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001. memo	Political (Partial) (2 pages)	05/09/1994	b(6)
002. memo	re: Non-selection to the National Labor Relations Board (1 page)	05/09/1994	b(6)

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RESTRICTION CODES

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P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

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

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THE WHITE HOUSE

WASHINGTON

8A|65|SM

May 10, 1994

MEMORANDUM FOR DISTRIBUTION

From: Joe Velasquez

Subject: AFL-CIO Executive Committee Meeting

Attached for your information are briefing memoranda for today's AFL-CIO Executive Committee meeting with the President.

Distribution:

- Pat Griffin
- Harold Ickes
- Mike Lux
- Ira Magaziner
- Mack McLarty
- Bob Rubin
- George Stephanopoulos

THE WHITE HOUSE

WASHINGTON

May 9, 1994

MEETING WITH THE AFL-CIO EXECUTIVE COUNCIL

DATE:	May 10, 1994
LOCATION:	Diplomatic Room
TIME:	12:15 to 12:45 p.m.
FROM:	Joe Velasquez

I. PURPOSE

You should use this meeting to demonstrate your commitment to the American labor movement. The AFL-CIO Executive Council will use this meeting to ask your help in passing striker replacement legislation (S.55) and to discuss the current status of your health care reform plan.

II. BACKGROUND

The AFL-CIO Executive Committee consists of 35 union presidents who make up the core of the trade union movement that supported you in the campaign and support your current legislative program.

They want to discuss striker replacement and the status of health care reform. Before meeting with you they will have debated the tactics of passing S.55. Secretary Shalala will have addressed the group on health care reform.

You have strong support from these union presidents and with one exception (Bill Bywater) NAFTA is a diminishing issue. Bywater may raise it in passing in the context of striker replacement. NAFTA has not been erased from the mind of the rank-and-file union member, but in time that also can be resolved. Much depends on how you handle striker replacement.

No one believes striker replacement legislation can pass as currently conceived by the unions. A compromise must be struck -- though this option will not be discussed at this meeting.

How you handle striker replacement is a symbol of your commitment to unions. They rightfully believe that no group is more loyal to you personally and to what you want to accomplish.

The union presidents will ask you to work as hard for striker replacement as you did for NAFTA, the budget, and the assault weapons ban. Their benchmark is that you win over the two Arkansas senators on this issue.

Regardless of the outcome, they will know you worked hard if you convince Bumpers and Pryor.

We believe, as does Secretary Reich, that you must make a bold statement of support for striker replacement and then act on it with equal vigor. [redacted] (b)(6) [redacted] (b)(6) [001]

III. PARTICIPANTS

From the White House (invited):

Joan Baggett	Mack McLarty
Pat Griffin	Bob Rubin
Harold Ickes	George Stephanopoulos
Mike Lux	Joe Velasquez
Ira Magaziner	

From the Department of Labor:

Secretary Robert Reich
Tom Glynn (Deputy Secretary)
Kitty Higgins (Chief of Staff)
Steve Rosenthal (Associate Deputy Secretary)
Chuck Richards (Deputy Assistant Secretary for the Office of Labor Management Programs)
Joyce Miller (Executive Director of the Glass Ceiling Commission).

A list of the AFL-CIO Executive Committee is attached.

IV. PRESS PLAN

Closed to the press.

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V. SEQUENCE OF EVENTS

- The union presidents will all be seated when you arrive.
- Sit between Secretary Reich and President Lane Kirkland.
- Secretary Reich will introduce you.
- You will make brief welcoming comments and ask Lane Kirkland to speak.
- Secretary Reich will open the floor and moderate a brief question and answer session.
- Secretary Reich will close the meeting.

VI. REMARKS

[ACKNOWLEDGEMENTS: Lane Kirkland, Tom Donahue and Bob Reich]

- Bob, you're doing a great job. But of course everyone in this room knows that.
- I appreciate everything unions are doing for me and Hillary on health care. You're giving more resources than all other groups combined and your members are demanding that their representatives in Congress do the right thing for America.
- Let me guarantee you: I'm going to stick my principles; guaranteed private insurance, choice of doctor and health plan, outlawing unfair insurance practices, preserving Medicare, requiring employer responsibility and . . . no taxing of your health benefits.
- [Give general comments on where we are on health care. Ask for their continued help with the Health Care Reform Project (b)(6) (b)(6)
- I know how important striker replacement is to you and to the collective bargaining process. Believe me -- I will work to get it passed.
- We're working with Senators Bumpers and Pryor to get their support on this issue.

An issue brief from the Department of Labor is attached.

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May 9, 1994

To: Joan Baggett

From: Steve Rosenthal

Subject: Issues Important to the AFL-CIO

1. Striker Replacement: The Administration supports legislation to ban employers from permanently replacing striking workers. Secretary Reich has been out front and very visible in support of this bill. The AFL-CIO has asked Senate Majority Leader Mitchell to bring the measure before the full senate before May 31. Depending on who you talk to, the unions have between 52 and 56 votes for cloture.

Some in the Labor Movement, particularly rank-and-file leaders, believe that the President could use his influence to secure the remaining four votes they need to reach 60. They argue that "if the President really cared about this issue he could secure the remaining votes. If he could do it for NAFTA, why not for striker replacement?" In addition, many believe that at a minimum, the President should be able to "produce" the votes of the two senators from Arkansas.

Lane Kirkland has publicly called for a vote and suggested that if the Republicans want to filibuster, that it be a "good, old fashioned filibuster" -- that they bring in the cots. Others are worried about putting this up for a vote without assurances that there are 60 votes. Their argument is that Labor can not afford to suffer another legislative defeat. This is a top priority for rank-and-file union leaders.

There are several compromise measures being considered by congress. At a meeting on Friday, May 6 at the White House, it was agreed that George Stephanopoulos would talk to Senator Mitchell's staff about the need for them to be involved in helping to secure a leading Senator to help broker the compromise -- Sen. Pryor is the leading candidate. Stephanopoulos will ask Mitchell to talk to Sen. Pryor. Reich and Stephanopoulos will follow-up on the Mitchell-Pryor conversation with a meeting with Pryor.

The President should reaffirm his strong support for the measure and be prepared to say that he will do whatever is necessary to help secure the votes needed for cloture. He should express his confidence in Secretary Reich to continue to lead the Administration's efforts and to keep him fully apprised of actions that he might need to take.

2. The Reemployment Act of 1994: The Administration's Reemployment Act moves further in transforming the unemployment system into a comprehensive, universal, high quality reemployment system. It consolidates separate programs into an

integrated service system that focuses on what customers need to get their next job -- regardless of the cause of dislocation. It offers dislocated workers quality reemployment services. It will improve labor market information and provide workers who need and want long-term training access to education and training services along with income support to help them complete their programs. It will provide states with the opportunity to create One-Stop Career Centers. Centers and services will be evaluated on the basis of customer-oriented measures.

The AFL-CIO has not endorsed our proposal. They have some problems with the bill and after several months of discussions we have been unable to work them out. The House Education and Labor Committee (Chairman Ford) will hold a hearing on May 25. Sec. Reich met today with Tom Donahue, Gerry McEntee, Owen Bieber and John Sweeney to discuss their support for the bill. It was agreed that they would take their concerns to Chairman Ford and he would attempt to broker a compromise.

It would be extremely helpful if the President suggested that we could really use their support on this important initiative for American workers.

3. <u>OSHA Reform:</u> Secretary Reich and Assistant Secretary for Occupational Safety and Health Joe Dear have testified on the Hill on a number of occasions in support of reform of the Occupational Safety and Health Act. Dear has visited with scores of members of congress to discuss the legislation.

The DOL has been working closely with Chairmen Kennedy and Ford on a strategy for passage of OSHA reform. There are now 133 co-sponsors in the House (the strategy is to move the bill in the House first.)

On April 28, designated by the AFL-CIO as Worker Memorial Day, Secretary Reich took part in a town hall meeting with injured workers or surviving family members of workers who were killed on the job. This was fed by satellite to television stations across the country. Following the town hall meeting, the Secretary addressed a memorial service at the AFL-CIO headquarters on 16th street.

4. <u>Assistance in Labor Disputes</u> -- The Administration has been extremely effective in providing assistance in labor/management disputes. The White House involvement in American Airlines, DOL and DOT assistance at United Airlines, DOL hiring former Secretary Bill Usery as special mediator in the Mine Workers/ Bituminous Coal Operators Association (BCOA) strike and DOL involvement with the Teamsters in their strikes at UPS, Diamond Walnut and most recently in master freight are the standout examples. The Federal Mediation and Conciliation Service (FMCS) and National Mediation Board (NMB) have worked closely with DOL and DOT in a number of these cases. The Labor Movement is pleased with the activist role we have taken.

5. <u>NLRB APPOINTMENTS</u> -- This Administration supports the right of workers to organize and bargain collectively. President Clinton appointed Bill Gould as chair of the National Labor Relations Board, Margaret (Peggy) Browning and Chuck Cohen as members of the Board and Fred Feinstein as General Counsel. These appointments signal this administration's support for an NLRB which will be fair for a change. After 12 long years of Boards that the Labor Movement viewed as totally slanted towards management, the new Board is a welcomed relief.

Board Member Dennis Devaney's term expires in December. He is a Democrat appointed by Bush. He is waging a full-scale c [redacted] reappointed. The [illegible] for candidates for this seat has begun. [redacted] (b)(6) [002]
[redacted] (b)(6) The President should know that this [illegible] important to organized [illegible].

NOTE: There is considerable anger among some unions over one of the new Board's first decisions. **The NLRB is seeking a contempt citation against the United Mine Workers of America (UMWA) for actions taken by members during last year's strike against the Bituminous Coal Operators Association (BCOA.)** (SEE ATTACHED ARTICLES) Rich Trumka, UMWA President, is almost certain to raise this at the meeting. This, on the heels of the Justice Department's decision earlier to oppose the UMWA's position before the Supreme Court on charges stemming from the Pittston strike (which could result in the union paying some $65 million in fines), is viewed by Trumka as an effort by the Administration to "bust the union." **The President should listen to Trumka then express his concern and his view that the White House can not get involved in an NLRB decision. He may want to voice his hope that a settlement can be reached in this case.**

6. <u>Health Care:</u> The issues of employer mandates, taxation of benefits and worker protections are likely to come up.

7. <u>The Commission on the Future of Worker-Management Relations</u>: A bipartisan panel of labor, business and academic leaders (chaired by former Secretary of Labor John Dunlop), was appointed by Secretary's Reich and Ron Brown and is looking at the nation's labor laws and labor management relations. It is known to everyone as the Dunlop Commission. The current plan is to release the Commission's **findings** on June 2, to "shop them around for a few months" and for the Commission to make its final recommendations after the November elections.

Tom Donahue has indicated that the AFL-CIO would like a Labor Law Reform bill introduced at the beginning of the '95 session, and acted on by the full House and Senate within a few months of its introduction. **This is the Labor Movement's number one priority.**

8. <u>The Secretary's Task Force on Excellence in State and Local Government</u> will be announced shortly -- hopefully within the next few days. This is a state and local government counterpart to the Dunlop Commission -- examining labor/management relations in state and local government. We have lined up the Task Force members, are vetting the names now and are awaiting OMB and GSA approval. **We are hoping that by tomorrow the President will be able to announce that OMB has approved and that Secretary Reich will be making the announcement before the end of the week.**

This is extremely important to AFSCME President Gerry McEntee and other public sector unions. In his address to the AFL-CIO Convention in October, the President asked Secretary Reich to establish this task force.

9. <u>The National Partnership Council</u>: was established by the President in an Executive Order and sprang from the Vice President's National Performance Review. The Council has been meeting over the past few months and is reinventing federal government labor-management relations in the areas of collective bargaining, civil service and personnel management.

AFGE President John Sturdivant is a member of the AFL-CIO Executive Council and a member of the National Partnership Council. He deserves a great deal of credit for his work in helping to make the Partnership Council a success.

10. <u>Enforcement</u>: Making good on our commitment to better jobs means enforcing laws that block the "low road" of competition through inferior wages and working conditions. After years of non-enforcement, the DOL has begun to hold companies accountable to the law. The Labor Movement has been pleased with the DOL's stepped up enforcement efforts.

11. <u>Davis-Bacon/Service Contract Act -- Procurement Reform</u>: The AFL-CIO Building and Construction Trades have been meeting with Steve Kellman on D-B reform and the SEIU (among others) are concerned about the Administration's procurement reform as it relates to the Service Contract Act. DOL has attempted to bring the unions' concerns to the internal debate and will continue to do so. The Laborers are likely to raise the issue of Helper Regs. It would be best for the President to express his confidence that between the Vice President, Leon Panetta and Secretary Reich their concerns will be addressed.

12. <u>Labor Rights and the Uruguay Round:</u> We were successful at Marrakesh in assuring that the Preparatory Committee establishing the World Trade Organization (WTO) has a broad enough mandate to address internationally recognized labor standards.

-- Our interest in addressing internationally recognized labor standards in the WTO results from our desire to see that workers who help produce goods share in the benefit of their export.

-- History shows that social progress and improved labor standards accelerate the rise in standards of living and help promote long-term prosperity and stability.

-- We have an open mind on how the work of the WTO should proceed on this issue.

-- Our interest in this issue is to assure that basic rights are respected more broadly.

AFL-CIO EXECUTIVE COUNCIL

Morton Bahr	CWA
John J. Barry	IBEW
George Becker	Steelworkers
Owen Bieber	UAW
Moe Biller	Postal Workers
Marvin J. Boede	Plumbers & Pipe Fitters
William H. Bywater	IUE
Ron Carey	Teamsters
Linda Chevez-Thompson	AFSCME
Arthur A. Coia	Laborers
Douglas H. Dority	UFCW
Robert A. Georgine	Building and Construction Trades
Wayne E. Glenn	Paperworkers
Edward T. Hanley	Hotel Employees and Restaurant Employees
James E. Hatfied	Glass, Pottery, Plastics & Allied Workers
Frank Hurt	Bakery, Confectionery & Tobacco Workers
Gloria T. Johnson	Department of Social Action, IUE
John T. Joyce	Bricklayers
George J. Kourpias	Machinists
Sigurd Lucassen	Carpenters
Jay Mazur	International Ladies' Garment Workers Union
Gerald McEntee	AFSCME

Lenore Miller	Retail, Wholesale & Department Store Union
James J. Norton	Graphic Communications International Union
Michael J. Sacco	Seafarers
Albert Shanker	American Federation of Teachers
Jack Sheinkman	Amalgamated Clothing & Textile Workers Union
Vincent R. Sombrotto	Letter Carriers
John N. Sturdivant	AFGE
John J. Sweeney	SEIU
Richard L. Trumka	Mine Workers
Gene Upshaw	Federation of Professional Athletes

AFL-CIO Trade and Industrial Department Officers

Al Bilik
Elmer Chatak
Jack Golodner
Robert Harbrant
John Leyden
John Meese
Charles Mercer
Frank Pecquex
Walter Shea

April 8, 1994

BE 009 SM

Mr. Robert E. Rubin
Assistant to the President
for Economic Policy
The White House
Washington, D.C. 20500

Dear Bob:

I am enclosing a couple of items relating to our conversation this week:

(1) A summary of three ILO Conventions on the issue of social insurance protection of migrant workers, refugees and other non-citizens. While the U.S. has not ratified these and many other ILO Conventions, they do represent tripartite agreement on what is internationally accepted as decent policy.

(2) My draft bill enforcing free trade in accordance with the basic precepts of Ricardo, et al. The classical arguments for free trade are so conceptually persuasive that I have finally come to the conclusion that it's about time we had some, and this would be a small beginning. I'm in the process of finding Congressional sponsors.

Thank you for giving us the time you did and I look forward to our next gathering.

Sincerely,

President

Enclosures

Convention No. 102

SOCIAL SECURITY (MINIMUM STANDARDS), 1952

Aim of the standard

To establish with the requisite flexibility, given the wide variety of conditions obtaining in different countries, minimum standards for benefits in the main branches of social security.

Summary of the provisions

The Convention deals in a single instrument with the nine main branches of social security, namely: medical care,[1] sickness benefit,[1] unemployment benefit, old-age benefit,[2] employment injury benefit,[3] family benefit, maternity benefit,[4] invalidity benefit[2] and survivors' benefit.[2]

Acceptance of three of these nine branches is sufficient for ratification. One at least of the three branches accepted shall be unemployment benefit, employment injury benefit, old-age benefit, invalidity benefit or survivors' benefit. A State may subsequently accept obligations arising out of other parts of the Convention.

Article 3 of the Convention authorises a certain number of temporary exceptions for a Member State "whose economy and medical facilities are insufficiently developed".

The Convention provides for medical care (and certain other benefits in kind in certain cases) and for cash benefits in the form of periodical payments.

In addition to certain common provisions (such as definitions and administration, standards to be complied with by periodical payments, finance, and appeals), the Convention has provisions for each branch, appropriate to the definition of the contingencies covered, including the minimum coverage

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[1] See also, where necessary, the *Medical Care and Sickness Benefits Convention, 1969 (No. 130)* (higher standards).

[2] See also, where necessary, the *Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128)* (higher standards).

[3] See also, where necessary, the *Employment Injury Benefits Convention, 1964 (No. 121)* (higher standards).

[4] See the *Maternity Protection Convention, 1919 (No. 3)*, and the *Maternity Protection Convention (Revised), 1952 (No. 103)*.

(persons protected), the levels of benefits, their duration and the qualifying conditions for the beneficiaries. On these points, the Convention is formulated with the flexibility necessary to account for a variety of schemes and levels of development.

The scope of coverage is generally determined in three ways, the choice of which rests with the ratifying State, with reference to *(a)* classes of employees, *(b)* classes of the economically active population, or *(c)* means of residents.

In the case of periodical payments, the rate of benefit is determined having regard to the level of wages in the country concerned.

Thus, the Convention provides, for the calculation of benefits, three formulas intended for adaptation to a variety of schemes: *(a)* proportional, or partially proportional benefits linked to the beneficiary's previous earnings or family support commitments (Article 65), *(b)* benefits set at uniform rates or benefits comprising at least a minimum rate based on the wage of an adult male labourer (Article 66); *(c)* benefits linked to the means of the beneficiary concerned, the amount of which benefit, where the beneficiary concerned has no other means justifying a reduction in benefit, is determined in the same way as in *(b)* (Article 67).

Non-national residents shall have the same rights as national residents. However, special rules may be prescribed as regards benefits payable out of public funds or in respect of transitional schemes (Article 68).

Benefits may be suspended in certain cases, e.g. as long as the person concerned is absent from the territory of the State, or is maintained at public expense or at the expense of a social security institution, or is guilty of a specified misconduct (Article 69). Every claimant shall have a right of appeal in case of refusal of the benefit or complaint as to its quality or quantity.

The Convention has provisions with regard to the financing of benefits and provides that the ratifying State shall accept general responsibility for the due provision of the benefits and the proper administration of the institutions and services concerned.

It provides that representatives of protected persons shall participate in the management of social security institutions, or be associated with them in a consultative capacity where the administration is not entrusted to an institution regulated by the public authorities or to a government department.

The Convention does not apply to seafarers or sea fishermen.[5]

[5] For these categories of workers, see, as the case may be, the *Social Security (Seafarers) Convention, 1946 (No. 70)*, and the *Seafarers' Pensions Convention, 1946 (No. 71)*.

Convention No. 118

EQUALITY OF TREATMENT (SOCIAL SECURITY), 1962

Aim of the standard

To ensure within the territory of any ratifying State equality of treatment in respect of social security to refugees, stateless persons and nationals of another ratifying State.

Summary of the provisions

Ratifying States undertake to grant to nationals of any other State for which the Convention is also in force and to refugees and stateless persons equality of treatment with their own nationals in respect of social security.

Such equality of treatment applies to coverage and the right to benefits. It shall be granted in respect of every branch of social security for which the ratifying State has accepted the obligations of the Convention.

Equality of treatment shall be accorded without any condition of residence.[1]

The obligations of the Convention may be accepted in respect of one or more of the following social security branches for which the ratifying State has in effective operation legislation covering its own nationals within its own territory: medical care; sickness benefit; maternity benefit; invalidity benefit; old-age benefit; survivors' benefit; unemployment injury benefit;[2] unemployment benefit; and family benefit.

The Convention does not apply to special schemes for civil servants, schemes for war victims or public assistance.

It provides that certain benefits (invalidity, old-age, survivors', death grants and employment injury pensions) shall be guaranteed, even when they are resident abroad, to the nationals of the ratifying State, as well as to nationals of any other State that has accepted the obligations of the Convention for the

[1] Certain benefits payable from non-contributory schemes may be made subject to a prior period of residence.

[2] cf. the *Equality of Treatment (Accident Compensation) Convention, 1925 (No. 19)*. This Convention, which has been ratified by a considerable number of Member States, provides (in addition to equality of treatment) that ratifying States shall institute a system of workmen's compensation, whether by insurance or otherwise, if they do not already have one.

corresponding branch. Family allowances shall be guaranteed, both to nationals of the State and to nationals of any other State which has accepted the obligations of the Convention for the same branch, in respect of children resident within the territory of one of these States.

The Convention provides that States that have ratified it shall endeavour to participate in schemes for the maintenance of acquired rights and rights in the course of acquisition.

Convention No. 157

MAINTENANCE OF SOCIAL SECURITY RIGHTS, 1982

Aim of the standard

An international system for the maintenance of rights to medical care and sickness benefit, maternity, invalidity, old-age, survivors', employment injury, unemployment and family benefits in respect of persons working or residing outside their country.

Summary of the provisions

This very technical and complex Convention seeks to promote, on a general level, wide-ranging but flexible co-ordination between national social security schemes, taking account of the differences in their respective levels of development.

Flexibility is assured by a distinction made between provisions applicable upon ratification and obligations to which application may be given by bilateral or multilateral agreements.[1] Certain derogations are possible, either by way of special arrangements between countries, or subject to compensatory guarantees at the date of ratification.

The Convention seeks to protect not only salaried employees and self-employed persons, within the territory of a ratifying State, but also such other persons as the members of the families of the employees concerned.

Possible benefits — the payment of which is subject to appropriate reciprocity according to each case — are in respect of the nine contingencies referred to above.

The Convention has provisions for adding together periods of insurance, employment, occupational activity or residence, under schemes for the maintenance of rights in course of acquisition.

It also provides in appropriate conditions for the maintenance of acquired rights to the various types of benefits having regard to the legislation which the countries concerned have in force for the branch concerned.

Each State bound by this Convention shall guarantee the provision of invalidity, old-age and survivors' cash benefits, pensions in respect of

[1] The *Maintenance of Social Security Rights Recommendation, 1983 (No. 167)*, has made provisions for the conclusion of bilateral or multilateral social security instruments.

employment injuries and death grants, to which a right is acquired under its legislation, to beneficiaries who are nationals of a State also bound by this Convention, or refugees or stateless persons, irrespective of their place of residence.

The Convention also deals with administrative assistance and assistance to persons covered.

LEAFLET XI

EMPLOYMENT OF WOMEN

A MODEST PROPOSAL FOR A GREAT LEAP FORWARD

Free Trade, Anti-Protectionism And Anti-Hypocrisy Act Of 1994[1]

Whereas, certain practices distort the free flow of commerce and diminish the wealth of nations, deprive consumers of the benefits of comparative advantage, and are otherwise contrary to enlightened national policy, now therefore:

Sec.A: It shall henceforth be illegal for any corporation or person to:

(1) engage in a transaction involving a product or service of which any portion is required to be made or undertaken in any nation, or bloc of nations, because of the existence, in that nation or bloc, of a domestic content statute or agreement, or because of the provision of any publicly-financed infrastructural or pecuniary inducements for such location.

(2) engage in a transaction involving any product or commodity or mode of transit for which any part of the price or terms is subsidized directly or indirectly by the state of origin;

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[1] It is understood and acknowledged that the immediate effect of this statute, when enacted, will be to bring all international trade to a halt until a period of adjustment is completed. However, the following considerations are deemed decisive:

(1) One must start doing the right thing sometime, and the sooner the better.

(2) With respect to certain nations now emerging from command or centrally-planned economies, "shock therapy" is widely regarded as the appropriate path for effective transition to the rule of free market doctrine. If it is good for them, surely it is good for us.

(3) The practices herein outlawed, when reduced to their essential moral elements, are but variations of an age-old theme of state piracy, historically and universally viewed with repugnance by all civilized races.

(3) engage in any transaction involving a product or commodity the price or supply of which is controlled, regulated or administered by a supplier or purchaser cartel;

(4) engage in any transaction involving the use of a currency or currencies of which the rate of exchange is managed, regulated, influenced or manipulated by a state, a combination of states or a financial institution acting in behalf of a state or combination of states.

(5) pay or cause to be paid any tax, tariff, impost, levy, duty or bribe or any other consideration imposed as a condition for the introduction of any product, commodity or service into the marketplace of any nation.

(6) refrain from the production or sale in any market of any item which said person or corporation is capable and desirous of producing or selling because of the existence in any state of copyright, patent or other laws of a restrictive, exclusionary or monopolistic nature.

(7) refrain from the sale in any market of any product because of the existence in that market of import quotas or voluntary restraint agreements.

(8) engage in the production or distribution of products manufactured in sequestered portions of any state, heretofore commonly mislabeled "free trade zones," where such products are limited to export only and are not allowed to be freely introduced into the domestic market of the state where such facility is located.

Sec.B: Be it further resolved and enacted that:

(1) Any bilateral or multilateral trade agreement negotiated between or

among states which exceeds 25 (twenty-five) double-spaced pages in length is hereby declared null and void and of no force or effect.[2]

(2) No appropriated funds may hereinafter be used by any department or agency of the government for the promotion of a "positive" balance of trade, or export surplus, or for aiding and abetting any person or corporation in the pursuit of exports of products, services, plants or machinery.[3]

<u>Sec.C</u>: Enforcement:

Inasmuch as it is commonly understood by economists and others well versed in these matters, that consideration of human values and human rights and human standards ought not to be regarded or treated as relevant in determining the flow of commerce or as criteria affecting economic transactions between or among nations and markets -- that is to say, that all values are fungible -- now, therefore, any punitive measures or practices observed in any trading nation in the world shall be available for the enforcement of this statute. Therefore:

---

[2] While 25 pages may seem an arbitrary number, economic analyses and computer models by various impartial university centers and research institutions have conclusively established that this is the maximum that can be drafted without encouraging or abetting the practices outlawed by this statute, while still permitting the amount of redundancy, prolixity and innocently obscure or evasive grammar customary in such documents.

[3] Inasmuch as all trading nations are presently engaged in such practices and policies and are encouraged or coerced into doing so by international lending institutions at the expense of their own people and markets, rudimentary mathematics should inform us that either the moon or nearby planets must be established as markets for the resulting earth-wide export surplus, or something will have to give. The Congress might alternatively consider diverting the funds now being expended contrary to this provision to NASA for the development, as an interim measure, of an export market on the moon.

(1) For the first offense, the perpetrator shall have his right hand severed at the wrist.

(2) For the second offense, 10 (ten) years of employment, at the prevailing wages and working and living conditions, at, alternatively, a Mexican maquiladora plant, a toy factory in Thailand, or a shoe factory in Indonesia, at the discretion of the court.

(3) For the third offense, life imprisonment, without parole. [4]

Sec.D: Illicit advocacy, conspiracy and patterns of practice:

Any person who, following the effective date of this statute, advocates, condones, aids and abets, or conspires to aid and abet, any of the mercantilist or protectionist practices hereby declared illegal, or whose pattern of conduct is found to be crypto-mercantilist [5] in nature, who is thereafter apprehended in the act of making a free trade speech to the Council on Foreign Relations, to the Aspen Institute, to the Ditchley Foundation, to a Bilderberg meeting or to any other such forum, national or international, shall be forthwith sterilized, without anesthesia, [6] in order to prevent the further propagation of the neo-mercantilist species.

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[4] This is entirely consistent with various "three strikes and you are out," or "in," proposals contained in crime bills now under consideration by the Congress and advocated by the Administration.

[5] A crypto-mercantilist is one who, while not actively engaged in the practices declared by this act to be crimes, if he could do so, would do so.

[6] This, while seemingly harsh, is altogether equitable, inasmuch as the audience for such deleterious remarks will -- in all probability -- not have been anesthetized.

BR/GS - ltr. only
SM w/attachment

American Federation of Labor and Congress of Industrial Organizations

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

June 30, 1994

Mr. Robert E. Rubin
Assistant to the President
for Economic Policy
The White House
Washington, D.C. 20500

Dear Mr. Rubin:

As a follow up to our meeting of June 17 on infrastructure issues, I am enclosing the booklet of the Labor-Management Group calling for a vast expansion of programs to renew America's deteriorating infrastructure.

At its Executive Council meeting this February the AFL-CIO endorsed the Rohatyn plan saying that the U.S. should undertake:

> "A large-scale public works program, long recommended by the AFL-CIO. If necessary to avoid the straitjacket of current budget rules, an infrastructure program could be financed separately from the federal budget by means of special bonds secured by a modest increase in gasoline or other energy taxes. Financier Felix Rohatyn has proposed, for example, a $250 billion ten-year program that would create nearly a million new jobs each year while helping to meet pressing economic and social needs in such areas as highways, high speed rail, mass transit and airport construction."

> "A revitalized housing program, paid for by reducing the mortgage amount on which interest is deductible to $300,000 from $1 million. A cap at the $300,000 level would generate nearly $4 billion annually in additional federal revenues after it is fully phased in."

The AFL-CIO also urge the development of mechanisms for pension plans to invest in state and local government bonds designed to foster infrastructure development.

In terms of privatization, let me reiterate our request that President Bush's Executive Order 12803 be rescinded. President Clinton's Executive Order 12893, was a vast improvement over the earlier order but it was over-enthusiastic in the broad unqualified role it gave the private sector in ownership, financing, construction, and operation of the nation's infrastructure. Rather than revisiting the divisive issues of privatization, just rescind the Bush Executive Order.

In behalf of Al Bilik, President of the AFL-CIO Public Employee Department and myself, I thank you for our meeting.

Sincerely,

Rudy Oswald

Rudy Oswald, Director
Economic Research Department

Enclosure

RO/cmt
opeiu2, afl-cio

AFL-CIO
815 Sixteenth Street, N. W.
Washington, D. C. 20006

AMERICAN FEDERATION OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS
AFL-CIO

Telecopier Transmission

Date: Sept. 12, 1994

FAX To: Gene Sperling
White House

FAX Phone Number: 456-2878

From: Tom Donahue

Department: Secretary-Treasurer, AFL-CIO

Comments:

There is/are 4 page(s) following this cover sheet.

Please call the following number if you have any questions:

AFL-CIO
President's Office
202/637-________

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Our FAX number is 202/508-6946

Fax- 456-2878
Gene Sperling

U.S. Department of Labor

Deputy Under Secretary for
International Affairs
Washington, D.C. 20210

September 1, 1994

Mr. Alexander F. Watson
Bureau of Inter-American Affairs
Assistant Secretary of State
Washington, DC 20520-6258

Dear ~~Secretary Watson~~: Alex,

Thank you for your kind response to my letter of July 22 suggesting that certain labor issues be included as part of the USG proposed initiatives for the Summit of the Americas. I can't say I was entirely surprised by your response; however, I continue to believe that this Administration (with our priorities on jobs and putting people first) should include a labor initiative under the sustainable development basket.

You indicate in your letter that the Department of Labor's proposals do not form "a large enough critical mass to constitute a separate initiative." Forgive me if I disagree with this standard for acceptance of the DOL proposals. More, I am dissapointed that an initiative for the hundreds of millions of workers of the Hemisphere would seem to meet any test of relevance.

As you indicate, we both agree that a workers' initiative would be most appropriate in the sustainable development basket. It is certainly the case that the concept of "sustainable employment" has become widely accepted in the OECD and elsewhere.

Further, it is most surprising that the USG would have selected initiatives for the sustainable development basket that relate to education (number 9), and health care (number 10) and not one related to employment. Employment may well be the single most important issue in global discourse. Whether it is the G-7 Jobs Conference in Detroit or the U.N. Social Summit in Copenhagen, employment is the issue. How to create more and better jobs.

In that regard, I would strongly urge you to take seriously your offer to relate our proposals to the remaining "investing in people" proposal. Instead of an "employment" or "jobs" initiative under this heading, the USG proposed "nurturing microenterprises" (number 11). The need to develop and provide small amounts of credit for microenterprises is fine, but it ought be part of a broader "employment" initiative. Not a substitute for it. We should use this opportunity to seek more common ground with the nations of this Hemisphere in preparation for the employment component of the UN Social Summit next March.

Mr. Alexander F. Watson
September 1, 1994
Page 2

We would be prepared to work with you to accomplish this objective. Again, thank you for your attention to our concerns.

Sincerely,

Jack

Joaquin F. Otero
Deputy Under Secretary

United States Department of State

Assistant Secretary of State
Bureau of Inter-American Affairs

Washington, D.C. 20520-6258

Mr. Joaquin F. Otero
Deputy Under Secretary for International Affairs
U.S. Department of Labor
Washington, D.C. 20210

Dear ~~Mr. Otero~~ Joaquin:

Thank you very much for your thoughtful letter of July 22 suggesting that "Cooperative Activities on Labor Matters" be a formal initiative at the Summit of the Americas. The specific labor issues that you mention in your letter are certainly important to the future development and reform of national economies. For example, I agree that it will be necessary in the years ahead to pay increased attention to such problems as the employment effects of privatization and the transition of workers from rural to urban areas. I think you are right in suggesting that any possible Summit discussion of these matters would most appropriately fit under the theme of Sustainable Development.

However, as I am sure you will understand, the formal initiatives for a Summit of this exceptional nature must necessarily be severely limited in number and very broad and presidential in scope. We have just gone through the difficult process of reducing over 30 excellent proposed initiatives to a total of 15. These are set forth in a cable that was sent to the field on August 13 (State 217914), a copy of which is enclosed for your ease of reference. We reluctantly concluded that your proposal, despite its substantive importance, does not form a large enough critical mass to constitute a separate initiative.

Nevertheless, I believe it might be possible to accommodate some of your suggestions by relating them to one of the existing initiatives under the Sustainable Development theme or by mentioning them in the Summit Declaration. All of the initiatives as currently described in the cable are of course subject to amendment following the consultations with host governments that the cable will initiate. In the light of those consultations, we will be happy to consider possible ways of addressing your concerns.

Again, let me express my appreciation for the interesting suggestions that you have made.

Sincerely,

Alexander F. Watson

Enclosure:
As stated

AFL-CIO
815 Sixteenth Street, N. W.
Washington, D. C. 20006

AMERICAN FEDERATION OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS
AFL-CIO

Telecopier Transmission

Date: 9/16/94

FAX To: Gene Sperling
WH - Ec. Policy

FAX Phone Number: 456-2878

From: Tom Donahue

Department: AFL-CIO

Comments:
FYI

Note: Mr. Donahue requested that only the first page of "Inside NAFTA" be sent to you.
ARM

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OFFICERS

LANE KIRKLAND, *President* — ALBERT SHANKER, *Vice President* — THOMAS R. DONAHUE, *Secretary-Treasurer* — WILLIAM C. DOHERTY, JR., *Executive Director*

September 8, 1994

MEMORANDUM

To: Thomas R. Donahue
From: William C. Doherty Bill
Re: **Summit of the Americas**

From the attached it seems clear that issues of labor and worker rights are being exluded from the Summit of the Americas conference, in favor of such scintillating topics as "regulatory reform" for investor protection, "capital movements liberalization" and "nurturing microenterprises."

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cc: Chuck Gray
Mark Anderson

Inside NAFTA

reporting on NAFTA implementation and trade policy in the Americas
from the publishers of Inside U.S. Trade

Vol. 1, No. 17, August 24, 1994

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"One of the most important initiatives, hemispheric free trade, will be consulted separately after the U.S. Congress has addressed the pending [Uruguay Round] trade legislation," says the cable, which was sent to U.S. embassies in the hemisphere in mid-August. "We will prepare subsequent initiatives on the trade issue at the appropriate time."

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continued on page 13

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continued on page 18

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continued on page 19

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

Telecopier Transmission

Date: 9/16/94

FAX To: Gene Sperling
WH - Ec. Policy

FAX Phone Number: 456-2878

From: Tom Donahue

Department: AFL-CIO

Comments:
FYI

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cc: Chuck Gray
Mark Anderson

G Sperling

THE WHITE HOUSE

WASHINGTON

October 3, 1994

MEMORANDUM FOR DISTRIBUTION

FROM: ROBERT RUBIN

SUBJECT: **October AFL-CIO Meeting**

Below are some topics that we may want to raise in our AFL-CIO meeting this week.

AFL-CIO Meeting
October 5, 1994
Issues for Discussion

- Health Care
- Summit of the Americas
- APEC
- Labor's Suggestions for focus next year

AFL-CIO
815 Sixteenth Street, N. W.
Washington, D. C. 20006

Telecopier Transmission

Date: Sept. 12, 1994

FAX To: Gene Sperling
White House

FAX Phone Number: 456-2878

From: Tom Donahue

Department: Secretary-Treasurer, AFL-CIO

Comments:

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Fax - 456-2878
Gene Sperling

U.S. Department of Labor

Deputy Under Secretary for
International Affairs
Washington, D.C. 20210

September 1, 1994

Mr. Alexander F. Watson
Bureau of Inter-American Affairs
Assistant Secretary of State
Washington, DC 20520-6258

Dear ~~Secretary Watson~~: Alex,

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We would be prepared to work with you to accomplish this objective. Again, thank you for your attention to our concerns.

Sincerely,

Jack

Joaquin F. Otero
Deputy Under Secretary

United States Department of State

Assistant Secretary of State
Bureau of Inter-American Affairs

Washington, D.C. 20520-6258

Mr. Joaquin F. Otero
Deputy Under Secretary for International Affairs
U.S. Department of Labor
Washington, D.C. 20210

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Enclosure:
As stated

AFL-CIO
815 Sixteenth Street, N. W.
Washington, D. C. 20006

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WH - Ec. Policy

FAX Phone Number: 456-2878

From: Tom Donahue

Department: AFL-CIO

Comments:

FYI

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BR/GS/SM

American Federation of Labor and Congress of Industrial Organizations

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

May 12, 1994

Mr. Robert Rubin
Assistant to the President
National Economic Council
1600 Pennsylvania Avenue, N.W.
West Wing
Washington, D.C. 20500

Dear Mr. Rubin:

This letter is written to express the deep concern of organized labor that the recent and unjustified increases in interest rates engineered by the Federal Reserve run the risk of quelling economic activity and keeping people from getting jobs.

Three years after the beginning of the current economic recovery, much more needs to be done to grow the economy and put people to work. In addition to the 8.4 million officially listed as unemployed, there are 4.8 million working part-time for economic reasons and 1.8 million who have previously sought work without success, for a total of 15 million affected by total or partial unemployment.

Rapid inflation is not a hazard at this time. Higher interest rates themselves can be a cause of inflation as higher interest payments are rolled into the costs paid by all borrowers.

Rising interest rates add to the costs of everyone who borrows, including farmers, consumers, and business firms. The rapid rise in interest rates increases the costs of consumers who borrow to buy cars, who have home equity mortgages tied to prevailing rates or who want to purchase homes.

Enclosed is a copy of a resolution on interest rates passed by the Executive Council of the AFL-CIO expressing our deep concern that rising interest rates not be allowed to drag the economy down and dash the hopes of Americans for gaining and holding employment.

Sincerely,

Lane Kirkland

President

Enclosure

Statement by the AFL-CIO Executive Council

on

Federal Reserve Board Policy

May 11, 1994
Washington, DC

Economic conditions simply do not justify the three increases in short-term interest rates that have been engineered by the Federal Reserve Board since February 4.

They are rationalized as safeguards against inflation, but inflation is nowhere in sight.

Their effect is especially serious in an economy that is already far short of the goal of full employment. As of April, 15 million American workers suffered total or partial unemployment -- 8.4 million officially unemployed, 4.8 million working part-time but wanting to work full-time, and 1.8 million more who had unsuccessfully sought jobs but were no longer counted among the officially unemployed.

But the Federal Reserve Board's actions aggravate that problem and directly undermine the Humphrey-Hawkins Act goal to undertake policies that reduce unemployment to 4 percent. Moreover, long-term interest rates have risen sharply in anticipation of further tightening by the Federal Reserve Board, boosting mortgage rates in the process. This could lead to a collapse of the modest progress in construction activity.

The AFL-CIO calls upon the Federal Reserve Board to refrain from any additional tightening of monetary policy while unemployment remains high. It urges the Federal Reserve Board to change course before more damage is done.

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