PRESIDENT CLINTON ANNOUNCES ACTIONS TO OFFER PAID LEAVE TO AMERICA'S WORKING FAMILIES

June 10, 2000

Today, in his weekly radio address, the President will announce new steps to support America's working families, who increasingly feel the pressure of balancing work and family responsibilities and have few resources to afford to take family leave without pay. President Clinton will announce final actions to enable states to help parents afford to take leave after the birth or adoption of a child and to enable federal employees to take paid leave to care for a seriously ill family member.

PARENTAL LEAVE NEEDS TO BE AFFORDABLE. Parents need more support to help balance their responsibilities at home and at work, and a recent poll released by the National Parenting Association found that low-income parents and parents of very young children are least likely to be able to take family leave due to the loss of income. In addition, a 1996 study by the Commission on Family and Medical Leave revealed that nearly 65 percent of new parents cite the most significant reason why they do not take advantage of unpaid leave after the birth or adoption of a child is the expected loss of income.

ENCOURAGING STATES TO CREATE MORE OPTIONS FOR PARENTS. Today the President will announce new steps that the Department of Labor (DOL) is taking to allow parents to take paid leave after the birth or adoption of a child. The Department is issuing a final regulation, which offers states the option to amend their unemployment compensation laws to provide paid leave for new parents. States implementing this option are encouraged, and will be offered assistance by the Department of Labor, to assess the effect of this change on the long-term fiscal stability of their unemployment compensation system. In May 1999, the President issued an Executive Memorandum directing the Secretary of Labor to offer states this opportunity, and since then, state interest has increased significantly. When the President issued the directive, four state legislatures had paid parental leave proposals pending – today, 15 states do, including Massachusetts, where such legislation is being considered this session. Today, the President will urge states to take advantage of this final regulation to provide new parents with greater access to parental leave to care for a new born or newly adopted child. A pre-publication copy of the final regulation can be found at the U.S. Department of Labor's web site: www.dol.gov.

ALLOWING FEDERAL EMPLOYEES TO USE EARNED SICK LEAVE TO CARE FOR SERIOUSLY ILL FAMILY MEMBERS. Today, the President also will announce a final regulation, effective June 20th, allowing federal employees to use up to twelve weeks of earned sick leave to care for a family member with a serious health condition. This benefit will broaden the options available for employees to meet their family responsibilities and is another example of the federal government leading the nation in offering greater support for America's working families.

BUILDING ON A STRONG RECORD OF SUPPORTING WORKING FAMILIES.

Throughout his Administration, President Clinton has fought to provide families with the tools they need to meet their responsibilities both at home and at work. In 1993, the President signed the Family and Medical Leave Act, providing workers with up to 12 weeks of unpaid, job-protected leave, which has benefited more than 20 million Americans. Today, the President will continue to set forth an agenda for working families and call on Congress to enact his proposals to expand FMLA to cover more workers and allow leave for more parental activities, such as parent-teacher conferences and routine doctor's appointments. The President's FY 2001 budget will give American families the tools they need to meet their responsibilities at home and at work – by doubling funding for after-school programs, investing an additional $1 billion in Head Start, providing expanded tax credits and more subsidies for child care, and tripling the proposed tax credit for long-term care costs.

Clinton's Push for Paid Parental Leave Falls Flat in States

By Dale Russakoff
Washington Post Staff Writer

An attempt by the Clinton administration to establish government-paid leaves of absence for new parents is about to die a quiet death, rejected in every state legislature that took up the cause at the urging of the White House.

Lawmakers in 15 states introduced legislation to use unemployment insurance trust funds—fattened by years of prosperity—to pay benefits for as much as 12 weeks of leave for working parents of newborns or adopted children. Clinton called on states last year to create the major new benefit, which the Republican-controlled Congress firmly opposed.

The measures were introduced amid promises of reshaping the country's work and family policy to meet the needs of what is now a majority of families with two working parents. But one by one, the proposals died, stymied by business opposition and fears that unemployment insurance would run dry in a future recession.

The last surviving bill, in Massachusetts, was buried in a study committee yesterday. Advocates there and in other states vow to try again next year, possibly creating a disability fund to pay for parental leave.

The fate of the efforts reflects deep political resistance to using the fruits of economic prosperity to create new, ongoing government obligations—a vision advanced by Clinton and the presidential campaign of Vice President Gore.

"It's a paradox," said Joan Lombardi, former associate commissioner of Health and Human Services and a family policy specialist. "Having mothers home with children is a value in our country. But there's a premise that somehow families can pay for this alone. And many can't."

Opponents said unemployment insurance never was intended to pay for family leave. "This was a back-door attempt to coerce employers to fund something that has nothing to do with unemployment," said Ed Roberts, vice president of the Indiana Manufacturers' Association, which helped stop that state's bill in the Senate after it passed the House. "If there's some great, unmet need, let the federal government tax the general population and fund it."

Five states offer several weeks of disability pay for new mothers but the United States otherwise is one of few nations in the industrialized world without paid parental leave. In Germany, for example, women who leave the work force to have children receive full paychecks for 14 weeks, and are paid some compensation until a child is 2 years old.

With a record 64 percent of mothers of preschoolers now employed, polls have shown growing public support in the past decade for more government help for working families. The Family and Medical Leave Act of 1993 provides 12 weeks of unpaid, job-protected leave, but Clinton said many parents cannot afford to take the time off.

In a recent McCormack Institute poll by the University of Massachusetts in Boston, about three-quarters of respondents supported using unemployment insurance trust funds to pay for parental leave.

But business opponents said the support was ill-informed. "When states have healthy trust funds, there are 1,001 creative ideas for how to spend them," said Eric Oxfeld, president of UWC-Strategic Services on Unemployment and Workers Compensation, a Washington-based business association. He and state business lobbyists reminded lawmakers that many state funds went bankrupt in recessions of the 1980s and 1990s, forcing higher taxes and lower benefits.

"Who will get hurt by this? The future claimants the unemployment insurance system was set up for," said Roberts, of the Indiana manufacturers.

Vermont and Indiana were the only states where the measure passed even one chamber, but advocates said there is strong grass roots support for some form of government-paid parental leave. The AFL-CIO and major women's groups have placed it at the top of their agendas.

Donna Lenhoff, general counsel of the National Partnership for Women and Families, said most efforts failed partly for lack of time. A Labor Department regulation authorizing states to change their unemployment laws was not finalized until June, and many politicians were wary of acting with only a preliminary regulation to back them up, she said.

Connecticut, New Hampshire and Illinois passed legislation calling for studies of what the measures would cost, with a possibility of introducing bills next year. Maryland House and Senate committees considered creating the benefit, but no bill came to a floor vote.

Meanwhile, a broad-based national business coalition filed suit recently to block the Labor Department regulation as a violation of longstanding federal policy limiting unemployment benefits to jobless people who are "able to work and available for work."

Beyond legal issues, the debate presents a test for the politics of prosperity. All but a handful of state unemployment trust funds have swelled from years of high employment. The combined holdings of all state funds doubled from 1992 to 1999. The District's grew by 1,200 percent, Maryland's by 458 percent and Virginia's by 104 percent, according to the Labor Department.

Massachusetts, whose fund grew 605 percent, became a focal point because, according to the U.S. Labor Department, parental leave there would cost less than a third of the annual interest earned by the trust fund—or between $32 million and $43 million. (Business groups called the estimate ridiculously low.)

Supporters introduced legislators to parents who were forced to return to work soon after a child was born because they couldn't afford to stay home. Janice Hoffman, communications director of Wide Horizons for Children, an adoption and child welfare agency, said paid leave would make adoption affordable for more families, because the agency requires new parents to stay home for the first two months with a child. Meanwhile, business lobbyists argued that many employers already pay for parental leave, although not 12 weeks.

With the Massachusetts House speaker cool to the bill, and the governor opposed, it did not emerge from committee.

But advocates vowed to reintroduce it in some form next year. They said the effort is consistent with recent shifts in state policies that have adjusted the 65-year-old unemployment system to the modern work force.

A number of states pay benefits to workers who leave jobs because shift changes interfere with child care duties. Some states cover workers who leave jobs as a result of domestic violence.

There is also a movement to change old eligibility rules to cover lower-wage and contingent workers. Advocates argue that so many workers are in this category that the proportion of workers covered by unemployment insurance has dropped from as high as half to one-third.

Meanwhile, even as new obligations are legislated, most states have cut the business taxes that pay for unemployment insurance. Businesses argue that they need more cuts to become more competitive.

The debate may hinge on the presidential election. Texas Gov. George W. Bush, the presumed Republican nominee, agrees with business that unemployment insurance should be restricted to people who lose jobs, according to spokesman Ray Sullivan.

Vice President Gore, the presumed Democratic nominee, supports the administration initiative. Gore "agrees with President Clinton that what's good for families can be good for the economy," said Gore's deputy issues director, Sarah Bianchi.

The Washington Post
Tuesday, August 1, 2000

Paid leave

Clinton Hits Campaign Trail for Democrats

President Raises Funds And Hammers GOP

By Ellen Nakashima
Washington Post Staff Writer

TAMPA, July 31—His vice president is on vacation, the Republicans are staging their convention in Philadelphia, but President Clinton is doing anything but lying low. He's taken it upon himself to lead the Democratic counterpoint to the GOP.

At a series of fundraisers in Florida today, he warned that the Republicans are trying to "blur the differences" on health care and the economy, and hide inequitable policies under the cloak of compassion.

Clinton flew to Florida, a state he and Vice President Gore won in 1996, to give a boost to Senate candidate Bill Nelson, who Democrats feel has a fighting chance of converting a GOP seat. The Democrats are four seats away from retaking the Senate and six seats away from reclaiming the House.

Clinton's appearance at a luncheon for Nelson was the third such stop in four days across five states, part of a swing designed to raise more than $3 million for the party and its candidates.

Clinton helped to raise $1.2 million today for Nelson, a former House member who gained national attention as a crew member on the 24th space shuttle mission. Nelson holds an 11-point edge over his GOP opponent, Rep. Bill McCollum.

"The only trouble we've got in this election right now is the confusion that exists about what the differences are between the candidates for president, Senate, Congress and the two parties," Clinton said at the first fundraiser for Nelson.

He accused the GOP of trying to paper over differences on issues such as Medicare, where the Republicans support a bill that would extend prescription drug benefits through private insurance companies, while the Democrats favor a plan that would include drug benefits within Medicare.

"Their strategy is to talk about compassion," he said. "It's a brilliant strategy. It's a pretty package. If they wrap it tight enough, no one will open it before Christmas."

He also knocked the GOP's strategy of passing bills in serial fashion that would repeal the estate tax, reduce the tax on Social Security benefits and give relief to married couples. "When you add it up, it's the entire proposed surplus," he said. "It's kind of like going to a cafeteria. Everything I see looks good, but if I eat it all, I get sick."

Earlier, he visited a senior center, with Nelson at his side, to promote his Medicare prescription drug plan and portray the GOP as insensitive to Medicare beneficiaries who lack drug coverage.

Clinton did not need to convince Sylvia Gessler, a feisty senior who works two jobs—at a flea market and the board of elections—to pay her bills. Gessler, who sported a white bandage on her nose because she fell and broke a bone, said she'd like to drop one of her jobs, but couldn't pay for her prescription drugs. She scoffed at the GOP's drug proposal. "It's a bunch of baloney!" she said. "I think America can do better."

Clinton's campaign and fundraising pace is expected to continue through the summer, as he has more requests than can be filled, aides said. Today he squeezed in a last-minute appearance for Rep. Jim Davis, a Florida Democrat who was an early supporter of Clinton's push for permanent normal trade relations with China.

Democrat Miller Backs GOP Bill To Abolish 'Marriage Tax'

Associated Press

ATLANTA, July 31—The nation's newest senator, Democrat Zell Miller, said today that he supports the Republican effort to abolish the tax penalty for married couples and the estate tax and would vote to override a threatened veto by his old friend Bill Clinton.

"I will support the Democrats whenever I think they are right and I will oppose them whenever I think they are wrong, and the same way with the president and his programs," Miller said in an interview.

"This idea that I'm going to go up there and vote the straight party line or be a lap dog for Bill Clinton—anybody that knows me ought to know that that's not how I'm going to do."

Miller, Georgia's governor from 1990 to 1998, was tapped last week by his successor, Democratic Gov. Roy Barnes, to replace Sen. Paul Coverdell, a Republican who died July 18 of a brain hemorrhage.

A special election will be held Nov. 7 for the remaining four years of Coverdell's term.

Miller is running for the seat, and Republicans are seeking a consensus candidate. Two who have said they are considering the race are former senator Mack Mattingly, 69, and former ValuJet Airlines chairman Lewis Jordan, 56.

While he has been a fiercely partisan Democrat throughout his political life, Miller insisted last week that he will "serve no single party, but rather 7.5 million Georgians."

Georgia is considered to be about evenly divided between Republican-leaning and Democratic-leaning voters. Democrats control the statehouse. Republicans hold a majority in the state's congressional delegation.

On the marriage tax, Miller said, "Many, many couples, including me and Shirley, have always—both of us—had to work, and there's a lot of couples like that and it's just not right to tax them both."

On the estate tax, he said, "I've looked at that closely. That's not just for some superrich billionaires. That's for these people who have established businesses, built businesses, built mom-and-pop operations and now want to leave it to their children. It's a kitchen-table issue."

Clinton has threatened to veto the Republican tax cuts in part on grounds they would consume surplus dollars that could be used for paying off the public debt and providing a Medicare prescription drug benefit.

The Washington Post
Tuesday, August 1, 2000

Raiding the Unemployment Funds

The Clinton Administration has often accused the GOP Congress of "raiding" Social Security trust funds, even though the funds don't exist. But the 50 state unemployment trust funds are both real and in danger of being raided so they can pay mothers and fathers who leave their jobs to care for a new or adopted child. The Labor Department's own lawyers warned the White House that any such policy would require Congressional action. But they were ignored, and regulations are now being finalized to authorize states to raid their unemployment funds.

You'll recall that when Congress debated the Family and Medical Leave Act in 1994, assurances were made to secure passage that any leave would be unpaid and small businesses exempted. But once the regulatory foot was in the door, President Clinton began moving to use unemployment funds as off-budget financing to pay for such leave. This is textbook Clintonian politics.

Labor Department lawyers flashed warning lights. In 1997, Labor assured Congress that "to serve its purposes, Unemployment Insurance 'must be paid only to workers involuntarily unemployed.'" A March 1999 memo from the Solicitor's office at Labor noted legislation would be required for UI to cover family leave. The memo concluded that the courts would likely strike down a mere regulation. Ignoring its own lawyers, Labor last December proposed regulations creating paid family leave. Small businesses aren't exempted.

If even a majority of states followed Labor's regs it could jeopardize the system's solvency. Even in today's hot economy, 20 states are already below recommended solvency levels in their UI funds. Any economic downturn would imperil the funds of many more states.

To make up the drain on their funds, states would no doubt raise employers' payroll taxes, which likely would lead to lower wages and fewer jobs. A Society for Research Management study, with different usage scenarios, estimated that New York would require a 32% to 129% tax rate increase to compensate its fund. The truly unemployed would subsidize those higher up the income charts who want time off from their jobs, albeit for understandable reasons.

Rep. David McIntosh, who chairs a Government Oversight subcommittee, says Labor's regs are just the latest questionable use of this President's executive power. Just last week, Washington used the Antiquities Act to declare once again that huge chunks of Western states are now national monuments, forever closed to development. Alaskan officials expect President Clinton to shut the vast Arctic National Wildlife Refuge to oil exploration before leaving office.

Sometimes his unilateral actions have inflamed even fellow Democrats. In 1998, he revoked a Reagan executive order limiting federal power. Seven organizations, including the U.S. Conference of Mayors, protested that "no state and local government official was consulted in the drafting" of a new Clinton order. Then Philadelphia Mayor Ed Rendell, now chair of the Democratic National Committee, complained that the new order made "serious changes" to "the pre-emption of state and local authority and expanded the list of instances where federal action is justified." Mr. Clinton finally suspended his order indefinitely.

But that was a rare retreat in a constant encroachment on the powers of both Congress and local governments. The courts have worked overtime in striking down the most blatant: the Supreme Court recently declared the FDA's attempt to regulate tobacco without Congressional authorization unconstitutional.

Those who say the coming election isn't about big issues haven't talked to state and local officials who, whatever their party, worry about the expansion of federal power. They hope that regardless of who becomes President, he'll show more sensitivity to the U.S. system of divided authority.

Paid Leave

Moving Microsoft

Our trade competitors have scratched their heads as the Justice Department tries to smash Microsoft, one of the world's most dynamic companies. Late Friday a rumor erupted that the province of British Columbia, Canada, was offering Microsoft incentives and a safe harbor if they would move 120 miles to the other side of the international border. Gordon Wilson, a British Columbia investment official, said Microsoft would be "a welcome asset" and its move north could frustrate the Justice Department offensive against it. Microsoft denied it all the next day. Still, what a wonderful fright for the Clinton Justice department—the very notion that Canada would offer itself as more capitalist-friendly than the United States. Why not? Attorney General Reno, during a Q&A on the Microsoft case at her weekly news conference last week, remarked that, "America was not made the industrial giant of the world by the robber barons alone." Egad. A Justice spokesman later ran out onstage to assure the world that Ms. Reno wasn't commenting on a specific case, but it is in such wonderful moments that this Administration's 1960s political instincts emerge. Recall the early effort that went into getting White House aides to stop bad-mouthing military officers. The conventional wisdom nowadays is that Bill Gates is in trouble mainly because he didn't pay proper fealty and obeisance to the regulatory mandarins in Washington. Canada's amazing entreaty to Microsoft is a kind of early warning signal: Any country that places this much value on schmoozing bureaucrats to stay in business is a country on the verge of competitive complacency.

THE WALL STREET JOURNAL

MONDAY, JUNE 5, 2000

Old Regulations Stifle the New Economy

Manager's Journal

By Peter Huber

The Federal Communications Commission last week announced its acceptance of an industry-brokered proposal to restructure the prices of local and long-distance phone service. The basic rate for a residential line and a dial tone will go up by $3; rates for long-distance calls will drop commensurately, through lower per-minute rates, the elimination of monthly fees, and reductions in a tangle of other FCC charges.

This is a major reform, and long overdue. The FCC's then-Chairman Mark Fowler tried to implement a similar plan in 1987; Congress and consumer groups denounced him as a Reaganite enemy of the people. Yet what he was attempting to change was a scheme that since the 1960s has perpetuated a populist illusion that local phone service costs less than it really does. It was "fairy tale economics," says John Nakahata, a former FCC official who helped design the latest plan.

There's a great deal more regulatory mischief yet to be undone. From Hollywood on down, the high-speed Internet is dismantling the old economic infrastructure of the communications industry. But the current regulatory environment won't allow the market to build up a new one in its place. As a result, the technological triumph of the Internet is rapidly turning into an economic disaster for industries in the communications business itself.

Long-distance carriers face the complete collapse of 10-cent-a-minute (domestic) and 50-cent-a-minute (international) calls; they're headed for no-cents-a-minute. Local phone companies face the equally rapid erosion of the remaining "access charges" they are required to collect from long-distance carriers rather than from end users. Napster and Gnutella, meanwhile, let millions of small-time pirates coordinate their copyright crimes. We each transfer a file or two—a song or a movie—to our computers; Gnutella then pools our efforts by way of our high-speed connections to the Web. Cable operators will soon be competing against a torrent of such "streaming video" content. So much for premium or pay-per-view channels.

Competition being what it is, the industry supplies the rope to hang itself. Gnutella was originally released through America Online's massive servers; the program's biggest victim will be AOL's own betrothed, Time Warner, the biggest owner of electronic copyrights. Cable operators are terrified of streaming video, yet much of it will be delivered over cable's own high-speed Internet access services. Long-distance carriers like AT&T are rushing into "Internet telephony" because it will let them bypass the access charges they pay local carriers; but Internet telephony will eventually wipe out the long-distance carriers' own toll revenues.

The industry can't adapt, because regulators won't let it. The old regulatory models, still largely in place, work to fragment the industry and to bury charges where consumers are least likely to notice. Below-cost local phone service was the result of foisting costs onto long-distance tariffs. The miracle of "free" television was achieved by forcing Hollywood to sell its wares to Madison Avenue rather than to consumers. Cable operators were required to underprice what regulators defined as "basic" service, and to make money instead on the "premium" side of the ledger.

The regulatory gimmicks have ossified, even as the Internet has grown up around them. When Internet start-ups first arrived on the scene, they sensibly signed up for the fairy-tale deals. The FCC took a quick look and agreed that Internet access providers should be treated as "local customers"—which they obviously aren't—rather than as "long-distance carriers," which they obviously are. So today, tens of millions of residential Internet users dial up, log on and stay connected for hours under pricing schemes that don't reflect actual costs.

Keeping things just that way has become a matter of great principle among the digerati, the same crowd that is determined to save Internet civilization from the shackles of patents and copyrights. Every move toward securing private property or implementing pay-as-you-go service in cyberspace is denounced as a regulation or tax. Just call it "Internet" these days, and people who ought to know better rush to declare it forever free.

The industry itself has been sucked deep into the racket. Cable operators won the right to pirate local air broadcasts; television being "free" by regulatory fiat, they were also entitled to help themselves. Broadcasters, in turn, got "must carry" obligations imposed on cable, thus winning the right to occupy premium quarters on the pirate's own ship. Satellite operators won the right to pirate cable's content, persuading Congress that if they couldn't pirate the pirates, they couldn't possibly compete against them. Last year the satellite operators won the additional right to pirate local broadcast signals. Washington's logic for all of this is perfectly captured by a sign that hangs outside a saloon in Anchorage, Alaska: "We cheat the other guys, and pass the savings on to you."

Even as it finally permits long-distance and local phone companies to rationalize their tariffs, the FCC is busily writing a new volume of fairy-tale economics. This one is directed at what competing local carriers pay each other. The commission has defined an exhaustive catalog of "unbundled network elements" that incumbents are required to sell to competitors at prices far below what it cost to build them. (An appellate court is expected to rule any day now on the legality of that one.) Incumbent carriers are also required to pay "reciprocal compensation" to competitors when traffic flows from old carrier to new. So paging companies and Internet access providers gleefully run services that always receive traffic but never officially send any back. They can boost their revenues simply by placing lengthy phone calls to themselves or inducing their customers to do the same.

The one bright spot is in wireless markets. Here, federal authorities have completely deregulated prices and service, and have barred state regulators from re-regulating them. In 1996 Congress even freed local Bell companies to bundle local and long-distance wireless service. Meanwhile, the FCC had allowed wireless carriers to bundle carriage and content, voice, paging, e-mail, Internet access—whatever they like. When wireless bandwidth gets high enough, they'll be free to transmit "Wrestlemania" to your video wristwatch, if they so choose.

In this happy environment, the wireless industry is rapidly developing new, economically viable business models to replace the old. Here, AT&T folds its long-distance service into the price of a distance-insensitive monthly package of wireless minutes. This is exactly how the economic value of networks should be protected—by continuously expanding the scope of service and (implicitly) loading the fees on to the least elastic components of the bundle. Content providers are now teaming up with wireless companies in the same way, and for the same reason. This approach to protecting the economic value of content, however, is feasible only when regulators let markets assemble their own bundles and price their own services.

Most of the industry remains wired, and on that side of the divide the obsolete regulatory models of unbundling and fairy-tale pricing endure. The authorities thus keep the wired telecosm economically safe for none but the Gnutellas. To get network services and content back in the economic bottle there has to be a bottle, not just shards of price-regulated glass.

Mr. Huber is author of "Law and Disorder in Cyberspace" (Oxford University Press, 1997). He has consulted for several regional Bell companies.

Paid Leave

Clinton would tap unemployment insurance for paid leave

By Joyce Howard Price
THE WASHINGTON TIMES

President Clinton yesterday announced regulations have been completed authorizing states to use unemployment insurance funds to provide paid leave to new parents.

In his weekly radio address, the president also announced other regulations that would let federal workers use up to 12 weeks of paid sick leave to care for ailing family members.

Mr. Clinton said the changes are necessary because many families cannot afford to take advantage of the 1993 Family and Medical Leave Act, which provides up to 12 weeks of unpaid leave to care for new babies or ailing relatives.

"There are too many families that aren't making use of the law because they simply can't afford to take the time off, if it means sacrificing a paycheck," the president told radio listeners.

Mr. Clinton has been the chief mover and shaker behind the change in federal regulations that will allow states to give the same amount of money they now provide the unemployed — normally one-half to two-thirds of a person's regular pay — to parents caring for newborns or newly adopted children.

The president issued an executive memorandum, directing the secretary of state to draft revised regulations 13 months ago. The regulations are now final, so they can take effect.

House Republican Conference Committee Chairman J.C. Watts Jr. of Oklahoma was critical of Mr. Clinton's plan to let states use unemployment insurance funds to provide paid parental leave.

"Rather than providing tax relief so working families can spend more time at home together and less time at work, Clinton is proposing to raid state unemployment trust funds. This is an ill-conceived plan," Mr. Watts said in a statement.

The administration's proposal "will shred the safety net for the unemployed. ... There will be nothing there if we have an economic downturn and more Americans are suddenly unemployed," the Republican leader said.

Mr. Clinton stressed that states would not be forced to use unemployment compensation funds to provide paid leave for parents with new children.

"This initiative is totally voluntary. There are already 15 states considering legislation to provide paid leave through unemployment insurance or other means. In fact, Massachusetts may vote on such a bill in the next few weeks," the president said.

"In this strong economy, I hope more states will take advantage of this new option, and I believe those which do can provide this new benefit while still preserving the fiscal soundness of their unemployment insurance programs," he said.

Mr. Clinton failed to mention that the governors of some of the states where such proposed legislation has been introduced — including Massachusetts — oppose using unemployment insurance funds for purposes other than as stipends for laid-off workers.

Mr. Clinton also did not allude to the opposition his proposal has generated in the business world or the possible cost of such a program. Unemployment insurance systems are financed by payroll taxes on employers, and the U.S. Chamber of Commerce has vowed to fight the Clinton plan in the courts.

Labor Secretary Alexis Herman estimates the maximum total cost to implement the program in the four states where it's being considered — Massachusetts, Maryland, Vermont and Washington — would initially be $68 million a year.

But estimates by the Institute for Women's Policy Research indicate the price tag could be as much as $768 million a year in California, $409 million in New York and $266 million in New Jersey. The cost of a "modest program nationwide might fall between $5 billion and $10 billion a year" if the institute's estimates are correct, according to the Nation magazine.

A fact sheet the White House released yesterday said: "States implementing this option are encouraged and will be offered assistance by the Department of Labor to assess the effect of this change on the long-term fiscal stability of their unemployment compensation system."

Mr. Watts, the House Republican conference chairman, did not address other final regulations announced yesterday allowing federal workers to use up to 12 weeks of sick leave they've earned to care for children, parents or other relatives with serious health conditions. Those regulations are slated to take effect June 20.

Nor did he react to the president's plea to Congress to expand the Family and Medical Leave Act so that it also covers employees at smaller companies. The law currently applies only to businesses having 50 or more employees.

When the measure was passed early in Mr. Clinton's presidency, smaller companies insisted they would go under if they had to guarantee workers up to 12 weeks of unpaid leave.

Mr. Clinton said yesterday 20 million families have benefited from the Family and Medical Leave Act during the past seven years. He says 12 million more could be reached if the law's provisions were extended to workers at smaller companies.

The Washington Times
SUNDAY, JUNE 11, 2000

Clinton threatens veto of bankruptcy reforms

The president says pending legislation is unfair to some debtors.

By Marcy Gordon A 1
ASSOCIATED PRESS

President Clinton, who supports rewriting the bankruptcy laws in principle, is threatening to veto pending legislation that he contends is unfair to ordinary debtors.

In a letter to congressional leaders Friday, Mr. Clinton said he especially objected to provisions that would limit the amount of money some bankrupt consumers could keep in their retirement accounts and allow debt collectors to charge people high fees if they failed to make good on bounced checks within a month.

"We . . . must ensure that a reasonable fresh start is available for those who turn to bankruptcy as a last resort when facing divorce, unemployment, illness and uninsured medical expenses," the president wrote.

At the same time, he said, he recognized the need to reduce abuses of the bankruptcy court system by a few debtors, including some wealthy individuals.

Sen. Charles E. Grassley, Iowa Republican, a chief sponsor of the bipartisan legislation, criticized Mr. Clinton's letter, calling it "an 11th-hour message" that undercuts Democratic lawmakers who have been negotiating with members of the GOP majority.

"Together we have achieved a balanced bill that strengthens the safety net for those who need a fresh start and closes the loopholes that let big spenders walk away from debts they could repay," Mr. Grassley said in a statement.

Lawmakers have been working for weeks behind closed doors to try to reconcile differing House and Senate bills, both passed by veto-proof margins, that would make it harder for people to sweep away their debts in bankruptcy proceedings. The bills would apply new standards for determining whether people filing for bankruptcy should be forced to repay their debts under a court-approved reorganization plan instead of having them dissolved.

The legislation, pushed by banks, credit-card companies and other consumer-credit businesses, has raised protests recently from consumer advocates, unions, women's groups and religious leaders.

Mr. Clinton called the House-passed bill "so one-sided" toward creditors that he would veto it. He said the Senate version is more balanced in its treatment of people who owe money and companies seeking to collect debts but that he still had serious concerns about some provisions.

One he cited would limit to $1 million the amount of money that some insolvent consumers could keep in their retirement accounts. Grassley has said he was seeking to prevent wealthy debtors who file for bankruptcy protection from shifting their assets into protected retirement accounts to escape repaying debts.

But critics said the provision would encourage credit-card companies and other businesses to put into fine print waivers requiring consumers to forfeit pensions and other retirement assets in the event of bankruptcy.

The debt-collection provision would exempt collectors from current law prohibiting harassment of debtors if the bounced checks in question have been outstanding for 30 days or more. Creditors would be allowed to use tactics such as late-night telephone calls to debtors and repeated dunning over the phone.

Mr. Clinton said he also was concerned that the legislation doesn't adequately crack down on wealthy debtors who use homestead exemptions in some states to shield their assets from creditors in bankruptcy proceedings.

And he said he was disturbed by the absence in the House bill of a Senate provision that would prohibit people found to have violated laws protecting abortion clinics from using bankruptcy proceedings to escape fines and civil judgments.

The Washington Times
• SUNDAY, JUNE 11, 2000

Paid Leave

Clinton diverts funds from jobless

Set-aside for workers on maternity leave draws GOP fire

By Bill Sammon
THE WASHINGTON TIMES

A1

President Clinton yesterday cleared the way for tens of billions of dollars set aside for unemployment benefits to be paid instead to able-bodied workers who choose to stay home with a newborn.

His action was angrily denounced by the U.S. Chamber of Commerce and other groups as a reckless "raid" on unemployment funds that will create a huge new welfare entitlement. The groups vowed to fight the change in Congress and, if necessary, the courts.

But the president insisted that his loosening of Labor Department rules that safeguard unemployment funds is a natural expansion of his Family Medical Leave Act, which compels employers to give unpaid leave to workers for health reasons.

"The current law meets just a fraction of the need," Mr. Clinton told reporters in the Oval Office. "The No. 1 one reason families give for not taking advantage of Family and Medical Leave is that they simply can't afford to take time off without a paycheck. The actions we take today will go a long way toward alleviating that burden."

The president's rule changes will not take effect until after a 45-day public comment period. Opponents intend to use that time to rally public opinion in favor of protecting unemployment insurance funds, which were established 65 years ago to provide stipends for laid-off workers.

"We're going to stop him," said Deanna Gelak, executive director of Family Medical Leave Act Corrections Coalition. "He doesn't have the authority to reverse 65 years of unemployment history with a 45-day comment period. He's overstepped his bounds. He's legislating through the executive branch, and Congress does have the power to stop that."

The president's proposal is considered a betrayal of Republican members of Congress who in 1993 supported the Family Medical Leave Act, Mr. Clinton's first major legislative victory.

"Your decision allowing states to use unemployment compensation funds to provide paid family leave benefits pits out-of-work Americans against their neighbors who have jobs," said Rep. Nancy L. Johnson, Connecticut Republican, in a June letter to Mr. Clinton. "This is simply wrong.

"It also is a direct violation of a long-standing and successful policy enacted during the administration of Franklin D. Roosevelt," said Mrs. Johnson, who chairs the human resources subcommittee of the House Ways and Means Committee. "For six decades, American workers have had the security of knowing that if they lost their job, they could receive unemployment benefits to feed their families and pay their bills."

The letter, co-authored by Rep. Bill Archer, Texas Republican and chairman of the Ways and Means Committee, expressed "strong opposition to your effort to raid this fund for purposes other than helping jobless families."

Mr. Clinton countered that helping families is precisely the purpose of his initiative. "We have no higher value than family, but too many of our families are having trouble balancing the demands of home and work," the president said yesterday as parents fussed over children brought to the Oval Office for a photo opportunity. "Today, I'm using my executive order authority to give these parents new tools to succeed at home and on the job."

He added: "Many working parents are forced to make the unacceptable choice between being good workers and good parents. Too often, in our round-the-world, round-the-clock economy, there just don't seem to be enough hours in the day for parents to do what they need to do."

U.S. Chamber of Commerce Vice President Randel Johnson did not dispute the existence of the problem, but took issue with the president's solution.

"If one wants to concede that this is an important societal goal to support parents through a paid stipend while they're raising children,' our response would be: That's an honest debate, but have it on Capitol Hill," Mr. Johnson said. "And finance it through a general societal tax of some sort, not through this back-door tax on employers."

He added: "Frankly, our basic concern is that this is opening up the unemployment insurance fund, which is financed by employers, for purposes for which it was never intended. We're not quite sure how far the states will take this, but certainly it has the potential of being a hugely expensive program, since what you're talking about is the mother and father of every child taking paid time off and being paid through this fund."

The Employment Policy Foundation estimated the annual cost of Mr. Clinton's proposal at $14 billion to $128 billion. There is about $50 billion in the states' unemployment insurance funds. Although some states have funds that are barely solvent, four are so flush with cash they asked the White House for permission to spend it on other programs, which prompted yesterday's rules change.

"The proposal is based on the assumption that good times will last forever," said Miss Gelak. "What happens when the party's over?"

Mr. Clinton emphasized the "initiative is totally voluntary" and gives "states the flexibility to experiment with paid employment leave." But he encouraged all states to take advantage of the change in rules.

The Washington Times
WEDNESDAY, DECEMBER 1, 1999

Jobs will be lost, others will move at Exxon Mobi

By William Glanz
THE WASHINGTON TIMES

A1

Exxon Corp.'s purchase of Fairfax-based Mobil Corp. just weeks before Christmas will be a lump of coal for some of the company's 2,100 local workers.

Workers will find out later this week where changes to the corporate structure leave them, but buyouts, layoffs and transfers are a certainty.

The Federal Trade Commission approved the estimated $82 billion deal yesterday by a 4-0 vote, and the merger took effect immediately.

Fairfax will lose Mobil's corporate headquarters. The new Exxon Mobil will be headquartered in Irving, Texas, while Mobil's old headquarters in Fairfax will oversee the new firm's retail petroleum marketing and refining operations.

Company officials aren't sure how many workers Mobil's Fairfax facility will employ. Mobil moved from New York to Fairfax in 1980.

It declined to let reporters on its corporate grounds yesterday.

The new Exxon Mobil — with a combined work force of about 120,500 workers — has said it plans to cut its work force by 9,000 workers.

"The cuts will come from both companies, and they will come from operations worldwide," Mobil spokesman David Dickson said after FTC approval.

Many local Mobil workers may have to relocate to stay with the new company.

"There will be some relocation," Mr. Dickson said.

Despite that, Mr. Dickson also predicted that Mobil's Fairfax facility could have more workers after the changes than it has now.

"A lot of these decisions haven't been made. Could the work force increase? Probably," Mr. Dickson said.

Exxon Mobil will begin holding meetings this week with employees to discuss the new corporate structure, find out who can stay with the company and who plans to accept a severance package approved by shareholders.

Mobil workers are eligible for severance pay of four weeks' salary for every year they worked for the company, but only up to two years' worth of wages.

Mobil workers in Fairfax could end up at the new company's Irving, Texas, headquarters or at the company's Houston offices. That's where Exxon Mobil will have the headquarters for its chemical operations and its exploration business.

Exxon, with 79,000 total employees and $115 billion in revenue last year, has nearly 13,000 workers in the Houston area already.

Mobil had $52 billion in revenue last year.

Businesses here are hopeful the new Exxon Mobil has as many workers in Fairfax as Mobil has now.

Across the street from Mobil's huge Gallows Road campus, Grevey's Restaurant and Sports Bar General Manager Harley Schwarz said Mobil workers account for a big share of the restaurant's lunch business.

"There's always a concern about how something like this is going to affect your business, and if Mobil leaves, all the businesses here will be affected for a time," said Mr. Schwarz.

Exxon's purchase of Mobil hinged on the agreement between Exxon and Mobil — the nation's largest and second-largest oil producers, respectively — to sell 2,431 gas stations.

Despite the sale of those stations, the new company will be the world's largest publicly traded oil company.

Exxon has 8,500 gas stations. Mobil has 7,200.

The Washington Times
WEDNESDAY, DECEMBER 1, 1999

Paid leave

Subsidies Proposed For Parents On Leave

Clinton Wants States To Use Jobless Funds

By Anne Gearan
Associated Press

President Clinton proposed yesterday that parents receive state subsidies while taking time away from work to care for a new baby. "We have no higher value than family," he said.

Clinton announced a proposed new rule that would allow parental leave payments from the same system that now pays temporary benefits to the unemployed. Parents then could draw at least a portion of their regular salaries during leaves timed to the birth or adoption of a child.

"I believe it will strengthen parents' bonds with both their children and their jobs," Clinton said. "On the eve of this new century, we ought to set a goal that all parents can take the time they need for their families without losing the income they need to support them."

The president announced his proposal with three families in the Oval Office before he left for a three-day trip to the West Coast and Pennsylvania. Democratic fund-raising events in California and Philadelphia will bracket Clinton's address to the World Trade Organization in Seattle today.

The proposed parental leave rule would allow states to experiment with their differing unemployment insurance systems under a voluntary pilot program. Advocates say the program would be inexpensive for states, which already collect payroll taxes and distribute unemployment benefits.

A White House official said states may decide for themselves whether they have enough money in the unemployment pot to begin administering parental leave payments, and may also decide the terms and duration of those payments.

At least four states—Massachusetts, Vermont, Maryland and Washington—already are considering extending unemployment benefits to new parents. At the urging of these states, Clinton in May directed the Labor Department to formulate regulations that would allow states to legislate changes under which surplus unemployment funds could be used for parental leave payments.

The unemployment insurance system, set up in the 1930s, allows states considerable flexibility in determining eligibility for unemployment benefits. But federal rules bar states from using unemployment insurance funds for other purposes.

The proposed new rule, which would take effect early next year, does not require congressional action.

Parents are now entitled to up to 12 weeks of unpaid leave with the guarantee of job protection. Since the Family and Medical Leave Act was passed in 1993, about 24 million people have used some or all of their entitled 12 weeks to care for a new baby or other family member.

A federally commissioned 1996 study found parents citing the loss of income as the main reason for forgoing the unpaid leave. The same study found that nearly one in 10 people who took unpaid leave ended up on welfare during their time away from work.

The Washington Post
Wednesday, December 1, 1999

The Washington Post
Wednesday, December 1, 1999

Clinton Renews Call for More Gun Restrictions

Issue Is Theme Of West Coast Fund-Raising Tour

Associated Press

SAN FRANCISCO, Nov. 30—President Clinton, who lost his fight for new gun control laws this year, began pressing the issue anew today during a West Coast fund-raising tour for Democrats and a gun control lobby.

"We haven't done everything we should do to make this the safest big country in the world," Clinton told Democratic politicians and donors in San Francisco.

The White House failed to get new restrictions on gun sales at private gun shows and a requirement that a firearm safety device be sold with each gun to reduce the number of accidental shootings, the president said.

"It's not just crimes that are the problem," Clinton said.

The Democratic Congressional Campaign Committee estimated that the San Francisco luncheon would bring in more than $500,000 for congressional candidates.

The benefit was part of the president's three-day trip to California, Washington state and Pennsylvania with Democratic fund-raising bracketing an address to the World Trade Organization meeting in Seattle on Wednesday.

Later today, entertainer Whoopi Goldberg was set to introduce the president at a glitzy Beverly Hills party benefiting Handgun Control Inc. and its West Coast legal and research office.

Handgun Control's most prominent figure is Sarah Brady, the wife of former White House press secretary James Brady who was shot during the 1981 assassination attempt on President Ronald Reagan. Others associated with the organization are entertainers Barbra Streisand, Billy Crystal, Susan Sarandon, Rosie O'Donnell and Beau Bridges, who portrayed Brady in a 1992 TV movie on his life.

Tickets to a reception honoring the sixth anniversary of the enactment of the Brady law—which required background checks on firearm buyers—cost $250 each. A seat at the subsequent exclusive dinner with Clinton required a $10,000 donation.

The White House marked the law's anniversary by releasing new public safety figures. The Clinton administration said the Brady background check system has helped block more than 470,000 gun sales to felons, fugitives and others barred by law from owning a gun.

In the year since an add-on "instant background check" took effect, the Brady system has stopped more than 160,000 illegal sales, the White House said.

"These numbers, of course, are not just numbers," Clinton said in a statement. "They represent lives saved, injuries avoided, tragedies averted. They are a measure of what we can do to reduce gun violence, and a measure of what still needs to be done."

As he signed the $390 billion omnibus budget bill Monday, Clinton noted that gun control is still on his to-do list, saying: "To curb gun violence and keep firearms out of the hands of criminals and children, we still need sensible gun safety legislation."

Handgun Control, the nation's largest gun control group, this year increased lobbying outlays about fivefold over 1998 levels. It spent $340,000 from January through June, compared with $60,000 during the same period in 1998, according to reports filed with Congress.

Meanwhile, the National Rifle Association, the country's best-known advocate of gun owners' rights, reported that it poured $850,000 into its lobbying effort during this year's first six months, compared with $750,000 a year ago.

Paid leave

The Mayor's Abortion Stance

Most politicians try to sidestep issues that divide voters along militant, angry lines. But New York City's mayor, Rudolph Giuliani, firmly rejected that kind of evasion when asked about late-term abortions during a trip to Texas.

The mayor said, with no apparent qualifier, that he did not plan to change his current position in favor of abortion rights to suit the leadership of New York's Conservative Party. Its chairman is calling on Mr. Giuliani to join other well-known Republicans in endorsing a ban on the late-term procedures that they refer to as partial birth abortions. But the mayor has steadfastly refused to alter his support of abortion rights. He did so again Monday in Texas in the company of Gov. George W. Bush, with whom he disagrees on this issue.

What makes the mayor's stand particularly stalwart is that it could easily jeopardize his nomination by the Conservative Party of New York State. No Republican has won a statewide election in the last 25 years without the Conservative Party line on the ballot, a position that generally carries from 200,000 to 350,000 votes. If the expected race between Hillary Rodham Clinton and Mr. Giuliani tightens, those votes would look even sweeter than they do already. The Conservative Party chairman, Michael Long, vows that he will not bargain on the issue. Mr. Long is even threatening to bring out an "aggressive" candidate to run on the Conservative line unless the mayor changes his mind and agrees to endorse a ban on late-term abortions. This extra candidate would surely siphon votes away from Mr. Giuliani and help Mrs. Clinton's chances.

Once next year's Senate campaign is in full throttle, Mr. Long may view things differently. Mr. Giuliani may eventually make a courtesy visit to the Conservatives and try to persuade them to respect either his principled stand or, at least, the political realities. But the Giuliani camp said that his basic position would not be compromised, making this a case in which the mayor's stubborn streak is well deployed.

Paid Leave for Parents

President Clinton's plan to give states the option of providing unemployment insurance benefits for new parents is good for working families. The 1993 Family and Medical Leave Act gave workers the right to take up to 12 weeks of unpaid leave to care for a newborn child or sick relative without losing their jobs. But many low-income workers cannot afford to take any amount of time off without pay. The new experimental project, which would be totally voluntary, would allow states to subsidize a leave following the birth or adoption of a child if they so chose. At least four states — Vermont, Maryland, Massachusetts and Washington — have proposed legislation to extend unemployment benefits to parental leave.

Under current federal law, states have substantial flexibility to determine eligibility for unemployment benefits and benefit levels. Although unemployment insurance is traditionally seen as helping only those who have been involuntarily laid off and are immediately available to work, many states have granted benefits to workers who are not in that narrow category. A third of the states, for example, grant unemployment benefits to workers who leave their jobs because of urgent family reasons, such as a spouse being relocated. Federal regulations have likewise allowed states to grant unemployment benefits to workers who are off the job because of training programs, illness in some situations, jury duty or temporary layoffs. Allowing states to experiment with providing benefits to new parents could help meet the needs of the changing labor force where mothers and fathers both work. The Labor Department would evaluate the impact of the benefits on insurance costs, and on worker retention and management, before the program is made permanent.

Business lobbies are concerned that a new benefit would drain the trust funds that pay unemployment insurance. But many states currently have significant trust fund surpluses because of low unemployment in recent years, and many have chosen to reduce unemployment insurance taxes as a result. State policy makers are in the best position to determine whether their labor force would be helped by expanded parental leave benefits. The Clinton administration would give them the ability to move forward on this issue.

The New York Times

WEDNESDAY, DECEMBER 1, 1999

Weather
Today: [illegible]
Thursday: [illegible]
Details, Page B10

The Washington Post

Wednesday, December 1, 1999

Bush to Offer $483 Billion Tax-Cut Plan

Working Poor, Middle Class Would Get Much of Relief

By Eric Pianin and Terry M. Neal
Washington Post Staff Writers

Texas Gov. George W. Bush will propose a $483 billion tax-cut plan today that would focus its deepest reductions on the working poor and middle class and become the centerpiece of the Republican front-runner's economic plan.

While the five-year Bush tax plan would benefit wealthier Americans, roughly half of the overall relief would be targeted to middle- and lower-income families, according to campaign aides. That emphasis on the poor would mark a clear departure from more traditional conservative GOP tax policy and would leave Bush backing a tax package far more generous than the one proposed by congressional Republicans earlier this year.

Bush has worked diligently to portray a kind of big-tent conservatism that rejects stereotypes of a Republican Party that is insensitive to the concerns of the poor. Advisers to Bush who outlined the plan yesterday said the governor's philosophy was that "America should not be putting up toll gates to the middle class."

They also believe that Bush's approach will have strong appeal to Democrats. The proposal includes relief from the taxes some married couples pay, a gradual elimination of the estate tax and added tax incentives for charitable contributions.

But in crafting his new approach, Bush has proposed a much bigger tax cut than even the GOP tax legislation that was vetoed by President Clinton in September. That plan would have cost $155 billion over five years or $792 billion over 10 years. Moreover, Bush is relying on rosier long-term projections for the amount of revenue the government will take in than have been forecast by the Congressional Budget Office (CBO).

Bush, like the congressional Republicans, would pay for his tax cuts with budget surpluses projected

See BUSH, A12, Col. 1

Protests Delay WTO Opening

Seattle Police Use Tear Gas; Mayor Declares a Curfew

Police fire tear gas at protesters in Seattle to clear a street leading to the site of the World Trade Organization meeting. Mayor Paul Schell said he would impose a curfew for the downtown area.

By John Burgess and Steven Pearlstein
Washington Post Staff Writers

SEATTLE, Nov. 30—A guerrilla army of anti-trade protesters took control of downtown Seattle today, forcing the delay of the opening of a global meeting of the World Trade Organization.

Thousands of delegates, including U.N. Secretary General Kofi Annan, were trapped in the streets and hotels by what quickly blossomed into one the largest acts of mass civil disobedience in recent U.S. history.

Shouting slogans about greedy corporations and damage to the environment, protesters from all over the country—and many foreign nations—locked arms to block access to a convention center and theater where the WTO conference was to begin four days of talks aimed at opening another round of global trade negotiations. The Geneva-based WTO oversees and enforces world trade agreements.

Most of the demonstrators were militantly peaceful, sometimes chaining themselves together; b[ut] among their ranks was a core [of] black clothes and ski masks who [at] midday went on a rampage of w[in]dow-smashing. Police, who fir[ed] tear gas at times to disperse pr[o]testers, said they made about 20 [ar]rests.

In an effort to clear the street[s,] Seattle Mayor Paul Schell declar[ed] a civil emergency and said he wou[ld] impose a 7 p.m. to 7:30 a.m. curfe[w] for the downtown area. And at t[he] mayor's request, the governor se[nt] in two unarmed National Gua[rd] units to help police.

At 5 p.m. police began firing ca[n]isters of tear gas into the crowd a[s] they began to disperse.

Earlier the 10 a.m. opening cer[e]mony was canceled, but trade mi[n]isters met over lunch and at 3 p.[m.] the first joint session of the confe[r]ence began on schedule und[er] heavy police protection. Worki[ng] groups on several trade issues al[so] met, officials said.

"This conference will be a su[c]cess," WTO Director General [illegible]

See WTO, A22, Col. 1

POULTRY'S PRICE | *Importing Workers*

Plant Jobs Open Doors for Koreans

Last of four articles

By Peter Pae
Washington Post Staff Writer

SALISBURY, Md.—Hundreds of white-collar, middle-class Koreans, desperate to immigrate to the United States, are paying as much as $30,000 each to work in chicken plants on the Eastern Shore.

Immigration brokers advertise the poultry jobs in Korean newspapers as a shortcut to the United States. Koreans who respond pay $10,000 to $30,000 in fees and promise to work for a year in processing plants, according to interviews with about 50 current and former poultry workers.

When they are hired, they receive legal permanent U.S. residency for themselves and their families under a federal program designed to fill unskilled jobs. For some, the process shortens a possible 15-year wait to immigrate. For others, it is the only legal means of coming to America.

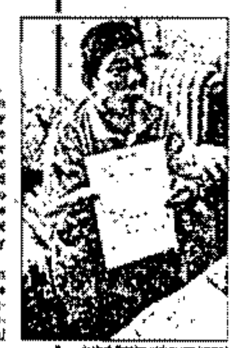
Under the program, U.S. companies can import foreign workers once they prove to the Labor Department that they have advertised and recruited extensively yet still have openings. About 10,000 people a year become permanent U.S. residents under the program, which is used by such industries as hotels, maid services and chicken processing companies.

The companies file for the work visas, but it is often middleman agencies and brokers who recruit the specific individuals who will fill the positions.

The Koreans come to work in slaughterhouses with one primary goal: bringing their children to the United States for what they believe are better educational and economic opportunities. Most are middle-aged bankers, lawyers and managers who spend their life savings to get the jobs and then find themselves handling work far more difficult than they imagined.

For Koreans coming to the Eastern Shore chicken industry, often there is another hurdle. Workers said in interviews that the Baltimore employment broker who controls most local deals requires a $5,000 deposit that he

See BROKERS, A31, Col. 1



Young Soo Choi says he paid a $5,000 deposit for a chicken job.

Judge Approves $3.2 Billion Implant Accord

By John Schwartz
Washington Post Staff Writer

A federal bankruptcy judge yesterday paved the way for Dow Corning Corp. to pay out $3.2 billion to settle claims by some 170,000 women who say they were injured by the company's silicone breast implants.

Judge Arthur Spector, who announced the ruling yesterday in Michigan, said he will give full details in an opinion to be handed down next week. But Dow Corning's lawyers said the judge essentially approved a July 1998 proposal that was submitted jointly by Dow Corning, implant recipients and other creditors to end one of the most protracted and acrimonious disputes in American jurisprudence.

For those who choose to accept a settlement, the plan offers specific monetary damages for the various problems linked to the devices. Women whose implants ruptured or leaked can get up to $25,000, and women who want to remove their implants can get $5,000 for the procedure. Those claiming that the devices caused systemic illness such as ailments of the immune system will be able to get as much as $300,000. Dow Corning says that 94 percent of women with claims against the company have said they will settle.

"We've got a great step forward in both concluding the Dow Corning bankruptcy case and concluding the breast implant controversy for Dow Corning," said Barbara Houser, the lead bankruptcy

See IMPLANTS, A19, Col. 5

25 Years Later, No Place for Their Sorrow

Couple Laments Lack Of Memorial in Crash

By Michael Leahy
Washington Post Staff Writer

Celeste and Bill Casey at the Virginia site where their daughter died in a plane crash.

BERRYVILLE, Va.—She is here but not here. It is the paradox that always exists for her parents at the big black boulder. After a seven-hour car ride from their home in Ohio to this spot 23 miles west of Dulles Airport, Bill and Celeste Casey trudge through the woods of Northern Virginia's Blue Ridge, an elderly couple trying to make a connection with their firstborn child.

"I do feel Cathleen here," Bill Casey whispers hoarsely, his feet crunching piles of leaves and fallen twigs. His wife, too overwhelmed to speak, slips on some slick leaves and grabs for him, pale as snow.

"Hey, you all right?" he asks.

Celeste Casey doesn't hear, staring open-mouthed into the moist November air beyond a grove of conspicuously dwarfish trees on the other side of the skinny highway, staring, waiting for Cathleen's presence to touch her.

Cathleen is gone. Twenty-five years ago exactly, on a Sunday morning marked by fierce winds, sleet and fog, a TWA jetliner headed toward Dulles

See CASEY, A20, Col. 1

Montgomery Approves Benefits for Gay Partners

By Scott Wilson
Washington Post Staff Writer

The Montgomery County Cou[ncil] approved legislation yesterd[ay] extending health benefits to th[e] live-in partners of homosex[ual] county employees, becoming [the] largest Washington area jurisd[ic]tion to enter the national deba[te] over gay rights in the workplace.

Nearly 3,000 private-sector co[m]panies now offer domestic-partn[er] benefits to homosexual employe[es] who are legally prohibited fr[om] marrying their partners and cou[ld] not otherwise claim them as ben[e]ficiaries.

Dozens of local governments [[illegible]] extend those benefits, provo[k]ing sharp criticism from conser[va]tives and religious organizatio[ns] that contend the recognition is [a] step toward legally sanctioning g[ay] marriage. Virginia Attorney Gen[er]al Mark L. Earley (R) sided t[his] week with plaintiffs challenging [[illegible]] County's domestic partn[er] law, passed by the County Boa[rd] two years ago but invalidated by [a] circuit court judge in March. T[he] state Supreme Court is schedul[ed] to hear the case early next year.

By a 6 to 3 vote, the Mo[nt]gomery council followed Baltim[ore] and Takoma Park to become t[he]

See PARTNERS, A27, Col. 1

INSIDE

EXXON Mobil

Big Oil's Big Merger

Federal regulators approved the $81 billion acquisition of Mobil Corp. by Exxon, creating what merged-company chairman Lee R. Raymond called "the world's premier petroleum and petrochemical company" and setting the stage for downsizing at Mobil's Fairfax County headquarters.

BUSINESS, Page E1

Kohl Admits to Wrongdoing

Former German chancellor Helmut Kohl acknowledged he used secret financial accounts to mask donations that were channeled to regional branches of his Christian Democratic party. The scandal threatens the reputation of one of Europe's elder statesmen.

WORLD, Page A26

Border Families Await Word of the Missing

U.S., Mexican Officials Continue Excavations

Ramon Alonzo holds pictures of people who disappeared as police dig for remains.

By Molly Moore
Washington Post Foreign Service

CIUDAD JUAREZ, Mexico, Nov. 30—One couple vanished on the way to a play at a local theater. Two brothers disappeared on the way to a restaurant. Many victims were seen by witnesses being stuffed into official-looking vehicles by assailants wearing Mexican police or military uniforms.

"It's an incredible, horrible thing," Jaime P. Hervella, who lives in El Paso and is a founder of the Association of Relatives of Disappeared Persons, said today in response to the discovery of suspected graves at two ranches near this border city. "[The] bodies I have got to be ours."

U.S. and Mexican law enforcement officials today continued excavations in at least two of four sites that authorities believe could contain the remains of dozens of Americans and Mexicans who have vanished during an unsettling spate of crimes near the international border shared by Ciudad Juarez and El Paso, Tex.

Until Monday, when authorities announced the investigations of possible burial sites, the families of nearly 200 people

See VICTIMS, A39, Col. 1

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http://www.washingtonpost.com