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Folder Title:
AFL-CIO Briefing Book for Gene Sperling [binder] [2]

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Divider Title: **31**

AFL-CIO Program Initiatives
(Adopted at its December 16, 1996 Executive Council meeting)

- **"Building a movement for America's workers"** by doubling the level of overall funding for organizing campaigns, and initiating new organizing programs such as one targeted at working women;
- **"Building a Political Voice for Workers"** by training political activists and holding elected officials accountable on working family issues. [For example, the AFL-CIO plans to hold over 100 Working Family Issue Forums with Members of Congress back in their districts];
- **"Providing a New Voice for Workers in a Changing Economy"** by calling for greater corporate accountability and by using worker pension funds and other assets to force changes in the governance of U.S. businesses;
- **"Creating a New Voice for Workers in our Communities"** by using paid and free media to educate workers and their families about the economy.

The AFL-CIO's "American Working Families Agenda"

- **good jobs** - fighting for policies that promote job growth; child and elder care; safe workplaces; non discrimination and the right to join unions;
- **education** - providing affordable higher education and strong job training for incumbent workers;
- **health care** - guaranteeing quality health programs for the poor and elderly; and affordable, accessible health care for workers and their families.
- **social security and pensions** - strengthening social security without privatizing it and protecting and expanding private pension benefits;
- **fair tax, trade and economic policies** - ending tax subsidies for corporations; fighting for worker rights in trade policies; supporting budget policies that promote economic growth; protecting consumers.

Limits on the Use of Union Dues for Political Purposes: Beck Legislation; The Paycheck Protection Act.

Issue: Proposed legislation restricting the use of union dues for political purposes.

Background: Increased spending on political activity by organized labor has inspired Congressional efforts to restrict the use of union dues for political purposes. Supporters argue that current law does not adequately protect the rights of union-represented workers who disagree with the union's support for certain political candidates or causes.

Some bills would amend the National Labor Relations Act. Other bills would amend federal election law. Opponents of these measures argue that they would undermine unions as organizations and as participants in the political process.

Current Law. Current law already imposes limits on the ability of unions to assess dues and on unions' political spending. No worker can ever be compelled actually to join a union. Any type of mandatory union dues is prohibited in 21 "right-to-work" states. In other states, if a collectively-bargained "union security" clause is in place, unions may require all represented workers to pay dues or fees. If a worker objects to paying for activities unrelated to collective bargaining and contract administration, he is entitled to pay reduced fees--and thus to avoid subsidizing a union's political activity. Exercising this option, however, means giving up membership in the union. The right to pay reduced fees, along with certain related procedural rights, was recognized by the Supreme Court in a 1988 case, Communications Workers v. Beck. Beck rights are enforced by the National Labor Relations Board and by the federal courts, not by the Department of Labor.

Federal election law, meanwhile, prohibits unions from using dues money to make federal candidate contributions. Dues money ("soft money") may be used for partisan, non-candidate contributions, i.e., contributions to national and state parties. Contributions to non-partisan electoral activity, such as voter education or "get-out-the-vote" efforts are permissible.

1993, the Clinton Administration reversed two Bush Administration actions: (1) the Department of Labor revoked "functional reporting" rules that would have required union locals to provide detailed spending reports on political activities; (2) the Administration also revoked an Executive Order requiring all government contractors to post a notice informing workers of their Beck rights.

Legislative Action. In July 1996, the Worker Right to Know Act (H.R.

3580), sponsored by Rep. Fawell, was incorporated in a campaign finance reform bill (H.R. 3820) defeated in the House (259-162). Where a union-security clause was in place, the Fawell bill would have prevented unions from collecting full dues and fees from union members and non-members alike, unless they signed individual authorizations every year. By reversing the current "opt-out" procedure, the bill would likely have reduced the dues income available for union political activity. The Fawell bill would also have imposed stricter financial reporting requirements on unions, like those revoked by the Labor Department in 1993.

Current Status:

New Legislation. On January 21, 1997, Sen. Don Nickles introduced the Paycheck Protection Act (S. 9), which would amend the Federal Election Campaign Act. The bill is more sweeping than the Worker Right to Know Act. It applies wherever workers are represented by a union, regardless of whether a union-security clause is in place. Under the Nickles bill, unions would be prohibited from assessing any represented worker--including union members--to pay for any type of "political activities," unless the worker had provided prior written authorization. The bill's definition of "political activities" is very broad. It would reach union spending now expressly permitted by federal election law. In an effort at apparent balance, the Nickles bill contains restrictions on corporate political spending, but these are largely empty.

Upcoming Actions. Recent press reports suggest that Rep. Fawell will reintroduce the Worker Right to Know Act, and that Rep. Peter Hoekstra, chairman of a House Oversight Subcommittee, may hold hearings on the enforcement of the Beck decision. Meanwhile, issues related to Beck are before the NLRB and the courts.

Administration Position. The Administration has opposed new initiatives in this area. On October 10, 1996, Secretary Reich wrote to Rep. Fawell opposing the Worker Right to Know Act. He observed that "there is no need for legislative intervention as the current system is working well."

Key Constituents:

Organized labor has opposed all legislation in this area.

DECISION ON THIS ISSUE IS STILL PENDING

Garment Industry Initiative

Issue:

Sweatshops still exist in the U.S. garment industry today. Although the industry is showing some signs of modest improvements, serious compliance problems and abuse of workers (mostly immigrant women) who work long hours at subminimum wages with no overtime in often deplorable working conditions continues to exist.

Background:

Beginning in 1992, the Department of Labor's Wage and Hour Division began focusing on the garment industry as one of the low-wage industries targeted for enforcement sweeps and education/outreach activities. Instead of the traditional approach of investigating one contractor shop at a time, Wage and Hour began applying a number of innovative strategies, including expanded use of the "hot goods" provision of the Fair Labor Standards Act (FLSA) which generally prohibits the shipment of goods in interstate commerce made in violation of the FLSA. The effect of using the "hot goods" provision is to prevent manufacturers from deriving a financial benefit from goods illegally made by contractors. Routinely, Wage and Hour started notifying manufacturers of contractors' violations and of potential "hot goods" actions. Subsequent to the discovery of slave-like conditions at a sweatshop in El Monte, CA, in the summer of 1994, the Department's Wage and Hour Division stepped up its enforcement activities and called on the industry, especially retailers, to take steps to assist in efforts to improve compliance in the industry. In September 1994, the Department held a Retailers Summit to initiate a dialogue with the major retailers. During this time, the Department also continued to encourage manufacturers to institute compliance monitoring programs to ensure that their contractors comply with the FLSA. The spotlight, once again, was directed on the garment industry in May, 1996 when goods produced for Kathie Lee Gifford's clothing line sold at WalMart were found in a New York City sweatshop. This very highly publicized revelation provided momentum and public attention which resulted in the Department's July Fashion Industry Forum. The Forum brought together for the first time all levels of the industry to participate in a public event focusing on this problem and potential solutions. Following this event, the President convened a group of industry, labor, and other interested parties and asked them to explore means to assure consumers that goods are not made under sweatshop conditions. This industry driven partnership, known as the Apparel Industry Partnership, committed to report their progress to the President in February, 1997. The Department was named a winner of the 1996 Innovations in American Government awards program by the Ford Foundation and the John F. Kennedy School of Government at Harvard University for its accomplishments in this initiative.

Current Status:

Wage and Hour is continuing its "No Sweat" initiative – an innovative three-prong strategy of **enforcement**, **education**, and **recognition** to eradicate sweatshops in the U.S. **Enforcement** includes targeted enforcement sweeps in major garment centers, the notification to manufacturers of "hot goods" produced by their contractors, and the identification of retailers where "hot goods" can be traced. Wage and Hour will continue to issue quarterly enforcement reports and will this year conduct compliance surveys in the New York City and San Francisco Bay areas. As a result of a recent evaluation of Guess?, Inc.'s monitoring program, Wage and Hour is working with this manufacturer to modify its program to make it more effective. On the education front, Wage and Hour will conduct more Compliance Monitoring Workshops to inform the industry on how to implement effective monitoring programs to ensure that goods are made in compliance with the FLSA. The Department will also continue publicizing activities to encourage public interest in our efforts to convince the industry to assume greater responsibility to help improve compliance. Wage and Hour will also work to advance partnerships with socially responsible businesses and religious leaders that support the "No Sweat" initiative. The Apparel Industry Partnership, consisting of industry representatives and other community interests, is expected to make its recommendations at the end of February to President Clinton on how the industry can assure consumer confidence that the goods they purchase are not made under sweatshop conditions here or abroad. Wage and Hour will also continue with its Trendsetters List, which recognizes retailers and manufacturers that have assumed responsibility for monitoring the labor practices of their contractors. Finally, Wage and Hour will be carrying out and participating in a number of activities as a result of being named a winner of the 1996 Innovations in American Government award.

Labor Interest: The Union of Needletrades, Industrial and Textile Employees (UNITE) is generally very supportive of the "No Sweat" initiative. However, UNITE has expressed some concern about our working relationship with INS which they claim causes workers to be reluctant about providing information on alleged violations. In addition to UNITE, there are several local worker advocate groups, such as the Asian Immigrant Women Advocates (AIWA) in California and the Latino Workers Center in New York, who continue to press for stepped up enforcement. Also, more than three dozen religious groups have pledged to remind Americans that they have a moral responsibility to do everything they can to ensure that garment workers are treated fairly and with dignity.

DAVIS BACON: Helpers

Issue: Whether and under what circumstances to recognize "helpers" as a separate classification on projects covered by the Davis-Bacon Act (DBA), an issue that has been the source of much controversy for 15 years. Regulations allowing expanded use of helpers have been suspended through rulemaking while the Department of Labor considers whether and how to amend the regulations.

Background: Prior to 1982, the Department's policy permitted the use of helpers on DBA projects only in limited circumstances - when the helper classification was a separate and distinct class of worker whose duties were distinguishable from those of journeypersons and laborers and their use prevailed in an area. In 1982, the Reagan Administration amended the regulations to allow expanded use on DBA projects of "semi-skilled helpers" whose duties could overlap with those of skilled journeypersons, but who are paid at a wage rate lower than the journeylevel rate. The Building and Construction Trades Department, AFL-CIO, and the Laborers International Union of America, AFL-CIO, sued the Department over the regulations, which were enjoined and caught up in litigation for the rest of the decade.

A final rule was implemented in 1991, but subsequent appropriations riders, sponsored by Senator Harkin as Chairman of the Labor/HHS Appropriations Subcommittee, barred the Department from implementing the regulation for most of the period since then. In November 1993, the Department suspended the regulations by notice in the <u>Federal Register</u> in light of the appropriations ban. The current appropriations act, signed by the President in April 1996, contains no such rider. The Department is currently being sued by the Associated Builders and Contractors (ABC) for failing to implement the suspended regulation given that there is no longer an appropriations rider banning implementation.

Current Status: On December 30, 1996, the Department published in the <u>Federal Register</u> a final rule (completing rulemaking begun with the Notice of Proposed Rulemaking in the <u>Federal Register</u> on August 2, 1996) which continues the suspension of the helpers regulation while the Department engages in rulemaking to consider changing the regulations. Staff from Wage and Hour, ESA, ASP and SOL are developing such a notice of proposed rulemaking with options for changing the suspended regulation. Options under consideration include changing the definition of "helper" and implementing a helper-to-journeyperson ratio. The Department has publicly committed both in the 1996 final rule and before the court in the ABC lawsuit that it expects to complete rulemaking to amend the regulation by August 1997.

Labor Interest: The construction trades unions vehemently oppose any expanded recognition of helpers on DBA projects.

DAVIS-BACON: Wage Determination Reinvention

Issue: How to spend newly appropriated FY 1997 funds to begin to improve the process for determining prevailing wages for Federal construction under the Davis-Bacon Act.

Background: The Davis-Bacon Act, enacted in 1931, requires the payment of at least locally prevailing wages and fringe benefits to all "mechanics and laborers" employed on federal and certain federally-financed construction projects. The purpose of the Act is to assure that the Federal government's massive purchasing power does not depress local construction industry wages. Based on DOL-conducted surveys of "prevailing wages" in different areas, the Department of Labor sets the minimum wage and fringe benefits that must be paid as "prevailing" for occupational classifications in an area ("wage determinations").

Davis-Bacon has long been the subject of controversy and there have been many efforts to have it repealed, as well as some recent attempts at reform. Repeal efforts have been based primarily on the perception that the Act is inflationary and adds unnecessarily to the cost of government construction. In recent years, however, additional arguments have been advanced in support of repeal including charges that the wage determinations issued by DOL are inaccurate and subject to fraud. This allegation arises from a DOL review of wage surveys conducted in 1993-1994 in Oklahoma which resulted in issuance of new wage determinations with significantly increased wage rates. The Oklahoma State Labor Commissioner asserts the original wage rates were based on fraudulent survey responses submitted by local unions. The fraud allegations are currently under investigation by the FBI, on referral from DOL. Based on the review of the Oklahoma surveys and an analysis of the Davis-Bacon survey process, Wage and Hour has modified the wage survey process and provided training to those Department personnel conducting and reviewing surveys.

The current wage survey process is, nonetheless, in need of significant improvement in order to improve its accuracy. The scope of the survey task is well beyond the capacity of available resources. It involves surveying many occupational classifications for four different types of construction in more than 3,000 counties in the U.S. The difficulty of this task is reflected in the fact that the average wage determination is seven years old. In addition, the GAO has identified systemic weaknesses that call into question the underlying validity of the survey process. For these reasons, the Wage and Hour Division has been working for some time to develop options for reinventing or re-engineering the Davis-Bacon wage survey/determination process. Wage and Hour recently received a requested additional $3.75 million in appropriations for FY 1997 to develop and begin implementing wage survey/determination system improvements.

Current Status: Wage and Hour has developed five options for reinventing the Davis-Bacon wage survey/determination process and is currently briefing interested parties (including Congressional oversight and appropriations committees staff) regarding these options and the advantages/disadvantages of each. Based on feedback from the current discussions, a decision needs to be made within the next two months on how the additional FY 1997 resources will be expended.

Employee Choice Flex-Time (FLSA) and FMLA Expansion

Issue: Last June, the President announced his intention to propose legislation to:

> Amend the Fair Labor Standards Act (FLSA) to allow private sector workers to receive employee choice flex-time, or paid time off, in lieu of overtime pay when they work more than 40 hours in a workweek if they choose ; and
>
> Expand the Family and Medical Leave Act (FMLA) to provide additional time off for certain additional parental involvement and elder care reasons.

Background: FLSA requires the payment of "time and one-half pay" for overtime to most hourly workers (some employers are not covered by the Act and some employees are exempt from one or both of its basic requirements). Public sector workers are currently permitted to receive compensatory time ("comp. time") in lieu of overtime pay. (Like overtime, comp. time accrues at a time-and-a-half rate.) There are limits on the number of comp. time hours that public sector workers can accumulate and certain restrictions and safeguards on the use of such hours and cashing out of accumulated hours. The President's proposed legislation would authorize the use of employee choice flex-time for most <u>private sector</u> workers who are now covered by the FLSA overtime provision. Unlike other "comp. time" proposals, the President's proposed "employee choice flex-time" amendment includes strong protections against coercion of employees (e.g., safeguards against employers forcing employees to "choose" comp. time in lieu of cash or favoring those employees who "choose" comp time instead of cash) and against abuses or risks to employees if they are considered "vulnerable" employees (such as part-time and seasonal workers) or if their employer is at risk of going bankrupt. In the closing days of the last Congress, the House passed legislation proposed by Congressman Ballenger (R-NC) which would authorize compensatory time-off but which is less protective of workers' rights than the President's proposal. The President had promised to veto the Ballenger bill. The Senate did not act on this matter, but bills were introduced – most notably, by Senator Ashcroft (R-MO) – that would have similar effect.

FMLA assures up to twelve weeks of unpaid, job-protected leave each year for eligible employees of covered employers for certain family and medical reasons. Only workers who have worked for 1, 250 hours and a full year for a company with 50 or more employees are eligible for FMLA leave. The President has advocated and proposed legislation to modestly expand FMLA to provide twenty-four additional hours of unpaid leave for parental involvement in children's education and elder care. Senator Dodd (D-CT) and former Congresswoman Schroeder (D-CO) introduced legislation in the last Congress that addresses those situations but went further to expand FMLA by dropping the coverage threshold to companies with 25 or more employees.

Current Status:	The Administration sent to Congress the "Family-Friendly Workplace Act of 1996" at the end of the last session, though it was never formally introduced. These issues were repeatedly emphasized by the President during the recent campaign and have already started moving, as a Republican priority, in the new Congress. Rep. Ballenger has reintroduced his bill, that passed the House last year, as H.R. 1. A hearing has been held and a mark-up is planned for early March. Sen. Ashcroft has also introduced his bill (S. 4), which now contains the Ballenger comp. time provisions but also changes the 40-hour work week to an 80-hour biweekly work period and makes other changes in the FLSA to allow other forms of flexible scheduling. Two hearings have been held in the Senate and the Ashcroft bill is scheduled for mark-up on February 26. No decision has yet been made within the Administration regarding whether to submit the President's bill and, if so, whether any changes in the proposed bill may be warranted.
Labor Interest:	Labor unions, worker advocates and the women's organizations strongly oppose authorizing comp. time because of the potential for abuse, and because it will likely serve to reduce employees' earnings. For the same reasons, they opposed even the President's Employee Choice Flex-Time bill.
	Administration position on this issue is still pending

TEAM Act

Issue: The Teamwork for Employees And Management Act

Background: The TEAM Act would eliminate the 60-year-old ban against company-dominated unions by amending Sec. 8(a)(2) of the National Labor Relations Act (NLRA). Under Sec. 8(a)(2), it is an unfair labor practice for an employer to dominate or interfere with the formation or administration of any labor organization. Typically, employer domination has been found where a company establishes an employee committee to deal with topics reserved for collective bargaining -- such as pay and benefits, hours of work and other working conditions -- and retains the right to pick the employee-members of the committee, determine the agenda, and eliminate the committee at will. It was the widespread creation of these types of "company unions" or sham unions that led to the enactment of Section 8 (a)(2). In contrast to company dominated labor organizations, labor-management partnerships that are established to improve quality, efficiency and productivity generally do not violate Sec. 8(a)(2) and have in fact proliferated among businesses interested in promoting genuine teamwork with their employees. According to one recent survey, 96 percent of large employers have established such programs.

Nonetheless, business groups allege that the law is unclear and has had a chilling effect on employers interested in forming labor-management partnerships. They have been pressing Congress to amend Sec. 8(a)(2) to give employers greater latitude in establishing and dealing with employee organizations.

The Dunlop Commission, a bipartisan labor-management group, appointed by Secretaries Reich and Brown, specifically rejected the TEAM Act. The Commission recommended that §8(a)(2) should only be clarified in the context of a package of labor law changes that maintains the balance between labor and management.

Although the NLRB is an independent agency charged with interpreting and enforcing the NLRA, the Department of Labor is generally called upon to articulate the Administration's views on important labor-management policies.

Current Status: The Team Act was reintroduced by Senator Jeffords as S. 295 on February 10. Last year, it passed the House by a vote of 221 to 202 on September 27, 1995. It passed the Senate by a vote of 53 to 46 on July 10, 1996. President Clinton vetoed the bill, and no attempt was made to override his veto.

Labor Interest: The AFL-CIO, the ACLU and several hundred academics in the fields of labor law and labor economics opposed the bill, along with a few companies and management-side labor lawyers.

Issue: **Federal "Right-to-Work" legislation.**

Background: Federal labor law authorizes - but does not require - collective bargaining agreements that compel workers to pay the equivalent of union dues as a condition of employment. These provisions are called union security clauses. Since the enactment of the Taft-Hartley law in 1947, the decision to prohibit union security clauses has been left up to the states. Twenty-one states, mostly in the south, have opted to become so called "right-to-work" states.

Opponents of state "right-to-work" laws argue that they deter unionization and allow "free riders" to enjoy the benefits of collective bargaining without paying their fair share of the costs.

Opponents of federal right-to-work legislation further argue that this has been a matter left to the states for almost 50 years, and only 3 states have become right-to-work states since 1959.

Notably, in no state can a worker be compelled to join a union as a condition of employment. Thus compulsory or forced unionism is a myth. And workers in every state are free, by majority vote, to deauthorize a union security clause. Moreover, workers can never be required to pay for a union's **non-representational** activities, such as political activity. (See briefing on Communications Workers of America v. Beck.

During the last session of Congress, Sen. Lauch Faircloth introduced a bill, the National Right to Work Act (S. 1788), that would have outlawed union security clauses nationally. The Faircloth bill was defeated on a Senate procedural vote (68-31) on July 10, 1996.

Current Status: The Administration strongly opposed the National Right to Work Act. A Statement of Administration Policy, issued on July 9, 1996, observed that enactment of the bill "would seriously undermine the ability of unions to represent American workers and to protect workers' rights."

Labor Interest: Organized labor strongly opposes federal "right-to-work" legislation. The National Right-to-Work Committee is its principal proponent. This is not a top priority for the organized business committee.

OSHA REFORM LEGISLATION

Issue: The House Economic and Educational Opportunities Committee and the Senate Labor & Human Resources Committee are likely to consider legislation to change OSHA's regulatory and enforcement authority.

Background: During the 104th Congress, 3 measures were considered. The first, offered by Rep. Cass Ballenger, was the most drastic. It would have stripped away the core of the agency's enforcement authority and imposed layers of new, costly, time-consuming processes on the agency's regulatory processes, delaying protective standards for years. It would also have eliminated NIOSH and merged MSHA into OSHA. The bill was strongly opposed by labor and the some segments of the business community. Rep. Ballenger withdrew it after the Vice-President threatened a veto.

Senators Kassebaum and Gregg introduced their own measure claiming that it codified the Administration's New OSHA initiative (a reinvention effort designed to create an opportunity for partnerships rather than traditional enforcement). In reality, the bill would have substantially narrowed the agency's enforcement authority and undermined its protective standards. The bill was favorably reported by the Labor and Human Resources Committee on a party line vote, but drew a veto threat from Secretary Reich, and lacked sufficient support to be considered by the full Senate.

Rep. Ballenger introduced a third measure --- a significantly stripped down version of his earlier bill --- and reported it from his subcommittee. He also claimed it simply codified the Administration's New OSHA programs. While some of the bill's provisions would have been acceptable with a few changes, the bill would have overturned a core principle of the original Occupational Safety and Health Act-- that worker health should be given priority over other considerations (rather than being considered as just another cost of doing business). This provision would have greatly hindered the agency's ability to protect workers in the future. Departing Assistant Secretary Joe Dear predicted that it would fall within the earlier veto threats, and the bill was not acted on by the full committee.

Current Status: Rep. Ballenger has been meeting with business community representatives to draft a new bill. It will likely contain some of the provisions of the earlier bills.

Labor Interest: Organized labor strongly opposes Republican-led reform efforts.

Section 13(c) Transit Employee Protection Program

Issue: The TRANSIT EMPLOYEE PROTECTION PROGRAM, commonly referred to as the Section 13 (c) Program, is administered by the Department of Labor. It is the basic job protection law for transit employees in the nation. It is contained in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA I) which must be reauthorized by September 30, 1997. The 13(c) Program has been the subject of Congressional criticism, the topic of hearings before the House Transportation Committee, and the subject of an investigation by the House Gov Ops Committee. New guidelines were promulgated in January, 1996 and Congress will be reviewing the effectiveness of the new Guidelines as it considers reauthorizing this program.

Background: The 13(c) program requires DOL to certify that the rights of affected mass transit employees have been protected before the US Department of Transportation can release transit funds to grantees. Most of the criticism of the program stemmed from delays in certification which affected the release of some of the nearly $3 billion authorized by ISTEA. Although repealed by the House Appropriations Committee in 1995, the Section 13(c) program was restored by the full House largely on the grounds that the Department had pledged to implement new guidelines to administer the program. The protective arrangements DOL certifies include: preservation of rights and benefits under existing collective bargaining agreements, continuation of collective bargaining rights, protection of individual employees against a worsening of their positions related to employment, assurances of employment to employees of acquired transit systems, priority of reemployment, and paid training or retraining programs.

Current Status: The new Guidelines have been in effect since January 1996. They were designed to expedite the certification process and make it more predictable, while assuring that the required protections are in place. Program data indicate that on average, 98% of all certifications issued since January 1996 have been issued within the 60 days required by the new Guidelines.

Over 300,000 union and non-union transit employees at approximately 5,000 transit systems around the country are protected by this program. Major unions involved in this program include ATU, TWU, UTU, AFSCME, IAM, IBT, IBEW, TCU, UAW, LIUNA, OPEIU, SEIU, RLEA, BRAC and the Transportation Trades Department of the AFL-CIO. Their objective is to assure that the full range of protections required by the law are in place.

NAFTA: Cross-Border Trucking Issue

Issue: NAFTA liberalization of cross-border trucking: Mexican truckers in the U.S.

Background: The North American Free Trade Agreement created a timetable for liberalizing cross-border trucking between the United States and Mexico. A major implementation milestone was to have occurred on December 18, 1995. The United States and Mexico had agreed to begin permitting access to each other's border states (California, Arizona, New Mexico, and Texas for the United States) for trucks of the other country for the delivery and backhaul of cargo. On that date, Secretary of Transportation Peña announced a delay in the NAFTA implementation because of safety and security concerns regarding Mexican trucks. The International Brotherhood of Teamsters (IBT) -- who are strongly opposed to cross-border trucking liberalization -- welcomed the delay.

Both the Departments of Transportation of Labor have enforcement responsibilities regarding Mexican truckers when they begin to operate within the United States. DOT is primarily concerned with truck safety, while DOL enforces (1) minimum wage provisions of the Fair Labor Standards Act (FLSA); (2) portions of the Occupational Safety and Health Act (OSH Act) dealing with trucks under 10,000 pounds, and hazardous materials operations and training; and (3) provisions of the Surface Transportation Assistance Act that prohibit retaliatory discharge and other discrimination against drivers of commercial motor vehicles and other employees whose work affects the safety of such vehicles because they complain about unsafe vehicles and refuse to operate them on U.S. roads.

Current Status: At an NEC meeting held on December 18, 1996, a decision was made that once consultations were undertaken by the White House staff with interested parties, negotiations would resume between the Department of Transportation and its Mexican counterpart to resolve remaining safety and security concerns in order to implement the trucking liberalization provisions. A delegation from the Department of Transportation went to Mexico City on January 6, 1997 for negotiations, but there has been no final decision on when the border will be opened. It is likely some additional delay in implementation will occur, and another NEC meeting is also possible.

Labor Interest: IBT President Ron Carey wrote on December 20 to Secretary of Transportation-designate Rodney Slater expressing strong opposition to the opening of the border to Mexican trucks on the basis of safety and health concerns and the loss of jobs to lower-wage Mexican truckers. The United Transportation Union (UTU), the union that organizes the bulk of bus drivers operating near the border, is also opposed to similar cross-boarder liberalization proposals for bus service for the same reasons as the Teamsters.

(1) M. Baker:
(1) Fell for Immigrants
(2) Lose 1/2 tuition
(3)
Glenn Bd
(2) Supt + [illegible]

(3) McGuffey : [illegible]

(4) Norton NLRB :
Cite
Point out [illegible]
Experts :

Worker Transition Health Care [illegible]

Coverage for All Workers

1) Protection for everyone: Fire [illegible]

2) 50% of uninsured - due to job change

$9.9 billion - 3.3 million + 700,000

- 100% subsidy poverty level
- phase out $240[illegible]
- Future income

3) Govern $ to Cobra + Medicaid/Medicare

4) 1/3 of workers who lost jobs
+ became ~~[illegible]~~ all lost HI

5) September 1994 Gov. Study

6) 50% by families of 4 over $31,200

7) Capped entitlement

$240 a month

8) State retain funds in good faith
+ [illegible] Admin

9) Rs assume more expensive because ($22 billion)
because assume all states will [illegible]

(Domenici - [illegible] in mental health parity)

10) Levin how that 20% elect COBRA

11) Firms with 20 + under do not provide COBRA

12) Phase out at 240% or $37,470

148 million - 64% - HI from ER (76 million on work transition!

~~42% of workers job interrupt lost HI~~ for 1 month

Flex Time:

(1) Exempt Vulnerable Sectors
(2) Employee choose when to earn : Bailey could cash until
1) deal
2) cash out 1.5
excess of 80 hours w/30 Pays
math
(3) Use option for FMLA (?)
ERs
(4) 80 hrs or 240 hrs
(5) Bankruptcy Probe
same as unpaid wage
(6) Not count as year for all Benefits
(7) 4 year vs alg

Ashcroft: 80 hours
overtime due only /
overtime accept by ER

$615 - 33% more - 15%
1984 Book What Unions Do? : Freeman + Medoff
premium spend direct more / voting
(1) reduce voting turnover
(2) facilitate cooper
(3) improve morale

37%
16.5 1983
20.2 1976
integrity
~~less support~~
with Unions
for

B. Budget Act

(1) Where is POTUS:
- most honest guy in the
- 25% support

(2) 1) Lock in Capital Budget : Pay 'Em for all &
2) Recession

(3) Regional Recession

(4) Simplify Sect 1 + Sect 7

Higher Education

(1) Hope + $10,000 deduct
(2) Pell Grant:

Recent News Articles on AFL-CIO
2/18/97

1. "AFL-CIO Shifts Venue in a Bid to Shift Image; Midwinter Meetings Focus on Organizing" by Frank Swoboda [Washington Post, February 18, 1997]

2. "Labor Dares Republicans To Cut Its Political Clout" by Steven Greenhouse [New York Times, February 18, 1997]

3. "AFL-CIO Chief Focuses on Swelling Ranks" by Kevin Galvin [Washington Times, February 18, 1997]

4. "AFL-CIO Outlines Member Strategy" by Kevin Galvin [Associated Press Online, February 17, 1997]

5. "A.F.L.-C.I.O Puts Recruiting at Top of Its Agenda" by Steven Greenhouse [New York Times. February 17, 1997]

6. "Reporter's Notebook; Unions Putting Hard Labor Into Recruitment" by Stuart Silverstein, Times Staff Reporter [Los Angeles Times. February 18, 1997]

7. "The State; Is L.A. The Place For a Resurgent Union Movement?" by Gregory Rodriguez an associate editor at Pacific News Service [Los Angeles Times. February 16, 1997]

8. "Visit to Mexico Confirms Gephardt Skepticism About NAFTA's Benefits" by Ronald Brownstein [Los Angeles Times. February 17, 1997]

February 18, 1997

LABOR ISSUES IN THE ADMINISTRATION'S FY 1998 BUDGET

Labor:

Enforcement Agencies -- The DOL enforcement agencies and the independent National Labor Relations Board were a priority in the FYs 1996 and 1997 budget negotiations and considered priority programs in the 1998 budget. The FY 1998 Budget proposes nearly an $80 million (7%) increase over the 1997 enacted level for these agencies. This is $171 million (17%) above 1993.

Note: The Department of Labor enforcement programs include:

Occupational Safety and Health Administration (OSHA) -- workplace safety and health.
Pension and Welfare Benefits Administration (PWBA) -- private employers' pension and health plans.
Employment Standards Administration (ESA) -- minimum wage, comptime, anti-sweatshop initiative, Davis-Bacon, affirmative action.
Mine Safety and Health Administration (MSHA) -- underground and surface coal and metal mine safety.
Solicitor -- litigation and regulatory support for enforcement programs.

- Occupational Safety and Health Administration (OSHA). The 1998 Budget of $348 million is $23 million over the FY 1997 enacted level, a 7 percent increase. The level is a blend of the old style "cop on the beat" enforcement and the "new OSHA", emphasizing consultation and compliance assistance, a balance which we expect to be acceptable.

- National Labor Relations Board. The President's FY 1998 Budget removes a Congressionally imposed rider prohibiting the NLRB from promulgating a rule which would specify the criteria, much like those the Board now uses, by which a bargaining unit could organize individually rather than on a company-wide basis (e.g., fast food chains).

Job Training and Job Placement Programs -- The FY 1998 Budget includes $6.3 billion for the Job Training Partnership Act (JTPA), Employment Service, and related job training programs. This is $600 million (10.5 percent) above the FY 1997 enacted level.

- Dislocated Worker Assistance. The $1.351 billion request is $65 million (5%) above the 1997 enacted level of $1.286 billion, and $700 million above (more than double) the 1993 level. An estimated 605,200 dislocated workers would be served in 1998.

- Summer Jobs and Youth Programs. The budget continues the Administration's support for the Summer Youth Employment and Training Program by funding the same number of jobs as last year, $871 million for 530,000 jobs. [Assumes local areas use the majority of their resources for summer jobs and do not transfer funds to the year round youth program.] The total funding request for youth employment and training programs in DOL is up $345 million or 15% over last year.

Table S–7. EFFECT OF PROPOSALS ON RECEIPTS

(In millions of dollars)

	Estimate						Total
	1997	1998	1999	2000	2001	2002	1998–2002
Provide tax relief and extend expiring provisions:							
Middle Class Bill of Rights:							
Provide tax credit for dependent children	–718	–9,889	–6,806	–8,552	–10,387	–10,369	–46,003
Expand Individual Retirement Accounts (IRAs)		–1,454	–477	–753	–1,157	–1,674	–5,515
Provide tax incentive for education and training	–84	–4,044	–6,199	–7,848	–8,632	–9,386	–36,109
Subtotal, Middle Class Bill of Rights	–802	–15,387	–13,482	–17,153	–20,176	–21,429	–87,627
Provide targeted welfare-to-work tax credit		–68	–137	–163	–122	–61	–551
Provide capital gains exclusion on sale of principal residence	–71	–288	–301	–284	–268	–249	–1,390
Establish DC tax incentive program		–24	–46	–56	–66	–68	–260
Provide estate tax relief for small business		–1	–164	–166	–174	–182	–687
Provide tax incentives for distressed areas	–40	–424	–500	–502	–469	–410	–2,305
Provide tax credit for investment in community development financial institutions (CDFI)		–2	–5	–7	–9	–11	–34
Toll statute of limitations for incapacitated taxpayers					–6	–49	–55
Allow Foreign Sales Corporation (FSC) benefits for computer software licenses	–10	–90	–100	–110	–120	–130	–550
Extend exclusion for employer-provided educational assistance	–82	–645	–670	–758	–247		–2,320
Extend R&E tax credit	–430	–787	–540	–234	–111	–41	–1,713
Extend orphan drug tax credit	–8	–19	–12	–3	–3	–1	–38
Extend work opportunity tax credit		–128	–157	–93	–31	–10	–419
Extend deduction for contributions of appreciated stock		–34	–38				–72
Extend and modify Puerto Rico economic-activity tax credit		–27	–68	–91	–109	–122	–417
Subtotal, Provide tax relief and extend expiring provisions	–1,443	–17,924	–16,220	–19,620	–21,911	–22,763	–98,438
Eliminate unwarranted benefits and adopt other revenue measures:							
Deny interest deduction on certain debt instruments	15	52	103	158	213	271	797
Defer original issue discount deduction on convertible debt		12	21	32	43	52	160
Limit dividends-received deduction (DRD):							
Reduce DRD to 50 percent		255	339	354	370	387	1,705
Eliminate DRD for certain stock		13	23	36	49	63	184
Modify holding period for DRD		36	26	27	28	29	146
Interaction		–8	–8	–8	–9	–9	–42
Extend pro-rata disallowance of tax-exempt interest to all corporations.		16	31	45	56	65	213
Require average-cost basis for stocks, securities, etc.		638	601	594	589	589	3,011
Require recognition of gain on certain stocks, indebtedness and partnership interests		38	61	65	71	76	311
Change the treatment of gains and losses on extinguishment		6	6	6	7	7	32
Require reasonable payment assumptions for interest accruals on certain debt instruments		79	234	288	289	207	1,097
Require gain recognition for certain extraordinary dividends	401	586	6	11	17	23	643
Repeal percentage depletion for non-fuel minerals mined on Federal and formerly Federal lands	8	89	92	94	96	97	468
Modify loss carryback and carryforward rules	5	144	617	798	690	629	2,878
Treat certain preferred stock as "boot"	25	145	163	172	180	144	804
Repeal tax free conversions of large C corporations to S corporations		1	12	26	35	45	119

Table S–7. EFFECT OF PROPOSALS ON RECEIPTS—Continued

(In millions of dollars)

	Estimate						Total
	1997	1998	1999	2000	2001	2002	1998–2002
Require gain recognition in certain distributions of controlled corporation stock	10	62	67	71	73	76	349
Reform treatment of certain stock transfers	31	114	127	137	146	155	679
Expand subpart F provisions regarding certain income	....	19	34	39	44	48	184
Modify taxation of captive "insurance" companies	....	26	18	13	7	4	68
Modify foreign tax credit carryback and carryforward rules	....	50	263	340	293	275	1,221
Replace sales source rules with activity-based rules	....	891	1,474	1,555	1,750	1,855	7,525
Modify rules relating to foreign oil and gas extraction income	....	4	59	97	104	107	371
Phase out preferential tax deferral for certain large farm corporations required to use accrual accounting	28	136	121	124	124	124	629
Initiate Inventory reform:							
Repeal lower of cost or market method	20	213	351	372	378	179	1,493
Repeal components of cost method	39	130	178	187	196	204	895
Expand requirement that involuntarily converted property be replaced with property acquired from an unrelated party	....	2	4	5	8	10	29
Place further restrictions on like-kind exchanges involving personal property	2	7	12	17	23	29	88
Require registration of certain corporate tax shelters	....	1	3	2	2	2	10
Require reporting of payments to corporations rendering service to Federal agencies	....	1	7	21	45	77	151
Increase penalties for failure to file correct information returns	....	3	16	21	24	26	90
Tighten substantial understatement penalty for large corporations	....	24	40	41	35	29	169
Repeal exemption for withholding on gambling winnings from bingo and keno in excess of $5,000	1	17	4	1	1	1	24
Require tax reporting for payments to attorneys	....	....	3	3	2	2	10
Extend oil spill excise tax[1]	26	222	224	228	230	231	1,135
Impose excise taxes on kerosene as diesel fuel[1]	4	35	33	31	30	30	159
Limit extension of tax credit for producing fuel from a nonconventional source	14	64	96	99	101	102	462
Extend and modify FUTA provisions:							
Extend FUTA surtax[1]	....	....	862	1,218	1,295	1,333	4,708
Accelerate deposit of unemployment insurance taxes	....	....	....	....	....	1,320	1,320
Subtotal, Eliminate unwarranted benefits	**629**	**4,123**	**6,323**	**7,320**	**7,635**	**8,894**	**34,295**
Other provisions that affect receipts:							
Extend corporate environmental tax[2]	....	1,095	732	767	785	803	4,182
Extend Superfund excise taxes[1]	110	661	675	687	697	708	3,428
Extend LUST excise taxes[1]	16	120	126	128	131	134	639
Extend aviation excise taxes/new user fee[1,3]	2,291	5,017	6,678	6,647	6,824	7,007	32,173
Extend GSP and modify other trade provisions[1]	....	−665	−509	−648	−732	−771	−3,325
Assess fees for examination of FDIC-insured banks and bank holding companies (receipt effect)[1]	....	72	75	78	82	86	393
Modify method of reimbursing Federal Reserve Banks (receipt effect)	....	122	125	129	132	136	644
Establish IRS continuous levy	....	402	398	364	269	212	1,645
Assess fees for NTSB aviation accident investigation activities[1]	....	5	5	5	5	5	25
Establish alien labor certification fee[1]	....	19	37	37	37	37	167
Exempt Federal vaccine purchases from the payment of vaccine excise taxes[1]	....	−72	....	....	....	....	−72
Extend and increase FDA user fees[1]	....	178	189	200	211	223	1,001
Initiate HCFA Medicare survey and certification fee[1]	....	7	7	7	7	7	35

Table S-7. EFFECT OF PROPOSALS ON RECEIPTS—Continued

(In millions of dollars)

	1997	Estimate 1998	1999	2000	2001	2002	Total 1998–2002
Increase employee contributions to CSRS and FERS	....	....	214	423	571	621	1,829
Adjust Federal pay raise (receipt effect)	....	–164	–216	–213	–212	–212	–1,017
Subtotal, Other provisions	2,417	6,797	8,536	8,611	8,807	8,996	41,747
Subtotal, Eliminate unwarranted benefits and other provisions that affect receipts	3,046	10,920	14,859	15,931	16,442	17,890	76,042
Total effect of proposals [1]	1,603	–7,004	–1,361	–3,689	–5,469	–4,873	–22,396
(Paygo proposals) [1]	1,603	–6,890	–1,270	–3,605	–5,389	–4,797	–21,951
(Non-Paygo proposals) [1]	....	–114	–91	–84	–80	–76	–445

[1] Net of income offsets.
[2] Net of deductibility for income tax purposes.
[3] The aviation excise taxes are proposed to be reinstated effective April 1, 1997. In addition, the Administration proposes that aviation excise taxes be repealed effective October 1, 1998 and replaced with cost-based user fees.

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

Clinton Presidential Records
Digital Records Marker

Divider Title: **1**

10TH STORY of Level 1 printed in FULL format.

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.

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.

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

13TH STORY of Level 1 printed in FULL format.

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."

*

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.

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.

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

2ND STORY of Level 1 printed in FULL format.

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.

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LOAD-DATE: February 18, 1997

3RD STORY of Level 1 printed in FULL format.

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. [No]thing Republicans are talking about curbing labor unions' independent [spe]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 [wit]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 Republicans 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 to expand the family leave act, broaden child-care coverage and provide tax credits 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 employees more flexibility, but labor leaders say it is a back-door attempt to force 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."

Clinton Presidential Records
Digital Records Marker

Divider Title: **2**

"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 there. And the health care and the nutrition guarantees are still there. 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 preparation of a few months can make a -- a few weeks even -- can make all the difference in the world. So we'll go back and do -- we will 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 often even to go to college is whether they have adequate transportation. 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 transit.

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 are 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 publicly-financed jobs for people in training programs in the beginning, and also just continuing support for higher education. I'll 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 this thing is being applied now is rules that, in effect, force people 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 ear-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.''

APNP-02-18-97 1614EST

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

LOS ANGELES (AP) The United Food and Commercial Workers and the 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 effectively 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
Knight-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 ships," said Michael Boyd, an analyst at Aviation Systems Research Corp. in Golden, 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:
Visit the Sun-Sentinel, South Florida, on the World Wide Web at http://www.sun-sentinel.com/

AMR,

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 to provide the jobs needed to make the welfare law he signed a success.

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 traveling 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 safety net for poor people,'' Clinton said. ``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.''

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Date: 02/18/97 Time: 15:40

Northwest 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)," wrote Northwest pilots' negotiator Steve Wilson to pilots wondering whether they'd suffer the same fate as American's pilots. "I think the repercussions are 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.

ON THE INTERNET:

Visit PioneerPlanet, the World Wide Web site of the Saint Paul (Minn.) Pioneer Press, at http://www.pioneerplanet.com

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AMR, NWAC,

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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 w 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.

ON THE INTERNET:

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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 whether 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 offers 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.

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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 serial, 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 another 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 the 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 first 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 of The Associated Press, has reported on Washington and national politics for more than 30 years.

APNP-02-18-97 0838EST