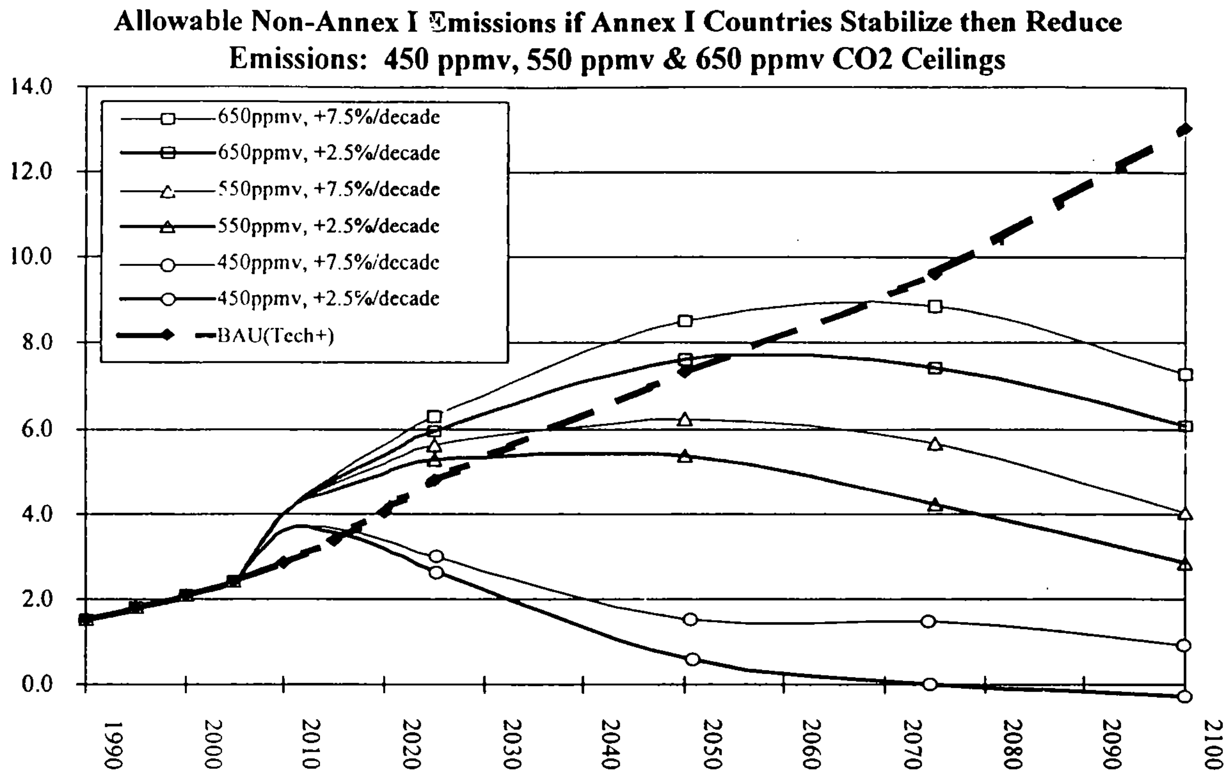


Figure 9

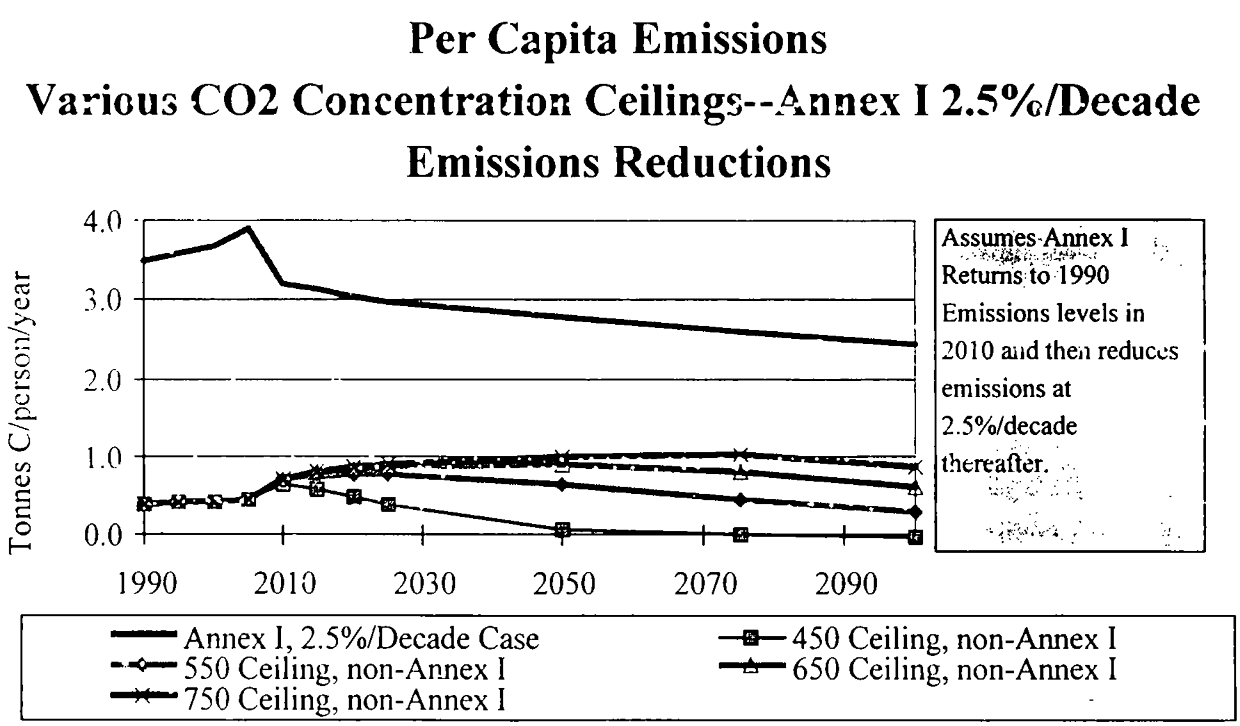


Figure 10

Per Capita Emissions
Various CO2 Concentration Ceilings--Annex I 7.5%/Decade Emissions Reductions

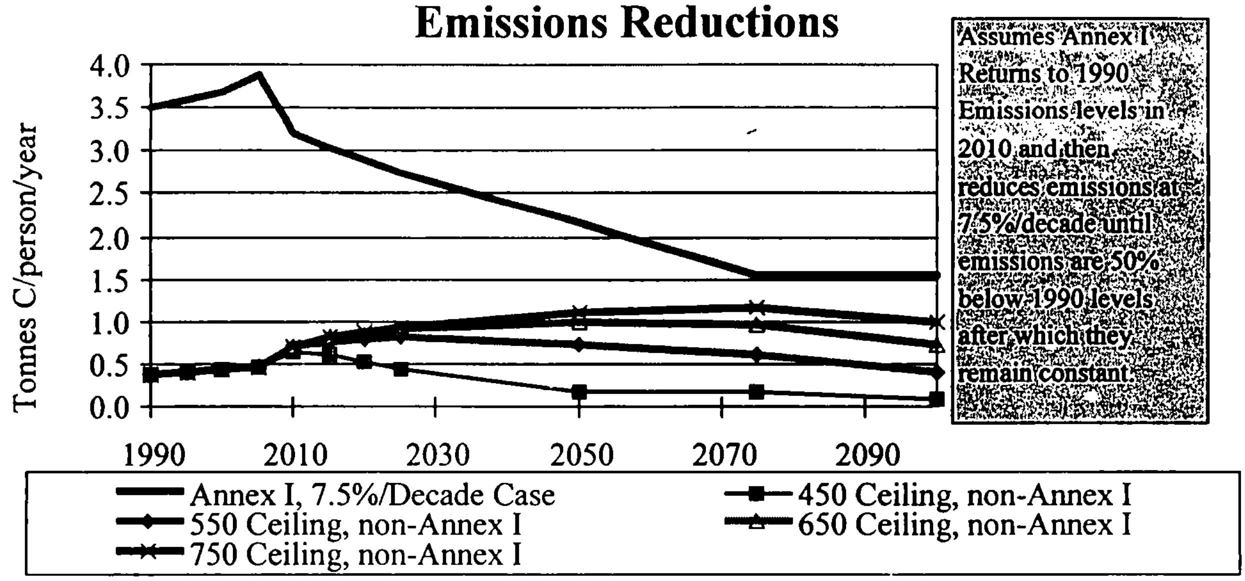


Figure 11

IV. THE ROLE OF TECHNOLOGY AND IMPACTS ON COSTS

As suggested in Figure 1, the rate of technological change can play a very important role in determining the level at which atmospheric concentrations can be stabilized. Figure 11 looks specifically at the costs associated with different technology cases. It looks at three specific cases:

-- 1990 tech: assumes no technological change from 1990

-- 1990 tech +: assumes significant improvements in reducing the costs of alternative fuels and in improving efficiency;

-- Advanced tech: assumes even further advances and cost savings.

A description of key assumptions for the latter two cases is included as Appendix 1.

Figure 11 shows for each of these technology cases, the total costs associated with achieving three different levels of atmospheric concentrations: 550, 650 and 750 ppm. The estimated costs under the assumption that no technological progress is possible were found to be about $12 trillion or 1.2% of total world GDP, compared to $1 trillion or 0.12% of GDP assuming substantial progress in reduction technologies. In the advanced technology case, which assumes very substantial non-fossil alternatives will be available by 2020, the costs are greatly reduced. However, the assumed cost and performance of the alternative technologies would only become achievable with significant increases in research and development investments. For example, funding in conservation and renewables is about half of what it was 15 years ago, despite substantial proposed increases each year of the Clinton Administration.

The Relationship Between Technology and Minimum Cost of Stabilizing the Atmosphere Below Various Ceilings

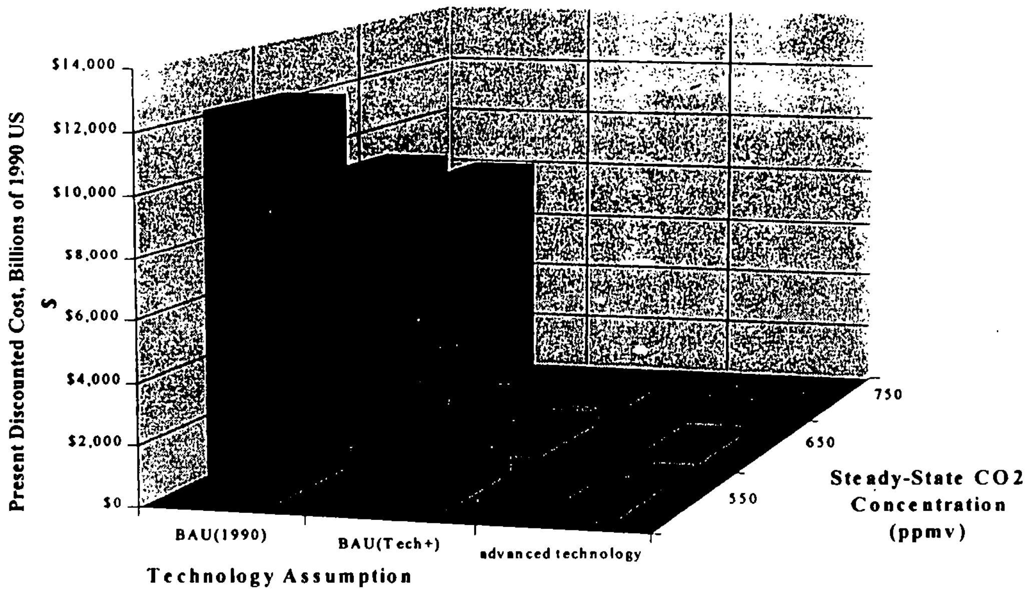


Figure 12

Substantial technological progress aimed at reducing the costs of emission reductions is critical for several reasons. It would result in lower costs to the U.S. economy, both in terms of reductions made domestically and in the costs of a reductions obtained abroad through any emissions trading regime. Reducing the costs of alternatives is also critical to limiting future emissions from developing countries, particularly those with large fossil fuel reserves. Finally, expanding the technological frontier offers U.S. industry significant potential opportunities for expanding our industrial base both at home and abroad.

APPENDIX

Key Assumptions about Technology Scenarios:

IS92a (Tech+)

- End-use (AEEI) Improves at 1%/yr.
- Conventional Fossil Fuel Power Generation Improves at 1%/yr.
- Non-Fossil Power Sources Improves at 4.5%/yr, 1990 to 2025, 1.25%/yr thereafter.
- Biomass Energy Improves at 1%/yr.

Advanced Energy Technology

- Advanced solar/wind/fusion
  - The cost of solar/wind power reaches a busbar cost of $0.04/kWh by 2020 and
  - the cost decreases at 0.5 %/year thereafter.
- Low cost biomass
  - By the year 2020, 20% of the biomass resource is available at $1.40/GJ and
  - 80% is available at $2.40
- Advanced liquefied hydrogen fuel cells for transport