Originally Processed With FOIA(s):
1998-0004-F[1]

FOIA Number:
S

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.

Record Group/Collection:	George H.W. Bush Presidential Records
Collection/Office of Origin:	Chief of Staff, White House Office of
Series:	Sununu, John, Files
Subseries:	Cabinet Agencies Files

OA/ID Number:	29188
Folder ID Number:	29188-003

Folder Title:
Dole (Labor - 1989)

Stack:	Row:	Section:	Shelf:	Position:
G	15	25	6	5

JHS copy

4-25

Per Darman's office, they are working with Labor on a signing statement. They have incorporated Secy Dole's language and ideas with theirs and sent it to Labor for approval.

THE WHITE HOUSE
WASHINGTON

Date: April 24, 1989

FOR: Richard Darman

FROM: GOVERNOR JOHN H. SUNUNU

☐ Action

XXX Your Comment

☐ Let's Talk

☐ FYI

THE WHITE HOUSE
WASHINGTON

Date: April 24, 1989

FOR: Roger Porter

FROM: GOVERNOR JOHN H. SUNUNU

☐ Action

XXXX Your Comment

☐ Let's Talk

☐ FYI

THE WHITE HOUSE
WASHINGTON

Date: April 24, 1989

: Fred McClure

M: GOVERNOR JOHN H. SUNUNU

☐ Action

XXXX Your Comment

☐ Let's Talk

☐ FYI

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Memo	From Elizabeth Dole to John Sununu Re: Veto strategy for draft minimum wage bill (3 pp.)	1989	~~P/5~~	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
File Location: Dole (Labor - 1989)

Open on Expiration of PRA
(Document Follows)
By JP (NLGB) on 1/19/09

Date Closed:	12/2/2004	**OA/ID Number:**	29188-003
FOIA/SYS Case #:	1998-0004-F[1]	**Appeal Case #:**	
Re-review Case #:	2005-0426-S	**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	
AR Disposition:		**MR Disposition:**	
AR Disposition Date:		**MR Disposition Date:**	

RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

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

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

The Honorable John Sununu
Chief of Staff
The White House
Washington, D.C. 20500

Dear John:

Although it is too early to settle on the precise veto strategy we ought to employ, attached for your consideration is a draft veto message on minimum wage which incorporates important points we ought to consider.

It's my belief the President's message will need to play to our strengths and give reason to our supporters to stick with us. Addressing the "skills gap," as opposed to the "wage gap" through education and training is our strong suit. And support for a closer look at EITC reform would certainly keep a number of our allies in our corner should a vote to override occur.

Your thoughts would be appreciated.

Sincerely,

Elizabeth

Elizabeth Dole

SOME THOUGHTS ON A POST-VETO STRATEGY

Background:

A key question (the answer is beyond our control) is how the Democrats will respond to a sustained veto by the President.

- Some feel strongly that they will try again, very soon after, sending another bill to the President's desk. Opinions divide as to whether they would pass the Bush compromise (for the sake of getting some increase enacted) or pass another version inconsistent with the President's criteria (daring him to veto a second time and confident he can't sustain a second time).

- Others are more skeptical and believe that neither Senator Mitchell nor Speaker Wright (with mounting troubles of his own) will have any enthusiasm for trying again, when both started this session assured that, of the labor agenda, a minimum wage increase would be easiest to enact (with 80% poll popularity). These people predict the majority Democrats will be more likely to put off another try, at least until next year, an election year.

Strategic Options:

Essentially, there are three:

1. Simply hang tough, restate (identical) conditions for signing a bill, and reassert willingness to veto again.

   Pro: Consistency, toughness, unwillingness to bend on principle of preserving jobs.

   Con: Will be more difficult to replicate 198 for Bush in House if Dems try again; sustaining 2nd veto will be tough.

2. Try to "change the subject" with veto message; express regret the debate ended with veto but sense of urgency to move from "wage gap" debate to real issues of "skills gap" on which bi-partisan effort genuinely needed.

   Pro: Continues to keep President in front, attempting to define real labor agenda in own terms, not just responding to Democrats' agenda.

   Con: Concrete proposals may not be final at time of veto.

3. "Sweeten the pot" for EITC advocates by scheduling Administration study (to be completed by date certain) and committing to propose EITC reform to meet real needs of working poor (as Minimum Wage increase does not).

   Pro: Might shore up support from House Republicans for 2nd veto, if needed (and on future tough votes). They stuck with President on tough vote, would see him willing to stick with them on this idea.

   Con: Would require early policy decision to consider serious EITC reform (at 1st EPC, some suggested Administration might move this way, but not this soon -- child care a step, but not as comprehensive as this one).

A possible 4th alternative might combine 2 and 3 above.

I am returning today, without my approval, H.R. 2, the Fair Labor Standards Act Amendments of 1989.

For most Americans, jobs and opportunity are the same thing. Increasing the minimum wage, simply, destroys opportunity by destroying jobs. That is why I sought to make it clear that I could accept an increase only if it were a modest one and only if it were accompanied by provision for a meaningful training wage. Liberalization of current small business exemptions and the tip credit were also necessary to maximize the preservation of jobs that would be lost by any more expansive approach.

Very early in this Administration, we specified that an increase to no more than $4.25 and a new-hire training wage at essentially the level of the current minimum, that could be paid for as long as six months, were essential pre-conditions of my support.

The bill before me meets neither critérion. The "training wage" included in this legislation is ineffective. Its 60 day limitation is too short; its applicability only to first jobs is too restrictive. The principal justification for a training wage is preservation of opportunity -- for jobs and for training. This can be accomplished only through a permanent trainee differential. The bill before me provides only temporary training wage authority, which would expire three years after taking effect. Under H.R. 2, the minimum wage for trainees would rise to $4.55 just as the regular minimum wage would -- but would do so in four years instead of three. That fact alone defeats the purpose of a training wage. This provision of H.R. 2 would save not a single job. I cannot support it.

In addition, I have said I could accept a 27 percent increase to the minimum wage itself -- totalling 90 cents an hour in three equal annual increments of 30 cents. The increase in this bill exceeds that amount by a full one-third. The larger the increase, the larger the job loss. In the interest of job preservation, therefore, I cannot approve this legislation.

I wish to be clear on this: My difference with the majority in Congress is not about 30 cents an hour; it's about half a million jobs, approximately the number that would be preserved by this Administration's approach, as compared to an excessive increase.

It is regrettable that this debate must end with a veto; once the majority in Congress determined to reject my offer of compromise on minimum wage legislation, however, it also became inevitable.

If this debate about raising wages is over, however, the debate about helping the working poor must go on.

The debate about alternative strategies to enhance their income through tax change is maturing. I have proposed already, in my Child Tax Credit proposal, reforms which, like the Earned Income Tax Credit, will enhance the incomes of low-income working families with young children -- and which will do so in a way that acknowledges the importance of family size to family economic status.

The speed with which Congress determined to move on minimum wage legislation at the start of this Congress precluded any more comprehensive review of Earned Income Tax Credit revision, or other approaches, which hold the promise of income enhancement for low-income working families. While the revenue cost of such a policy might be considerable (and needs very careful review), the other costs which accompany a minimum wage increase -- job loss and inflationary pressures -- are absent from this approach. Further, my Child Tax Credit or other reform of EITC have the virtue of much more precise targeting -- they can help the working poor and only the working poor. In contrast, most minimum wage earners are not poor; they are young, single, and live in households with other workers where total household income is well above poverty.

The Congress is holding hearings on EITC reform, including my Child Tax Credit proposal. My Administration will conduct a thorough review of the issue as well. I have asked my Economic Policy Council to report to me no later than (..... a date certain .....) on both the implications for the working poor and on the fiscal impact of any such change.

We should, before the end of this year, be ready to engage a debate about such alternative strategies to assist working families in poverty.

Real help for the working poor, however, must involve more than federal policy change to enhance their income. It must also and more importantly involve federal policy change to enhance their skills, so they can enhance their own income. And, indeed, the debate about raising their level of skills is just beginning. As it starts, I renew my invitation to the Congress to work together with this Administration, in a cooperative and bipartisan way -- and with all possible speed -- on what I believe is the more urgent and compelling workforce challenge. We need to improve American education so young Americans of today can prepare for the more demanding jobs of tomorrow. We need to refine our training and re-training programs so that working Americans of whatever age, can acquire the skills they need, and as necessary upgrade them, to take full advantage of the opportunity that job-creating economic growth is providing.

Growth offers opportunity for those prepared to seize it. For those not now prepared and lacking the basic skills of language and literacy, computational skills and the like, we need to debate quickly so we can act quickly to provide or refine our training mechanisms.

I am anxious, indeed impatient, for us to start on this.

I have proposed a package of educational reforms to restructure our federal approach to elementary and secondary education. We can offer a better quality of education to our children than we do, and a wider degree of educational choice to them and their parents. We need to do this; let's begin.

I have proposed as well, a package of reforms in vocational education that can improve this system, so vital to training and retraining our nation's workforce. We should move quickly to improve the quality of vocational education, to simplify it, to expand choice, to make the system more accountable and, importantly, to integrate it better with other job training efforts.

I will soon propose a package of youth initiatives. These will be intended to target critical training resources on those most in need of help. These initiatives will also offer improvements in the quality of training made available to "at-risk" youth, incorporate higher standards for achievement and competency after training and provide for intensified, tailored training for those most in need.

The Congress this year has a rare opportunity to move these legislative proposals, to improve education, to refine our cornerstone training program, the Job Training Partnership Act, to improve and re-authorize the Vocational Education Act, to see to the implementation of the JOBS training program called for in last year's reform of welfare laws -- and to do all of these in a concerted way. We need to approach these separate statutes and programs not separately, but as parts of a whole, as components of an integrated federal policy on workplace skills provision.

As I said in my inaugural address, I wish to proceed together with both parties in both Houses of the Congress. For those of us whose legislative priorities include the real needs of America's workforce, there can be no more important item on that agenda than education and skills preparation.

Since the beginning of this economic expansion at the end of 1982, our economy has created nearly 20 million new jobs. During that same period, the number of jobs paying less than $5.00 an hour has decreased by 8 million. In the contemporary American market, wages are rising -- less because tamer inflationary pressures are dragging them up than because the changing nature of America's workplace is demanding higher skills and offering better pay to the workers who possess them.

With or without a legislated increase in the minimum wage, these trends will continue. There will be relatively fewer new jobs in the future for those without basic skills; relatively more new jobs -- that are as much more rewarding as they are more demanding -- for those with the skills to fill them. An excessive increase in the minimum wage would have artificially accelerated that trend, eliminating any chance for hundreds of thousands of less skilled workers to get entry-level employment, and the experience, on-the-job-training and opportunities for advancement that go with it.

Most, though not all, of these would be young people. I remain, as I have said before, haunted by the fact that by the thousands, young Americans in inner cities believe themselves to have no stake in our system, no future, no hope. Believing they have nothing to lose, they act as if they have nothing to gain.

We cannot let this continue. Job training, improved education, these will not by themselves give hope to these young men and women. But work can give them something to gain -- and training, a way to get it. We can't sit by, destroying opportunity with well-intentioned but misguided policies -- jinxing another generation -- and live easily with ourselves.

During this year, however, and this Congress, even with limited budget resources -- we needn't do so. We can make a difference. Let's get started.

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. List	Labor Issues (1 pp.)	n.d.	~~P5~~	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
File Location: Dole (Labor - 1989)

Open on Expiration of PRA
(Document Follows)
By Of (NLGB) on 5/12/05

Date Closed:	12/2/2004	**OA/ID Number:**	29188-003
FOIA/SYS Case #:	1998-0004-F[1]	**Appeal Case #:**	
Re-review Case #:	2005-0426-S	**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	
AR Disposition:		**MR Disposition:**	
AR Disposition Date:		**MR Disposition Date:**	

RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

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

legis misc file

Both Houses

LABOR ISSUES

(Not in priority order)

= PARAMETERS - give me a bill I can sign by summer - I'll get those checks in the mail -

1. Minimum Wage Senate lead Hearing up to Easter? / Markup on the 8th. Get Pres. feel on min wage.
2. Parental Leave House lead May be quicker / follow Minimum Wage / a Mandated Benefit. Anti-Mandate Strategy. Republicans are looking for some alternative. 50 Rep. votes for mandated leave in the house. !! Need an alternative. NFIB wants a tax credit. 190 against 176 for. Rest undecided
3. Hatch Act Reform
4. Labor Protection Provisions
5. Child Care Moynahan / Packwood.
6. Mandated Health Benefits !!
7. Occupational Disease Notification
8. Davis Bacon
9. Double Breasting / LBO$
10. Pension Reform/Asset Reversion / Pension $ Redistribution. PORTABILITY METZENBAUM
11. Assortment of bills dealing with specific industry problems, such as the Machinists Union bill re: overseas aircraft repair
12. Whistleblowers Cooking.
13. Youth Legislation (Simon Hawkins) JTPA.
14. Job Training Partnership Act
15. OSHA Reform

See Bal Harbor Agenda.

PICKED 10/15 ....

2:00

TO PRES MAR 1 =

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03. Memo	From Elizabeth Dole to John Sununu Re: Veto strategy for draft minimum wage bill (1 pp.)	2/28/89	~~P-5~~	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
File Location: Dole (Labor - 1989)

Open on Expiration of PRA
(Document Follows)
By JP (NLGB) on 5/12/05

Date Closed:	12/2/2004	**OA/ID Number:**	29188-003
FOIA/SYS Case #:	1998-0004-F[1]	**Appeal Case #:**	
Re-review Case #:	2005-0426-S	**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	
AR Disposition:		**MR Disposition:**	
AR Disposition Date:		**MR Disposition Date:**	

RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

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

U.S. DEPARTMENT OF LABOR

DEPUTY SECRETARY OF LABOR
WASHINGTON, D.C.
20210

February 28, 1989

TO: GOVERNOR SUNUNU

FROM: ELIZABETH DOLE EHD

In light of the emphasis on the sustainability of a veto in the draft paper on minimum wage, I want to provide additional information which I obtained late Tuesday during meetings with both the Senate minority members of the Labor and Human Resources Committee and the House minority members of the Education and Labor Committee. In summary, both seemed to confirm the wisdom of supporting Option A, as outlined in the paper.

Both bodies feel it is essential to have a clear signal, as soon as possible, from the President as to what he can accept with respect to an increase in the minimum wage and the definition of a training wage. It also appears clear and equally desirable that the President indicate this is a non-negotiable stance -- that this is as far as he can go. Both House and Senate members believe this issue will both set the stage and establish the tone for the remainder of the labor agenda, which is lengthy and laden with costly mandates (e.g. child care, parental leave, mandated health benefits, whistleblower protections, double breasting and numerous others).

Members believe that if the President states a clear position now, and a willingness to veto an unacceptable measure, it would not only signal resolve about the remaining pieces of the labor agenda, but enhance our ability to sustain a veto, if it comes to that.

In the Senate: Sen. Hatch believes that with clear Presidential leadership, they can maintain all the Republicans and attract 8 to 10 Democrats with a proposal similar to that outlined in Option A, with the distinct exception that the training wage should be three months, rather than six.

In the House: Members viewed the minimum wage as a bellweather for organized labor, and that labor will be "probing until they meet steel" on the entire labor agenda. House members seemed to be as concerned about the strength of the veto signal, as with the components of the bill which the President could accept.

I remain concerned about the diminished job loss offsets inherent in a three-month training wage. However, I am convinced, after my discussions with Republicans in Congress, particularly Senator Hatch, that the six-month training wage may jeopardize the sustainability of a veto, and we may have a significant increase in the minimum wage and a much higher job loss. Similarly, a protracted negotiation with Congress over the outlines of a minimum wage bill conjures up weeks of defensive, negative press stories. And, without identifying the specific boundaries of a signable bill, we are likely to see passage of a more extreme measure that may gather considerable GOP support.

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04. Note	From Elizabeth Dole to John Sununu Re: Minimum wage bill (2 pp.)	10/26/89	~~P-5~~	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
File Location: Dole (Labor - 1989)

Open on Expiration of PRA
(Document Follows)
By JP (NLGB) on 5/12/05

Date Closed:	12/2/2004	**OA/ID Number:**	29188-003
FOIA/SYS Case #:	1998-0004-F[1]	**Appeal Case #:**	
Re-review Case #:	2005-0426-S	**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	
AR Disposition:		**MR Disposition:**	
AR Disposition Date:		**MR Disposition Date:**	

RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

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

#085418

file

[redacted]

S

The Secretary of Labor

THE CHIEF of STAFF has seen

October 26, 1989

Dear John:

As this article from BNA illustrates, throughout this period of speculation about minimum wage compromise, I've shown no hint of anything other than the President's position on minimum wage. I, too, want to make sure that the President's principles are preserved.

The purpose of my call to you Thursday was to lay out why the original plan no longer has veto strength and to urge that we keep silent and not shoot down the House Republicans' plan of $4.25 over three years, a three-month training wage for

[redacted]

[redacted]

[redacted]

new hires with a three-month extension, thus providing a six-month cap. This is the plan that the House Republican Whip group is planning to bring before the Rules Committee.

I understand that minimum wage may be part now of a different strategic equation for the Administration, but having managed this issue for ten-months I need to be involved in any discussions on minimum wage. It is important to keep in mind that my original strategy on the minimum wage focused on its effect on the total labor agenda.

Thanks for your call,

Elizabeth

[redacted]

[redacted]

SEN. DOMENICI'S OFFICE CONFIRMS DISCUSSIONS WITH WHITE HOUSE OVER MINIMUM WAGE COMPROMISE

Confirming earlier reports that the White House is considering a compromise on legislation to raise minimum wage, a spokesman for Sen. Pete V. Domenici (R-NM) said Oct. 13 that the senator has been meeting with White House aides to discuss a "package that all sides can agree to."

Domenici's press secretary, Ari Fleischer, said he did not know what, if anything, had been agreed to, and that the discussions did not necessarily mean that President Bush had softened his position on the minimum wage issue. He said the final outcome of the discussions may result in a package that is "something different or something very much like" the president's initial proposal.

Bush has proposed raising the minimum wage (currently $3.35 an hour) by 90 cents over three years to $4.25 an hour. He also has recommended a reduced minimum wage for newly-hired workers during the first six-months of employment. The new hire rate would be equal to 80 percent of the regular minimum wage. In his first veto, Bush rejected a bill to boost the minimum wage to $4.55 an hour over three years. A subsequent House attempt to override the veto was unsuccessful (114 DLR A-11, 6/15/89).

The House Education and Labor Committee on Sept. 19 approved a scaled-back bill (HR 2710) calling for a 90 cent increase phased in over two years, but administration officials have said the two-year implementation period and the Democrats' proposed 60-day training wage is unacceptable (181 DLR A-11, 9/20/89). The legislation is awaiting action by the Rules Committee. No date has been set for action by the House.

However, congressional sources said they expect the Senate to act first, perhaps before the end of the month. Sen. Edward M. Kennedy (D-Mass), the chairman of the Senate Labor and Human Resources Committee, has said that he intends to offer a substitute for the bill vetoed earlier by President Bush.

While Domenici's office gave no details of the discussions between the senator and White House officials, Rep. William F. Goodling (R-Pa), the ranking Republican on the House Education and Labor Committee, outlined a compromise that he said the administration was considering seriously during an informal meeting with a small group of reporters.

Goodling said he had held discussions with Bush administration representatives who indicated that the president was prepared to accept certain modifications to his new hire proposal, if the Democrats agreed to his recommendation to phase in the increase over three years, as he originally proposed. According to Goodling, the modifications to the sub-minimum wage proposal for new hires that were under discussion included a breakdown of the six-month period into two segments: a three-month new-hire wage and a three-month training wage. After the first three months, employers would be required to meet certain training requirements in order to continue paying the reduced rate. Goodling said White House officials also indicated that the administration would support an exemption from the sub-minimum wage for individuals with more than 12 months' work experience.

However, Labor Secretary Elizabeth Dole in a subsequent interview told BNA that Bush remained firmly committed to his original proposal. "The President has not changed his view at all. He is right where he was," Dole said.