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Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Chief of Staff

Series/Staff Member: Jennifer O'Connor

Subseries:

OA/ID Number: 8154

FolderID:

Folder Title:

Labor - Minimum Wage Executive Order

Stack:

S

Row:

22

Section:

5

Shelf:

8

Position:

1

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	re: AFL-CIO and event information [Personally Identifiable Information] [partial] [Duplicate of 003] (1 page)	03/29/1996	b(6)
002. profile	re: AFL-CIO officers [Personally Identifiable Information] [partial] (1 page)	03/29/1996	b(6)
003. list	re: AFL-CIO and event information [Personally Identifiable Information] [partial] (1 page)	03/29/1996	b(6)
004. profile	re: AFL-CIO officers [Personally Identifiable Information] [partial] [Duplicate of 002] (1 page)	03/29/1996	b(6)

COLLECTION:

Clinton Presidential Records
Chief of Staff
Jennifer O'Connor
OA/Box Number: 8154

FOLDER TITLE:

Labor - Minimum Wage Executive Order

2016-0531-F
jm1829

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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

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

RR. Document will be reviewed upon request.

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

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Labarero Int'l

Name				Date	
Paul Racine				3/12/19	

Council

Smead
UPC 17034
No. 2-153CBE
HASTINGS, MN.



CLINTON LIBRARY PHOTOCOPY

AFL-CIO Radio
April-May 1996

bill
lab
April
Montgomery

"Raise"

Jay Dickey
Gary Franks
Greg Ganske
John Hostettler
Todd Tiahrt
Ed Whitfield
Robert Ehrlich
Jim Longley
Dick Chrysler
Sonny Montgomery
Fred Heineman
Jon Christensen
Steve Chabot
Martin Hoke
Jim Bunn
Mark Neumann
Brian Bilbray
Bill Paxon
Jon Fox
Doc Hastings
Andrea Seastrand
Michael Flanagan and Jerry Weller
Rick White and Randy Tate

"Votes"

Chris Shays
Frank Cremeans
Bill Martini
Phil English

GREER MARGOLIS
MITCHELL BURNS
GMMB&A
& ASSOCIATES, INC.

AFL-CIO
Radio :60
"Raise"
FINAL SCRIPT

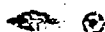
ANNCR: Back in 1991, the minimum wage was four dollars and twenty-five cents an hour. Since then, corporate profits and executive salaries have gone through the roof... And Members of Congress? They voted themselves a 30 percent pay raise.

But working families have lost ground. And the minimum wage...? Still just four twenty-five an hour. Nobody can raise a family on less than nine thousand dollars a year.

Four out of five Americans support raising the minimum wage. But not our Congressman. In fact, he voted twice to block a minimum wage increase. That's after voting to cut Medicare and college loans, all to give a big tax break to the rich.

It's time working people got a raise. Call 1-800-765-4440. Tell Congressman Jay Dickey - stop the games, stop the gimmicks, and raise the minimum wage. 1-800-765-4440. Tell Congressman Dickey - it's time to start voting for America's working families.

A message from the working men and women of the AFL-CIO.



GREER, MARGOLIS,
MITCHELL, BURNS
GMMB&A
& ASSOCIATES, INC.

AFL-CIO
Radio :60
"Votes"
FINAL SCRIPT

ANNCR: Back in 1991, the minimum wage was four dollars and twenty-five cents an hour. Since then corporate profits and executive salaries have gone through the roof...And Members of Congress? They voted themselves a 30 percent pay raise.

But working families have lost ground. And the minimum wage...? Still just four twenty-five an hour. Nobody can raise a family on less than nine thousand dollars a year.

Now our Congressman says he supports a higher minimum wage, but the fact is he's voted twice to block a minimum wage increase. That's after voting to cut Medicare and college loans, all to give a big tax break to the rich.

We've had enough of our Congressman's political games and gimmicks. It's time working people got a raise. Call 1-800-765-4440. Tell Congressman Chris Shays - vote to raise the minimum wage. 1-800-765-4440. Tell Congressman Shays - It's time to start voting for America's working families.

A message from the working men and women of the AFL-CIO.

GREER, MARGOLIS,
MITCHELL, BURNS
GMMB&A
& ASSOCIATES, INC.

AFL-CIO: TARGETED RADIO ON MINIMUM WAGE

Minimum Wage Radio Campaign
April 30, 1996 (J/afl-cio/mlnrad)

State/ Market	Member		Est. 2nd Qtr. P25-54 CPP	Persons 25-54 GRPS	2nd Qtr. Est. Cost
ARKANSAS					
Little Rock	Dickey (R-AR-04)	RADIO	\$38	100	\$3,750
CALIFORNIA					
Santa Barbara	Seastrand (R-CA-22)	RADIO	\$33	100	\$3,250
San Diego	Bilbray (R-CA-49)	RADIO	\$206	100	\$20,600
CONNECTICUT					
Waterbury	Franks (R-CT-05)	RADIO	\$58	100	\$5,760
Bridgeport	Shays (R-CT-04)	RADIO	\$63	100	\$6,250
ILLINOIS					
Chicago	Flanagan (R-IL-06) Weller (R-IL-11)	RADIO	\$361	100	\$36,125
INDIANA					
Evansville	Hostetler (R-IN-08)	RADIO	\$41	100	\$4,125
IOWA					
Des Moines	Ganske (R-IA-04)	RADIO	\$62	100	\$6,200
KANSAS					
Wichita	Tiahrt (R-KS-04)	RADIO	\$33	100	\$3,250
KENTUCKY					
Owensboro	Whitfield (R-KY-01)	RADIO	\$10	100	\$1,625
MAINE					
Augusta	Longley (R-ME-01)	RADIO	\$34	100	\$3,375
MARYLAND					
Baltimore	Ehrlich (R-MD-02)	RADIO	\$173	100	\$17,250
MICHIGAN					
Lansing	Chrysler (R-MI-08)	RADIO	\$43	100	\$4,250

State/ Market	Member		Est. 2nd Qtr. P25-54 CPP	Persons 25-54 GRPS	2nd Qtr. Est. Cost
MISSISSIPPI					
Jackson	Montgomery (D-MS-03)	RADIO	\$20	100	\$2,000
NEBRASKA					
Omaha	Christensen (R-NE-02)	RADIO	\$45	100	\$4,500
NEW YORK					
Buffalo	Paxon (R-NY-27)	RADIO	\$63	100	\$6,300
Rochester	Paxon (R-NY-27)	RADIO	\$62	100	\$6,200
NEW JERSEY					
Morristown	Martini (R-NJ-08)	RADIO	\$120	100	\$12,000
NORTH CAROLINA					
Raleigh-Durham	Heineman (R-NC-04)	RADIO	\$120	100	\$12,000
OHIO					
Cincinnati	Chabot (R-OH-01)	RADIO	\$106	100	\$10,625
Rural Radio	Creamens (R-OH-06)	RADIO	\$31	100	\$3,125
Cleveland	Hoke (R-OH-10)	RADIO	\$115	100	\$11,500
OREGON					
Portland	Bunn (R-OR-05)	RADIO	\$110	100	\$11,000
PENNSYLVANIA					
Philadelphia	Fox (R-PA-13)	RADIO	\$316	100	\$31,600
Erie	English (R-PA-21)	RADIO	\$15	100	\$1,500
WASHINGTON					
Seattle-Tacoma	White (R-WA-01) Tate (R-WA-09)	RADIO	\$220	100	\$22,000
Yakima	Hastings (R-WA-04)	RADIO	\$25	100	\$2,500
WISCONSIN					
Milwaukee	Neumann (R-WI-01)	RADIO	\$100	100	\$10,000

Gross Radio Total Cost:
Client Radio Total Cost:

\$262,650
\$246,891

**America Needs A Raise
Town Hall Meetings**

<u>SITE</u>	<u>DATE</u>
Albuquerque	6/05
Atlanta	6/12
Baltimore	6/04
Billings	5/11
Birmingham	4/26
Boston	6/--
Chicago	5/29
Cleveland	6/07
Columbus	4/30
Detroit/Lansing	5/23
Houston	6/01
Las Vegas	5/29
Los Angeles	4/29
Louisville	5/12
Nashville	5/23
New York City	6/06
Pittsburgh	6/13
Portland, ME	6/--
Portland, OR	5/09
San Jose	6/11
Seattle	5/17
Trenton	6/03
Washington, D.C.	5/22
Wichita	6/08

NEC MEETING WITH THE AFL-CIO
Roosevelt Room
Wednesday, May 1, 1996

AGENDA

- I. Update on Minimum Wage Strategy
- II. Update And Report On Medicare Trust Fund Issues
- III. Discussion of Balanced Budget Issues
- IV. Corporate Citizenship Event Update
- V. Discussion of CEA/Labor Report on Labor Markets
- VI. Other Business

THE WHITE HOUSE
WASHINGTON

August 31, 1995

MEMORANDUM FOR ERSKINE BOWLES
HAROLD ICKES
BRUCE LINDSEY

FROM: JENNIFER O'CONNOR *mo*
SUBJECT: Proposed Minimum Wage Executive Order

Secretary Reich forwarded the attached proposed Executive Order (E.O.) which would require federal contractors to pay the President's proposed new minimum wage of \$5.15 per hour. In his transmittal memorandum, he outlined the advantages and disadvantages of his proposal. The advantage is that it would demonstrate the President's commitment to increasing working families' wages. The disadvantages Reich discusses are twofold: 1) the policy rationale for such an E. O. is that it would increase overall economic efficiency; yet this finding is weak and not supported by the Department of Labor's economists; 2) the legal justification is also that the E.O. would increase economic efficiency; since the economists do not support such a finding, the E.O. is particularly vulnerable to a court challenge.

Also attached are memoranda from the following White House offices based on a quick review of the proposed E.O.: OMB, NEC, DPC, CEA, Vice President's Office, White House Counsel, Office of Legal Counsel at Department of Justice (OLC). None of these offices reported any positive reaction to the proposal. The criticisms they point out include: 1) it will not increase economic efficiency as claimed and because of this Administration economists will not support it; 2) it will make contractors stop doing business with the government which will drive up the government's, especially the Defense Department's, costs; 3) it will reduce employment among federal contractors; 4) there is no legal justification for the E.O. since it will not increase economic efficiency; 5) it will disproportionately hurt small and minority owned businesses; 6) it could add \$2 billion to our budget; 7) it is inconsistent with the National Performance Review goals of reinventing federal procurement; 8) it is inconsistent with a reported conversation the President had with the Vice President shortly before vacation in which he promised not to do anything further to undermine procurement reform.

The OLC memorandum includes suggestions for how to change the draft E.O. such that it would be legally defensible and supportable. It's suggested changes require the President to be comfortable claiming that the E.O. would increase overall economic efficiency (even if his economists don't agree).

MEMORANDUM

DATE: AUGUST 29, 1995

SUBJECT: MINIMUM WAGE EXECUTIVE ORDERS

Summary

As requested, we have prepared a draft executive order that would prohibit government agencies from doing business with federal contractors that pay below \$5.15 per hour.

Attached to this memorandum are: (1) the draft executive order relating to federal contractors and the minimum wage; (2) the press packet released by the White House on February 3, 1995 accompanying your legislative proposal to increase the minimum wage; (3) an excerpt on the minimum wage from your May 19, 1995 speech for the 75th Anniversary celebration of the Labor Department's Women's Bureau; and (4) a legislative background brief describing how members of Congress voted when the minimum wage was last increased in 1989.

Message

* The nation's leading economic problems are stagnant wages and declining real incomes for working families.

* The federal government should not contribute to the wage and income problems facing working families.

* The President has presented Congress with a legislative proposal to increase the minimum wage 90 cents from its current \$4.25 per hour. This initiative would assure that people who work hard and play by the rules receive a living wage of \$5.15 per hour. Congress has refused to act.

* If Congress won't act, President Clinton will. The President will use his executive authority to guarantee a living wage --- \$5.15 per hour --- for everyone working in firms that do business with the federal government.

* At a minimum, the federal government should not do business with corporations that pay workers less than a living wage.

Discussion

I. Increasing the Minimum Wage for Employees of Federal Contractors

A. How the Executive Order Would Work

This draft executive order would establish that "[i]t is the policy of the executive branch in procuring goods and services that . . . federal agencies shall contract with companies that pay their employees no less than \$5.15 an hour." This policy would be enforced in two ways. First, every government contract entered into after the effective date of the executive order (the date you sign it) would include a clause in which the contractor agrees to pay a minimum wage of \$5.15 per hour. Second, any contractor that pays below \$5.15 could have all of its government contracts terminated. The executive order does not provide for any exceptions.

The Secretary of Labor would enforce and administer the order. If the Secretary finds that a contractor is not paying a minimum wage of \$5.15, he would transmit a finding to the heads of contracting agencies or departments who, in turn, must terminate all contracts with the contractor unless the contractor pays all of its employees at least \$5.15 per hour within a time specified by the Secretary.

Like the "striker replacement" executive order, this draft order is premised on the authority delegated to the President by Congress in the Federal Property and Administrative Services Act of 1949 "to provide for the Government an economical and efficient system for . . . procurement and supply." Some economic theories suggest that increasing the wages of low-wage workers will result in an increase in those workers' productivity and, in turn, to increases in efficiency that will offset the cost to federal contractors of the higher wages. Thus, the federal government would, according to these theories, procure its goods and services from more efficient, more economical federal contractors.

B. Possible Variations in this Executive Order

(1) Use CEO Pay as a Trigger: The executive order could be made to apply only to federal contractors that pay their chief executive officer (or other top executive) more than 100 times the lowest wage paid to their employees. This approach would dramatize the growing wage disparity in our economy. On the other hand, it undermines the central moral argument which supports raising the minimum wage: every worker is entitled to a living wage, regardless of who employs them or how much others in their organization earn. Further, using a CEO pay trigger may weaken the nexus to economical and efficient procurement, the legal prerequisite for presidential action of this type.

(2) Use Profits as a Trigger: The executive order could also be made to apply only to federal contractors that earn above average profits. This approach would juxtapose the huge economic returns being yielded by capital (e.g., the soaring stock market) with the decline in

middle and working class family incomes. On the other hand, it suffers from both of the infirmities outlined above (i.e., undermining the moral argument and attenuating the procurement nexus), plus it would require an administrative apparatus to decipher each contractors' profits.

C. Arguments For and Against the Executive Order

(1) Pro: This draft executive order will demonstrate your commitment to increasing working families' wages (particularly for the lowest wage workers) and distinguish you from a congressional majority that refuses to even consider your legislative proposal to increase the minimum wage. The minimum wage has fallen 27% in real terms since 1979 and, without adjustment, will fall to its lowest real value in forty years in 1996. It is arguable that the growing disparity in family incomes and wealth is the most pressing issue for middle and working class families. This executive order would make your moral position clear --- you will not allow the federal government to do business with any company that contributes to declining real wages for low-wage workers.

(2) Con: This executive order is premised entirely on economic theory, much of which will be difficult to explain in simple terms to the public, that is outside the mainstream of scholarly economic thought; accordingly, it is unclear whether reliable third parties will validate the arguments set forth in the preamble. Further, it is unclear whether theory alone is adequate to support an executive order. Even accepting the theories as true, it is also unclear whether the nexus between a minimum wage increase and efficient and economical procurement is sufficiently close to pass judicial scrutiny.

Preliminary research has not disclosed any executive order, outside the context of President Roosevelt's extraordinary powers during World War II, that directly sets wages for employees of federal contractors; that is, this executive order could be unprecedented. The closest analogy may be President Carter's Executive Order No. 12092 which required federal contractors to certify that they were in compliance with voluntary wage and price guidelines established by the President's Council on Wage and Price Stability. Finally, this executive order could lend support to attacks that President Clinton and the Democrats want big government. A slippery slope argument is easily made: "If Bill Clinton can require federal contractors to pay a higher minimum wage, is he going to require a pay increase for all workers? Will he require all federal contractors to follow his health plan? To finance abortions through their health plans?"

(3) Likely Constituency Responses: The labor movement and other advocates for low-wage workers will likely support the executive order. Federal contractor groups and representatives of the business community (e.g., the Chamber of Commerce, the National Association of Manufacturers), as well as the Republican congressional majority, will oppose the executive order. Since a substantially larger group of federal contractors will be affected, it is reasonable to expect a much more vigorous negative response from the business community than the striker replacement executive order evoked. Litigation and congressional

action (e.g., efforts to overturn the executive order, appropriations riders blocking enforcement of the order) will likely result.

D. The EO's Costs Are Difficult to Estimate

A very rough estimate of the costs of the executive order suggests that it will cost federal contractors not more than \$2.1 billion per year. Please note, however, that the data needed to make a precise estimate of the cost of the minimum wage executive order are not available. Estimates of worker wages and the number of workers involved do, however, permit this crude projection.

The assumptions employed to reach the above estimate likely bias the estimate upward. First, many federal contractors (e.g., construction, service) are required to pay a prevailing wage above the minimum wage by the Davis-Bacon Act and the Service Contract Act. Second, federal contractors' firms tend to be larger and, as a result, may have a smaller percentage of minimum wage workers than firms in the economy as a whole. Accordingly, the total number of workers affected by the executive order is probably smaller than that assumed in the calculations to reach the above estimate. Certain structural changes to the executive order (e.g., adding a threshold, narrowing the definition of "federal contractor") would further reduce the number of workers covered and the commensurate costs.

On the other hand, this estimate does not take into account any "ripple" effect that minimum wage increase might have on the wages of workers that currently earn \$5.15 or slightly more. The ripple effect would tend to increase the costs of the executive order to federal contractors.

II. Two Approaches to Announcing the Executive Order

Should you decide to proceed, you should consider two approaches to announcing the executive order.

You could announce the executive orders in a speech --- such as your forthcoming address to the Alameda Central Labor Council's Labor Day Picnic --- or radio address and then sign the order soon before, the same day, or soon thereafter. This approach gives the White House control over timing and press arrangements. It also provides an opportunity to brief potential supporters without tipping off opponents. On the other hand, it could inspire congressional retaliation in the appropriations/reconciliation/debt ceiling process.

Or, you could announce in a speech or radio address that you are giving Congress a 90-day (or until Christmas or New Year's Eve) deadline before which it must enact your proposed 90-cent increase in the statutory minimum wage. If it does not act by the time the deadline is reached, you would issue the executive order. This approach puts the onus

squarely on Congress' shoulders. It also allows you to wield all of your available authority to keep the minimum wage from falling to its lowest real value in 40 years (which it will in 1996 if there is no adjustment). On the other hand, this approach allows opponents time to organize and, possibly, to seek judicial intervention. It also offers words when bold action might send a stronger and clearer message.

Attachments

DRAFT 4
August 25, 1995

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

PREAMBLE

Some economic theories suggest that requiring federal contractors to pay a higher minimum wage will lead to increases in efficiency that will offset the cost to federal contractors of the higher wage. The minimum wage has fallen 27% in real terms since 1979 and, without adjustment, will fall to its lowest real value in forty years at the end of 1996. Meanwhile, labor productivity has increased 17% since 1979.

These theories suggest that the productivity of low-wage workers is depressed when the minimum wage falls significantly in real terms. These conditions can lead to greater levels of "shirking" (i.e., reduced efforts by workers), higher turnover, lower morale, and longer periods in which needed jobs remain unfilled. Raising the minimum wage may lead to efficiency gains among federal contractors that employ low-wage workers by reducing shirking, lowering turnover, increasing morale, and reducing the periods of time during which needed jobs remain unfilled. In sum, productivity is lower when workers are paid an obsolete minimum wage and, as a result, the federal government receives lower quality, less reliable, and less timely goods for each taxpayer dollar. By paying a higher wage to low-wage workers, federal contractors will increase worker productivity. The federal government will procure its goods and services from more efficient, more economical federal contractors.

The market may not address this problem on its own. The problems of turnover, shirking, low morale, and extended job-slot vacancies likely result from a minimum wage which is too low to attract new workers and retain incumbent workers. However, employers cannot lure a new worker into a particular job with a higher wage without giving everyone else in that job a pay increase. Thus, in the absence of a requirement that they pay a higher wage, employers choose lower levels of employment and output rather than increasing the wages paid to all of their low-wage workers.

NOW, THEREFORE, to ensure the economical and efficient administration and completion of Federal Government contracts, and by the authority invested in me as President by the Constitution and the laws of the United States of America, including 40 U.S.C. 471 and 486(a) and 3 U.S.C. 301, it is hereby ordered as follows:

Section 1: It is the policy of the executive branch in procuring

goods and services that, to ensure the economical and efficient administration and completion of Federal Government contracts, Federal agencies shall contract only with companies that pay their employees no less than \$5.15 per hour of work. All Government contracting agencies shall include in every Government contract hereafter entered into the following provision:

"During the course of the contract the contractor agrees that all employees of the contractor will be paid no less than \$5.15 an hour."

Sec. 2.(a) The Secretary of Labor ("Secretary") may investigate any Federal contractor to determine whether the contractor is paying any of its employees less than \$5.15 per hour of work.

(b) The Secretary shall receive and may investigate complaints that the contractor is paying any employee less than \$5.15 per hour of work.

(c) The Secretary may hold such hearings, public or private, as he or she deems advisable, to determine whether any contractor is paying any employee less than \$5.15 per hour of work.

Sec. 3. (a) When the Secretary determines that a contractor has paid any employee less than \$5.15 per hour of work, the Secretary may make a finding that it is appropriate to terminate the contract for convenience. The Secretary shall transmit the finding to the head of any department or agency that contracts with the contractor. All Government contracts with the contractor shall be immediately terminated unless the contractor commences within a time specified by the Secretary to pay all of its employees no less than \$5.15 per hour of work.

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

Sec. 4.(a) The Secretary shall be responsible for the administration and enforcement of this order. The Secretary may adopt such rules and regulations and issue such orders as may be deemed necessary and appropriate to achieve the purposes of this order.

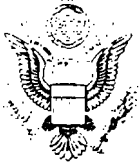
(b) The Secretary may delegate any function or duty of the Secretary under this order to any officer in the Department of Labor or to any other officer in the executive branch of the Government, with the consent of the head of the department or agency in which that officer serves.

Sec. 5. This order is not intended, and should not be construed, to create any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its

agencies, its officers, or its employees. The order is not intended, however, to preclude judicial review of final agency decisions in accordance with the Administrative Procedure Act, 5 U.S.C. 701 et seq.

Sec. 6. This order is effective immediately.

THE WHITE HOUSE



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

THE CHAIRMAN

August 30, 1995

95 AUG 30 98:20

MEMORANDUM FOR THE PRESIDENT

FROM: JOSEPH STIGLITZ *JS*
MARTIN BAILY *MB*

Subject: Proposed Executive Order Regarding Minimum Wage

Although we strongly support the Administration's proposal to raise the minimum wage, we have serious reservations about the proposed Executive Order on minimum wages for federal contractors.

- o There is, to our knowledge, no substantive body of literature to support the proposition stated in the preamble that requiring federal contractors to pay a higher minimum wage will lead to increases in efficiency *sufficient to offset the cost to federal contractors of the higher wage*. Most of the economic literature has either focused on low wage sectors, like restaurants, or discussed effects of an across the board increase in the minimum wage.
- o More generally, the effects of an increase in wages mandated in one sector of the economy (here the federal contracting sector) may be far different from those of an across the board increase in wages.
- o Most economists would argue that if federal contractors' costs would have been lowered by paying higher wages, they would have already done so. Imposing *additional* constraints on contractors would normally be expected to increase total costs. (The preamble does not contain any refutation of this argument.)
- o The magnitude of the increased costs may be significantly greater than the direct costs associated with increasing wages of workers at or near the minimum wage. The executive order will make it less attractive for firms to bid on government contracts (since it will raise costs on all production, not just on production for the government), and with fewer firms bidding, costs to the government will rise. More generally, the executive order is likely (if actively enforced) to interfere seriously with our efforts to reform government procurement policy, to make government procurement more efficient and less costly.

- o There is some chance that the increased minimum wage will reduce employment among federal contractors--even under conditions in which an across the board increase in the minimum wage would not. Federal contractors could simply substitute high-quality high wage workers. Such policies could exert downward pressure on wages in other sectors of the economy.

There are a further set of technical issues not addressed by the executive order. Will contractors be responsible for insuring that subcontractors pay the \$5.15 minimum wage? If not, this is an easy way for contractors to avoid the force of the executive order. But if contractors are responsible for enforcing minimum wages on subcontractors, it may impose significant economic costs. Each contractor will have to review the wage policies of all of its subcontractors (and its subcontractors of their subcontractors). For some, the share of federal business may be sufficiently small that they will be unwilling to revise their wage policy, necessitating entering into new contractual arrangements, presumably at greater costs. And what about products purchased on the market: does the contractor have to make sure that each product is produced by a manufacturer who pays the \$5.15 wage?



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DEPUTY DIRECTOR

August 30, 1995

MEMORANDUM FOR HAROLD ICKES

FROM: Jack Lew 
SUBJECT: Minimum Wage Executive Order

This afternoon I received a copy of the draft executive order that would require all federal contractors to pay the proposed new minimum wage of \$5.15 per hour. The following comments reflect our quick review. I have pulled together comments from Steve Kelman, Ken Apfel's shop and Bob Damus, our general counsel. Without addressing the merits of a statutory minimum wage increase, we think it would be a mistake to implement a minimum wage increase applicable to federal procurement only.

(1) Required finding is problematic

As a legal matter, any procurement-related Executive Order would need to be justified on the rationale that it promotes "economy and efficiency" in procurement. While it might be possible to identify a theoretical study that shows that improved morale increases efficiency, the common sense case would be difficult to make. There is a risk that the result would expose us to significant ridicule, i.e., that we think you promote economy and efficiency by spending more money and paying higher prices than others.

(2) Differential minimum wage would disrupt Federal procurement

Creating a differential minimum wage, which is higher for federal contractors than for all other employers, would cause many existing government contractors who also sell in the commercial marketplace to withdraw from government business. It is unlikely that many of these employers would be willing to disturb their existing wage structure (where a minimum wage increase would produce ripple effects on other wages within the company) in order to do business with the government. If fewer companies are willing to do business with the government, we will experience higher prices due to less competition. This contradicts the Administration's reinventing government efforts to attract more contractors to business with us and increase competition.

This will be particularly an issue for small businesses and minority contractors, with which the Administration is making efforts to expand opportunities.

(3) Budgetary impact

It is not possible this afternoon to produce a precise budget estimate, but the direct wage effect alone could cost over \$2 billion, not counting the ripple effect as wages near minimum climb as well. As noted above, in addition to the direct effect, there would be the added cost of reduced competition if there is a higher minimum wage for firms that do business with the federal government, as many firms opt to drop federal contracts to avoid the wage increase in their non-federal business. This indirect cost increase would not be present if there is a statutory increase in the minimum wage.

The cost of reduced competition will be most severely felt at the Department of Defense, which has already been experiencing significant problems in terms of contractors who are unwilling to do business with the federal government.

THE WHITE HOUSE

WASHINGTON
August 30, 1995

MEMORANDUM FOR ERSKINE BOWLES
HAROLD ICKES

CC: CAROL RASCO

FROM: Paul Weinstein

SUBJECT: Proposed Executive Order On Increasing
Minimum Wage For Government Contractors

The DPC has read over the proposed Executive Order from the Department of Labor requiring any Federal contractor to pay a minimum wage of \$5.15 per hour. While the goal of such a proposal is laudable, we believe the Order has some serious drawbacks from a policy perspective. First, we do not think that there will be any significant economic efficiency gains from the Executive Order. Second, as part of the Vice President's reinventing government effort, the Administration has been trying to reform the procurement system by reducing the number of socio-economic requirements placed on Federal agencies when they contract with the private sector. The issuing of this Executive Order would be inconsistent with the National Performance Review's procurement reform proposal. Finally, the Executive Order would have a negative budgetary impact at a time when we are struggling to identify funds to pay for Presidential initiatives.

THE WHITE HOUSE

WASHINGTON

August 30, 1995

~~95 AUG 30 16:27~~

MEMORANDUM TO THE PRESIDENT

FROM: LAURA TYSON
BO CUTTER

SUBJECT: PROPOSED EXECUTIVE ORDER REGARDING MINIMUM
WAGE

We oppose an Executive Order requiring federal contractors to pay a minimum wage higher than the statutory minimum wage. (Gene Sperling is out of the country, but we believe he would agree.)

- . As a matter of process, we should not make as complex a decision as this one with as little analysis as has been carried out to date.
- . The proposed Executive Order would further complicate federal procurement, raising an additional barrier to working with the Federal Government, and would be inconsistent with the overall direction of federal procurement policy. We have not analyzed the long-run costs the Government would experience as firms shift away from federal work.
- . The proposed Executive Order would raise federal procurement costs, and, therefore, because budgets will not expand, may well result in lower employment derived from federal procurement.
- . The proposed Executive Order raises a number of other detailed issues we have not been able to analyze in this short a time period: How would the international operations of affected firms be treated? Would firms cut back on benefits? Are we legally able to terminate contracts?
- . Finally, the basic justification for such an Executive Order -- that it would increase overall economic efficiency -- is not supportable for a measure applying only to part of the economy. Larry Katz, who is, as you know, a leading proponent of this argument when applied to the whole economy, would probably publicly criticize it in this case.
- . We think our current minimum wage position is right and a political winner. We do not need to jeopardize our position with one action we have not thought through. If you wish, we can initiate a process immediately to develop a more thorough analysis and provide you with a better basis for a decision.

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

30-Aug-1995 04:54pm

TO: OCONNOR_J

FROM: Lee Ann Brackett

SUBJECT: minimum wage -- procurement eo

Jennifer,

Please tell Harold in ;the strongest possible terms that the VP would be very much opposed to the proposed executive order requiring federal contractors to pay a minimum wage higher than the statutory minimum wage. This proposal would run counter to all of the President's efforts in the area of procurement reform. The effect would be to cause many existing government contractors to withdraw from government business since these companies do not now produce products off separate product lines. Having fewer companies willing to do business with the government means both higher prices for the government and contradicts the Administration's efforts to lower the cost of goods and services through procurement reform.

In addition, the VP believes that he has a commitment from the President made at their last lunch before vacation that in the search for executive actions, we would not entertain any further actions that undermine procurement reform. If this does not die I will insist that the VP weigh in.

Elaine Kamarck



OFFICE OF THE VICE PRESIDENT
WASHINGTON

August 30, 1995

MEMORANDUM FOR HAROLD ICKES
ERSKINE BOWLES

FROM: ELAINE KAMARCK *ek*
KUMIKI GIBSON *kg*

SUBJECT: MINIMUM WAGE EXECUTIVE ORDER

We have reviewed the proposed Executive Order on "ensuring the economical and efficient administration and completion of Federal government contracts." We oppose the issuance of this Executive Order for several reasons.

First, please be advised that before leaving for their vacations, the President and the Vice President agreed that the President would not issue any new directives regarding procurement reform -- an effort being pursued as part of the National Performance Review. Second, we have serious concerns as to whether this order will in fact "increase efficiency," as it purports to do. Third, we question whether this order is defensible legally. Finally, we believe that this order may be viewed as purely political.

Please contact either one of us if you have any questions regarding our position.

Thank you.

THE WHITE HOUSE

WASHINGTON

PRIVILEGED AND CONFIDENTIAL

DETERMINED TO BE AN
ADMINISTRATIVE MARKING

INITIALS: JAM DATE: 12/1/17

2016-0531-F

August 30, 1995

MEMORANDUM FOR ABNER J. MIKVA

FROM: CHRIS CERF *CPE*

RE: Minimum Wage E.O. Talking Points

- * The proposed Executive Order would require federal contractors to pay employees \$5.15 per hour.
- * The D.C. Circuit has held that the President can "legislate" in this fashion only if he has the express or inherent authority to do so.
- * The E.O. relies solely on the Federal Property and Administrative Services Act as the basis for presidential authority. Under D.C. Circuit law, the President may properly rely on the Act if there is a "nexus" between his actions and "the pursuit of economy and efficiency in the management of federal property."
- * It is unclear to what degree a court would "look behind" a presidential finding that such nexus exists. Judge Kessler's opinion in the Striker Replacement cases implies that courts would give deference to such a finding, and there is some support for this in the D.C. Circuit.
- * The Minimum Wage E.O. asserts that "some economic theories suggest that requiring federal contractors to pay a higher minimum wage will lead to increases in efficiency that will offset the cost to federal contractors of the higher wage." In other words, pay people more and they will be more productive and the savings associated with that productivity will be at least equal to the increased costs stemming from the higher wages.
- * The Chief Economist of D.O.L. has informed me that there is no empirical evidence to support this theory. Moreover, although the theory has some support in the literature, it does not go so far as to suggest that there would be a full offset. In his view, "it is unlikely, but possible" that

the savings from the efficiency gains would fully offset the increased costs." He does think, however, that there would be some offset.

- * The Office of Legal Counsel thinks that it is reasonable to assume (but not certain) that courts would more or less defer to a concrete presidential finding. They believe, however, that the E.O., as currently drafted, does not contain such a finding.
- * To pass muster, the E.O. would need to delete all reference to "economic theories" (see above) and state outright that requiring contractors to pay a higher minimum wage would lead to increases in efficiency that would offset the increased costs associated with the wage.
- * The key question is whether the President would be comfortable making such a finding. If not, the best guess is that the order would not survive judicial review.
- * Even if we can make such a finding, there are substantial litigation risks. The outcome will depend on how "tight" a nexus the D.C. Circuit requires and whether it simply accepts the President's finding or allows the plaintiffs to challenge its factual basis.

Memorandum



Subject	Date
Minimum Wage Executive Order	August 30, 1995
To Robert Damus General Counsel OMB	From Teresa Wynn Roseborough <i>TWR</i> Deputy Assistant Attorney General Office of Legal Counsel

We have reviewed the draft executive order entitled "Ensuring the Economical and Efficient Administration and Completion of Federal Government Contracts" and the accompanying draft documents.¹ We believe that the determination that economy and efficiency in procurement will be promoted by the specific provisions of the order is legally available, if the assertions made in the order can be substantiated. That is, if the President determines, in good faith, that increasing the minimum wage of persons employed by federal contractors would promote economy and efficiency in federal procurement, we believe the issuance of the order would be authorized by the Federal Property and Administrative Services Act of 1949, 40 U.S.C. § 471 *et seq.* See Chamber of Commerce v. Reich, 886 F. Supp. 66 (D.D.C. 1995).

The supporting documents, however, do not suggest economy and efficiency in government procurement would be promoted by proposed provisions that would link the application of the order to CEO pay or company profits. Accordingly, we suggest that such provisions be eliminated from consideration. Below are our suggestions for strengthening the draft order and supporting documents:

A. The Executive Order.

We believe that the preamble articulates an economy and efficiency argument that may be sufficient to support the issuance of this order with the following alterations:

(1) The first and third paragraphs should be deleted because they weaken the economy and efficiency argument and seem to be contradictory and confusing. However, it may be possible

¹ This memorandum provides our initial comments and observations. OLC review for form and legality is not yet complete.

to fit the penultimate sentence of the first paragraph into the second paragraph.

(2) The President's authority to issue the proposed order is contingent upon his determination that it will promote economy and efficiency. Therefore, in the third sentence of the second paragraph, we believe the word "may" should be replaced with a less equivocal formulation, such as "I find that this order would" If the President cannot make such a finding, the basis for issuing the order would be doubtful. (While it is not necessary for the President to be absolutely certain that the proposed order will promote economy and efficiency, we believe that language that suggests a higher degree of certainty than "may" is necessary. In that regard, we suggest that, where possible, the language of this paragraph should be strengthened to reflect that the President holds a good faith belief that the proposed order will promote economy and efficiency in government procurement. See, e.g., Executive Order 12954, "Ensuring the Economical and Efficient Administration and Completion of Federal Government Contracts.")

(3) Finally, we suggest that the penultimate sentence of the second paragraph be amended to read as follows: "By paying a higher wage to low-wage workers, federal contractors will increase worker productivity, **improve the stability of their workforce, attract better qualified employees, and produce higher quality goods. Procuring goods from such contractors will promote economy and efficiency in federal procurement by (fill in the blank).**" (addition in bold) The last sentence of the second paragraph should be deleted.

The Striker Replacement Order provides that the Secretary's exercise of discretion under the order must be consistent with the policy stated in section 1 of the order. We believe that the Secretary's exercise of discretion under section 3(a) of the proposed order should be similarly limited. We therefore suggest the insertion of the following sentence at the end of section 3(a): "All discretion under this section shall be exercised consistent with the policy enunciated in section 1 of this order."

B. The Discussion Memorandum for the President.

We believe that the Memorandum does a very good job presenting the pros and cons of issuing this proposed order. Therefore, we limit our comments to three points.

First, the Memorandum fails to reveal the view of the Secretary of Labor as to whether the proposed order will promote economy and efficiency in procurement and does not include his recommendation as to whether the President should issue the proposed order. We believe that the President's determination

that economy and efficiency in government procurement will be promoted by the proposed order would be substantially bolstered if it were supported by the recommendation of the Secretary.

Second, we believe that when discussing the different options for announcing the order it should be made clear that congressional retaliation in the appropriations/reconciliation/debt ceiling process is a possibility regardless of the approach the President decides to take. While the memorandum only lists this possibility as a factor to be considered in the "sign immediately" approach, we believe that it is also a possibility if the President decides to announce his intention to act if Congress fails to enact legislation within a certain time period. In fact, utilization of the latter approach may provoke Congress to block the operation of the order through a prospective appropriation's rider.

Finally, we believe the discussion of the litigation risks associated with the order should be expanded. In addition to recognizing that the proposed order will almost certainly be challenged, we note that the issuance of the proposed order may have an adverse impact on the Chamber of Commerce litigation, which is presently pending before the Court of Appeals in the District of Columbia. The court may be more reluctant to accept assertions of Presidential authority in Chamber of Commerce knowing that this potentially would lead to broader assertions of authority. If the court were to view the proposed order as an indication that the President intends to legislate other than through bicameralism and presentment, this too could color the result of the litigation in Chamber of Commerce.

cc: Jennifer O'Connor
Chris Cerf

THE WHITE HOUSE
WASHINGTON

August 31, 1995

MEMORANDUM FOR ERSKINE BOWLES
HAROLD ICKES
BRUCE LINDSEY

FROM: JENNIFER O'CONNOR *JW*
SUBJECT: Proposed Minimum Wage Executive Order

Secretary Reich forwarded the attached proposed Executive Order (E.O.) which would require federal contractors to pay the President's proposed new minimum wage of \$5.15 per hour. In his transmittal memorandum, he outlined the advantages and disadvantages of his proposal. The advantage is that it would demonstrate the President's commitment to increasing working families' wages. The disadvantages Reich discusses are twofold: 1) the policy rationale for such an E. O. is that it would increase overall economic efficiency; yet this finding is weak and not supported by the Department of Labor's economists; 2) the legal justification is also that the E.O. would increase economic efficiency; since the economists do not support such a finding, the E.O. is particularly vulnerable to a court challenge.

Also attached are memoranda from the following White House offices based on a quick review of the proposed E.O.: OMB, NEC, DPC, CEA, Vice President's Office, White House Counsel, Office of Legal Counsel at Department of Justice (OLC). None of these offices reported any positive reaction to the proposal. The criticisms they point out include: 1) it will not increase economic efficiency as claimed and because of this Administration economists will not support it; 2) it will make contractors stop doing business with the government which will drive up the government's, especially the Defense Department's, costs; 3) it will reduce employment among federal contractors; 4) there is no legal justification for the E.O. since it will not increase economic efficiency; 5) it will disproportionately hurt small and minority owned businesses; 6) it could add \$2 billion to our budget; 7) it is inconsistent with the National Performance Review goals of reinventing federal procurement; 8) it is inconsistent with a reported conversation the President had with the Vice President shortly before vacation in which he promised not to do anything further to undermine procurement reform.

The OLC memorandum includes suggestions for how to change the draft E.O. such that it would be legally defensible and supportable. It's suggested changes require the President to be comfortable claiming that the E.O. would increase overall economic efficiency (even if his economists don't agree).

MEMORANDUM

DATE: AUGUST 29, 1995

SUBJECT: MINIMUM WAGE EXECUTIVE ORDERS

Summary

As requested, we have prepared a draft executive order that would prohibit government agencies from doing business with federal contractors that pay below \$5.15 per hour.

Attached to this memorandum are: (1) the draft executive order relating to federal contractors and the minimum wage; (2) the press packet released by the White House on February 3, 1995 accompanying your legislative proposal to increase the minimum wage; (3) an excerpt on the minimum wage from your May 19, 1995 speech for the 75th Anniversary celebration of the Labor Department's Women's Bureau; and (4) a legislative background brief describing how members of Congress voted when the minimum wage was last increased in 1989.

Message

* The nation's leading economic problems are stagnant wages and declining real incomes for working families.

* The federal government should not contribute to the wage and income problems facing working families.

* The President has presented Congress with a legislative proposal to increase the minimum wage 90 cents from its current \$4.25 per hour. This initiative would assure that people who work hard and play by the rules receive a living wage of \$5.15 per hour. Congress has refused to act.

* If Congress won't act, President Clinton will. The President will use his executive authority to guarantee a living wage --- \$5.15 per hour --- for everyone working in firms that do business with the federal government.

* At a minimum, the federal government should not do business with corporations that pay workers less than a living wage.

Discussion

I. Increasing the Minimum Wage for Employees of Federal Contractors

A. How the Executive Order Would Work

This draft executive order would establish that "[i]t is the policy of the executive branch in procuring goods and services that . . . federal agencies shall contract with companies that pay their employees no less than \$5.15 an hour." This policy would be enforced in two ways. First, every government contract entered into after the effective date of the executive order (the date you sign it) would include a clause in which the contractor agrees to pay a minimum wage of \$5.15 per hour. Second, any contractor that pays below \$5.15 could have all of its government contracts terminated. The executive order does not provide for any exceptions.

The Secretary of Labor would enforce and administer the order. If the Secretary finds that a contractor is not paying a minimum wage of \$5.15, he would transmit a finding to the heads of contracting agencies or departments who, in turn, must terminate all contracts with the contractor unless the contractor pays all of its employees at least \$5.15 per hour within a time specified by the Secretary.

Like the "striker replacement" executive order, this draft order is premised on the authority delegated to the President by Congress in the Federal Property and Administrative Services Act of 1949 "to provide for the Government an economical and efficient system for . . . procurement and supply." Some economic theories suggest that increasing the wages of low-wage workers will result in an increase in those workers' productivity and, in turn, to increases in efficiency that will offset the cost to federal contractors of the higher wages. Thus, the federal government would, according to these theories, procure its goods and services from more efficient, more economical federal contractors.

B. Possible Variations in this Executive Order

(1) Use CEO Pay as a Trigger: The executive order could be made to apply only to federal contractors that pay their chief executive officer (or other top executive) more than 100 times the lowest wage paid to their employees. This approach would dramatize the growing wage disparity in our economy. On the other hand, it undermines the central moral argument which supports raising the minimum wage: every worker is entitled to a living wage, regardless of who employs them or how much others in their organization earn. Further, using a CEO pay trigger may weaken the nexus to economical and efficient procurement, the legal prerequisite for presidential action of this type.

(2) Use Profits as a Trigger: The executive order could also be made to apply only to federal contractors that earn above average profits. This approach would juxtapose the huge economic returns being yielded by capital (e.g., the soaring stock market) with the decline in

middle and working class family incomes. On the other hand, it suffers from both of the infirmities outlined above (i.e., undermining the moral argument and attenuating the procurement nexus), plus it would require an administrative apparatus to decipher each contractors' profits.

C. Arguments For and Against the Executive Order

(1) Pro: This draft executive order will demonstrate your commitment to increasing working families' wages (particularly for the lowest wage workers) and distinguish you from a congressional majority that refuses to even consider your legislative proposal to increase the minimum wage. The minimum wage has fallen 27% in real terms since 1979 and, without adjustment, will fall to its lowest real value in forty years in 1996. It is arguable that the growing disparity in family incomes and wealth is the most pressing issue for middle and working class families. This executive order would make your moral position clear --- you will not allow the federal government to do business with any company that contributes to declining real wages for low-wage workers.

(2) Con: This executive order is premised entirely on economic theory, much of which will be difficult to explain in simple terms to the public, that is outside the mainstream of scholarly economic thought; accordingly, it is unclear whether reliable third parties will validate the arguments set forth in the preamble. Further, it is unclear whether theory alone is adequate to support an executive order. Even accepting the theories as true, it is also unclear whether the nexus between a minimum wage increase and efficient and economical procurement is sufficiently close to pass judicial scrutiny.

Preliminary research has not disclosed any executive order, outside the context of President Roosevelt's extraordinary powers during World War II, that directly sets wages for employees of federal contractors; that is, this executive order could be unprecedented. The closest analogy may be President Carter's Executive Order No. 12092 which required federal contractors to certify that they were in compliance with voluntary wage and price guidelines established by the President's Council on Wage and Price Stability. Finally, this executive order could lend support to attacks that President Clinton and the Democrats want big government. A slippery slope argument is easily made: "If Bill Clinton can require federal contractors to pay a higher minimum wage, is he going to require a pay increase for all workers? Will he require all federal contractors to follow his health plan? To finance abortions through their health plans?"

(3) Likely Constituency Responses: The labor movement and other advocates for low-wage workers will likely support the executive order. Federal contractor groups and representatives of the business community (e.g., the Chamber of Commerce, the National Association of Manufacturers), as well as the Republican congressional majority, will oppose the executive order. Since a substantially larger group of federal contractors will be affected, it is reasonable to expect a much more vigorous negative response from the business community than the striker replacement executive order evoked. Litigation and congressional

action (e.g., efforts to overturn the executive order, appropriations riders blocking enforcement of the order) will likely result.

D. The EO's Costs Are Difficult to Estimate

A very rough estimate of the costs of the executive order suggests that it will cost federal contractors not more than \$2.1 billion per year. Please note, however, that the data needed to make a precise estimate of the cost of the minimum wage executive order are not available. Estimates of worker wages and the number of workers involved do, however, permit this crude projection.

The assumptions employed to reach the above estimate likely bias the estimate upward. First, many federal contractors (e.g., construction, service) are required to pay a prevailing wage above the minimum wage by the Davis-Bacon Act and the Service Contract Act. Second, federal contractors' firms tend to be larger and, as a result, may have a smaller percentage of minimum wage workers than firms in the economy as a whole. Accordingly, the total number of workers affected by the executive order is probably smaller than that assumed in the calculations to reach the above estimate. Certain structural changes to the executive order (e.g., adding a threshold, narrowing the definition of "federal contractor") would further reduce the number of workers covered and the commensurate costs.

On the other hand, this estimate does not take into account any "ripple" effect that minimum wage increase might have on the wages of workers that currently earn \$5.15 or slightly more. The ripple effect would tend to increase the costs of the executive order to federal contractors.

II. Two Approaches to Announcing the Executive Order

Should you decide to proceed, you should consider two approaches to announcing the executive order.

You could announce the executive orders in a speech --- such as your forthcoming address to the Alameda Central Labor Council's Labor Day Picnic --- or radio address and then sign the order soon before, the same day, or soon thereafter. This approach gives the White House control over timing and press arrangements. It also provides an opportunity to brief potential supporters without tipping off opponents. On the other hand, it could inspire congressional retaliation in the appropriations/reconciliation/debt ceiling process.

Or, you could announce in a speech or radio address that you are giving Congress a 90-day (or until Christmas or New Year's Eve) deadline before which it must enact your proposed 90-cent increase in the statutory minimum wage. If it does not act by the time the deadline is reached, you would issue the executive order. This approach puts the onus

squarely on Congress' shoulders. It also allows you to wield all of your available authority to keep the minimum wage from falling to its lowest real value in 40 years (which it will in 1996 if there is no adjustment). On the other hand, this approach allows opponents time to organize and, possibly, to seek judicial intervention. It also offers words when bold action might send a stronger and clearer message.

Attachments

DRAFT 4
August 25, 1995

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

PREAMBLE

Some economic theories suggest that requiring federal contractors to pay a higher minimum wage will lead to increases in efficiency that will offset the cost to federal contractors of the higher wage. The minimum wage has fallen 27% in real terms since 1979 and, without adjustment, will fall to its lowest real value in forty years at the end of 1996. Meanwhile, labor productivity has increased 17% since 1979.

These theories suggest that the productivity of low-wage workers is depressed when the minimum wage falls significantly in real terms. These conditions can lead to greater levels of "shirking" (i.e., reduced efforts by workers), higher turnover, lower morale, and longer periods in which needed jobs remain unfilled. Raising the minimum wage may lead to efficiency gains among federal contractors that employ low-wage workers by reducing shirking, lowering turnover, increasing morale, and reducing the periods of time during which needed jobs remain unfilled. In sum, productivity is lower when workers are paid an obsolete minimum wage and, as a result, the federal government receives lower quality, less reliable, and less timely goods for each taxpayer dollar. By paying a higher wage to low-wage workers, federal contractors will increase worker productivity. The federal government will procure its goods and services from more efficient, more economical federal contractors.

The market may not address this problem on its own. The problems of turnover, shirking, low morale, and extended job-slot vacancies likely result from a minimum wage which is too low to attract new workers and retain incumbent workers. However, employers cannot lure a new worker into a particular job with a higher wage without giving everyone else in that job a pay increase. Thus, in the absence of a requirement that they pay a higher wage, employers choose lower levels of employment and output rather than increasing the wages paid to all of their low-wage workers.

NOW, THEREFORE, to ensure the economical and efficient administration and completion of Federal Government contracts, and by the authority invested in me as President by the Constitution and the laws of the United States of America, including 40 U.S.C. 471 and 486(a) and 3 U.S.C. 301, it is hereby ordered as follows:

Section 1: It is the policy of the executive branch in procuring

goods and services that, to ensure the economical and efficient administration and completion of Federal Government contracts, Federal agencies shall contract only with companies that pay their employees no less than \$5.15 per hour of work. All Government contracting agencies shall include in every Government contract hereafter entered into the following provision:

"During the course of the contract the contractor agrees that all employees of the contractor will be paid no less than \$5.15 an hour."

Sec. 2.(a) The Secretary of Labor ("Secretary") may investigate any Federal contractor to determine whether the contractor is paying any of its employees less than \$5.15 per hour of work.

(b) The Secretary shall receive and may investigate complaints that the contractor is paying any employee less than \$5.15 per hour of work.

(c) The Secretary may hold such hearings, public or private, as he or she deems advisable, to determine whether any contractor is paying any employee less than \$5.15 per hour of work.

Sec. 3. (a) When the Secretary determines that a contractor has paid any employee less than \$5.15 per hour of work, the Secretary may make a finding that it is appropriate to terminate the contract for convenience. The Secretary shall transmit the finding to the head of any department or agency that contracts with the contractor. All Government contracts with the contractor shall be immediately terminated unless the contractor commences within a time specified by the Secretary to pay all of its employees no less than \$5.15 per hour of work.

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

Sec. 4.(a) The Secretary shall be responsible for the administration and enforcement of this order. The Secretary may adopt such rules and regulations and issue such orders as may be deemed necessary and appropriate to achieve the purposes of this order.

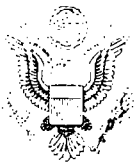
(b) The Secretary may delegate any function or duty of the Secretary under this order to any officer in the Department of Labor or to any other officer in the executive branch of the Government, with the consent of the head of the department or agency in which that officer serves.

Sec. 5. This order is not intended, and should not be construed, to create any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its

agencies, its officers, or its employees. The order is not intended, however, to preclude judicial review of final agency decisions in accordance with the Administrative Procedure Act, 5 U.S.C. 701 et seq.

Sec. 6. This order is effective immediately.

THE WHITE HOUSE



EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL OF ECONOMIC ADVISERS

WASHINGTON, D.C. 20500

THE CHAIRMAN

August 30, 1995

95 AUG 30 98:20

MEMORANDUM FOR THE PRESIDENT

FROM:

JOSEPH STIGLITZ
MARTIN BAILY MB

Subject:

Proposed Executive Order Regarding Minimum Wage

Although we strongly support the Administration's proposal to raise the minimum wage, we have serious reservations about the proposed Executive Order on minimum wages for federal contractors.

- o There is, to our knowledge, no substantive body of literature to support the proposition stated in the preamble that requiring federal contractors to pay a higher minimum wage will lead to increases in efficiency *sufficient to offset the cost to federal contractors of the higher wage*. Most of the economic literature has either focused on low wage sectors, like restaurants, or discussed effects of an across the board increase in the minimum wage.
- o More generally, the effects of an increase in wages mandated in one sector of the economy (here the federal contracting sector) may be far different from those of an across the board increase in wages.
- o Most economists would argue that if federal contractors' costs would have been lowered by paying higher wages, they would have already done so. Imposing additional constraints on contractors would normally be expected to increase total costs. (The preamble does not contain any refutation of this argument.)
- o The magnitude of the increased costs may be significantly greater than the direct costs associated with increasing wages of workers at or near the minimum wage. The executive order will make it less attractive for firms to bid on government contracts (since it will raise costs on all production, not just on production for the government), and with fewer firms bidding, costs to the government will rise. More generally, the executive order is likely (if actively enforced) to interfere seriously with our efforts to reform government procurement policy, to make government procurement more efficient and less costly.

- o There is some chance that the increased minimum wage will reduce employment among federal contractors--even under conditions in which an across the board increase in the minimum wage would not. Federal contractors could simply substitute high-quality high wage workers. Such policies could exert downward pressure on wages in other sectors of the economy.

There are a further set of technical issues not addressed by the executive order. Will contractors be responsible for insuring that subcontractors pay the \$5.15 minimum wage? If not, this is an easy way for contractors to avoid the force of the executive order. But if contractors are responsible for enforcing minimum wages on subcontractors, it may impose significant economic costs. Each contractor will have to review the wage policies of all of its subcontractors (and its subcontractors of their subcontractors). For some, the share of federal business may be sufficiently small that they will be unwilling to revise their wage policy, necessitating entering into new contractual arrangements, presumably at greater costs. And what about products purchased on the market: does the contractor have to make sure that each product is produced by a manufacturer who pays the \$5.15 wage?



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DEPUTY DIRECTOR

August 30, 1995

MEMORANDUM FOR HAROLD ICKES

FROM: Jack Lew 
SUBJECT: Minimum Wage Executive Order

This afternoon I received a copy of the draft executive order that would require all federal contractors to pay the proposed new minimum wage of \$5.15 per hour. The following comments reflect our quick review. I have pulled together comments from Steve Kelman, Ken Apfel's shop and Bob Damus, our general counsel. Without addressing the merits of a statutory minimum wage increase, we think it would be a mistake to implement a minimum wage increase applicable to federal procurement only.

(1) Required finding is problematic

As a legal matter, any procurement-related Executive Order would need to be justified on the rationale that it promotes "economy and efficiency" in procurement. While it might be possible to identify a theoretical study that shows that improved morale increases efficiency, the common sense case would be difficult to make. There is a risk that the result would expose us to significant ridicule, i.e., that we think you promote economy and efficiency by spending more money and paying higher prices than others.

(2) Differential minimum wage would disrupt Federal procurement

Creating a differential minimum wage, which is higher for federal contractors than for all other employers, would cause many existing government contractors who also sell in the commercial marketplace to withdraw from government business. It is unlikely that many of these employers would be willing to disturb their existing wage structure (where a minimum wage increase would produce ripple effects on other wages within the company) in order to do business with the government. If fewer companies are willing to do business with the government, we will experience higher prices due to less competition. This contradicts the Administration's reinventing government efforts to attract more contractors to business with us and increase competition.

This will be particularly an issue for small businesses and minority contractors, with which the Administration is making efforts to expand opportunities.

(3) Budgetary impact

It is not possible this afternoon to produce a precise budget estimate, but the direct wage effect alone could cost over \$2 billion, not counting the ripple effect as wages near minimum climb as well. As noted above, in addition to the direct effect, there would be the added cost of reduced competition if there is a higher minimum wage for firms that do business with the federal government, as many firms opt to drop federal contracts to avoid the wage increase in their non-federal business. This indirect cost increase would not be present if there is a statutory increase in the minimum wage.

The cost of reduced competition will be most severely felt at the Department of Defense, which has already been experiencing significant problems in terms of contractors who are unwilling to do business with the federal government.

THE WHITE HOUSE

WASHINGTON
August 30, 1995

MEMORANDUM FOR ERSKINE BOWLES
HAROLD ICKES

CC: CAROL RASCO

FROM: Paul Weinstein

SUBJECT: Proposed Executive Order On Increasing
Minimum Wage For Government Contractors

The DPC has read over the proposed Executive Order from the Department of Labor requiring any Federal contractor to pay a minimum wage of \$5.15 per hour. While the goal of such a proposal is laudable, we believe the Order has some serious drawbacks from a policy perspective. First, we do not think that there will be any significant economic efficiency gains from the Executive Order. Second, as part of the Vice President's reinventing government effort, the Administration has been trying to reform the procurement system by reducing the number of socio-economic requirements placed on Federal agencies when they contract with the private sector. The issuing of this Executive Order would be inconsistent with the National Performance Review's procurement reform proposal. Finally, the Executive Order would have a negative budgetary impact at a time when we are struggling to identify funds to pay for Presidential initiatives.

THE WHITE HOUSE

WASHINGTON

August 30, 1995

~~95 AUG 30 16:27~~

MEMORANDUM TO THE PRESIDENT

FROM: LAURA TYSON
BO CUTTER

SUBJECT: PROPOSED EXECUTIVE ORDER REGARDING MINIMUM
WAGE

We oppose an Executive Order requiring federal contractors to pay a minimum wage higher than the statutory minimum wage. (Gene Sperling is out of the country, but we believe he would agree.)

- . As a matter of process, we should not make as complex a decision as this one with as little analysis as has been carried out to date.
- . The proposed Executive Order would further complicate federal procurement, raising an additional barrier to working with the Federal Government, and would be inconsistent with the overall direction of federal procurement policy. We have not analyzed the long-run costs the Government would experience as firms shift away from federal work.
- . The proposed Executive Order would raise federal procurement costs, and, therefore, because budgets will not expand, may well result in lower employment derived from federal procurement.
- . The proposed Executive Order raises a number of other detailed issues we have not been able to analyze in this short a time period: How would the international operations of affected firms be treated? Would firms cut back on benefits? Are we legally able to terminate contracts?
- . Finally, the basic justification for such an Executive Order -- that it would increase overall economic efficiency -- is not supportable for a measure applying only to part of the economy. Larry Katz, who is, as you know, a leading proponent of this argument when applied to the whole economy, would probably publicly criticize it in this case.
- . We think our current minimum wage position is right and a political winner. We do not need to jeopardize our position with one action we have not thought through. If you wish, we can initiate a process immediately to develop a more thorough analysis and provide you with a better basis for a decision.

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

30-Aug-1995 04:54pm

TO: OCONNOR_J
FROM: Lee Ann Brackett

SUBJECT: minimum wage -- procurement eo

Jennifer,

Please tell Harold in ;the strongest possible terms that the VP would be very much opposed to the proposed executive order requiring federal contractors to pay a minimum wage higher than the statutory minimum wage. This proposal would run counter to all of the President's efforts in the area of procurement reform. The effect would be to cause many existing government contractors to withdraw from government business since these companies do not now produce products off separate product lines. Having fewer companies willing to do business with the government means both higher prices for the government and contradicts the Administration's efforts to lower the cost of goods and services through procurement reform.

In addition, the VP believes that he has a commitment from the President made at their last lunch before vacation that in the search for executive actions, we would not entertain any further actions that undermine procurement reform. If this does not die I will insist that the VP weigh in.

Elaine Kamarck



OFFICE OF THE VICE PRESIDENT
WASHINGTON

August 30, 1995

MEMORANDUM FOR HAROLD ICKES
ERSKINE BOWLES

FROM: ELAINE KAMARCK *ek*
KUMIKI GIBSON *kg*

SUBJECT: MINIMUM WAGE EXECUTIVE ORDER

We have reviewed the proposed Executive Order on "ensuring the economical and efficient administration and completion of Federal government contracts." We oppose the issuance of this Executive Order for several reasons.

First, please be advised that before leaving for their vacations, the President and the Vice President agreed that the President would not issue any new directives regarding procurement reform -- an effort being pursued as part of the National Performance Review. Second, we have serious concerns as to whether this order will in fact "increase efficiency," as it purports to do. Third, we question whether this order is defensible legally. Finally, we believe that this order may be viewed as purely political.

Please contact either one of us if you have any questions regarding our position.

Thank you.

THE WHITE HOUSE

WASHINGTON

DETERMINED TO BE AN
ADMINISTRATIVE MARKING

INITIALS: JMM DATE: 12/1/17

2016 - 0531-F

PRIVILEGED AND CONFIDENTIAL

August 30, 1995

MEMORANDUM FOR ABNER J. MIKVA

FROM: CHRIS CERF *CPE*

RE: Minimum Wage E.O. Talking Points

- * The proposed Executive Order would require federal contractors to pay employees \$5.15 per hour.
- * The D.C. Circuit has held that the President can "legislate" in this fashion only if he has the express or inherent authority to do so.
- * The E.O. relies solely on the Federal Property and Administrative Services Act as the basis for presidential authority. Under D.C. Circuit law, the President may properly rely on the Act if there is a "nexus" between his actions and "the pursuit of economy and efficiency in the management of federal property."
- * It is unclear to what degree a court would "look behind" a presidential finding that such nexus exists. Judge Kessler's opinion in the Striker Replacement cases implies that courts would give deference to such a finding, and there is some support for this in the D.C. Circuit.
- * The Minimum Wage E.O. asserts that "some economic theories suggest that requiring federal contractors to pay a higher minimum wage will lead to increases in efficiency that will offset the cost to federal contractors of the higher wage." In other words, pay people more and they will be more productive and the savings associated with that productivity will be at least equal to the increased costs stemming from the higher wages.
- * The Chief Economist of D.O.L. has informed me that there is no empirical evidence to support this theory. Moreover, although the theory has some support in the literature, it does not go so far as to suggest that there would be a full offset. In his view, "it is unlikely, but possible" that

the savings from the efficiency gains would fully offset the increased costs." He does think, however, that there would be some offset.

- * The Office of Legal Counsel thinks that it is reasonable to assume (but not certain) that courts would more or less defer to a concrete presidential finding. They believe, however, that the E.O., as currently drafted, does not contain such a finding.
- * To pass muster, the E.O. would need to delete all reference to "economic theories" (see above) and state outright that requiring contractors to pay a higher minimum wage would lead to increases in efficiency that would offset the increased costs associated with the wage.
- * The key question is whether the President would be comfortable making such a finding. If not, the best guess is that the order would not survive judicial review.
- * Even if we can make such a finding, there are substantial litigation risks. The outcome will depend on how "tight" a nexus the D.C. Circuit requires and whether it simply accepts the President's finding or allows the plaintiffs to challenge its factual basis.

Memorandum



Subject

Minimum Wage Executive Order

Date

August 30, 1995

To

Robert Damus
General Counsel
OMB

From

Teresa Wynn Roseborough *TWR*
Deputy Assistant Attorney
General
Office of Legal Counsel

We have reviewed the draft executive order entitled "Ensuring the Economical and Efficient Administration and Completion of Federal Government Contracts" and the accompanying draft documents.¹ We believe that the determination that economy and efficiency in procurement will be promoted by the specific provisions of the order is legally available, if the assertions made in the order can be substantiated. That is, if the President determines, in good faith, that increasing the minimum wage of persons employed by federal contractors would promote economy and efficiency in federal procurement, we believe the issuance of the order would be authorized by the Federal Property and Administrative Services Act of 1949, 40 U.S.C. § 471 et seq. See Chamber of Commerce v. Reich, 886 F. Supp. 66 (D.D.C. 1995).

The supporting documents, however, do not suggest economy and efficiency in government procurement would be promoted by proposed provisions that would link the application of the order to CEO pay or company profits. Accordingly, we suggest that such provisions be eliminated from consideration. Below are our suggestions for strengthening the draft order and supporting documents:

A. The Executive Order.

We believe that the preamble articulates an economy and efficiency argument that may be sufficient to support the issuance of this order with the following alterations:

(1) The first and third paragraphs should be deleted because they weaken the economy and efficiency argument and seem to be contradictory and confusing. However, it may be possible

¹ This memorandum provides our initial comments and observations. OLC review for form and legality is not yet complete.

to fit the penultimate sentence of the first paragraph into the second paragraph.

(2) The President's authority to issue the proposed order is contingent upon his determination that it will promote economy and efficiency. Therefore, in the third sentence of the second paragraph, we believe the word "may" should be replaced with a less equivocal formulation, such as "I find that this order would" If the President cannot make such a finding, the basis for issuing the order would be doubtful. (While it is not necessary for the President to be absolutely certain that the proposed order will promote economy and efficiency, we believe that language that suggests a higher degree of certainty than "may" is necessary. In that regard, we suggest that, where possible, the language of this paragraph should be strengthened to reflect that the President holds a good faith belief that the proposed order will promote economy and efficiency in government procurement. See, e.g., Executive Order 12954, "Ensuring the Economical and Efficient Administration and Completion of Federal Government Contracts.")

(3) Finally, we suggest that the penultimate sentence of the second paragraph be amended to read as follows: "By paying a higher wage to low-wage workers, federal contractors will increase worker productivity, **improve the stability of their workforce, attract better qualified employees, and produce higher quality goods. Procuring goods from such contractors will promote economy and efficiency in federal procurement by (fill in the blank).**" (addition in bold) The last sentence of the second paragraph should be deleted.

The Striker Replacement Order provides that the Secretary's exercise of discretion under the order must be consistent with the policy stated in section 1 of the order. We believe that the Secretary's exercise of discretion under section 3(a) of the proposed order should be similarly limited. We therefore suggest the insertion of the following sentence at the end of section 3(a): "All discretion under this section shall be exercised consistent with the policy enunciated in section 1 of this order."

B. The Discussion Memorandum for the President.

We believe that the Memorandum does a very good job presenting the pros and cons of issuing this proposed order. Therefore, we limit our comments to three points.

First, the Memorandum fails to reveal the view of the Secretary of Labor as to whether the proposed order will promote economy and efficiency in procurement and does not include his recommendation as to whether the President should issue the proposed order. We believe that the President's determination

that economy and efficiency in government procurement will be promoted by the proposed order would be substantially bolstered if it were supported by the recommendation of the Secretary.

Second, we believe that when discussing the different options for announcing the order it should be made clear that congressional retaliation in the appropriations/reconciliation/debt ceiling process is a possibility regardless of the approach the President decides to take. While the memorandum only lists this possibility as a factor to be considered in the "sign immediately" approach, we believe that it is also a possibility if the President decides to announce his intention to act if Congress fails to enact legislation within a certain time period. In fact, utilization of the latter approach may provoke Congress to block the operation of the order through a prospective appropriation's rider.

Finally, we believe the discussion of the litigation risks associated with the order should be expanded. In addition to recognizing that the proposed order will almost certainly be challenged, we note that the issuance of the proposed order may have an adverse impact on the Chamber of Commerce litigation, which is presently pending before the Court of Appeals in the District of Columbia. The court may be more reluctant to accept assertions of Presidential authority in Chamber of Commerce knowing that this potentially would lead to broader assertions of authority. If the court were to view the proposed order as an indication that the President intends to legislate other than through bicameralism and presentment, this too could color the result of the litigation in Chamber of Commerce.

cc: Jennifer O'Connor
Chris Cerf

THE WHITE HOUSE
WASHINGTON

August 30, 1995

MEMORANDUM FOR ERSKINE BOWLES

AB MIKVA
LAURA TYSON
CAROL RASCO
ALICE RIVLIN
JACK QUINN
DOUG SOSNIK
PAT GRIFFIN
ALEXIS HERMAN
KITTY HIGGINS
TODD STERN
JACK LEW
STEVE KELMAN
MIKE SCHMIDT
DOROTHY ROBYN
ELGIE HOLSTEIN
KAREN HANCOX
SUSAN BROPHY
KATE CARR
STEVE SILVERMAN

FROM: JENNIFER O'CONNOR 
SUBJECT: Minimum Wage Executive Order

Attached is a draft Executive Order, prepared by the Department of Labor, which would require federal contractors to pay the President's proposed new minimum wage of \$5.15 per hour. The package includes a description of the pros and cons, as well as backup material.

Please have the appropriate person on your staff review the draft Executive Order and contact me with comments by 5:00pm today (Wednesday, August 30). Comments can be faxed to me at 456-7929, e-mailed to me, or called in to me at 456-6350. My apologies for the rapid turn-around, but there is discussion of moving this very quickly.

PRESIDENT CLINTON ANNOUNCES INCREASE IN MINIMUM WAGE

Friday, February 3, 1995

To reward work in an economy that in 1994 saw the best job growth in a decade, President Clinton will today announce his proposal to raise the minimum wage to \$5.15 an hour over two years -- through two 45 cent increases.

This news comes in the midst of more good news today for the economy under the Clinton administration. This morning, the Department of Labor reported that more than 6 million jobs have been created since President Clinton took office. In addition, the unemployment rate has dropped 20 percent to date under President Clinton.

A fact sheet and charts on the President's minimum wage proposal are attached.

House Minority Leader Richard Gephardt (D-MO) will open the announcement in the Rose Garden today, followed by Senate Minority Leader Tom Daschle (D-SD). The Vice President will then speak and introduce the President for his remarks.

-30-30-30-

REWARDING WORK: THE CASE FOR INCREASING THE MINIMUM WAGE

The President's proposal would increase the minimum wage from \$4.25 to \$5.15 over two years, through two 45 cent increases. The last increase, passed by an overwhelming, bipartisan vote in 1989, and implemented in 1990 and 1991, was also a 90 cent increase in two 45 cent stages. For a full-time, year-round worker at the minimum wage, a 90 cent increase would raise yearly income by \$1,800 -- as much as the average family spends on groceries in over 7 months.

MAINTAINING THE HISTORIC VALUE OF WORK: If the minimum wage were to stay at its current level of \$4.25, it would fall to its lowest real level in 40 years. Indeed, the real value of the minimum wage is now 27% lower than it was in 1979, and has fallen 54 cents in real value since its last increase in April 1991. The first half of the President's 90 cent proposal simply restores the minimum wage to its value at the time of the last increase.

RAISING THE MINIMUM WAGE PRIMARILY HELPS ADULT WORKERS -- MOST OF WHOM RELY ON THEIR MINIMUM WAGE JOB TO SUPPORT THEIR HOUSEHOLDS: Nearly two-thirds of minimum wage workers are adults (64%); over one-third of minimum wage workers (39%) are the sole breadwinners in their families; and the average minimum wage worker brings home half of his or her family's earnings. Thus, a rise in the minimum wage is a significant boost to the standard of living of millions of households.

REWARDS WORK OVER WELFARE: The minimum wage increase provides another crucial measure to reward work and ensure that there is a strong incentive to choose work over welfare.

NEARLY 11 MILLION WORKERS WOULD BENEFIT FROM THE PRESIDENT'S PROPOSAL TO INCREASE THE MINIMUM WAGE: Nearly 11 million workers, paid by the hour, earn between \$4.25 and \$5.14. Research indicates that an increase in the minimum wage to \$5.15 could have a "ripple" effect on the couple million workers who earn within 50 cents of the new minimum wage.

EMPIRICAL EVIDENCE SHOWS THE PRESIDENT'S PROPOSAL CAN INCREASE WAGES WITHOUT COSTING JOBS: Over a dozen empirical studies have found that moderate increases in the minimum wage do not have significant effects on employment. These studies include state-specific research that shows that large state increases in the minimum wage did not result in significant job impacts. As Nobel Laureate Robert Solow stated: "[T]he evidence of job loss is weak. And the fact that the evidence is weak suggests that the impact on jobs is small."

A 90 CENT INCREASE IN THE MINIMUM WAGE WILL LIFT A FAMILY OF FOUR OUT OF POVERTY. The dramatic extension of the Earned Income Tax Credit helped lift hundreds of thousands of working families out of poverty. Yet, by 1996, even the EITC is not enough to lift above the poverty line a family of four making the minimum wage. With the 90-cent minimum wage increase, food stamps, and the EITC, a family of four with a full-time, year round minimum wage worker would be lifted above the poverty line.

THE LAST MINIMUM WAGE INCREASE -- ALSO 90 CENTS -- GARNERED STRONG BIPARTISAN SUPPORT. In 1989, the minimum wage was passed by votes of 382 to 37 (135 Republicans) in the House, and 89 to 8 in the Senate (36 Republicans) and was supported by Senator Dole and Representative Gingrich.

Appendix Table. Value of the Minimum Wage, 1955-1995

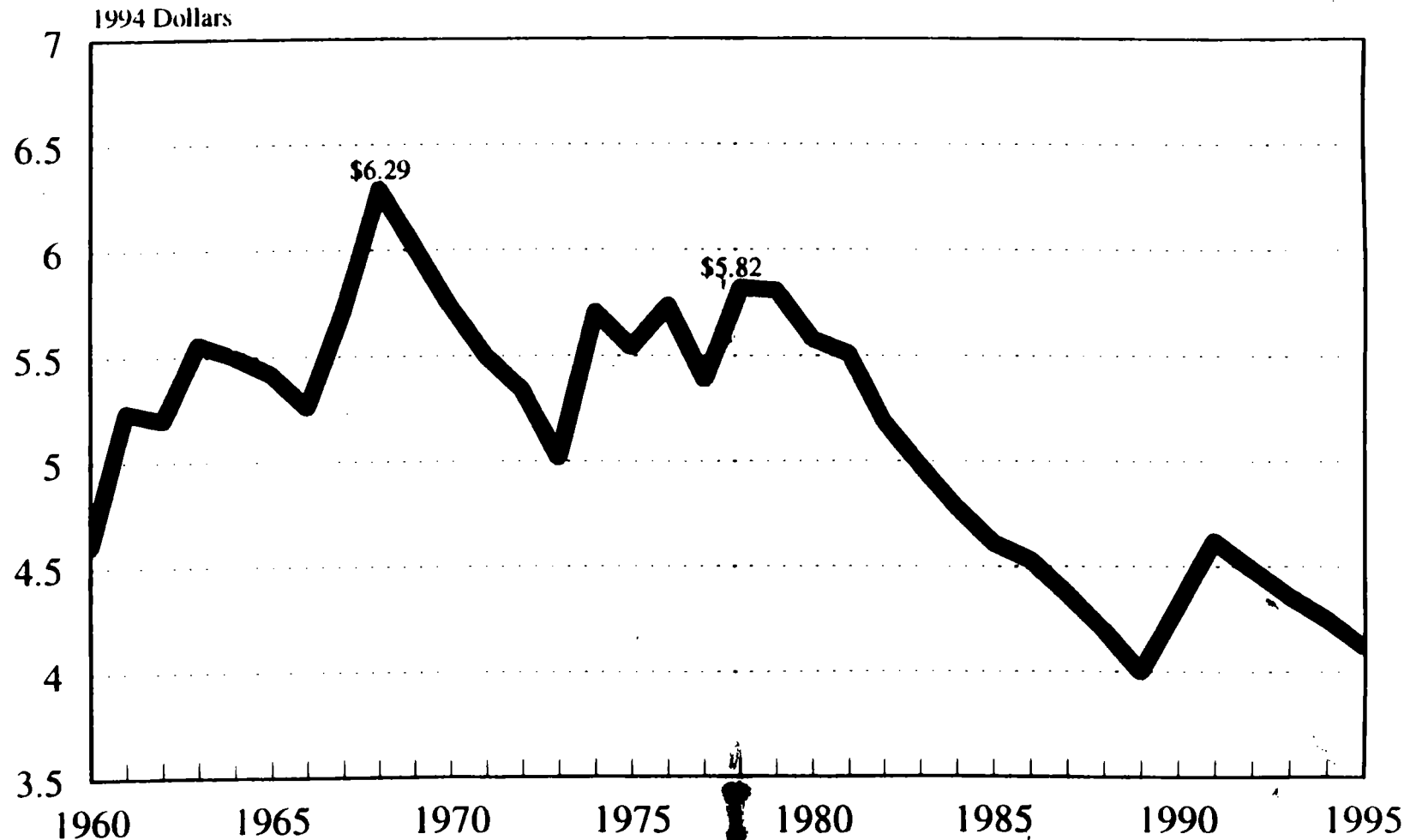
<u>Year</u>	<u>Value of the Minimum Wage, Nominal Dollars</u>	<u>Value of the Minimum Wage, 1995 Dollars*</u>	<u>Minimum Wage as a Percent of the Average Private Nonsupervisory Wage</u>
1955	\$0.75	\$3.94	43.9%
1956	1.00	5.16	55.6
1957	1.00	5.01	52.9
1958	1.00	4.87	51.3
1959	1.00	4.84	49.5
1960	1.00	4.75	47.8
1961	1.15	5.41	53.7
1962	1.15	5.36	51.8
1963	1.25	5.74	54.8
1964	1.25	5.67	53.0
1965	1.25	5.59	50.8
1966	1.25	5.43	48.8
1967	1.40	5.90	52.2
1968	1.60	6.49	56.1
1969	1.60	6.21	52.6
1970	1.60	5.92	49.5
1971	1.60	5.67	46.4
1972	1.60	5.51	43.2
1973	1.60	5.18	40.6
1974	2.00	5.89	47.2
1975	2.10	5.71	46.4
1976	2.30	5.92	47.3
1977	2.30	5.56	43.8
1978	2.65	6.00	46.6
1979	2.90	5.99	47.1
1980	3.10	5.76	46.5
1981	3.35	5.68	46.2
1982	3.35	5.36	43.6
1983	3.35	5.14	41.8
1984	3.35	4.93	40.3
1985	3.35	4.76	39.1
1986	3.35	4.67	38.2
1987	3.35	4.51	37.3
1988	3.35	4.33	36.1
1989	3.35	4.13	34.7
1990	3.80	4.44	37.9
1991	4.25	4.77	41.1
1992	4.25	4.63	40.2
1993	4.25	4.50	39.2
1994	4.25	4.38	n/a
1995	4.25	4.25	n/a

*Adjusted for inflation using the CPI-U-X1.

Source: Center on Budget and Policy Priorities

The Real Minimum Wage

1960-1995



NOTE: Minimum wage is in 1994 CPI-U-X1 Dollars. The inflation rate for 1995 is assumed to be 3.2 percent.

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

May 19, 1995

REMARKS BY THE PRESIDENT
AT WOMEN'S BUREAU RECEPTION

The South Lawn

5:38 P.M. EDT

THE PRESIDENT: Thank you very much.

Sitting here listening to my marvelous wife speak, I was thinking, you know, I've been seeing her lately long distance, on Oprah Winfrey and on the -- (laughter) -- Morning Show this morning. And I thought, boy, I'm glad she lives here. (Laughter and applause.)

I want to thank Secretary Reich and the Women's Bureau Director, Karen Nussbaum. She has done a wonderful job. I am very grateful to her and to him. (Applause.)

. . . .

. . . . But I think it's important that we recognize that women in the workplace are caught in a lot of cross-currents today, because all American workers, or at least more than half of us, are working longer hours for the same or lower pay that we were making 10 years ago. And therefore, more and more parents are working harder for the same or less and spending less time with their children. Women feel this pressure very deeply insofar as they have either sole, primary or even just half of the responsibility for taking care of their children as well as earning a living. Because male workers over the age of 45, on average, have lost 14 percent of their earning power in the last 10 years, women in the work force and in the home feel the anxiety of their husband's sense of loss and insecurity and frustration and anger.

What is causing all this and what are we to do about it? Well, what is causing it all is the impact of the global economy and the dramatic revolution in technology on our society -- opening up all kinds of new changes in ways that are perfectly wonderful if you can access them, but terrifying if you cannot.

For example -- we don't have the figures yet on '94, but I think '94 will confirm '93's trend -- in 1993 we had the

largest number of new businesses started in America in any year in history, and the largest number of new millionaires in America in any year in history. And that is a good thing. That is a good thing. And that is happening because so many of us are now able to access the world of the future. Many of you in this room are part of the trend toward a brighter, bigger, broader tomorrow.

But there is also a fault line in our society that is splitting the middle class apart, putting unbearable pressures on families, making them less secure and making them less able to live up to the fullest of their abilities. You know it, and I know it.

That's why the Family and Medical Leave Law was important. If people are going to be working for smaller companies, not bigger ones, and moving around, at least they ought to know they can take some time off without losing a job if there's someone sick in their family or if a baby is born or some other emergency arises. (Applause.) That's why it was important. (Applause.)

That's why the efforts of the Secretary of Labor and the Secretary of Education to create a fabric, a seamless fabric of lifelong learning -- whenever people lose their jobs or feel that they're underemployed -- it's terribly important. (Applause.)

And that's why I believe it is especially important to women that we raise the minimum wage this year. (Applause.) Women represent three out of five minimum wage workers, but only half the work force.

I have done everything I could to create a climate in which people are encouraged to choose work over welfare, in which people are encouraged to be successful parents and successful workers. I believe that. That's what the Earned Income Tax Credit was all about in 1993. (Applause.)

Let me tell you what that meant -- that meant this year that the average family of four with an income under \$27,000 got a \$1,000 tax cut below what they paid before this administration came into office. And it means three years from now, if the Congress will stick with it and not repeal it, we will be able to say that no one who works full-time and has children at home, when they go home from work, will live below the poverty line. That is the best war against welfare we could wage. (Applause.)

But it isn't enough. If we do not raise the minimum wage this year, next year it will be in real dollar terms, the lowest it has been in 40 years. Now that is not my idea of what the 21st century American economy is all about. I want a smart work, high-wage economy, not a hard-work, low-wage economy. And

the working women of America and their children and their husbands deserve it as well. (Applause.)

You know, I have a -- I don't get to watch a lot of kind of extra television, but the other night, just by accident, I was watching a news program where a special was being done on the minimum wage. And -- I don't even know if it was a national program or one of the state networks around here, but they went down south to a town that had a lot of minimum wage workers. And they went in this plant to interview a remarkable woman who worked in this plant at a minimum wage. And they said to this lady: You know, your employer says if we raise the minimum wage that they'll either have to lay people off or put more money into machinery and reduce their employment long-term. What do you say to that? I could not have written the script. (Laughter.) This lady sort of threw her shoulders back and looked into the eyes of the television reporter and said: Honey, I'll take my chances. (Laughter and applause.)

If we are going to bring our budget deficit into balance, which will be good for all of us; if we're going to have to over a period of years cut back on expenditures that the government used to make, that makes it even more important for people who do go out into the private sector and work full-time, play by the rules, and want to make their own way without public assistance, to be rewarded for that work. This is a huge issue.
. . . .

. . . . I thank you all. Please stay around. Have a good time. We're delighted to see you. Good-bye. Thank you. (Applause.)

END 5:58 P.M. EDT

Legislative Background - Minimum Wage - 1989

* Last increase (from \$3.35/hour to \$3.80 on 4/1/90 and \$4.25/hour on 4/1/91) passed Congress in 1989 in a bi-partisan agreement following an earlier veto by **President Bush**:

- o Senate Vote: 89 - 8
 - o House Vote: 382- 37
- (see attached list of votes)

* **President Bush proposed** the increase to \$4.25 an hour and refused to accept any increase above that;

* **President Bush had vetoed** a Democratic attempt to raise minimum wage to \$4.55 over three years and Congress failed to override the veto - his first successful veto as President;

* **Cong. Goodling** (R-PA) was quoted at the time as stating that Republican lawmakers were "uneasy" about President Bush's position and "don't want to go to the wall a second time." Cong. Goodling introduced his own minimum wage bill that proposed a three year phase to \$4.25/hour, a training wage and expansion of the earned-income tax credit. He voted **for final passage** of the minimum wage increase;

* The **Labor Secretary** at the time was **Elizabeth Dole**;

* The Senate and the House were both controlled by Democrats;

* The bill signed by President Bush included a training wage for teenagers between 16 and 19;

* **Sen. Dole** (R-Kan) (voted for final passage)

"I think that many of us feel that this is not an issue where we ought to be standing and holding up anybody's getting a 30- to 40-cents-an-hour- increase, at the same time we are talking about capital gains. I never thought the Republican Party should stand for squeezing every last nickel from the minimum wage."

* The Senate tabled an amendment by Sen. Hatch that would have barred Congress from passing any legislation that would increase the costs of certain small business (the small business exemption from the minimum wage was increased to cover small businesses with sales of less than \$500,000 (from \$362,500) by the bill itself;

* The Senate tabled an amendment by Sen. Gramm (R-Tex) which would have removed the provision which prevented farmers from using the training wage for teenage farmworkers;

* Much of the current Senate and House Leadership voted **for** minimum wage increase in 1989 - including **Dole, Lott, Gramm, Gingrich and Kassebaum**. However, **Armey, Delay, Livingston** - **voted against** (see attached list);

* Key Senate Republicans supporters in 1989 (supported an attempt at a Dem. compromise)

Sen. Cohen (R-Maine)
Sen. Hatfield (R-Ore.)
Sen. Jeffords (R-Vermont)
Sen. Packwood (R-Ore.)
Sen. Pressler (R-SD)
Sen. Specter (R-Penn)

* Key Senate Republicans in Opposition:

Sen. Mack (R-Florida)
Sen. Nickles (R-OK)
Sen. Helms (R-NC)
Sen. Hatch (R-Utah)

* Governor Wilson voted for the minimum wage increase as a Senator in 1989.

* Senate Democrats of concern (voted against Dem. compromise at \$4.55 or cloture in 1989):

Sen. Hollings (D-SC)
Sen. Bennett Johnston (D-La)
Sen. Heflin (D-Al)
Sen. Exon (D - NE)

Sen. Campbell (D-Col) (voted to uphold Bush's veto in House)

Senators in the Democratic and Republican Leadership their votes
on H.R. 2710 final passage (minimum wage).

SENATE LEADERSHIP

YES

Democrats

Breaux -- Deputy Whip
Byrd -- Ranking on Appropriations
Daschle -- Minority Leader
Ford -- Minority Whip
Harkin -- Ranking on the Appropriations, Labor Subcommittee
Kennedy -- Ranking on the Labor Committee
Mikulski -- Secretary of the Democratic Party
Reid -- Co-Chair of the Democratic Policy Committee

Republicans

Cochran -- Chair Republican Conference
Dole -- Majority Leader
D'Amato -- Campaign Committee Chair
Lott -- Majority Whip
Kassebaum -- Chairman of Labor Committee
Hatfield -- Chair of Appropriations Committee
Specter -- Chair of the Appropriations Labor Subcommittee

NO

Democrats

None

Republicans

Mack -- Policy Committee
Nickles -- Chair of the Republican Policy Committee

SENATE VOTES ON HR 2710 (Minimum wage -- Final Passage)
Members that are still in the Senate for the 104th Congress)

YES

Democrats

Biden
Bingamen
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Exon
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moynihan
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Shelby
Simon

Additional Democratic Senator that did not vote or express a position
Baucus

SENATE VOTES ON HR 2710 (Minimum wage -- Final Passage)
Members that are still in the Senate for the 104th Congress)

YES

Republicans

Bond
Burns
Chafee
Coats
Cochran
Cohen
D'Amato
Dole
Domenici
Gorton
Gramm
Grassley
Hatfield
Jeffords
Kassebaum
Lott
Lugar
McCain
McConnell
Murkowski
Packwood
Pressler
Roth
Simpson
Specter
Stevens
Thurmond
Warner

SENATE VOTES ON HR 2710 (Minimum wage -- Final Passage)
Members that are still in the Senate for the 104th Congress)

NO

Democrats (0)

Republicans

Hatch

Helms

Mack

Nickles

HOUSE LEADERSHIP VOTES ON FINAL PASSAGE OF HR 2710

HOUSE

Democrats

YES

Gephardt
Bonior
Clay
Obey

NO

None

Repubilcans

YES

Gingrich
Goodling
Porter

NO

Armey
Delay
Livingston

HOUSE VOTES ON FINAL PASSAGE OF HR 2710 (MINIMUM WAGE) FOR
MEMBERS OF THE 104TH CONGRESS

YES

Democrats

A

Ackerman

B

Beilenson

Berman

Bevill

Bonior

Borski

Boucher

Browder

Brown, George

Bryant, John

Burton, Dan

C

Cardin

Chapman

Clay

Clement

Coleman

Collins, Cardiss

Condit

Costello

Coyne

D

Dellums

DeFazio

de la Garza

Dicks

Dingell

Dixon

Durbin

E

Engel

Evans

F

Fazio
Flake
Foglietta
Frank
Frost

G

Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon

H

Hall, Ralph
Hall, Tony
Hamilton
Hayes
Hefner
Hoyer

J

Jacobs
Johnson, Tim
Johnston, Harry

K

Kanjorski
Kaptur
Kennedy, Joe
Kennelly
Kildee
Kleczka

L

LaFalce
Lantos
Laughlin
Levin
Lewis, John
Lipinski
Lowey

M

Manton
Markey
Martinez
Matsui
McDermott
McNulty
Mineta
Mfume
Mollohan
Montgomery
Murtha

N

Neal, Richard

O

Oberstar
Obey
Ortiz
Owens, Major

P

Pallone
Parker
Payne, Donald
Payne, Lewis
Pelosi
Pickett
Poshard

R

Rahall
Rangel
Richardson
Rose

S

Sabo
Sawyer
Schroeder
Schumer
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds

T

Tanner, John
Taylor, Gene
Tauzin
Torres
Torricelli
Towns
Traficant

V

Vento
Visclosky
Volkmer

W

Waxman
Williams, Pat
Wilson
Wise
Wyden

Y

Yates

Additional Democrats that did not vote yes or no**Did not vote or make a position known**

Conyers
Moakley

Announced For

Ford, Harold

HOUSE MEMBERS THAT VOTED FOR FINAL PASSAGE OF HR 2710 (minimum wage) that are in the 104th Congress

YES

Republicans

B

Ballenger
Bateman
Bliley
Boehlert
Bereuter
Bilirakis

C

Coble
Clinger

D

Duncan

E

Emerson

F

Fields

G

Gekas
Gillmor
Gilman
Gingrich
Goodling
Gunderson

H

Hastert
Herger
Houghton
Hunter
Hyde

J

Johnson, Nancy

K

Kasich
Kolbe

L

Leach
Lewis, Jerry
Lightfoot

M

McCrery
McDade
Meyers, Jan
Moorhead
Morella
Myers, John

P

Packard
Petri
Porter

Q

Quillen

R

Regula
Roberts, Pat
Rogers
Ros-Lehtinen
Roth
Roukema

S

Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith, Chistopher
Smith Lamar
Soloman
Spence
Stearns

T

Thomas, William

U

Upton

V

Vucanvoich

W

Walker

Walsh

Weldon, Curt

Wolf

Y

Young, Don

Young, C.W. "Bill"

Additional Republican members that did not vote yes or no

Did not vote or express an opinion

Molinari

HOUSE VOTES ON FINAL PASSAGE OF HR 2710 (MINIMUM WAGE) FOR ALL
MEMBERS OF THE 104TH CONGRESS

NO

Democrats

Miller, George (California)

Republicans

A

Archer
Armey

B

Baker, Richard
Barton
Bunning
Burton

C

Callahan
Crane
Combest
Cox

D

DeLay
Dornan
Drier

F

Fawell

G

Gallegly
Goss

H

Hansen
Hancock
Hefley
Hunter

L

Livingston

M

McCollum

R

Rohrabacher

O

Oxley

P

Paxon

S

Stump

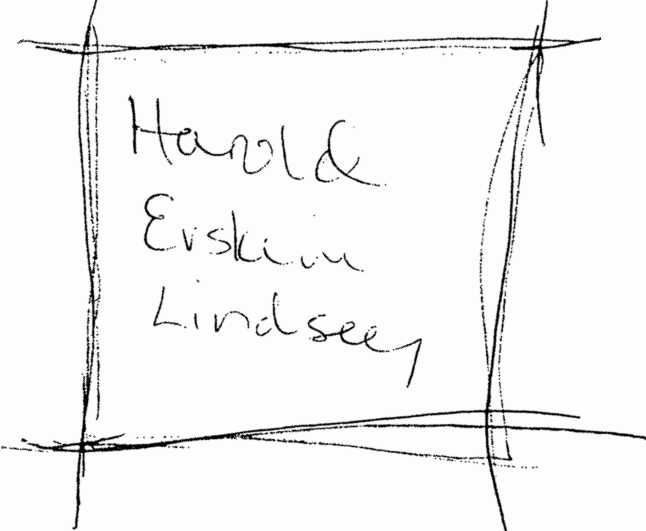
**MEMBERS OF THE SENATE THAT WERE IN THE HOUSE AND VOTED
ON FINAL PASSAGE OF HR 2710**

YES -- Democrats

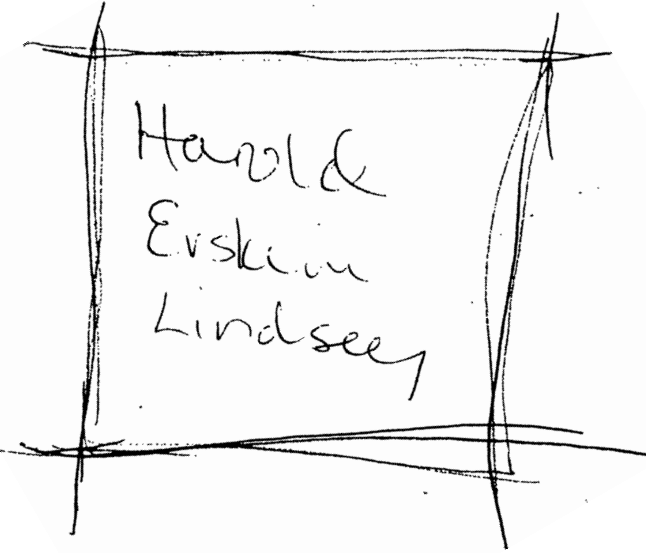
Boxer
Akaka

YES -- REPUBLICANS

Craig
Snowe
DeWine
Inhofe



Harold &
Erskine
Lindsee



Harold &
Erskine
Lindsee

**U.S. DEPARTMENT OF JUSTICE
OFFICE OF LEGAL COUNSEL
WASHINGTON, D.C. 20530**

FACSIMILE TRANSMISSION SHEET

DATE: _____

FROM: Georgette Washington

OFFICE PHONE: () 514-3712

TO: Chris Cerf

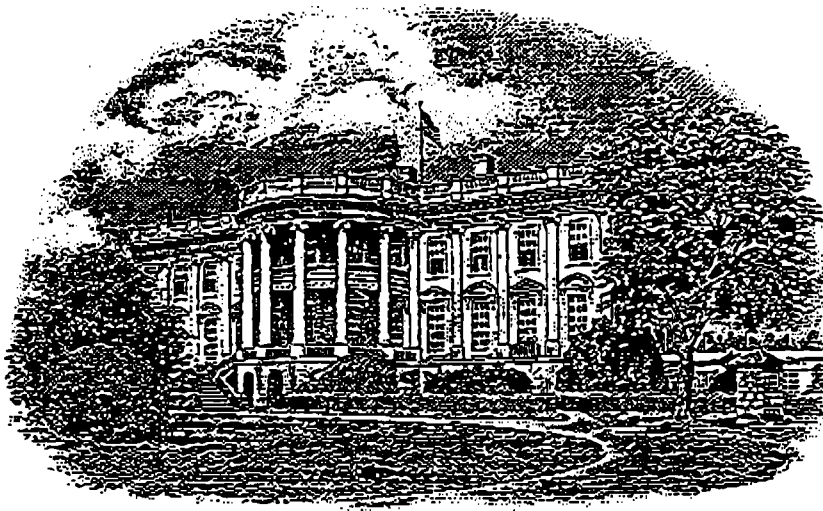
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NUMBER OF PAGES: 3 (NOT INCLUDING COVER SHEET)

FACSIMILE NUMBER: () 456-2146

REMARKS:

EXECUTIVE OFFICE OF THE PRESIDENT



Office of Management and Budget FAX TRANSMITTAL COVER SHEET

Number of pages (including cover sheet) 3

Date: _____

To: Jennifer O'Connor

Fax No. _____ Voice No. _____

Comments: Re the minimum wage E.O.

From: Jack Lew

Fax No.: 202-395-3888

Voice No. 202-395-4840

THE WHITE HOUSE

WASHINGTON

August 30, 1995

MEMORANDUM TO THE PRESIDENT

FROM: LAURA TYSON
BO CUTTER

SUBJECT: PROPOSED EXECUTIVE ORDER REGARDING MINIMUM
WAGE

We oppose an Executive Order requiring federal contractors to pay a minimum wage higher than the statutory minimum wage. (Gene Sperling is out of the country, but we believe he would agree.)

As a matter of process, we should not make as complex a decision as this one with as little analysis as has been carried out to date.

The proposed Executive Order would further complicate federal procurement, raising an additional barrier to working with the Federal Government, and would be inconsistent with the overall direction of federal procurement policy. We have not analyzed the long-run costs the Government would experience as firms shift away from federal work.

The proposed Executive Order would raise federal procurement costs, and, therefore, because budgets will not expand, may well result in lower employment derived from federal procurement.

The proposed Executive Order raises a number of other detailed issues we have not been able to analyze in this short a time period: How would the international operations of affected firms be treated? Would firms cut back on benefits? Are we legally able to terminate contracts?

Finally, the basic justification for such an Executive Order -- that it would increase overall economic efficiency -- is not supportable for a measure applying only to part of the economy. Larry Katz, who is, as you know, a leading proponent of this argument when applied to the whole economy, would probably publicly criticize it in this case.

We think our current minimum wage position is right and a political winner. We do not need to jeopardize our position with one action we have not thought through. If you wish, we can initiate a process immediately to develop a more thorough analysis and provide you with a better basis for a decision.

Sperling

- not legal
- ① - efficiency & ee gains
 - DOL & all EEs say no - moral basis
- ② Katz & Kreuger = against it
- ③ procurement process

THE WHITE HOUSE

WASHINGTON
August 30, 1995

MEMORANDUM FOR ERSKINE BOWLES
HAROLD ICKES

CC: CAROL RASCO

FROM: Paul Weinstein

SUBJECT: Proposed Executive Order On Increasing
Minimum Wage For Government Contractors

The DPC has read over the proposed Executive Order from the Department of Labor requiring any Federal contractor to pay a minimum wage of \$5.15 per hour. While the goal of such a proposal is laudable, we believe the Order has some serious drawbacks from a policy perspective. First, we do not think that there will be any significant economic efficiency gains from the Executive Order. Second, as part of the Vice President's reinventing government effort, the Administration has been trying to reform the procurement system by reducing the number of socio-economic requirements placed on Federal agencies when they contract with the private sector. The issuing of this Executive Order would be inconsistent with the National Performance Review's procurement reform proposal. Finally, the Executive Order would have a negative budgetary impact at a time when we are struggling to identify funds to pay for Presidential initiatives.

THE WHITE HOUSE

WASHINGTON
August 30, 1995

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HAROLD ICKES

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Minimum Wage For Government Contractors

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THE WHITE HOUSE
WASHINGTON

January 22, 1996

MEMORANDUM FOR DON BAER
GEORGE STEPHANOPOULOS
KITTY HIGGINS
GENE SPERLING

CC: Harold Ickes

FROM: Jennifer O'Connor

SUBJECT: Minimum Wage radio address

February 3, 1996 is the first anniversary of the President's proposal to increase the minimum wage. Secretary Reich strongly urges that we devote the Saturday radio address that week to the Republicans' failure to give low-wage Americans a raise. Attached are a fact sheet and talking points from the Department that could be used for a draft of the radio address. What do you think of the idea?

PS -- some of you will likely hear from the Secretary or his staff on this issue.

what
is
Radio
address
about?

Min-wage

log to
note for me
to follow up
on Thursday

Minimum
Wage in
PA

ANOTHER YEAR OLDER AND DEEPER IN DEBT: CONGRESS' REFUSAL TO INCREASE THE MINIMUM WAGE HURTS WORKING FAMILIES

■ On February 3, 1995, President Clinton proposed increasing the minimum wage by 90 cents in two increments to assure our society's lowest paid workers a living wage. The President's proposal would benefit an estimated 11 million workers .

■ Saturday, February 3, 1995 will mark the first anniversary of the President's proposal and a full year in which the congressional leadership has adamantly refused to give America's low-wage working families a raise.

■ Congress' failure to raise the minimum wage by 45 cents in July 1995, the first of two equal raises proposed by President Clinton, has already deprived minimum wage workers of \$525. If Congress had passed the President's proposal, minimum wage families could have :

- ✓ bought food for their home for 3 months; or
- ✓ paid for 10 months of health insurance; or
- ✓ paid 10 months of electricity bills; or
- ✓ bought a 21-month supply of prescription drugs for ailing parents or sick children.

■ If Congress continues its stubborn refusal to pass the President's minimum wage increase (the full 90 cents), minimum wage families will lose an additional \$1,425 between now and next February. This additional money would allow a minimum wage family to:

- ✓ buy food for their home for nine months; or
- ✓ pay for complete health care for a year; or
- ✓ pay utility bills for almost a year; or
- ✓ pay one year's tuition at many community colleges.

U.S. DEPARTMENT OF LABOR

OFFICE OF THE DEPUTY SECRETARY

WASHINGTON, D.C.

20210

January 19, 1996

To: Jennifer O'Connor
From: Bill Samuel
Re: February 3, 1996 Radio Address on Minimum Wage

February 3, 1996, marks the first anniversary of the President's proposal to increase the minimum wage. In light of the President's increased focus on wages, Secretary Reich believes it would be appropriate to devote the Saturday radio address to the Republican's failure to give low-wage Americans a raise.

Attached is a fact sheet that we will turn into a script early next week.

■ The public overwhelmingly supports the President's call for a living wage for minimum wage workers. A national poll conducted in January 1995 for the Los Angeles Times found that 72% of Americans supported an increase in the wage, confirming a December 1994 Wall Street Journal/NBC News survey that found raising the minimum wage is favored by 75%.

■ Because Congress has refused to adopt the President's proposal, the minimum wage is rapidly approaching its lowest real value in 40 years. The first half of the President's 90 cent proposal would simply restore the minimum wage to its value in 1989, when Congress voted in an overwhelming and bi-partisan manner (382-37 in the House, 89-8 in the Senate) to increase the minimum wage, also by 90 cents.

■ During the 1989 debate over the minimum wage, Majority Leader Bob Dole harshly criticized those who would call for a cut in the capital gains tax but oppose an increase in the minimum wage: "I think that many of us feel that this is not an issue where we ought to be standing and holding up anybody's getting a 30-to-40 cents an hour pay increase, at the same time that we're talking about capital gains. I never thought the Republican Party should stand for squeezing every last nickel from the minimum wage."

■ Increasing the minimum wage helps working families. Nearly two thirds of minimum-wage workers are adults (64%). The average minimum wage worker brings home half of his or her family's weekly earnings.

■ The President's proposed increase in the minimum wage would increase wages without costing jobs. Over a dozen empirical studies have found that moderate increases in the minimum wage do not have significant effects on employment. Nobel laureate Robert Solow has stated "...the fact that the evidence [of job loss] is weak suggests that the impact on jobs is small."

AFL-CIO

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

Telecopier Transmission

Date:

Mar 29, 1996

FAX To:

Frank / Jennifer
+ Shama

FAX Phone Number:

456 7929

Please give a copy
to Rebecca Cameron

From:

Gerry Shee

Department:

Comments:

Thanks

There is/are 4 pages following
this cover sheet. Please call the
following number if you have any
questions:

AFL-CIO

President's Office

202/637-5224

We can automatically receive
transmissions 24 hours a day.

Our FAX number is 202/508-6946.

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	re: AFL-CIO and event information [Personally Identifiable Information] [partial] [Duplicate of 003] (1 page)	03/29/1996	b(6)

COLLECTION:

Clinton Presidential Records
Chief of Staff
Jennifer O'Connor
OA/Box Number: 8154

FOLDER TITLE:

Labor - Minimum Wage Executive Order

2016-0531-F
jm1829

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
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RR. Document will be reviewed upon request.

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

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- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

List of information for the AFL-CIO representatives attending tomorrow
at 9:30 a.m.:

John J. Sweeney, AFL-CIO President

PH. 202/637-5221

FAX 202/508-6946

(b)(6)

[001]

Clayola Brown, AFL-CIO Vice President
International Vice President, UNITE

PH. 212-206-8900

FAX 212/206-9179

(b)(6)

Mr. Joslyn (Josh) N. Williams, President
AFL-CIO Metropolitan Washington Council

PH. 202/289-7174

FAX 202/371-0168

(b)(6)

Mr. Edward A. Mohler, President
Maryland State and D.C. AFL-CIO

PH. 410/269-1940

FAX 410/280-2956

(b)(6)

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
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002. profile	re: AFL-CIO officers [Personally Identifiable Information] [partial] (1 page)	03/29/1996	b(6)
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Chief of Staff
Jennifer O'Connor
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FOLDER TITLE:

Labor - Minimum Wage Executive Order

2016-0531-F
jm1829

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P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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RR. Document will be reviewed upon request.

AFL-CIO Officers**John J. Sweeney, President**

John J. Sweeney was elected president of the AFL-CIO at the federation's biennial convention in October 1995. At the time of his election, he was serving his fourth four-year term as president of the Service Employees, which grew from 625,000 to 1.1 million members under his leadership. Sweeney had been a vice president of the AFL-CIO since August 1980.

(b)(6)
(b)(6) began his trade union career as a research assistant with the Ladies' Garment Workers. He joined SEIU in 1960 as contract director for Local 32B in New York City. He later became president of the union and led two citywide strikes of apartment maintenance workers. He was elected president of the international in 1980.

[002]

Clayola Brown, UNITE!

Clayola Brown is vice president of the Union of Needletrades, Industrial Textile and Employees, a post to which she was elected at the union's founding convention in July 1995. (b)(6) Brown was elected AFL-CIO vice president on Oct. 26, 1995. She also serves as director of UNITE's Department of Civil Rights and as manager and secretary-treasurer of the Amalgamated Service and Allied Industries Joint

Board in New York.

A graduate of Florida A&M University, Brown is a board member of Amalgamated Bank of New York and chair of the NAACP Labor Ad Hoc Committee. She also serves on the executive committees of the Workers Defense League, A. Philip Randolph Institute, Coalition of Labor Union Women, Coalition of Black Trade Unionists and Southern Christian Leadership Conference.



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401 • Balto. 269-1940 • D.C. 261-1400
Fax (410) 280-2956

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James Shearer
Augustin Tellez
Kenneth Wade
David Wilson

Edward A. Mohler

Edward A. Mohler is the President of the Maryland State and District of Columbia AFL-CIO which represents over 325,000 union members. Before being elected President in 1989, he served as Secretary-Treasurer of the same organization for twelve years. He has been involved in union activities throughout his professional life. As a member of the Communications Workers of America, a lobbyist and organizer for American Federation of State, County and Municipal Employees.

He is married to Barbara J. Mohler. They have six sons and reside in LaPlata, Maryland.

opeiu#2
afl-cio



Mr. Joslyn N. Williams
President, Metropolitan Washington Council, AFL-CIO

An AFL-CIO umbrella organization of 172 locals representing 200,000 union members and their families in the District of Columbia and 5 Maryland counties.

draft 3/29/96 7pm

*file
law - minimum
wage*

PRESIDENT WILLIAM J. CLINTON
RADIO ADDRESS ON THE MINIMUM WAGE
OVAL OFFICE
March 30, 1996

96 MAR 29 8:22

Good morning. Today I want to talk to you about what we can do to make sure that working people have the chance to make the most of their own lives and become the winners of economic change. I want to talk about something very simple we can do to help our hardest pressed working families: raise the minimum wage.

Our country is living through a time of great change -- an economic transformation we have not seen since 100 years ago, when so many Americans moved from farm to factory. Now we are moving into an age of information, technology, and global trade.

Three years ago, our economy was drifting, with high unemployment, a skyrocketing deficit, and few new jobs. I took office determined to change our course. We are cutting the deficit in half. We invested in education and training. We expanded exports through tough trade agreements, like the ones that opened Japan to our autos and auto parts. And we shrunk and reformed the government, so that it is now the smallest since 1965.

Thanks to the hard work and ingenuity of the American people, the economy is now growing, steady and strong. We have created 8.4 million jobs, nearly all of them in the private sector, since 1993 -- and over half of them are now in high-wage industries.

We have the lowest rates of unemployment and inflation in 27 years. We have record numbers of new small businesses. Key industries such as autos and telecommunications now lead the world. And we have halted the decade-long slide in real hourly earnings.

But this is a record to build on -- not to sit on. In my State of the Union, I said that one of the main challenges we face is to make sure that the new economy doesn't leave anyone behind. We have to make sure that every American has the education and training, the health care, and the safe pension to be secure in this time of change. We have to get wages rising again in this country.

And we must make sure that our lowest-paid workers keep up. That is why I cut taxes for the working people, through the Earned Income Tax Credit. And that is why we must make sure the minimum wage is a living wage.

Today, the minimum wage is \$4.25 an hour. Over many years, both political parties have worked together to make sure that it keeps up with the cost of living. In 1989, the current leaders of both the House and the Senate joined together with Democrats and Republicans to raise the minimum wage. It went fully into effect exactly 5 years ago, this Monday.

But since then, the minimum wage has stayed unchanged, while the cost of living goes up. This year, if Congress doesn't raise the minimum wage, it will drop in value to a 40 year low.

That is why I have proposed that the Congress increase the minimum wage from \$4.25 an hour to \$5.15 an hour. For a parent working full-time, this 90 cent an hour increase would help pay for groceries for 7 months . . . or four months of rent . . . or months of child care. Ten million Americans would benefit -- 70% of them adults.

These are among our hardest working people. Six out of ten of them are working women, many trying to raise children and hold things together. Others are just getting started in the workforce, trying to get a hold on the first rung in the ladder. All of them are trying hard to do the right thing. Raising the minimum wage would honor work and family. We should not leave behind anyone who is willing to work hard, as our country moves forward.

A majority of Senators supports an increase in the minimum wage. But the Republican leadership of the Senate has refused to allow the minimum wage even to come up for a vote.

In fact, a Member of Congress made more during last year's one-month government shutdown than a minimum wage worker makes during an entire year.

Over the past five years, while the minimum wage has been stuck at \$4.25 an hour, a Senator's salary has gone up by a third. That's wrong. I challenge the Republican leadership to stop blocking a vote, and pass an increase in the minimum wage. And Congress should vow that the next time they want to raise their own pay, they should raise the minimum wage, too. We hear a lot of talk in Washington these days about family values -- but it's hard to raise a family on \$4.25 an hour.

We can do the right thing, while we create jobs and grow our economy. This is an age of possibility for our nation -- a time when more of our people will have the chance to live out their dreams than ever before. But we need to make sure that every American can become a winner of economic change. If we don't want to grow apart as a people, we must grow . . . together.

THE WHITE HOUSE
WASHINGTON

9/6

Cheryl -

This is another doc.
Harold would like to give
to Morris if he can.
Please review & let me
know. The data is all
public, but obviously
there are White House
opinions here.

Thanks

Jennifer -- - Jen O'C

This is not public

Room 111

information -- I would

allow him to review but

not to have copies.

6-63SD (I'm assuming
it's so he can
advise POTUS
in off. capacity)
CPM 10/17/95

file

~~Label~~

Minimum Wage
Executive
Order

AFL-CIO

815 Sixteenth Street, N.W.
Washington, D.C. 20006*give
labour
min.
wage*

Telecopier Transmission

Date: Mar 29, 1996FAX To: Frank / Jennifer
+ ShanaFAX Phone Number:
456 7929
(2464)Please give a copy
to Rebecca AmmanFrom: Gerry Shee
Department: _____

Comments:

ThanksThere is/are 4 pages following
this cover sheet. Please call the
following number if you have any
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President's Office
202/637- 5224We can automatically receive
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. list	re: AFL-CIO and event information [Personally Identifiable Information] [partial] (1 page)	03/29/1996	b(6)

COLLECTION:

Clinton Presidential Records
Chief of Staff
Jennifer O'Connor
OA/Box Number: 8154

FOLDER TITLE:

Labor - Minimum Wage Executive Order

2016-0531-F
jm1829

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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

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

RR. Document will be reviewed upon request.

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

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Pres. Clinton Radio Broadcast

List of information for the AFL-CIO representatives attending tomorrow
at 9:30 a.m.:

John J. Swccney, AFL-CIO President
PH. 202/637-5221
FAX 202/508-6946

(b)(6)

[003]

Clayola Brown, AFL-CIO Vice President
International Vice President, UNITE
PH. 212-206-8900
FAX 212/206-9179

(b)(6)

Mr. Joslyn (Josh) N. Williams, President
AFL-CIO Metropolitan Washington Council
PH. 202/289-7174
FAX 202/371-0168

(b)(6)

Mr. Edward A. Mohler, President
Maryland State and D.C. AFL-CIO
PH. 410/269-1940
FAX 410/280-2956

(b)(6)

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004. profile	re: AFL-CIO officers [Personally Identifiable Information] [partial] [Duplicate of 002] (1 page)	03/29/1996	b(6)

COLLECTION:

Clinton Presidential Records
Chief of Staff
Jennifer O'Connor
OA/Box Number: 8154

FOLDER TITLE:

Labor - Minimum Wage Executive Order

2016-0531-F
jm1829

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
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RR. Document will be reviewed upon request.

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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

AFL-CIO Officers**John J. Sweeney, President**

John J. Sweeney was elected president of the AFL-CIO at the federation's biennial convention in October 1995. At the time of his election, he was serving his fourth four-year term as president of the Service Employees, which grew from 625,000 to 1.1 million members under his leadership. Sweeney had been a vice president of the AFL-CIO since August 1980.

(b)(6) began his trade union career as a research assistant with the Ladies' Garment Workers. He joined SEIU in 1960 as contract director for Local 32B in New York City. He later became president of the union and led two citywide strikes of apartment maintenance workers. He was elected president of the international in 1980.

[004]

Clayola Brown, UNITE!

Clayola Brown is vice president of the Union of Needletrades, Industrial Textile and Employees, a post to which she was elected at the union's founding convention in July 1995. (b)(6) Brown was elected AFL-CIO vice president on Oct. 26, 1995. She also serves as director of UNITE's Department of Civil Rights and as manager and secretary-treasurer of the Amalgamated Service and Allied Industries Joint

Board in New York.

A graduate of Florida A&M University, Brown is a board member of Amalgamated Bank of New York and chair of the NAACP Labor Ad Hoc Committee. She also serves on the executive committees of the Workers Defense League, A. Philip Randolph Institute, Coalition of Labor Union Women, Coalition of Black Trade Unionists and Southern Christian Leadership Conference.



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401 • Balto. 269-1940 • D.C. 261-1400
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Edward A. Mohler

Edward A. Mohler is the President of the Maryland State and District of Columbia AFL-CIO which represents over 325,000 union members. Before being elected President in 1989, he served as Secretary-Treasurer of the same organization for twelve years. He has been involved in union activities throughout his professional life. As a member of the Communications Workers of America, a lobbyist and organizer for American Federation of State, County and Municipal Employees.

He is married to Barbara J. Mohler. They have six sons and reside in LaPlata, Maryland.

opeiu#2
afl-cio

Mr. Joslyn N. Williams

President, Metropolitan Washington Council, AFL-CIO

An AFL-CIO umbrella organization of 172 locals representing 200,000 union members and their families in the District of Columbia and 5 Maryland counties.

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

b6
min wage



Telecopier Transmission

Date: 4-8-96

FAX To: Jennifer O'Connor

FAX Phone Number:

456-7929

From: Gerry Shea

Department: Asst to the President for Govt Affairs

Comments:

There is/are 12 pages following
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American Federation of Labor and Congress of Industrial Organizations



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April 4, 1996

TO: ALL NATIONAL AND INTERNATIONAL PRESIDENTS

Dear President:

Last Thursday both the Senate and the House voted not to allow a minimum wage increase to be voted on. At a time when corporate profits and executive salaries are soaring and wages of all workers need to be rising, failure to increase the minimum wage after five years has become a powerful symbol of congressional leaders' disregard for working people.

Congress should not and will not get away with this failure to meet working families' needs if we move quickly into action.

Background. In the Senate last week an amendment to raise the minimum wage from \$4.25 an hour to \$5.15 an hour in two annual increments of \$0.45 was filibustered to death. The vote last Thursday to break the filibuster failed 55 to 45. All Democrats were joined by eight Republicans -- a clear majority of the Senate -- in an attempt to break the filibuster and vote on an increase in the minimum wage. The Senate proponents of a minimum wage increase have said they will offer such an amendment again and again until it prevails.

In the House last week a motion was made to include in legislation raising the federal debt limit an increase in the minimum wage from \$4.25 an hour to \$5.15 an hour in two annual increments of \$0.45. The motion was objected to by the Republican leadership, and the House consequently voted on whether to consider the motion to include in the pending legislation an increase in the minimum wage. The vote was 192 to 228 not to consider the motion to increase the minimum wage, with five Democrats voting against the motion and seven Republicans joining 185 Democrats voting for the motion.

Action Steps. We need to move out aggressively and loudly to call attention to the Congress's disregard of working families' needs and sense of fairness.

Beginning this week the AFL-CIO and its unions will be mobilizing at the grassroots level in congressional districts around the country to attempt to achieve a majority for a minimum

wage increase in the House. I urge you to have your local members contact those members of congress who voted against the minimum wage last week. Additionally, there will be concentrated grassroots mobilization efforts -- which will include TV and radio ads, direct mail, public events and workplace leafleting -- in at least 29 districts of members who voted against the minimum wage increase on March 28.

Enclosed is a list of the districts for concentrated activities with the assigned AFL-CIO staff and, where available, the contact person in a union that has volunteered to take responsibility for a multi-union and coalition event in the district. I urge you to contact your local people to encourage their participation in bringing the House of Representatives to its senses about the needs of workers in this country.

Enclosed as well for your information and use is information on how Senators and Representatives voted on the minimum wage, scripts for the TV and radio spots, information on where they will run, and a copy of the flyer that has been prepared for workplace distribution. The direct mail piece is virtually identical to the flyer, and both relate to a 6'x 3' "report card" which will be used to grade members of congress on their performance in many of the public events that are being set up.

We want to be visible educating and mobilizing our members on issues that working people care about. This is one of those times of opportunity and responsibility we cherish.

Sincerely,

A handwritten signature in dark ink, appearing to read "John J. Sweeney". The signature is fluid and cursive, with the first name "John" and last name "Sweeney" clearly distinguishable.

John J. Sweeney, President

APRIL 1996 RECESS C.D. ASSIGNMENTS

April 5, 1996 2:00 p.m.

STATE	C.D.	MEMBER	AFL-CIO STAFF	LEAD AFFILIATE	ACTIVITY
AR	04	Jay Dickey	Marlene Nevé until 4/8 Tulsa 918- 492-0576 Fax: 2607 4/8 AR State Fed., Little Rock 501-375-9101	IBT Ron Heath Local 73 Marlene knows him	IBT April 13 Hot Springs
CA	01	Frank Riggs (Right on min. wage)	Patti Garcia	AFSCME (will help) Judy Steinke 919-441-1570 Fax 919-441-3426	NO MINIMUM WAGE ACTIONS
CA	22	Andrea Seastrand	Sal Lopez c/o Embassy Suites 333 Madonna Rd., Rm. 342 San Luis Obispo, CA 93405 805-549-0800	AFSCME (will help) Andrea Strader 202-429-1183 Fax 202-22-3413	
CT	04	Christopher Shays	Not yet assigned		
CT	05	Gary Franks	Mike Noonan CT State AFL-CIO 56 Town Line Road Rocky Hill, CT 06067 203 571-6191 Should arrive on <u>Monday</u>	IBT Bob Nicklas, Leg. Dept. 202-624-8741 AFSCME (will help) Dominic Badolato 860-224-4000 Fax 860-224-3041	IBT April 11 @ 11 a.m.; Rep. Franks' ofc. 135 Grand St. Waterbury, CT
IA	04	Greg Ganske	Mark Smith, State Fed 2000 Walker Street Des Moines, IA 50317 515-262-9573	AFSCME (will help) Jan Corderman 515-246-1517 Fax 515-244-6467	State Fed Press Conference April 10 @ 11 am at State Fed
IL	05	Michael Flanagan	Charlie Stott, Reg. I 3315 Algonquin Road Suite 415 Rolling Meadows, IL 60008 708-255-4747		
IL	11	Jerry Weller	Charlie Stott	NALC Frank Kiefor 708-335-0222	NALC event TBA

IN	08	John Hostettler	Carlos Carillo, So IN CLC 210 N. Fulton Ave Evansville, IN 47710 812-422-2552	IUE Ray Oost 812-424-7596 Fax 812-424-7598 AFSCME (will help) Cordelia Lewis 317-624-6604 Fax 317-624-6609	IUE event TBA
KS	04	Todd Tiaht	Harry Helser		
KY	01	Ed Whitfield	Jean Davis Holiday Inn Express 3994 Hinkleville Rd Paducah, KY 42001 502-442-8874 x316 Fax 502-443-3367	AFSCME (will help) Ron Reliford 901-525-3286 Fax 901-525-4822	
MD	02	Robert Ehrlich	Kevin Kistler Reg 3 Beulah Carter Reg 3 410 644-1010		
MA	03	Peter Blute	Rich Rogers MA State Fed. 617 227-8260	AFSCME (will help) Peter Wright & Charles Steffani 617-367-6000 Fax 617-367-6018	
MA	06	Peter Torkildsen (Right on min. wage)	Rich Rogers MA State Fed.	IUE Steve Herrick 617-598-2760 Fax 617-595-8770 AFSCME (will help) Wright & Steffani	IUE event TBA NO MINIMUM WAGE ACTIONS
ME	01	Jim Longley	Barbara Niccoli IBEW Local 567 240 Old Gray Rd Salmouth, ME 04105 207-797-8973 FAX 207-797-4041 Ken Morgan Maine State Fed. 207-947-0006	IBT Vaughn Thompson 207-767-2106 AFSCME (will help) John Basso 207-622-6191 Fax 207-622-6550	IBT Cancelled
MI	08	Dick Chrysler	Ken Fletcher MI State Fed 419 S. Washington Ave Lansing, MI 48933 517 487-5966	UAW (will help) Bruce McAttee 517-372-7201 AFSCME (will help) Pierrette Talley 517-374-1000 Fax 517-374-1007	

MS	03	Sonny Montgomery	Not yet assigned		
NE	02	Jon Christensen	Pat Jones, Omaha St 3000 Farnam Street Ste 5 East, Twin Towers Omaha, NE 68131 402-344-7149 Fax 402-346-6669		
NY	23	Sherwood Boehlert	Not yet assigned		
NY	25	James Walsh	Not yet assigned		
NC	04	Fred Heineman	Not yet assigned Inform State Fed- Chris Scott 919-833-6678	AFGE Ken Smith, Local 2345 919-286-0411 x 7250 Fax 919-286-1885; Bob Mechan, Leg Dpt. 202-639-6437 Fax 202-639-6492 NALC (will help) Tom Foust, retiree & State Pres, NALC 919-420-5248	AFGE Demonstration April 13 - 11:00 am North Raleigh - intersection of 6 Forks Rd. & Rowan (Middle School, site of media event, is on NE corner; Heineman's office)
NV	01	John Ensign	Victor Muñoz 5010 Indian River Dr. Apt. 439 Las Vegas, NV 89103 702-221-7938 FAX 702-452-9537 Danny Thompson, NV State Fed	IBT Mark Shumar, Local 631 (after 4/1/96) 702-385-1455; Bob Nicklas, Leg. Dept. 202-624-8741 AFSCME (will help) Bob Gagnier 702-882-3910 Fax 702-882-1202	IBT April 4, 5:30 pm outside of Ensign Town Hall mtg in Las Vegas
OH	01	Steve Chabot	John Klein c/o Rina Saperstein 6434 Pace Cincinnati, OH 45213 513 631-8930 SF 513-421-1846 Fax 513-345-8833	AFSCME Ron Malone Ralph Eckhardt 614-523-7750 Fax 614-523-7553	AFSCME event TBA

OH	06	Frank Cremeans	Not yet assigned	AFGE Jeaneen Summers, Local 1631 614-773-1141 x7440 Fax 614-772-7046; Bob Mechan, Leg Dpt. 202-639-6437 Fax 202-639-6492	AFGE Demonstration April 13 - 12 noon
OH	10	Martin Hoke	Clarence Frost Cleveland CLC 216-881-7200 Fax 216-881-9025	AFSCME Ron Malone Ralph Eckhardt 614-523-7750 Fax 614-523-7553 OH State Fed.	AFSCME/SF Hoke/LaTourette 4/10 11:30 a.m. Cleveland AFL-CIO Laborer's Union Hall 3250 Euclid Ave. Cleveland, OH
OH	19	Steve LaTourette	Clarence Frost	Ditto	See Above
OR	05	Jim Bunn	George Curtin NW OR CLC 1125 S.E. Madison St Suite 103-A Portland, OR 97214 503-235-9444 Fax 503-233-8259	AFSCME Ken Allen 503-370-2552 503-244-7693	
TX	12	Pete Geren	Not yet assigned		
TX	09	Steve Stockman (Right on min. wage)	Gary Horton 2102 Mechanic Ste. 304 Galveston, TX 77550 CC 409 737-3993 765-8545 FAX 409 765-8630		Press Conference Monday 1:30 p.m., Texas City Labor's Univ. Hall NO MINIMUM WAGE ACTIONS
TX	14	Greg Laughlin	Doug Richardson Reg. 4 office 812 San Antonio St Austin, TX 78701 512-477-1811		

WA	01	Rick White	Dave Watson Reg. 9 office 206-431-1343 Diane McDaniel WA State Fed 206-281-8901 Fax 206-285-5805	AFSCME Bev Hermanson 360-352-7603 Fax 360-352-7608	AFSCME/SF event TBA
WA	09	Randy Tate	Dave Watson	Ditto	Ditto
WI	01	Mark Neumann	Diane Ebenreiter 6333 W. Bluemound Milwaukee, WI 53213 SF 414-771-0700 Sarah Rogers, St. Fed	IBT Ray DeHahn, Local 43 414-633-6387	IBT April 13 @ TBA in Racine

On March 28th the Senate failed to achieve cloture on debate on the Kennedy-Kerry minimum wage amendment. The vote was 55-45. All Democrats voted for cloture, as well as the following eight Republicans:

Jeffords (VT)
Cohen (ME)
Snowe (ME)
D'Amato (NY)
Hatfield (OR)
Roth (DE)
Specter (PA)
Santorum (PA)

On March 28th the House failed to recommit the debt ceiling bill with instructions to report the bill back to the House with the increase in the minimum wage included. The vote was 192-228. Only seven Republicans voted for the increase; five Democrats voted against:

Republicans Voting For

Duncan (TN)
Gilman (NY)
Leach (IA)
Riggs (CA)
Smith (NJ)
Stockman (TX)
Torkildsen (MA)

Democrats Voting Against

Baesler (KY)
Brewster (OK)
Geren (TX)
Hall (TX)
Montgomery (MS)

Members Not Voting

Bryant (D-TX)
Collins (D-IL)
Diaz-Balart (R-FL)
Fields (D-LA)
Filner (D-CA)
Fowler (R-FL)
Gingrich (R-GA)
McNulty (D-NY)
Ros-Lehtinen (R-FL)
Smith (R-WA)
Stokes (D-OH)
Weldon (R-PA)

Unless otherwise indicated above, Democrats voted for and Republicans voted against.

CREER, MARCOLIS
MITCHELL, BURNS
GMMB&A
& ASSOCIATES, INC.

AFL-CIO

TV :30

"1991"

g:\aflcio\1991

REVISED DRAFT - 04/03/96 9:45 AM

VIDEO

**Average guy sitting at his kitchen table,
speaking to camera.**

CG move:

1991: \$4.25 an hour

Graph: minimum wage vs. Corporate profits.

Hard-at-work shots.

CG move:

1996: Still \$4.25 an hour

Back to kitchen table.

Cut to Capitol Dome, working family.

**Add CG: Call Reps. Funderburk and Heineman
1-800-number**

Raise the minimum wage.

AUDIO

**1991 - THE MINIMUM WAGE WAS FOUR
DOLLARS AND TWENTY-FIVE CENTS AN
HOUR.**

**SINCE THEN, CORPORATE PROFITS AND
CEO SALARIES HAVE SOARED.**

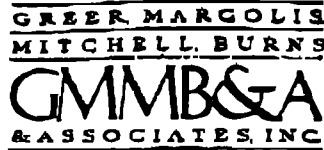
**BUT WORKING FAMILIES HAVE LOST
GROUND.**

**AND THE MINIMUM WAGE IS STILL JUST
FOUR TWENTY-FIVE AN HOUR.**

**OUR CONGRESSMAN
(CONGRESSWOMAN/CONGRESSMEN)
VOTED TO BLOCK A MINIMUM WAGE
INCREASE... AFTER HE (SHE/THEY) VOTED
TO CUT MEDICARE, CUT COLLEGE LOANS,
ALL TO GIVE A TAX BREAK TO THE RICH.**

**LET'S TELL CONGRESSMEN ^AFUNDERBURK
~~AND~~ HEINEMAN - RAISE THE MINIMUM
WAGE...**

**AND START VOTING FOR AMERICA'S
WORKING FAMILIES.**



AFL-CIO

Radio :60

"1991"

g:\afcio\1991 Radio

04/03/96 - 10:29 AM

ANNCR: 1991. The minimum wage was four twenty-five an hour. Since then, corporate profits have soared and CEO salaries have skyrocketed. But working families have lost ground.

And the minimum wage is still just four twenty-five an hour. Who can raise a family on less than nine thousand dollars a year?

Think about this. Our Congressman (Congresswoman/Congressmen) made more while he (she/they) shut down the government for three weeks than a family earning minimum wage will make in a whole year.

Truth is, our Congressman (Congresswoman/Congressmen) actually voted to block a minimum wage increase. That's after he (she/they) voted to cut Medicare and cut college loans - all to give a big tax break to the rich.

Three out of four Americans agree, without an increase in the minimum wage, millions of working families will keep falling further behind.

Call 1-800-number. Let's tell Congressmen Funderburk and Heineman - raise the minimum wage. 1-800-number. Tell Congressmen Funderburk and Heineman to start voting for America's working families. Now that would be a change.

A message from the working men and women of the AFL-CIO.

AFL-CIO MEDIA PLAN - REVISED 4/4/96**TELEVISION**

Jay Dickey
Gary Franks
Andrea Seastrand
John Hostettler
Greg Ganske
Todd Tiaht
Ed Whitfield
Dick Chrysler
Jon Christensen
John Ensign
Steve Chabot
Frank Cremeans
Greg Laughlin
Randy White and Rick Tate
Mark Neumann
Jim Longley
Jim Walsh and Sherwood Boehlert
Fred Heineman
Jim Bunn
Joe McDade

RADIO

Chris Shays
Peter Blute
Michael Flanagan and Jerry Weller
Robert Ehrlich
Martin Hoke and Steve LaTourette

Congressional Report Card

Congressman: Jay Dickey

ISSUE

GRADE

Narrowing The Wage Gap

Congressman Dickey voted against considering an increase in the minimum wage — the one step the Congress could take immediately to narrow the wage gap between the rich and the rest of us. H.R. 3136 (3/28/96)

F

Standing Up for Families and Seniors

Congressman Dickey voted to slash Medicare and Medicaid — the two programs seniors and disabled workers depend on — causing the average senior's health care costs to increase by \$500 per year and allowing states to require adult children to pay for their parents' nursing home care. H.R. 2425 (10/19/95) and H.R. 2491 (10/26/95)

F

Providing Educational Opportunities

Congressman Dickey voted for more than \$4 billion in cuts in elementary, secondary, and vocational education programs, as well as cuts in youth jobs programs. He also voted to cut student loans by \$10 billion. H.R. 2127 (8/4/96) and H.R. 2491 (10/26/95)

F

Protecting Our Safety On The Job

Congressman Dickey voted to end inspection of many worksites by slashing funds for enforcement of safety and health on the job. He voted not only to stop an important new safety rule, but to prohibit the government from collecting any relevant data to prove there is a workplace hazard. H.R. 2127 (8/4/96)

F

Protecting Your Rights as Workers

Congressman Dickey voted for the so-called "TEAM Act," which allows employers to control who represents employees in discussions about wages, hours and other working conditions. H.R. 743 (9/27/95)

F

Putting the Right Balance in the Budget

Fair Spending. Congressman Dickey followed Newt Gingrich's lead and voted for drastic cuts in programs that working families need for health care, decent schools, safe streets and safety on the job, when there was a fairer, compromise alternative plan.

Fair Taxes. Congressman Dickey voted for a tax plan that gives \$245 billion in tax breaks to primarily upper-income people and corporations. It gives \$8,500 to someone earning \$350,000 a year, while the average working family would get a \$31 break and poor families would actually pay more.

President Clinton vetoed the package. H.R. 2491 (10/26/95)

F

Call 1-800-96AFLCIO

Tell your member of Congress to start supporting working families!

Name	Date
<i>Paul Racine</i>	<i>3/12/99</i>

Counsel