Kusnet   Laborers Intl

They are mob.
Good question
Run a check on Coia - may be cleaner
Dynasty - father-son who were
Coia - if he's mob he's like the last generation
of Godfather
They were only union that supported NAFTA
Shows they have no principles
Now that Pres of Teamsters are clean - they're as
close to mob
(Hotel + Rest. ...etc.)
Don't tell them how ~~[illegible]~~ great they are
Represented lowest paid construction workers / lots of blacks.
Coia v. smart; young + personable;
Fosco - father/son predecessors from Chicago
Coia most respectable they've had in a long time

Cuomo addressed NY branch in gov's. race
(Ne[illegible]s Coia)

FIRST LADY HILLARY RODHAM CLINTON
LABORERS INTERNATIONAL UNION OF NORTH AMERICA
MIAMI, FLORIDA
FEBRUARY 6. 1995

[Acknowledgements: Arthur A. Coia (LIUNA General President); Executive Board]

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I want to talk to you today about the future and what the President and his Administration are doing to make it brighter for hard-working Americans. You know what it means to work hard for a living, to strive for what is best for yourselves and your families. And for your work, for the commitment you make every day to your family, your job, and your community, you should be rewarded with opportunities to fulfill your potential as a professional and as a person.

The President's economic agenda has begun to reverse our economic decline: under his leadership we have created 5.6 million new jobs; we have lowered the deficit by $700 billion; and as the Labor Department reported on Friday, the combined unemployment and inflation rate is at a 25-year low.

But too many Americans still feel like they are working harder for less. Our workplaces are changing. Even though we have created all those jobs in the past two years of this administration, many people haven't seen a pay raise out of this recovery. Unfortunately, too often it is those who work hardest for their living that receive the least in return. For the last fifteen years, the top 20% of Americans have had a dramatic increase in their income, while the income of the other 80% barely grew at all or actually declined.

A large part of the problem is a widening skill gap in which a male college graduate today earns 83% more than a man with only a high school degree. That is why the President has made education such an important part of his agenda. It's why he has worked to make it easier and more affordable to get college loans. And it's why the President proposed the Middle Class Bill of Rights --which he says should be called the Middle Class Bill of Rights and Responsibilities -- to help people invest in their children's education and in their own training and skills.

The President is committed to spending the next two years working on lifting incomes and prospects and optimism and real hope for the future among people who are carrying the load for this country. That's what the Middle Class Bill of Rights and Responsibilities is all about. Responsibilities is in there because it doesn't help anybody who is not already doing something for himself or herself.

First of all, this nation needs to show its support for families, so the President is proposing a child tax credit of up to 500 for each child up to 12 years old, for families with incomes of $75,000 or less.

Second, the desire for further education ought to be rewarded, not punished, so people should be able to deduct up to $10,000 on their tax returns for tuition for college, community college, graduate schools, vocational college, and worker retraining.

Third, since every American needs the skills necessary to prosper in our changing economy, the President plans to take the billions of dollars the government now spends on 60 different training programs and give it directly to you, to pay for training if you lose your job or want a better one.

Finally, the President's plan will help middle-income people save money by allowing every American earning under $100,000 to put $2,000 a year tax-free in an Individual Retirement Account (IRA). But this is money to live on, not just retire on. You will be able to withdraw from this fund, tax-free -- money for education, medical expenses, the purchase of a first home or the care of an elderly parent. This empowers you to solve your own problems. It requires no bureaucracy and it requires no program. It just lets you withdraw the money you save, tax-free, to solve a problem for yourselves.

The Middle Class Bill of Rights furthers the three main objectives the President laid out when he ran for president. It helps us build a new economy. The more people we educate, the more powerful our nation will be, the stronger our economy will be. It helps build what the President has described as a New Covenant -- offering more opportunity to people if they exercise the responsibility to take it. And it changes the way government works. Government is used to help expand opportunity, but in a less bureaucratic, more empowering way.

Many of your members work in the hardest, most physically demanding, most dangerous jobs. They literally give their sweat and blood to earn a living. It is people like the construction, maintenance, clerical, and food service workers who go to work to keep our country functioning day in and day out that the President has in mind as he pushes for his agenda.

Let me give you some examples of this Administration's initiatives to make life better for millions of working Americans.

First of all, the President has worked since his inauguration to try to get this economy back on track. In addition to the economic progress I mentioned earlier, the President has also fought to expand the Earned Income Tax Credit -- a tax cut for fifteen million working families earning under $26,000 a year. He signed the Family and Medical Leave law, designed to allow any worker take up to twelve weeks leave for illness or the care of a loved one without fear of losing his or her job. And now, the President is calling upon Congress to raise the minimum wage 90 cents to $5.15 per hour. He feels very strongly that the only way to expand the middle class and shrink the underclass is to make work pay. We can not realistically expect families to survive on jobs that pay $4.25 an hour.

And as he said in his radio address to the nation this past Saturday, if we are serious about welfare reform, then we must make work attractive and reward people who work hard. The President sincerely hopes that we will have genuine bipartisan, well-founded welfare reform legislation this year that will encourage work and responsible parenting. But we cannot hope to have it succeed unless the people we are asking to work can be rewarded for their labors.

In his State of the Union address two weeks ago, the President also related his vision for how society must change. He said we need to create a new set of understandings for how we can equip our people to meet the challenges of a new economy, how we can change the way our government works to fit a different time, and, most importantly, how we can repair the damaged bonds in our society and come together for a common purpose.

This is about making all of our immediate lives richer, but it's also about safeguarding our children's future by ensuring that the society we leave them is on solid footing. In the past two years this Administration has made a great deal of progress to bring back this nation's economy and to restore our traditions of community, responsibility and opportunity. The progress must continue. This is no time to turn back the clock on the working people of America. Thank You.

* * * * *

PRESIDENT WILLIAM JEFFERSON CLINTON
RADIO ADDRESS
WASHINGTON, D.C.
2/4/95

Good morning. I've got some good news. The Department of Labor reports that our economy produced more jobs in 1994 than any year in a decade. In two years the unemployment rate has dropped more than 20 per cent. We're creating jobs 8 times faster per month than in the four years before I took office. At this pace we'll create 8 million jobs by 1996.

We've fought hard to begin restoring the American economy and the American dream. We cut the deficit. We reduced the size of government. We expanded trade. We reformed the college loan program, and put the education of our children at the top of America's agenda again. And the economy's doing better.

But the truth is that far too many middle class families aren't doing better. Most of you are working harder than ever -- but your incomes aren't keeping up with your expenses. Your jobs aren't secure enough. You can't afford a vacation and you wonder how you'll afford college for your kids.

The great challenge we face today is to renew the fortunes of the middle class. We've always been the land of opportunity, a land where, if you work hard, you can get ahead. Those are the values that sustain us and that have made us a great nation. If we want to stay great, we must find a way to ensure that those who work hard and lift our nation get more for their efforts. We must make lifting your incomes -- and your prospects for future income -- a central part of our economic revival.

That is why we've been so strong on education -- because in this highly competitive economy more skills are the ticket to more income.

That's why we've cut taxes for working families. In 1993 when we cut taxes for 15 million working families with incomes under $27,000. Each of those families will pay about $1,000 less in taxes.

And that's why I've proposed a Middle Class Bill of Rights. It will make all expenses for education and training after high school tax deductible. Middle class families will get a tax cut of $500 for every child under thirteen. The Individual Retirement Account, or IRA, will be re-established, so you can save tax-free but also withdraw tax free for the cost of education, health care, first-time home-buying, or the care of a parent. And instead of 70 confusing and over-lapping job-training programs, those who need more training and skills will get a simple voucher to go to the school of their choice.

These targeted tax cuts will raise middle class incomes in the short term, and the long term. They shine the light on those who make the right choices for themselves, their families, and their country. This is what we should be doing.

There is one other very important step we can take to strengthen the middle class and shrink the underclass. It's to honor work by making certain that anyone who works can support their families and live in dignity.

That is why I call on Congress today to raise the minimum wage 90 cents to $5.15 an hour.

The minimum wage currently pays $4.25 an hour. In terms of purchasing power it'll soon be worth what it was worth 40 years ago.

Yet two and a half million Americans -- often women with infants and young children -- are working all over this nation earning $4.25 an hour. If we raise it we can help those children get off to a better start.

We can help discourage welfare. I am determined to end welfare as we know it. I will insist that anyone who can work goes to work. But it will be a lot easier to move people from welfare to work if work pays a little more.

Raising the minimum wage slightly will help build the middle class and strengthen the underclass. It will also demonstrate that we are a fair and compassionate people. Members of Congress who have been here just 28 days have already earned more than someone working full time at the minimum wage will earn all year.

We can do better. No one can live on $4.25 an hour. We should raise it and raise it now.

I want us to work together on this. Just a few years when we last adjusted the minimum wage both Parties in Congress voted overwhelmingly for raising it. My proposal will raise it the same exact per cent as we did then, and I'm hoping for the same results. This has always been a bipartisan issue, and it should remain above politics. This should be about casting a vote for ordinary Americans and middle class Americans. It's about rewarding their work and honoring their dreams.

They are, after all, the people who have made us the greatest nation on earth. Thanks for listening.

President William J. Clinton
Announcement Concerning the Minimum Wage
February 3, 1994

Today marks the completion of two full years of economic reporting under our Administration. This morning, the Department of Labor reported that over 6 Million jobs have been created since I became President.

As I am sure all of you remember, I promised the creation of 8 Million jobs over four years during the Presidential campaign. I am very proud to report today that we are well ahead of schedule.

1994 was the best year for job growth in a decade. Eight times as many jobs are being created per month than were created during the previous Administration.

The unemployment rate has dropped 20% since January of 1993. We are experiencing the lowest combined unemployment and inflation in 25 years. What's more, 92% of the job growth has been in the private sector -- and a majority of the jobs created have been high-wage jobs.

This is all good news -- and I am very proud of our record so far. But I am also very aware that all the good statistics in the world don't necessarily mean more money in the pockets of ordinary Americans. And despite all the progress we have made, millions of hardworking people are working ~~harder for less.~~ LONGER HOURS FOR LESS MONEY.

From the end of World War II until the late 70s, the income of all Americans rose steadily together. But from 1979 to 1993, the income of the top 20% grew significantly, and the income of the other 80% of America barely grew at all or dropped.

Much of the problem is ~~do~~ due to the widening skill gap: A male college graduate today earns 83% more than a man with only a high-school degree. That's why we've pursued an extensive and far-reaching education agenda. It's why we've made it easier and more affordable to get college loans. And it's why I proposed the Middle Class Bill of Rights to help people invest in their childrens' education and in their own training and skills.

But another, no less important part of the problem, is the declining value of full-time wages for many jobs. And I believe that if we honor the notion of work ~~then~~ anyone -- anyone -- who takes the responsibility to work full-time should be able to support ~~their~~ a family and ~~to~~ live in dignity.

That is why we fought so hard to expand the Earned Income Tax Credit last year, cutting taxes for 15 Million working families with low-incomes. And that is precisely why TODAY I am calling on Congress ~~today~~ to reward work by raising the minimum wage to $5.15 over the next two years.

The only way to build the middle-class and to shrink the underclass is to make work pay. And in terms of real buying power, the minimum wage will be at a 40-year low by next year. The simple truth is that you cannot make a living on $4.25 an hour.

I want to close with one observation about recent history. In 1990, Congress raised the minimum wage according to the exact same schedule I have proposed -- 45 cents a year, for two years. That increase was passed by overwhelming margins in both houses, with majority support from both parties.

This has always been a bipartisan issue and should remain one. Let's work together to make the minimum wage a wage you can live on.

Thank you.

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F.L. **HILLARY RODHAM CLINTON**
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give stats from page 4

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2/4/95

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# # #

LIUNA

I. PURPOSE

To attend the "Tri-Fund Conference" of the Laborers' International Union of North America, and give remarks on the Middle Class Bill of Rights and the President's agenda for American workers.

II. BACKGROUND

Laborers' International Union of North America (LIUNA)

With over 700,000 members in 650 local unions in the U.S. and Canada, LIUNA is one of the largest unions in the labor movement. Founded in 1903, the Washington-based union is best known for representing workers in construction and environmental clean up, although it has broadened its membership in recent years to represent food processing workers, mail handlers, maintenance workers and others. LIUNA's members do some of the toughest, dirtiest jobs in construction, like road and highway construction, and asbestos and other hazardous waste removal.

LIUNA has one of the most diverse union memberships, with a large percentage of African-Americans ~~members~~. Last week, Jesse Jackson led a LIUNA rally at a poultry processing plant in Mississippi. Jackson help LIUNA convince the predominantly African-American women workers at the plant, who had complained of unfair working conditions and unreasonable treatment, to join the union.

LIUNA has been long troubled by a reputation for being one of the most corrupt unions in the labor movement. For years, the union has been accused of mob ties and organized crime, and the Justice Department recently filed a civil racketeering case against the union (see below).

Federal Investigation

Last fall, the Justice Department filed a civil RICO complaint against the union in general, and LIUNA president Arthur Coia and executive board members in particular. The Justice complaint listed ~~a litany of~~ allegations concerning mob corruption and control in various locals around the country, similar to the case brought against the Teamsters in 1988. Specifically, the complaint seeks ~~it~~ to:

- Bar President Coia for life from any activities with the union
- Oust the Executive Board, although it may permit members (except for Coia), to stand for re-election
- Require that the LIUNA executive board is elected by the rank-and-file membership (Almost all union executive boards are elected by the presidents of local councils. The Justice Department sought similar remedy in the Teamsters case, and the Teamsters' executive board is now popularly elected by the entire union membership).

In response to the case, the union has suspended two of its international vice presidents, and the LIUNA executive board voted two weeks ago to adopt a code of ethics banning anyone with mob ties from membership. In a public statement by President Coia, the union publicly admitted for the first time that some of its local councils -- particularly in New York, New Jersey and Chicago -- have been dominated by organized crime for years.

Why is he under investigation?

Coia and the LIUNA leadership have launched a public relations effort to demonstrate that the union is cleaning itself up. Coia has a reputation for being a decent man who has tried to etch out mob presence and corruption in the union.

LIUNA and the Clinton Administration

LIUNA has been very supportive of the Clinton Administration, and was active during the 1992 campaign and the health care effort. LIUNA was the first labor union to endorse the Health Security Act.

Last year, the union prevailed upon the Labor Department to create the job rank of "construction craft laborer", instead of simply "laborer." Previously, no occupational title had been given to the work that LIUNA members -- who tend to be less skilled, and with less training than members of the other building trades -- perform. LIUNA feels that this new title enhances its members' marketability and esteem, and recognizes that laborers are becoming better skilled and trained.

Tri-Fund Conference

The purpose of this three-day conference is to bring together the union's three labor management funds, which are essentially working groups to help promote labor-management cooperation. The theme of the conference is "Partnering for Progress," and will focus on labor-management cooperation in general, and worker health and safety and education and training in particular. According to union officials, LIUNA was one of the first unions to concentrate on labor-management partnerships, before the concept became popular.

The audience of approximately 1,000 will be comprised of about 70% local union leaders and 30% local management leaders. The union has a substantial Canadian membership, representing about 10% of the audience.

You will be the last speaker at the opening day of the conference. You will be seated on stage with President Coia and members of the LIUNA General Executive Board.

Note: Following the event, you will have a xx-minute meeting with Sheila Copps, Deputy Prime Minister and Minister for the Environment in Canada (see attached briefing). Minister Copps is speaking at the conference on Tuesday.

LABORERS' INTERNATIONAL UNION OF NORTH AMERICA

File Feb

October 31, 1994

10-11 AM.

Ms. Patti Solis
Special Assistant to the President
Director of Scheduling
for the First Lady
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Patti:

Per our telephone conversation today, I am sending here the draft agenda for the Laborers' Tri-Fund Conference February 5-8, 1995 at the Fountainbleu Hotel in Miami, Florida.

We are delighted that Mrs. Clinton is confirming her appearance at the Conference. We have tentatively scheduled her address for 10:00 a.m. Monday, February 6, but of course will work with you to confirm the most convenient time for her appearance.

The nearly 1,000 labor and management attendees who will be present at the session are eagerly anticipating the First Lady's visit. Please convey the appreciation and best wishes of General President Arthur A. Coia to Mrs. Clinton.

Sincerely,

Linda L. Fisher

Linda L. Fisher
Director of Public Affairs

LLF:jc

HEADQUARTERS: 905-16th Street, NW • Washington, D.C. 20006-1765 • (202) 737-8320 • Fax: (202) 737-2754

Tentative Agenda

Tri-Fund Conference
The Fontainbleu Hotel
Miami, Florida
February 5-8, 1995

"Partnerships for Progress"

Sunday, February 5, 1995

1-6 pm	Registration
1-6 pm	Exhibits Open
5 pm	Beach Party

Monday, February 6, 1995

7-10 am	Registration	
7 am	Continental Breakfast	
8 am	Call to Order	Carl Booker
8:05 am	Presentation of Colors	University of Miami ROTC
8:15 am	National Anthems	Sgt. Yolanda C. Pelzer
8:25 am	Invocation	Father Lennon (confirmed)
8:30 am	Welcome	VP Bud Vinall
8:35 am	Intro.	Carl Booker
8:40 am	Keynote Address	Arthur A. Coia
9:00 am	Intro.	Rocky Wilkinson
9:05 am	Remarks	Bob McCormick, NCA Cochair
9:20 am	Intro.	Carl Booker
9:25 am	Remarks	Willie Lanier, Sr.
10:00 am	Intro. of Video	Carl Booker
10:05 am	Video	About the First Lady
10:10 am	Intro.	Arthur A. Coia
10:15 am	Remarks	Hillary Clinton
10:45 am	Adjourn	

10:45 am - 12:00 pm Workshops

Everything You Always Wanted to Know about Controlling Health Care Costs, but were Afraid to Ask

Workers Comp.:Reform the Right Way

Training for the Cleanup at HUD

Canada:Social Security Review

1:30 pm - 2:45 pm

Workshops
(LHSFNA workshop to be determined)

Environmental Remediation Task Force:Creating Jobs Through Partnering

Apprenticeship: Changing the Pick and Shovel Image

Tuesday, February 7, 1995

7 am	Continental Breakfast	
8 am	Call to Order	Carl Booker
8:05 am	Invocation	Father Lennon
8:10 am	Introduction	Carl Booker
8:15 am	Remarks	James Norwood
8:30 am	Introduction	Mitch Warren
8:35 am	Remarks	Howard Mock (confirmed) AGC Chair
8:50 am	Intro. of Video	Carl Booker
8:55 am	Environmental Partnering Video	
9:00 am	Intro.	Arthur A. Coia
9:05 am	Remarks	Robert Reich (waiting for response)
9:30 am	Intro.	Henry Mancinelli
9:35 am	Remarks	Sheila Kopps (verbal commitment)
9:55 am	Intro.	Arthur A. Coia
10:10 am	Remarks	Cardinal Law (confirmed)
10:30 am	Adjourn	
10:45 am - 12:00 pm		Workshops Everything You Always Wanted to Know about Controlling Health Care Costs, but were Afraid to Ask Workers Comp.:Reform the Right Way Training for the Cleanup at HUD Canada:Employment Equity Issues
1:30 pm - 2:45 pm		Workshops (LHSFNA workshop to be determined) Environmental Remediation Task Force:Creating Jobs Through Partnering Apprenticeship: Changing the Pick and Shovel Image

Wednesday, February 8, 1995

7 am	Continental Breakfast	
8 am	Call to Order	Arthur A. Coia
8:05 am	Intro.	Brian McQuade
8:10 am	Health & Safety Video	
8:25 am	Intro.	Carl Booker
8:30 am	Remarks	Doug Ross
8:50 am	Intro.	Carl Booker
8:55 am	Remarks	Michael Boggs
9:10 am	Intro.	Carl Booker?
9:05 am	Remarks	John Dunlop?
9:30 am	Intro.	Carl Booker
9:35 am	Archives Video	
9:50 am	Intro.	Carl Booker
9:55 am	Remarks	Pamela Reed (confirmed)
10:15 am	Remarks	Carl Booker
10:30 am	Adjourn	

10/19/94

1ST STORY of Level 1 printed in FULL format.

Chicago Sun-Times

February 1, 1995, WEDNESDAY, Late Sports Final Edition

SECTION: NEWS; Pg. 25

LENGTH: 271 words

HEADLINE: Fired Union Exec Serpico Sues to Get His Job Back

BYLINE: By Michael Briggs

DATELINE: WASHINGTON

BODY:

Sacked Chicago labor leader John Serpico on Tuesday accused a national union boss of sacrificing him to avoid racketeering charges.

The Justice Department also was criticized in a lawsuit filed on behalf of Serpico in U.S. District Court in Chicago.

It accused government lawyers of "giving aid and comfort" to Arthur A. Coia, general president of the Laborers International Union of North America, who Serpico claimed had been the prime subject of the Justice Department racketeering investigation.

Dan K. Webb, the Chicago attorney for Serpico, said the Justice Department had drafted civil racketeering charges against Coia.

The union boss used Serpico as a "sacrificial lamb" to persuade the government to drop demands for Coia's ouster, Webb said.

"If that's what it says, it's not true," said Robert D. Luskin, a union attorney. Luskin said he had not seen the lawsuit.

Webb said the draft racketeering case the Justice Department drew up against Coia and his union had not named Serpico.

Serpico and Samuel Caivano, a vice president who heads the union's New York and New Jersey operations, were suspended Jan. 19 at a union meeting here. At the same meeting, leaders of the labor organization adopted a new code of ethics banning anyone with mob ties from membership.

"Mr. Coia has trumped up charges of affiliating with organized crime against Mr. Serpico," Webb said.."

Serpico's lawsuit seeks to block a settlement between the Justice Department and the union. It seeks his reinstatement as a vice president of the union and a court order protecting him from disciplinary measures by the union.

GRAPHIC: Sun-Times Washington Bureau

LANGUAGE: English

MDC-ACC-NO: SERP01021995

LOAD-DATE-MDC: February 1, 1995

2ND STORY of Level 1 printed in FULL format.

THE ORLANDO SENTINEL

January 28, 1995 Saturday, CENTRAL FLORIDA

SECTION: LAKE SENTINEL; Pg. 6

LENGTH: 107 words

HEADLINE: MOUNT DORA WORKERS SNIP UNION TIES

DATELINE: MOUNT DORA

BODY:

City employees on Friday voted to toss out the union that has represented them since 1989.

Of the 60 employees who cast votes, 39 voted to disband the union. Twenty-one employees voted to keep the Laborers' International Union of North America.

The vote will not be official for 15 days or until both parties are given an opportunity to give reasons why the results should not stand, an official with the Public Employees Relations Commission said.

The general city employees in September 1989 became the first such group of workers in Lake County to unionize, charging that city government ignored their needs and broke promises.

LANGUAGE: ENGLISH

LOAD-DATE-MDC: January 30, 1995

4TH STORY of Level 1 printed in FULL format.

THE DALLAS MORNING NEWS

January 25, 1995, Wednesday, HOME FINAL EDITION

SECTION: TODAY; Pg. 5C

LENGTH: 1834 words

HEADLINE: A case that got the government's attention Harassment victims found speedy relief

BYLINE: Peter T. Kilborn, New York Times News Service

DATELINE: CLEVELAND

BODY:

CLEVELAND - After a decade of secretarial work with contractors, most recently earning $ 20,000 a year on the site of the Rock and Roll Hall of Fame and Museum in Cleveland, Jacqueline M. Lia says that she was accustomed to sexual innuendo, lewd jokes and video pinups on office computer screens. But nothing prepared her for Lance Carson.

There was, for example, the visit that Mr. Carson, a union steward, paid to her office trailer on Jan. 21, 1994, two days before her 28th birthday. "He told me, I don't have a red ribbon, but here's my birthday gift,' " Ms. Lia says. And then, she says, he exposed himself and asked her to perform oral sex.

Amy M. Beichler, 30, was a carpenters helper and a member of Local 310 of the Laborers' International Union of North America, earning $ 18.10 an hour. As steward, Mr. Carson, 37, was expected to defend workers. Last Jan. 27, Ms. Beichler says, he followed her into a trailer and locked the door. Then he exposed himself, "grabbed me from behind and stuck his tongue in my ear," she says.

The Dallas backlog.8C

UF1

Those were just the worst of Mr. Carson's offenses, which were detailed in complaints that the women later filed with the Equal Employment Opportunity Commission, the women say. And there was the retaliatory abuse from their male co-workers that finally forced them to quit their jobs: threatening calls at home and constant ridicule. They were threatened and, Ms. Beichler says, an attempt was made on her life.

The women's accusations against Mr. Carson became the grist for criminal charges brought in Cleveland Municipal Court. He pleaded not guilty to three counts of public indecency, but he was convicted last September and sentenced to 30 days in jail and fined $ 250. He is out on appeal.

These two women are among the handful of workers who are finding speedy relief from the EEOC, a federal agency that is known as agonizingly slow. It is so laden with charges of workers complaining of racial, sexual, age and other forms of discrimination that it can take up to a year before an investigation is started, and only a small minority of workers obtain favorable results.

"It can seem so big and sprawling with people twiddling their thumbs," says Dennis J. Niermann, the women's lawyer. "But it can really move. It depends on the case. It depends on the investigator."

And it depends on the purpose that the agency wants served.

Officials of the agency in Washington say that, given their limited resources, they watch for cases that resonate widely and might stop similar behavior elsewhere. Ms. Lia's complaint had little such potential. She was a secretary working in a field in which rules against sexual harassment have made some headway.

But Ms. Beichler was a laborer, wearing overalls and boots and working in a macho culture. In finding merit to her charges, the agency is warning the construction industry that the pinches and propositions that are wrong in the office are just as wrong in the cab of a crane.

The agency is understaffed and underfinanced, the EEOC and its advocates say; it's plodding and inefficient, say critics and many workers - the agency is so swamped with complaints that most take nine months to a year before investigators even start working on them. There were 97,000 unresolved cases at last count, many of which will never be resolved.

"We're very, very much aware that justice delayed is justice denied," says Susan L. McDuffie, director of the agency's district office in Cleveland, speaking of the frustrations of fighting a backlog filled with the pain and fears of thousands of workers. But a few cases, says Ms. McDuffie, "jump right out at us and demand immediate attention."

The Lia and Beichler cases did just that. The agency reacted only days after the women's complaints were filed, and finished most of its work in nine months - "lightning speed," says Mr. Niermann.

That the EEOC acted at all is unusual. Of the 54,908 sexual harassment complaints that it has received throughout the country during the last six years, the agency says 73 percent, or 40,082 cases, were rejected for insufficient evidence of discrimination or closed for other reasons.

Another 7,899 have been left adrift in the growing backlog of the unresolved. In the last six years, the agency has pushed just 991 sexual harassment cases to the threshold of a lawsuit.

But in the Lia and Beichler cases, the agency's Cleveland staff moved aggressively. Ms. Lia says the two investigators assigned to them were "horrified by what was happening." Says Ms. Beichler:

"They were not chintzy with the time they spent. They wanted every detail about everything on the job."

Ms. Lia filed her charges last Feb. 23, Ms. Beichler on May 16.

Just four months later, on Sept. 21, Ms. McDuffie of the EEOC's Cleveland office fired off the first of a series of weekly notices to the women and the five parties they had charged: Local 310 of the laborers union; the Hall of Fame; the prime contractor, the Turner Construction Co.; and two subcontractors, the Baker Concrete Construction Co. and the CECO Concrete Construction Co.

Ms. McDuffie alerted everyone that in most of the women's charges she had found "reasonable cause" to support a court case.

Her notices set the clock ticking on the next and final stage of her office's work - urging the union and businesses to conciliate by making agency-proposed payments to the women totaling at least several hundred thousand dollars each.

No conciliation

So far, conciliation has failed with Local 310 and Baker Concrete, which employed the women and Mr. Carson. Both maintain that they acted promptly when they learned of the charges. About three weeks after the women complained to Baker, the company dismissed Mr. Carson; the union stripped him of his stewardship and moved him to a job on another site.

Requests to reach Mr. Carson were unsuccessful.

The women say Mr. Carson's dismissal prompted retaliatory harassment by co-workers that the union and company did nothing to check and that forced them to quit their jobs last May.

With the failure of conciliation, Ms. McDuffie notified the parties on Nov. 18 that she had referred the cases to the agency's headquarters in Washington. Its five commissioners are now deciding whether to sue in federal court for violation of the 1964 Civil Rights Act's workplace provisions or, because the agency lacks resources, to lend the weight of their findings to lawsuits the women bring on their own. A decision is expected in a month or two.

Ms. Lia and Ms. Beichler say they suffered harassment of a particularly vulgar and threatening kind.

Baker Concrete's policy states that sexual harassment is "unacceptable and will not be tolerated." It urged workers to report incidents to supervisors and other company officials and promised confidentiality in investigating complaints.

Ms. Lia says the Cleveland public prosecutor's office told herno one would believe her last February, when she first tried to press criminal charges.

Ms. Lia began work at the Hall of Fame site in September 1993.

By November, she says, Mr. Carson "would come to my desk several times a day and make remarks." On Nov. 26, 1993, he paid a visit that would later become grist for one of three criminal charges.

She was alone, she says. "He came in and locked the door. He grabbed me around my shoulders, unzipped his pants and took his penis out," and asked her to perform oral sex. She refused and fled the trailer.

The next week, she says, she told Steve Crawford, Baker's project manager and her boss, about the incident. Mr. Crawford, she says, did then what he would do every time she complained: He banished Mr. Carson from the trailer. But Mr. Carson would return.

"The last time was Feb. 17," she says. "He grabbed my butt. I said, Don't do that.' He said, What are you going to do about it?' I said, Maybe I'll tell someone.' "

On Dec. 3, 1993, Local 310 assigned Ms. Beichler to the site.

Three days later, she says, Mr. Carson began the almost daily pestering that culminated in her being attacked in the trailer.

This became the basis of a second criminal charge.

Other workers taunted her, too. "One just reached out one day in front of another laborer and pinched my breast," she says. But she says Mr. Carson's behavior caused her to act.

Last Feb. 18, she says, she heard of Ms. Lia's travails. The two women talked, then went to Mr. Crawford.

Maribeth Garvin, Baker's lawyer, says Mr. Crawford "immediately called" the company's equal employment opportunity officers. She says Baker "acted immediately," as federal law requires.

Still, Ms. Lia was skeptical. "I felt I would get no satisfaction. The union was blaming Baker, and Baker was blaming the union." On Feb. 22, she went to the public prosecutor's office.

Discouraged there because she lacked a witness - Ms. Beichler would not yet go along - she went to the EEOC's Cleveland office the next day.

The agency first sent letters to Baker and the union for comment. Only then, Ms. Lia says, did the company begin to respond.

In early March, three company officers interviewed her.

Ms. Beichler says she refused to help at first because she feared that her co-workers would retaliate. Instead, she says, she complained to Chester L. Liberatore, head of Local 310, but he dismissed the complaint, accusing her of being thin-skinned.

Mr. Liberatore declined to be interviewed, but a lawyer for the local, Susan L. Gragel, says the union has no liability because Baker does the hiring and firing.

On March 11, the company dismissed Mr. Carson and the union moved him off the site, but Mr. Niermann, the women's lawyer, called this "a slap on the wrist." Baker also laid off Ms. Beichler. She says the company told her there was no longer enough work. Local 310 transferred her to a similar job with the CECO Concrete Construction Co.

Retaliation

By then, reports of the complaints were widespread, the women say, and threats and phone calls had begun. Ms. Lia says, "They told me they knew where my daughter went to school." Ms. Beich-ler adds that only a co-worker's intervention saved her from being crushed by a load from a crane.

Finally, on March 9, just before Baker and Local 310 acted, Ms. Beich-ler telephoned Ms. Lia's investigator at the EEOC Cleveland office and dictated an affidavit supporting her charge.

Ms. Lia's case might never have proceeded without Ms. Beichler's help - the affidavit she provided on March 9 and her own charges on May 19. The day before, Ms. Beich-ler says, she quit her CECO job, overwhelmed by the harassment. Ms. Lia quit in May, too.

The agency has the authority to sue employers but not individual workers. Mr. Carson was still on the job, albeit at another site.

So on July 11, Ms. Beichler joined Ms. Lia in visiting the public prosecutor's office. Two months later, Mr. Carson was convicted of public indecency.

GRAPHIC: PHOTO(S): Jacqueline M. Lia (left) and Amy M. Beichler were sexually harassed by a union official in Cleveland. (The New York Times: Roger Mastroianni)

LANGUAGE: ENGLISH

LOAD-DATE-MDC: February 1, 1995

7TH STORY of Level 1 printed in FULL format.

Chicago Sun-Times

January 20, 1995, FRIDAY, Late Sports Final Edition

SECTION: FINANCIAL; Pg. 39

LENGTH: 299 words

HEADLINE: Laborers Union Removes Top Local Official

BYLINE: By Patricia Moore

BODY:

The Laborers International Union of North America has removed a top-ranking Chicago official while a federal investigation of mob ties continues.

John Serpico, the politically connected president of the Chicago district office and an international vice president, was removed from his post as head of the international's grievance committee, said a union official who asked not to be identified.

In addition to his union post, Serpico heads the Illinois International Port Authority, the government unit that oversees shipping through the port on the city's Southeast Side.

Another international vice president, Samuel Caivano, was suspended as manger of the New York/New Jersey region.

The union also voted to adopt a code of ethics banning anyone with mob ties from membership, according to a report in Newsday.

A federal source and a former union officer confirmed that the U.S. Department of Justice has been investigating the union for alleged mob connection for two years. A similar investigation of the International Brotherhood of Teamsters in 1988 led to the federal appointment of a panel to oversee the union and the election of Ron Carey as a reform leader.

A spokesman for the union declined to comment, saying the men "are entitled to due process under the law."

Laborers International has 700,000 members nationally and about 20,000 in this area, ranging from construction and highway workers to the Chicago Park District and city Streets and Sanitation workers.

Serpico has served as head of the port authority since the 1970s and was reappointed twice by former Gov. James Thompson.

The report in Newsday suggests the union is acting to forestall a government takeover similar to that of the Teamsters.

Contributing: Michael Briggs in Washington, Newsday

LANGUAGE: English

MDC-ACC-NO: LAB20011995

LOAD-DATE-MDC: January 20, 1995

8TH STORY of Level 1 printed in FULL format.

The Toronto Star

January 20, 1995, Friday, FINAL EDITION

SECTION: NEWS; Pg. A4

LENGTH: 639 words

HEADLINE: Union refuses to release report Investigation unveils 'damaging' facts sources say

BYLINE: BY JACK LAKEY TORONTO STAR

BODY:

A powerful Metro union that hired Price Waterhouse to examine the books of its training centre over allegations of corruption has voted not to release the accounting firm's report to its membership and the public.

Sources say the report contains "veryd amaging" evidence regarding several officials with Local 183 of the Labourers' International Union of North America, including its president, Tony Dionisio.

Local 183 called in Price Waterhouse last November after the allegations of corruption and misuse of government funds at its training centre were revealed in The Star.

The union asked for an investigation after Star stories caused the federal and provincial governments - the main source of funding for the training centre - to cut off the cash.

'DAMAGE CONTROL'

The results of a two-month probe by Price Waterhouse were released to the training centre's board of trustees Wednesday, but a motion to suppress the audit was made by Dionisio and passed by the board.

Local 183 officials are "really worried about what the government will do after they see the audit," said a source who asked not to be named. "They are trying to do damage control."

The 40- to 50-page report allegedly says that Dionisio played a key role in arranging renovations at the home of a government manager who had approved $ 1.6 million in grants for the training centre, the source said.

Eric Ferguson, a manager of industrial adjustment services with the Department of Human Resources, is under investigation by Metro police for the renovations and other government contracts. He was interviewed for three hours yesterday by Detectives Rick Watts and Dan James of the fraud squad.

Police are also probing the role of Local 183 officials in the renovations, and how the $ 1.6 million training grant was spent.

Dionisio and other union officials did not return phone calls yesterday.

The audit confirms that jobsOntario funds - provincial government money for training laid-off workers in job-site construction skills - was instead used to build a Portuguese monument, as reported in The Star.

Copies of the report were distributed to training centre trustees and others to read at the seven-hour meeting. When it was over, the copies were gathered up and locked away, the source said.

"Nobody left the room with a copy. They really want to control how this information gets out."

Carl Fillichio, a spokesperson for the international headquarters of the laborers' union in Washington, D.C., said yesterday it had yet to receive a copy.

After reading the report at the meeting, Dionisio told a Price Waterhouse accountant that "he wanted a few things changed" in the report, the source said. Dionisio denied that he had sent workers to renovate Ferguson's home, insisting he had only asked for volunteers.

NDP FUNDRAISER But the accountant said no changes would be made.

Prior to the allegations, Dionisio was expected to replace business manager Michael J. Reilly, who retires next month, as the most powerful executive with Local 183.

Dionisio was co-chair of Toronto Mayor Barbara Hall's election campaign last fall, but resigned after The Star's stories.

The 15,000-member local is a staunch supporter of Premier Bob Rae's New Democrat government and hosted the most successful fundraising dinner ever held for the provincial party last winter.

Instead of releasing the audit, Local 183 issued a news release late Wednesday afternoon that said training centre trustees had "unanimously accepted" 12 recommendations made in the report.

The report advised the union to make changes such as hiring an administrator with good financial and accounting skills, improving the filing system and hiring staff on the basis of qualifications.

It made no mention of the evidence found by auditors.

LANGUAGE: ENGLISH

LOAD-DATE-MDC: January 21, 1995

9TH STORY of Level 1 printed in FULL format.

Newsday

January 19, 1995, Thursday, NASSAU AND SUFFOLK EDITION

SECTION: BUSINESS; Pg. A43

LENGTH: 272 words

HEADLINE: Laborers Suspend Two VPs;
NY regional manager let go in union's effort to come clean

BYLINE: By Kenneth C. Crowe. STAFF WRITER

BODY:

In an apparent effort to defuse a government takeover of the union, the Laborers International Union of North America yesterday suspended its New York / New Jersey and Chicago international vice presidents and voted to adopt a code of ethics banning anyone with mob ties from membership, according to several well-placed sources.

The two vice presidents, Samuel Caivano of New Jersey and John Serpico of Chicago, represented the two regions of the country where many Laborers locals have been dominated by organized crime for decades. Caivano also was removed from his appointed position as the powerful regional manager for the New York / New Jersey area. Latest available records show that Caivano was paid $ 226,311 in 1993 and Serpico, $ 110,124. Neither returned calls seeking comment.

Justice Department attorneys in Washington, D.C., and Chicago, working with FBI and U.S. Labor Department organized crime investigators, have been gathering evidence for the past two years for a possible national civil racketeering suit against the 700,000-member Laborers union - similar to the one brought against the Teamsters Union in 1988.

The Laborers staff a broad section of workplaces, from construction sites to post offices. Laborers International president Arthur Coia has been attempting to forestall the suit with high-profile actions to demonstrate that the huge union is cleaning itself up. Coia could not be reached to explain why he recommended the suspensions. The Laborers' General Executive Board adopted the ethics code and appointed three new officials with extensive investigative and disciplinary powers.

LANGUAGE: ENGLISH

LOAD-DATE-MDC: January 20, 1995

21ST STORY of Level 1 printed in FULL format.

THE HARTFORD COURANT

October 2, 1994 Sunday, STATEWIDE

SECTION: MAIN; Pg. A1

LENGTH: 1679 words

HEADLINE: BRIBE CHARGE LATEST TEST FOR UNION, LEADER;
TROUBLED LABORERS GROUP STANDS BEHIND LOPREATO

BYLINE: MARK PAZNIOKAS and
EDMUND MAHONY; Courant Staff Writers

BODY:

A federal grand jury says that Dominick Lopreato took $345,000 in bribes from Colonial Realty Co. in return for risky investments that may have cost his Connecticut Laborers' union pension fund $5 million.

One might assume that would make Lopreato a pariah among the Laborers, who work particularly hard for their money -- doing some of the dirtiest and most dangerous jobs in construction.

After all, there is no dispute that in his role as a pension fund trustee he helped make the Colonial investments that lost millions. And his best friend of 30 years, a colorful character named Ronald J. Welch, is ready to testify that Lopreato profited handsomely from the union's losses.

Welch, the son of one prominent union member, Johnny LeConche, and the cousin of another, Charles LeConche, is the government's star witness. Welch says he personally delivered the bribes from Colonial to Lopreato.

But the union stands by Lopreato, its leader for a quarter century.

It announced Thursday, a week after his indictment, that he is temporarily surrendering his unpaid position of pension trustee, but he is keeping his paying union jobs.

His lawyer, Edward J. Daly Jr., was joined Friday at Lopreato's arraignment by Anthony Traini of Providence, R.I., who is associated with the law firm of Arthur A. Coia, the Laborer's national leader. Lopreato, who pleaded not guilty, has declined to be interviewed.

Lopreato's friends say their support flows from loyalty and gratitude. Lopreato took the Laborers' dispirited, financially ruined Hartford local years ago and built it into a political and financial powerhouse.

"This local has $2 million in the bank and we own our own property," said Charles LeConche, the president of Hartford's Local 230 and business manager of the statewide District Council. "The council has $3 million in the bank."

His critics say the support is merely the latest evidence that the Laborers are not a democratically run union, but a place with a checkered history where no one can speak out without risk of being forever blackballed.

"We get complaints from Laborers all over the country," said Susan Jennik, a lawyer who directs the Association for Union Democracy. "Because it's construction, union representatives have total control over hiring. People complain frequently about blacklisting."

A federal administrative law judge concluded in 1988 that Lopreato had blackballed four union members who unsuccessfully challenged him in a union election. The judge ordered the union to pay about $250,000 in damages.

Dissidents in the union, who say they long have waited for federal authorities to investigate the Laborers in Connecticut, celebrated the news of Lopreato's indictment, albeit discreetly. Lopreato is still feared.

One man said he was so excited at the news he dropped his morning coffee.

If Lopreato is convicted, he will be barred by federal law from union activities for 13 years. "Dominick is almost 60," said one critic. "That'd be the end of game."

A comfortable life

Life in the union always has been good to Lopreato, whose birthday is Tuesday.

He was paid $117,288 last year for his position as secretary-treasurer of the statewide District Council and as the business manager of Local 230, the Hartford affiliate. He also had been manager of the council, but he gave up the title last year to his longtime deputy, Charles LeConche.

Lopreato lives in a condo on the 24th floor of Bushnell Tower in downtown Hartford with his bride of three months. The marriage is his fourth. He gets a new Cadillac every year, and he belongs to a country club in West Hartford.

His shoes are always shined, his suits are well- tailored and his graying hair is neatly coiffed, nothing like the jeans, boots and hard hats worn to work by most other members of his union.

Laborers demolish buildings and they build roads. They haul debris. They do blasting work. They dig holes. They pour cement. They work outdoors in the heat of summer and cold of winter.

Lopreato spent little, if any, time working construction. Most of his labor career, according to a deposition he once gave in a civil lawsuit relating to the Colonial investments, has been as a union boss.

In 1964, he owned and ran a restaurant in a deteriorating neighborhood on the northern edge of downtown Hartford. It was a place frequently raided for narcotics, although a retired narcotics detective, Michael D'Onofrio, says he it appeared Lopreato "tried to run a clean place."

In 1966, Lopreato became business manager of the Connecticut Laborers' District Council. He took over Local 230 a few years later after a series of problems and scandals, including the suicide of a former business manager.

Lopreato, the son of a former union leader, rose in the union with the backing of Arthur E. Coia of Providence, who held regional and then national leadership posts in the union. His son, Arthur A. Coia, the Providence lawyer, is now general president of the Laborers International Union of North America. The international was identified in a 1986 report of the President's Commission on Organized Crime as having close ties to organized crime.

With the exception of the time that a notorious mobster, William "The Wild Guy" Grasso, slapped him in a Hartford restaurant for unknown reasons, Lopreato has been a man accustomed to displays of respect.

Backed by one of the state's richest political action committees, Lopreato was welcomed by politicians throughout the state.

One former state labor union official says that in the 1980s, when construction was booming and most of his members were working, the Laborers' PAC was so rich it could give the maximum amount allowed by law to every candidate -- and still have money left over.

The union once had 14,000 members, but it is now down to 5,500.

Ronnie and Dom

One of his closest friends is the man whose cooperation with federal prosecutors became public 10 days ago, a fidgety 52-year-old named Ronald J. Welch, whose named used to be Ronald J. LeConche.

"He was my best friend," Welch sadly told U.S. District Judge T.F. Gilroy Daly in response to the judge's questions about Welch's connection to Lopreato and his involvement in the delivery of the alleged bribes.

The occasion was Welch's guilty plea to a charge of aiding and abetting in the payment of a bribe. At 6:30 a.m. on the same day as Welch's plea, Lopreato answered the door to his condo to find FBI and IRS agents waiting to arrest him.

Based on statements from Welch and others, a grand jury handed down an indictment accusing Lopreato of taking two bribes totaling $195,000 for influencing the investments of $3 million and $2 million by his pension fund. He also is accused of taking another bribe of $150,000 for his assistance in arranging the investment of $3 million by a Laborers' union in Albany, N.Y.

Welch was a reluctant witness. Federal authorities, who had evidence that Welch acted as the deliveryman, spent months pressuring him to cooperate, one of the few ways of winning a lenient sentence under federal law.

"I surrender. I quit," Welch told the judge. "They're bigger than me."

"That's true. They're bigger than all of us," Judge Daly said of the government. "That doesn't mean they can prove their case."

But Welch evidently believes they can. He shook his head and said, "I'm finished. . . . I'm guilty. I'm guilty. I'm guilty."

Benjamin Sisti and Jonathan Googel, the founders of Colonial Realty, had been cooperating with federal prosecutors for more than a year, telling of wrongdoing by others to win leniency for themselves.

Welch was the connection between Lopreato and Googel and Sisti, particularly Googel.

"Ron and Jon Googel gambled together extensively. They went to Atlantic City, went to Las Vegas," said Jeremiah Donovan, Welch's lawyer.

Welch was raised by his stepfather, Thomas Welch, a handsome and affable bookmaker from West Hartford who repeatedly was arrested for gambling during the 1960s.

His natural father, John LeConche, who is in his early 70s, still is an active member of the Laborers. He works as a superintendent on a construction project at St. Francis Hospital and Medical Center in Hartford.

The old days

Organized crime investigators have for years been seeking evidence documenting a relationship in New England between the Laborers' union and the mob.

Some evidence came from members of the union themselves. In the early 1970s, Arthur E. Coia, then a powerful regional union executive from Providence, wrote a report charging, among other things, that Michael Balesano, a former leader of Local 230, instructed union stewards to act as bookmakers for the mob and collect bets from laborers at job sites. The international took control of the Hartford local and reorganized it.

But organized crime investigators said Coia's memo was disingenuous; illegal gambling at construction sites continued after the memo.

According to local, state and federal investigators, evidence collected through state police wiretaps and by other means in the 1970s suggested that members of the Laborers' union were required to make weekly bets with mob bookies before they were permitted to work on the Hartford Civic Center.

Similar demands were made of workers building the University of Connecticut Health Center in Farmington. Both cases led to a handful of arrests.

Charles LeConche, the business manager of the Laborers' District Council, said those accounts were ancient history, stories exaggerated over time. If there was gambling on a job, it was not the union's doing, he said.

"It's a sad state of affairs that we still get painted with that brush in 1994," said LeConche, who complains most critics of the union and of Lopreato remain anonymous.

"I respect the guy who says it to your face, the guy who signs his name to a letter," he said. "We get anonymous letters, hang up calls all the time. I say, 'Speak up. Be a man.' "

GRAPHIC: PHOTO: (B&W), Michael McAndrews / The Hartford Courant; Dominick Lopreato, center, is accused of taking $345,000 in bribes from Colonial Realty in return for investments by the Connecticut Laborers' union pension fund. Lopreato's lawyers -- Anthony Traini, left, and Edward Daly -- escort him to federal court in Waterbury for arraignment Friday.

LANGUAGE: ENGLISH

LOAD-DATE-MDC: October 12, 1994

2ND STORY of Level 1 printed in FULL format.

THE ORLANDO SENTINEL

January 28, 1995 Saturday, CENTRAL FLORIDA

SECTION: LAKE SENTINEL; Pg. 6

LENGTH: 107 words

HEADLINE: MOUNT DORA WORKERS SNIP UNION TIES

DATELINE: MOUNT DORA

BODY:

City employees on Friday voted to toss out the union that has represented them since 1989.

Of the 60 employees who cast votes, 39 voted to disband the union. Twenty-one employees voted to keep the Laborers' International Union of North America.

The vote will not be official for 15 days or until both parties are given an opportunity to give reasons why the results should not stand, an official with the Public Employees Relations Commission said.

The general city employees in September 1989 became the first such group of workers in Lake County to unionize, charging that city government ignored their needs and broke promises.

LANGUAGE: ENGLISH

LOAD-DATE-MDC: January 30, 1995

4TH STORY of Level 1 printed in FULL format.

THE DALLAS MORNING NEWS

January 25, 1995, Wednesday, HOME FINAL EDITION

SECTION: TODAY; Pg. 5C

LENGTH: 1834 words

HEADLINE: A case that got the government's attention Harassment victims found speedy relief

BYLINE: Peter T. Kilborn, New York Times News Service

DATELINE: CLEVELAND

BODY:

CLEVELAND - After a decade of secretarial work with contractors, most recently earning $ 20,000 a year on the site of the Rock and Roll Hall of Fame and Museum in Cleveland, Jacqueline M. Lia says that she was accustomed to sexual innuendo, lewd jokes and video pinups on office computer screens. But nothing prepared her for Lance Carson.

There was, for example, the visit that Mr. Carson, a union steward, paid to her office trailer on Jan. 21, 1994, two days before her 28th birthday. "He told me, I don't have a red ribbon, but here's my birthday gift,' " Ms. Lia says. And then, she says, he exposed himself and asked her to perform oral sex.

Amy M. Beichler, 30, was a carpenters helper and a member of Local 310 of the Laborers' International Union of North America, earning $ 18.10 an hour. As steward, Mr. Carson, 37, was expected to defend workers. Last Jan. 27, Ms. Beichler says, he followed her into a trailer and locked the door. Then he exposed himself, "grabbed me from behind and stuck his tongue in my ear," she says.

The Dallas backlog.8C

UF1

Those were just the worst of Mr. Carson's offenses, which were detailed in complaints that the women later filed with the Equal Employment Opportunity Commission, the women say. And there was the retaliatory abuse from their male co-workers that finally forced them to quit their jobs: threatening calls at home and constant ridicule. They were threatened and, Ms. Beichler says, an attempt was made on her life.

The women's accusations against Mr. Carson became the grist for criminal charges brought in Cleveland Municipal Court. He pleaded not guilty to three counts of public indecency, but he was convicted last September and sentenced to 30 days in jail and fined $ 250. He is out on appeal.

These two women are among the handful of workers who are finding speedy relief from the EEOC, a federal agency that is known as agonizingly slow. It is so laden with charges of workers complaining of racial, sexual, age and other forms of discrimination that it can take up to a year before an investigation is started, and only a small minority of workers obtain favorable results.

"It can seem so big and sprawling with people twiddling their thumbs," says Dennis J. Niermann, the women's lawyer. "But it can really move. It depends on the case. It depends on the investigator."

And it depends on the purpose that the agency wants served.

Officials of the agency in Washington say that, given their limited resources, they watch for cases that resonate widely and might stop similar behavior elsewhere. Ms. Lia's complaint had little such potential. She was a secretary working in a field in which rules against sexual harassment have made some headway.

But Ms. Beichler was a laborer, wearing overalls and boots and working in a macho culture. In finding merit to her charges, the agency is warning the construction industry that the pinches and propositions that are wrong in the office are just as wrong in the cab of a crane.

The agency is understaffed and underfinanced, the EEOC and its advocates say; it's plodding and inefficient, say critics and many workers - the agency is so swamped with complaints that most take nine months to a year before investigators even start working on them. There were 97,000 unresolved cases at last count, many of which will never be resolved.

"We're very, very much aware that justice delayed is justice denied," says Susan L. McDuffie, director of the agency's district office in Cleveland, speaking of the frustrations of fighting a backlog filled with the pain and fears of thousands of workers. But a few cases, says Ms. McDuffie, "jump right out at us and demand immediate attention."

The Lia and Beichler cases did just that. The agency reacted only days after the women's complaints were filed, and finished most of its work in nine months - "lightning speed," says Mr. Niermann.

That the EEOC acted at all is unusual. Of the 54,908 sexual harassment complaints that it has received throughout the country during the last six years, the agency says 73 percent, or 40,082 cases, were rejected for insufficient evidence of discrimination or closed for other reasons.

Another 7,899 have been left adrift in the growing backlog of the unresolved. In the last six years, the agency has pushed just 991 sexual harassment cases to the threshold of a lawsuit.

But in the Lia and Beichler cases, the agency's Cleveland staff moved aggressively. Ms. Lia says the two investigators assigned to them were "horrified by what was happening." Says Ms. Beichler:

"They were not chintzy with the time they spent. They wanted every detail about everything on the job."

Ms. Lia filed her charges last Feb. 23, Ms. Beichler on May 16.

Just four months later, on Sept. 21, Ms. McDuffie of the EEOC's Cleveland office fired off the first of a series of weekly notices to the women and the five parties they had charged: Local 310 of the laborers union; the Hall of Fame; the prime contractor, the Turner Construction Co.; and two subcontractors, the Baker Concrete Construction Co. and the CECO Concrete Construction Co.

Ms. McDuffie alerted everyone that in most of the women's charges she had found "reasonable cause" to support a court case.

Her notices set the clock ticking on the next and final stage of her office's work - urging the union and businesses to conciliate by making agency-proposed payments to the women totaling at least several hundred thousand dollars each.

No conciliation

So far, conciliation has failed with Local 310 and Baker Concrete, which employed the women and Mr. Carson. Both maintain that they acted promptly when they learned of the charges. About three weeks after the women complained to Baker, the company dismissed Mr. Carson; the union stripped him of his stewardship and moved him to a job on another site.

Requests to reach Mr. Carson were unsuccessful.

The women say Mr. Carson's dismissal prompted retaliatory harassment by co-workers that the union and company did nothing to check and that forced them to quit their jobs last May.

With the failure of conciliation, Ms. McDuffie notified the parties on Nov. 18 that she had referred the cases to the agency's headquarters in Washington. Its five commissioners are now deciding whether to sue in federal court for violation of the 1964 Civil Rights Act's workplace provisions or, because the agency lacks resources, to lend the weight of their findings to lawsuits the women bring on their own. A decision is expected in a month or two.

Ms. Lia and Ms. Beichler say they suffered harassment of a particularly vulgar and threatening kind.

Baker Concrete's policy states that sexual harassment is "unacceptable and will not be tolerated." It urged workers to report incidents to supervisors and other company officials and promised confidentiality in investigating complaints.

Ms. Lia says the Cleveland public prosecutor's office told herno one would believe her last February, when she first tried to press criminal charges.

Ms. Lia began work at the Hall of Fame site in September 1993.

By November, she says, Mr. Carson "would come to my desk several times a day and make remarks." On Nov. 26, 1993, he paid a visit that would later become grist for one of three criminal charges.

She was alone, she says. "He came in and locked the door. He grabbed me around my shoulders, unzipped his pants and took his penis out," and asked her to perform oral sex. She refused and fled the trailer.

The next week, she says, she told Steve Crawford, Baker's project manager and her boss, about the incident. Mr. Crawford, she says, did then what he would do every time she complained: He banished Mr. Carson from the trailer. But Mr. Carson would return.

"The last time was Feb. 17," she says. "He grabbed my butt. I said, Don't do that.' He said, What are you going to do about it?' I said, Maybe I'll tell someone.' "

On Dec. 3, 1993, Local 310 assigned Ms. Beichler to the site.

Three days later, she says, Mr. Carson began the almost daily pestering that culminated in her being attacked in the trailer.

This became the basis of a second criminal charge.

Other workers taunted her, too. "One just reached out one day in front of another laborer and pinched my breast," she says. But she says Mr. Carson's behavior caused her to act.

Last Feb. 18, she says, she heard of Ms. Lia's travails. The two women talked, then went to Mr. Crawford.

Maribeth Garvin, Baker's lawyer, says Mr. Crawford "immediately called" the company's equal employment opportunity officers. She says Baker "acted immediately," as federal law requires.

Still, Ms. Lia was skeptical. "I felt I would get no satisfaction. The union was blaming Baker, and Baker was blaming the union." On Feb. 22, she went to the public prosecutor's office.

Discouraged there because she lacked a witness - Ms. Beichler would not yet go along - she went to the EEOC's Cleveland office the next day.

The agency first sent letters to Baker and the union for comment. Only then, Ms. Lia says, did the company begin to respond.

In early March, three company officers interviewed her.

Ms. Beichler says she refused to help at first because she feared that her co-workers would retaliate. Instead, she says, she complained to Chester L. Liberatore, head of Local 310, but he dismissed the complaint, accusing her of being thin-skinned.

Mr. Liberatore declined to be interviewed, but a lawyer for the local, Susan L. Gragel, says the union has no liability because Baker does the hiring and firing.

On March 11, the company dismissed Mr. Carson and the union moved him off the site, but Mr. Niermann, the women's lawyer, called this "a slap on the wrist." Baker also laid off Ms. Beichler. She says the company told her there was no longer enough work. Local 310 transferred her to a similar job with the CECO Concrete Construction Co.

Retaliation

By then, reports of the complaints were widespread, the women say, and threats and phone calls had begun. Ms. Lia says, "They told me they knew where my daughter went to school." Ms. Beich-ler adds that only a co-worker's intervention saved her from being crushed by a load from a crane.

Finally, on March 9, just before Baker and Local 310 acted, Ms. Beich-ler telephoned Ms. Lia's investigator at the EEOC Cleveland office and dictated an affidavit supporting her charge.

Ms. Lia's case might never have proceeded without Ms. Beichler's help - the affidavit she provided on March 9 and her own charges on May 19. The day before, Ms. Beich-ler says, she quit her CECO job, overwhelmed by the harassment. Ms. Lia quit in May, too.

The agency has the authority to sue employers but not individual workers. Mr. Carson was still on the job, albeit at another site.

So on July 11, Ms. Beichler joined Ms. Lia in visiting the public prosecutor's office. Two months later, Mr. Carson was convicted of public indecency.

GRAPHIC: PHOTO(S): Jacqueline M. Lia (left) and Amy M. Beichler were sexually harassed by a union official in Cleveland. (The New York Times: Roger Mastroianni)

LANGUAGE: ENGLISH

LOAD-DATE-MDC: February 1, 1995

5TH STORY of Level 1 printed in FULL format.

PR Newswire

January 24, 1995, Tuesday

SECTION: Financial News

DISTRIBUTION: TO BUSINESS EDITOR

LENGTH: 351 words

HEADLINE: JESSE JACKSON TO VISIT SANDERSON FARMS WORKERS; CIVIL RIGHTS LEADER TO URGE WORKERS TO 'VOTE YES!' FOR UNION

DATELINE: HAZLEHURST, Miss., Jan. 24

BODY:

Civil rights leader Jesse Jackson will visit workers at the Sanderson Farms poultry processing plant here in Hazelhurst today. His purpose: to urge the nearly 500 predominately African-American women workers to vote for the Laborers' International Union of North America (LIUNA). The representation election will take place this Friday.

The union has been organizing Sanderson Farms' Hazelhurst facility since Oct. 31, 1994. Workers have complained of deplorable working conditions and unfair treatment by plant supervisors. In addition, the workers cannot afford to pay for the company's health insurance plan, must work under a bizarre sick day policy and have not gotten their fair share of the company's profit.

Reverend Jackson will meet with the Sanderson Farms organizing committee and plant workers at the campaign headquarters (Hazelhurst Ramada Inn 28078 Highway 28) at 10 a.m. Members of the media are encouraged to cover the strategy meeting at the hotel.

Reverend Jackson, Sanderson employees and LIUNA organizers will be available for interviews.

In 1993, Sanderson Farms sold $300 million in poultry products and had a profit of nearly $30 million. The company sells its chicken products primarily under the Miss Godly brand to retailers, distributors, and fast food operator in the southwestern and western United States. Sanderson has experienced tremendous growth over the past year, and industry experts predict that the company will exceed its 1994 sales and profit figures this year.

The Laborers' International Union of North America is one of the largest, most diverse and fastest growing unions in the entire labor movement. LIUNA represents workers in many diverse fields, including construction, environmental remediation, maintenance, food service, clerical, service contract and the postal service. LIUNA represents poultry workers at the Sanderson Farms plant in Collins, Miss. and at Peco Foods in Tuscaloosa, Ala. CONTACT: Carl A. Fillichio or Marc Panepinto of LIUNA, 601-894-1413 ext. 132

LANGUAGE: ENGLISH

LOAD-DATE-MDC: January 25, 1995

68TH STORY of Level 1 printed in FULL format.

Business Dateline;
Pittsburgh Post-Gazette

September 14, 1993

SECTION: Sec D; pg 8

LENGTH: 775 words

HEADLINE: Laborer's union backs health plan

BYLINE: Jim McKay

DATELINE: Pittsburgh; PA; US; Middle Atlantic

BODY:

Arthur Coia, president of the 650,000-member Laborer's International Union, has battled Hodgkin's disease for six months and is poised for another fight--with those who oppose Clinton health care reform.

"I was lucky. I received the best care because of medical research. Fortunately, I saw the best doctors and fortunately I'm doing well," Coia told a Laborer's health care conference at the Hilton and Towers, Downtown.

The cost of Coia's treatment, which includes chemotherapy, radiation and drugs, by his own reckoning will be enormous, probably more than $ 100,000. Most of the costs are paid through the health plan he gets as union president.

Yesterday Coia said his union became the first labor organization to publicly endorse the Clinton administration plan of health care for all, which the president will introduce next week in a speech to Congress.

"We will not tolerate any adverse reaction in Congress to maintain the status quo," Coia told an applauding audience. "We need to embrace it as something that's good, that's needed and to go forward."

Coia said the Clinton plan could help union employers by eliminating the cost disadvantage their non-union competitors have in health care costs. Workers, he said, may be able to bargain for higher wages if health care prices are contained.

Some specifics of the plan have been made public. Claudia Bradbury, a senior policy associate in benefits for the AFL-CIO, told the conference that the Clinton administration has allowed supporters to read a 240-page draft plan, but not take notes.

"We fully expect to be very pleased with what's coming out of the White House," she said. "The scope of benefits, we've heard, is excellent... comparable to most, if not all, good plans."

Bradbury said the plan would offer consumers a choice among health plans ranging from less expensive health maintenance organizations to the more expensive fee-for-service plans.

The plan would create a system of regional alliances that would operate as group pools in purchasing health care coverage. Large corporations could continue to provide benefits as they do now.

Under the administration plan, the 35 million people now uninsured would be covered. Employers would pay about 80 percent of the cost of coverage with employees paying the rest. Small businesses and low-wage workers would be subsidized by the government.

People who retire early, beginning at age 55, also would be subsidized until they qualify for the government's Medicare program. Medicare would be expanded to include prescription drugs.

Companies would be required to pay a pro-rated share of health care for part-time employees with the rest of the cost to be borne by federal subsidy.

Ira C. Magaziner, Clinton's senior health care adviser, told the conference via satellite that everyone will be covered under the president's plan "regardless of what happens to them."

The program, as proposed, would be financed in part by cuts in the growth of Medicare and Medicaid, the government programs for the elderly and the poor.

Magaziner also said the administration would move on some type of tax on tobacco and possibly taxes on big companies that operate health insurance plans outside of the proposed health alliances.

"We are going to finance this program mainly by cutting the costs of the system, he said. "There is enough money spent and wasted in this system now, that by capping the rate of growth in costs we can pay for universal coverage."

Magaziner promised cuts in bureaucracy and said insurance companies would not be permitted to exclude coverage from someone with a pre-existing medical condition.

"We have to get rid of all those paper pushers and have more money spent directly on health care."

For those who already have health care coverage better than what will be proposed by Clinton, Magaziner promised continued coverage if you unexpectedly lose your job.

Capping costs, he said, could allow unions to bargain for higher wages and other benefits. "We are putting a floor under the negotiations," he said.

Magaziner promised a fight between the Clinton administration and its opponents who will mount "the most expensive ad campaign ever run in opposition to a bill." He complained that special interests are distorting the proposal's impact.

"We know over the next six to nine months we're going to be on a roller coaster ride and we're going to be called every name in the book --myself, the president, the First Lady, everyone involved in this," Magaziner said.

"We are going to exact a price on everybody who comes out against us and makes a statement against us," he said.

GRAPHIC: Photo

LANGUAGE: ENGLISH

UMI-ACC-NO: 9384568

JOURNAL-CODE: PITT

LOAD-DATE-MDC: July 20, 1994

31ST STORY of Level 1 printed in FULL format.

PR Newswire

July 29, 1994, Friday

SECTION: Financial News

DISTRIBUTION: TO BUSINESS AND LABOR EDITORS

LENGTH: 473 words

HEADLINE: HEALTH CARE WORKERS VOTE 'LIUNA YES!'; 267 SERVICE CONTRACT EMPLOYEES AT WASHINGTON CENTER FOR AGING SERVICES JOIN LABORERS' LOCAL UNION 571

DATELINE: WASHINGTON, July 29

BODY:

Say the word "laborer" and many people picture workers doing some of the toughest jobs in the construction industry. But that's not the whole picture anymore.

The ranks of the Laborers' International Union of North America (LIUNA) -- which has long been known for representing workers in construction and environmental clean up -- just got bigger and even more diverse. Two hundred and sixty-seven nurse's aides, housekeepers, food service workers, maintenance personnel and adult day care center staff at the Washington Center for Aging Services voted yesterday for representation by LIUNA Local Union 571 in the District of Columbia. The workers are employed through a service contract agreement with the Washington-based VMT Long Term Care Management, Inc.

LIUNA Local Union 571 began the organizing campaign more than seven months ago, after learning that the workers -- predominantly African-American, Haitian and Hispanic women -- were underpaid and lacked benefits. Two hundred and four employees voted in the election. One hundred and twenty-seven workers voted for Local Union 571, and 76 voted against. One ballot is being challenged by the company.

"This was a tough battle ... and one that clearly demonstrates our strong commitment to organizing the unorganized in many industries," LIUNA General President Arthur A. Coia stated.

"Service contract workers are a top organizing priority for us, and our win at the Washington Center for Aging Services makes the case that workers want and need a union like LIUNA," he added.

Jack Wilkinson, LIUNA vice president and manager of the union's Mid- Atlantic Regional Office, noted that, "VMT used every trick in the book to squash this organizing effort, but there was no way they could beat the energy and enthusiasm that these workers had. They had one goal in sight ... a better life for themselves, and nothing could stop them."

"We are definitely on a roll," said Arnold Moreland, business manger for the Laborers' Mid-Atlantic Public Service District Council. "You can expect to see more organizing wins like this throughout Washington, Maryland and Virginia."

Earlier this month, LIUNA celebrated another major organizing victory when nearly 1,000 workers at the Sanderson Farms poultry processing plant in Collins, Miss., voted for representation by LIUNA Local Union 693.

Founded in 1903, the Washington-based Laborers' International Union of North America represents nearly 700,000 workers in the United States and Canada. LIUNA members work in a variety of occupations, including construction, environmental remediation, food processing, maintenance, clerical, health care, government and the postal service. CONTACT: Carl A. Fillichio of the Laborers' International Union, of North America, 202-942-2271

LANGUAGE: ENGLISH

LOAD-DATE-MDC: July 30, 1994

16TH STORY of Level 1 printed in FULL format.

PR Newswire

October 25, 1994, Tuesday

SECTION: Financial News

DISTRIBUTION: TO OBIT AND LABOR EDITORS

LENGTH: 710 words

HEADLINE: LIUNA'S SECRETARY-TREASURER JAMES J. NORWOOD DIES INTERNATIONAL LABOR LEADER SERVED UNION FOR 40 YEARS

BODY:

James J. Norwood, General Secretary-Treasurer and Regional Manager of the Laborers' International Union of North America (LIUNA), died of complications from leukemia yesterday evening at St. Louis University Hospital. He was 63 years old.

Known and respected throughout the trade union movement and the construction industry for his leadership in advancing workplace health and safety, as well as for his organizing and negotiating skills, Norwood served as General Secretary-Treasurer of the nearly 700,000-member LIUNA since February, 1993. He served as Manager of LIUNA's Springfield Regional Office (which oversees the Union's activities in Missouri, Kansas, Iowa and southern Illinois) since 1989.

ST. LOUIS, Oct. 25

In addition, Norwood served as chairman of the Laborers' National Health and Safety Fund of North America, as well as the Laborers-Employers Education and Cooperation Trust. He was a trustee of the Laborers National Pension Fund and a member of the AFL-CIO Maritime Trades Department Executive Council.

A native of St. Louis, Norwood joined Laborers' Local Union 110 in 1949. Following a four-year stint in the U.S. Air Force, he returned to the local union as acting business manager. He was named an International Representative in 1966 and directed dozens of successful organizing campaigns throughout his region. He served as director of LIUNA's Heavy and Highway Division for more than 20 years, and became a vice president of the Union in 1989. He had wide experience in negotiating and administering national agreements covering major segments of the construction industry and served on the National Maintenance Agreement Policy Committee.

In an interview conducted last year with The Laborer Magazine, Norwood spoke candidly of the guiding philosophy behind his lifetime of work for LIUNA. His goal, he said, was to "create a better life and safer workplace for our members and their families. I think working for a trade union is a high and noble calling, and I couldn't imagine doing anything else. I believe in the whole idea of working together for the common good. Working together ... that is the basic tenet of trade unionism, and it's the only leadership philosophy I know."

"Jim's loss will be felt deeply not only by his family and those of us who were fortunate to count him as a friend, but to every working person in North America," said LIUNA General President Arthur A. Coia. "His dedication to the trade union movement was matched only by his devotion to his children, grandchildren and to his wife, Pauline. He was a rare leader who could focus on the details while never losing sight of the big picture. As far as Jim was concerned, our members always came first."

Norwood's unparalleled commitment to charitable causes included spearheading LIUNA's involvement in the "Dollars Against Diabetes" (DAD's Day) campaign. He was also active in fund raising for the Leukemia Society of America and for St. Raymond's Church in St. Louis. Last year, under his direction, LIUNA was among the most active organizations assisting victims of the Midwest floods. He was also active in the American Legion, the D.C. Friends of Ireland and the Boy's Club of St. Louis. He was a member of the St. Louis Ambassadors and the St. Louis Medical Society Advisory Board.

Norwood is survived by his wife of 39 years, the former Pauline Massud; two children, Madonna N. Raddie of Gaithersburg, Maryland, and James J. Norwood, Jr., of St. Louis; two grandchildren, Stephen and Justin Raddie; and three brothers, George, Tom and Virgil.

Viewing will be held Wednesday, Oct. 26, from 2-9 p.m. and on Thursday, Oct. 27, from 10 a.m. to 9 p.m. at Kutis Funeral Home, 2906 Gravois Avenue in St. Louis. Family and friends will gather at Kutis Funeral Home at 9:15 on Friday. Mass of Christian Burial will follow at 10 a.m. at St. Raymond's Maronite Church, 931 Lebanon Drive in St. Louis. Burial immediately following at Saints Peter and Paul Cemetery, 7030 Gravois Avenue in St. Louis.

In lieu of flowers, the family requests that donations be sent to Saint Raymond's Maronite Church. CONTACT: Carl A. Fillichio of LIUNA, 202-942-2271

LANGUAGE: ENGLISH

LOAD-DATE-MDC: October 26, 1994

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release February 3, 1995

REMARKS BY THE PRESIDENT
AT MINIMUM WAGE EVENT

The Rose Garden

9:35 A.M. EST

THE PRESIDENT: Good morning. When we scheduled this out here, we had a different forecast. (Laughter.) But here we are, the hardy party. (Laughter.)

Today marks the completion of two full years of economic reports in our administration. This morning the Department of Labor reported that nearly six million jobs have come into our economy since I took office two years ago. 1994 was the best year for job growth in a decade. The unemployment rate has dropped 20 percent in the last two years, and the combined rates of unemployment and inflation are at a 25-year low. Ninety-three percent of this job growth has been in the private sector. That's the highest percentage of private sector jobs created in any administration in half a century -- eight times as many per month as during the four years before I took office.

The majority of these jobs have been created in higher-wage occupations. And in the 12 years before I took office, while our economy lost two million manufacturing jobs, in the last 17 months we have gained 300,000 manufacturing jobs.

I'm proud of this record, but I am also keenly aware of the fact that not all Americans have benefitted from this recovery; that too many Americans are still in what the Secretary of Labor has called, "the anxious class" -- people who are working harder for the same or lower wages.

From the end of World War II until the late 1970s, the incomes of all Americans rose steadily together. When the wealthiest Americans did better, so did the poorest working Americans in roughly the same proportion. But since 1979, the income of the top 20 percent of our people has grown significantly, while the income of the last 80 percent grew barely at all, or not at all, or actually dropped. Much of the problem in the widening income gap among working Americans depends upon whether they have skills or not to compete in the global economy.

A male college graduate today earns 80 percent more than a person with only a high-school degree. That's why we've pursued the far-reaching education agenda that the members here on this platform have been so actively involved with, making it easier and more affordable to get college loans. That's why I proposed the Middle Class Bill of Rights to help parents with their children's education and with their own and to improve the way we provide help to workers who are trying to get retraining skills.

But another no-less-important part of this problem is the declining value of full-time wages for many, many jobs. I believe if we really honor work, anyone who takes responsibility to work full time should be able to support a family and live in dignity. That is the essence of what I meant in the State of the Union address and what I have talked about for three years now with the New Covenant. Our job is to create enough opportunity for people to earn a living if they'll exercise the responsibility to work.

That's why we fought so hard to expand the earned income tax credit -- a working family tax cut for 15 million families in 1993; precisely why we're calling on Congress today to raise the minimum wage 90 cents to $5.15 per hour. The only way to grow the middle class and shrink the underclass is to make work pay. And in terms of real buying power, the minimum wage will be at a 40-year low next year if we do not raise it above $4.25 an hour.

If we're serious, let me say this, too, emphatically --if we are serious about welfare reform, then we have a clear obligation to make work attractive and to reward people who are willing to work hard. I hope more than anything that we will have a genuine bipartisan, well-founded welfare reform legislation this year that will encourage work and responsible parenting and independence. But we cannot hope to have it succeed unless the people we are asking to work can be rewarded for their labors.

Let me close with one observation about recent history. In 1990, Congress raised the minimum wage according to the exact same scheduled I proposed today -- 45 cents a year for two years. That increase was passed by overwhelming majorities in both Houses with -- let me emphasize -- majority support from both parties. This has always been a bipartisan issue.

If, in 1990, because the minimum wage had not been raised in such a long time, a Republican President and a Democratic Congress could raise the minimum wage, surely, in 1995, facing the prospect that work -- full-time work could be at a 40-year low in buying power unless we act, a Congress with a Republican majority and a Democratic President can do the same for the American people.

Thank you very much. And thank you all.

END9:41 A.M. EST

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release December 15, 1994

ADDRESS BY THE PRESIDENT
TO THE NATION

The Oval Office

9:00 P.M. EST

THE PRESIDENT: Good evening. My fellow Americans, ours is a great country with a lot to be proud of. But at this holiday season, everybody knows that all is not well with America; that millions of Americans are hurting, frustrated, disappointed, even angry.

In this time of enormous change, our challenge is both political and personal. It involves government, all right, but it goes way beyond government, to the very core of what matters most to us. The question is, what are we going to do about it?

Let's start with the economic situation. I ran for President to restore the American Dream and to prepare the American people to compete and win in the new American economy. For too long, too many Americans have worked longer for stagnant wages and less security. For two years, we pursued and economic strategy that has helped to produce over five million new jobs. But even though the economic statistics are moving up, most of our living standards aren't. It's almost as if some Americans are being punished for their productivity in this new economy. We've got to change that. More jobs aren't enough. We have to raise incomes.

Fifty years ago, an American president proposed the G.I.

Bill of Rights, to help returning veterans from World War II go to college, buy a home, and raise their children. That built this country. Tonight, I propose a Middle Class Bill of Rights.

There are four central ideas in this Bill of Rights: First, college tuition should be tax deductible. Just as we make mortgage interest tax deductible because we want people to own their own homes, we should make college tuition deductible because we want people to go to college.

Specifically, I propose that all tuition for college, community college, graduate school, professional school, vocational education or worker retraining after high school be fully deductible, phased up to $10,000 a year for families making up to $120,000 a year. Education, after all, has a bigger impact on earnings and job security than ever before. So let's invest the fruits of today's recovery into tomorrow's opportunity.

Second, bringing up a child is a tough job in this economy. So we should help middle-class families raise their children. We made a good start last year by passing the Family Leave Law, making college loans more affordable, and by giving $15 million American families with incomes of $25,000 a year or less an average tax cut of more than $1,000 a year.

Now, I want to cut taxes for each child under 13, phased up to $500 per child. This tax cut would be available to any family whose income is less than $75,000.

Third, we should help middle-income people save money by allowing every American family earning under $100,000 to put $2,000 a year tax-free in an IRA, an Individual Retirement Account. But I want you to be able to use the money to live on, not just retire on. You'll be able to withdraw from this fund, tax-free -- money for education, medical expenses, the purchases of a first home, the care of an elderly parent.

Fourth, since every American needs the skills necessary to prosper in the new economy -- and most of you will change jobs from time to time -- we should take the billions of dollars the government now spends on dozens of different training programs and give it directly to you, to pay for training if you lose your job or want a better one.

We can pay for this Middle Class Bill of Rights by continuing to reduce government spending, including subsidies to powerful interests based more on influence than need. We can sell off entire operations the government no longer needs to run, and turn dozens of programs over to states and communities that know best how

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to solve their own problems.

My plan will save billions of dollars from the Energy Department, cut down the Transportation Department, and shrink 60 programs into four at the Department of Housing and Urban Development. Our reinventing government initiative, led by Vice President Gore, already has helped to shrink bureaucracy and free up money to pay down the deficit and invest in our people. Already, we've passed budgets to reduce the federal government to its smallest size in 30 years, and to cut the deficit by $700 billion. That's over $10,000 for every American family.

In the next few days, we'll unveil more of our proposals. And I've instructed the Vice President to review every single government department program for further reductions.

We've worked hard to get control of this deficit after the government debt increased four times over in the 12 years before I took office. That's a big burden of you. About five percent of your income tax goes to pay for welfare and foreign aid, but 28 percent of it goes to pay for interest on the debt run up between 1981 and the day I was inaugurated president. I challenge the new Congress to work with me to enact a Middle Class Bill of Rights without adding to the deficit and without any new cuts in Social Security or Medicare.

I know some people just want to cut the government blindly, and I know that's popular now. But I won't do it. I want a leaner, not a meaner government, that's back on the side of hard-working Americans; a new government for the new economy -- creative, flexible, high quality, low cost, service oriented -- just like our most innovative private companies.

I'll work with the new Republican majority and my fellow Democrats in Congress to build a new American economy and to restore the American Dream. It won't be easy. Believe you me, the special interests have not gone into hiding just because there was an election in November. As a matter of fact, they're up here stronger than ever. And that's why, more than ever, we need lobby reform, campaign finance reform and reform to make Congress live by the laws it puts on other people.

Together, we can pass welfare reform and health care reform that work. I'll say more about what I'll do to work with the new Congress in the State of the Union address in January.

But here's what I won't do. I won't support ideas that sound good, but aren't paid for -- ideas that weaken the progress we've made in the previous two years for working families; ideas that

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hurt poor people who are doing their dead-level best to raise their kids and work their way into the middle class; ideas that undermine our fight against crime, or for a clean environment, or for better schools, or for the strength and well-being of our Armed Forces in foreign policy. In other words, we must be straight with the American people about the real consequences of all budgetary decisions.

My test will be: Does an idea expand middle class incomes and opportunities? Does it promote values like family, work responsibility and community? Does it contribute to strengthening the new economy? If it does, I'll be for it, no matter who proposes it. And I hope Congress will treat my ideas the same way. Let's worry about making progress, not taking credit.

But our work in Washington won't be enough. And that's where you come in. This all starts with you. Oh, we can cut taxes and expand opportunities, but governments can't raise your children, go to school for you, give your employees who have earned it a raise, or solve problems in your neighborhood that require your personal commitment. In short, government can't exercise your citizenship. It works the other way around.

The problems of this new world are complicated, and we've all got a lot to learn. That means citizens have to listen as well as talk. We need less hot rhetoric and more open conversation; less malice, and more charity. We need to put aside the politics of personal destruction and demonization that have dominated too much of our debate. Most of us are good people trying to do better. And if we all treated each other that way, we would do better. We have got to be a community again.

Yes, some people do take advantage of the rest of us -- by breaking the law, abusing the welfare system, and flaunting our immigration laws. That's wrong, and I'm working to stop it. But the truth is that most people in this country, without regard to their race, their religion, their income, their position on divisive issues, most Americans get up every day, go to work, obey the law, pay their taxes and raise their kids the best they can. And most of us share the same real challenges in this new economy. We'll do a lot better job of meeting those challenges if we work together and find unity and strength in our diversity.

We do have more in common, more uniting us than dividing us. And if we start acting like it, we can face the future with confidence. I still believe deeply that there is nothing wrong with America that can't be fixed by what's right with America. This is not about politics as usual. As I've said for years, it's not about moving left or right, but moving forward; not about government being

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bad or good, but about what kind of government will best enable us to fulfill our God-given potential. And it's not about the next election, either. That's in your hands.

Meanwhile, I'm going to do what I think is right. My rule for the next two years will be: Country first and politics as usual dead last. I hope the new Congress will follow the same rule. And I hope you will, too.

This country works best when it works together. For decades after World War II, we gave more and more Americans a chance to live out their dreams. I know -- I'm blessed to be one of them. I was born to a widowed mother at a time when my state's income was barely half the national average; the first person in my family to finish college, thanks to money my parents couldn't really afford -- scholarships, loans, and a half a dozen jobs. It breaks my heart to see people with their own dreams for themselves and their children shattered. And I'm going to do all I can to turn it around. But I need your help. We can do it.

With all of our problems, this is still the greatest country in the world -- standing not at the twilight, but at the dawn of our greatest days. We still have a lot to be thankful for. Let's all remember that.

Happy holidays, and God bless America.

END9:12 P.M. EST

MORE

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release January 24, 1995

REMARKS BY THE PRESIDENT
IN STATE OF THE UNION ADDRESS

U.S. Capitol

9:14 P.M. EST

THE PRESIDENT: Mr. President, Mr. Speaker, members of the 104th Congress, my fellow Americans: Again we are here in the sanctuary of democracy, and once again, our democracy has spoken. So let me begin by congratulating all of you here in the 104th Congress, and congratulating you, Mr. Speaker. (Applause.)

If we agree on nothing else tonight, we must agree that the American people certainly voted for change in 1992 and in 1994. (Applause.) And as I look out at you, I know how some of you must have felt in 1992. (Laughter and applause.)

I must say that in both years we didn't hear America singing, we heard America shouting. And now all of us, Republicans and Democrats alike, must say: We hear you. We will work together to earn the jobs you have given us. (Applause.) For we are the keepers of the sacred trust, and we must be faithful to it in this new and very demanding era.

Over 200 years ago, our founders changed the entire course of human history by joining together to create a new country based on a single powerful idea: "We hold these truths to be self-evident, that all men are created equal, endowed by their Creator with certain inalienable rights, and among these are life, liberty and the pursuit of happiness."

It has fallen to every generation since then to preserve that idea -- the American idea -- and to deepen and expand its meaning to new and different times: To Lincoln and his Congress, to preserve the Union and to end slavery. To Theodore Roosevelt and Woodrow Wilson, to restrain the abuses and excesses of the Industrial Revolution, and to assert our leadership in the world. To Franklin Roosevelt, to fight the failure and pain of the Great Depression, and to win our country's great struggle against fascism. And to all our presidents since, to fight the Cold War.

Especially, I recall two who struggled to fight that Cold War in partnership with congresses where the majority was of a different party. To Harry Truman, who summoned us to unparalleled prosperity at home, and who built the architecture of the Cold War. And to Ronald Reagan, whom we wish well tonight, and who exhorted us to carry on until the twilight struggle against communism was won. (Applause.)

In another time of change and challenge, I had the honor to be the first president to be elected in the post-Cold War era, an era marked by the global economy, the information revolution, unparalleled change and opportunity and insecurity for the American people.

I came to this hallowed chamber two years ago on a mission -- to restore the American Dream for all our people and to make sure that we move into the 21st century still the strongest force for freedom and democracy in the entire world. I was determined then to tackle the tough problems too long ignored. In this effort I am frank to say that I have made my mistakes, and I have learned again the importance of humility in all human endeavor. But I am also proud to say tonight that our country is stronger than it was two years ago. (Applause.)

Record numbers -- record numbers of Americans are succeeding in the new global economy. We are at peace and we are a force for peace and freedom throughout the world. We have almost six million new jobs since I became president, and we have the lowest combined rate of unemployment and inflation in 25 years. (Applause.) Our businesses are more productive and here we have worked to bring the deficit down, to expand trade, to put more police on our streets, to give our citizens more of the tools they need to get an education and to rebuild their own communities.

But the rising tide is not lifting all boats. While our nation is enjoying peace and prosperity, too many of our people are still working harder and harder, for less and less. While our businesses are restructuring and growing more productive and competitive, too many of our people still can't be sure of having a job next year or even next month. And far more than our material riches are threatened; things far more precious too us -- our
children, our families, our values.

Our civil life is suffering in America today. Citizens are working together less and shouting at each other more. The common bonds of community which have been the great strength of our country from its very beginning are badly frayed. What are we to do about it?

More than 60 years ago, at the dawn of another new era, President Roosevelt told our nation, "New conditions impose new requirements on government and those who conduct government." And from that simple proposition, he shaped the New Deal, which helped to restore our nation to prosperity and define the relationship between our people and their government for half a century.

That approach worked in its time. But we today, we face a very different time and very different conditions. We are moving from an Industrial Age built on gears and sweat to an Information Age demanding skills and learning and flexibility. Our government, once a champion of national purpose, is now seen by many as simply a captive of narrow interests, putting more burdens on our citizens rather than equipping them to get ahead. The values that used to hold us all together seem to be coming apart.

So tonight, we must forge a new social compact to meet the challenges of this time. As we enter a new era, we need a new set of understandings, not just with government, but even more important, with one another as Americans.

As this said in st of union —

That's what I want to talk with you about tonight. I call it the New Covenant. But it's grounded in a very, very old idea -- that all Americans have not just a right, but a solid responsibility to rise as far as their God-given talents and determination can take them; and to give something back to their communities and their country in return. Opportunity and responsibility: They go hand in hand. We can't have one without the other. And our national community can't hold together without both. (Applause.)

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Our New Covenant is a new set of understandings for how we can equip our people to meet the challenges of a new economy, how we can change the way our government works to fit a different time, and, above all, how we can repair the damaged bonds in our society and come together behind our common purpose. We must have dramatic change in our economy, our government and ourselves.

My fellow Americans, without regard to party, let us rise to the occasion. Let us put aside partisanship and pettiness and pride. As we embark on this new course, let us put our country first, remembering that regardless of party label, we are all Americans. And let the final test of everything we do be a simple one: Is it good for the American people? (Applause.)

Let me begin by saying that we cannot ask Americans to be better citizens if we are not better servants. You made a good start by passing that law which applies to Congress all the laws you put on the private sector, and I was proud to sign it yesterday. (Applause.)

But we have a lot more to do before people really trust the way things work around here. Three times as many lobbyists are in the streets and corridors of Washington as were here 20 years ago. The American people look at their capital and they see a city where the well-connected and the well-protected can work the system, but the interests of ordinary citizens are often left out.

As the new Congress opened its doors, lobbyists were still doing business as usual -- the gifts, the trips, all the things that people are concerned about haven't stopped. Twice this month you missed opportunities to stop these practices. I know there were other considerations in those votes, but I want to use something that I've heard my Republican friends say from time to time -- there doesn't have to be a law for everything. So tonight, I ask you to just stop taking the lobbyists' perks. Just stop. (Applause.)

We don't have to wait for legislation to pass to send a strong signal to the American people that things are really changing. But I also hope you will send me the strongest possible lobby reform bill, and I'll sign that, too. (Applause.)

We should require lobbyists to tell the people for whom they work what they're spending, what they want. We should also curb the role of big money in elections by capping the cost of campaigns and limiting the influence of PACs. (Applause.)

And as I have said for three years, we should work to open the airwaves so that they can be an instrument of democracy, not a weapon of destruction by giving free TV time to candidates for public office. (Applause.)

When the last Congress killed political reform last year, it was reported in the press that the lobbyists actually stood in the halls of this sacred building and cheered. This year, let's give the folks at home something to cheer about. (Applause.)

More important, I think we all agree that we have to change the way the government works. Let's make it smaller, less costly and smaller -- leaner, not meaner. (Applause.)

I just told the Speaker the equal time doctrine is alive and well. (Laughter.)

The New Covenant approach to governing is as different from the old bureaucratic way as the computer is from the manual typewriter. The old way of governing around here protected organized interests. We should look out for the interests of ordinary people. The old way divided us by interest, constituency or class. The New Covenant way should unite us behind a common vision of what's best for our country. The old way dispensed services through large, top-down, inflexible bureaucracies. The New Covenant way should shift these resources and decision-making from bureaucrats to citizens, injecting choice and competition and individual responsibility into national policy. (Applause.)

The old way of governing around here actually seemed to reward failure. The New Covenant way should have built-in incentives to reward success. The old way was centralized here in Washington. The New Covenant way must take hold in the communities all across America. And we should help them to do that. (Applause.)

Our job here is to expand opportunity, not bureaucracy; to empower people to make the most of their own lives; and to enhance our security here at home and abroad. We must not ask government to do what we should do for ourselves. We should rely on government as a partner to help us to do more for ourselves and for each other. (Applause.)

I hope very much that as we debate these specific and exciting matters, we can go beyond the sterile discussion between the illusion that there is somehow a program for every problem on the one hand, and the other illusion that the government is a source of every problem we have. Our job is to get rid of yesterday's government so that our own people can meet today's and tomorrow's needs. And we ought to do it together. (Applause.)

You know, for years before I became president, I heard others say they would cut government and how bad it was. But not much happened. We actually did it. We cut over a quarter of a trillion dollars in spending, more than 300 domestic programs, more than 100,000 positions from the federal bureaucracy in the last two years alone. Based on decisions already made, we will have cut a total of more than a quarter of a million positions from the federal government, making it the smallest it has been since John Kennedy was president, by the time I come here again next year. (Applause.)

Under the leadership of Vice President Gore, our initiatives have already saved taxpayers $63 billion. The age of the $500 hammer and the ashtray you can break on David Letterman is gone. Deadwood programs, like mohair subsidies, are gone. We've streamlined the Agriculture Department by reducing it by more than 1,200 offices. We've slashed the small business loan form from an inch thick to a single page. We've thrown away the government's 10,000-page personnel manual. And the government is working better in important ways: FEMA, the Federal Emergency Management Agency, has gone from being a disaster to helping people in disasters. (Applause.)

You can ask the farmers in the Middle West who fought the flood there or the people in California who have dealt with floods and earthquakes and fires, and they'll tell you that. Government workers, working hand in hand with private business, rebuilt Southern California's fractured freeways in record time and under budget. And because the federal government moved fast, all but one of the 5,600 schools damaged in the earthquake are back in business.

Now, there are a lot of other things that I could talk about. I want to just mention one because it will be discussed here in the next few weeks. University administrators all over the country have told me that they are saving weeks and weeks of bureaucratic time now because of our direct college loan program, which makes college loans cheaper and more affordable, with better repayment terms for students, costs the government less, and cuts out paperwork and bureaucracy for the government and for the universities. We shouldn't cap that program. We should give every college in America the opportunity to be a part of it. (Applause.)

Previous government programs gather dust. The reinventing government report is getting results. And we're not through. There's going to be a second round of reinventing government. We propose to cut $130 billion in spending by shrinking departments, extending our freeze on domestic spending, cutting 60 public housing programs down to three, getting rid of over 100 programs we do not need, like the Interstate Commerce Commission and the Helium Reserve Program. (Applause.) And we're working on getting rid of unnecessary regulations and making them more sensible. The programs and regulations that have outlived their usefulness should go. We have to cut yesterday's government to help solve tomorrow's problems. (Applause.)

And we need to get government closer to the people its meant to serve. We need to help move programs down to the point where states and communities and private citizens in the private sector can do a better job. If they can do it, we ought to let them do it. We should get out of the way and let them do what they can do better. (Applause.)

Taking power away from federal bureaucracies and giving it back to communities and individuals is something everyone should be able to be for. It's time for Congress to stop passing on to the state the cost of decisions we make here in Washington. (Applause.)

I know there are still serious differences over the details of the unfunded mandates legislation, but I want to work with you to make sure we pass a reasonable bill which will protect the national interests and give justified relief where we need to give it. (Applause.)

For years, Congress concealed in the budget scores of pet spending projects. Last year was no different. There was a $1 million to study stress in plants, and $12 million for a tick removal program that didn't work. It's hard to remove ticks; those of us who have had them know. (Laughter.) But, I'll tell you something; if you'll give me the line-item veto, I'll remove some of that unnecessary spending. (Applause.)

But I think we should all remember, and almost all of us would agree, that government still has important responsibilities. Our young people -- we should think of this when we cut -- our young people hold our future in their hands. We still owe a debt to our veterans. (Applause.) And our senior citizens have made us what we are.

Now, my budget cuts a lot. But it protects education, veterans, Social Security and Medicare -- (applause) -- and I hope you will do the same thing. (Applause.) You should, and I hope you will. (Applause.)

And when we give more flexibility to the states, let us remember that there are certain fundamental national needs that should be addressed in every state, north and south, east and west -- immunization against childhood disease -- (applause) -- school lunches in all our schools -- (applause) -- Head Start, medical care and nutrition for pregnant women and infants -- (applause) -- medical care and nutrition for pregnant women and infants. (Applause.) All these things -- (applause) -- all these things are in the national interest.

I applaud your desire to get rid of costly and unnecessary regulations. But when we deregulate, let's remember what national action in the national interest has given us: safer foods for our families, safer toys for our children, safer nursing homes for our parents, safer cars and highways, and safer workplaces, clean air and cleaner water. Do we need common sense and fairness in our regulations? You bet we do. But we can have common sense and still provide for safe drinking water. We can have fairness and still clean up toxic dumps, and we ought to do it. (Applause.)

Should we cut the deficit more? Well, of course, we should. Of course, we should. (Applause.) But we can bring it down in a way that still protects our economic recovery and does not unduly punish people who should not be punished, but instead should be helped.

I know many of you in this chamber support the balanced budget amendment. (Applause.) I certainly want to balance the budget. Our administration has done more to bring the budget down and to save money than any in a very, very long time. (Applause.) If you believe passing this amendment is the right thing to do, then you have to be straight with the American people. They have a right to know what you're going to cut -- (applause) -- and how it's going to affect them. (Applause.)

We should be doing things in the open around here. For example, everybody ought to know if this proposal is going to endanger Social Security. (Applause.) I would oppose that, and I think most Americans would.

Nothing is done more to undermine our sense of common responsibility than our failed welfare system. This is one of the problems we have to face here in Washington in our New Covenant. It rewards welfare over work. It undermines family values. It lets millions of parents get away without paying their child support. It keeps a minority, but a significant minority of the people on welfare trapped on it for a very long time.

I worked on this problem for a long time, nearly 15 years now. As a governor I had the honor of working with the Reagan administration to write the last welfare reform bill back in 1988. In the last two years we made a good start in continuing the work of welfare reform. Our administration gave two dozen states the right to slash through federal rules and regulations to reform their own welfare systems, and to try to promote work and responsibility over welfare and dependency.

Last year I introduced the most sweeping welfare reform plan ever presented by an administration. We have to make welfare what it was meant to be -- a second chance, not a way of life. We have to help those on welfare move to work as quickly as possible, to provide child care and teach them skills if that's what they need for up to two years. And after that, there ought to be a simple hard rule: anyone who can work must go to work. (Applause.) If a parent isn't paying child support, they should be forced to pay. (Applause.) We should suspend drivers' licenses, track the across state lines, make them work off what they owe. That is what we should do. Governments do not raise children, people do. And the parents must take responsibility for the children they bring into this world. (Applause.)

I want to work with you, with all of you, to pass welfare reform. But our goal must be to liberate people and lift them up, from dependence to independence, from welfare to work, from mere childbearing to responsible parenting. Our goal should not be to punish them because they happen to be poor. (Applause.)

We should -- we should require work and mutual responsibility. But we shouldn't cut people off just because they're poor, they're young, or even because they're unmarried. We should promote responsibility by requiring young mothers to live at home with their parents or in other supervised settings, by requiring them to finish school. But we shouldn't put them and their children out on the street. (Applause.)

And I know all the arguments, pro and con, and I have read and thought about this for a long time. I still don't think we can in good conscious punish poor children for the mistakes of their parents. (Applause.) My fellow Americans, every single survey shows that all the American people care about this without regard to party or race or region. So let this be the year we end welfare as we know it. But also let this be the year that we are all able to stop using this issue to divide America.

No one is more eager to end welfare -- (applause.) I may be the only president who has actually had the opportunity to sit in a welfare office, who's actually spent hours and hours talking to people on welfare. And I am telling you, people who are trapped on it know it doesn't work. They also want to get off. So we can promote together education and work and good parenting. I have no problem with punishing bad behavior or the refusal to be a worker or a student, or a responsible parent. I just don't want to punish poverty and past mistakes. All of us have made our mistakes, and none of us can change our yesterdays. But every one of us can change our tomorrows. (Applause.)

And America's best example of that may be Lynn Woolsey, who worked her way off welfare to become a congresswoman from the state of California. (Applause.)

I know the members of this Congress are concerned about crime, as are all the citizens of our country. And I remind you that last year, we passed a very tough crime bill -- longer sentences, three strikes and you're out, almost 60 new capital punishment offenses, more prisons, more prevention, 100,000 more police. And we paid for it all by reducing the size of the federal bureaucracy and giving the money back to local communities to lower the crime rate.

There may be other things we can do to be tougher on crime, to be smarter with crime, to help to lower that rate first. Well, if there are, let's talk about them and let's do them. But let's not go back on the things that we did last year that we know work; that we know work because the local law enforcement officers tell us that we did the right things, because local community leaders who have worked for years and years to lower the crime rate tell us that they work.

Let's look at the experience of our cities and our rural areas where the crime rate has gone down and ask the people who did it how they did it. And if what we did last year supports the decline in the crime rate -- and I am convinced that it does -- let us not go back on it. Let's stick with it, implement it. We've got four more hard years of work to do to do that. (Applause.)

I don't want to destroy the good atmosphere in the room or in the country tonight, but I have to mention one issue that divided this body greatly last year. The last Congress also passed the Brady Bill and, in the crime bill, the ban on 19 assault weapons. I don't think it's a secret to anybody in this room that several members of the last Congress who voted for that aren't here tonight because they voted for it. (Applause.) And I know, therefore, that some of you who are here because they voted for it are under enormous pressure to repeal it. I just have to tell you how I feel about it.

The members of Congress who voted for that bill and I would never do anything to infringe on the right to keep and bear arms to hunt and to engage in other appropriate sporting activities. I've done it since I was a boy, and I'm going to keep right on doing it until I can't do it anymore. But a lot of people laid down their seats in Congress so that police officers and kids wouldn't have to lay down their lives under a hail of assault weapon attack -- and I will not let that be repealed. (Applause.) I will not let it be repealed. (Applause.)

I'd like to talk about a couple of other issues we have to deal with. I want us to cut more spending, but I hope we won't cut government programs that help to prepare us for the new economy, promote responsibility and are organized from the grass roots up, not by federal bureaucracy. The very best example of this is the National Service Corps -- AmeriCorps. (Applause.)

It passed with strong bipartisan support. And now there are 20,000 Americans, more than every served in one year in the Peace Corps, working all over this country, helping people person to person in local, grass-roots volunteer groups, solving problems and, in the process, earning some money for their education. This is citizenship at its best. It's good for the AmeriCorps members, but it's good for the rest of us, too. It's the essence of the New Covenant, and we shouldn't stop it. (Applause.)

All Americans, not only in the states most heavily affected, but in every place in this country, are rightly disturbed by the large numbers of illegal aliens entering our country. The jobs they hold might otherwise be held by citizens or legal immigrants. The public service they use impose burdens on our taxpayers. That's why our administration has moved aggressively to secure our borders more by hiring a record number of new border guards, by deporting twice as many criminal aliens as ever before, by cracking down on illegal hiring, by barring welfare benefits to illegal aliens.

In the budget I will present to you we will try to do more to speed the deportation of illegal aliens who are arrested for crimes, to better identify illegal aliens in the workplace as recommended by the commission headed by former Congresswoman Barbara Jordan.

We are a nation of immigrants. But we are also a nation of laws. It is wrong and ultimately self-defeating for a nation of immigrants to permit the kind of abuse of our immigration laws we have seen in recent years, and we must do more to stop it. (Applause.)

The most important job of our government in this new era is to empower the American people to succeed in the global economy. America has always been a land of opportunity, a land where, if you work hard, you can get ahead. We've become a great middle class country. Middle class values sustain us. We must expand that middle class, and shrink the underclass, even as we do everything we can to support the millions of Americans who are already successful in the new economy.

America is once again the world's strongest economic power, almost six million new jobs in the last two years, exports booming, inflation down, high-wage jobs are coming back. A record number of American entrepreneurs are living the American Dream. If we want it to stay that way, those who work and lift our nation must have more of its benefits.

Today, too many of those people are being left out. They're working harder for less. They have less security, less income, less certainty that they can even afford a vacation, much less college for their kids or retirement for themselves. We cannot let this continue.

If we don't act, our economy will probably keep doing what it's been doing since about 1978, when the income growth began to go to those at the very top of our economic scale and the people in the vast middle got very little growth, and people who worked like crazy but were on the bottom then fell even further and further behind in the years afterward -- no matter how hard they worked.

We've got to have a government that can be a real partner in making this new economy work for all of our people; a government that helps each and every one of us to get an education, and to have the opportunity to renew our skills. That's why we worked so hard to increase educational opportunities in the last two years -- from Head Start to public schools, to apprenticeships for young people who don't go to college, to making college loans more available and more affordable. That's the first thing we have to do. We've got to do something to empower people to improve their skills.

The second thing we ought to do is to help people raise their incomes immediately by lowering their taxes. (Applause.) We took the first step in 1993 with a working family tax cut for 15 million families with incomes under $27,000; a tax cut that this year will average about $1,000 a family. And we also gave tax reductions to most small and new businesses.

Before we could do more than that, we first had to bring down the deficit we inherited, and we had to get economic growth up. Now we've done both. And now we can cut taxes in a more comprehensive way. But tax cuts should reinforce and promote our first obligation -- to empower our citizens through education and training to make the most of their own lives.

The spotlight should shine on those who make the right choices for themselves, their families and their communities. I have proposed the Middle Class Bill of Rights, which should properly be called the Bill of Rights and Responsibilities because its provisions only benefit those who are working to educate and raise their children and to educate themselves. It will, therefore, give needed tax relief and raise incomes in both the short run and the long run in a way that benefits all of us.

There are four provisions. First, a tax deduction for all education and training after high school. (Applause.) If you think about it, we permit businesses to deduct their investment, we permit individuals to deduct interest on their home mortgages, but today an education is even more important to the economic well-being of our whole country than even those things are. We should do everything we can to encourage it. And I hope you will support it.

Second, we ought to cut taxes, $500 for families with children under 13. (Applause.)

Third, we ought to foster more savings and personal responsibility by permitting people to establish an Individual Retirement Account and withdraw from it tax free for the cost of education, health care, first-time home-buying or the care of a parent. (Applause.)

And fourth, we should pass a G.I. Bill for America's workers. We propose to collapse nearly 70 federal programs and not give the money to the states, but give the money directly to the American people; offer vouchers to them so that they, if they're laid off or if they're working for a very low wage, can get a voucher worth $2,600 a year for up to two years to go to their local community colleges or wherever else they want to get the skills they need to improve their lives. Let's empower people in this way. Move it from the government directly to the workers of America. (Applause.)

Now, any one of us can call for a tax cut, but I won't accept one that explodes the deficit or puts our recovery at risk. We ought to pay for our tax cuts fully and honestly. (Applause.)

Just two years ago, it was an open question whether we would find the strength to cut the deficit. Thanks to the courage of the people who were here then, many of whom didn't return, we did cut the deficit. We began to do what others said would not be done. We cut the deficit by over $600 billion, about $10,000 for every family in this country. It's coming down three years in a row for the first time since Mr. Truman was president, and I don't think anybody in America wants us to let it explode again. (Applause.)

In the budget I will send you, the Middle Class Bill of Rights is fully paid for by budget cuts in bureaucracy, cuts in programs, cuts in special interest subsidies. And the spending cuts will more than double the tax cuts. My budget pays for the Middle Class Bill of Rights without any cuts in Medicare. And I will oppose any attempts to pay for tax cuts with Medicare cuts. That's not the right thing to do. (Applause.)

I know that a lot of you have your own ideas about tax relief, and some of them I find quite interesting. I really want to work with all of you. My test for our proposals will be: Will it create jobs and raise incomes? Will it strengthen our families and support our children? Is it paid for? Will it build the middle class and shrink the underclass? If it does, I'll support it. But if it doesn't, I won't.

The goal of building the middle class and shrinking the underclass is also why I believe that you should raise the minimum wage. (Applause.) It rewards work. Two and a half million Americans -- 2.5 million Americans, often women with children, are working out there today for $4.25 an hour. In terms of real buying power, by next year that minimum wage will be at a 40-year low. That's not my idea of how the new economy ought to work.

Now, I've studied the arguments and the evidence for and against a minimum wage increase. I believe the weight of the evidence is that a modest increase does not cost jobs, and may even lure people back into the job market. But the most important thing is, you can't make a living on $4.25 an hour. (Applause.) Especially if you have children, even with the working families tax cut we passed last year. In the past, the minimum wage has been a bipartisan issue, and I think it should be again. So I want to challenge you to have honest hearings on this; to get together; to find a way to make the minimum wage a living wage.

Members of Congress have been here less than a month, but by the end of the week, 28 days into the new year, every member of Congress will have earned as much in congressional salary as a minimum wage worker makes all year long. (Applause.)

Everybody else here, including the President, has something else that too many Americans do without, and that's health care. Now, last year, we almost came to blows over health care. But we didn't do anything. And the cold, hard fact is that, since last year, since I was here, another 1.1 million Americans in working families have lost their health care. And the cold, hard fact is that many millions more, most of them farmers and small businesspeople and self-employed people, have seen their premiums skyrocket, their co-pays and deductibles go up. There's a whole bunch of people in this country that, in the statistics have health insurance, but really what they've got is a piece of paper that says they won't lose their home if they get sick.

Now, I still believe our country has got to move toward providing health security for every American family. (Applause.) But I know that last year, as the evidence indicates, we bit off more than we could chew. So I'm asking you that we work together. Let's do it step by step. Let's do whatever we have to do to get something done. Let's at least pass meaningful insurance reform so that no American risks losing coverage for facing skyrocketing prices. (Applause.) That nobody loses their coverage because they face high prices or unavailable insurance, when they change jobs and lose a job, or a family member gets sick.

I want to work together with all of you who have an interest in this -- with the Democrats who worked on it last time, with the Republican leaders like Senator Dole who has a longtime commitment to health care reform and made some constructive proposals in this area last year. We ought to make sure that self-employed people in small businesses can buy insurance at more affordable rates through voluntary purchasing pools. We ought to help families provide long-term care for a sick parent or a disabled child. We can work to help workers who lose their jobs at least keep their health insurance coverage for a year while they look for work. And we can find a way -- it may take some time, but we can find a way -- to make sure that our children have health care. (Applause.)

You know, I think everybody in this room, without regard to party, can be proud of the fact that our country was rated as having the world's most productive economy for the first time in nearly a decade. But we can't be proud of the fact that we're the only wealthy country in the world that has a smaller percentage of the work force and their children with health insurance today than we did 10 years ago, the last time we were the most productive economy in the world. So let's work together on this. It is too important for politics as usual. (Applause.)

Much of what the American people are thinking about tonight is what we've already talked about. A lot of people think that the security concerns of America today are entirely internal to our borders. They relate to the security of our jobs and our homes, and our incomes and our children, our streets, our health and protecting those borders. Now that the Cold War has passed, it's tempting to believe that all the security issues, with the possible exception of trade, reside here at home. But it's not so. Our security still depends upon our continued world leadership for peace and freedom and democracy. We still can't be strong at home unless we're strong abroad.

The financial crisis in Mexico is a case in point. I know it's not popular to say it tonight, but we have to act. Not for the Mexican people, but for the sake of the millions of Americans whose livelihoods are tied to Mexico's well-being. If we want to secure American jobs, preserve American exports, safeguard America's borders, then we must pass the stabilization program and help to put Mexico back on track.

Now let me repeat: it's not a loan, it's not foreign aid, it's not a bail out. We will be given a guarantee like co-signing a note with good collateral that will cover our risks. This legislation is the right thing for America. That's why the bipartisan leadership has supported it. And I hope you in Congress will pass it quickly. It is in our interest, and we can explain it to the American people, because we're going to do it in the right way. (Applause.)

You know, tonight, this is the first State of the Union address ever delivered since the beginning of the Cold War when not a single Russian missile is pointed at the children of America. (Applause.) And along with the Russians, we're on the way to destroying the missiles and the bombers that carry 9,000 nuclear warheads. We've come so far so fast in this post-Cold War world that it's easy to take the decline of the nuclear threat for granted. But it's still there, and we aren't finished yet.

This year I'll ask the Senate to approve START II, to eliminate weapons that carry 5,000 more warheads. The United States will lead the charge to extend indefinitely the nuclear Nonproliferation Treaty -- (applause); to enact a comprehensive nuclear test ban -- (applause); and to eliminate chemical weapons. (applause.) To stop and roll back North Korea's potentially deadly nuclear program, we'll continue to implement the agree we have reached with that nation. It's smart; it's tough; it's a deal based on continuing inspection with safeguards for our allies and ourselves. (Applause.)

This year I'll submit to Congress comprehensive legislation to strengthen our hand in combatting terrorists --whether they strike at home or abroad. As the coward's who bombed the World Trade Center found out, this country will hunt down terrorists and bring them to justice. (Applause.)

Just this week, another horrendous terrorist act in Israel killed 19 and injured scores more. On behalf of the American people and all of you, I send our deepest sympathy to the families of the victims. I know that in the face of such evil, it is hard for the people in the Middle East to go forward. But the terrorists represent the past, not the future. We must and we will pursue a comprehensive peace between Israel and all her neighbors in the Middle East. (Applause.)

Accordingly, last night I signed an executive order that will block the assets in the United States of terrorist organizations that threaten to disrupt the peace process. It prohibits financial transactions with these groups. And tonight I call on our allies and peace-loving nations throughout the world to join us with renewed fervor in a global effort to combat terrorism. We cannot permit the future to be marred by terror and fear and paralysis. (Applause.)

From the day I took the oath of office, I pledged that our nation would maintain the best-equipped, best-trained and best-prepared military on Earth. We have, and they are. They have managed the dramatic downsizing of our forces after the Cold War with remarkable skill and spirit. But to make sure our military is ready for action, and to provide the pay and the quality of life the military and their families deserve, I'm asking the Congress to add $25 billion in defense spending over the next six years. (Applause.)

I have visited many bases at home and around the world, since I became president. Tonight, I repeat that request with renewed conviction. We ask a very great deal of our Armed Forces. Now that they are smaller in number, we ask more of them. They go out more often to more different places and stay longer. They are called to service in many, many ways. And we must give them and their families what the times demand and what they have earned. (Applause.)

Just think about what our troops have done in the last year, showing America at its best -- helping to save hundreds of thousands of people in Rwanda, moving with lightning speech to head off another threat to Kuwait, giving freedom and democracy back to the people of Haiti. (Applause.)

We have proudly supported peace and prosperity and freedom from South Africa to Northern Ireland, from Central and Eastern Europe to Asia, from Latin America to the Middle East. All these endeavors are good in those places, but they make our future more confident and more secure.

Well, my fellow Americans, that's my agenda for America's future: Expanding opportunity, not bureaucracy; enhancing security at home and abroad; empowering our people to make the most of their own lives. It's ambitious and achievable, but it's not enough. We even need more than new ideas for changing the world or equipping Americans to compete in the new economy; more than a government that's smaller, smarter and wiser; more than all the changes we can make in government and in the private sector from the outside in.

Our fortunes and our posterity also depend upon our ability to answer some questions from within -- from the values and voices that speak to our hearts as well as our heads; voices that tell us we have to do more to accept responsibility for ourselves and our families, for our communities, and, yes, for our fellow citizens. We see our families and our communities all over this country coming apart. And we feel the common ground shifting from under us. The PTA, the town hall meeting, the ball park -- it's hard for a lot of overworked parents to find the time and space for those things that strengthen the bonds of trust and cooperation. Too many of our children don't even have parents and grandparents who can give them those experiences that they need to build their own character and their sense of identity.

We all know what while we here in this chamber can make a difference on those things, that the real differences will be made by our fellow citizens -- where they work and where they live. And it will be made almost without regard to party. When I used to go to the softball park in Little Rock to watch my daughter's league, and people would come up to me, fathers and mothers, and talk to me, I can honestly say I had no idea whether 90 percent of them were Republicans or Democrats. When I visited the relief centers after the floods in California -- Northern California -- last week, a woman came up to me and did something that very few of you would do -- she hugged me and said, "Mr. President, I'm a Republican, but I'm glad you're here." (Laughter and applause.)

Now, why? We can't wait for disasters to act the way we used to act every day. Because as we move into this next century, everybody matters; we don't have a person to waste. And a lot of people are losing a lot of chances to do better. That means that we need a New Covenant for everybody.

For our corporate and business leaders, we're going to work here to keep bringing the deficit down, to expand markets, to support their success in every possible way. But they have an obligation when they're doing well to keep jobs in our communities and give their workers a fair share of the prosperity they generate. (Applause.)

For people in the entertainment industry in this country, we applaud your creativity and your world-wide success, and we support your freedom of expression. But you do have a responsibility to assess the impact of your work and to understand the damage that comes from the incessant, repetitive, mindless violence and irresponsible conduct that permeates our media all the time. (Applause.)

We've got to ask our community leaders and all kinds of organizations to help us stop our most serious social problem: the epidemic of teen pregnancies and births where there is no marriage. I have sent to Congress a plan to targets schools all over this country with anti-pregnancy programs that work. But government can only do so much. Tonight, I call on parents and leaders all across this country to join together in a national campaign against teen pregnancy to make a difference. We can do this, and we must. (Applause.)

And I would like to say a special word to our religious leaders. You know, I'm proud of the fact the United States has more houses of worship per capita than any country in the world. These people who lead our houses of worship can ignite their congregations to carry their faith into action; can reach out to all of our children, to all of the people in distress, to those who have been savaged by the breakdown of all we hold dear. Because so much of what we've done must come from the inside out, and our religious leaders and their congregations can make all the difference. They have a role in the New Covenant as well.

There must be more responsibility for all of our citizens. You know, it takes a lot of people to help all the kids in trouble stay off the streets and in school. It takes a lot of people to build the Habitat for Humanity houses that the Speaker celebrates on his lapel pin. It takes a lot of people to provide the people power for all of the civic organizations in this country that made our communities mean so much to most of us when we were kids. It takes every parent to teach the children the difference between right and wrong and to encourage them to learn and grow; and to say no to the wrong things, but also to believe that they can be whatever they want to be.

I know it's hard when you're working harder for less, when you're under great stress to do these things. A lot of our people don't have the time or the emotional stress they think to do the work of citizenship.

Most of us in politics haven't helped very much. For years, we've mostly treated citizens like they were consumers or spectators, sort of political couch potatoes who were supposed to watch the TV ads, either promise them something for nothing or play on their fears and frustrations. And more and more of our citizens now get most of their information in very negative and aggressive ways that are hardly conducive to honest and open conversations. But the truth is, we have got to stop seeing each other as enemies, just because we have different views.

If you go back to the beginning of this country, the great strength of America, as de Tocqueville pointed out when he came here a long time ago, has always been our ability to associate with people who were different from ourselves and to work together to find common ground. And in this day, everybody has a responsibility to do more of that. We simply cannot wait for a tornado, a fire, or a flood to behave like Americans ought to behave in dealing with one another. (Applause.)

I want to finish up here by pointing out some folks that are up with the First Lady that represent what I'm trying to talk about -- citizens. I have no idea what their party affiliation is or who they voted for in the last election. But they represent what we ought to be doing.

Cindy Perry teaches second graders to read in AmeriCorps in rural Kentucky. She gains when she gives. She's a mother of four. She says that her service inspired her to get her high school equivalency last year. (Applause.) She was married when she was a teenager. Stand up, Cindy. (Applause.) She was married when she was a teenager. She had four children, but she had time to serve other people, to get her high school equivalency. And she's going to use her AmeriCorps money to go back to college. (Applause.)

Stephen Bishop is the police chief of Kansas City. (Applause.) He's been a national leader. (Applause.) Stand up -- (applause). He's been a national leader in using more police in community policing, and he's worked with AmeriCorps to do it. And the crime rate in Kansas City has gone down as a result of what he did.

Corporal Gregory Depestre went to Haiti as part of his adopted country's force to help secure democracy in his native land. (Applause.) And I might add, we must be the only country in the world that could have gone to Haiti and taken Haitian-Americans there who could speak the language and talk to the people. And he was one of them, and we're proud of him. (Applause.)

The next two folks I've had the honor of meeting and getting to know a little bit, the Reverend John and the Reverend Diana Cherry of the AME Zion Church in Temple Hills, Maryland. I'd like to ask them to stand. (Applause.) I want to tell you about them. In the early '80s, they left government service and formed a church in a small living room in a small house, in the early '80s. Today that church has 17,000 members. It is one of the three or four biggest churches in the entire United States. It grows by 200 a month. They do it together. And the special focus of their ministry is keeping families together. (Applause.)

Two things they did make a big impression on me. I visited their church once, and I learned they were building a new sanctuary closer to the Washington, D.C., line in a higher crime, higher drug rate area because they thought it was part of their ministry to change the lives of the people who needed them. (Applause.)

The second thing I want to say is, that once Reverend Cherry was at a meeting at the White House with some other religious leaders, and he left early to go back to his church to minister to 150 couples that he had brought back to his church from all over America to convince them to come back together, to save their marriages, and to raise their kids. This is the kind of work that citizens are doing in America. We need more of it, and it ought to be lifted up and supported. (Applause.)

The last person I want to introduce is Jack Lucas from Hattiesburg, Mississippi. Jack, would you stand up? (Applause.) Fifty years ago, in the sands of Iwo Jima, Jack Lucas taught and learned the lessons of citizenship. On February the 20th, 1945, he and three of his buddies encountered the enemy and two grenades at their feet. Jack Lucas threw himself on both of them. In that moment, he saved the lives of his companions, and miraculously in the next instant, a medic saved his life. He gained a foothold for freedom, and at the age of 17, just a year older than his grandson, who is up there with him today, and his son, who is a West Point graduate and a veteran, at 17, Jack Lucas became the youngest Marine in history and the youngest soldier in this century to win the Congressional Medal of Honor. (Applause.)

All these years later, yesterday, here's what he said about that day: "It didn't matter where you were from or who you were, you relied on one another. You did it for your country."

We all gain when we give, and we reap what we sow. That's at the heart of this New Covenant -- responsibility, opportunity and citizenship. More than stale chapters in some remote civics book; they're still the virtue by which we can fulfill ourselves and reach our God-given potential and be like them; and also to fulfill the eternal promise of this country -- the enduring dream from that first and most sacred covenant.

I believe every person in this country still believes that we are created equal, and given by our Creator, the right to life, liberty and the pursuit of happiness. This is a very, very great country. And our best days are still to come.

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

END10:35 P.M. EST

THE WHITE HOUSE

WASHINGTON

Talking Points on the President's

"Middle Class Bill of Rights"

Message: The President is cutting taxes for middle-income Americans and paying for it by dramatically streamlining federal departments and agencies. The tax cuts will help raise the living standards of middle-income Americans, while the streamlining will help make government work for the American people.

Tax cuts:

* The President's "Middle Class Bill of Rights" helps to fulfill the President's 1992 campaign pledge to cut taxes for the middle class.

* The tax cut builds upon the President's successful push in 1993 for a major expansion of the Earned Income Tax Credit, which gave a tax cut to 40 million Americans in the families of 15 million working Americans.

* The tax cuts are needed because the benefits of the recovery have not reached everyone. While the President's economic plan has helped to create more than 5 million new jobs in the last two years, the incomes of many Americans have remained stagnant or have fallen.

* Thus, the President has geared his middle class tax cut to those Americans who may not have shared in the recovery, or who face skyrocketing educational or medical costs.

* Specifically, the tax cut includes:

a. Child tax credit: up to $500 for each child up to 12 years old, for families with incomes of less than $75,000;

b. Education tax deduction: up to $10,000 deduction per family for tuition for college, community college, graduate schools, vocational colleges, and worker retraining, for families making up to $120,000;

c. Expanded IRA: up to $2,000 in tax-free contributions to an IRA account, or tax-free withdrawals, for families with incomes up to $100,000. Also, penalty-free withdrawals for education, medical expenses, and the purchase of a first home;

d. New individual skill grants: $2,000-$3,000 skill grants and income-contingent loans for individuals, financed by consolidating more than 60 training programs.

* The tax cut, however, is only the Administration's short-term policy to help middle-income Americans with stagnant or declining incomes; the Administration also has pursued a major long-term approach.

a. The long-term approach involves investments in education and job training to give Americans the skills they need to compete in the increasingly global economy.

* The President has found more than enough savings to pay for his tax cut:

a. His tax cut will cost $60 billion over five years.

b. He will continue the current freeze on discretionary spending (saving $52 billion), while he restructures five government agencies and takes other related steps (saving $24 billion).

* The President will not support any effort to cut taxes unless it's paid for. That is, he will not let tax cuts explode the deficit, as they did in the 1980s.

Government restructuring:

* The President has already announced a major restructuring of three Cabinet departments and two major agencies, as well as other restructuring efforts, which together will save $24 billion over the next five years.

* The organizations involved include the Departments of Transportation, Energy, and Housing and Urban Development, the General Services Administration, and the Office of Personnel Management.

* The restructurings are only the first step in a process, which the President has asked the Vice President to lead, through which we will be taking a hard look at all other departments and agencies in the coming months.

* The Vice President will lead an effort to look at every single agency and program, find things that we can eliminate, and figure out how to provide services better.

* The effort will be a collaborative one between the agencies, the National Performance Review, the Office of Management and Budget, the President's Management Council, and the White House Policy Councils.

* This effort is designed not only to help continue to pay for our tax cuts after five years but, just as importantly, to make government work better for the American people.

* The President is thinking about such things as:

> a. how the various departments and agencies work,
>
> b. the relationships among them,
>
> c. the relationships among the federal, state, and local governments, and
>
> d. how to sort out their functions.

* This Administration is proud of its success to date in reinventing government through the National Performance Review:

> a. We are eliminating unnecessary federal programs and improving the efficiency and effectiveness of the ones that remain.
>
> b. We have already eliminated nearly 100,000 federal jobs in our effort -- now enshrined in law -- to cut 272,900 positions by the end of this decade.
>
> c. This will make the federal workforce the smallest since JFK was President.

Q and As

Q: Why are you abandoning deficit reduction in favor of a tax cut?

A: We're not doing that. We are fully funding our tax cut with specific savings. In fact, we have come up with $76 billion in savings to pay for the $60 billion in tax cuts. And, as the President has said, we will apply the $16 billion in extra savings to deficit reduction.

The President's economic plan has dramatically reduced the deficit from $290 billion in 1992 to below $200 billion this year, cutting it three years in a row for the first time since Harry Truman was President. The President will not allow the deficit to explode as it did in the 1980s when we cut taxes and didn't pay for it.

Q: Why are you proposing a tax cut now, in particular?

A: Because this is one of the President's few remaining campaign pledges that he hasn't fulfilled. Having brought the deficit under control, the President now thinks that we can afford a responsible tax cut. And while the President's economic plan has helped to create more than 5 million new jobs, many Americans have not shared in the full fruits of recovery. The tax cuts are targeted at those Americans.

Q: Why would you cut taxes now, less than two years after you raised them in the President's economic plan?

A: Keep in mind, only the wealthiest Americans received an increase in their income taxes. We did not raise income taxes on middle-income Americans, and we cut taxes for some 40 million working Americans.

Q: Aren't you just following the Republicans?

A: The President began talking about a middle-class tax cut during the campaign. If anything, it's the Republicans who have suddenly warmed up to the idea of tax cuts. When we cut taxes for 40 million Americans in 1993, the Republicans voted against it.

Q: Why is your tax cut better than the Republicans'?

A: For several reasons:

* For one, ours is fully paid for; the Republicans haven't said yet how they will pay for theirs.

* For another, ours is targeted to middle-income Americans; theirs is disproportionately targeted to the wealthy.

* For still another, ours will help middle-income Americans with the very real problems they face -- financing a child's college tuition, finding the money for a first home or for medical costs, and acquiring the skills to compete in the global economy.

Q: Isn't your continued "freeze" on discretionary spending just a gimmick?

A: Not at all. The existing freeze has helped bring down the deficit. We will propose specific legislation to continue this effective tool. The freeze is an enforceable mechanism that effectively limits spending, as you will see from the details in the President's upcoming budget.

Q: Isn't your so-called "restructuring" of agencies just a response to the elections?

A: Not at all. Our efforts to make government work began with the National Performance Review back in 1993. We have already made important progress, cutting red tape and shrinking the workforce to its lowest level since JFK was President. Now, we are building on those efforts.

Obviously, the election highlighted the fact that Americans remain unhappy with how their government works. If Republicans want to help us reinvent the federal government, we invite them to do so.

Q: Why did you choose not to eliminate any major departments?

A: We will, in fact, eliminate some smaller agencies as part of the President's next budget. As for the major departments, the President thought long and hard about it. But in the end, he decided that while we could shift some functions to state and local governments or the private sector, we needed to retain some semblance of those departments to carry out functions that are clearly federal in nature.

Q: Doesn't mean that you're not serious about cutting spending?

A: No. It means that we're going to make cuts responsibly, not just talk about across-the-board cuts without specifying the hard choices -- as the Republicans have done.

Q: Will you eliminate agencies and programs as part of the Vice President's upcoming efforts?

A: We can't say for sure, but we're clearly going to take a hard look at everything in government and get rid of things that we can't justify keeping.