

# JAMES SAVARESE

1901 L St. NW, Suite 300 Washington, DC 20036 (202) 452-9520

## AND ASSOCIATES

August 30, 1990

TO: Susan Stuntz  
Martin Gleason

FROM: John Jarvis  
Powell Adams and Rinehart  
Savarese and Associates

RE: Labor Tax Activity in Targeted States

Below is an update on union and coalition group visits to Congressional district offices in targeted states on the issue of fair taxation. This includes everything that has happened in each of the states to date. We do not have some of the last minute information, but will provide it to you as we receive it next week.

First, a summary of the activities of the groups and individuals that are helping with this project:

- Labor Management Committee state consultants (Doug Weiland of Michigan, Lowell Junkins of Iowa, and John O'Connell of Illinois). They are coordinating union visits to members of Congress in targeted states.
- American Agriculture Movement - David Senter has appointed an AAM representative in each state to coordinate AAM visits and contacts with members of Congress. AAM has shipped additional copies of the rural excise tax study to their members in targeted states. AAM members will be making personal visits to members of Congress in these states. In addition, phone calls will be placed from the state AAM president and an AAM member in each Congressional district to the member's district office.

As of today, we have not obtained a report on the members' responses. We do know that the visits and additional work are underway and ongoing. We will report to you as soon as the information becomes available.

TNWL 0051553

- United Mine Workers - John Jarvis has contacted key UMW officials in those targeted states where they have strength. He has sent them a packet of excise tax materials and asked them to visit members of Congress. The members' responses are listed by state below.
- Operating Engineers - John Brown has sent a letter and packet of excise tax materials to Operating Engineers locals in targeted states (see attached). He has asked local union representatives to contact members of Congress on the excise tax issue. As of today, we do not have a report from Brown on feedback. We will report to you as soon as the information is available.
- Machinists - Mike Forscey worked with Bill Holayter on sending a letter from Holayter to Machinists representatives in targeted states (see attached). He included the excise tax resolution and asked them to contact members of Congress during the recess. Holayter asked for a report after Labor Day.
- Bakery, Confectionery and Tobacco Workers - A copy of the excise tax resolution was sent to all BC&T "tobacco" local union presidents and international representatives. Initial contact was made with BC&T representatives regarding Congressional visits. For obvious reasons, all activity has been put on hold with this union. After Labor Day, we will work with BC&T leadership to coordinate visits to members of Congress when they are back in the districts to campaign in October. We will also ask them to visit members' district offices in the interim with the excise tax materials.

The following is a list of the targeted states with the activity that is underway in each:

- West Virginia - Jarvis worked with Mike Burdiss of UMW about making Congressional visits in the state. John Brown has contacted Operating Engineers. He reports that Reps. Nick Rahall, Bob Wise, and Alan Mollohan would vote against any excise taxes. However, they are more concerned about the carbon tax. They all said they would have to consider a Rostenkowski package.
- Missouri - AAM is working with Dave Baldwin to coordinate AAM Congressional visits in Missouri. John Brown has contacted Operating Engineers in the state. Bill Holayter is working with Machinists.
- Iowa - AAM is working with Dan Schmidt to coordinate AAM Congressional visits in Iowa. Bill Holayter is

contacting Machinists about making Congressional visits in the state.

At the Iowa State Federation Convention, Lowell Junkins worked to pass an excise tax resolution (see attached). He has been working with Jim Wengert, President of the State Fed, and Mike Lux, Vice-President, to coordinate labor opposition to an excise tax increase. Along with Russ Woodrick of the Machinists and Perry Chapin, Chairman of the South Central Labor Council, he met with Sen. Harkin, Rep. Neal Smith, and Rep. Dave Nagle on the excise tax issue. Although Harkin does not like cigarettes, it is not likely that he will support regressive taxes because of labor pressure. Rep. Smith is ambivalent on the tax issue. He is keeping his options open, although he favors a reduction in the capital gains tax. Rep. Nagle votes with labor and seems to be solid in opposition to regressive taxes.

- Nebraska - Corky Jones of AAM is coordinating AAM Congressional visits in Nebraska. John Brown has contacted Operating Engineers. Bill Holayter is working with Machinists.
- Indiana - AAM is working with Susan Bright to coordinate AAM Congressional visits. Operating Engineers have been contacted. Bill Holayter is contacting Machinists. The Mine Workers contacted Rep. Frank McCloskey. McCloskey said he opposes excise taxes, but will have to decide his vote in the context of the Democratic leadership position.
- Illinois - Tom Curl will coordinate visits for AAM. John Jarvis has worked with Jerry Hawkins of the Mine Workers on visits in the Southern Illinois area. He reports that Rep. Glenn Poshard said he would vote against excise taxes. The Mine Workers will check back with him before any final vote. Operating Engineers can also be helpful. Bill Holayter will work with Machinists.

John O'Connell and Teamsters Local 705 General Counsel Rory McGinty met with Rep. Marty Russo on the excise tax issue. Russo said that the budget negotiators were planning to meet on September 5th at Andrews Air Force Base. Russo is expecting the release of a Rostenkowski package on September 10. He said that he would support this package. Russo also said that Gephardt was key in this process and should be lobbied (see attached report).

O'Connell and McGinty also met with Rep. George Sangmeister. He seemed to agree that excise taxes hurt the middle income taxpayer, but did not commit on how he would vote. He indicated that he would support the leadership package (see attached report).

- Michigan - John Brown is working with the Operating Engineers. Doug Weiland and John Bond, IBEW Local 948 Business Manager, met with Senator Carl Levin on the excise tax issue. Sen. Levin indicated he is inclined to push for taking back the tax breaks of the Reagan years and is not inclined to support regressive taxes. At a later IBEW meeting, Sen. Levin strongly reiterated his desire that excise taxes not be the focus of deficit reduction talks.

Reps. Dale Kildee and Sander Levin were in a meeting attended by several union leaders who had corresponded with them on the excise tax issue. They both delivered a message on the unfair tax treatment received by working people under the last two Administrations. Correspondence to union members from Rep. Kildee and Sen. Don Riegle indicate their general opposition to excise taxes on the basis of regressivity (see attached).

- Maryland - John Taylor of AAM is coordinating visits with the Maryland congressional delegation. John Brown is working with Operating Engineers in Maryland. Bill Holayter will work with Machinists.
- South Dakota - AAM is working with Jerome Johnson to coordinate visits to the South Dakota congressional delegation.
- Colorado - John Brown is asking Operating Engineers in Colorado to make Congressional visits. Bill Holayter will work with Machinists.
- Kentucky - John Brown has contacted Operating Engineers. Bill Holayter is working with Machinists. We will work with BC&T to coordinate Congressional visits.
- Montana - John Jarvis has contacted UMW members in Montana. They report that Rep. Pat Williams is against excise taxes but would consider the Democratic leadership package.
- North Carolina - We will work with BC&T to coordinate Congressional visits.

- Georgia - We will work with BC&T to coordinate Congressional visits.
- Alabama - John Brown has contacted Operating Engineers.

Attachments

cc: Carol Hrycaj  
Michael Forscey