

Kennedy's S.1 Will Bust Unions

Senator Ted Kennedy's Federal Criminal Code Reform Act, S. 1437 (S.1), is an attack on labor which, if passed, will eradicate the gains of the last 40 years and take the American trade-union movement back to its pre-1930s organizing status. Thus the irony of the organized labor movement's efforts to ensure congressional passage of the Labor Law Reform Act, which will broaden the area in which they can organize while labor simultaneously supports S.1—which will be the trade unions' own death warrant.

According to the office of Andrew Biemiller, chief AFL-CIO lobbyist, the AFL-CIO supports the new S.1 bill and passed Resolution 247 to that effect on the recommendation of the Executive Council at the AFL-CIO's national convention in early December.

Kennedy's bill, which passed the Senate Jan. 31 by an 85-15 vote and now awaits approval in the House, will make labor disputes subject to federal conspiracy and extortion laws, and give individual federal officials the power to arbitrarily disrupt strikes under the guise of maintaining "public safety."

Federal laws on extortion and blackmail would pertain to any bona fide labor dispute, effectively reinstating the Hobbes Act which the Supreme Court found unconstitutional when the Landrum-Griffiths Act was passed in the 1930s. Virtually any strike can be prosecuted under the federal extortion law, according to the Kennedy bill.

Federal codes pertaining to conspiracy would pertain to a bona fide labor dispute. It was precisely this body of conspiracy law which was used to prosecute attempts to organize in the 1930s.

It would be a federal crime to violate any order given by a federal officer in a situation where "public safety" was involved, according to a provision of the House

version of the Kennedy bill. For example, if one federal marshal said that a picket line was endangering the public safety, failure to disband it would be a crime, and the need to obtain injunctions against picket lines from a judge would be eliminated.

AFL-CIO:

We Trusted Kennedy To Fix S.1

The following are excerpts from an interview with a spokesman for the AFL-CIO's legislative office following the Senate passage of S.1437 the Federal criminal code reform legislation.

There can't be anything really anti-labor about S.1437. We supported the bill. We passed a resolution (No. 247) at our national convention two months ago saying that we supported it and we trusted Sen. Ted Kennedy (D-Mass) and his coalition to make the necessary changes to prevent it from being used as a weapon against labor. It was our understanding that the sections on extortion and blackmail, solicitation to conspiracy, and the like were going to be struck or amended so as to make them not applicable to a bonafide labor dispute.... I can't believe that they would be in the Senate version ... Kennedy would never do something like that — at least not without telling us anything. I can't believe our Senate people would vote for it and passed it with all those votes so they must have. But I haven't seen the legislation. If the bill is bad for labor, we'll have to change it in the House. The AFL-CIO is pro-labor, you know. It is too bad that I am so uninformed about the bill, since I have to tell our people how to vote....

Labor Dep't Charges Teamster 'Pension Fraud'

On Feb. 1 the Department of Labor filed suit in an effort to force Frank Fitzsimmons, president of the International Brotherhood of Teamsters, and 18 others to repay purported losses resulting from alleged bad loans made by the Teamster's Central States Pension Fund. The court has been asked to hold the defendants *personally liable* for losses that could reach hundreds of millions of dollars. Also named in the suit are IBT International Vice Presidents Roy Williams, Joseph Morgan, Robert Holmes, and Jackie Presser — the guts of the Teamsters leadership.

The suit was filed under the provisions of the Employee Retirement Income Security Act (ERISA), which went

into effect in January 1975. Nicknamed the Pension Reform Act, ERISA was written by the Twentieth Century Fund and pushed through Congress in 1974 by Senator Jacob Javits (R-NY). The act's sections are vague, but they make trustees personally liable for loans which might not be judged "prudent investments" — without ever specifically defining what "prudent" might mean. The constitutionality of those sections has not been challenged to date. Media in the Chicago area, where the federal suit was filed, have emphasized that the Teamster suit will be a major test of ERISA.

In addition to the Department of Labor action, the Justice Department is reportedly pursuing its own

“independent criminal investigation.”

The announcement of the suit, which immediately became front page news across the country, fits into a broader campaign to destabilize the pro-growth Teamsters union prior to its efforts to negotiate a new contract later this year. Sources close to the Institute for Policy Studies-controlled “insurgent unionists” groups, the Professional Drivers Organization (PROD) and the Teamsters for a Democratic Union (TDU), report that these groups are launching efforts to sow internal chaos in the union over issues such as local by-laws. In addition, PROD and TDU provocateurs have been instructed to initiate wildcat activity against the union leadership wherever possible, to prevent the conclusion of a reasonable contract agreement without a destructive strike.

Labor Dep’t Gloats Over Teamster Pension Suit

A spokesman for the Department of Labor had the following “off the record” comments moments after the Department of Labor filed suit in Federal Court against leaders of the International Brotherhood of Teamsters, charging them with mismanagement of the \$1.4 billion Central States Pension Fund.

I guess we have them by the balls now.... We spent a lot

of time on this case, dotting our i’s and crossing our t’s, so that we will have the maximum impact. We are not specifying any dollar amounts but the ballpark figure is several hundred million dollars and we are asking that these trustees be held personally liable for any loan losses; the court will specify some method of indemnification.... its safe to say that if we win, these guys will have their assets tied up in knots — and they’ll stay that way for the life of these “imprudent loans” to make sure that we don’t miss any defaults ... there is likely going to be a clean sweep of the Teamster leadership ... once we go into discovery on the suit, I’m sure that we will be able to tie down a lot of loose ends that have been holding up criminal indictments. Anything we get, we turn over to the Justice Department.

As the case proceeds, I guarantee that there will be a lot of publicity and press coverage ... after all, we are dealing with the “big bad Teamsters....”

Asked whether the Department of Labor in fact gave the Teamster leadership reason to believe that some kind of quid pro quo was operative — that Teamster President Frank Fitzsimmons and other trustees of the Fund would resign their trustee positions in exchange for the Department dropping plans to sue — the spokesman replied:

Why, we could never make a deal like that. Besides, the Teamsters were fools for believing that we wouldn’t go to court....