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STRONG IN THE STRUGGLE

COALITION OF BLACK TRADE
UNIONISTS (C.B.T.U.)

CIRCA 1977-1988

2017/193



COALITION OF BLACK TRADE UNIONISTS

EXECUTIVE COMMITTEE:

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ALZADA CLARK, Second Vice President
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Asst. to the President, UAW
ROBERT SIMPSON, Corr. Secretary
Rec. Secy. and Bus. Rep. Local 743
Warehouse & Mail Order Empl. Union

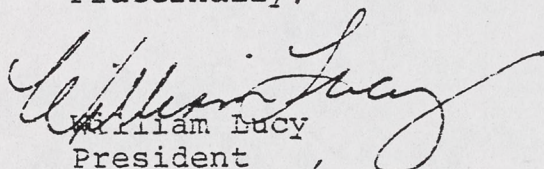
P. O. Box 13055, Washington, D. C. 20009 — (202) 429-1203

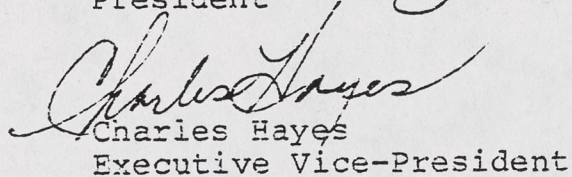
Dear Brother Brown:

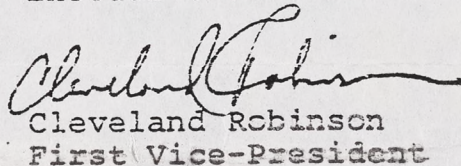
Enclosed herewith is your 1984 membership card in the Coalition of Black Trade Unionists. Thank you very much for your interest, support and continuing participation.

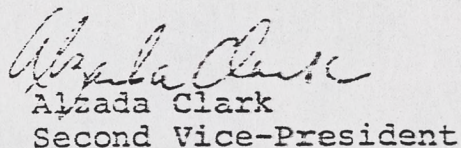
If you have any questions, please feel free in contacting Leonard C. Ball at (202) 429-1203.

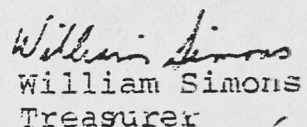
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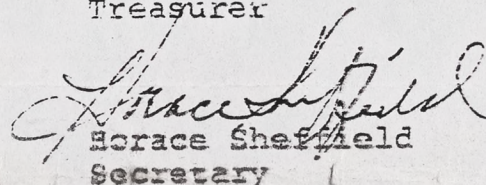

William Lucy
President

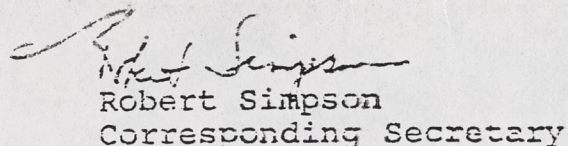

Charles Hayes
Executive Vice-President


Cleveland Robinson
First Vice-President


Alzada Clark
Second Vice-President


William Simons
Treasurer


Horace Sheffield
Secretary


Robert Simpson
Corresponding Secretary

CANDIDATES FOR EXECUTIVE BOARD -- RECOMMENDATIONS
FROM LINDA BAZAN,
RAFAEL ESPINOZA AND MICHAEL KOBLENTZ

1. GILLIAN BLAIR St. Francis Hotel waitress white
shop steward, high vote in 1980 hotel contract
negotiating com. election (not elected), active
in shop steward council and rank & file groups
2. LEE BROWN Retired Stewards Dept. black
Executive Board member, active in rank & file
caucus, member of Coalition of Black Trade Unionists,
lifetime of union and community organizing
3. WINSTON CHING Vanelli's restaurant waiter Chinese
former Local 2 Vice President, current Executive
Board, shop steward, International delegate 1981,
active in rank&file groups
4. LARRY CALDEN Banquet hall waiter black
5. JEAN DEMU Banquet hall waiter black
Jack Tar Hotel 3 years, picket during 1980 strike,
active in rank & file caucus and Coalition of
Black Trade Unionists
6. BETTY FORSYTHE Big Horn restaurant waitress white
Ran for union office on rank & file slates,
waitress at Zim's 18 years, active in Zim's organiz-
ing and strike in 1978
7. AMY HARRIS Hyatt Regency Hotel cashier white
shop steward, picket in 1980 hotel strike, active
in rank & file groups and on shop steward council
8. CARLOS IBARRA Banquet hall/Davre's waiter Latino
Banker's Club waiter over 10 years, opposed Charles
Lamb's handling of banquet dept. rules and tip dis-
tribution in 1981 restaurant contract negotiations
9. LILLIA RAMOS Hilton Hotel maid Filipina
shop steward, active in strike and in organizing
maids to fight for better conditions and to confront
Lamb administration on maids' demands
10. CHARLIE WALKER Bellevue Hotel/Retired bellman white
1980 Hotel Negotiating Committee, active in rank
and file caucus and in union-wide organizing,
lifetime of union and other progressive organizing

Meeting hears San Francisco Black firefighter

By Jane Cutter
San Francisco

Feb. 19 — "All of us have to link up to fight our common enemy: those individuals and groups of individuals who want to exclude on the basis of race or sex," Lieutenant Robert Demmons, president of the San Francisco Black Firefighters Association, told a multinational audience tonight as he described the decades-long struggle to integrate the San Francisco Fire Department (SFFD).

Tonight's meeting was sponsored by the All-Peoples Congress and the Coalition of Black Trade Unionists (CBTU) as an act of solidarity with the Black Firefighters Association (BFA). The BFA has been working hard and long to win and now implement affirmative action and equal opportunity in the SFFD. It has come under virulent racist attack, both by all-white firefighters' "union" Local 798 and by the capitalist media.

Demmons spoke of his personal experiences and of the history of the SFFD as an all-white institution until 1955. By 1972, there were still only four Black people in the department. In 1974, 60 Black people were admitted to the SFFD; today there are 85.

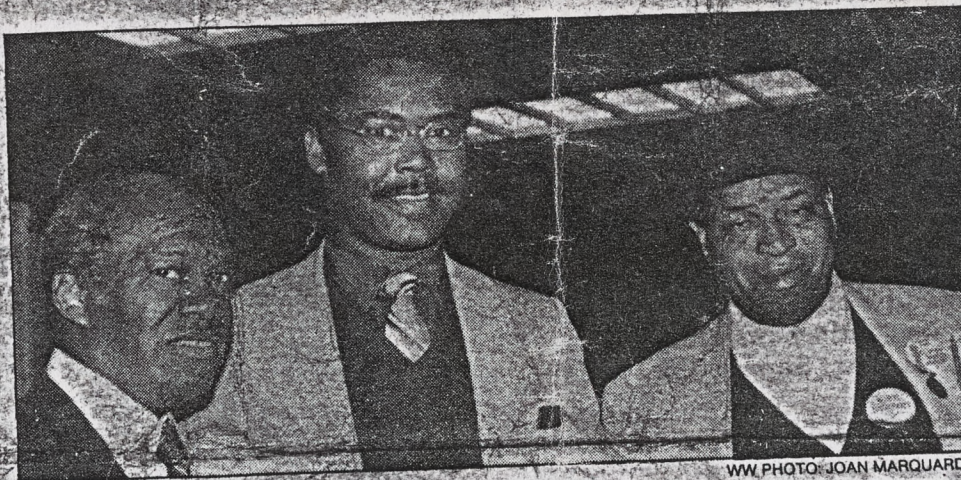
Local 798, the white union, has spent thousands of dollars trying to prevent the integration of the department and stop the promotion of Third

World firefighters.

Demmons pointed out that since 1955 some 300 firefighters' jobs have been lost because Local 798 "was too busy fighting us minorities" instead of really fighting to save much-needed firefighting positions.

Finally an affirmative action consent decree was handed down by Judge Marilyn Patel as a result of a class action suit against the city. Demmons explained that the consent decree sets numerical goals for the hiring and promotion of Third World people and women in the SFFD. It also forbids the promotion of firefighters who can be proved to have perpetrated racial harassment.

The BFA, after years of putting up with racist treatment in Local 798, fi-



WW PHOTO: JOAN MARQUARDT

Lt. Robert Demmons, APC activist Henry Clark and trade unionist Lee Brown.

nally left the local and formed their own union a few years ago.

"We are workers. We believe in true unions which represent those who are in them," said Lieutenant Demmons. "Local 798 was a union in name only. It's not a union, it's an old-boy network, a Nazi party. We can make a change if we stick together. In a few years, this fire department is going to look a bit like this room!"

Tonight's meeting was chaired by Gloria LaRiva of the APC, who got the support of her union, Bay Area Typographical Union #21, for the enforcement of the consent decree. Also speaking were Henry Clark, an APC and community activist in North Richmond against toxic dumping, and Geraldine Johnson of the CBTU.

COPY

CBTU WOMEN'S REGIONAL CONFERENCES

advised
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- WHEREAS: National Coalition of Black Trade Unionists established a National Women's Committee which holds women's conferences as a part of the National Convention every year with overwhelming participation; and
- WHEREAS: The National Coalition of Black Trade Unionists Executive Council has mandated that all chapters set up women's committees on the local level to deal with issues of concern to Black Women in the labor movement; and
- WHEREAS: Black women are an important part of the work force statistically being head of households in large numbers; and
- WHEREAS: Black women are moving into roles of leadership in their unions, non-traditional jobs, political, educational, cultural, and other professional fields; and
- WHEREAS: New York, New Jersey, Philadelphia, Delaware, Maryland, District of Columbia and Virginia participated in the First Eastern Regional Women's Conference held in Baltimore, Maryland, March 22-23, 1985, which had great significance and which brought together over 300 men and women sharing ideas of major concern regarding:

Child Abuse
Organizing
Political Action
Public Speaking
Women in Leadership Roles

these ideas should be shared with our other regional brothers and sisters; and

WHEREAS: National Coalition of Black Trade Unionists must mandate these types of conferences where other regions are established in order to continue the education process for our national membership; and

WHEREAS: The National Coalition of Black Trade Unionists cannot financially support this type of conference; and

WHEREAS: The Eastern Region did put forth a successful fund raising drive to defray the cost of their conference and each region ^{SHALL} ~~can~~ do the same.

THEREFORE BE IT RESOLVED:

That we recommend that Regional Conferences be held on an on-going basis and that the National Coalition of Black Trade Unionists support ^{our} ~~their~~ efforts; and

BE IT FURTHER RESOLVED:

That we continue to reach out to the vast majority of the current membership and the potential new members and that the National Coalition of Black Trade Unionists make this a part of their on-going program.

SUBMITTED BY: Eastern Regional Women's Committee

PHILLIP BURTON
6TH DISTRICT, CALIFORNIA

2304 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
PHONE 202-225-4965

DISTRICT OFFICE:
450 GOLDEN GATE AVENUE
SAN FRANCISCO, CALIFORNIA 94102
PHONE: 415-556-4862

Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEES:
EDUCATION AND LABOR
INTERIOR AND INSULAR
AFFAIRS
DEMOCRATIC STEERING AND
POLICY COMMITTEE
CHAIR, SUBCOMMITTEE ON
LABOR-MANAGEMENT RELATIONS
CHAIR, HOUSE DELEGATION
NORTH ATLANTIC ASSEMBLY

COPY

June 30, 1982

Mr. Lee Brown
Coordinator for Senior Affairs
Coalition of Black Trade Unionists
P. O. Box 15125
San Francisco, California 94115

Dear Mr. Brown:

Thank you for your recent letter regarding President Reagan's proposal to eliminate the Senior Community Service Program.

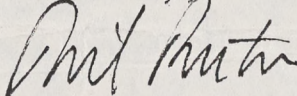
Please be assured that I strongly support this valuable program and will work to maintain funding for its activities. This program provides meaningful work for older Americans and at the same time allows them to supplement their income. These workers provide many essential services to the community that otherwise would not be available.

You will be interested to know that I am a co-sponsor of H. Con. Res. 278, expressing the sense of the Congress that funding for community service employment programs for seniors should be provided at levels sufficient to maintain or increase the current number of employment positions under those programs.

I appreciate hearing from you on this important matter.

Kindest personal regards,

Sincerely,



PHILLIP BURTON
Member of Congress

PB:mm/r

CBTU STATEMENT ON INTERNATIONAL AFFAIRS

The Coalition of Black Trade Unionists recognizes that the fight for jobs and justice in the U.S. is linked to the struggle for peace in the nuclear age and solidarity with struggles for freedom and self-determination in the underdeveloped Third World.

CBTU is gravely concerned about the dramatic shift in U.S. policy toward Third World countries, which is now driven by an open preference for military solutions over diplomatic negotiations. It exposes the bankrupt core and hypocritical facade of U.S. foreign policy.

While the Reagan Administration vehemently denounces terrorism and governments that it claims sponsor it, U.S. military aircraft have bombed Libyan cities under the cover of darkness, killing and injuring innocent civilians. While President Reagan has led a personal crusade to gain international support for the imposition of "immediate and comprehensive" sanctions against Libya for its terrorist acts, he and his Administration have staunchly opposed all efforts to bring full pressure to bear on South Africa, which regularly commits terrorist acts against its own black population and against all the people and governments in Southern Africa.

CBTU regards terrorism as the lowest and vilest of all political acts because innocent civilians become the victims of indiscriminate violence, and the underlying causes of the political standoff remain unresolved. Only peaceful negotiations can reduce international and bi-lateral tensions.

The Reagan Administration's emphasis on covert support for terrorist forces, such as the "Contras" in Nicaragua and UNITA in Angola, derives from the so-called "Reagan Doctrine." This policy seeks to harass, destabilize or overthrow popular governments in those countries because they pursue a policy of non-alignment and receive assistance from socialist countries.

United States covert aggression not only violates the sovereignty of both Angola and Nicaragua, it fuels regional instability in Southern Africa and Central America.

The victims of the U.S. war drive in the Third World are workers, urban and rural, and the poor. Every dollar spent to drop a bomb in Nicaragua or arm UNITA terrorists in Angola is being robbed from the poor, minorities and all working people in the United States. Every dollar spent by these governments to defend themselves from outside aggression slows improvements in health care, housing, education for their workers and their families.

CBTU is unalterably opposed to overt or covert military aid to terrorists masquerading as "freedom fighters," be they in Central America or Southern Africa.

In South Africa, the Reagan Administration's policy of constructive engagement is a tragic failure and must be immediately abandoned in favor of more forceful and meaningful actions to dismantle apartheid. The death toll has reached more than 1,500 since mass resistance to apartheid exploded 21 months ago. In fact, the death toll is rising at an alarming

rate. Last year the average monthly death toll among blacks was 70. It is now 130.

This alarming trend, coupled with the May 19th terrorist attack by the South African military on civilian targets in Botswana, Zambia and Zimbabwe, demands that the intransigent racist regime be completely isolated by the entire international community.

CBTU joins other opponents of apartheid in asking all countries that have economic, military or diplomatic relations with South Africa to sever them immediately. Those countries or companies that act as conduits for South African exports and imports -- especially military equipment and technology, intelligence and other forms of security assistance -- should cease and desist their activities.

In addition, CBTU calls for the boycott of South African goods to be extended to such items that enter the U.S. under third party labels.

The mass resistance movement in South Africa has been greatly strengthened by the re-emergence of a unified and militant trade union movement. CBTU hails the formation of the Congress of South African Trade Unions (COSATU). This new and powerful federation, which has more than a half-million members and continues to grow, has the potential to bring the already-weak South African economy to its knees. Unified action by black workers can deprive the apartheid regime of vital revenues used to buy weapons.

The Botha government and some companies have launched a violent campaign to break the organizing momentum of COSATU-affiliated unions,

particularly in the strategic mining sector, which produces 40 percent of South Africa's foreign earnings.

CBTU calls upon the international labor movement to support COSATU and condemns the government's union-busting violence.

The most indicting aspect of the overall direction in U.S. policy toward the developing world is that it ignores horrifying problems: 40 million human beings will die from hunger and malnutrition this year; 100 million children under five years of age suffer from protein-calorie malnutrition every single day; and 500 million human beings go hungry daily.

In fact, by funding terrorist armies in Central America and Southern Africa, the Reagan administration will create more homeless refugees than mercenary heroes.

CBTU will speak out at every opportunity to oppose the degradation of human life inherent in U. S. policy toward our brother and sisters in the Third World.

COPY

Labor- Management Reporting and Disclosure
Act of 1977, As Amended Title 1- Sec. 101 Page 6

The free- speech clause protects freedom of assembly, expressly guaranteeing "the right to meet and assemble freely with other members." This was deliberately included in the Bill of Rights to protect members in forming opposition groups, factions, or caucuses within the union, for only through such groups can members effectively participate in the union's political processes. As one court said, "To permit a union to punish its members for meeting and discussing affairs of the union would be to deny the very purpose of the Bill of Rights."

(2) Freedom of Speech And Assembly.- Every member of any labor organization shall have the right to meet and assemble freely with other members; and to express any views, arguments, or opinions; and to express at meetings or the labor organization his views, upon

The AFL- CIO is for civil rights without
reservation and without delay.

AFL- CIO program Page 5

The AFL- CIO constitution invites "all workers, without regard to race, creed, color or national origin to share in the full benefits of union organization." We are pledged in equal measure to see that all workers share fully in every other aspect of American life; for our cause is the brotherhood of workers and the brotherhood of man.

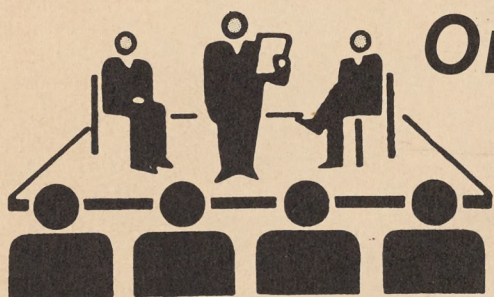
Lee Brown Black Trade Unionists
American Trade Unionism

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COALITION OF BLACK TRADE UNIONISTS

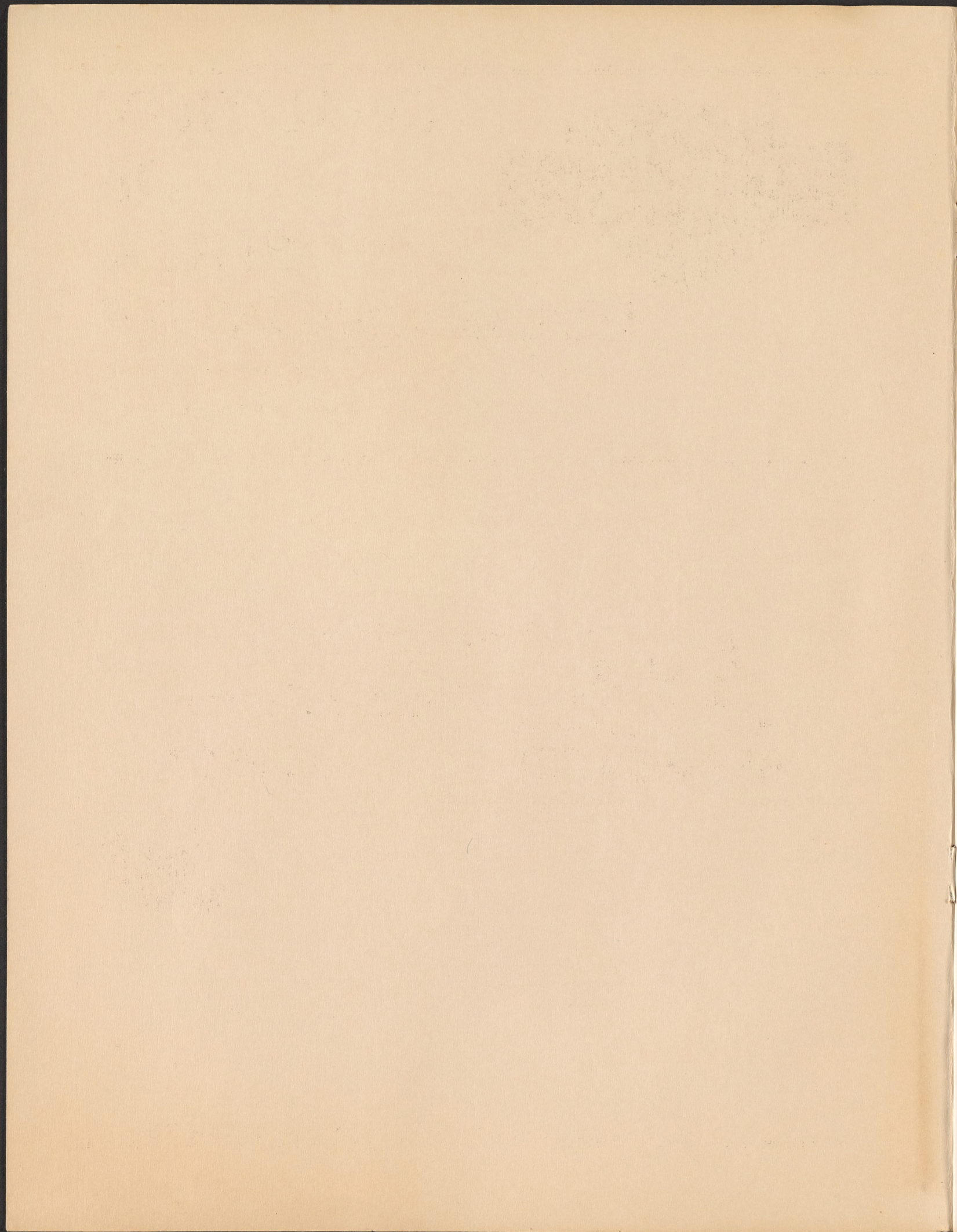
MAY 23-26, 1986
ATLANTA, GA.



**Organizing for
Political Action
1986-87**



15TH ANNUAL CONVENTION



ORGANIZING FOR POLITICAL ACTION

The principal focus of this workshop is devoted to an explanation of the procedures of Gramm-Rudman-Hollings and its impact on the Black community. This new budget law will govern how all federal funds will be spent -- and more importantly, how they will be cut. There will be a massive impact on every program we have ever fought for and every federal program we work and live under. Gramm-Rudman will dominate all federal legislation for the next several years. We need to know who and what will be affected. We need to discuss, plan and develop strategies to combat the "log-rolling" cuts of the law. This means increased political activity, especially in the upcoming congressional elections. What should we be doing on the local and national level?

Moderator: Cleveland Robinson
First Vice President, CBTU

Panelists: Norman Hill, Executive Director
A. Philip Randolph Institute

Tony Harrison
Political Consultant

Lee Saunders, Associate Director
Research Department of AFSCME

On November 11, 1985 President Reagan signed the Balanced Budget and Emergency Deficit Control Act of 1985, otherwise known as Gramm-Rudman-Hollings (GRH). The Bill was passed by nearly 2 to 1 margins in both the Senate (81 to 19) and the House of Representatives (211 to 194).

It is essential that people understand how GRH works because it alters the federal budgetary and legislative process and it could substantially reduce the federal deficit.

GRAMM-RUDMAN-HOLLINGS

Without the customary constitutional budget process, the deficit will be reduced by steps each year until 1991, when it is supposed to reach zero. The deficit targets are:

"An Act of Political Folly"

Basically, GRH says that if the deficit is not reduced by a certain amount each year, the deficit will be reduced by steps each year until 1991, when it is supposed to reach zero. The deficit targets are:

FY'86:	\$171.9 billion
FY'87:	144.0 billion
FY'88:	109.5 billion
FY'89:	75.5 billion
FY'90:	40.5 billion
FY'91:	0

These targets may be exceeded by \$10 billion in each year through 1988 before the automatic budget cuts are triggered.

Prepared for
The Coalition of Black Trade Unionists
May, 1986

If Congress and the President are unable to agree on a budget by the deadline, then the law will automatically trigger cuts in the federal budget. The law will also require the House Office of Management and Enterprise to submit a report to the House of Representatives on the status of the federal budget. The law also requires the President to submit a report to Congress on the status of the federal budget. The law also requires the President to submit a report to Congress on the status of the federal budget.

On December 13, 1985 President Reagan signed the Balanced Budget and Emergency Deficit Control Act of 1985, otherwise known as Gramm-Rudman-Hollings (GRH). The Bill was passed by nearly 2 to 1 margins in both the Senate (61 to 31) and the House of Representatives (271 to 154).

It is essential that people understand how GRH works because it alters the federal budgetary and legislative process and it could substantially alter federal policies and spending priorities without the customary congressional budget procedures.

Basically, GRH says that starting right now the budget deficit will be reduced by steps each year until 1991, when it is supposed to reach zero. The deficit targets are:

FY'86:	\$171.9 billion
FY'87:	144.0 billion
FY'88:	108.0 billion
FY'89:	72.0 billion
FY'90:	36.0 billion
FY'91:	-0-

These amounts may be exceeded by \$10 billion in each year through 1990 before the semi-automatic budget cutting process is triggered.

If Congress and the President are unable to agree on specific cuts in the federal budget, then the job falls to the White House Office of Management and Budget and the General Accounting Office. Across-the-board cuts in programs not specifically exempted from GRH would be mandated. Half the budget "sequesters" required to meet the deficit target must come from the defense portion of the budget, while the other half must come from domestic programs.

The first round of GRH budget cuts went into effect March 1, 1986. The cuts represent 4.3% or \$11.7 billion in total FY'86 appropriations for all federal programs, including the Pentagon. How will these cuts affect Americans across the country?

Following are just a few examples:

- O State and local governments will lose \$2.1 billion in federal grant-in-aid cuts in the seven-month period between March 1st and September 30th of this year.
- O Cuts of over \$100 million will be suffered in six program areas: Assistance for Educationally Deprived Children, Social Services, Community Development Block Grants, Federal Aid to Highways, Urban Mass Transit aid, and General Revenue Sharing.
- O Farm states that are already struggling with serious fiscal crises have had their budget-balancing efforts further disrupted by these cuts. Minnesota will lose \$36 million this year, Iowa \$23 million, and Wisconsin \$38 million.
- O Eight states -- California, Florida, Illinois, Michigan, New York, Ohio, Pennsylvania and Texas -- will lose \$75 million or more in federal aid.
- O Contrary to popular perception, the programs providing assistance to the poor have not been spared from the GRH axe: Aid for Educationally Deprived Children, Head Start, Job Training, Low Income Energy Assistance, and Subsidized Housing (to name a few) have all suffered cuts.

As disruptive as these cuts have been, they pale in comparison to the damage that will be done by the second "sequester" that could occur at the start of FY'87. Based on current economic forecasts, the FY'87 sequester could easily be 3-4 times larger on an annual basis. Moreover, if it does occur, it will come after all the states have adopted their FY'87 budgets, and thus necessitate major budget revisions.

There are many myths about GRH which must be dispelled. The following provides an overview of GRH and clarifies a number of issues regarding the balanced budget law.*

MYTH NO. 1: If Congress and the President cannot agree on appropriations, GRH semi-automatic cuts are made.

The sequestration provisions (across-the-board cuts) of GRH are a method for reducing spending already approved in appropriations acts (including continuing resolutions). There is no way that the President and Congress can escape their constitutional duty to enact appropriations. They could enact spending bills knowing they are too high and will have to be

*Information supplied by OMB Watch, 2001 O Street, N.W., Washington D.C.

reduced through GRH cuts. But if Congress and the President fail to appropriate funds, the government simply shuts down.

This puts Congress and the President in a difficult position. They can enact appropriations bills meeting the GRH deficit targets by making spending cuts, which means all programs are fair game for cuts (see discussion below), or by mandating revenue increases. Or they can agree to appropriations that exceed the GRH targets which will initiate the process leading to GRH semi-automatic cuts.

Assuming that Congress and the President enact a resolution calling for the sequestration: If the President signs a spending bill exceeding GRH deficit targets (or allows the bill to become law without his signature), GRH semi-automatic sequestration kicks into place to bring the deficit down. Alternatively, if Congress overrides a Presidential veto of a "deficit busting" spending bill, the GRH sequestration process kicks in.

Passage of a joint resolution requiring sequestration will be meaningless if there are no spending bills enacted. In other words, there will be no semi-automatic GRH cuts unless some type of spending authority is enacted.

The most likely scenario, especially in an election year, is that the President and Congress will be forced to compromise on defense, taxes and human services programs so that they can pass appropriations meeting GRH deficit targets. The President is not likely to sign spending bills that exceed the deficit targets, particularly since the ensuing semi-automatic sequestration would mean cuts in defense spending. Even Sen. Phil Gramm (R-TX) believes, "We're not going to have the across-the-board cuts. We're going to make hard choices because we're not going to have

any alternative." So while GRH sequestration may not occur, its existence dominates the political process.

MYTH NO. 2: Low-income programs and other major programs are protected by GRH.

Nothing is protected at the beginning of the budget process. The President's Budget, which went to Congress early in February, met the deficit targets in GRH, and includes cuts in many programs and activities. When Congress begins its work on a Budget Resolution (which was to be completed by April 15), it must also meet GRH deficit targets, and may cut any program or activity.

If, and only if, cuts are finally made as a result of the GRH semi-automatic sequestration process, some programs will be spared.

Congress chose to exempt the following major programs from the automatic GRH cuts:

- | | |
|---|-------------------------------------|
| o Social Security (Old Age and disability payments) | o WIC Supplemental Food Program |
| o Aid to Families with Dependent Children (AFDC) | o Commodity Food Program |
| o Child Nutrition | o Earned Income Tax Credit |
| o Medicaid | o Railroad Retirement Tier I |
| o Food Stamps | o Interest on the Debt |
| o Supplemental Security Income | o State Unemployment Benefits |
| | o Veteran's Compensation & Pensions |

These exemptions only protect benefits; the offices and people who determine eligibility, write the checks and issue the benefits are NOT exempt, so one can anticipate major administrative snafus.

Additionally, Congress created special rules which limit the size of cuts for the following programs:

- | | |
|----------------------------|--------------------|
| o Guaranteed Student Loans | o Medicare |
| o Foster Care | o Community Health |
| o Adoption Assistance | o Migrant Health |
| o Veterans Medical Care | o Indian Health |

The exemptions provide only limited protection for low-income individuals:

- o Many programs which serve low-income people are not on the protected list: Head Start, education programs, housing assistance, community development grants, General Revenue Sharing, and other grants to state and local governments. These programs also help provide jobs, serve as leverage for securing additional funds, and enable state and local governments to provide basic public services.
- o There is nothing to stop states from cutting back on their share of those "protected" programs which require state contributions. For example, states might reduce their share of AFDC costs as they face revenue shortfalls and cutbacks in other federal programs. States may modify eligibility for Medicaid or welfare to save money.

As described above, if the GRH cuts are not made, it will be because the President and Congress worked out a compromise to keep spending below the deficit targets or they could not enact the resolution leading to sequestration. The President would

prefer not to have the GRH cuts, since defense spending would be hit hard. Similarly, the Congress will not want the GRH cuts in an election year. This means, in all likelihood, everything (including protected programs) is subject to cuts.

MYTH NO. 3 GRH makes equal cuts in defense and domestic programs.

Half of the GRH cuts are to come from defense programs and half from non-defense programs. Thus, if the deficit exceeds the target by \$54 billion -- an amount predicted by some economists in early January -- \$27 billion in cuts must come from defense and \$27 billion from non-defense programs.

BUT some of the defense and much of the non-defense budget is off-limits to the GRH semi-automatic sequestration process. Roughly \$113 billion out of a non-defense base of \$737 billion cannot be sequestered. As a result, the base budget from which cuts occur is unequal, as shown in the table below.

Assuming a \$54 billion deficit excess in FY'87, we estimate that GRH semi-automatic cuts will be:

IMPACT OF SEMI-AUTOMATIC CUTS ON FY'87 SPENDING

	SEQUESTRATION BASE	REDUCTION*	PERCENTAGE REDUCTION
Defense	\$182 billion	\$27 billion	14.8%
Non-defense	<u>113 billion</u>	<u>27 billion</u>	<u>23.8</u>
Totals	<u>\$295 billion</u>	<u>\$54 billion</u>	<u>18.3%</u>

*Because of special rules, the amount to be reduced is not simply divided into the sequestration base.

GRH means that federal funds for nearly all non-defense non-exempt activities of government could be cut by more than one-fifth in a single budget year. Highways, air traffic controllers, forest rangers, the FBI and Secret Service, drug and other law enforcement, revenue sharing, immigration, education programs, farm extension services, GAO audits and public debt management would be cut along with human services.

The GRH sequestration cuts also bite deeply into defense programs. If they do not take place, GRH creates intense competition between defense and all other government activities.

MYTH NO. 4: It will be "business as usual" under GRH.

GRH not only makes major changes in the budget cycle, it also significantly alters the legislative process. The budget cycle becomes speeded up and involves new faces. The changes in the legislative process will make it difficult for Congress to pass new legislation or reauthorize programs late in the fiscal year. In stark terms this means that new legislation that would increase the deficit will only be considered if existing legislation is changed or repealed.

There is some question whether Congress will actually be able to comply with the new timetable established by GRH. Some of the key changes include:

- O The President's budget is due no later than the first Monday after January 3 (February 5 for FY'87). This

is much earlier than past years. It will require Congress going to work earlier in the year.

- O **A Budget Resolution must be completed by Congress by April 15, a month earlier than current requirements.**

Congress has often missed the May 15 deadline, thereby slowing the appropriations process. (Appropriations committees have not been able to take action until passage of a Budget Resolution.)

- O There will be only one Budget Resolution; it must adhere to the deficit targets; and it will be binding.

After the Resolution passes, the appropriations committee in the House and the appropriations subcommittees in the Senate will be assigned a maximum dollar amount. These allocations cannot be exceeded. This means that the Resolution will likely guide spending unless the semi-automatic sequestration process takes over.

- O If the Budget Resolution is not passed by May 15, appropriation committees can, nonetheless, begin work.

They will not have binding allocations, however, which will add a great deal of confusion.

- O Reconciliation has been moved up from August or September to June 15. Thus, standing committees have two months to write the legislative changes required

by the Budget Resolution. Many changes to low-income programs have occurred through the reconciliation process.

O The House must complete its appropriations on all bills by June 30. It cannot break for its 4th of July recess until all appropriations are done. No similar language applies to the Senate.

O OMB and CBO prepare a joint report based on an August 15 "snapshot" of the economy and the deficit, which goes to a Temporary Joint Committee on Deficit Reduction. The report identifies the deficit excess and the amount to be sequestered by each program, project and activity for defense, and by each account for non-defense programs. The OMB/CBO report is to be sent to the Committee by August 20.

O The Joint Committee has five days in which to prepare a joint resolution on the basis of the OMB/CBO findings. The resolution is then considered by both Houses of Congress, under very strict procedural rules. If Congress passes the resolution, it is sent to the President for his signature.

O On September 1, the President issues a Sequestration Order if he has signed the Joint Resolution requiring sequestration. The Order takes effect on October 1 at the start of the fiscal year.

O On October 15 a final Presidential Sequestration Order is issued if necessary. The Order is based on a final OMB/CBO report taking into account legislative and budgetary changes that may have occurred since the first report. As with the September Order, this Order can only be issued if Congress passes and the President signs another Joint Sequestration Resolution.

Given these tight deadlines, advocates must make sure: (1) The Budget Resolution reflects the dollar amount you think you will need in the next fiscal year; and (2) Legislation is reauthorized early in the year and the Budget Resolution carries an assumption of full funding. Remember, it will be difficult to get Congress to consider any new legislation that costs money.

MYTH NO. 5: GRH is not real; the courts will overturn it or Congress will repeal it.

There is a feeling that there is no need to understand GRH because its cuts will never be made. One basis for that notion is a common belief that: (A) GRH may be unconstitutional; or (b) when the going gets tough, Congress will find a way to get around the law.

On February 7, the U.S. District Court did rule that one part of the Act is unconstitutional, but it did not overturn the entire law. The deficit reduction targets, timetables, and

instructions for across-the-board cuts remain in effect, but how it will all be implemented will be changed.

NOTE: The court-ordered changes will not go into effect until the Supreme Court finishes its review of the District Court ruling. The Supreme Court is likely to uphold the lower court ruling and a decision is expected in June or July.

In GRH Congress authorized the General Accounting Office to review the OMB/CBO findings and, if necessary, prepare a report which requires the President to issue a sequestration order. The District Court ruled that this violates the constitutional separation of powers doctrine, because it allows GAO, which is a part of the Legislative Branch, to be involved in the Executive Branch function of administering a law.

Some members of Congress, fearing that GAO's role might be unconstitutional, had inserted a fall-back provision in GRH. This procedure, which the District Court did not question, replaces GAO's part with enactment of a joint sequestration resolution by Congress and the President.

The fall-back procedures are clearly not as automatic as those found unconstitutional. Either by amendment, or perhaps more importantly, by inaction, Congress can derail GRH. Similarly, the President can veto the results if he finds them unacceptable. Thus, GRH has now become a semi-automatic rather than automatic deficit reduction act.

Congress and the President have in the past proven themselves incapable of building an issue-by-issue, program-by-

program budget that reduces the deficit. The passage of GRH is recognition of that fact. While GRH is now only semi-automatic, and that much more politically painful, it is very unlikely that Congress would choose to face elections in the fall with no GRH and a larger deficit. They have left themselves precious little room in which to maneuver.

GRH has already changed the budget process in ways that make escape difficult. The formulation of this year's budget is geared to GRH. The President's proposed budget meets the \$144 billion deficit target, thereby putting Congress on the defensive. If Congress is unhappy with the President's proposals, it must come up with an alternative.

While some features of GRH may not survive the heat of judicial and legislative scrutiny, its major thrust -- swift reduction of the enormous deficit -- controls the political process. Congress or the President may want to change how GRH works, but some version of it is likely to remain law.

MYTH NO. 6: GRH may be harsh, but it deals with the deficit problem.

Not so. Three-fifths of the present deficit (\$131 billion out of \$217 billion) stems from tax policies which granted more and bigger tax breaks than the budget could afford. GRH does nothing to broaden the revenue base or bring in additional revenues.

By ignoring the revenue side of the budget entirely, GRH ignores the single largest cause of the deficit problem. Focusing half the deficit reductions on those portions of the non-defense budget which have either already been substantially cut and/or were not driving the deficit up, is also not dealing with the problem. In GRH, the President and Congress have shown they would sooner see American communities devastated than ask wealthy corporations and individuals to pay their fair share of taxes.

Effects of GRH on Black Americans

GRH budget cuts will be disproportionately devastating to Blacks and to poor and moderate income families. Further, many urban areas will be negatively impacted by reductions in federal aid. For example:

- O The federal programs that have a substantial impact on significant numbers of the black population are programs to assist the low-income. While Blacks comprise 12% of the total population, we make up 30% to 40% of those assisted by the low-to-moderate income assistance programs.

- O Programs to assist the young in gaining decent education are especially important to Black families. Education would lose close to \$2.5 billion dollars under GRH. Federal assistance to college students

would be cut by 25%. Head Start would lose a quarter of its funding, with largest per-capita cuts hitting the South and West. Programs for educationally deprived children would be cut by \$1 billion. The South would bear the heaviest cuts.

- o Other program cuts that will have especially negative effects on Black Americans include:

- Urban Mass Transit
- Job Training
- Low-income Energy Assistance
- Work Incentive Program
- Maternal and Child Health Care
- Alcohol, Drug Abuse and Mental Health
- Special programs for the aging - (senior centers and nutrition services)
- Medicare (may be cut 1% to 2% annually under GRH)

- o GRH cuts to federal programs that support significant proportions of Blacks across the country would intensify ongoing reduction of the social safety net. GRH would exempt such programs as AFDC and Medicare, but these and other domestic programs have already borne one-third of the Reagan Administration's budget cuts enacted in 1981-1983. They are also targeted for major cuts in Reagan's FY'87 budget (AFDC, \$1.3 billion; Medicare \$4.0 billion). Domestic programs have already been cut by \$176 billion since Reagan took his oath of office.

O According to the Urban Institute, minorities have borne a disproportionate share of this budget reduction. The average black family lost more than three times as much in benefit reductions from 1981 budget cuts as the average white family.

President Reagan's FY'87 Budget and GRH

Although it is quite apparent that the Administration's FY'87 budget is dead on Capitol Hill, and other recommendations and alternatives are being considered by the Senate, it would still be useful to analyze the President's budget and the GRH cuts as they are projected for FY'87.

The President's FY'87 budget is the first full fiscal year proposal under GRH, and it meets the law's requirements by more vigorously implementing the President's oft-stated priorities of shrinking federal domestic spending, and expanding the military budget.

Since the entire budget debate in Congress will be played out under the GRH requirements of reducing the FY'87 federal deficit to \$144 billion, presented below are both the President's proposed budget and the projected GRH cuts.

	<u>Reagan</u> (\$ Outlays-billions)	<u>GRH</u>
Total FY'87 Spending	\$994.0	\$994.4
Revenues	850.4	850.4
Deficit for FY'87	143.6	144.0
Defense Spending	+12%*	-9%
Overall Domestic Cuts	Ranges from 100% in subsidized housing to 2% Food Stamps	-13%

Because the President's budget requests a 12% increase in defense spending, programs for cities and the poor are particularly hard-hit in order to meet the GRH deficit limit. For example, Urban Development Action Grants and subsidized housing would be eliminated. For programs such as mass transit (-60%), Community Development Block Grants (-14%), AFDC (-6.5%) and Food Stamps (-2%), the cuts would be very serious, indeed, under the President's budget. Social Security, SSI, AFDC, Medicare, Medicaid, child nutrition, and Food Stamps are all protected from the across-the board GRH cuts.

The President also achieves some of the "savings" for his Pentagon build-up by terminating over 70 federal aid programs like Amtrak subsidies, legal services, the WIN program and the Economic Development Administration. He would also sell \$3.6

*Except for the Pentagon, all figures are for outlays, which are actual dollars spent in FY'87. The Pentagon budget authority figures reflect money actually spent as well as budgeted for longer-term military purchases.

billion in federal assets from the Naval Petroleum Reserve to various government buildings.

Economic Assumptions are the key to the President's ability to meet the GRH limits. He projects 4% growth in GNP for 1986-89. The economy grew at a 2.7% rate in 1985. As long as oil prices stay down and the Federal Reserve accommodates the budget cuts by increasing bank reserves and dropping interest rates, the President may be successful. But these are major question marks. If the economy worsens at all, the President's budget would fail to meet the GRH deficit limit of \$144 billion.

This year President Reagan asked Congress outright to eliminate at least 5 state and local grant-in-aid programs, including the \$4.6 billion General Revenue Sharing program (already slated for extinction before October 1, 1986), Urban Development Action Grants (\$109 million), Economic Development Administration grants (\$139 million), and the Work Incentive (WIN) program (\$225 million). He also called for "large reductions" in Medicaid (\$1.3 billion) and urban mass transit programs (\$2 billion), and Community Development Block Grants (\$350 million).

The President continues his "New Federalism" objectives by dumping several programs back to the states without the funds to pay for them. Among these are the transportation (-\$82 million), primary health (-\$42 million) and pollution control block grants (-\$12 million).

Cities would be especially hard hit by these cuts. GRH cuts would reduce, but not eliminate, these programs by approximately 13% per program, according to estimates by the Wall Street Journal.

Following are examples of proposed cuts by the Reagan Administration in the FY'87 budget:

Health -- Medicaid would be capped at \$23.6 billion, causing a cut of \$1.3 billion. The cap would change the nature of the program from an entitlement to a block grant.

Medicare beneficiaries would have to pay greater premiums for Part B doctor coverage and higher deductibles for hospital care. A new co-payment in home health is also proposed. Medicare subsidies for teaching hospitals would be cut as well, for a total cut of \$4.1 billion.

Under GRH, Medicaid would be allowed to grow by 4.8% and Medicare would be cut by 2%.

AIDS research would be cut \$15 million in both FY'86 and '87 despite Administration claims that this is a high priority program.

Employment Service -- has already been hit with cuts by the 1986 GRH sequester. The Administration proposes to study the financing of the employment service during 1986; cuts are a distinct possibility, given the Administration's budgetary pressures. The Summer Youth program would be cut by 35% and one-third of all the Job Corps centers would be closed.

Highways -- both the federal interstate highway construction program and the traffic safety program would be cut by a total of more than \$2 billion.

Housing -- The Reagan budget would chop \$1.3 billion from the Housing and Urban Development budget, most of it by eliminating the popular Urban Development Action Grant program and three housing programs that help build or rehabilitate apartments for elderly, disabled, low-income and middle-income Americans. Most of these cuts would come in cities. GRH's 13% across-the-board cuts would force layoffs of HUD staff and operating subsidies for public housing projects.

Education -- Student aid would be cut by 25%; vocational education cut by 50%. Most of these cuts would hit universities and colleges.

Welfare/WIN -- While GRH would protect the AFDC and SSI payments, the President's budget would cut AFDC by more than 6.5% by forcing stricter work requirements, eliminating unmarried minor mothers from AFDC rolls if they leave their parent's home, and terminating payments to families when the youngest child reaches age 16, rather than 18.

Reagan's Fiscal '87 Budget Proposal

"Dead on Arrival"

Once again it is time for Congress and the President to grapple over the federal budget. Sparks have already begun to fly with many legislators calling the President's budget "dead on arrival" meaning that Congress has no intention of seriously considering his proposals for fiscal year '87. In fact, many legislators have said that the proposed budget was "dead before arrival."

As has been the case in the past, the emphasis of the proposed budget is to substantially increase defense spending and drastically reduce domestic expenditures. A whopping 12% increase in defense spending has been proposed, while programs benefitting minorities, the poor, and state and local governments will be particularly hard-hit.

The budget calls for a reduction in some social services and welfare programs, including Aid to Families with Dependent Children, and other areas that are likely to hit minorities and the poor the hardest. For example:

-- Student loans would drop from \$3.2 billion to \$2.5 billion then to \$1.5 billion in 1991.

-- Food stamps would be reduced from \$12.6 billion this year to \$12.3 billion next year.

-- Spending on child nutrition programs would be cut by \$704 million next year.

-- Aid to Families with Dependent Children would decline from \$9.7 billion this year to \$8.9 billion next year.

-- The summer youth program would be cut by 35% and 1/3 of all the job corps centers would be closed.

President Reagan has asked Congress outright to eliminate at least 5 state and local grant-in-aid programs including the \$4.6 billion general revenue sharing program, urban development action grants (\$109 million), economic development action grants (\$139 million), and the work incentive program (\$225 million). He has also called for large reductions in Medicaid (\$1.3 billion), urban mass transit programs (\$2 billion), and community development block grants (\$350 million). Legal services has also been slated for elimination.

If the President's budget stands, it would exact a substantial toll on black families. Statistics show that black families tend to be the beneficiaries of many of the low-income programs facing cuts. As examples, 24 percent of persons using legal services are black, and blacks make up 37 percent of those receiving food stamps and 45 percent of those receiving AFDC. In addition, blacks constitute 45 percent of the youths involved in job corps, the inner-city training program for unemployed youths.

Based upon budget proposals, the Reagan Administration is again showing complete insensitivity to the needs and concerns of the black community and the average working man and woman.

Fortunately, however, these proposals do not represent the desires of the majority of the American people. Several recent polls show that most Americans want neither important domestic programs cut, nor spending on the military to be increased. A recent Washington Post- ABC News national poll shows that the percentage of Americans who want Medicaid for the poor to be protected or expanded stands at 91 percent. Comparable figures for Medicare and student loans stand at 96 and 79 percent, respectively. Conversely, only 22 percent of the public wants to see military spending increased. Yet, the Administration budget completely reverses these priorities.

We as black trade unionists, and the American people in general, understand that the pendulum has already cut too deeply into vital domestic programs. It is up to us to make our elected officials responsive to what this nation's priorities truly should be.

Now is the time to call or write your respective representatives and let them know that the President's budget is "dead on arrival" and it is their responsibility to draft a document which reflects the wishes of the American people.

