

INSHORT

Archbishop asks for Grace

Arturo Cruz got a hero's welcome from an anti-Sandinista crowd when he returned from Washington, D.C., to Nicaragua last month (see story page 9), but within the country Managua Archbishop Miguel Obando y Bravo is emerging as *de facto* opposition leader. That image was bolstered by an embarrassing memo published in the *National Catholic Reporter*, detailing a meeting between Obando and executives of W.R. Grace and Co. The memo outlined the archbishop's anti-Sandinista organizing work—which is more extensive than he has publicly acknowledged—and recounted his requests for Grace and Co.'s assistance for those efforts. The memo's release caused a furor in Nicaragua, since Grace's landholdings and investments in Latin America—and support for its friendly dictatorships—have made it a bitter enemy of liberation movements throughout the region. Corporate head J. Peter Grace, a prominent Catholic and close Reagan associate, was head of the CIA-influenced American Institute for Free Labor Development in the '60s, which became a tool of covert U.S. action, including the 1964 Brazilian coup.

According to the internal memo, Obando's anti-government efforts include organizing Sandinista opponents into diocesan units for religious' health and "leadership" (?) training. Obando boasted according to Grace executive John Meehan, that his "development plan" to thwart the Marxist-Leninist policies of the Sandinistas "is the country's most effective opposition. But interestingly, the Grace family foundation has so far only responded with rosary beads, Bibles and other religious materials, according to the memo—hardly the tools to mount an anti-Sandinista insurrection. Despite the conspiratorial overtones of a Grace-Obando alliance, at least one knowledgeable Catholic observer thinks the outcome will be insignificant: "I think there's less here than meets the eye."

Cuomo's appealing

New York Gov. Mario Cuomo, who upstaged Walter Mondale in San Francisco, was upended by a New York State Supreme Court Judge in his attempt to require state employees to facilitate voter registration in their offices. Cuomo's executive order, supported by the New York Civil Liberties Union, the League of Women Voters and a coalition of voter registration groups, was ruled beyond the authority of the governor—voter registration is the domain of the legislature, according to Judge Harold Hughes. New York's Democrat-controlled Assembly had passed a bill similar to Cuomo's order, but it was blocked by the Republican-dominated Senate.

The July 9 order required employees of state motor vehicles, employment and social service offices to provide mail-in voter registration forms to their clients. State Republicans sought an immediate injunction, claiming Cuomo was "using his title and his Democratic employees to enroll Democrats with taxpayer money," according to the *New York Times*. The Human SERVE Fund, which coordinates voter registration in public offices in some 20 states nationally, says the court decision won't upset its New York program. In other states Human SERVE coordinates public employees registering their clients, but in New York the organization staffs public offices with volunteers. "The decision means the process is not institutionalized, that the responsibility for registering voters is on individuals and volunteers, not the government," notes Human SERVE's Cindy Williams. Cuomo plans to appeal the judge's ruling, but no reversal can be expected in time to affect the November election.

More secrets

Public criticism forced President Reagan to back down on a proposed executive order imposing secrecy agreements on federal employees with high-level security clearances, which would have required they submit their writings to government censors for the rest of their lives. But more than 120,000 employees have already signed such lifetime agreements, according to a recently released General Accounting Office (GAO) report. Government censors have been busier under the Reagan administration, the report revealed: they reviewed 22,504 books, articles, speeches and other writings in 1983, up from 14,143 in 1979. More materials were censored in the Defense Department than anywhere else, but the CIA, National Security Agency and Justice Department were not included in the GAO survey.

Be prepared

The Boy Scouts of America (BSA) takes pride in readying young men for all life's challenges, including, it seems, nuclear energy. "If you are to fulfill your pioneer role in this atomic age, you will need to understand atomic energy," notes the BSA's Atomic Energy Merit Badge booklet, written to help young Scouts earn the atomic badge. But it appears the badge prepares the Scouts to be little more than nuclear energy propagandists, since it highlights the atom's peaceful uses and "good qualities," and minimizes the danger of radiation, nuclear waste, weapons proliferation and nuclear holocaust. Critical Mass Energy Project has begun a letter-writing campaign to protest the "half-truths and propaganda" in the merit badge training, and urge people to complain to J.L. Tarr, BSA President, Irving, Texas 75060. Campaign organizer Sam Totten, it should be noted, was an Eagle Scout.

—Joan Walsh



Sophisticated union campaign counters Merck's hard line

Multinational Merck & Co., the leading ethical drug company in the U.S., has prospered and expanded in recent years. But that didn't stop the company from demanding major concessions in contract negotiations last spring, breaking with a long, paternalistic tradition and resulting in a lockout and strike by 3,800 employees.

Merck may have underestimated the will of its workers and their unions, primarily Oil, Chemical and Atomic Workers. In a highly automated industry, where management is keeping much of the plant running while workers strike, the unions are resisting with a sophisticated campaign to gain public support in the U.S. and overseas, to build union morale and to seek weak points in the corporate battlements.

Even before the contract expired last April 30, workers at the seven U.S. Merck plants had been well prepared by company newsletters making the case for cutbacks in the union contract. But a younger, more "progressive" union leadership at the 800-worker Rahway, N.J., factory had also been doing its work, sending out weekly union newsletters, holding a two-day educational meeting for the executive board and bargaining committee and distributing a clear, hard-hitting pamphlet on "Merckonomics"—prepared with the help of the Labor Institute of New York—to all Merck workers.

Union leaders were not surprised by the company demands: establishment of a new two-tier wage system that would hire new workers at less than \$12 an hour compared with the average pay

of \$15.10 an hour, decreased medical benefits for all workers, a wage freeze, and restrictions on transfers and work rule changes that the union believed threatened job security. By contrast the union asked only for a 3 percent pay increase and indicated workers would freeze their pay if management did likewise (Merck's chief executive hiked his pay 56 percent last year).

With possibly half the Rahway plant retiring within the next five years, the two-tier proposal is especially threatening. "It would not only lower the standard of living, but it's also a union-busting tactic and a way to circumvent the affirmative action program," chief steward Paul Renner said. In right-to-work states, it might make it harder to get lower-paid workers to join the union.

When the contract expired, the unions at first decided not to strike. A few days later, however, management locked out the Rahway workers rather than risk a slowdown. A month later all of the other unions went out on strike, and since then only a handful of workers have crossed the picket line to return.

Union members have ammunition to defend themselves, thanks to the educational work. Although Merck ranked 125 in sales on the Fortune 500, it was 13 in profits per employee, earning it \$450 million in profits in 1983, topping slightly its five-year average of 22.8 percent return on equity. Wage rates are roughly comparable to similar industries, and union wages made up only 5 percent of total corporate costs. Worker productivity was up, but the company

was nevertheless rapidly expanding in Puerto Rico, western Europe and Japan.

But the company wasn't listening to those arguments. "The company took a very strident approach to bargaining," Renner said. "They insisted on concessions. They refused to even talk about our proposals. Here's a company making profits off health products, and they are trying to cut our health benefits."

The union took out ads in local newspapers, conducted union meetings over radio station WBAI, collected pro-union signatures on a petition from local merchants, solicited support for attacks on Merck's drug pricing policies from Public Citizen and the Citizen Action network, held rallies with local politicians and presidential candidate Jesse Jackson and organized support from other unions. The Merck union council has decided to launch a corporate campaign against Merck and its corporate and banking allies. Local President Joe Anderson recently returned from a trip to Ireland, England, Belgium and Holland to develop ties with—and seek support from—European Merck employees as a first step toward multinational union bargaining.

"We feel the strike is no longer a strategy in itself," Renner said. "It's part of a larger strategy. As Joe Anderson says, 'You're not going to win by running around with a piece of paper on the end of a stick.'"

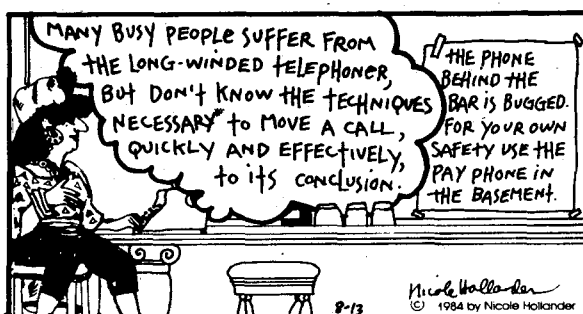
—David Moberg

White Paper draft changes

WASHINGTON—State Department officials finally released the delayed report, "Nicaragua's Military Build-Up and Support for Central American Subversion" (ITT, July 11). The version of the report officially released July 18 contains significant differences from the draft originally circulated to Congress and reporters.

After receiving an official complaint from the office of Sen. Joseph Biden (D-DE), the quotation citing Biden was removed. Biden charged that the quote attributed to him was taken "out of context," according to the Associated Press. The report quoted Biden saying in a June 18 Senate speech that "the accumulation of intelligence information does show that Nicaragua is deeply involved in providing arms, command and control support and safe haven to Salvadoran guerrilla groups." Biden complained that the citation ignored other parts of his speech pointing out that "at times, mere bits or pieces or shreds of intelligence in-

SYLVIA



by Nicole Hollander



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formation have been all there was to back up vast claims by the president" about the source of Central American unrest and that the U.S. intelligence process had become "highly politicized."

The original draft also referred to a *Washington Post* report that Nicaraguan Foreign Minister Miguel D'Escoto in March 1982 commented that "Nicaragua was involved in the arms flow to Salvadoran guerrillas, but denied that a 'substantial' arms flow existed." The draft report ignored a key phrase that appears in the final version. D'Escoto had added in his statement to the *Post* that the Nicaraguan government had not "authorized" the arms flow.

Most importantly, the final draft retracts the original assessment of the extent of arms flow between the two countries. The draft states that the arms flow from November 1980 to January 1981 was "heavy... Since then, except for special periods when new guerrilla units were being equipped or immediately before a major offensive, the flow has been sporadic. Ammunition, medicines, clothing—rather than weapons—often make up the bulk of the shipments." The report was changed to state that there has been a "sporadic increase" in the movement of weapons, and "there has been a steady flow of ammunition, explosives, medicines and clothing" (emphasis added).

By removing the quotation by Biden and qualifying the citation of D'Escoto, the State Department admitted that it had distorted the intention of the speakers and quoted them out of context. But no justification was offered for the new charge of a "sporadic increase" in weapons flow and a "steady flow" of ammunition. The three changes only further undermined the report's already minimal credibility.

—Joy Hackel

Hospital strike breaks record

NEW YORK—Striking workers demanding a 10 percent wage increase have been picketing 27 private non-profit hospitals in New York since July 13, when their union rejected a much smaller management offer. The strike has already surpassed the 11-day 1976 walkout to become the city's longest hospital strike. On July 16, workers from 14 nursing homes joined the picket lines, bringing the total of striking hospital workers to 49,500. All are members of District 1199 of the Retail, Wholesale and Department Store Union, AFL-CIO.

The management offer reportedly came after the extended strike deadline and was presented to a press conference at the same time it was delivered in writing to union bargainers. While the July 14 *New York Times* front page headlines proclaimed that the union had rejected an 8 percent offer (over the two-year contract), Doris Turner, 1199 president, says the offer from the League of Voluntary Hospitals really amounts to about 2.3 percent in the first year. Under the league proposal, no wage increase would take effect until Oc-

tober 1, a full three months after the June 30 contract expiration. The hospitals would pay for the wage increase by taking back current contributions to training and pension funds.

In addition to wages, the union and the league are at loggerheads over scheduled time off. New York hospital workers were guaranteed one weekend off in four under the old contract; the union now wants every other weekend off. Although management is willing to agree to 26 weekends off per year, it reserves the right to schedule them. The league has proposed \$20 premium pay for every weekend worked above the 26.

Observers and participants in the strike agree that the central obstacle to a settlement is how the hospitals will pay for it. The league maintains that the hospitals cannot afford to offer more than they already have. Some say that if the state would step in and increase the amounts of the hospitals' Medicaid and Medicare reimbursements, an agreement could likely be reached. But the State Department of Health maintains that its reimbursement system already has an inflation factor to cover wage increases. Department spokesman Peter Slocum told the press on July 23 that the reimbursement system now includes a 6.5 percent inflation factor for this year and a 6.2 inflation factor for next year. In Slocum's view, the hospitals are getting enough "to offer a reasonable settlement with the union."

District 1199 spokesman Bob Carroll charges that in the past the hospitals have taken more from the state in wage increase reimbursements than they have paid out to their workers. Hospital workers received an 8 percent increase in 1980, but the state gave the hospitals a 9.8 percent increase in reimbursements for labor costs, according to Carroll. In 1981, the state granted a labor cost reimbursement increase of 8.1 percent, but workers received a wage boost of only 7.5 percent. Using Slocum's figures for what the state has already agreed to pay in wage increases for the next two years, the hospitals would be receiving nearly 13 percent more from the state while paying their workers less than an 8 percent wage increase.

"We don't have a contract with the state, and we don't have a contract with Gov. Cuomo," says Carroll. The dispute remains with the managements of the hospitals, and the union claims that those managements have been rewarding themselves handsomely while bargaining hard with low-paid workers. Hospital management salaries run up to \$184,000, and pay raises for managers have been as high as 27 percent per year, according to District 1199 President Turner.

When 1199 held its first strike 25 years ago, hospital workers received poverty-level wages. The union has succeeded in raising the wage levels, so that, under the old contract, salaries ranged from \$15,247 to \$33,962. Members of 1199 include lab technicians, nurses, orderlies, housekeepers and porters. The membership is predominantly female, black and Latino.

—Jack Clark

Briefing: In Amtrak conflict, all tracks are leading to Washington

CHICAGO—A major management scandal at Amtrak has led congressional investigators from Chicago to the company's Washington headquarters. Sources close to the investigation say they have uncovered a corporate conspiracy to rig the company's disciplinary appeals process, corrupting the procedures established under the Railway Labor Act.

At a protest rally of 125 Amtrak workers at Operation PUSH July 26 in Chicago, dissident supervisor Dan DeMarco denounced the company's decision to relocate three management officials from Chicago after the scandal first broke. DeMarco accused Amtrak President Graham Claytor of playing a "game of chess, shuffling bad actors around when these are the very people he should be firing."

In Chicago alone, 250 to 300 individuals have filed complaints about unjust discipline, said a spokesman for U.S. Rep. Cardiss Collins of Chicago. Some of the cases also involve allegations of race, age, sex and religious discrimination. Collins sent word to the rally that a

ishments handed out by local hearing officers. Railroad labor law requires that appeals officers make scrupulous reviews of such decisions to make sure evidence is substantial, that the hearings were fair and impartial and that punishment is commensurate with the violation.

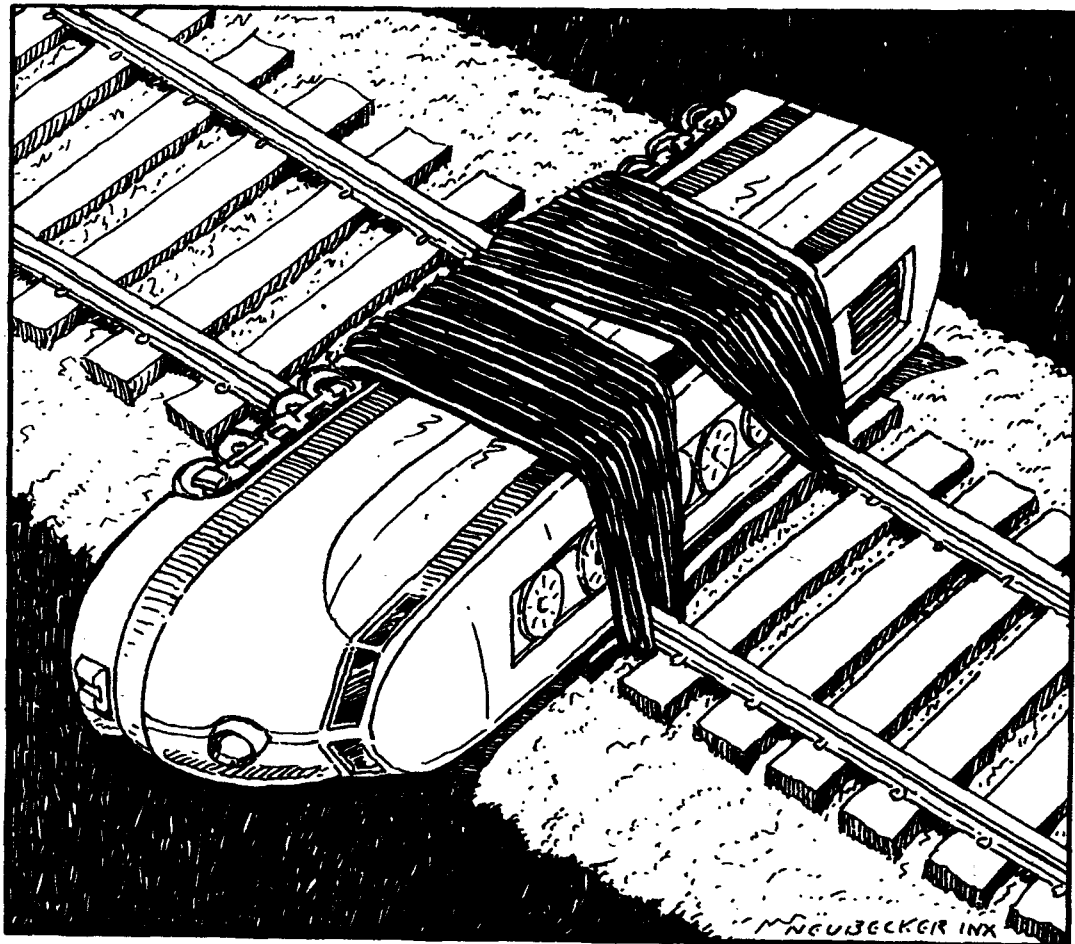
Amtrak workers, realizing that the lengthy company appeals process rarely overturned any local decisions, became prey to company officers who offered deals for "leniency" and "waivers." Family breadwinners, out of work for months awaiting the appeals, were coerced into signing confessions, waiving their rights to back pay or to a final appeal before a public law board, according to the spokesman.

One of the workers who spoke out at the PUSH rally was Chan Hiwani, an electrician. Hiwani said he was isolated by four men in the foreman's office and told not to contact his union because that would be insubordination. Held out of service, shadowed by Amtrak police whenever he came on company property, Hiwani said witnesses were in-

tions, food service speed-ups in which two cooks and two or three waiters are serving up to twice as many people as five cooks and six waiters used to serve, and new on-board "Train Chiefs" paid \$30,000 a year to make detailed written records on each worker, when more workers were desperately needed.

Other departments such as maintenance, commissary, station services and reservations have also suffered under a military-style management. An aide for Rep. Charles Hayes (D-IL) said when cases started pouring into his office, he found them "unbelievable" for the "Gestapo tactics" and "depth of discrimination" they revealed. An attorney for PUSH said it appears Amtrak has a "revolving door policy when it comes to minorities" receiving promotions: they work three years, then they're out.

Just who the "high officials" were directing the conspiracy has not been revealed, but all eyes at Amtrak are on G.F. Daniels, vice president for labor relations, C.B. Thomas, corpor-



hearing of her transportation oversight subcommittee, originally scheduled for July 30 in Chicago, had been rescheduled for September 13 in Washington because her investigators "obtained company documents showing that high officials knew what was going on in Chicago." Indeed, Collins' spokesman says the evidence indicates that corporate officers directed the conspiracy and that similar cases are emerging from other cities.

According to the subcommittee source, the conspirators rigged the disciplinary appeals system by directing regional and national level labor relations officers to rubber stamp nearly all disciplinary decisions and pun-

timidated not to testify in his favor. When he was fired, the dismissal notice was posted on a public bulletin board for more than a week. To get his job back, Hiwani said he had to waive his EEOC rights.

Amtrak's predominantly black on-board service workers have taken the worst abuse. Porters, cooks, waiters, bartenders and stewards have endured a two-year reign of terror: humiliating suitcase searches, ostensibly for alcohol or drugs, but also for food (workers on board are required to eat only the company's high-sodium, high-sugar food), pressure on old-timers to take early retirement, many investigations and severe punishments for minor infrac-

ate director of labor relations, Eugene Eden, vice president of passenger services, Frank Forcione, general manager of passenger services—and on President Claytor himself. Claytor has already been given demands from the subcommittee to fire all the conspirators, redress injustices to those wronged and establish procedural safeguards to prevent new abuses.

In fiscal 1984, Amtrak is receiving \$716 million in federal subsidies. The congressional investigation has tamed Chicago's managers for the time being, but the word seems to be slow getting out to the West Coast. Union officials say "Amscam" is still running full steam ahead in Los Angeles.

—Phil Milton