DAILY BRIEFING BOOK OF THE PRESIDENT

OCTOBER 1 - 30
1997

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OCTOBER 1 - 30, 1997

Clinton Presidential Records
Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: **OCTOBER 1997**

Wednesday, October 1, 1997

9:45 AM	Meeting with Crown Prince Hassan of Jordan	Distributed Separately
11:15 AM	Congressional Meeting (Tobacco)	Tab A
	- Talking Points and Q's and A's	Distributed Separately
	- Participants	Tab B
12:30 PM	Make-A-Wish Foundation Photo Opportunity	Tab C
12:40 PM	Weekly Economic Briefing	Tab D
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1:30 PM	Weather Forecasters Event	Tab E
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SCHEDULE OF THE PRESIDENT

FOR

97 SEP 30 P 8:14

WEDNESDAY, OCTOBER 1, 1997

FINAL SCHEDULE

SCHEDULING DIRECTOR:	STEPHANIE STREETT	
	HOME:	202-332-5651
	OFFICE:	202-456-2823
	WHCA PAGER:	4033
PRESS DESK:	ANNE EDWARDS	
	HOME:	301-565-3101
	OFFICE:	202-456-2921
	WHCA PAGER:	4208

WEATHER:

WASHINGTON, D.C.
Mostly sunny. Wind northwest at 5 to 12 knots.
Low 53 to 58.
High 66 to 71.

SCHEDULE OF THE PRESIDENT
FOR
WEDNESDAY, OCTOBER 1, 1997
FINAL SCHEDULE

9:00 am- 9:15 am	**MEETING** OVAL OFFICE Staff Contact: Erskine Bowles
9:15 am- 9:30 am	**COMBINED BRIEFING** OVAL OFFICE Staff Contact: Sandy Berger
9:30 am- 9:45 am	**BRIEFING** OVAL OFFICE Staff Contact: Sandy Berger
9:45 am- 10:15 am	**MEETING WITH CROWN PRINCE HASSAN OF JORDAN** OVAL OFFICE Staff Contact: Sandy Berger **STILL PHOTO ONLY**
10:30 am- 10:35 am	**MEETING** OVAL OFFICE Staff Contact: Stephanie Streett
10:45 am 11:15 am	**BRIEFING** OVAL OFFICE Staff Contact: John Hilley
11:15 am- 12:15 pm	**CONGRESSIONAL MEETING (TOBACCO)** DIPLOMATIC RECEPTION ROOM Staff Contact: John Hilley **WHITE HOUSE PHOTO ONLY**
12:30 pm- 12:35 pm	**MAKE A WISH FOUNDATION PHOTO OPPORTUNITY** OVAL OFFICE Staff Contact: Karin Kullman **WHITE HOUSE PHOTO ONLY**

12:40 pm- 1:00 pm	**WEEKLY ECONOMIC BRIEFING** OVAL OFFICE Staff Contact: Janet Yellen
1:00 pm- 1:25 pm	**BRIEFING** OVAL OFFICE Staff Contact: Todd Stern
1:25 pm	**THE PRESIDENT** proceeds to the East Wing
1:30 pm- 1:50 pm	**PHOTO RECIEVING LINE** BLUE ROOM Staff Contact: Todd Stern Event Coordinator: Setti Warren **WHITE HOUSE PHOTO ONLY** **Note**: **There will be approximately 100 people.**
1:50 pm	**THE PRESIDENT** and the Vice President proceed to the Blue Room
1:55 pm- 2:10 pm	**WEATHER FORECASTERS EVENT** EAST ROOM Remarks: Lowell Weiss Staff Contact: Todd Stern Event Coordinator: Setti Warren **OPEN PRESS** -- **The President** and the Vice President are announced on to stage. -- **The President** gives brief remarks and departs.
2:15 pm- 3:00 pm	**LUNCH/PHONE AND OFFICE TIME** OVAL OFFICE or RESIDENCE
3:00 pm- 4:00 pm	**HOLD** RESIDENCE

4:00 pm- 6:15 pm	**PHONE AND OFFICE TIME OR DOWN FOR THE DAY** OVAL OFFICE	

EVENING OFF

BC AND HRC RON **THE WHITE HOUSE**
WASHINGTON, D.C.

THE WHITE HOUSE

WASHINGTON

September 30, 1997

MEETING WITH BIPARTISAN CONGRESSIONAL LEADERS ON TOBACCO

DATE: Wednesday, October 1, 1997
LOCATION: The Diplomatic Room
TIME: 11:15-12:15
FROM: Bruce Reed
John Hilley

I. PURPOSE

To fulfill your commitment to meet with the bipartisan leadership of Congress to launch an effort to enact federal tobacco legislation. This will be an opportunity to demonstrate that this is a priority in your agenda and that you will reach out across party lines to advance this critical public health initiative.

II. BACKGROUND

The Administration is in a strong position to push tobacco legislation through Congress over the next year. Your announcement earlier this month united the public health community for the first time and attracted bipartisan support from the nation's Attorneys General and many members of Congress.

Nevertheless, any tobacco bill will have to make its way through a tangle of overlapping committee jurisdictions and agendas. At least six committees in the Senate and four in the House can lay claim to some piece of this legislation, and dozens of members in both parties have a longstanding interest in tobacco from the standpoint of reducing teen smoking or protecting tobacco farmers. Republicans in particular recognize the political potency of the your plan, and are very nervous about being set up for failure in an election year.

The first step must therefore be to reassure the leadership and key committee chairs like Rep. Bliley that the Administration is indeed serious about passing a bipartisan bill, and not just looking to sandbag them in an election year. This meeting is an important opportunity to set the right tone: you are eager to work together to pass bipartisan legislation as early as possible next year, and we are ready to work in a collaborative fashion to get it done.

Our next step should be for representatives of the Administration (including the Vice-President, Erskine Bowles, Secretary Shalala, Secretary Glickman, John Hilley, and Bruce Reed) to meet with the key players in both parties over the remaining weeks of this session, to offer the Administration's expertise and to try to marshal bipartisan coalitions in both houses to prepare bills for introduction in January. It is too early to tell which members are in the best position to lead that effort. (Bliley is a key House Republican; Waxman and Fazio are important House Democrats; Hatch, Lugar, McCain, Jeffords, Mack, Campbell and several Republican moderates may be helpful in the Senate; Conrad, Lautenberg, Kennedy, and others are strong Senate Democrats.) Ideally, we can lay the groundwork for a center-out coalition in the Senate, along the lines of Hatch-Kennedy or the Breaux-Chafee group, and work closely with Bliley, Waxman, and others in the House.

Senate committees have held several hearings on tobacco over the past three months. Secretary Shalala testified before Jeffords' committee last week. The House may hold hearings in late October and early November.

The goal should be to forge a bipartisan vehicle you can endorse in January, and to make that the central focus of next year's State of the Union.

Opponents of the legislation will make three types of arguments to slow it down. First, Nickles and others have criticized the Administration for failing to submit full legislative language to Congress and blamed the Administration for any delay in passage of a bill. Second, some will use the complexity of the issue as an excuse to go slow -- perhaps moving only selected portions a bill, and that only after lengthy hearings. Finally, opponents of legislation may focus on flashpoints such as farmers, restrictions on class action suits, or legal fees.

The strongest response to these expected attacks is to rise above partisan bickering, and stress the urgency of solutions that will protect America's children. Your strong history of leadership on smoking issues will allow you to deploy this strategy effectively and gain public support in any future disagreements with Congress.

III. PARTICIPANTS

<u>Pre-Brief:</u>
The President
The Vice President
Secretary Glickman
Secretary Shalala
Secretary Rubin
Erskine Bowles
Bruce Reed
Rahm Emanuel
Dan Tate
Elena Kagan
Bruce Lindsey
Ron Klain
Chris Jenning

Brief:
Please see attachment.

IV. PRESS PLAN

The meeting is closed to the press. The members of Congress will have an opportunity to meet the press outside the White House following the event.

V. SEQUENCE OF EVENTS

You will make remarks and recognize the Vice President, Speaker Gingrich, Senator Daschle and Representative Gephardt for statements.

VI. REMARKS

Please see attachment.

PARTICIPANTS Attachment

The President
The Vice President
Secretary Glickman
Secretary Shalala
Secretary Rubin
Erskine Bowles
Bruce Reed
Rahm Emanuel
Dan Tate
Elena Kagan
Bruce Lindsey
Ron Klain
Chris Jennings
Don Gips

Senator Tom Daschle
Representative Newt Gingrich
Representative Dick Gephardt

Senator Richard Lugar (R-IN), Chair, Senate Committee on Agriculture
Senator Tom Harkin (D-IA), Ranking Democrat, Senate Committee on Agriculture
Senator John McCain (R-AZ), Chair, Senate Committee on Commerce
Senator Orrin Hatch (R-UT), Chair, Senate Committee on Judiciary
Senator Patrick Leahy (D-VT), Ranking Democrat, Senate Committee on Judiciary
Senator Jim Jeffords (R-VT), Chair, Senate Education and Labor Committee
Senator Edward Kennedy (D-MA), Ranking Democrat, Senate Education and Labor Committee
Senator Daniel Inouye (D-HI), Ranking Democrat, Senate Committee
Senator Frank Lautenberg (D-NJ)
Senator Kent Conrad (D-SD)
Senator Don Nickles (R-OK)

Representative Bob Smith (R-OR), Chair, House Committee on Agriculture
Representative Tom Bliley (R-VA), Chair, House Committee on Commerce
Representative Henry Hyde (R-IL), Chair, House Committee on Judiciary
Representative John Conyers (D-MI), Ranking Democrat, House Committee on Judiciary
Representative Henry Waxman (D-CA)
Representative Vic Fazio (D-CA)
Representative Scott McInnis (R-CO)

'97 SEP 30 PM 7:18

THE WHITE HOUSE

WASHINGTON

PHOTO WITH MAKE-A-WISH FOUNDATION CHILD

DATE:	October 1, 1997
LOCATION:	Oval Office
TIME:	12:30 - 12:35PM
FROM:	Karin Kullman KK

I. PURPOSE

This photo opportunity will allow you to spend time with a *Make-a-Wish* child and her family.

II. BACKGROUND

Erin Edgerton is a seventeen-year-old from Gresham, Oregon, who was diagnosed with an inoperable brain tumor in January of this year. She has undergone a year of difficult treatment, including intensive chemotherapy and several surgeries. *The brain tumor has affected both Erin's vision and hearing, so it is necessary to speak slowly and look directly at Erin when speaking with her.*

Erin was an active student, competing on both the water polo and volleyball teams, at Gresham High School. She completed her junior year with a tutor, but has been unable to attend school this year due to her illness.

Erin has always dreamed of visiting Washington, D.C., and will be visiting the White House, the Capitol, and several other sites in the city during her visit this week. Her Washington, D.C. trip will conclude with this Presidential meeting.

Erin will be accompanied by her mother, grandmother, and brother.

III. PARTICIPANTS

The President

Erin Edgerton	Make-a-Wish Child (age 17)
Renae Edgerton	Mother
Jeanette Edgerton	Grandmother
Ian Edgerton	Brother
Beth DeClerck	Make-A-Wish Foundation Representative

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE OF EVENTS

- You will proceed from the Congressional Meeting in the Diplomatic Reception Room to the Oval Office.
- The Edgerton family will be brought into the Oval Office for a photo.
- The Edgerton family will depart the Oval Office.

VI. REMARKS

None required.

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

'97 SEP 30 PM 4:27

THE CHAIRMAN

September 30, 1997

WEEKLY ECONOMIC BRIEFING

DATE: Wednesday, October 1
LOCATION: Oval Office
TIME: 12:40 -- 1:00 p.m.
FROM: Janet L. Yellen JLY

I. PURPOSE

You will be briefed by CEA Chair Janet Yellen and other members of your economic team on "Trade and Jobs: Evidence on Displacement in the 1980s" (Weekly Economic Briefing, September 26) and follow-up on a question you asked regarding an ACORN study on home mortgage markets (Weekly Economic Briefing, September 12). The Secretary and Deputy Secretary of the Treasury also plan to brief you on economic events in Asia.

II. PARTICIPANTS

CEA Chair Janet Yellen
CEA Member Jeffrey Frankel
NEC Director Gene Sperling
Assistant to the President for International Economic Policy Dan Tarullo
Treasury Secretary Robert Rubin
Deputy Treasury Secretary Lawrence Summers
OMB Director Franklin Raines

III. PRESS PLAN
closed

IV. REMARKS
none required

V. ATTACHMENTS

Weekly Economic Briefing, September 26

"Efficiency Versus Equity in the Home Mortgage Market,"
Weekly Economic Briefing, September 12, 1997

'97 SEP 30 PM 9:32

THE WHITE HOUSE

WASHINGTON

September 30, 1997

BROADCAST WEATHERCASTERS

DATE:	October 1, 1997
LOCATION:	East Room
TIME:	1:30 P.M.
FROM:	Todd Stern & Katie McGinty

I. PURPOSE

You are addressing over 100 television weathercasters from around the country on the issue of climate change. The audience includes a wide diversity of markets, from major cities including New York, San Francisco, Chicago, and Los Angeles to smaller markets such as Milwaukee and Huntsville. All major networks are represented. This is a unique opportunity to reach a group of people who are very well positioned to explain the issue of climate change to the American people.

II. BACKGROUND

The broadcasters will have attended a reception Tuesday night at the National Press Club, attended by Todd Stern, Katie McGinty, Jack Gibbons, Deputy Secretary of Commerce Robert Mallett and other members of your climate team. On Wednesday morning, they will receive a series of climate change briefings at the National Oceanic and Atmospheric Administration (NOAA) where they will hear from prominent experts on basic climate change science and on anticipated regional impacts.

Although there has been some skepticism among climate change opponents and the media that this event is largely a photo op, the program in fact represents a highly substantive discussion of climate change science, including a very clear articulation of where the scientific uncertainties are.

Prior to your remarks, the Vice President will give a 25 minute presentation, also highlighting the science of climate change. Your remarks to this group will underscore the importance of weathercasters as communicators and then touch upon the four principles guiding the development of U.S. policy (solid science, the need for U.S. leadership in Kyoto, shaping policies that protect economic growth and encourage technological innovation, and ensuring the participation of all countries).

There are a number of constituencies that are scrutinizing every word Administration officials say on climate change, looking for any hint of where the policy process is headed. You should be very careful not to say anything that suggests a leaning toward a particular target and timetable or other specific aspect of potential U.S. policy. Furthermore, you should be aware that many in the audience may have seen the advertisement being run on television by climate change opponents. The ad claims that developing countries will be exempt from a new climate treaty. This is highly misleading, and the U.S. has been in the lead in calling for meaningful, equitable developing country commitments.

III. PARTICIPANTS

Pre-brief participants:

Todd Stern, Katie McGinty, Gene Sperling, Dan Tarullo, Dr. Jack Gibbons, Ann Lewis, Beth Viola.

Event Participants:

The Vice President, over 100 weathercasters (see attached list), representatives of NOAA and the National Weather Service, several notable scientists (who spoke during the morning program), and senior Administration officials (to be confirmed).

IV. PRESS PLAN

Open Press

V. SEQUENCE OF EVENTS

- YOU and the Vice President will do a receiving line in the Blue Room
- YOU and the Vice President will be announced off stage into the East Room.
- The Vice President will make brief opening remarks and introduce YOU.
- YOU will make remarks.
- YOU will depart. The Vice President will remain and give a presentation.

VI. REMARKS

From Speechwriting

VII. ATTACHMENTS

Agenda
List of Participants

DRAFT

Draft 9/30/97 8:30pm '97 SEP 30 PM 9:24

PRESIDENT WILLIAM J. CLINTON
REMARKS ON CLIMATE CHANGE TO WEATHER FORECASTERS
THE WHITE HOUSE
October 1, 1997

Acknowledgments: VP Gore, EPA Administrator Browner.

And I want to thank all of you weathercasters for coming today. As you well know, people tune into the local news for your weather reports more than any other reason. [Inside joke: Of course, it may not feel that way when your producer is cutting another 15 seconds out of your weather show. But...] The public relies heavily on your expertise -- and not only to figure out whether they'll need to put on a coat when they go to work the next morning. The fact is, your reports save lives. This vast country, for all its natural blessings, has some of the most severe weather and natural disasters of any country in the world. And you're the men and women America trusts to deliver timely warnings and advice. You are engaged in a very important form of public service, and we are indebted to you.

I'd also like to salute the men and women of NOAA and the National Weather Service who are here today. You and your impressive technologies are, among other things, the first lines of defense against nature's fury. In the past decade alone, you've doubled the amount of warning time we have to prepare for tornados, and quadrupled the warning time for flash floods. You also deserve praise for the highly successful public-private partnership you have fostered with broadcast weathercasters. It's a wonderful model for the nation.

I have spent most of my time over the past four and a half years trying to prepare America for the challenges and opportunities of a new century and a new millennium. Climate change is, quite simply, one of the most important challenges we face. I believe that if we fail to address it head-on, we will fail our deepest obligations to our children.

There are four principles that have guided me in preparing my response to the challenge of global climate change. First, I am convinced that the science is real. We certainly don't know everything, and more research is needed. But what we already know is enough to warrant responsible action.

When you weathercasters look at the Doppler radar screen and see an advancing mass of dark red echoes, you know it's going to rain. You may not know precisely how much or for how long, but you know it would be a mistake not to advise your viewers to carry their umbrellas.

That's the way I feel about global climate change. The overwhelming majority of the world's climate scientists have concluded that if we don't cut our emissions of greenhouse gases, temperatures will rise and we will disrupt the global climate. In fact, many believe this process has already begun. Scientists don't yet know precisely how bad the effects of global climate change will be -- exactly how fast the climate will change or how severe droughts and floods might be in a particular region. But given what they do know, it would be wrong for us to put our heads in the sand and ignore this issue.

The second principle is that when the nations of the world meet this December in Kyoto, Japan, we must be prepared to commit to realistic and binding limits on our emissions of greenhouse gases. With 4% of the world's population, the United States produces more than 20% of its greenhouse gases. I believe we must cut back. The world is looking to us for leadership.

The third principle is that we must embrace solutions that will allow us to continue to grow our economy at the same time we honor our global responsibilities. I have worked far too hard to revitalize the American economy to jeopardize our progress now. The plan that we will bring to Kyoto will emphasize flexible, market-based approaches. It will also embrace technologies that can make energy production much more efficient. Let me give you an example. Typically, about two-thirds of the energy produced by power plants is lost in the form of the heat that billows out of a smokestack. But a company called Trigen [TRI-jenn] has more than doubled the efficiency of power plants in Philadelphia,Chicago, and Tulsa by capturing excess heat and turning it into steam to warm office buildings. It's not a new technology, but it's a wonderfully simple and elegant solution. It represents the kind of American ingenuity that will make our job much easier.

Finally, I believe that we must ask all nations, both industrialized and developing, to participate in this process. It is wonderful that so many countries in so many parts of the world are developing so rapidly. But as we have seen here in America, economic development increases energy demand and greenhouse gas emissions. In fact, emissions from the developing world will likely eclipse those from the developed world by 2035. So the developed world cannot take on this responsibility alone. In Kyoto, we will ask for meaningful, equitable commitments from all nations.

[On Monday, we hope to take an important step forward in our efforts to put these general principles I've spoken of today into one sensible policy. We have invited noted economists and leaders from industry, state and local governments, and the environmental and scientific communities to participate in the White House Conference on Climate Change. Our goals are simple: We want to help the American people understand the importance of the challenge, and to allow outside experts to help inform the policy process to the greatest extent possible.]

Many of the challenges this nation has faced in the past were clear and present dangers. Global climate change is more of a looming threat: We see storm clouds approaching on the horizon, but most Americans in their day-to-day lives can't yet feel the rain. And that makes the work of educating the public that much more difficult. But we are deeply committed to putting the evidence before the American people. We are deeply committed to building consensus to do the right thing for our future.

Thank you very much for being here today. Thank you for your leadership in your communities. And thank you for your interest in this very important subject.

'97 SEP 30 PM3:18

GLOBAL CLIMATE CHANGE
BROADCAST WEATHERCASTERS BRIEFINGS
SEPTEMBER 30 - OCTOBER 1, 1997

AGENDA

TUESDAY, SEPTEMBER 30, 1997

Evening

6:30-8:30 p.m. Reception at the National Press Club
Remarks at 7:00pm

Keynote Speakers:
The Honorable **Todd D. Stern** Assistant to the President and Staff Secretary
The Honorable **Robert Mallett,** Deputy Secretary of Commerce
The Honorable **John H. Gibbons,** Assistant to the President for Science and Technology
The Honorable **Kathleen A. McGinty,** Chair of the White House Council on Environmental Quality

WEDNESDAY, OCTOBER 1, 1997

7:15 a.m. Registration
NOAA Auditorium
1301 East-West Highway, Silver Spring, MD

Morning Session

8:00 a.m. *Welcome* by U.S. Department of Commerce Under Secretary for NOAA **Dr. D. James Baker**; Remarks: Purpose of session; NOAA's role as the Nation's climate service; scope of the science today; range of known impacts; future plans.

8:20 a.m. **Dr. Daniel Albritton,** Director, DOC/NOAA Aeronomy Laboratory - *Evidence of Increased Concentration of Greenhouse Gases in the Atmosphere.* Remarks: Predictions of the changes in the climate system that could result from increased levels of greenhouse gases.

8:40 a.m. **Mr. Thomas Karl,** Senior Scientist, DOC/NOAA National Climatic Data Center: *How Climate Patterns Have Changed Over Time.* Remarks: Data show that precipitation and temperature patterns are changing across the U.S. and world.

9:00 a.m. **Dr. Ants Leetmaa,** Director, DOC/NOAA Climate Prediction Center: *The 1997/98 El Niño: Forecast and Impacts.* Remarks: El Niño disrupts seasonal climate patterns; the current El Niño was predicted using numerical models; predictions for coming seasons; lessons learned which can be applied to long-term climate change.

9:20 a.m. **Prof. William Easterling,** Department of Geography, The Pennsylvania State University: *How Climate and Climate Change Impact People and the Way They Live* Remarks: The importance of studying the climate system and its impact on society

9:40 a.m. **Dr. D. James Baker,** Wrap-up and Introduction of Regional Experts

10:00 a.m. Announcement of Interview Procedures and Afternoon Program

10:10 a.m. Interviews with Regional Experts

11:45 a.m. Buses depart for White House (Box lunches will be provided on the bus trip to the White House)

Afternoon Session

1:00 p.m. White House

* Presentations by the President and Vice President
* Reception with Receiving Line
* Interviews with the Morning Speakers (optional)
* Live evening broadcasts for evening news segments (optional)

Regional Experts:

Northwest: Professor Edward Miles, University of Washington
Southwest: Professor Roger Bales, University of Arizona
Midwest: Professor Dennis Ojima, Colorado State University
Northeast: Professor Berrien Moore III, University of New Hampshire
Southeast: Doctor Barbara Miller, Rankin International

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Name	City	Station
Mr. Al Roker	New York, New York	NBC
Mr. H. Joe Witte	New York, New York	NBC
Mr. Sam Champion	New York, New York	WABC
Mr. Lee Goldberg	New York, New York	WABC
Mr. Nick Gregory	New York, New York	WNYW
Mr. Irv Gikosfsky	New York, New York	WPIX
Mr. Dallas Raines	Los Angeles, California	KABC
Mr. Steve Rambo	Los Angeles, California	KCBS
Mr. Steve Baskerville	Chicago, Illinois	WBBM
Mr. Steve Schill	Chicago, Illinois	WFLD
Mr. Jerry Taft	Chicago, Illinois	WLS
Mr. Andy Avalos	Chicago, Illinois	WMAQ
Ms. Julia Bologna	Philadelphia, Pennsylvania	WPHL
Ms. Cecily Tynan	Philadelphia, Pennsylvania	WPVI
Mr. Frank Cariello	Philadelphia, Pennsylvania	WTXF
Mr. Peter F. Giddings	San Francisco, California	KGO
Mr. Stephen E. Raleigh	San Francisco, California	KRON
Mr. Bruce W. Schwoegler	Boston, Massachusetts	WBZ
Mr. Tim Kelly	Dedham, Massachusetts	WFXT
Mr. Harvey Leonard	Boston, Massachusetts	WHDH
Mr. Jeff Gilbert	Washington, DC	WJLA
Mr. Bob Ryan	Washington, DC	WRC
Ms. Susan Palka	Washington, DC	WTTG
Mr. Lawrence D. Hill	Washington, DC	WUSA
Mr. Topper Shutt	Washington, DC	WUSA
Mr. Chuck Gaidica, Jr.	Grosse Pointe Shores, Michigan	WDIV

Name	City	Station
Ms. Theresa Smith	Atlanta, Georgia	TWC
Ms. Valerie Voss	Atlanta, Georgia	CNN
Mr. Shane Butler	Atlanta, Georgia	WSB
Mr. Don Webster	Cleveland, Ohio	WEWS
Mr. Richard D. Goddard	Cleveland, Ohio	WJW
Mr. Kenneth J. Barlow	Minneapolis, Minnesota	KARE
Mr. Bryan S. Norcross	Miami, Florida	WFOR
Mr. John R. Toohey-Morales	Miami, Florida	WLTV
Mr. Ronald Steadham	Plantation, Florida	WTVJ
Mr. Richard Fletcher	St. Petersburg, Florida	WTSP
Mr. Larry Richert	Gibsonia, Pennsylvania	KDKA
Ms. Trish Brown	St. Louis, Missouri	KMOV
Mr. Paul Goodloe	St. Louis, Missouri	KSDK
Ms. Deobrah Pacyna	Sacramento, California	KXTV
Mr. Ed Phillips	Phoenix, Arizona	KNXV
Mr. Sean D. McLaughlin	Phoenix, Arizona	KPNX
Mr. Tom Tasselmyer	Baltimore, Maryland	WBAL
Mr. David S. Marsh	Orlando, Florida	WESH
Mr. Glenn Richards	Orlando, Florida	WFTV
Mr. Hilton Katerli	Hartford, Connecticut	WFSB
Mr. Geoff Fox	New Haven, Connecticut	WTNH
Mr. Bradford A. Field	West Hartford, Connecticut	WVIT
Ms. Loren Noncarrow	San Diego, California	KFMB
Mr. Robert E. Gregory	Indianapolis, Indiana	WTHR
Mr. Bryan Busby	Kansas City, Misourri	KMBC
Mr. Mark J. Baden	Milwaukee, Wisconsin	WISN
Mr. Paul S. Joseph	Milwaukee, Wisconsin	WTMJ

Name	City	Station
Mr. Gregory B. Fishel	Raleigh, North Carolina	WRAL-TV
Mr. Jeff Hill	Durham, North Carolina	WTVD-TV
Mr. Michael G. Davis	Columbus, Ohio	WBNS-TV
Mr. Ben Gelber	Columbus, Ohio	WCMH-TV
Mr. Skip Waters	New Bern, North Carolina	WCTI-TV
Mr. Phillip B. Williams	Greenville, North Carolina	WNCT-TV
Mr. Jim Berscheidt	San Antonio, Texas	KENS-TV
Mr. Keith Thompson	Kalamazoo, Michigan	WWMT-TV
Mr. Kevin O'Connell	Buffalo, New York	WGRZ-TV
Mr. Donald J. Paul	Buffalo, New York	WIVB-TV
Mr. Tom Jolls	Buffalo, New York	WKBW-TV
Mr. Don Slater	Portsmouth, Virginia	WAVY-TV
Mr. Jeffrey B. Lawson	Norfolk, Virginia	WVEC-TV
Mr. Brian Tiegland	Memphis, Tennessee	WPTY-TV
Mr. Chuck Rhodes	Harrisburg, Pennsylvania	WHTM-TV
Mr. Jim Buchanan	York, Pennsylvania	WPMT-TV
Mr. Michael C. Morgan	Oklahoma City, Oklahoma	KFOR-TV
Mr. John W. Matthews	West Palm Beach, Florida	WPEC-TV
Mr. W. Kent Ehrhardt	Palm Beach, Florida	WPTV-TV
Mr. John Belski	Louisville, Kentucky	WAVE-TV
Mr. Randy P. Jackson	Greensboro, North Carolina	WFMY-TV
Mr. Richard J. Ortner	Birmingham, Alabama	WBMG-TV
Mr. Barry P. Finn	Scranton, Pennsylvania	WYOU-TV
Mr. Robert J. Kovachick	Albany, New York	WNYT-TV
Mr. Stephen A. LaPointe	Schenectady, New York	WRGB-TV
Mr. Stephen P. Caporizzo	Albany, New York	WTEN-TV
Mr. Carl Nichols	Dayton, Ohio	WDTN-TV

Name	City	Station
Mr. Clay Anderson	Dayton, Ohio	WKEF-TV
Mr. George A. Winterling	Jacksonville, Florida	WJXT-TV
Mr. Timothy W. Deegan	Jacksonville, Florida	WTLV-TV
Mr. Anthony Cavalier	Huntington, West Virginia	WSAZ-TV
Mr. John McMurray	Flint, Michigan	WJRT-TV
Ms. Tracy L. Capps	Richmond, Virginia	WRLH-TV
Mr. Kevin Collins	Richmond, Virginia	WTVR-TV
Mr. Richard E. Katzfey	Knoxville, Tennessee	WKXT-TV
Mr. Tab O'Neal	Lynchburg, Virginia	WSET-TV
Mr. Charles G. Bell	Roanoke, Virginia	WSLS-TV
Mr. Robin John Reed	Roanoke, Virginia	WDBJ-TV
Mr. Gary Dobbs	Huntsville, Alabama	WAAY-TV
Mr. Jay Prater	Huntsville, Alabama	WAFF-TV
Mr. Danny E. Satterfield	Huntsville, Alabama	WHNT-TV
Mr. Michael J. Hoffman	South Bend, Indiana	WNDU-TV
Mr. Thomas S. Scaman	South Bend, Indiana	WSBT-TV
Mr. John P. Fischer	Elkhart, Indiana	WSJV-TV
Mr. Tim McGill	Oak Brook, Illinois	CLTV-TV

Thursday, October 2, 1997

10:30 AM	Food Safety Event	Tab A
	- Remarks	Tab B To Be Forwarded
	- Accomplishments and Q's & A's	Tab C
11:00 AM	HOLD	Distributed Separately
1:00 PM	Videos	Tab D
	- Scripts:	Tab E
	- Hispanic Leadership Conference - Nickelodeon's "The Big Help" - Dr. Dorothy Height - Jack Valenti - American Council on Education - "Buckle Up America" - Congressional Youth Leadership Conference - Art Porter, Sr. - Women's Memorial	
5:30 PM	Auto Executives/UAW Meeting	Tab F
	- Talking Points	Tab G
	- Background:	Tab H
	- Climate Change - Auto Trade, Japan, Korea - PNGV - Air Bags - PM/Ozone - UAW Concerns - Treasury Department Summary of Recent Developments - Washington Post Op-Ed on Global Warming - News Clippings	

SCHEDULE OF THE PRESIDENT

FOR

THURSDAY, OCTOBER 2, 1997

FINAL SCHEDULE

SCHEDULING DIRECTOR:	**STEPHANIE STREETT**	
	HOME:	**202-332-5651**
	OFFICE:	**202-456-2823**
	WHCA PAGER:	**4033**
PRESS DESK:	**ANNE EDWARDS**	
	HOME:	**301-565-3101**
	OFFICE:	**202-456-2921**
	WHCA PAGER:	**4208**

WEATHER:

WASHINGTON, D.C.
Sunny. Wind north-northwest at 5 to 10 knots.
Low 47 to 52.
High 64 to 69.

SCHEDULE OF THE PRESIDENT
FOR
THURSDAY, OCTOBER 2, 1997
FINAL SCHEDULE

9:00 am- 9:15 am	**MEETING** OVAL OFFICE DINING ROOM Staff Contact: Erskine Bowles
9:15 am- 9:30 am	**BRIEFING** OVAL OFFICE DINING ROOM Staff Contact: Sandy Berger
9:30 am- 9:45 am	**BRIEFING** OVAL OFFICE DINING ROOM Staff Contact: Sandy Berger
9:50 am- 9:55 am	**MEETING** OVAL OFFICE DINING ROOM Staff Contact: Stephanie Streett
10:00 am- 10:30 am	**BRIEFING** OVAL OFFICE DINING ROOM Staff Contact: Bruce Reed
10:30 am- 10:45 am	**SIGNING OF THE FOOD SAFETY DIRECTIVE** OVAL OFFICE Staff Contact: Bruce Reed Event Coordinator: Jennifer Palmieri **POOL PRESS**

-- The Vice President makes brief remarks and introduces **the President.**

-- **The President** makes brief remarks.

-- **The President** proceeds to the desk and signs memorandum.

-- **The President** departs.

11:00 am- 11:30 am	**HOLD** OVAL OFFICE Staff Contact: Mike McCurry
11:45 am- 12:45 pm	**LUNCH WITH THE VICE PRESIDENT** OVAL OFFICE
12:50 pm- 1:00 pm	**BRIEFING** ROOSEVELT ROOM Staff Contact: Laura Schwartz

1:00 pm-
1:40 pm

VIDEOS
ROOSEVELT ROOM
Staff Contact: Laura Schwartz
CLOSED PRESS

-- Remarks on the President's Initiative on Increasing Seat Belt Use Nationwide
Staff Contact: Thurgood Marshall, Jr.

-- Greeting for THE 15TH Annual United States Hispanic Leadership Conference Meeting
Staff Contact: Maria Echaveste, Mickey Ibarra, Craig Smith

-- Greeting for "A Tribute to Dr. Dorothy Height"
Staff Contact: Maria Echaveste, Ben Johnson

-- Introduction to Congressional Youth Leadership Council Organization Video
Staff Contact: Maria Echaveste

-- Message for the Art Porter, Sr. Documentary
Staff Contact: Craig Smith

-- American Council on Education Conference
Staff Contact: Thurgood Marshall, Jr.

-- Message for Nickelodeon's "The Big Help" Program
Staff Contact: Maria Echaveste, Minyon Moore

-- Message for the Tribute to Jack Valenti
Staff Contact: Bobbie Green

-- Video Message for the Dedication of the Women's Memorial
Staff Contact: Maria Echaveste

Note: This video will be done with the First Lady.

1:45 pm-
5:00 pm

PHONE AND OFFICE TIME
OVAL OFFICE

5:00 pm-
5:30 pm

BRIEFING
OVAL OFFICE
Staff Contact: Maria Echaveste, Gene Sperling

5:30 pm-
6:15 pm

AUTO EXECUTIVES MEETING
CABINET ROOM
Staff Contact: Maria Echaveste, Gene Sperling
WHITE HOUSE PHOTO ONLY

EVENING OFF

BC AND HRC RON **THE WHITE HOUSE**
WASHINGTON, D.C.

'97 OCT 1 PM6:57

THE WHITE HOUSE

WASHINGTON

October 1, 1997

FOOD SAFETY EVENT

DATE:	October 2, 1997
LOCATION:	Oval Office
BRIEFING TIME:	10:30 am - 11:00 am
EVENT TIME:	11:10 am - 11:30 am
FROM:	Bruce Reed

I. PURPOSE

To launch an initiative to improve the safety of fruits and vegetables, especially those imported from foreign countries.

II. BACKGROUND

To demonstrate your commitment to food safety, you will be announcing a new food safety initiative, which was leaked to several papers last week. Your announcement of the initiative follows charges by some in Congress that Fast Track will endanger food safety by increasing imports of food products. It also follows publication of a recent article in the New York Times suggesting that the FDA is currently unable to ensure the safety of imported fruits and vegetables.

Your new initiative includes the following elements:

New Legislation to Enhance FDA Oversight for Imported Foods. To ensure that imported fruits and vegetables are as safe as those produced in the United States, you will be proposing legislation that requires the FDA to halt imports of fruits, vegetables, and other food products produced in countries that do not meet U.S. food safety standards. Existing law requires the USDA to halt imports of meat and poultry from such countries, but the FDA currently has neither the responsibility nor the authority to do so. Last year, 38 percent of the fruit and 12 percent of the vegetables consumed by Americans came from overseas.

To enable the FDA to make effective use of this proposed authority, you also will commit to providing the necessary funds in your FY 1999 budget to enable the FDA to expand dramatically its international food inspection force.

Executive Memorandum. You will sign an Executive Memorandum that directs the FDA and the USDA to work cooperatively to issue guidance within one year for good agricultural and manufacturing practices for fruits and vegetables. To ensure that this first-ever safety guidance has the greatest effect, the FDA and USDA will develop outreach and educational activities.

In addition, you will direct the Secretaries of HHS and USDA to report back to you within 90 days with a plan on how to improve the monitoring of agricultural and manufacturing practices abroad, to assist foreign countries to improve these practices when necessary, and to prevent the importation of unsafe produce, including detecting unsafe food at the dock and border.

This initiative builds on your prior actions on food safety -- including a new early warning system to detect outbreaks of food borne illness as quickly as possible and enhanced safety standards for meat, poultry, and seafood products.

III. PARTICIPANTS

- The Vice President
- Secretary Shalala
- FDA Administrator Friedman
- Richard Rominger, USDA Deputy Secretary of USDA
- Cathie Woteki, USDA Under Secretary for Food Safety
- Carol Tucker Foreman, President, Safe Food Coalition
- Caroline Smith Dewaal, Center for Science in the Public Interest
- Nancy Donley, Safe Tables Our Priority
- Tom Stenzel, President, United Fresh Fruit and Vegetables Association
- C. Manley Molpus, President, Grocery Manufacturers Association
- Anita Brown, Trade Consultant, Western Growers Association

IV. PRESS PLAN

Pool Press.

V. SEQUENCE OF EVENTS

- The Vice President will make welcoming remarks and introduce you.
- You will make remarks at the podium and then sign the Executive Memorandum at your desk. You will then have the option of taking questions from the pool.

VI. REMARKS

Remarks provided by June Shih in Speechwriting.

THE REMARKS

FOR THE FOOD SAFETY EVENT

WILL BE FORWARDED

Clinton Administration Accomplishments In Improving Food Safety

* October, 1997. President announces new initiative to enhance FDA oversight over imported foods and develop guidance on good agricultural and manufacturing practices for fruits and vegetables.

* May, 1997. Administration announces comprehensive new initiative to improve the safety of nation's food supply -- "Food Safety from Farm to Table" -- detailing a $43 million food safety program, including measures to improve surveillance, outbreak response, education, and research.

* January, 1997. President announces new Early-Warning System to gather critical scientific data to help stop food borne disease outbreaks quickly and to improve prevention systems further.

* August, 1996. President signs Safe Drinking Water Act of 1996. The law requires drinking water systems to protect against dangerous contaminants like cryptosporidium, and gives people the right to know about contaminants in their tap water.

* August, 1996. President signs Food Quality Protection Act of 1996, which streamlines regulation of pesticides by FDA and EPA and puts important new public-health protections in place, especially for children.

* July, 1996. President Clinton announces new regulations that modernize the nation's meat and poultry inspection system for the first time in 90 years. New standards help prevent E.coli bacteria contamination in meat.

* December, 1995. Administration issues new rules to ensure seafood safety. Utilizes HACCP regulatory programs to require food industries to design and implement preventive measures and increase the industries' responsibility for and control of their safety assurance actions.

* 1994. CDC embarks on strategic program to detect, prevent, and control emerging infectious disease threats, some of which are food borne, making significant progress toward this goal in each successive year.

* 1993. Vice-President's National Performance Review issues report recommending government and industry move toward a system of preventive controls.

Q&A for Presidential Initiative to Improve the Safety of Imported Fruits and Vegetables
October 2, 1997

Q: What is the President proposing?

A: The President is proposing legislative and executive actions that will further improve the safety of fresh fruits and vegetables, especially those imported into the U.S. The legislation will require the FDA to halt imports of fruits, vegetables, or other food from any foreign country whose food safety systems and standards are not on par with those of the U.S. The President will back up this legislation by providing the necessary funds in his FY99 budget to enable FDA to expand dramatically its international food inspection force so that it can make good use of this new authority.

In addition, the President has asked the Secretaries of Health and Human Services and Agriculture to take additional steps to improve the safety of both imported and domestic fruits and vegetables. Specifically, he has asked the Secretaries to issue within one year guidance on good agricultural practices and good manufacturing practices for fruits and vegetables. By providing the first-ever specific safety standards for fruits and vegetables, the guidance will improve the agricultural and manufacturing practices of all those, foreign and domestic, seeking to sell produce in the U.S. market.

Finally, the President has asked for a plan on how to improve the monitoring of agricultural and manufacturing practices abroad, to assist foreign countries to improve those practices where necessary, and to prevent the importation of unsafe produce, including by detecting unsafe food at the dock or border.

These efforts all build on the Clinton Administration's long-term commitment to strengthening our food safety system. With the help of the Vice-President's National Performance Review, we have fundamentally improved the way we ensure the safety of meat, poultry, and seafood. We have also put in place important new protections against the risks of pesticides in our food, especially for our children. And we are hopeful Congress will provide the $43 million the President requested in his FY98 budget to improve food safety.

Q: Why is the President proposing these actions?

A: There have been dramatic changes in the produce department of the grocery store. Thirty years ago, most produce sections only had around a dozen items year round, increasing to as many as 50 in the summer. Today, no matter where you live in the United States, the chances are that there are 400 or more items in the produce section and they are there all year round. Last year, 38 percent of the fruit and 12 percent of the vegetables Americans ate were imported.

We have changed as well. Americans are eating more fresh fruits and vegetables than ever before, and our nation's health experts tell us we will live longer, better quality lives as a result. Our environment is also changing. We are finding "new" exotic bugs such as cyclospora and *E. coli O157:H7* on our food that once were not there.

We must ensure that these changes do not increase the risk to American consumers of foodborne illnesses. Although raw produce -- including that imported from foreign countries -- is now safe, experts have suggested ways to make further improvements, and the President's actions today accord with their recommendations.

Q: But aren't these actions just a response to the negative news articles of recent days that have pointed out the shortcomings in the inspection of imported produce?

A: No. We couldn't possibly have developed these initiatives following the publication of those articles. The Department of Health and Human Services have been laying the groundwork for this initiative for over a year. We knew that some reporters were making inquiries about this issue, and those inquiries may have accelerated the final part of the policy development process. But that process has been underway for some time, and this same initiative would have been announced with or without those articles.

Q: Why has the Administration waited until now to take these steps? [An article published today reveals that today's actions were suggested by Commissioner Kessler years ago, but that no action was taken. Why has it taken so long to act?]

A: No one can tackle everything at once, and the President's food safety initiatives have addressed priority items in the way best calculated to ensure their achievement. One of the first challenges the President faced after taking office was an outbreak of E. Coli in hamburger in the northwest. The President responded by putting in place a new system to ensure the safety of meat, poultry, and seafood products. With this process now underway, the FDA in 1995 began to investigate the problem of pathogens in fresh produce and develop proposed approaches for preventing foodborne illnesses from these food products.

Q: Are these actions meant to provide political cover with respect to the food safety issue because it has become a part of the Fast Track trade debate?

A: No. Again, the policy development process that led to this initiative began in 1995. This is a part of the President's food safety agenda -- his longstanding commitment to ensuring that Americans' food supply is the safest in the world. It does not relate to Fast Track.

Q: What makes you think this new legislation can be effective? Do you seriously think you are going to be able to put FDA inspectors in every country abroad?

A: Our proposed legislation would give the FDA the same kind of responsibility that the USDA already has for meat and poultry. The USDA system has worked very well to ensure that countries with inferior safety standards can't import their meat and poultry. We see no reason why the FDA can't run a similarly effective system that inspects food safety system and standards abroad and prevents imports from countries that do not provide the protections that the U.S. does.

Of course, making good use of this authority will take additional resources, so that FDA can dramatically expand its international food inspection force. Although the President will not announce a specific dollar figure until publication of his FY 99 budget, he has committed to investing the resources to ensure that FDA can make good use of this new authority.

Q. Doesn't this legislation impose trade barriers to food imports at a time when you are saying you want to lower them? Wouldn't we object if another country tried to keep out our food products on this basis?

A. This legislation is completely consistent with free trade principles and all our treaty obligations. We have no obligation to open our borders to imports that pose a greater risk than domestic products to American consumers. As long as we are not imposing any greater requirements on foreign countries -- as long as we are only holding them to our standards -- we are acting consistently with our trade policy.

There aren't many countries in the world with higher safety standards than the U.S., so not many countries would be in a position to halt our imports on this basis. If we did, we would not and could not object.

Q: Are you saying that imported produce is unsafe?

A: There is no data indicating that imported fruits and vegetables are more unsafe than domestic products. But some recent outbreaks of foodborne illness have been traced back to imports and it is important that foreign fruits and vegetables be held to the same safety standards as American products. The steps we are taking today are adding additional layers of protection. We are making sure that there are no gaps in our food safety system -- that high safety standards apply to imported as well as domestic food, and to fruits and vegetables as well as to meat, poultry, and seafood.

Q: Since HACCP has been successful for meat, poultry, and seafood, why don't you require HACCP for fresh fruits and vegetables? Why are you only doing good agricultural and manufacturing practices?

A: HACCP is a science-based approach for identifying and controlling hazards in food production. We need better scientific data before we can develop HACCP for fresh fruits and vegetables. The Administration's plan is to develop and issue guidance that will help companies interpret existing safety requirements for fruits and vegetables, and that will lead to the science needed for HACCP. The agency is contemplating guidance on basic, common-sense sanitation and employee practices in the form of Good Agricultural Practices (GAPs) for farms and Good Manufacturing Practices (GMPs) applicable for those who sort, wash, and otherwise handle fresh fruits and vegetables.

Q: Aren't these guidelines only voluntary? If so, what effect will they have?

A: The Good Agricultural and Manufacturing Practices will be what is called "interpretive guidance." It will help companies interpret and follow existing, very broadly written safety requirements for fruits and vegetables by spelling out specific practices involving such matters as sanitation, worker health, and water quality. The guidance does not itself have legal force. But it tells growers, processors, and others what the FDA looks to when it enforces existing safety standards. There is no doubt that such guidance -- especially when it is developed, as it will be, in concert with the agricultural community -- will improve safety standards.

Q: Will foreign countries have to comply with Good Agricultural and Manufacturing Practices if they want to export fruits and vegetables to the U.S.?

A: We expect that exporting countries will develop similar practices that address potential food safety problems in their countries for one simple reason: they want to be able to sell food in our market, and they want that food to be safe.

We cannot yet know whether a country that does not comply with the guidance will be able to import fruits and vegetables into the United States. The answer to this question depends on the exact content of the guidance, as well as an intricate legal determinations regarding equivalency between different countries' food safety systems. What is clear is that the FDA will have to cut off imports from countries that do not comply with existing legal standards. And at the very least, the FDA will target countries that do not comply with the Good Agricultural and Manufacturing Practices for increased inspection and testing.

'97 OCT 1 PM 7:22

THE WHITE HOUSE

WASHINGTON

VIDEO TAPINGS IN THE ROOSEVELT ROOM

DATE: THURSDAY, OCTOBER 2, 1997
LOCATION: THE ROOSEVELT ROOM
TIME: 12:50-1:00PM BRIEFING
1:00-1:40 PM TAPINGS
FROM: LAURA SCHWARTZ

I. PURPOSE

You will do nine video messages.

II. BACKGROUND

The first video is a message for the Hispanic Leadership Conference Meeting. The US Hispanic Leadership Conference is one of the largest Hispanic organizations in the country. This year's conference, October 8-12 in Chicago, entitled "15 Years of Empowering the Community: the Commitment Continues" will be attended by over 3500 people at the grass roots level. You met with this group in 1991 and the VP has addressed the group two times. They are conducting workshops about Education and Labor issues and are very supportive on number of administration issues. Juan Andrade is the President of USHLC.

The second message is for Nickelodeon's "Big Help." This video will be used to open the phone lines for Nickelodeon's "Big Help" program this Fall. Nickelodeon has designed this program to help kids connect to their community and their world through volunteering. Your video will be played on Saturday, October 18, to a viewing audience as large as 22 million kids who will pledge hours for volunteering. Nickelodeon then will get them in touch with sponsoring organizations such as Habitat for Humanity, the YWCA, YMCA and others. Some kids do projects on their own.

The third video is for Dr. Dorothy Height. Dr. Height is being honored at Africare's annual dinner for her outstanding service to women and minoritieson October 23rd at the Washington Hilton Hotel. She succeeded Dr. Mary McLoud Bethune, a close associate of Eleanor Roosevelt, as head of the National Council of Negro Women. Even though she is in her eighties, she continues as president of the organization and played a pivotal role in getting Alexis Herman confirmed as Sec of Labor. Lately she has been suffering from health problems but still carries a very active schedule on a daily basis. She is so famous for her work, that this is just the beginning of several honors to be bestowed on her in the coming months. Even though Mrs. Clinton is scheduled to keynote the Africare dinner, your video will be played at the dinner and later placed in the National Council of Negro Women's Archives.

The fourth video is a message for Jack Valenti. On October 23, Jack Valenti will receive People For The American Way's 1997 "Spirit of Liberty Award". The Award honors individuals who have been at the forefront of the fight to protect First Amendment Rights and will be presented at PFAW's annual dinner in Los Angeles' Beverly Hilton Hotel and attended by over 700 people.

The fifth video is for the American Council on Education. This video will be played at a conference titled, "Education One-Third of a Nation VI: Diversity, Opportunity, and American Achievement," sponsored by the American Council on Education, in Collaboration with the Association of American Colleges and Universities and the Ford Foundation's Campus Diversity Initiative. The Conference will attended by over 12,000 college officials on October 16-18 in Miami.

The sixth video is for the Department of Transportation's "Buckle Up America" campaign. On October 6, Secretary Slater and National Highway Traffic Safety Administrator Dr. Ricardo Martinez, M.D., will host a national televised town meeting, broadcast from Atlantic Video in Washington, D.C., to kick off "Buckle Up America" in support of the President's Initiative for Increasing Seat Belt Use. The goal is to reduce child fatalities by 15 percent and increase seat belt usage to 85 percent by 2000. The Secretary will be joined by former Surgeon General, C. Everett Koop; Kaiser Permanante CEO Dr. David Lawrence, M.D.; Representative Daniel Metelsky (D) Ohio; Mayor Norm Rice, Seattle; and a host of others energizing national, state, and local partnerships for this initiative. The event will be televised at 80 sites and simulcast to three specialized cable networks targeting specific groups who work in areas affected by this initiative. Additionally, the message will be distributed to local highway safety advocates, schools, and law enforcement agencies in a shortened (5-8 minute) version of the video conference for use in implementing seat belt programs.

The seventh video is for the Congressional Youth Leadership Conference. The Congressional Youth Leadership Council (CYLC) is a non-profit, non-partisan educational organization responsible for bringing talented high school students to Washington each year. The council provides these students with an opportunity to study leadership, citizenship and government in the nation's capital. To date, over 78,000 young people representing all fifty states, the American territories and several foreign countries have participated in the Council's program. That is why the Council along with supporters, such Ambassador William Crowe feel that a presidential message at the beginning of the CYCL is so important. Your message will be seen by over 7,000 students this year.

The eighth video is for a documentary on Art Porter Sr. This documentary, "Art Porter, A Musical Treasure of Arkansas" is in its early stages and will most likely air on PBS late next year. The documentary focuses on Porter's life and his love of the arts especially music and music education. Thelma Pauline Porter asked you to participate in this earlier this year.

The ninth video is for the Women's Memorial Unveiling at Arlington Cemetery. The Women In Military Service for America Memorial Dedication Service will honor the efforts of women in military service. The Memorial will house within its archives the largest collection ever assembled of the history of American military women from every generation, service branch and occupation. The Memorial honors 1.8 million American servicewomen who have proven the timeless value of dedication, valor, and steadfastness in moments of crisis and triumph. This video will be played during the dedication ceremony scheduled for Saturday, October 18 at approx. noon, Arlington National Cemetery. More than 30,000 servicewomen and veterans with their families and friends will be in attendance. You participated in the Groundbreaking Ceremony on June 22, 1995. Also, please note that Ms. Clinton is the Honorary Chair of the Women In Military Service For America Memorial Foundation, Inc., she will be joining you for this video.

III. PARTICIPANTS

Pre-brief participants:
The President
Laura Schwartz
Lillian Brown

Event participants:
The President
The First Lady
Laura Schwartz
Technical Personnel (7)

IV. PRESS PLAN

Each video message will be played at open press events.

V. SEQUENCE OF EVENTS

12:50-1:00pm Make-up/briefing

1:00 - 1:40pm Video Messages

1. Hispanic Leadership Conference Meeting
2. Nickelodeon's "Big Help"
3. Dr. Dorothy Height
4. Jack Valenti
5. American Council on Education
6. Department of Transportation's "Buckle Up America
7. Congressional Youth Leadership Conference
8. Art Porter Sr.
9. Women's Memorial

1:40pm Make-up removal/departure

VI. REMARKS

A teleprompter will be provided.

'97 OCT 1 PM 7:35

PRESIDENT WILLIAM J. CLINTON
PREPARED VIDEO REMARKS
U.S. HISPANIC LEADERSHIP INSTITUTE
OCTOBER 8-12, 1997

Hello. Thank you for inviting me to speak with you today. I am happy to know that you will be joined by Secretary of Labor Alexis Herman, Secretary of Education Richard Riley, Secretary of Energy Federico Pena, Ambassador Bill Richardson, and Administrator Aida Alvarez. I would like to congratulate my friend Juan Andrade (ahn-DRAH'-deh) and all participants in the 15th annual conference of the United States Hispanic Leadership Institute on another successful year. This conference has become a major forum for the aspirations of millions of Americans.

The work that you do is grass roots at its best. Over the past 15 years, you have registered 1.3 million new voters, trained over 25,000 volunteers, and published hundreds of studies on Hispanic demographics. You are grooming a new generation of leaders, and for that, I say, thank you.

Your work has helped our work. My Administration has appointed more Hispanics than any other. Today I am priviledged to work in the White House with Maria Echaveste, Mickey Ibarra, and your fellow midwesterners: Janet Murguia, a Kansan, Carolyn Curiel from Indiana, and three Chicago natives: Patti Solis-Doyle, Carmen Lomellin (loh-meh-LEEN'), and Jose Cerda.

Over the past four and a half years, this Administration has worked hard to expand opportunity to every American. Last year, the income of the typical Hispanic household increased faster than during any other year on record. Hispanic unemployment has dropped by one third; more Hispanics than ever before are opening businesses and buying homes. It makes me proud to know that Hispanics are claiming a greater share of the economic success of America.

Our balanced budget represents the largest single increased investment in eductaion since 1965. I fought hard to insure that it expands Head Start, funds America Reads, and includes a 36% increase in funding for bilingual and immigrant education. I also fought hard to restore benefits for disabled legal immigrantsand with your help, we were successful.

We are at a moment of hope, but we have more to do. We must work to insure that more of our Hispanic youth stay in school. We have organized an intense effort in the White House to address the dropout problem and evaluate the ways in which our current programs can help young Hispanics reach their highest potential.

The values that Hispanics have always held dear -- love of God, love of family and love of country -- continue to lift us all. Thank you for the important work you do, for encouraging our youth to become involved, and to use their voice in democracy. I'd especially like to congratulate the 30 students who will receive the Juan Andrade Scholarship for Young Hispanic Leaders this year. May all of you enjoy continued great success. God bless you.

THE SCRIPT

FOR THE VIDEO ON NICKELODEON'S "THE BIG HELP"

WILL BE FORWARDED

PRESIDENT WILLIAM J. CLINTON
VIDEOTAPED TRIBUTE TO DOROTHY HEIGHT
OCTOBER 2, 1997

Dorothy, you know that I would have loved to be there to pay tribute to you in person, but I am very glad that at least one admirer from my family could join you tonight. There are many people whose lives have served as great sources of inspiration to me, to Hillary and to all Americans. Dorothy, yours is one of them. As head of the National Council for Negro Women for more than sixty years, you have been a vital force for change, for justice, and for equality in America. You haven't just witnessed history, you've made it -- playing crucial roles in every single civil rights victory of our century. From the bottom of my heart, I thank you for helping all Americans live closer and truer to our ideals.

You once said that "progress comes from caring more about what needs to be done than who gets the credit." Well tonight, as we remember the great progress your boundless compassion, commitment and caring have brought to our world, it is our privilege to finally offer you the credit you so richly deserve.

PRESIDENT WILLIAM J. CLINTON
VIDEOTAPED TRIBUTE TO JACK VALENTI
OCTOBER 2, 1997

Jack, I am delighted to honor you as one of America's true champions of liberty. Few Americans have served our country and touched the lives of their fellow Americans in so many different and important ways -- as wartime bomber pilot, advertising executive, White House advisor, author, and head of the Motion Picture Association of America. I get tired just thinking about it. On a personal note, I want to thank you for taking a leading role this past year in developing a new ratings system that will both help parents protect their children from what they believe are TV's more harmful messages and preserve the free expression of our writers, producers and actors.

If there is one guiding principle behind each of these accomplishments, it's your passionate commitment to defending the American ideals and freedoms too many of us take for granted. On behalf of all Americans, Hillary and I thank you for dedicating your voice, your eloquence, and your energies to reminding all of us that freedom is never free. I can think of no one who is more deserving of the People for the American Way's Spirit of Liberty award.

PRESIDENT WILLIAM J. CLINTON
VIDEO MESSAGE TO THE AMERICAN COUNCIL ON EDUCATION's
"EDUCATING ONE THIRD OF A NATION" CONFERENCE
October 16-18, 1997

Hello. I've enjoyed speaking to the American Council on Education at your national conference year after year and wish I could be with all of you again in Miami. I am pleased to know that the Administration is well represented at the conference by Judith Winston, the Executive Director of One America in the 21st Century, the President's Initiative on Race, as well as Dr. John Hope Franklin, Governor William Winters and Rev. Suzan Johnson Cook of the Race Advisory Board. Thank you to ACE for focusing on an issue I believe to be the most challenging and pressing that we face as a nation.

Equal opportunity is our central value, but the very meaning of that has fundamentally changed. For example, in the 19th century, opportunity meant access to a land grant. In the 21st century, it will mean access to a Pell Grant to a community college, to a trade school, to a university. It is my strongest conviction that we must work together to open the doors of college even wider. At a time when a college education means stability, a good job, a passport to the middle class, we must make at least two years of college as universal at the dawn of the next century as a high school diploma is today.

And here we are making great progress Our balanced budget includes the largest increase in aid to education since 1965 and the biggest increase in higher education since the G.I. Bill 50 years ago. By increasing Pell Grants and creating the HOPE Scholarship and Lifetime Learning tuition tax credits, we are eliminating the financial obstacles that have barred many of our citizens from pursuing post-secondary education. I want to thank ACE for its active support of our financial aid increases. Because of your help, we can proudly say for the first time in history that college is available for all Americans who are willing to work for it.

But, we know we have much more work to do. We know that many other obstacles still exist, those which prohibit our children from making the most of their God-given potential. For the first time since the 1950s, our schools in America are resegregating. There are still too many places where opportunity for education and work are not equal, where disintegration of families and neighborhoods make it more difficult to plan for a college career. The recent rollback of affirmative action is slamming shut the doors of higher education on a new generation.

We must not give in to those who have given up on the idea of integration and the search for common ground. Despite the recent setback in the courts, I hope that all of you will come away from this conference emboldened by the need to preserve and protect affirmative action on your campuses. As we work open a national dialogue on matters of race, colleges and universities can and should play a central role in that effort. I urge all of you to search for ways in which your institution can contribute. Thank you and God Bless.

PRESIDENT WILLIAM J. CLINTON
VIDEO GREETING FOR BUCKLE UP AMERICA
October 6, 1997

Each year 40,000 people lose their lives on our nation's highways. Too many of us have experienced the pain of losing a friend, colleague, or a loved one in a car accident. And far too many of these tragedies could have been prevented.

We know that seat belts are the most effective safety device we have to save lives on our roadways. Research has found that they reduce the risk of fatal injury by nearly 50% while saving nearly 10,000 lives each year. There is nothing more important than taking a few seconds to buckle your seat belt and that of your child each and every time you get inside a car.

Because safety is my highest transportation priority, I am proud to be a part of the Campaign to Buckle Up America. Last year I directed the Department of Transportation to develop a comprehensive strategy to increase seat belt use nationwide. In April, Secretary Rodney Slater presented me with an impressive plan - - one that aims high and demands personal responsibility from all of us. The plan involves building partnerships between the government and private sector, increasing public awareness and working with America's families, enacting tougher seat belt provisions and supporting law enforcement officials. It's a good campaign; and it will work because it relies on your involvement.

With your help, the Buckle Up America Campaign will effectively increase seat belt use nationwide to 85% by the year 2000. If we reach that goal, we will save more than 4,000 lives and prevent more than 100,000 injuries each and every year.

It is a goal we can and must achieve. I thank you for stepping up to the challenge and being a partner in the campaign to Buckle Up America.

WILLIAM J. CLINTON
VIDEO MESSAGE FOR POTENTIAL CONGRESSIONAL YOUTH LEADERSHIP CONFERENCE PARTICIPANTS
TAPED OCTOBER 2nd, 1997

More than 30 years ago, I sat where you are today. In my high school class room I learned about our national history and the way our government works. I knew then that I wanted to do more than just read about our political system; I knew I wanted to experience it first hand. I came to Washington to participate in a program that introduced me to the responsibilities of citizenship. It had a lasting effect and inspired me to work towards a career in public service.

The National Youth Leaders Conference is similar to the program that brought me to Washington. It will give you the education of a lifetime. It will allow you to meet with members of Congress, hear from foreign diplomats and visit each branch of government. You will be encouraged to ask questions, think through policy decisions and work with others to achieve a common goal. You will experience democracy in action.

As Theodore Roosevelt told the nation at the turn of this century, "The Government is us; we are the government, you and I." Right now you are at the right age to take this message to heart. You are the leaders of the 21st Century. I encourage you to fulfill the challenge of leadership and begin today to experience the rewards of public service.

PRESIDENT WILLIAM J. CLINTON
MESSAGE FOR DOCUMENTARY OF ART PORTER SR.
October 2nd, 1997

Art Porter was devoted to the state of Arkansas and it's people, willing to forgo greater fame and fortune to remain close to those he loved. His music touched our souls and stirred our spirits. In a state full of wonderful musicians, Art Porter was one of our greatest.

To me, though, Art Porter was more than a great musician. He was my friend, and I will miss him dearly.

[ad Lib about ART PORTER]

THE SCRIPT

FOR THE VIDEO ON THE WOMEN'S MEMORIAL

WILL BE FORWARDED

'97 OCT 1 PM6:29

THE WHITE HOUSE

WASHINGTON

October 1, 1997

MEETING WITH BIG THREE AUTO EXECUTIVES AND UAW PRESIDENT

DATE:	**October 2, 1997**
LOCATION:	**Oval Office**
TIME:	**5:30-6:15 pm**
FROM:	**Dorothy Robyn, NEC**

I. PURPOSE

You are meeting with the CEOs of Chrysler, General Motors and Ford and the President of the United Auto Workers to hear their concerns and demonstrate your continued commitment to pursuing policies that will contribute to a healthy and competitive U.S. automobile industry.

II. BACKGROUND

The auto executives -- Robert Eaton of Chrysler, John (Jack) Smith, Jr. of GM, and Alex Trotman of Ford -- requested this meeting last year, and it has been rescheduled several times, largely because of UAW President Stephen Yokich's poor health. The CEOs' major concern will be climate change. They also will raise automobile trade with Japan and Korea, and they may mention proposed regulations concerning air bags and PM/ozone. Attached are brief background papers on these topics as well as the PNGV program, which is closely linked to climate change.

Yokich will raise four issues: Fast Track, Japan trade, NLRB appointments, and a proposal for tuition assistance for workers' children. A background paper on labor issues is attached.

III. PARTICIPANTS

Pre-brief participants:
Gene Sperling, Dan Tarullo and Katie McGinty

Event participants:
Robert Eaton, Jack Smith, Alex Trotman and Stephen Yokich; Secretaries Daley, Herman, Rubin and Slater; Erskine Bowles, Gene Sperling, Dan Tarullo and Katie McGinty

IV. PRESS PLAN

Closed.

V. SEQUENCE OF EVENTS

You will make brief welcoming remarks. You will ask Eaton, Smith, Trotman and Yokich to present their concerns and a discussion will ensue.

VI. REMARKS

Talking points are attached. (The background papers contain more detailed talking points.)

VII. ATTACHMENTS

- Key Talking Points
- Background papers/talking points on:
  --Climate change
  --Auto Trade, Japan, Korea
  --PNGV
  --Air Bags
  --PM/Ozone
  --UAW Concerns
- Treasury Department's summary of "Recent Developments in the U.S. Auto Industry"
- Eaton's July ***Washington Post*** op-ed on global warming and a response to it
- Selected news clippings on the automobile industry

POINTS TO BE MADE IN MEETING WITH BIG 3 CEOS AND UAW PRESIDENT

<u>Welcoming Remarks</u>

- Pleased that we could all get together finally.

- We all face major challenges associated with globalization and rapid technological change. The lesson of our time is we must master these forces and make them work for all of the people.

- The economy remains on the right track, with low unemployment, strong job growth and low inflation. There are 136,000 new jobs in the auto industry since 1993.

- The current economic environment is extremely favorable for consumer spending, and the auto market should continue to benefit. Real wages have been rising, and consumer confidence has been at record levels.

- Internationally, my Administration continues to work aggressively to open markets. ***As you know, yesterday, we identified Korean auto practices under Super 301.***

- Domestically, our Partnership for a New Generation of Vehicles (PNGV) is a model of how government and industry can work together to conquer technological frontiers in ways that will change the world.

- I'm proud of the fact that the U.S. has been the number one auto producer in the world for three consecutive years (after having consistently ranked behind Japan from 1980 through 1993).

- Although we have not always agreed with one another on every single issue, you should know that I am committed to pursuing policies that will keep this all-important industry healthy and competitive.

<u>Response to Industry CEOs</u>

<u>Climate Change</u>

- The Administration has accepted the international scientific consensus that human activities are generating measurable, climate-affecting accumulations of greenhouse gases. If no action is taken, we believe there may be severe economic and environmental consequences. We reject the notion that increased concentrations of greenhouse gases are not a significant problem.

- Accordingly, the evidence points to the prudence of selecting policies that can act as a "global climate insurance policy". There is no dispute over whether such an insurance policy is needed, only disputes over the appropriate size of the policy.

- The Administration believes that a ***purely*** voluntary approach to reducing greenhouse gas emissions has been tried, and it failed.

- We are committed, however, to avoiding the economic consequences of acting precipitously. For that reason, we want to design a flexible, long-term approach, which provides plenty of opportunity for reassessment and non-disruptive economic adjustment. We realize that any long-term effort to reduce greenhouse gas emissions will require that substantial amounts of new technology be developed and diffused. The PNGV effort is a good example of how we can work together to ensure that a cleaner environment is consistent with continued economic growth.

- Targets and timetables have not been proposed, but when they are, they will be realistic and achievable.

- We ***will not*** support policies that put U.S. industries at a competitive disadvantage.

- We ***will*** demand that developing countries carry their fair share of the burden of reducing worldwide emissions.

- We are committing to working with industry to:

  -- design cost-effective approaches;
  -- address competitiveness issues;
  -- identify, develop and diffuse promising new emissions-reducing technologies and policies.

- We want substantive consultation and interaction with industry, and look forward to continue working with you on this critical issue.

<u>Auto Trade</u>

- Appreciate your personal contributions in helping us shape U.S. trade policy (Smith on APEC Business Advisory Committee, Eaton on USTR advisory committee for trade policy and negotiations, Trotman as head of Transatlantic Business Dialogue and now President's Export Council, Yokich as invited member of USTR/DOL Labor Advisory Committee on Trade).

- Have worked closely with you to open markets worldwide to U.S. exports. Will continue to press hard in Asia, Latin America and elsewhere.

- Noted your letter to me asking Korea be designated under Super 301. We did so yesterday because I agree it is important to open Korea's sanctuary market as Korea expands export capacity.

- Will continue to pressure Japan for access to distribution system. Both Vice President and I have underscored importance of continued progress with PM Hashimoto. Hope you keep up your efforts in this market.

- Pressing China for strong WTO accession package.

- Using WTO to attack discriminatory treatment of U.S. exports in Indonesia and Brazil.

- Pleased that under NAFTA, exports grew from 17,000 in 1993 to 91,000 in 1996.

- Cannot comment on exchange rates. You saw Secretary Rubin's comments in Hong Kong. I can say, however, that we are making clear to Japan it needs to take additional steps to open its markets to competitive U.S. goods and services and foster growth led by domestic demand.

Response to Yokich

Fast Track

- On the trade deficit with Mexico, it is wrong to assume imports displace U.S. jobs. History shows us that the U.S. trade deficit increases most when our job growth is highest, because our demand for imports rises as our income grows.

- As for NAFTA and jobs, any way you look at it, NAFTA has been a job creator for America. Exports to Mexico have grown 37 percent and exports to Canada have grown 34 percent under NAFTA, creating over 300,000 (not 700,000) jobs. The jobs supported by new exports to Mexico have already surpassed 200,000 this year -- in line with Administration projections. And export jobs are good jobs, paying 13 to 16 percent more than the national average.

- The facts are clear: If we do not move ahead, we will be left behind. Chile has already negotiated a free trade agreement with countries such as Canada and Brazil. If we do not move forward with trade negotiations, our exporters will face a cost disadvantage of 11 percent in Chile's fast-growing market.

- Fast track is vital for sustaining American leadership in the international economy and giving the President the credibility to negotiate tough deals. Every President for over 20 years has had fast track authority.

NLRB Appointments

- We have an agreement with congressional Republicans to move four nominees -- two Democrats and two Republicans. We are doing everything we can to get the nominees vetted before Congress recesses later this year. (The two Democrats are vetted, and the vetting process has begun for the two Republicans.) We are committed to getting this done if it is at all possible.

Tax Preference for Tuition Assistance

- Our HOPE Scholarship and Lifetime Learning Credit should, in most cases, eliminate any tax liability a worker faced for tuition assistance for his or her children. We will have Treasury work with you on how to design the automakers' programs so as to take maximum advantage of those existing tax credits.

- We will have to look more closely at your proposal of complete non-taxability.

Climate Change
September 19, 1997

Background: An international scientific consensus has emerged that human activities have had a "discernible impact" on climate. The Administration has accepted this consensus as the basis for developing proposals for international action to stabilize, and ultimately reduce, greenhouse gas emissions (primarily carbon dioxide from fossil fuel combustion). If left unaddressed, continuing increases in greenhouse gas emissions could produce significant economic and environmental harm, although there is considerable uncertainty regarding the distribution and timing of these effects. For instance, average global temperatures could increase by 2-6.5 degrees Fahrenheit by 2100. As a result, sea levels could rise by 20 inches, weather could become more variable (e.g., more droughts, floods, and severe storms), and infectious diseases could spread.

In the 1992 Framework Convention on Climate Change, the major industrialized nations agreed to an international treaty calling for returning greenhouse gas emissions to 1990 levels by the year 2000. The Administration's Climate Change Action Plan, announced in 1993, was based largely on voluntary measures. In July 1996 the State Department announced that the 1990 goals would not be met, and that voluntary targets could not assure dependable progress toward stabilizing greenhouse gas emissions. Current estimates indicate that the U.S. (and most other industrialized nations) will miss the 1990 goal by a wide margin. Accordingly, the U.S. has proposed a new approach that involves:

- **Binding target and timetables:** Emission-reduction targets should be binding. Timetables for reaching the targets should be realistic and achievable.

- **Flexible implementation measures:** Countries will design their own policies for achieving the targets; the United States has rejected proposals for uniform international strategies for reducing emissions. Instead, the United States has suggested several ways to maximize efficiency and flexibility -- including an international emissions-trading regime among developed countries; and an opportunity for developed countries to earn credits through "joint implementation" projects (i.e., assisting developing countries in reducing their greenhouse gas emissions).

- **Developing-country obligations:** Developing countries must commit to measurable progress in limiting greenhouse gas emissions as they develop. Over time, they should "graduate" to full participation in the developed-country framework. The Byrd Resolution, which passed the Senate 95-0 this summer, emphasized the importance of binding developing-country commitments.

Status: An NEC/CEQ-led group has been discussing options for the international negotiations to be held in Kyoto this December. Under Todd Stern's leadership, the Administration is also conducting an intense outreach effort on this issue. The President and Vice President have already met with corporate and environmental leaders to talk about climate change, and the Administration plans to continue extensive outreach activities with all affected constituents. We will hold a White House conference on October 6.

Auto Industry Views: The auto industry is extremely concerned about the potential adverse impact of actions the Administration might take on climate change. As Chrysler CEO Robert Eaton wrote in a July op-ed in the ***Washington Post***, [Climate change] has become a trade, economic and foreign-aid issue disguised as environmentalism, and we're moving toward a solution involving a massive transfer of wealth that won't do a thing to keep the polar ice caps from melting, but would severely undermine this country's international competitiveness."

Senior industry officials appear to share four strong views:

First, ***any commitment to meet binding targets and timetables is premature***, both because we still aren't certain a problem exists and because there has not been sufficient time for economic analysis of the potential effects of such a commitment. Because of its all-out opposition to binding targets and timetables, the auto industry has been unwilling to discuss ***how*** -- as opposed to ***whether*** -- to reach them.

Second, ***any agreement reached in Kyoto that adheres to the 1995 Berlin negotiating mandate is certain to be unfair***, industry believes. They claim that despite Administration efforts, developing nations are likely to be excluded, leading to distortions in competition and trade and an outflow of U.S. jobs with no corresponding environmental benefit. This concern has been the theme of a major industry-backed ad campaign, and it is at the heart of congressional support for the Byrd Resolution.

Third, ***any increase in CAFE standards would have an extremely adverse impact on U.S. automakers***, in industry's view. Given the congressional opposition to an increase in carbon taxes, a commitment to binding targets and timetables would leave the Administration no choice but to raise CAFE on cars and light trucks. A CAFE increase on light trucks, which account for nearly half of sales of most Big 3 profits, would be particularly damaging according to industry, because it is hard to raise truck fuel efficiency without sacrificing other things consumers care about.

Fourth, ***if climate change is a problem, the way to tackle it is by conducting a massive R&D effort***, leading to breakthrough technologies. Eaton has called for an effort that "would dwarf the Manhattan Project and the space program in scope and cost." He cites the government-industry Partnership for a New Generation of Vehicles (PNGV) as a model of what needs to be done in every sector and on a global basis.

Talking Points -- Climate Change and the Big 3

- The Administration has accepted the international scientific consensus that human activities are generating measurable, climate-affecting accumulations of greenhouse gases. If no action is taken, we believe there may be severe economic and environmental consequences. We reject the notion that increased concentrations of greenhouse gases are not a significant problem.

- Accordingly, the evidence points to the prudence of selecting policies that can act as a "global climate insurance policy". There is no dispute over whether such an insurance policy is needed, only disputes over the appropriate size of the policy.

- The Administration believes that a ***purely*** voluntary approach to reducing greenhouse gas emissions has been tried, and it failed.

- We are committed, however, to avoiding the economic consequences of acting precipitously. For that reason, we want to design a flexible, long-term approach, which provides plenty of opportunity for reassessment and non-disruptive economic adjustment. We realize that any long-term effort to reduce greenhouse gas emissions will require that substantial amounts of new technology be developed and diffused. The PNGV effort is a good example of how we can work together to ensure that a cleaner environment is consistent with continued economic growth.

- Targets and timetables have not been proposed, but when they are, they will be realistic and achievable.

- We ***will not*** support policies that put U.S. industries at a competitive disadvantage.

- We ***will*** demand that developing countries carry their fair share of the burden of reducing worldwide emissions.

- We are committing to working with industry to:

  -- design cost-effective approaches;
  -- address competitiveness issues;
  -- identify, develop and diffuse promising new emissions-reducing technologies and policies.

- We want substantive consultation and interaction with industry, and look forward to continue working with you on this critical issue.

AUTO TRADE, KOREA , JAPAN

Key Points

- Appreciate your personal contributions in helping us shape U.S. trade policy (Smith on APEC Business Advisory Committee, Eaton on USTR advisory committee for trade policy and negotiations, Trotman as head of Transatlantic Business Dialogue and now President's Export Council, Yokich as invited member of USTR/DOL Labor Advisory Committee on Trade).

- Have worked closely with you to open markets worldwide to U.S. exports. Will continue to press hard in Asia, Latin America and elsewhere.

    - Noted your letter to me asking Korea be designated under Super 301. We did so yesterday because I agree it is important to open Korea's sanctuary market as Korea expands export capacity.

    - Will continue to pressure Japan for access to distribution system. Both Vice President and I have underscored importance of continued progress with PM Hashimoto. Hope you keep up your efforts in this market.

    - Pressing China for strong WTO accession package.

    - Using WTO to attack discriminatory treatment of U.S. exports in Indonesia and Brazil.

    - Pleased that under NAFTA, exports grew from 17,000 in 1993 to 91,000 in 1996.

- Cannot comment on exchange rates. You saw Secretary' Rubin's comments in Hong Kong. I can say, however, that we are making clear to Japan it needs to take additional steps to open its markets to competitive U.S. goods and services and foster growth led by domestic demand.

Background:

Korea: The Big Three's top market access priority is to prevent Korea from utilizing its sanctuary home market to foster a huge expansion of Korean auto manufacturing export capacity. Imports hold less than one percent of the Korean auto market. Korean consumers fear harassment by tax authorities should they buy or lease a foreign car, and Korea imposes taxes based on engine size that make American cars, which tend to be larger, disproportionately expensive. Korea also imposes burdensome standards, and has or will significantly increase taxes on minivans and sport utility vehicles. Meanwhile, the Korean auto industry reportedly plans to increase its production capacity from 2.9 to over 5.0 million units by the year 2002 -- most of which will be for export. This significant increase in exports will compete with U.S.-built vehicles, not only in the U.S. market, but in third world markets throughout the world. The American Automobile Manufacturers Association, forty four House members and thirteen Senators have written to the President urging that Korea be listed a Priority Foreign Country in USTR's Super 301 Report.

Japan: The Big Three appreciate progress made under the U.S. - Japan Auto Agreement, but are very concerned about the yen-dollar ratio and the difficulty of attracting new dealerships in Japan. Overall, Big Three North American sales in Japan were up 34% in 1996 (78,000) and the Big Three sales from all sources were up 26% in 1996. Total Big Three sales exceeded their overall goal for 1996 (100,000) by 22,000 (122,000 cars sold in Japan). However, Big Three North American sales have declined by 19 percent in 1997 (Jan-Aug). GM has enjoyed the most success in Japan, mainly on the strength of their European-built Opels, U.S. built trucks and vans and their strategy to distribute most models through a Japanese importer. Chrysler and Ford have had less success, selling 23,000 and 17,000 vehicles, respectively, in 1996.

Yen-Dollar and U.S. Market Share: All three claim significant deterioration in profits in Japan because of appreciation of the dollar. Auto makers are deeply concerned about growing penetration of the U.S. market, which they claim is closely tied to exchange rate fluctuations. During the first eight months of 1997, Japanese-brand market share (imports and transplants) in the United States rose to 24% from 22.6% in the same period of 1996. Big Three share dropped from 73.01% to 71.2% over the same period. Of concern to organized labor, sales of vehicles exported to Japan from the U.S. transplants of Japanese auto companies have fallen 79% in the first eight months of 1997.

Other Administration Initiatives

Possible Asia Initiative: Asia's auto markets continue to be dominated by Japan. USTR and Commerce are working with the Big Three on a possible auto initiative that could include APEC as part of a broader strategy to open these fast growing markets.

Partnership for a New Generation of Vehicles (PNGV)
September 29, 1997

The Basics

PNGV was launched by you, the Vice President, and the CEOs of Ford, GM, and Chrysler on September 29, 1993. The most visible goal of the project is to develop, by 2004, a production prototype of a car that is affordable, attractive to US buyers because of its performance, capable of meeting or exceeding all applicable safety and environmental requirements, and able to achieve up to three times the fuel economy of today's cars.

The project also has two other goals (i) reducing manufacturing costs and development times for all car and truck production and (ii) getting fuel saving technologies on the road as soon as possible.

There is serious concern that the industry has not delivered on its commitment to move PNGV technology to vehicles on the road in ways that increase fuel economy before the 2004 target date – an explicit objective of the program. The industry argues that there is no market for efficiency, and in fact it has used the new technology to improve power and weight of cars and trucks without huge losses in fuel economy. The average fuel economy of new light duty vehicles has actually been declining since 1986 as sales of sport-utility vehicles, mini-vans, and other low-mileage vehicles have skyrocketed. The credibility of the entire PNGV program may be threatened unless there is some indication that the technology has been used to increase real fuel economy on the road. We suggest a way for you to raise this issue in the attached talking points.

Environmental Issues

A successful PNGV program is a critical component of meeting US climate change goals both because autos and trucks are large producers of greenhouse gases and because the partnership sets a precedent for cooperative research we hope to apply in other areas. Miles driven are increasing by 3% a year and there has been no improvement in the fuel economy of new cars for nearly a decade. Greenhouse emissions from transportation are expected to increase by a third during the next 20 years. However, EPA models show that an increase in fleet fuel economy of 2% per year beginning in 2000 could stabilize carbon dioxide emissions by automobiles by 2020. An increase of 3% per year beginning in 2000 could return us to 1990 levels of auto carbon dioxide emissions by 2040.

Efforts to control fuel consumption through fuel taxes or efficiency standards in the past have met with massive resistance. For all practical purposes, the PNGV is our only significant program for reducing emissions in highway vehicles – vehicles which contribute about 20% of US greenhouse gases.

Particulate emissions (which were the subject of the recent Clean Air Act standards issued by the Administration) are also an issue for PNGV. Very advanced diesel engines may be attractive engine candidates for the first PNGV concept cars because of their high fuel efficiency. However, diesel engines have higher particulate emissions than current gasoline engines and are essentially unregulated at the present time. This is the subject of ongoing research, but industry has not yet committed to a research goal that makes diesels as clean as gasoline engines. We are insisting that this is necessary to make diesels viable for PNGV, but the issue is unresolved.

Status and Funding

Now entering its fifth year, the PNGV program remains on schedule, and is approaching a scheduled "technology downselect" by the end of 1997. A critical PNGV "Steering Group" management meeting involving industry and senior administration officials is scheduled for October 1. This meeting will attempt to reach agreement on technologies that deserve continued research for the PNGV, as well as the package of technologies the auto-makers will consider for use in their 2004 "concept cars," which are due before the year 2000.

Early indications suggest that the auto-makers will urge selection of relatively conservative designs – designs that may fall somewhat short of the 80 mpg goal of the program. We will be urging them to remain flexible for as long as possible to allow technologies to develop further. We also will ensure that both industry and government research continues on more long-range solutions such as fuel cells.

Finally, we will be urging manufacturers to put some vehicles on the road in the nearer term that showcase technologies that are already available and will produce near term improvements in fuel efficiency. This is necessary both to meet the spirit of the original PNGV agreement and to match foreign competition. For example, Toyota has announced production of a high-mileage hybrid vehicle this year; and Daimler-Benz has promised production of thousands of fuel cell vehicles shortly after the turn of the century. While these vehicles do not meet all PNGV goals, including fuel efficiency and cost, they nevertheless are impressive first steps. If PNGV cannot at least match the accomplishments of our foreign competitors our credibility is sorely tested both publicly and on the Hill.

The FY98 budget request for the program is $281 million -- a 7% increase from FY97 -- of which about two thirds is in the Department of Energy. The partnership involves 7 federal agencies, 20 federal laboratories and over 350 business and universities. In the last several years, we have been able to maintain level funding despite congressional cuts in analogous areas, but we have not succeeded in getting requested increases. House and Senate action to date suggests the same result for FY98. For FY99 the budget for this project will become even higher priority because of its importance to climate change efforts and the need for additional funding in order to keep the project on schedule. The National Academy of Sciences peer review of the project has consistently said that the project is severely under-funded in light of its technical goals and timetables.

Issue Areas With Industry

There are several areas where industry and government do not see eye-to-eye.

First, industry has frequently suggested that the quid pro quo for their involvement in PNGV must be the Administration's agreement not to raise CAFE standards. (The environmental community fears such an agreement, which is part of the reason it has failed to endorse PNGV.) However, the Vice President has made clear to industry that we could not abrogate our statutory obligation to consider CAFE increases on their merits. In fact, however, we have not raised CAFE standards for cars at all, and have increased CAFE standards for trucks only .03 mpg in 5 years, less than the Bush Administration.

Second, industry has joined with the National Academy and others in saying that the government's PNGV research portfolio is under funded.

Third, because the goal of PNGV is a **prototype**, industry has not actually committed to putting vehicles on the road that will improve fuel efficiency of the fleet. Nevertheless, the government policy goal clearly depends on getting actual vehicles on the road. Industry needs to understand that without that demonstration the government's needs in entering into the partnership are not being met.

Talking Points

- **PNGV Progress and Status** --We are pleased with the progress of the PNGV program both because of its technical achievements and because of the success we've had in making an industry government research partnership work.

- **Budget** -- We appreciated your support for the program in the difficult budget negotiations on the Hill. If the project stays on track, we expect to ask for increased funding for the program to support the research plan that has been developed by the partnership, including increased funding for diesel emissions and fuel cells.

- **Issues to be Addressed By the Partners** -- We are at a critical juncture in that we are now focusing on specific technologies and vehicles as opposed to simply a range of research projects. We are concerned that the credibility of the program may be threatened unless we: (i) demonstrate that technology is coming into the marketplace in the near term that leads to real increases in fuel efficiency on the road (Goal 2 of the PNGV agreement) and (ii) show that we are ahead of, not behind, foreign competitors in our ability to put cutting edge technology on the road.

- **Reinforced High Level Support and Commitment** -- Since we are several years into the project, we also need to make sure that the teams on both sides don't lose their enthusiasm and high level support. We've had significant management changes on both government and industry teams. We need to reaffirm our commitment at the highest levels, and make sure the rest of the team, and the public is aware of the priority of this project.

- **Possible Solutions** --I'd like to direct our respective staffs to work on some options for addressing these issues as an adjunct to the work currently going on in PNGV. Examples of issues for discussion might include (but are not limited to):

 1. Joint public service advertising to make consumers aware that even the larger vehicles can be environmentally friendly if they are relatively fuel efficient;

 2. Federal fleet purchases for advanced technology vehicles in the initial stages of production. National parks may be good locations for try-outs of clean, quiet efficient vehicles;

 3. Additional PNGV focus specifically on light trucks, sport utility vehicles, and minivans. Many of the technologies being researched in PNGV are equally applicable to cars and light trucks. We've assumed that the companies would use them in light trucks as well as cars, but we'd be willing to discuss research that would additionally focus more directly on this growing share of the market; and

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

ADMINISTRATOR
OFFICE OF
INFORMATION AND
REGULATORY AFFAIRS

MEMORANDUM FOR THE PRESIDENT

FROM: Sally Katzen

SUBJECT: Briefing Materials for Meeting with Big Three CEOs re DOT/NHTSA Proposed and Final Air Bag Rules

In your meeting with the CEOs of the Big Three auto makers, the issue of auto safety may come up; if it does, one of the top items on their agenda is air bags, and in particular, what has been in the news lately -- DOT's proposal to allow deactivation of air bags. DOT is still rethinking its approach and you should avoid getting into a detailed discussion of a pending rulemaking; in any event, you may not want to dwell on what is essentially an interim, stop-gap measure that is being fueled primarily by misinformation in the media.

Background

As you recall, in a December 1996 radio address, you announced a comprehensive program of five DOT regulatory initiatives to make airbags more effective. Short term solutions included final rules requiring prominent air bag warning labels on all new vehicles and allowing, but not requiring, auto companies to install air bags that will deploy with 20-35 percent less force than current models. The long term, and best, solution is the development of "smart" airbags, which would vary the deployment of bags based on the force of the crash as well as the height, weight, and position of the occupants. Each of these initiatives has been well-received.

One of the other short term solutions that was announced as a proposal -- air bag deactivation -- has generated a lot of debate and criticism. Initially, DOT wanted to propose allowing the installation of air bag on-off switches, but because the auto companies said they could not quickly develop this technology, DOT ultimately proposed allowing owners to permanently deactivate their air bags (literally to have a qualified mechanic snip the wires). With the adverse publicity generated by the deactivation proposal, the auto companies came back saying that they could have the on-off switch technology available in short order. As a result, DOT has reversed its position and has just sent OMB a draft final rule that would allow owners to install on-off switches. [We would not expect to clear the rule for another few weeks.]

Deactivation/On-Off Switch Issues:

There are two aspects of this rule that the auto companies may raise with you:

- DOT is allowing owners to obtain on-off switches with informed consent -- owners must read and sign a detailed information sheet before a qualified mechanic can install the switches -- rather than having DOT itself approve applications for the switches. This is being characterized as a license for wide-spread deactivation of a safety device that has saved thousands of lives. The auto companies, who very much want to limit their liability, have joined together with public interest groups, insurance companies, State Highway Safety Representatives, and the American Academy of Pediatrics to urge that DOT be the gatekeeper. DOT insists that, given its resources, this would be unworkable.

- Providing this type of short term, interim relief is not on-message for us or for the auto companies: we want to promote effective air bags, not turn them off. The on-off switch -- like warning labels and depowering -- is simply an interim step designed to protect a limited at-risk population (mainly short statured and frail adults and children under 12) until smart air bags come on line (best estimate is 3-5 years).

<u>Suggested Talking Point</u>

If this issue should come up, you should change the direction of the discussion from on-off switches to how we get smart air bags quickly. In other words, you should ask the auto companies for their cooperation and commitment in developing this technology as soon as possible.

Contact: Sally Katzen

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

ADMINISTRATOR
OFFICE OF
INFORMATION AND
REGULATORY AFFAIRS

MEMORANDUM FOR THE PRESIDENT

FROM: Sally Katzen

SUBJECT: Briefing Materials for Meeting with Big Three CEOs re EPA's Proposed Particulate Matter and Ozone Air Quality Standards

In your meeting with the CEOs of the Big Three auto makers, they may raise the issue of EPA's Particulate Matter (PM) and Ozone Air Quality Standards Rulemaking. I have provided some background information and talking points for your meeting.

Background

As you know, whenever air quality standards are set by EPA under the Clean Air Act (CAA), States that are not in attainment with those standards are required to develop State Implementation Plans (SIPs) to come into attainment. Invariably, the SIPS focus on mobile sources such as cars, trucks, and buses to achieve the necessary emissions reductions, and, as a result, there has consistently been substantial pressure on auto makers and other mobile source industries to develop technologies and make other changes to reduce emissions. It should come as no surprise, then, that the recent EPA action to set more stringent PM and ozone standards is of great concern to these companies.

General Motors, Ford, and Chrysler all filed written comments opposing EPA's proposals, and all three companies met with White House policy offices, EPA, and other interested agencies to provide additional input. The auto companies challenged the science supporting EPA's health-based standards; noted that the air quality is consistently improving and that a number of regulations implementing the 1990 CAA Amendments already in the pipeline will yield additional benefits; and argued that it is premature to change the standards before the effects of all of these developments are clear.

When EPA set the new standards, it released a memorandum from you setting forth an implementation plan that should have allayed most of the Big Three's concerns. The implementation plan postpones imposition of controls for particulate matter for at least five years; with respect to ozone, it provides that States that sign-up for an "Ozone Transport Assessment Group (OTAG) plan (designed to minimize polluted air in the Midwest causing problems in the east) will most likely not have to take any other actions.

EPA will be issuing **this week** the proposed OTAG requirements, which are directed mostly at electric utilities, not mobile sources. While the auto companies will not be completely comforted, they should be less frantic about this one.

However, the Members of Congress who have opposed the new air quality standards are asserting that there are legal problems with the implementation plan and that, despite our best intentions, States might be forced to take more drastic action than we had contemplated. Industry is ambivalent about whether to shore-up the implementation plan or attack it in the hopes of destroying the standards themselves.

<u>Talking Points</u>

- As you know, I supported EPA's decision to set healthy-based standards to protect our children and others in the air they breathe. But we were very clear that we would be implementing these standards in a common-sense, cost-effective way.

- We are committed to doing the right thing the right way and are prepared to work with you to achieve these objectives.

Contact: Sally Katzen (x54852)

UAW Concerns
October 1, 1997

Fast Track

Contrary to the Administration, the UAW does not believe fast track would be good for the auto industry. Labor officials point to the increase in the U.S. trade deficit with Mexico since the passage of NAFTA. Although exports are up, they note that imports of parts and assembled autos and trucks are up as well, contributing to the higher trade deficit. Moreover, although employment in the auto industry is up -- reflecting the health of the overall economy -- they believe 200,000 jobs have left because of NAFTA.

Fast track will mean more investment by U.S. automakers in Brazil, Argentina and other countries. The UAW fears that when the economy slows down, the Big 3 will shut down plants in the U.S. rather than reduce their investment abroad.

If Republicans succeed in moving the fast track bill to the right, it will be worse than the fast track authority President Bush had, in UAW President Yokich's view. He believes the President would be ill-advised to demand a vote on such a bill, because it would be damaging to freshmen Democrats and the Democratic party overall.

Talking Points:

- On the trade deficit with Mexico, it is wrong to assume imports displace U.S. jobs. History shows us that the U.S. trade deficit increases most when our job growth is highest, because our demand for imports rises as our income grows.

- As for NAFTA and jobs, any way you look at it, NAFTA has been a job creator for America. Exports to Mexico have grown 37 percent and exports to Canada have grown 34 percent under NAFTA, creating over 300,000 (not 700,000) jobs. The jobs supported by new exports to Mexico have already surpassed 200,000 this year -- in line with Administration projections. And export jobs are good jobs, paying 13 to 16 percent more than the national average.

- The facts are clear: If we do not move ahead, we will be left behind. Chile has already negotiated a free trade agreement with countries such as Canada and Brazil. If we do not move forward with trade negotiations, our exporters will face a cost disadvantage of 11 percent in Chile's fast-growing market.

- Fast track is vital for sustaining American leadership in the international economy and giving the President the credibility to negotiate tough deals. Every President for over 20 years has had fast track authority.

U.S. Japan Automotive Agreement

The UAW does not believe the U.S.-Japan Automotive Agreement has worked, given the continuing trade imbalance.

Talking Points:

[See separate background paper and talking points on Auto Trade, Korea and Japan]

NLRB Appointments

Yokich will urge you to move quickly to fill vacancies on the National Labor Relations Board. Currently, three seats are vacant, and a fourth seat will open up if our recess appointment (Sarah Fox) is not confirmed before the end of the year.

Talking Point:

- We have an agreement with congressional Republicans to move four nominees -- two Democrats and two Republicans. We are doing everything we can to get the nominees vetted before Congress recesses later this year. (The two Democrats are vetted, and the vetting process has begun for the two Republicans.) We are committed to getting this done if it is at all possible.

Tuition Assistance for Workers' Children

The Administration has worked with the UAW and other groups to ensure that tuition assistance paid for by the employer remains non-taxable. The UAW would like to take that another step and provide a tax incentive for tuition assistance for workers' ***children.***

The UAW recently negotiated tuition assistance for workers' children in two of its collective bargaining agreements: 10,000 children will receive education assistance under the Ford/UAW agreement and 20,000 under the GM/UAW agreement. However, this assistance is fully taxable. The UAW believes wants tuition assistance for workers' children to receive the same preferential treatment that applies to tuition assistance for workers.

The HOPE Scholarship and Lifetime Learning Credit would, in most cases, eliminate any tax liability associated with income workers receive for their childrens' tuition assistance. However, the UAW wants non-taxability in addition.

Talking Points

- Our HOPE Scholarship and Lifetime Learning Credit should, in most cases, eliminate any tax liability a worker faced for tuition assistance for his or her children. We will have Treasury work with you on how to design the automakers' programs so as to take maximum advantage of those existing tax credits.

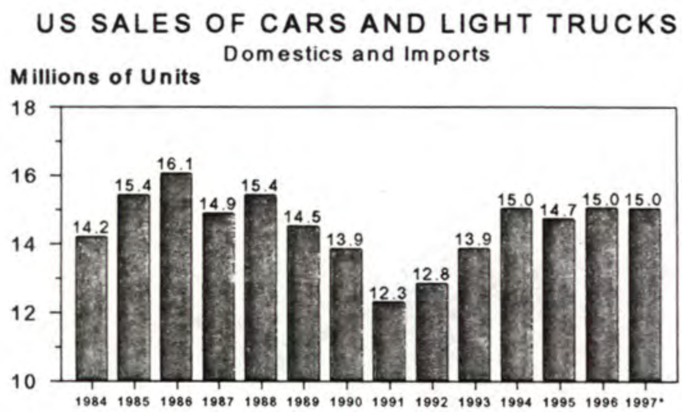
- We will have to look more closely at your proposal of complete non-taxability.

RECENT DEVELOPMENTS IN THE U.S. AUTO INDUSTRY

September 22, 1997

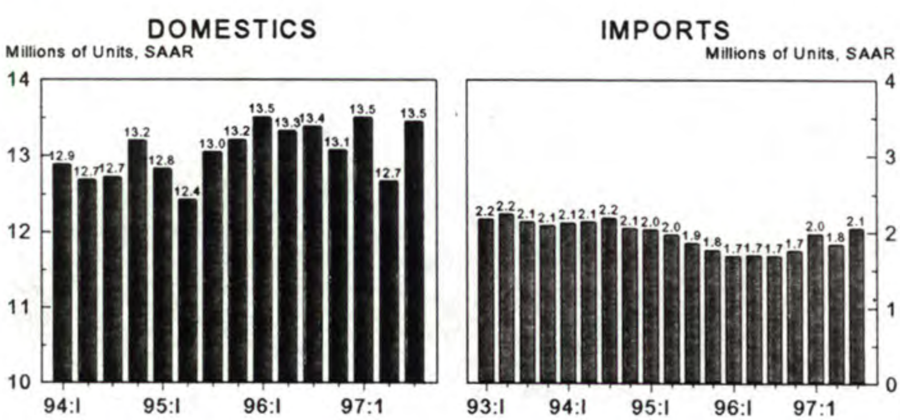
Overview of the Current Motor Vehicle Market

- **U.S. sales of cars and light trucks (domestically produced, as well as imported)** through the first eight months of 1997 are averaging a fairly strong 15.0 million unit annual rate, the same as for all of 1996.
  - -- Recent figures are slightly lower than in the mid-1980's, when results were boosted by a rebound from the back-to-back recessions from 1980 to 1982.



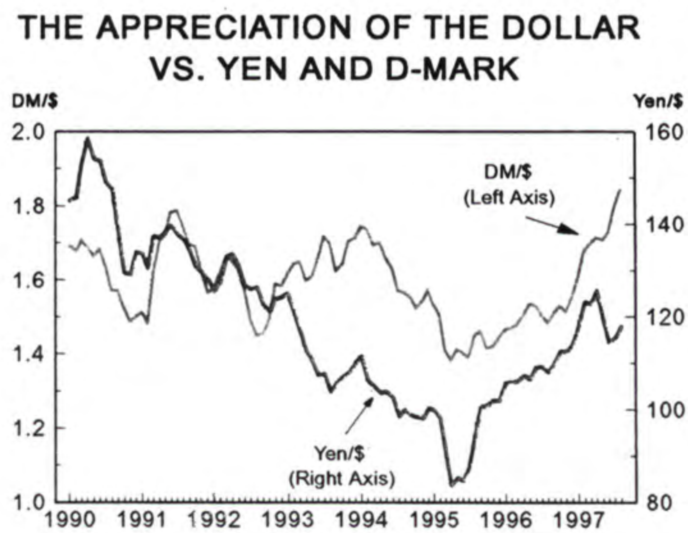
* 1997 based on results through August at a seasonally adjusted annual rate.

- **Sales this year have been uneven** because of a series of special factors. The first quarter was boosted by early tax refunds and mild weather, which pulled sales forward from the second quarter. The second quarter slumped as a result and domestic sales were also depressed by strikes at Chrysler and GM. (Note: Domestics include Big Three models, as well as those of foreign transplants.) Sales in the first two months of the third quarter have strengthened again, reflecting the resolution of the strikes, along with widespread incentive programs.



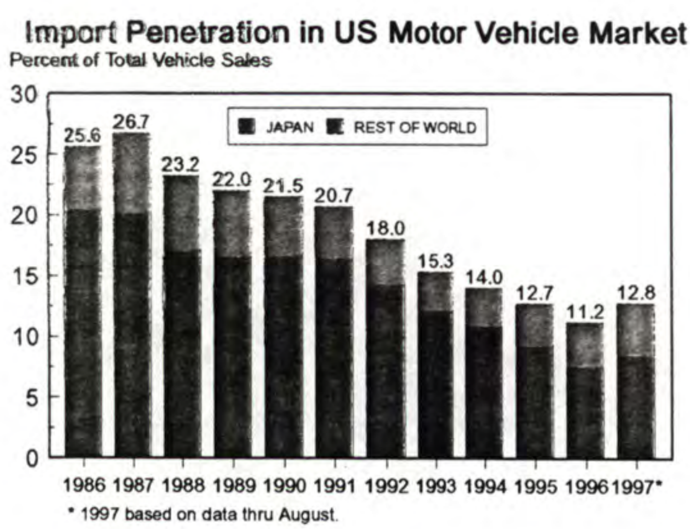
Note: 1997:Q3 based on results through August.

- **Exchange rate shifts** over the past two years have benefited foreign manufacturers. From lows in spring of 1995, the dollar has appreciated by about 40 percent against the Japanese yen and 30 percent against the German mark.



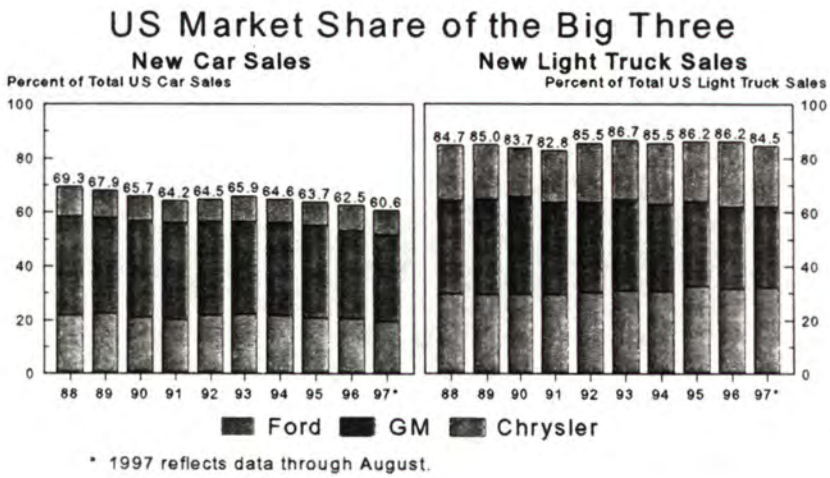
- The exchange rate advantage has contributed to a **1.6 percentage point gain in import market share** of U.S. motor vehicle sales through the first eight months of 1997 from a very low level last year. (See chart below.)

  -- A notable result of the strengthening of the dollar vis-a-vis the yen was that it allowed Toyota to price the 1997 Camry *below* the 1996 model, helping the **Camry to surpass the Ford Taurus this year as the top-selling automobile** in the United States. For the 1998 model year, however, Camry prices will be raised 1.7 percent.

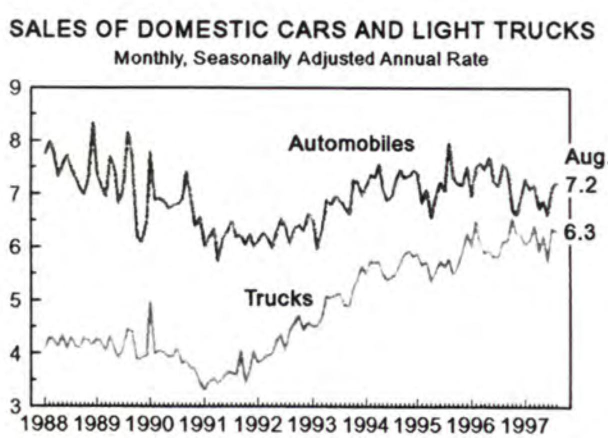


-- **This price-competitive market has caused the Big Three to hold prices under tight rein for 1998.** Ford will *lower* prices on the Taurus by $125 to $250, keeping prices flat on average across its entire line. GM has slated a 1.3 percent increase on average, while Chrysler will *reduce* prices by 0.6 percent.

- **The longer-term fall in import market share**, shown in the previous chart, **has not directly benefitted the Big Three**, as more foreign manufacturers provided vehicles for the U.S. market through production at transplants. Thus, the Big Three share of the new automobile market is currently running just below 61 percent — a 9 percentage point drop over the past decade. The Big Three still account for 84-1/2 percent of the truck market, although the share has also dipped this year.



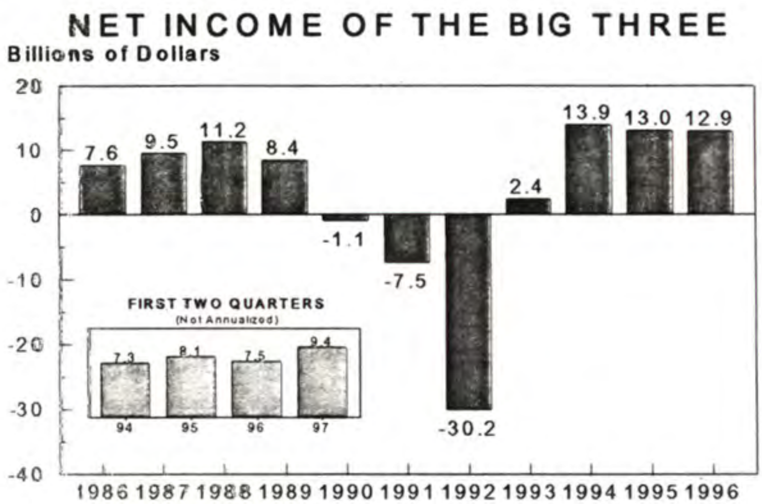
- The Big Three have nonetheless done well financially in recent years, in part because of the **American love affair with light trucks** (pick-ups, vans, and the jeep-like sports utility vehicles). The product offering of the American manufacturers is particularly strong in this market and these vehicles carry relatively wide profit margins.



Big Three Profits

- The strength of the light truck market, combined with significant cost-cutting efforts, has contributed to a **very favorable financial performance for the Big Three over the past several years**. (Note: Steep loss in 1992 reflects in part charges of $20.5 billion at GM and $7.5 billion at Ford for retiree health benefits to comply with a change in accounting required by the Federal Accounting Standards Board.) The good results have continued into 1997, despite strikes at GM and Chrysler and increased import competition (see window in chart below).

  -- Cash positions at the auto companies are strong. At the end of the second quarter, GM had cash on hand of $14.9 billion, Ford had $9.9 billion, and Chrysler $7 billion.



U.S. Ranks No. 1 in World Motor Vehicle Production

- In 1996, the United States produced 11.8 million vehicles (Big Three and transplants, combined), down a little from 12.0 million in 1995 but still sufficient to surpass Japan's 10.3 million units produced in 1996. This put the United States in first place among the world producers for the third successive year, after having consistently ranked behind Japan from 1980 through 1993.

The Outlook

- The **current economic environment is extremely favorable** for consumer spending and the auto market should certainly benefit. The share of the population employed has reached new highs this year of almost 64 percent, real wages have been rising, and consumer confidence has been at record levels.

- The industry's **competitive position remains very strong**, as it has been able to trim costs and build profits.

- Several factors will nonetheless offer challenges over the coming year.

  -- In addition to the exchange rate advantage, the **Japanese have a large line-up of new models** scheduled for introduction.

  -- An estimated **2 million vehicles are coming off lease** in 1997 and have already contributed to a 6.7 percent annual rate decline in prices of used cars over the first eight months of this year. These good used vehicles compete directly with new vehicles.

  -- **Some consumer budgets have been stretched by high debt levels**. Charge-off rates at commercial banks that top those of the last recession indicate that some consumers are in financial difficulty. Even so, solid wage growth and employment gains suggest continued support for consumer spending.

The Washington Post

July 17, 1997, Thursday, Final Edition

SECTION: OP-ED; Pg. A19

LENGTH: 977 words

HEADLINE: Global Warming: Industry's Response

BYLINE: R. J. Eaton

BODY:

In response to uncertain science and pressure from environmental activists and from countries eager for our jobs and our living standards, the Clinton administration seems poised to agree to a United Nations global warming treaty next December in Kyoto that would compel us -- probably unilaterally -- to curtail our fossil-fuel energy use in the next dozen years by more than 20 percent, one certain consequence of which would be a decline in the country's economic growth by a similar amount.

It would be an unwise and unnecessary move even if scientists could agree that the earth's atmosphere is getting warmer because of man-made carbon dioxide and other gases. It becomes more so given the fact that they can't.

One day, the science may be clear on this issue. But the economics are clear now, and so are the geopolitics.

The Kyoto document, as currently being drafted, would bind the United States and other developed nations to use no more fossil fuel energy in 2010 than they did in 1990. But the 130 developing countries -- such as China, India, Indonesia and all of Africa and Latin America -- would be exempt from the mandate on the theory that we've used more energy on a per-capita basis for a long time, and now we should back off and give them a turn.

Of course, without that higher energy use in the past, we would not be a "developed" nation in the first place, and without it in the future, we're not likely to remain so.

Theoretically, the rest of the First World would share our sacrifice and our fate, but I don't believe that for a minute. For one thing, who's going to police it? Our unique court system would guarantee our compliance, but I don't believe any other people would allow their feet to be held to the fire as we would.

Some European countries like Germany and Great Britain can reach or better their 1990 CO 2 levels with no significant forward reduction in energy use. For example, Germany gets to count as part of those 1990 emissions all the inefficient coal-burning factories now being torn down that were part of the former East Germany, and Britain made an economic decision in the 1980s to stop subsidizing its coal industry and move to more efficient and cleaner natural gas from its North Sea reserves.

In order to meet those 1990 standards, however, we would have to heavily tax or somehow rigidly ration our own energy use.

Even that would not reduce the total amount of man-made CO 2 going into the atmosphere; it would simply mean that less of it would come from the United States and more would come from the Third World, where cheap energy would be a magnet for industries like paper, steel, aluminum and chemicals, which depend on it.

This has become a trade, economic and foreign-aid issue disguised as environmentalism, and we're moving toward a solution involving a massive transfer of American wealth that won't do a thing to keep the polar ice caps from melting, but would severely undermine this country's international competitiveness.

If in fact we are in a period of global warming, and if man is contributing to it, and if there's something we can do to slow it down, then we should act. And it may be prudent to assume the worst until we know better. But we should act intelligently.

One model for action is the Partnership for a New Generation of Vehicles (PNGV), also called the "Supercar" project. It combines the research capabilities of the Big Three automakers, our suppliers and some key national laboratories like Argonne and Sandia to produce a car some time early in the next century that will get about 80 miles per gallon and produce less than half the CO 2 of today's vehicles, but with roughly the same cost, performance and comfort of a mid-size family sedan of today. It's a sterling example of a private- and public-sector partnership where scientists and other researchers work together toward a common goal.

The "Supercar" project is the U.S. auto industry's contribution to the global warming solution. But, contrary to conventional wisdom, autos are not a major contributor to total greenhouse gases in the environment. In fact, eliminating all the cars and trucks in the world would reduce the total carbon dioxide going into the atmosphere by less than one-half of one percent. Almost 97 percent of that CO 2 , after all, comes from natural sources such as plants and oceans. And the automobile contributes only one-eighth of that small remaining fraction of CO 2 attributable to man.

Cars are part of the mix, but only a small part. The Supercar project will address that part, and it can serve as a model for a much broader joint research effort involving all the major industries in the country and all the research resources of the federal government.

But this effort would dwarf the Manhattan Project and the space program in scope and cost. It would have to be a global program to be feasible, with everybody taking his fair share of the responsibility, sacrifice and cost.

This is the sensible approach to global warming, not an international treaty based on inconclusive science that would have no chance of solving the problem (if we have one) but which would have disastrous economic consequences for all Americans. It is sensible because only new technology will allow us to continue to grow our economy while managing the level of CO 2 output.

We have plenty of time to make intelligent decisions based upon solid science. We should invest in that science and keep an open mind. Science may eventually tell us that dimming the lights, turning off the air conditioning, sacrificing some of our industrial competitiveness and curtailing economic growth is the responsible thing to do. If so, we should do it. But if so, it should be the last thing we do, not the first.

The writer is chairman of Chrysler Corp.

LANGUAGE: ENGLISH

LOAD-DATE: July 17, 1997

Daniel Lashof
And Howard Geller

Chrysler On Climate: Bad Science

And corporate America's denial.

As negotiations for next December's U.N. climate treaty in Kyoto enter their final phase, coal, oil and auto-industry interests are revving up their misinformation campaign. This is exemplified in "Global Warming: Industry's Response," by Chrysler Corp. Chairman R. J. Eaton [op-ed, July 17].

Eaton has a three-point plan for denying responsibility for the global warming problem: (1) It isn't a problem. (2) If it is a problem, we didn't cause it. (3) If we caused it, doing anything about it would be too expensive. Surely in running Chrysler, Eaton relies on better science and economic data than that contained in this polemic.

More than 2,000 scientists agree that global warming poses a severe threat. Even British Petroleum CEO John Browne said, "There is now an effective consensus that there is a link between the concentration of carbon dioxide and the increase in temperature, [and] it would be unwise to ignore the mounting concern." And the increase in concentrations—25 percent in the past

Taking Exception

century—is without doubt due to human sources, particularly coal-burning power plants and gasoline-burning cars. U.S. automobiles alone contribute more CO_2 to the atmosphere than do all sources in India.

Opponents of a Kyoto accord argue that even if there is a problem, the United States should not sign up to binding pollution limits unless developing countries, such as India and China, agree to similar limits. Yet while Americans have more than one vehicle for every licensed driver, most Indians and Chinese are just now getting their first refrigerators. While we should encourage India and China to use energy as efficiently as possible, insisting that poor countries adopt emission limits on the same schedules as rich ones is not only unfair, it is certain to undermine the Kyoto talks.

On a cumulative basis, industrialized countries are responsible for more than three-quarters of CO_2 emissions from burning fossil fuels. Once we begin seriously to reduce our own emissions, we can credibly insist on phasing in limits for developing countries. In the meantime, well-designed implementation policies can ensure that the U.S. economy is not harmed.

Eaton is right about one thing. Advanced technologies, not tax increases, are the key to achieving large reductions in greenhouse gases. The "Supercar" project he touts can make a contribution, but only if fuel-efficient vehicles make it out of the laboratory and into mass production. Unfortunately, Chrysler, Ford and General Motors have made no such commitment. Meanwhile, Honda announced that 65 percent of its '98 Accords sold nationwide will meet California's Low Emission Vehicle standards, and Toyota announced plans to market a 60-mile-per-gallon vehicle in Japan starting next year.

Advanced technologies such as advanced building designs, fuel cells, advanced wind turbines and solar technologies for generating electric power, and new bioconversion technologies for producing fuels from waste materials can slash emissions from power plants, factories, homes and vehicles.

Following an innovative path could reduce U.S. CO_2 emissions to 10 percent below 1990 levels by 2010, while boosting economic performance. Consumers would save $530 per household per year, and the economy would support 800,000 more jobs by 2010 compared with the present path. By 2030, CO_2 emissions would fall 46 percent.

Rather than relying on bad science and economics to deny responsibility, major companies like Chrysler should acknowledge that global warming poses a serious risk, their products are contributing to the risk and with the risk comes an opportunity. The companies that innovate and clean up their processes and products will be the companies that thrive in the 21st century. Industry should seize this opportunity and support a strong agreement to protect the planet in Kyoto.

Daniel Lashof is a senior scientist at the Natural Resources Defense Council, and Howard Geller is executive director of the American Council for an Energy-Efficient Economy.

6/29/97 NYT

Auto Makers Seek to Halt Tough Rules On Clean Air

By KEITH BRADSHER

DETROIT, June 27 — After five years of worrying that the Clinton Administration might tighten air quality regulations, the auto industry's fears have finally come true.

President Clinton approved more stringent metropolitan air quality standards on Wednesday. A day later, in a more serious blow to the auto industry, the President declared that at an international conference next December in Kyoto, Japan, the United States would favor the adoption of binding limits on greenhouse gases, which may contribute to global warming.

Auto industry officials had been fretting about both issues for months, and they have begun lobbying Congress to block both Administration initiatives. International carbon dioxide limits are an unnecessarily drastic response to a global warming threat that has not yet been proved to exist, said Andrew H. Card Jr., president of the American Automobile Manufacturers Association, a Washington trade group representing Detroit's Big Three.

The metropolitan air quality rules, Mr. Card said, "are ill-conceived, economically disadvantageous to the country and will put a particular burden on the auto industry and the people of Michigan."

Controls on the emissions of carbon dioxide, one of the greenhouse gases, represent a potentially dire threat to auto makers. Carbon dioxide is produced in large quantities when gasoline is burned in an internal combustion engine. Reducing carbon dioxide emissions means improving fuel economy or reducing the number of cars on the road.

Detroit auto makers in particular are struggling to meet existing fuel economy standards as they sell ever more gas-guzzling sport utility vehicles. Tighter standards could severely crimp profits.

Auto industry executives have been downright caustic in recent speeches about the possibility of carbon dioxide limits.

"This sort of fuzzy thinking provides the warm illusion of saving the sky, which we're not even sure needs saving, but it won't have any impact at all on global warming," said Robert J. Eaton, the chairman and chief executive of the Chrysler Corporation. "It will just move jobs to those countries which are allowed to spew whatever they want into the air."

President Clinton chose on Thursday not to impose immediate carbon dioxide limits, but auto executives had never expected that he would do so and were not impressed. The main goal of industry lobbying has been to make sure that any carbon dioxide limits negotiated in Kyoto were voluntary. Detroit executives are convinced that only the United States would actually obey binding limits while other countries would flout them.

But Mr. Clinton clearly stated on Thursday that the limits should be binding, saying, "We will bring to the Kyoto conference a strong American commitment to realistic and binding limits that will significantly reduce our emissions of greenhouse gases."

Auto makers have tried to market vehicles that can burn natural gas or alcohol or run on electric power from batteries. But demand has been weak, with Federal, state and local agencies often ignoring laws written to force them to buy alternative-fuel vehicles.

Ford, the main producer of such vehicles, announced on Friday that it would broaden its lineup to 11 models this autumn, including several that burn ethanol, a type of alcohol. Yet Ford had combined sales of just 8,461 alternative-fuel vehicles across five model lines last year.

Behind the dismay in Detroit about the latest Administration moves lies a very real worry at General Motors, Ford and Chrysler that they will be put at a competitive disadvantage, against their foreign-company rivals. Ford and particularly Chrysler already produce more sport utility vehicles, mini-vans and pickup trucks than cars. But cars tend to be much more fuel-efficient and therefore produce less carbon dioxide.

G.M. will be producing more light trucks than cars within several years, while most foreign auto makers overwhelmingly make cars and will continue doing so.

The metropolitan air quality standards could also hurt the Big Three. While they still have many of their factories in big Midwestern cities with pollution problems, Japanese and European auto makers have chosen to build their newer assembly plants in small Southern towns. These choices of factory sites were mainly aimed at forestalling unionization, but the sites also tend to have clean air that is likely to meet the more stringent standards without any extra spending by the foreign auto makers.

Detroit Challenge

Japanese Car Makers Plan Major Expansion Of American Capacity

Though It's a Mature Market, Toyota and Honda Have Many Reasons to Build

Response to Dealer Pressure

By VALERIE REITMAN
Staff Reporter of THE WALL STREET JOURNAL

DETROIT—Two Japanese auto makers are turning up the competitive heat on the U.S. Big Three again.

Toyota Motor Corp. is planning to build at least one more assembly plant in North America, and Honda Motor Co. has similar plans. The new investments would be undertaken even before the companies' factories that are now under construction are completed.

Toyota is planning a fifth assembly plant in the U.S. or Canada, says Akira Yokoi, executive vice president for international operations. The No. 1 Japanese auto maker also plans to double the capacity of a truck factory it is building in Indiana to 200,000 vehicles a year. And Toyota is negotiating to buy out General Motors Corp.'s share of their jointly operated Fremont, Calif., factory; that would enable Toyota to produce about 100,000 more Toyotas a year, GM and Toyota officials say.

Big Increases

If Toyota pulls all of this off, it would be able to build about 1.5 million cars and light trucks in North America annually by early in the next decade. Last year, at its Kentucky, California and Ontario plants, Toyota built 785,000 vehicles, close to its capacity. Under previously announced plans, it expects to be able to build 1.1 million a year by 1998.

Honda is scouting sites for a fourth assembly plant in the U.S. or Canada, people familiar with the company's plans say. The size of such a plant isn't known, but a typical Honda start-up has initial capacity to build about 100,000 vehicles a year. Last year, the company built 790,000 vehicles in North America (also close to capacity), and a plant now under construction in Ontario will be building 120,000 new minivans a year by next fall.

Osamu Iida, Honda's executive vice president for North America, said in a recent interview that the auto maker has no plans to expand further in North America. Asked again yesterday, Takanori Sonoda, a Honda spokesman, said the company's position hasn't changed.

Total Impact

Should Honda go forward with a new plant, the two companies' new ventures would lift their combined North American capacity to more than 2.5 million vehicles annually by early in the next decade. By contrast, Chrysler Corp., the No. 3 U.S. producer, built 2.77 million vehicles in North America last year. In 1996, North American factories were capable of building 17.2 million cars and light trucks, of which Japanese-owned factories accounted for 3.2 million vehicles, or 18%, according to figures published by Automotive News, a trade weekly.

This latest wave of planned expansion reflects the two Japanese companies' heightened aggressiveness in North America. It also is a challenge to the Big Three on their home turf — at a time when North America already has more plants than its mature market can support.

GM, Chrysler and Ford Motor Co. themselves may be about as strong globally as they have been in 20 years, and all three are pursuing growth—but overseas, where they see big opportunities in the developing markets of Latin America and Asia. They see mostly stagnation in North America, although Andrew Card, president of the American Automobile Manufacturers Association, notes that in the past four years they have spent $40 billion on retooling their U.S. factories.

Political Implications

The top Japanese companies, though, think they can sell a lot more vehicles in North America while also investing in China and India. Much of the new North American production will simply displace imports, however; the Japanese believe they need more factories in North America to enable them to hold down their politically sensitive imports from Japan. In July, surging imports of Japanese vehicles expanded the U.S. trade deficit with Japan to its highest monthly level in two years, setting off alarms in Washington.

The other Japanese manufacturers that started building cars in North America in the 1980s aren't doing as well as Toyota and Honda. Although Nissan Motor Co., the No. 2 Japanese auto maker, has introduced some popular vehicles in North America this year, it is saddled with a huge debt load in Japan and isn't in a position to expand much beyond its single U.S. assembly plant and a financially troubled plant in Mexico. Mazda Motor Corp. and Mitsubishi Motor Corp. have racked up big losses in North America in recent years.

Toyota executives say they are simply responding to dealer pressure for more cars. Some Toyota dealers have less than one week's inventory of vehicles such as the top-selling Camry sedan, far less than the two-month supply generally considered necessary to ensure that customers can get the color and trim packages they want. Supplies of some popular light trucks, such as the small RAV4, are limited because they come from Japan, where factories can't keep up with demand and auto

Please Turn to Page A12, Column 1

Japanese Car Firms Plan U.S. Expansion

Continued From First Page

makers are sensitive to U.S. complaints about surging exports.

"I wish they were all built here," laments J. Davis Illingworth, a top Toyota sales executive in the U.S. "Then we could really let it rip."

With the new wave of investment, Toyota and Honda are expected to hit the Big Three where it hurts: in light trucks. Because of a 25% U.S. tariff on light trucks, the Japanese have generally had difficulty competing with Detroit's pickups, vans and sport-utility vehicles, and the Big Three have chalked up huge profits on these vehicles. During the past few years, the Japanese as a group actually lost six or seven points of market share in the light-truck segment, says Joseph Phillippi, a Lehman Brothers Inc. analyst.

Most vulnerable to the latest Japanese onslaught may be GM, which has been losing market share. GM has reduced its payroll by 208,000 hourly workers since 1985 and, some experts say, still needs to prune 50,000 or more of its current blue-collar work force of 227,000; GM says it will make the cutbacks through attrition. In the first eight months of this year alone, GM's U.S. market share dropped nearly one percentage point to 30.8%. But Toyota picked up 0.5 point to 8.3% and Honda 0.7 point to 6.1%.

Weakening Yen Cited

Mr. Card attributes the Japanese gains in market share to the weakening of the yen in the past few years. "It's troubling that the excessively weak yen has the Japanese trying to export their products around the world," he says.

Aided by the weak yen, Toyota, for example, cut the price of its remodeled Corolla 10% from that of the previous model. At the start of the vehicle's development, the dollar was valued at only 80 yen; it now fetches about 122 yen. The dollar's rise and the yen's drop make imported parts from Japan, such as engines and transmissions, cheaper in dollar terms.

In addition, Toyota and Honda have paced the industry with cost-cutting design and technological innovations, which also have helped both companies cut their U.S. car prices while adding features. Oddly enough, the innovations largely stemmed from the strength of the yen earlier in the 1990s. The strong yen ultimately was a "blessing in disguise," says Suguya Fukusato, the chief engineer on the Corolla, because the engineers were forced to find radical cost innovations to meet the price targets they had set for the car.

Moving more production to North America will help make the Japanese auto makers even more competitive. Toyota and Honda usually build new factories in areas where the tallest building is a grain silo and where they can handpick a productive, cooperative work force that won't bring in a union. Even when a Big Three company overhauls an old plant at great expense, by contrast, it is stuck with an older work force and frequently with high-cost union contracts and work rules.

Manufacturing in North America also insulates the Japanese from currency fluctuations, which can wreak havoc on prices of imported vehicles. While the exchange rate is highly favorable now for imports from Japan, most Japanese auto executives expect the yen to strengthen again. And building vehicles in North America exempts them from U.S. tariffs.

New U.S. Jobs Emphasized

In theory, at least, making more cars in the U.S. helps insulate the Japanese politically, too, because they create American jobs. "These are cars made in America for Americans by Americans," Honda's Mr. Iida says.

Just two years ago, the U.S. was threatening to slap 100% tariffs on luxury-car imports if the Japanese didn't agree to increase their North American parts purchases. The Japanese defused the crisis by publishing estimates of planned increases in purchases of North American parts, announcing Toyota's Indiana investment and agreeing to make it easier for U.S. auto makers to sell cars in Japan. For the most part, the Japanese seem to have lived up to the terms, although some U.S. industry groups disagree. Honda now builds 80% of the vehicles it sells in North America here; Toyota's share is about 60%.

Details of the Toyota and Honda new plants are still being decided. Toyota's Mr. Yokoi says Toyota's newest plant will probably build sport-utility vehicles and passenger cars sharing the same chassis, with the lineup to be decided in a few months. He rules out building the RAV4 at the new plant, however. "It has no brothers," he says, referring to similar models built on the same platform.

Toyota is debating whether to locate its next plant amid the cluster of its other Midwest factories or in a new region. "To save costs, our new plant should be close to existing plants," Mr. Yokoi says. "On the other hand, we should be diversifying" to other areas for political reasons.

One big consideration in choosing sites has to be the labor supply. Honda officials say they would have difficulty expanding their plants in Marysville and East Liberty, Ohio, because of the area's low unemployment rate. Assembly-line jobs are highly sought after. About 53,000 hopefuls applied for the initial 1,300 jobs at Toyota's Indiana truck plant.

Transport Research Laboratory

U.S. officials have not done tests on minimizing damage when high-riding vehicles strike small cars. In Britain, a Range Rover caused serious damage to a Ford Escort at 18.6 miles per hour.

A Deadly Highway Mismatch Ignored

By KEITH BRADSHER

LIGHT TRUCKS, HEAVY RISK
A special report.

DETROIT, Sept. 23 — Albert and Marianne Hassan were driving their Chrysler Concorde through Merrick, N.Y., last spring to pick up their 3-week-old son when a Chevrolet Suburban slammed into their car at an intersection. The Suburban's high front end pushed in the driver's side door, hitting Mr. Hassan in the chest. He died quickly of internal bleeding.

The 5,000-pound sport utility vehicle shoved the 3,300-pound car, a midsize family sedan, sideways for 50 feet until the other side of the car was crushed against a tree, blinding and critically injuring Mrs. Hassan. The driver of the Suburban was not injured.

Crashes like this one, in which the police accident investigator says the Suburban's weight and high front end worsened the injuries, are becoming more common. The number of collisions between a car and a light truck — a sport utility vehicle, pickup truck or mini-van — has been rising steadily. While they still make up a minority of two-vehicle crashes, these accidents now account for a majority of deaths in such crashes, and 80 percent of these deaths are in the cars.

The problem has alarmed a few safety researchers and some insurers. "It's something we need to work on desperately quickly," said C. Adrian Hobbs, the secretary of a new, mostly European panel studying collisions between vehicles of different sizes. "If nothing's done, people are going to continue to be killed unnecessarily."

Yet little has been done, either in Washington or Detroit:

¶Seven years after the introduction of the Ford Explorer set off a surge in sales of sport utility vehicles, Federal regulators have not performed a crash test to determine what happens when these vehicles and pickups of similar design hit a car. Such tests could be a first step toward requiring auto

Continued on Page D6

Big 3 and Washington Ignore Mismatch of Cars and Light Trucks

Continued From Page A1

makers to make light trucks less dangerous to other vehicles.

¶Most of the Federal money designated to study crashes between different sizes of vehicles has been spent instead on air-bag safety studies in each of the last two fiscal years. This was because of an outcry over reports that 82 children and short adults have been killed by the devices. Yet Federal accident statistics show that collisions between light trucks and cars now kill that many people in cars each week.

¶Auto makers in the United States have paid little attention to the problem. Engineers at the auto makers say they work mainly on protecting the occupants of the vehicles they design and have no formal procedures for calculating and reducing the risk to occupants of other vehicles.

¶The auto makers play down the risk to people in cars posed by much heavier pickups and sport utility vehicles. Yet in fighting Federal regulations intended to make new cars more fuel efficient, they have warned against building lightweight cars because they would be much more dangerous in crashes with vehicles already on the road.

¶American car makers have largely ignored how the design of a vehicle may affect other vehicles in a crash, contending that it is weight difference, and not design, that determines who lives and who dies in crashes. Yet research in Britain has found — and the top safety official for the American auto manufacturers' trade group agrees — that sport utility vehicles and pickups are particularly deadly when they hit a car in the side because they ride higher off the ground and are more likely to strike the occupant of the car in the head and chest.

Crashes with light trucks, particularly pickups and sport utility vehicles, are especially deadly for people riding in the small, fuel-efficient cars that have been produced over the last quarter-century in an attempt to reduce gasoline consumption and pollution. And pickups and sport utility vehicles pose an even bigger threat for the extremely fuel-efficient, 2,000-pound family cars that auto makers say they will build early in the next century.

Highway safety groups have also largely ignored the issue, focusing on air bags, fuel-tank safety and other concerns. Indeed, safety experts and auto makers in Europe, where there are many small cars, have been doing more about the dangers of light trucks than their American counterparts, even though sport utility vehicles and pickups are less common there.

Germany's equivalent of the American Automobile Association performed a crash test in 1993 that involved a nearly head-on collision at 31 miles per hour between a 2,400-pound Volkswagen Golf and a 4,800-pound Nissan sport utility vehicle. The Nissan rode up over the Volkswagen's hood nearly to the base of the Golf's windshield; the crash dummy in the Golf suffered head injuries that measured 3,177 on a scale for which readings above 1,000 are considered fatal. Partly in response to that test, Mercedes-Benz has designed its new sport utility vehicle to reduce the damage to cars.

But it is the Big Three American car makers — General Motors, Ford and Chrysler — that make 86 percent of the nation's light trucks and all of the biggest sport utility vehicles. These vehicles are their most profitable models; Ford earns as much as $14,000 on each of its biggest sport utility vehicles, the 5,200-pound Expedition and the similar 5,600-pound Lincoln Navigator. In fact, the Big Three earn their entire profit on light truck sales, barely breaking even on cars.

Of course, sport utility vehicles and pickups do not cause accidents; people do, when they drink, speed or otherwise show poor judgment. Executives at Detroit auto makers are quick to point this out. They also note that light trucks are a lot smaller than some other vehicles on the road, like tractor-trailers. "Even if you're driving a tank down the road, you could always get hit by a locomotive," said Robert Purcell, G.M.'s director of advanced technology.

The auto makers contend buyers need vehicles that ride high so they can drive off paved roads. In fact, few buyers use light trucks this way. According to an internal memorandum, the Big Three found in a joint 1995 study that only 13 percent of sport utility vehicles were driven off road, 18 percent of pickups and no mini-vans.

Most of all, auto executives say they are simply building the vehicles that Americans want. And the sales figures bear them out. Nearly seven million vehicles or 44 percent of all autos sold last year — were light trucks, compared with 16 percent in 1971. The fastest-growing sales are for the biggest light trucks; almost three million of those sold last year weighed more than 4,000 pounds. Sales of the biggest sport utility vehicles have quintupled in six years, while the overall auto market has grown only 23 percent.

"It's a good formula for the customer, and that's what we're providing," said Alexander Trotman, Ford's chairman.

Death Toll Rises

5,447 Killed Last Year In Car-Truck Wrecks

Just as it is hard to prove that any one victim of lung cancer acquired it through smoking, it is hard to prove in any specific crash that the people in the car would have fared better if hit by another car instead of a light truck. And just as the main evidence for the harm of cigarettes lies in studies of thousands of smokers, the best evidence for the problems created by light trucks lies in statistics on thousands of crashes.

More Americans (5,447 last year) now die in crashes involving a car and a light truck than in crashes involving two cars (4,193), according to Federal statistics. This is the case even though there are twice as many cars as light trucks on the road and even though car-to-car collisions remain more common than car-to-light-truck collisions. And for every person who dies in a light truck that collides with a car, four people die in cars hit by light trucks.

Pickups and sport utility vehicles are becoming a lot heavier, and potentially more deadly, as more buyers choose more powerful engines and amenities like air-conditioning and plusher interiors. The latest Suburbans, for example, are a half ton heavier than the 1985 model that hit the Hassan family's Concorde. The extra weight can make a bad crash worse.

Take a collision between a 2,900-pound Honda Accord and a 6,000-pound Chevrolet Suburban. The Accord driver would be at least 13 times as likely to be killed as the Suburban driver, based on a formula calculated for crashes by Leonard Evans, a top safety researcher at G.M. The formula was based on car-to-car crashes and may understate the danger of a crash with a light truck.

One big insurer, the Progressive Corporation in Cleveland, has already raised liability premiums for sport utility vehicles and large pickup trucks after an analysis determined that medical bills for people hit by these vehicles were unusually high. Other insurers are considering similar moves.

Police investigators who handle traffic accidents do not need such statistics to convince them of the dangers of light trucks. They say that many of the worst crashes they see these days, with deaths and especially serious injuries, occur in collisions between light trucks and cars.

While mini-vans are classified by the Government as light trucks, experts say they are less deadly because they tend to weigh less than other light trucks, ride closer to the ground and have frames that are less damaging in crashes. Indeed, even a mini-van can fare poorly in collisions with other light trucks. Cynthia S. Wellons of Hampton, Ga., was driving a 3,200-pound Dodge Caravan mini-van last June when the driver of a 4,500-pound Chevrolet Blazer coming the opposite way had a coughing fit and, police say, crossed the center line.

The Blazer, with its high bumper and frame, ran up on the mini-van's hood, crushing the engine, dashboard and steering wheel onto Ms. Wellons, who was wearing a seat belt but was killed. The Blazer's driver, Richard D. Thornton, suffered a bruised heart and lung and was released after a night in the hospital. "If I'd been in a smaller vehicle and they were in the same, they probably would be better, but I'd be dead," Mr. Thornton said, adding that he hoped to buy another sport utility vehicle.

In this crash and in the one that killed Mr. Hassan on Long Island, the victims might have died even if hit by a car. Both crashes may have involved some driver error. The driver of the Suburban who hit the Hassans, Anthony Montouri, has been charged with driving under the influence of alcohol; he has denied any wrongdoing.

But in each case, accident investigators concluded that the accidents would have been less severe if only cars had been involved. The Suburban that hit the Hassans' Concorde was "up much higher than if it were a car, and that means more intrusion into the vehicle," said Gary T. Ferrucci, a Nassau County accident investigator.

Federal Testing

Difference in Weight And Height Is Ignored

For two decades the Government has tested cars for how well they protect occupants in crashes and then rated them according to the results. Reprinted by car buying guides and cited in automotive advertising, these ratings influence the buying decisions of millions of Americans.

But given the proliferation of sport utility vehicles and pickups, the crash test results seem increasingly irrelevant.

The tests were created in the 1970's, when light trucks were mainly pickups for commercial and agricultural use and accounted for only a sixth of the auto makers' sales, compared with nearly half now. The tests require family vehicles to protect occupants from death when crashed at 30 m.p.h. into a concrete barrier. The Government gives safety ratings of one to five stars based on separate concrete-barrier tests at 35 m.p.h., supplemented more recently by side-impact tests that involve slamming a 3,015-pound sled against the vehicle.

But hurling a car into a concrete barrier is equivalent only to crashing it into another car of the same weight. Indeed, the Government attaches a little-known footnote: The ratings are valid only for collisions with vehicles within 500 pounds of the same weight. So, while the 2,300-pound Honda Civic won four stars for the safety of the driver and five stars for the safety of the front passenger, it is really no match for the 5,600-pound Lincoln Navigator, a sport utility vehicle that has the same ratings.

Some safety experts think another caveat is needed: that the ratings may not hold true for collisions with higher vehicles that may override the bumpers and other protective features of a car. When a car runs into a concrete barrier, the impact always occurs precisely on the bumper, which tends to be in front of the vehicle's strongest parts. But while car bumpers are required to withstand impacts at a height of 16 to 20 inches off the ground, light truck bumpers are not regulated and often extend much higher.

Installing four-wheel-drive — twice as common now as a decade ago — raises a vehicle's underbody by two or three more inches. While many manufacturers try to make sure that the bottom edge of their light truck bumpers extends below 20 inches, safety experts at insurers and elsewhere say this does not do much good.

"If you get a frontal collision, the sport utility vehicle bumper will tend to go over the hood of the car — that's bad," said Charles R. Baker, a top Honda engineer.

New research in Britain suggests that height differences could be particularly important when sport utility vehicles and pickups hit cars in the side. Side impacts account for nearly a third of all car-occupant deaths each year. Yet Federal tests in the United States only measure a car or light truck's ability to withstand being hit in the side by the equivalent of a midsize sedan.

The 3,015-pound sled used for the side impact test has a bumper with a lower edge only 13 inches off the ground and a top edge 21 inches high. The lower edge of the test sled is designed to reflect the fact that most vehicles brake before hitting a car in the side, so their bumpers are a little lower than usual. But the low edge also means that the test sled hits not only the car door, which is relatively weak, but also the side of the car's underbody, its sturdiest part, typically 1[illegible] inches off the ground.

Police calculate that the Suburban that hit the Hassans' Concorde passed entirely over the car's door sills, with the main blow to the Concorde coming 24 inches off the ground. Similarly, the Transport Research Laboratory, a safety research group recently sold by the British Government, crashed a 3,800-pound Range Rover into the side of a 2,200-pound Ford Escort at 18 m.p.h. last year and found no contact with the sill at all.

Barry Felrice, the top safety official at the American Automobile Manufacturers Association, acknowledges that because sport utility vehicles and pickups ride higher above the road than cars, their side-impact collisions with cars tend to be more severe. "You're likely to be hit in the part of the body that are more prone to injury," he said, "like the chest or the head."

Government and Big 3 Pay Little Attention

Some recent Government studies support the concerns about light trucks and the adequacy of the current crash tests. The policy planning staff at the National Highway Traffic Safety Administration, for instance, issued statistical studies this summer concluding that serious injuries could be reduced if light trucks weighed less. And two of the agency's senior researchers did a little-noticed study early last year in which they concluded that current crash tests are inadequate when the nation's vehicles are increasingly split between low-slung cars and high-riding light trucks.

"The effect of this tremendous degree of fleet incompatibility is not measured directly by frontal-barrier crash tests and will be the focus of future research," concluded the study's authors, William T. Hollowell and Hampton C. Gabler.

Largely missing from research on the dangers light trucks pose to cars are crash tests and studies by universities and private companies. With a staff of fewer than 700 people and a budget that has shrunk by 19 percent since 1980 after inflation, the safety agency relies heavily on outsiders for statistical research and entirely on outside companies for crash tests. But the $800,000 annual budget for such outside work on crashes between cars and light trucks has been spent almost entirely on air-bag research for two years.

This budget will be replenished on Oct. 1. It will pay for two to five crash tests this winter, provided the money is not transferred again to air-bag studies.

Philip Recht, the deputy administrator of the safety agency, defended its spending decisions, saying that Federal officials had given more attention to crashes between light trucks and cars over the last several years and would step up their research.

Yet the tests tentatively planned for this winter will not provide the basis for any rule changes, said a Federal official who insisted on anonymity, adding, "That's just enough to start providing more questions."

Detroit has also paid little attention to the size mismatch among vehicles — unless it served the auto makers' purposes in resisting fuel-economy rules.

In the late 1970's, the Ford Motor Company developed a computer program to predict what would happen when a new car or light truck struck other vehicles. But when Federal regulators chose to focus on air bags and other safety gear instead of demanding so-called compatible designs, Ford cut back its efforts. Other auto makers never even started comparable efforts.

Chris Magee, Ford's director of vehicle systems engineering, who worked on the program, said crash compatibility was not an active part of design. "We first of all worry in most cases about the occupants of the vehicle we're selling," he said. "As far as vehicle mix aspects, we might look at them, but there's not really any processes or procedures for doing anything."

Some auto officials contend that the shift to light trucks might actually be saving lives over all. Indeed, heavier vehicles tend to protect occupants better than lighter vehicles not only when a driver crashes into another vehicle but also into a tree or some other object, they point out.

Yet insurance industry crash statistics offer little support for this optimism. People in pickups and all but the largest sport utility vehicles actually are killed at a higher rate in single-vehicle accidents than people in cars. This is partly because these vehicles are more often driven by men, who have more accidents than women, but also because the vehicles' high centers of gravity make it easier to roll over than cars.

As for whether the lower death rates in light trucks more than offset the higher death rates in cars, no one yet knows.

What Might Be Done

Changes in Design That Could Help

Worried about a possible backlash from drivers of small cars, Mercedes-Benz has gone to great lengths to reduce the threat that its new 4,200-pound, $34,445 sport utility vehicle poses to cars. Below and behind the bumper is a hollow, horizontal tube that amounts to a second bumper at the same height as a car underbody. The tube and two hollow steel boxes behind it are designed to crush during crashes, absorbing energy that might otherwise be transmitted to either vehicle's occupants. Mercedes crashed the vehicle at 31 m.p.h. into a Mercedes so small it is not sold in the United States; a crash dummy in the car "survived."

Officials at Volvo, long known for safe design, acknowledge that their cars are no match for a large sport utility vehicle. They are moving to install side air bags to provide more protection to the head and chest. Ford plans to announce a similar move soon. The only Big Three car with side air bags now is the Cadillac DeVille.

The auto industry has split in recent months over whether the biggest sport utility vehicles and pickups should be made with frames that bend more on impact, absorbing energy in a crash. But less stiff frames could be less safe for the people in the trucks.

The traffic safety agency has the authority to require crash tests in which the auto maker must prove any new car or light truck does not inflict excessive damage on existing vehicles during collisions. If the agency did require such proof, auto makers would have to choose among reducing the weight, height or stiffness of the deadliest models. But with research barely begun, regulators say they are not in a position even to draft such a rule.

Some Federal safety officials hope tha Congress will allow the minimum standar for fuel economy in light trucks to be raised Light trucks have ballooned in size an weight because each auto maker needs onl to sell light trucks with an average fue economy of 20.7 miles a gallon, compare with the car target of 27.5 miles a gallon.

Yet Congress, after lobbying from Ameri can auto makers, has barred the traffi safety agency for the last two years fro spending any money even to study wheth fuel-economy standards should be raised.

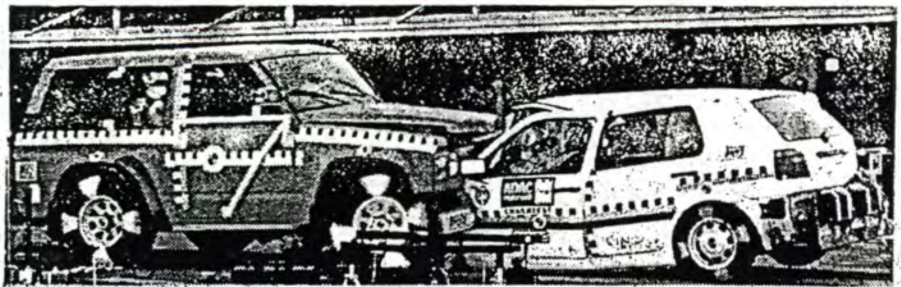
For now, the likelihood is that sport utilit vehicles will become more popular, and c occupants will account for an ever mo disproportionate share of fatalities. Th bothers some safety experts.

"If you can afford to buy this $36,000 spo utility vehicle, then you have a bett chance of surviving than this poor guy do the street who can only afford to buy a car said John Taylor, a professional accide investigator in White Haven, Pa.

Yet after seeing too many car occupan killed or crippled by light trucks, even M Taylor now drives a 4,200-pound Ford E plorer. "Sport utility vehicles are great," said, "for the guy that owns them."

Consequences of a Collision

Collisions involving a car and a light truck like a sport utility vehicle still make up a minority of two-vehicle crashes but now account for the majority of deaths in those crashes, and 80 percent of these deaths are in the cars. Some researchers say light trucks are dangerous in such crashes not only because they weigh more but also because they ride higher off the ground.



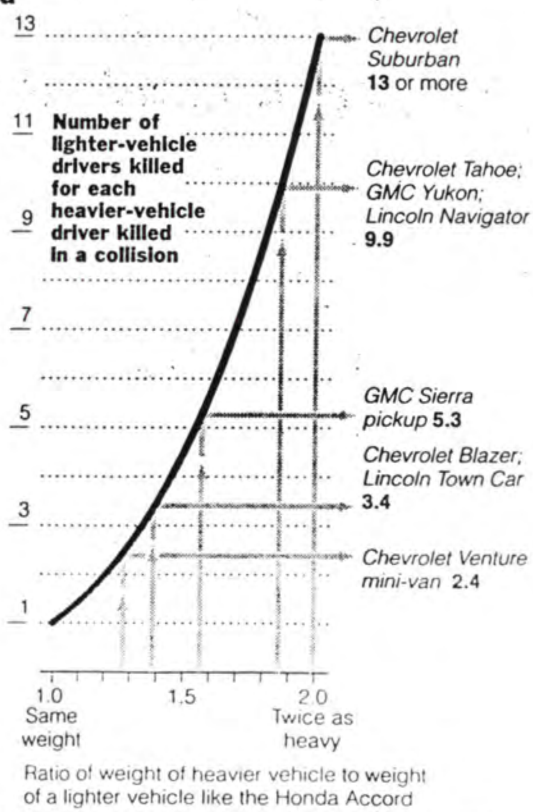
ADAC motorwelt

Germany's equivalent of the American Automobile Association performed a crash test in 1993 that involved a nearly head-on collision at 31 m.p.h. between a 2,400-pound Volkswagen Golf and a 4,800-pound Nissan sport-utility vehicle. The crash dummy in the Golf suffered head injuries that measured 3,177 on a scale for which readings above 1,000 are considered fatal. Partly in response to that test, Mercedes-Benz has designed its new sport-utility vehicle with features to reduce the potential damage it might do to cars in collisions.

The Risk of Being Killed

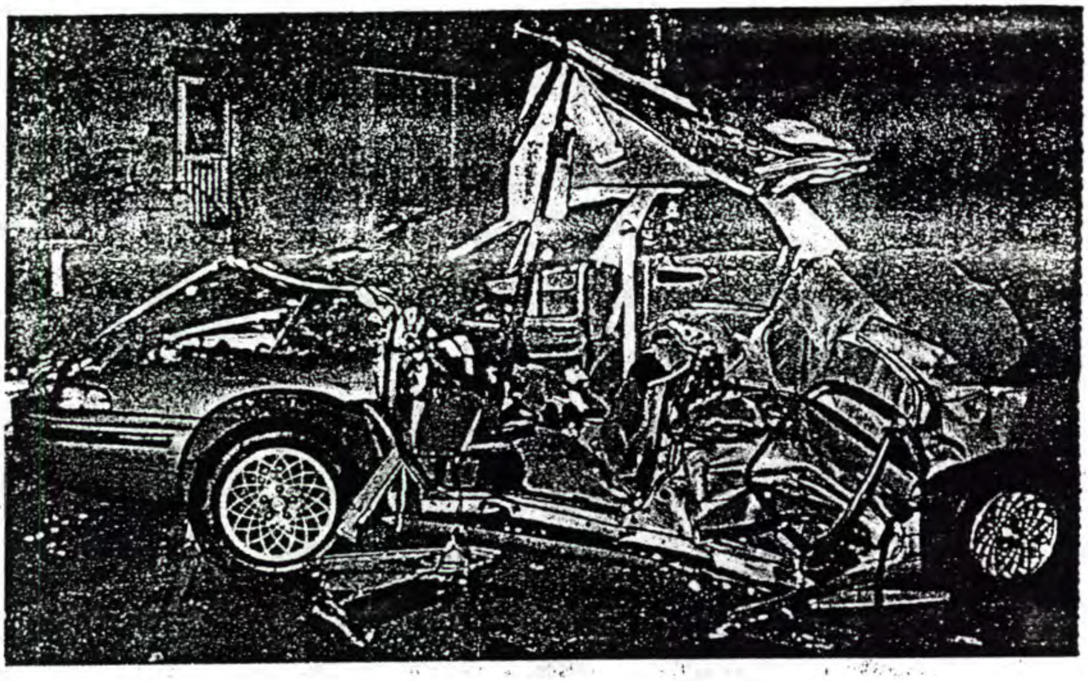
When a car collides with a vehicle twice its weight, the driver of the car is 13 times as likely to be killed as the driver of the heavier vehicle, according to an analysis by a G.M. researcher of records for nearly 40,000 deaths in car-to-car crashes. (The company has used such calculations to oppose Federal fuel-economy standards that would require lighter cars.)

The chart at right shows how differences in weight affect the risk to drivers. Highlighted are examples of the number of drivers of a 2,900-pound car like a Honda Accord who would be killed for every driver killed in various heavier vehicles in collisions. For example, in a crash between an Accord and a Chevrolet Suburban, the Accord driver would be 13 times as likely to die as the Suburban driver.



Sources: General Motors technical paper (death odds); National Highway Traffic Safety Administration (weights)

The New York Times



Nassau County Police

WHEN A CAR MEETS A SPORT UTILITY VEHICLE

One person was killed and another critically injured when a Chrysler Concorde midsize sedan, left, was struck by a Chevrolet Suburban, above, last spring on Long Island. The 5,000-pound sport utility vehicle, which suffered far less damage, shoved the 3,300-pound car sideways for 50 feet into a tree.

True Driving Force in Welfare Reform

Florida Used-Car Dealer Is Giving Recipients Something They Really Need: Wheels

Associated Press

SANFORD, Fla.—Dorothy "Dot" Frost burst into tears and jumped up and down when she saw the 11-year-old, gold Ford Tempo parked on the dusty lot of Charity Cars.

"At last. Thank you, Jesus. I am too happy," she said.

For Frost, who has a temporary job after spending a decade on welfare, being given a free car may be a ticket to a better life, to finding permanent employment.

"You feel like Santa Claus giving these cars away," said Brian Menzies, a used-car dealer who has given away 26 cars, including Frost's vehicle, since opening Charity Cars in November.

Florida officials hope to find more private benefactors like Menzies to help them move 141,000 welfare recipients off the dole and into jobs.

Social workers say transportation is the biggest obstacle to training welfare recipients ' finding them work. Many jobs are in the rbs, while welfare recipients are concen-.ed in urban areas. And many of them must work nights or weekends, when public transportation is limited.

"You can teach a person to fish and feed him a lifetime, but if you can't get to the river, you're not going to fish at all," said Phyllis Busansky, executive director of the WAGES State Board, the body overseeing welfare reform in Florida. The acronym stands for the ungainly phrase Work and Gain Economic Self-sufficiency.

Nationally, 6 percent of welfare recipients own cars, although the figure is somewhat higher in Florida.

Menzies operates his car giveaway program with no public money. Most of the cars he receives have been donated, and he spends about $1,000 on each vehicle for repairs, license plates, down payments for the recipient's insurance and six months of free service.

People getting off welfare are referred to Charity Cars by state social workers, although anyone can apply for a car.

Each car carries a three-year lien, giving Charity Cars the power to monitor the recipients and prevent them from selling the vehicle for cash. Any recipient going back on welfare within three years has 30 days to find another job or the car is repossessed.

The vehicle also can be repossessed for a drunken driving conviction, loss of a driver's license, failure to maintain the car, or a participant's refusal to take part in follow-up case studies.

Twenty-four of the 26 people who have received cars are still in the program.

Menzies said Charity Cars could use the support of the auto industry. "We could give away thousands of cars," he said.

A report for the Florida Senate said the state should encourage Menzies and others to donate cars to welfare-reform participants.

"That's something that I believe will catch the imagination of people out in the state who want to help their neighbors," said Sen. James Hargrett, chairman of the Senate Transportation Committee.

However, Menzies is having trouble landing a $257,000 state grant. The WAGES board is waiting for lawyers to decide whether the state could be held responsible for accidents involving the cars.

"We think it's a wonderful idea . . . if we can find our way through the legal morass," said Gary Earl, executive director of the Central Florida Jobs and Education Partnership, the agency implementing welfare reform in Central Florida.

Menzies, 43, has taken a leave of absence from his used-car dealership to devote himself full-time to Charity Cars.

He knows firsthand what it's like to be on hard times. He was homeless in the 1980s following a divorce, drinking and stealing food until someone he knew gave him a job at a car dealership.

Frost has been off welfare for a year and a half and has a transitional job with the state Labor Department. She is raising four grandchildren and needed a car to get groceries and take the kids to doctor appointments.

"I would get friends and relatives to drive me when I could," she said of her life without a car. "When I had someone to drive me, I tried to get as much done as possible."

Social worker Sue Bouillon said Menzies's program also will help Frost find a job in public relations or customer service, her desired field.

"His program is what welfare reform is about," said Bouillon. "We thought this was one of the best things since chocolate cake."

Saturday, October 4, 1997

10:06 AM	Live Radio Address	Tab A
	- Remarks	Tab B
	- Campaign Finance Reform Actuality	Tab C
12:25 PM	Demonstrations	No Paper
7:00 PM	Don Beyer for Governor Dinner	Tab D
	- Remarks	Tab E To Be Forwarded
	- Greeter List	Tab F
	- Virginia Political Briefing	Tab G
	- Virginia Economic One-Pager	Tab H
	- Virginia Accomplishments	Tab I

SCHEDULE OF THE PRESIDENT

FOR

SATURDAY, OCTOBER 4, 1997

FINAL SCHEDULE

SCHEDULING DIRECTOR:	**STEPHANIE STREETT**	
	HOME:	**202-332-5651**
	OFFICE:	**202-456-2823**
	WHCA PAGER:	**4033**
EVENT COORDINATOR:	**KAREN FINNEY**	
	HOME:	**202-667-0132**
	OFFICE:	**202-456-7951**
	WHCA PAGER:	**4216**
PRESS DESK:	**ANNE EDWARDS**	
	HOME:	**301-565-3101**
	OFFICE:	**202-456-2921**
	WHCA PAGER:	**4208**
ADVANCE LEAD: (Don Beyer for Governor Dinner)	**REGAN BURKE**	
	OFFICE:	**202-401-0042**
	HOME:	**202-332-1311**

WEATHER:

WASHINGTON, D.C.
Partly to mostly sunny. Wind south at 4 to 8 knots.
Low 50 to 55.
High 72 to 77.

CAMP DAVID, M.D.
Partly to mostly sunny. Wind south at 10 to 15 knots.
Low 44 to 49.
High 66 to 71.

SCHEDULE OF THE PRESIDENT
FOR
SATURDAY, OCTOBER 4, 1997
FINAL SCHEDULE

9:40 am- 10:00 am	**BRIEFING** OVAL OFFICE Staff Contact: Ann Lewis, Megan Moloney
10:06 am- 11:00 am	**LIVE RADIO ADDRESS** OVAL OFFICE Remarks: Michael Waldman Staff Contact: Ann Lewis, Megan Moloney **CLOSED PRESS**
11:00 am- 11:05 am	**TAPE A RADIO ACTUALITY** OVAL OFFICE Staff Contact: Rahm Emanuel, Megan Moloney **CLOSED PRESS**
12:00 pm	**THE PRESIDENT** and the First Lady depart the White House via Marine One en route the James J. Rowley Training Center, Beltsville, Maryland [flight time: 15 minutes]
12:15 pm	**THE PRESIDENT** and the First Lady arrive at the James J. Rowley Training Center, Beltsville, Maryland Greeters: none
12:25 pm- 2:55 pm	**DEMONSTRATIONS** JAMES J. ROWLEY TRAINING CENTER Beltsville, Maryland Staff Contact: Brian Stafford Event Coordinator: Karen Finney **WHITE HOUSE PHOTO ONLY**
3:05 pm	**THE PRESIDENT** and the First Lady depart James J. Rowley Training Center, Beltsville, Maryland via Marine One en route the White House [flight time: 15 minutes]

3:20 pm	**THE PRESIDENT** and the First Lady arrive at the White House
3:25 pm- 6:35 pm	**DOWN TIME**
6:40 pm	**THE PRESIDENT** departs the White House via motorcade en route the National Airport Hilton Hotel [drive time: 10 minutes]
6:50 pm	**THE PRESIDENT** arrives at the National Airport Hilton Hotel

Greeters: Lieutenant Governor Don Beyer
Mrs. Megan Beyer
Dr. George T. Chang, President, United Medical Lab
Mr. Jen Fei Fan
John Torkelson, President, Princeton Venture Research, Inc.
Pam Torkelson, Vice President, Princeton Venture Research, Inc.
Dario Marquez, President, MVM Inc.
Karen Marquez

6:55 pm	**THE PRESIDENT** proceeds to the Chesapeake Hall
7:00 pm- 7:35 pm	**DON BEYER FOR GOVERNOR DINNER** CHESAPEAKE HALL National Airport Hilton Hotel Remarks: Laura Capps Staff Contact: Craig Smith Event Coordinator: Karen Finney **POOL PRESS**

-- Person tbd introduces **the President** and Lieutenant Governor Don Beyer.

-- Lieutenant Governor Don Beyer makes brief remarks and introduces **the President**.

-- **The President** makes brief remarks.

-- Upon conclusion of his remarks **the President** works a ropeline and departs.

Note: There will be approximately 500 guests in attendance.

7:40 pm	**THE PRESIDENT** departs the National Airport Hilton Hotel via motorcade en route the Pentagon Landing Zone [drive time: 5 minutes]
7:45 pm	**THE PRESIDENT** arrives the Pentagon Landing Zone

NOTE: The First Lady will meet the President at the Pentagon Landing Zone.

7:55 pm	**THE PRESIDENT** and the First Lady depart the Pentagon Landing Zone via Marine One en route Camp David [flight time: 30 minutes]

NOTE: There will be a van to bring members of the staff not going to Camp David back to the White House after the President's departure from the Pentagon Landing Zone.

8:25 pm	**THE PRESIDENT** and the First Lady arrive at Camp David

EVENING OFF

BC AND HRC RON **ASPEN CABIN**
CAMP DAVID, MARYLAND

'97 OCT 3 PM3:54

THE WHITE HOUSE

WASHINGTON

October 3, 1997

LIVE WEEKLY RADIO ADDRESS

DATE: October 4, 1997
LOCATION: Oval Office
TIME: 10:06 AM ET
FROM: Megan Moloney

I. PURPOSE

You will discuss how parents can take responsibility for raising their children and strengthening their families.

II. BACKGROUND

You have worked to help parents take responsibility for their children by implementing the family leave law, increasing minimum wage and the Earned Income Tax Credit, cracking down on "deadbeat dads," doubling child support collection and supporting welfare reform. Other family-friendly accomplishments include improving schools, expanding access to health care, and punishing domestic violence. In addition, the strong economy has created millions of high-paying jobs, bringing dignity, stability and opportunity to millions of families.

III. PARTICIPANTS

Briefing: 9:40 AM
The President
Ann Lewis
Paul Begala
Maria Echaveste
Michael Waldman

Radio Address: 10:06 AM
The President
Megan Moloney
White House Communications Agency (WHCA) staff
White House Television(WHTV)
White House photographer
Approx. 85 guests
(see attached for special guest list)

IV. PRESS PLAN

The ABC, AP, C-SPAN, CBS, NBC/Mutual/Westwood One, NPR, UPI, USA, American Urban Radio Network, and Standard News networks will carry the address in its entirety to their thousands of stations across the country this Saturday at 10:06 AM ET.

V. SEQUENCE OF EVENTS

Briefing
Live Radio Address
Greet Guests

VI. REMARKS

To be forwarded by the Office of Speechwriting.

'97 OCT 3 PM8:27

PRESIDENT WILLIAM J. CLINTON

RADIO ADDRESS ON RESPONSIBILITY

THE WHITE HOUSE

October 4, 1997

Good morning. Today I want to talk to you about how we can each take responsibility for raising our children and strengthening our families. And I want to focus especially on the responsibilities of men.

That family is the cornerstone of our society unites all faiths. This week, Jewish parents at Rosh Hashana services say a blessing for the family and over their children. And the U.S. Catholic Conference has noted, "The most important work to help our children is done quietly -- in our homes and neighborhoods, in our parishes and community organizations. No government can love a child and no policy can substitute for a family's care, but clearly families can be helped or hurt" by the actions of government.

We have worked hard to help parents take responsibility for their children. We passed the family leave law, to allow parents take time off to care for sick children or welcome new babies. We raised the minimum wage and increased the Earned Income Tax Credit, so no American who works full-time should have to raise their children in poverty. We cracked down on "deadbeat dads," increasing child support collection by 50% and building a new system of welfare that reflects our values. From improving schools, to expanding access to health care, to punishing domestic violence, families have always been at the heart of our concern.

And, of course, the strong economy we have helped to build has created millions of high-paying jobs, bringing dignity, stability and opportunity to millions of families.

But the most important work in support of families is done in the hearts and homes of individuals. It'a clear that in recent decades, too many men have not taken seriously their responsibilities -- to their families, their children, and themselves. This has serious consequences: We know, for example, that failure to pay child support is one of the chief reasons women and children go on welfare. And this week, Vice President Gore and Education Secretary Riley released a report showing that when fathers take an active role, their children do better in school.

The need for men to take responsibility for themselves and their families is something that unites Americans of all faiths and backgrounds and beliefs. Today, thousands of members of a Christian men's organization are meeting on the Mall in Washington. Their presence is another example of national attention to the need to strengthen our families.

I deeply believe there is nothing more important. When all of us -- men and women -- take responsibility for raising our children and passing on our values, our families are strengthened. And when American families are stronger, America is stronger.

When I think of how my mother struggled and sacrificed, like so many other single parents -- when Hillary and I look with bittersweet pride at our own daughter now off in college -- I am more acutely aware than ever of the special responsibilities and wonderful rewards of parenthood. For me, there has been no job that's more important -- and that should be true for all mothers, and all fathers. The future of our children is truly in our hands. Thanks for listening.

'97 OCT 3 PM8:03

For five years we have watched the bipartisan effort to reform our campaign laws die at the hands of a filibuster. I hope this year will be different. Republican Senator John McCain and Democratic Senator Russ Feingold have a strong bill that would curb the power of special interests. But this Tuesday, their opponents will try once again to kill this bipartisan bill, by using a "poison pill" amendment that will guarantee that reform dies one more time. Make no mistake, a vote for this killer amendment is a vote to block meaningful reform.

'97 OCT 3 PM 6:54

October 3, 1997

DON BEYER FOR VIRGINIA GOVERNOR DINNER

DATE:	Saturday, October 4, 1997
LOCATION:	Chesapeake Hall Washington National Airport Hilton Hotel 2399 Jefferson Davis Highway Arlington, Virginia
TIME:	6:50 p.m.
FROM:	Craig Smith and Cynthia Jasso-Rotunno

I. PURPOSE

The purpose of this dinner is to raise funds for the campaign of Virginia Lieutenant Governor Don Beyer to become Governor of Virginia.

II. BACKGROUND

Lt. Gov. Don Beyer (D) and Attorney General Jim Gilmore (R) will face off on November 4, for the race to succeed Governor George Allen (R) as the next Governor of Virginia. Polls show that the race is a dead heat, but the *Washington Times* is describing it as a boring race. Both campaigns are on TV with comparison attack ads. With more than a month left before the election, the race is shaping up to be the most expensive in state history. Both Beyer and Gilmore have broken state fundraising records. Former Governor Doug Wilder (D) has not yet endorsed Beyer, who served as his former lt. governor. Wilder will moderate the second and final debate between Beyer and Gilmore on October 6, and is reserving his endorsement until then. The campaign issues are centering around educational reform, property tax, the environment and the pfisteria outbreak in Virginia's waterways. Please see the Virginia Political Briefing for a detailed briefing of these issues.

III. PARTICIPANTS

Craig Smith will provide **YOU** with an audible briefing prior to the event.

Approximately 500 Beyer supporters from around the state are expected. The guest list is a cross-section of people from Virginia, with a majority of people coming from metropolitan northern Virginia. VIPs expected to attend are Senator Charles Robb, Congressman Jim Moran and Mary Moran, former governor Gerald "Gerry" Baliles and Thurgood Marshall, Jr.

IV. PRESS PLAN

This event is open to the pool press for remarks only.

V. SEQUENCE OF EVENTS

- YOU arrive at 6:50 p.m.
- YOU are greeted by Lt. Governor Beyer, Mrs. Megan Beyer and six other greeters listed below:

  * Dr. George T. Chang
  * Mr. Jen Fei Fan
  * Mr. John Torkelson
  * Ms. Pam Torkelson
  * Mr. Dario Marquez
  * Ms. Karen Marquez

- **YOU** proceed to the ballroom where guests will have finished their dinner.
- Senator Chuck Robb introduces **YOU,** Lieutenant Governor Don Beyer and Megan Beyer into the ballroom.
- Senator Chuck Robb introduces Lt. Governor Don Beyer.
- Lt. Gov. Beyer makes brief remarks and introduces **YOU**.
- **YOU** deliver remarks.
- Upon conclusion of remarks, **YOU** work a ropeline.
- **YOU** depart at 7:45 p.m. en route to the Pentagon Landing Zone.

VI. REMARKS

To be provided by speechwriting

VII. ATTACHMENTS

*Greeters list attached.

*A final ballroom diagram will be provided the day of the event.

THE REMARKS

FOR THE DON BEYER DINNER

WILL BE FORWARDED

DON BEYER FOR VIRGINIA GOVERNOR DINNER
Washington National Airport Hilton Hotel
October 4, 1997

GREETERS:

Lt. Governor Don Beyer
1997 Virginia Democratic gubernatorial candidate.

Ms. Megan Beyer
Spouse of Lt. Governor Beyer.

Dr. George T. Chang
President
United Medical Lab Inc.
McLean, VA.
Dr. Chang owns and operates United Medical Labs, a medical laboratory in McLean. He is a good democrat and friend of Mark Warner, who ran for Senate in 1996. He has lived in Virginia for 20 years.

Mr. Jen Fei Fan
Businessman
McLean, VA.
Mr. Fan is a friend of Dr. Chang. He owns a pharmaceutical firm in Hawaii entitled Menji.

Mr. John Torkelson
President
Princeton Venture Research Inc.
Princeton, NJ.
John owns an investment banking firm which specializes in the technology industry. He is a managing trustee at the DNC, and a good friend of Senator Robb.

Ms. Pam Torkelson
Vice President
Princeton Venture Research Inc.
Princeton, NJ.
Pam is the vice-president and co-owner of an investment banking firm which specializes in the technology industry. She is a DNC managing trustee, and is also a good friend to Senator Robb.

Mr. Dario Marquez
President
MVM Inc.
Oakton, VA.

Dario is the President of his own security and alarm system firm, MVM, Inc. His wife is Karen Marquez. They are native Virginia residents.

Ms. Karen Marquez
Oakton, VA.

Spouse of Dario Marquez.

October 1, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Craig Smith, Nick Baldick, Cynthia Jasso-Rotunno

RE: Virginia Political Briefing

PRESIDENTIAL ELECTION RESULTS

1992			**1996**		
Clinton/Gore	1,038,650	41%	Clinton/Gore	1,070,990	45%
Bush/Quayle	1,150,517	45%	Dole/Kemp	1,119,974	47%
Perot/Stockdale	348,639	14%	Perot/Choate	158,707	7%

MOST RECENT PRINCIPAL TRAVEL

YOU were last in Virginia for an AP Hill Boy Scout's Jamboree on July 30, 1997. **YOU** were scheduled to do a Heritage Rivers event at Mount Vernon, but it was canceled due to weather conditions.

The Vice President was in Virginia on September 3, for a Don Beyer fundraiser at Senator Charles Robb's (D) house.

The First Lady has not traveled to Virginia for official purposes since September 1995.

Mrs. Gore was in Virginia on June 10, for a Don Beyer fundraiser.

1997 GOVERNOR'S RACE

Lt. Governor Don Beyer (D) and former Attorney General James Gilmore (R) are locked in a heated battle for the Virginia Governor's race. With both candidates enjoying high name recognition and record breaking financial support, neither Beyer nor Gilmore has an inherent edge in the race. In fact, despite months of exchanging attacks, neither has been able to gain a significant advantage.

As always, tobacco has been a significant issue in the race. Gilmore has taken a hard-line pro-tobacco stance, vehemently opposing the Administration's regulation efforts. Beyer, on the other hand, has tried to stake out a delicate pro-regulations stance. In addition to supporting federal measures, Beyer has said that farmers in Southwest Virginia (the state's tobacco region) need to face the realities of a changing world economy by moving away from their dependence on tobacco. To achieve this end, Beyer has touted a plan to help spawn economic diversification and development in the region. While tobacco is clearly a wedge issue, Virginia's much maligned personal property tax has grabbed center stage in the race.

Gilmore officially kicked off his campaign on May 8 and proposed a $1 billion reduction in the personal property tax by exempting the first $20,000 in value. Beyer blasted Gilmore for playing politics with the state's economy and said that his plan would take Virginia "on a dangerous course, one that threatens our schools law enforcement and the stability of local governments." Beyer further said: "Sure, I'd like to make that kind of announcement too, but I couldn't do that with a straight face because it's a catastrophe for public education and public safety." Despite Beyer's attacks, Gilmore's attempt to roll back the unpopular tax was clearly resonating with voters. At the first debate on July 20, after weeks of hammering Gilmore, Beyer unveiled his own scaled down plan for cutting the personal property tax. Beyer immediately drew fire from the Gilmore camp (who accused him of making a "U-turn" on the issue) and the press for reversing his position. Beyer even drew criticism from Senator Charles Robb (D)--the state's highest ranking Democrat--who called Beyer's plan "slightly less fiscally irresponsible" than Gilmore's plan. Despite being criticized for his flip-flop, internal polling conducted in early August by Garin-Hart-Yang showed that Beyer has effectively neutralized the tax issue. However, Gilmore's TV ad's are now criticizing this "U-turn."

Another major issue in the race concerns former Governor Douglas Wilder (D) who has hinted that he may endorse Gilmore instead of Beyer. The mere suggestion that Wilder would defect from his party to support Gilmore is a slap in the face to Beyer who served as Lt. Governor during his tenure. After an August 8th meeting with Gilmore, Wilder did not rule out endorsing the GOP candidate. When asked about the possibility of crossing party lines Wilder said, "People do that from time to time." He pointed out that "John Warner did it twice, so this is nothing new." In 1994 Wilder dropped out of the U.S. Senate race and withheld his endorsement of Robb, a bitter political rival, until the last minute. Wilder, who became the nation's first African American elected governor in 1989, said if he does endorse a candidate, it will be after he moderates a gubernatorial debate on October 6. Wilder is very influential in the African American community and his support is crucial to Beyer.

Gilmore was diverted from his primary message of tax relief and was forced to issue a statement on the contentious issue of affirmative action after Republican Lt. Gov. candidate John Hager called for ending Virginia's affirmative action programs. In a statement issued on September 8, Gilmore said he opposes racial preferences in college admissions but "affirmative efforts should be made to expand the applicant pool" by recruiting more minorities. Because of his courtship of Wilder, Gilmore has been very delicate in addressing affirmative action. Beyer, also forced to tackle the issue, has said that while he opposes "racial quotas," he feels the abolition of affirmative action in California and Texas has been disastrous.

Besides these affirmative action problems, Gilmore has run into other difficulties. Despite widely touting his crime fighting credentials, Gilmore failed to receive the endorsement of the Virginia Fraternal Order of the Police. Aptly called "a major surprise" by the *Richmond Times Dispatch*, FOP's backing of Beyer was a significant blow to Gilmore who had been campaigning as Virginia's "Top Cop."

Gilmore has also been damaged by a recent public brawl with Governor Allen's top environmental official, Secretary of Natural Resources Becky Norton Dunlop. An internal Republican battle began when the Gilmore campaign leaked a memo which stated that Gilmore was planning to replace Dunlop if elected. Dunlop responded by accusing Gilmore of being disloyal to the Allen administration and of trying to advance his campaign at her expense. Dunlop slammed Gilmore in the August 25th edition of the *Post*: "It demonstrates a character flaw when you are willing to personally besmirch another's reputation for your own political gain. Jim Gilmore made a mistake by trying to damage my reputation for his personal political gain." While Allen and Gilmore scrambled to save face, the GOP in-fighting has been costly for Gilmore. An August 27th *Richmond-Time Dispatch* editorial exemplifies the damage done to Gilmore: "[Gilmore] reminds even some Republicans of the kid who would bring his sister's underwear to school if it would help him get elected hall monitor." In an effort to demonstrate Republican unity, the Gilmore campaign ran TV ads with Virginia's top two Republicans, Allen and Warner, praising Gilmore. The Dunlop issue promises to return to the forefront considering the pfiesteria outbreak. The Beyer campaign has been consistently critical of Dunlop and Allen's environmental policies.

Virginia Democrats have gone on the attack by accusing Gilmore of "pushing Pat Robertson's education agenda." Beyer has also publicly said that Gilmore's only endorsement is from Robertson, the founder of the Christian Coalition. Beyer went public this week with a plan "to take politics out of education," by creating an advisory board which would counsel governors before they fill vacancies on university governing boards.

Gilmore came out in support of a parental consent law for underage abortions this week. The announcement came just one day after he had said in an interview that he "did not intend to push for such legislation."

The gubernatorial race has been very close from the start--with a mere one or two points separating the two candidates.

Published Polls -General Election Matchup

General Election

	Washington Post	*Times-Dispatch*	*Mason-Dixon*
	(9/12-16)	(9/10-16)	(9/8-10)
Beyer	44%	35%	43%
Gilmore	43%	39%	44%
Undecided	13%	25%	13%

The Washington Post poll also asked voters which issues would most influence their vote. The results to this question were as follows:

Issues in Deciding Vote	
Education	37%
Crime	29%
Family Values/Moral	26%
Taxes	25%
Wasteful Spending	24%
Strengthen Economy	18%

A Virginia Commonwealth University poll conducted on August 18 surveyed 527 voters and showed how each candidate is doing among demographic groups.

Demographic Breakdown of the General Election Matchup

	Men	Women	Black	White
Gilmore	50%	31%	11%	45%
Beyer	29%	41%	56%	32%
Don't Know	20%	29%	34%	23%

Recent internal surveys show Beyer with a slight lead.

Internal Polling -General Election Matchup

	Internal, Garin-Hart-Yang	Va. House Caucus
	(8/16)	(8/19)
Gilmore	38%	41%
Beyer	40%	38%

Clearly, this race is very close and is expected to stay that way until election day. Unfortunately, some observers have commented that a democratic candidate in Virginia has to be ahead by more than the margin of error going into election day, because Virginia historically leans Republican.

HOT ISSUES

Environment

Over the summer, the EPA threatened to take over Virginia's environmental enforcement programs. EPA officials cited both weak enforcement of federal regulations and the recent reorganization of Virginia's Department of Environmental Quality (DEQ) as reasons for the possible take over. The EPA claimed that the DEQ reorganization--which brought the dismissal of many of the state's top environmental officials--exemplified the Allen administration's lax environmental record.

The EPA also pointed to the environmental atrocities by Smithfield Meat Packing Company as further evidence of Governor Allen's woeful environmental record. The state of Virginia originally failed to act against Smithfield--one of the state's most prominent GOP donors--which had dumped industrial waste into the Pagan River (a tributary to the James River). Charging that Virginia failed to sufficiently punish the company, the EPA sued Smithfield in December. Siding with the EPA, a federal judge fined Smithfield a record $12.6 million on August 18. "The Smithfield case underscores the EPA's concern that the commonwealth has been able to adequately address pollution violation," said Michael McCabe of the EPA.

After weeks of threatening correspondence and a very public squabble, the EPA backed off from its original hard-line stance. In a letter to the DEQ, McCabe said he was heartened by the state's "assurances" that Virginia would improve its submission of required data. The EPA also released $1.2 million to Virginia that was withheld for 10 months over concerns about state water pollution programs.

In a related development, a debate has flared-up over the distribution of the Smithfield settlement funds. The town of Smithfield and environmental groups have pushed hard for the monies to remain in the impacted areas. "The fine was supposed to address the area wronged by the pollution," said Smithfield Town Manager Peter Stephenson. However, on September 8, U.S. District Judge Rebecca Beach Smith ruled that the fine should go to the U.S. Treasury. The judge also gave the Justice Department 30 days to devise a plan for allocating the money and suggested that at least some be earmarked for the Chesapeake Bay and its tributaries.

Virginia's various environmental problems have most recently centered around Secretary of Natural Resources Becky Norton Dunlop. As alluded to in the "Governor's race" section, in order to distance himself from Allen's environmental record, Gilmore leaked a memo which said he would drop Dunlop if elected. Dunlop's furious reaction to the memo--and Gilmore's attempt to defuse the issue captured headlines across the state.

Pfisteria, Killer Bacteria Plagues VA Waterways

Pfisteria, a toxic but little-understood microbe, has caused numerous fish-kills and health problems in North Carolina for years. This spring, the mysterious microorganism appeared in the Chesapeake and its tributaries in Virginia and Maryland. The emergence of large concentrations of dead floating fish and the accompanying health concerns has prompted the state of Maryland to close segments of the affected rivers.

Virginia Governor George Allen has been slow to tackle the issue while Maryland Governor Parris Glendening (D) has been aggressive in addressing the problem--by closing sections of rivers, participating in numerous environmental events, and asking for a great deal of federal assistance. After weeks of media scrutiny and public criticism from gubernatorial candidate Beyer, Allen has taken steps to address the problem. Allen participated in a "fish summit" with Glendening, Governor Carper (D-DE), and federal officials to search for solutions to the problem. Furthermore, on September 26, Allen asked the federal government for $2.2 million per year for at least five years to conduct a detailed study of the fish-killing microorganism. This is somewhat of an ironic step for Allen given his ardent "Don't Tread on Me" anti-federal government politics. Allen outlined his spending request in a recent letter to the Virginia congressional delegation. It includes money to explore the possible effects of pfisteria on public health and bolster efforts by farmers to keep fertilizers, animal wastes and soil from washing into streams and rivers. Allen also sent a letter to **YOU** asking for federal funds to "address the public health, environmental and economic impact" of the organism.

No one has been reported ill from pfiesteria in Virginia, but a medical study this month found 11 Maryland residents were suffering difficulties in learning and memory.

Women Enter VMI

History was made on August 18 when women entered the Virginia Military Institute (VMI) for the first time in the school's 158-year history. Before the enrollment of 30 women into this year's freshman class, VMI was the last publicly funded male-only college in the nation. VMI was forced to accept women after the Supreme Court ruled that VMI's all-male admissions policy was unconstitutional. In order to accommodate the in-coming female cadets, VMI added women's barracks and other buildings, hired female counselors, and started a women's sports program. Despite these concessions, VMI deemed that female students would have to meet the same standards as males, including passing physical-fitness standards and getting a buzz cut. The new VMI recruits are currently in the middle of the "rat line," an adversity-driven system that seeks to emotionally and physically challenge incoming students. Under these extremely adverse conditions, 32 men and four women in the freshman class have left VMI since school began.

On September 9, one of the women who had already departed was given a one-year suspension for allegedly striking an upperclassman. VMI announced that the woman would be allowed to re-enter the school next year, but would have to go through "rat line" again. Perhaps foretelling a future court battle, the Justice Department demanded, in a September 19th letter to VMI that they provide a full account of the circumstances surrounding the woman's suspension. The Virginia attorney general's office, which represents the school, shot back a letter on September 25 telling the Justice Department to "let this matter rest." Given the heated exchanges, the feud between the attorney general's office and the Justice Department is likely to continue through the coming weeks.

With the notable exception of this incident, VMI seems to have avoided much of the negative publicity suffered by the Citadel--South Carolina's state-supported military college. The Citadel has been embarrassed by charges of sexual harassment and hazing since Shannon Faulkner became the first woman to enroll two years ago.

Two of the four women who enrolled last fall left the Citadel in January, charging male cadets singled them out for hazing. On September 8, former Citadel cadet Jeanie Mentavlos sued the state military school for federal civil rights violations. Mentavlos is alleging that cadets made her the object of pornography and sexually harassed her in other ways.

Educational Reform

In June, the state Board of Education voted on Governor Allen's educational reform package. The package included a major overhaul of state standards for schools that would add more testing in the 3rd, 8th, and 11th grades. The bill also allows localities a choice of whether or not to offer "family life" education (sex education). Allen has also supported plans to remove guidance counselors from schools, which is supported by the far right.

Some advocates want the standards to receive more public input before they are implemented. Lt. Gov. Beyer voted this year to delay the standards by one year to hopefully replace the very conservative members of the State Board of Education with more moderate voices.

Governor Allen fought participation in the federal Goals 2000 program. Virginia was the lone holdout in refusing to participate in the program until this year when Allen finally relented and agreed to participate in the program.

Virginia Democratic Party

In the early '90's, the Virginia Democratic Party was marred by problems. Much of the party's woes stemmed from the in-fighting among the state's top elected Democrats, former Governor Douglas Wilder and Senator Charles Robb. The much publicized feud between Wilder and Robb has divided the party and created a leadership vacuum. For this reason, many Virginia Democrats are looking to Beyer to reinvigorate the party.

The party enjoyed a resurgence of sort in '94 when former '96 Senate nominee, Mark Warner took the helm. Warner brought financial stability to the party. However, the party received an economic blow this year, when it was forced to return a $100,000 contribution from a questionable donor (Roger Tamaraz).

Political Data

Governor:	George Allen (R)	(58% in 1993)
U.S. Senate	John Warner (R)	(52.5% in 1996)
	Chuck Robb (D)	(46% in 1994)
U.S. House:	6 D/5 R	
State Senate:	20 D/20 R	
State House:	52 D/47 R	
Electoral Votes:	13	

1996 State Election Results

Considering the fact that no Democratic Presidential candidate has taken Virginia since 1964, and the fact that there were very few principle visits there in 1996, Clinton/Gore did very well, but still lost by 2%. In the U.S. Senate contest, Senator John Warner (R) won by 5% to defeat former Democratic Party Chair Mark Warner, who pumped several million dollars into his own campaign. In the one open House seat, Democrat Virgil Goode (D-05) was able to convincingly defeat George Landrith (R) in the heart of Virginia's tobacco country. His campaign focused on gun rights, tobacco, and federal support of education. The State Senate, State Assembly, and all the state Constitutional positions are up for election this year.

State Constitutional Officers and Legislative Leaders

Governor:	George Allen (R)
Lt. Governor:	Donald "Don" Beyer (D)
Attorney General:	Richard Cullen (R)
State Treasurer:	Ron Tilit (D)
Speaker of the House:	Thomas Moss (D)
President of the Senate:	Stanley Walker (D)

Congressional Delegation

Sen. Charles Robb (D)	Sen. John Warner (R)
Rep. Herbert Bateman (R)	Rep. Owen Pickett (D)
Rep. Robert Scott (D)	Rep. Norman Sisisky (D)
Rep. Virgil Goode (D)	Rep. Bob Goodlatte (R)
Rep. Thomas Bliley (R)	Rep. James Moran (D)
Rep. Rick Boucher (D)	Rep. Frank Wolf (R)
Rep. Thomas Davis III (R)	

Virginia Facts

- In 1995, the estimated population was 6,189,000.
- 74.6% of Virginians are White; 19.5% are African American; and 3.0% are Hispanic.
- 11.1% of Virginia residents are age 65 or older.
- 56.8% of Virginia households are married couples.
- 27.9% of Virginians are married with children.
- 49% of Virginians have a college education.
- 75% of Virginians have a high school education.
- The per capita income of Virginia is $23,597 (1995) and the median income is $37,647 (1994).
- 54% of the Voting Age Population (VAP) in Virginia voted in the 1996 elections, compared to 38.4% of the VAP in 1994 and 48.8% of the VAP in 1992.

ECONOMIC PROGRESS IN VIRGINIA UNDER PRESIDENT CLINTON

President Clinton's strategy to strengthen the economy is based on reducing the federal budget deficit, lowering trade barriers, and empowering workers, families, businesses and communities to succeed. Here are some of the results for Virginia after the first **55 months** of the Clinton Administration:

Improved Economic Conditions in Virginia:

- Under President Clinton's administration, the unemployment rate has dropped from 5.4% to 4.2%.
- Under President Clinton's administration, Virginia has added 332,000 new jobs or 72,436 **per year**, compared to 15,100 **per year** during the previous administration.
- Under President Clinton's administration, Virginia has added 332,600 new private-sector jobs or 70,385 **per year**, compared to 3,800 **per year** during the previous administration.
- Under President Clinton's administration, Virginia has added 33,000 new construction jobs or 7,200 **per year**, compared to a loss of 11,600 **per year** during the previous administration.
- Under President Clinton's administration, bank lending has increased 6.6% **per year**, after declining 4.7% **per year** during the previous administration.
- Under President Clinton's administration, business failures have dropped 15.3% **per year**, after increasing 23.8% **per year** during the previous administration.
- Under President Clinton's administration, consumer confidence has increased 83.0%.

What President Clinton's Accomplishments Have Achieved for the People of Virginia:

$15,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN VIRGINIA: The national debt will be **more than $1 trillion** lower over 7 years than was projected before the passage of the President's economic plan. That's about $15,000 of reduced federal debt for each family of four in Virginia.

10 TIMES MORE VIRGINIA FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 332,266 working families in Virginia will receive a tax cut. This compares to an increase in the income tax rate for only the 31,689 wealthiest taxpayers in Virginia.

TAX CUT FOR 29,899 SMALL BUSINESSES IN VIRGINIA: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from $10,000 to $17,500. About 29,899 small businesses in Virginia are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

1,050,000 VIRGINIA WORKERS PROTECTED BY FAMILY AND MEDICAL LEAVE ACT: The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave for the birth of a child, to care for a sick family member, or if they become too sick to work. This law covers about 1,050,150 workers in Virginia, and protects the jobs of 63,087 workers in Virginia who are likely to use unpaid leave this year alone.

PRESIDENT CLINTON'S ACCOMPLISHMENTS:
Virginia

EXPANDING ECONOMIC OPPORTUNITY FOR ALL:

- ***Unemployment Down to 4.3%:*** The unemployment rate in Virginia has declined from 5.4% to 4.3% since 1993.
- ***308,100 New Private Sector Jobs***: 308,100 new private-sector jobs have been created in Virginia since 1993 -- an average of 71,100 per year, compared to an average of just 3,800 per year during the previous administration.
- ***79,000 Have Received a Raise***: Approximately 79,000 Virginia workers benefited from an increase in the minimum wage -- from $4.25 to $4.75 -- on October 1, 1996. They, along with about 83,000 more, will receive an additional raise -- from $4.75 to $5.15 -- on September 1, 1997.
- ***1.9 Million Protected By Family & Medical Leave:*** Approximately 1.9 million Virginia were residents are covered by the Family & Medical Leave Law, which allows workers to take up to 12 weeks unpaid leave to care for a new baby or ailing relative [1995 data].
- ***Business Failures Down 15.5%:*** Business failures have dropped 15.5% per year since 1993, after increasing nearly 24% per year during the previous four years.

FIGHTING CRIME AND VIOLENCE:

- ***Crime Falls Across Virginia***: Since 1992, serious crime has fallen 22% in Newport News, 17% in Norfolk, and 11% in Richmond [1996 data].
- ***1,035 More Police***: The President's 1994 Crime Bill has funded 1,035 new police officers to date in communities across Virginia [through 6/97].
- ***$3.1 Million to Combat Domestic Violence:*** Through the Violence Against Women Act, Virginia will be able to use $3.1 million in federal funds this year [FY97] to establish more women's shelters and bolster law enforcement, prosecution, and victims' services. Virginia received $2.8 million under VAWA in FY96.
- ***$1.1 Million in Grants for Battered Women and Children***: In 1998, Virginia will receive an estimated $1.1 million in HHS's Family Violence Prevention Program grants to assist women and children fleeing domestic abuse.
- ***$9.6 Million to Keep Drugs & Violence Out of Virginia's Schools***: Virginia received $9.6 million in FY97 for the Safe & Drug Free Schools Program, which invests in school security and drug prevention programs.

MOVING VIRGINIANS FROM WELFARE TO WORK:

- ***65,162 Fewer People on Welfare***: There are 65,162 fewer people on welfare in Virginia now than there were at the beginning of 1993 -- a 34% decrease [through 4/97].
- ***Child Support Collections Up 78%***: Child support collections have increased by nearly $113 million -- or 78% -- in Virginia since FY92 [through FY96].

EXPANDING ACCESS TO EDUCATION:

- ***$49.7 Million in Head Start Funding:*** In FY96, Virginia received $49.7 million in Head Start funding, benefitting over 11,000 students. This year, Virginia receives $55.5 million, an increase of $5.8 million over 1996.
- ***424,368 for Early Head Start***: Virginia communities received 424,368 in Early Head Start

grants for FY96 to provide basic early education, nutrition, and family development to low-income families with children under three. Early Head Start was established as a feature of the reauthorization of the Head Start Act, signed by President Clinton in 1994.

- ***$8.7 Million in Goals 2000 Funding***: This year [FY97], Virginia receives $8.7 million in Goals 2000 funding. This money is used to raise academic achievement by raising academic standards, increasing parental and community involvement in education, expanding the use of computers and technology in classrooms, and supporting high-quality teacher professional development.
- ***$2.9 Million for Technology Literacy***: This year [FY97], Virginia receives $2.9 million for the Technology Literacy Challenge Fund which helps communities and the private sector ensure that every student is equipped with the computer literacy skills needed for the 21st century.
- ***$111.6 Million for Students Most in Need***: Virginia receives $111.6 million in Title I grants providing extra help in the basics for students most in need, particularly communities and schools with high concentrations of children in low-income families [FY97].
- ***$77 Million for Students with Disabilities***: This year, Virginia will receive $77 million under the Individuals with Disabilities Education Act to help ensure high quality educational opportunities for an estimated 146,684 disabled students in Virginia.
- ***$33.6 Million for Vocational and Adult Education***: This year [FY97], $33.6 million helps Virginia's students and workers prepare for the 21st Century with technical and academic training. The funding also includes the School-to-Work program, bridging high school with vocational education.
- ***$111.5 Million in Pell Grants***: Virginia receives $111.5 million this year in Pell Grant funding, which helps Virginia's low-income students go to college [FY97].
- ***Over 600 Volunteers Have Served in Virginia through AmeriCorps:*** This year, 8 AmeriCorps participants are serving their communities while earning money for college by working in Virginia's schools, hospitals, neighborhoods or parks. Since the National Service program began in 1994, over 600 volunteers have served Virginia in 101 different programs [through FY97].

INVESTING IN VIRGINIA'S HEALTH:

- ***Helping Virginia Women and Children with WIC***: The Clinton Administration is committed to full funding in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). Today, in Virginia, 3,908 more women and children in need are receiving health and food assistance than in 1994.

PROTECTING THE ENVIRONMENT:

- ***2 Toxic Waste Sites Cleaned Up***: Since 1993, the EPA has completed 2 Superfund toxic waste cleanups in Virginia, in Richmond and Chatham [through 6/97].
- ***Brownfields Pilots in Richmond and Cape Charles-Northampton County***: The EPA has awarded national Brownfields Demonstration Pilots in Richmond and Cape Charles-Northampton County, which are intended to jump-start local clean-up efforts by providing funds over a two year period to return unproductive, abandoned, contaminated urban properties to productive use.

SPEARHEADING URBAN AND RURAL RENEWAL EFFORTS:

- ***$6 Million For Job Creation:*** Accomac and Norfolk were both designated Enterprise

Communities in December, 1994 and were awarded $3 million each to create more jobs, housing, and economic opportunity for area residents.

EXPANDING FUNDS FOR TRAVEL IMPROVEMENT:

- ***<u>$191 Million to Improve Mass Transit</u>***: The FTA has provided $191 million since 1993 to improve public transportation in Virginia [through FY97].
- ***<u>$2 Billion in Highway Funding:</u>*** Since 1993, Virginia has received over $2 billion in federal highway funding. These funds are helping generate approximately 87,303 jobs [through FY97].
- ***<u>Nearly $199 Million in Airport Improvement Funds:</u>*** Virginia has received nearly $199 million in airport improvement funds since 1993 [through 6/97].

VIRGINIA IS MOVING FORWARD WITH MORE JOBS AND TRADE

Virginia Is Moving In The Right Direction

- **Unemployment Is Down.** The unemployment rate in Virginia has declined from 5.4% in January 1993 to 4.2% in July 1997.
- **325,000 New Jobs In Virginia.** 324,900 new jobs have been created in Virginia-- job growth over 5 times faster than the four years before President Clinton took office.
- **Exports From Virginia Are Up 30%.** In the first 6 months of 1997, Virginia's goods exports were running at a rate of $12 billion -- up 30% since 1992. Virginia's exports of manufactured products were also up 38% from $7.6 billion to $10.5 billion in 1997*.
- **142,000 Jobs In Virginia Are Supported By Trade.** Jobs supported by goods exports increased 5% -- up 6,513 to 141,800 in 1997*-- paying an average of 15% more than non-trade related jobs.
- **Electronic and Electric Equipment Exports Are Up 84%.** Electronic and Electric Equipment exports have increased 84% since 1993 from $600 million to over $1.1 billion in 1997*-- creating more higher paying jobs for more Virginians.
- **Over 30,000 New Construction Jobs In Virginia.** 32,400 new construction jobs have been created in Virginia since 1993-- after 46,400 were lost in the four years before President Clinton took office.

* All figures for 1997 are annualized based on exports for the first 6 months.

America Is Moving In The Right Direction; Now Is Not The Time To Turn Back

President Clinton's three part economic strategy of cutting the deficit, investing in our people through education and training and opening more markets to U.S. goods is working. Now is the time to continue that progress by renewing fast track authority to help create more jobs that pay more.

- **13 Million New Jobs.** The economy has created nearly 13 million new jobs under President Clinton. Private sector job growth rate nearly 8 times greater than during previous Administration.
- **Unemployment Rate Down To 24-Year Low.** In 1992, the unemployment rate was 7.5%. Today it is under 5% -- as low as it's been at any time in the last 24 years.
- **1.7 Million New Export-Related Jobs -- Paying On Average 15% Higher Wages.** Since President Clinton took office, the number of export-related jobs has increased by 1.7 million.
- **Family Income Up $1,600.** After stagnating for 20 years, family incomes are rising again. Since 1993, the income of the typical American family increased by $1,631, after adjusting for inflation.
- **Exports Are Up By Nearly 50%.** Since the beginning of 1993, exports from the U.S. have grown by nearly 50% -- up $318 billion -- after adjusting for inflation. Exports have accounted for 38% of the overall growth in the economy since 1993.
- **Renewed Growth In Key Industries.** After a decade of enormous job losses in construction, manufacturing, and autos, these industries have made a remarkable recovery -- more than one million new jobs combined under President Clinton.
- **Smallest Deficit Among Major Economies.** Under President Clinton, the deficit has been cut by more than 80% -- from a record $290 billion in 1992 to an expected $37 billion this year.