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FEBRUARY 1996

Divider Title: _____

**THE TRIP OF
THE PRESIDENT
TO
WOODLAND, WASHINGTON,
PORTLAND, OREGON,
AND BOISE, IDAHO**

February 14, 1996

Staff Copy

Table of Contents

Wednesday, February 14, 1996

WOODLAND, WASHINGTON

Streetwalk of Residential Block

Roundtable Discussion with Community Leaders

- Event Memo
- Opening Remarks

Washington Background

- Political Background
- Economic Background
- Local Issues
- Background on Washington Flooding
and Federal Response and Recovery

Distributed
Separately

PORTLAND, OREGON

Survey Flood Wall

Address to Flood Recovery Workers and Volunteers of Oregon

- Event Memo
- Draft Remarks

Meeting with Oregon Officials

Oregon Background

- Political Background
- Economic Background
- Local Issues
- Background on Oregon Flooding and
Federal Response and Recovery
- Status of Oregon Medicaid Waiver

Distributed
Separately

BOISE, IDAHO

Meeting with Idaho Officials and Conference Call

- Event Memo

To be forwarded

- Talking Points

Departure Statement

To be forwarded

Idaho Background

- Political Background

Distributed
Separately

- Economic Background

- Local Issues

- Background on Idaho Flooding
and Federal Response and Recovery

SCHEDULE OF THE PRESIDENT

FOR

WEDNESDAY, FEBRUARY 14, 1996

DRAFT

APPOINTMENT SCHEDULER:

STEPHANIE STREETT

HOME: 202-332-5651

OFFICE: 202-456-7560

WHCA PAGER: 4033

CELL PHONE: 202-494-9855

EVENT COORDINATOR:

NICOLE ELKON

HOME: 202-332-2350

OFFICE: 202-456-6481

PRESS DESK:

ANNE EDWARDS

HOME: 202-565-3101

OFFICE: 202-456-7560

WHCA PAGER: 4208

**SCHEDULE OF THE PRESIDENT
FOR
WEDNESDAY, FEBRUARY 14, 1996**

NOTE: Baggage call is 4:00 am. Please leave bags outside room 89 1/2. Staff Vans depart at 5:45 am from West Basement.
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6:15 am	THE PRESIDENT proceeds to the South Lawn
	Note: This departure is closed to staff and guests.
6:20 am	THE PRESIDENT departs the White House via Marine One en route Andrews Air Force Base [flight time: 10 minutes]
6:30 am	THE PRESIDENT arrives Andrews Air Force Base
6:45 am	THE PRESIDENT departs Andrews Air Force Base via Air Force One en route Portland International Airport, Portland, Oregon [flight time: 5 hours, 20 minutes] [time change: - 3 hours]
9:05 am (PST)	THE PRESIDENT arrives the National Guard Ramp, Portland International Airport, Portland, Oregon
	Greeters: Governor Mike Lowry Senator Patricia Murray Senator Slade Gorton
9:15 am	THE PRESIDENT departs the National Guard Ramp, Portland International Airport, Portland, Oregon via Marine One en route Landing Zone at Woodland High School, Woodland, Washington [flight time: 35 minutes] OPEN PRESS CLOSED PUBLIC

NOTE: The President will do an aerial tour of flood damage in Washington
--

9:50 am **THE PRESIDENT** arrives Landing Zone at Woodland High School,
Woodland, Washington
OPEN PRESS
CLOSED PUBLIC

Greeter: Representative Linda Smith
 Mayor Jim Graham, Woodland

10:00 am **THE PRESIDENT** departs Landing Zone at Woodland High School,
Woodland, Washington via motorcade en route Gun Club Road
[drive time: 10 minutes]

Note: **Mayor Jim Graham, Woodland and James Lee
Witt, Director, FEMA, will ride in the limousine
with the President.**

10:10 am **THE PRESIDENT** arrives Gun Club Road

10:15 am-
11:00 am **STREET WALK OF RESIDENTIAL BLOCK
GUN CLUB ROAD**
Staff Contact: Kitty Higgins
Event Coordinator: Nicole Elkon
OPEN PRESS

11:00 am **THE PRESIDENT** departs Gun Club Road, Woodland, Washington,
via motorcade en route City Hall/Fire Station
[drive time: 10 minutes]

11:10 am **THE PRESIDENT** arrives City Hall/Fire Station

Greeter: Major General Fuhrman, United States Army Corps of
 Engineers
 Fred Hansen, Deputy Administrator, EPA

11:15 am-
12:15 pm **ROUND TABLE DISCUSSION WITH COMMUNITY LEADERS
AND FLOOD VICTIMS**
THE BAY
Woodland City Hall/Fire Station
Remarks: Carolyn Curiel
Staff Contact: Kitty Higgins
Event Coordinator: Nicole Elkon
POOL PRESS

12:25 pm **THE PRESIDENT** departs Woodland City Hall/Fire Station via
motorcade en route Landing Zone, Woodland, Washington
[drive time: 10 minutes]

12:35 pm **THE PRESIDENT** arrives Landing Zone, Woodland, Washington

12:45 pm **THE PRESIDENT** departs Landing Zone, Woodland, Washington,
via Marine One en route Landing Zone at Waterfront Park
[flight time: 30 minutes]
OPEN PRESS
CLOSED PUBLIC/OPEN TO STUDENTS

NOTE: The President will do an aerial tour of flood damage in Oregon.

1:15 pm **THE PRESIDENT** arrives Landing Zone at Waterfront Park,
Portland, Oregon
OPEN PRESS
CLOSED PUBLIC

Greeter: 2 Representatives
 Mayor Vera Katz
 Oregon State Officials
 2 Volunteers

1:25 pm **THE PRESIDENT** proceeds on foot to the flood wall
[walk time: 5 minutes]

1:30 pm-
1:40 pm **SURVEY FLOOD WALL**
THE FLOOD WALL
Staff Contact: Kitty Higgins
Event Coordinator: Nicole Elkon
OPEN PRESS

1:45 pm-
2:30 pm **ADDRESS TO FLOOD RECOVERY WORKERS AND**
VOLUNTEERS OF OREGON
THE FLOOD WALL
Remarks: David Shipley
Staff Contact: Kitty Higgins
Event Coordinator: Nicole Elkon
OPEN PRESS

2:35 pm-
3:35 pm **MEETING WITH OREGON OFFICIALS**
McCALLS RESTAURANT
Staff Contact: Kitty Higgins
Event Coordinator: Nicole Elkon
STILLS ONLY

3:40 pm **THE PRESIDENT** proceeds on foot to the Landing Zone at
Waterfront Park, Portland, Oregon
[walk time: 5 minutes]

3:50 pm **THE PRESIDENT** departs the Landing Zone at Waterfront Park, Portland, Oregon, via Marine One en route Portland International Airport, Portland, Oregon
[flight time: 15 minutes]

4:05 pm **THE PRESIDENT** arrives the National Guard Ramp, Portland International Airport, Portland, Oregon

4:10 pm (PST) **THE PRESIDENT** departs the National Guard Ramp, Portland International Airport, Portland, Oregon via Marine One en route Boise National Airport, Boise, Idaho
[flight time: 1 hour, 5 minutes]
[time change: + 1 hour]
OPEN PRESS
CLOSED PUBLIC/OPEN TO BASE PERSONNEL

6:25 pm (MST) **THE PRESIDENT** arrives Boise National Airport, Boise, Idaho

NOTE: The events in Idaho are business attire.

6:40 pm-
7:30 pm **MEETING WITH IDAHO OFFICIALS**
ROOM TBA
Idaho Air National Guard Base Operations Office
Boise National Airport
Staff Contact: Kitty Higgins
Event Coordinator: Nicole Elkon
POOL PRESS

7:45 pm-
8:00 pm **DEPARTURE STATEMENT**
TARMAC
Boise National Airport
Remarks:
Staff Contact: Kitty Higgins
Event Coordinator: Nicole Elkon
OPEN PRESS

8:15 pm (MST) **THE PRESIDENT** departs Boise National Airport, Boise, Idaho via Air Force One en route Newark International Airport, Newark, New Jersey
[flight time: 3 hours, 55 minutes]
[time change: + 2 hours]

2:25 am (EST) **THE PRESIDENT** arrives Newark International Airport, Newark, New Jersey

2:40 am

THE PRESIDENT departs Newark International Airport, Newark, New Jersey, via motorcade en route the Sheraton Meadowlands Hotel [drive time: 15 minutes]

2:55 am

THE PRESIDENT arrives the Sheraton Meadowlands Hotel

BC RON

**THE SHERATON MEADOWLANDS HOTEL
NEWARK, NEW JERSEY**

HRC RON

THE WHITE HOUSE

February 13, 1996

STREETWALK OF RESIDENTIAL BLOCK

DATE:	February 14, 1996
LOCATION:	Gun Club Road Woodland, Washington
TIME:	10:15am - 11:00am
FROM:	Kitty Higgins

I. PURPOSE

You will visit with Woodland residents and tour the damage caused by the recent extensive flooding.

II. BACKGROUND

The residential city of Woodland has been severely damaged by the flood last week. Many neighborhoods in this small town have been hit hard by the floods. You will visit with two families on Gun Club Road

Gun Club Road is a perfect example of the benefits of the federal flood insurance program, begun in 1968. You will tour both sides of the street and see the benefits of the program. On one side of the street are old homes built prior to a flood insurance program and were not required to be built out of the 100-year flood plane. Many of these homes had several feet of water inside, causing significant damage.

On the opposite side of the road, you will see newer homes built after the program began, which required them to be built at an elevation above the 100-year flood plane. As a result, these homes have very little damage.

III PARTICIPANTS

YOU

James Lee Witt

Governor Mike Lowry

Senator Slade Gorton

Senator Patty Murray

Rep. Linda Smith

Senator Mark Hatfield

Senator Ron Wyden

Mayor of Woodland Jim Graham

Darrell and Shirley Gleason - Mr. Gleason is a high school teacher. She is director of Food Services for the Lecenter School District. They moved to the area in 1993. They were told by the insurance company that they did not need flood insurance because it never flooded there. However, due to the location he was forced to elevate his home out of the flood plane. Subjected to criticism from neighbors, he complied with local ordinances and as a result his house suffered minimal damage. They have not applied for FEMA assistance because they have not assessed the damage to their crawl space under the house. Behind their house is a subdivision where there had been plans to build 8 new homes -- it is not a lake.

Douglas and DeLois Jungnickel - Mr. Jungnickel is a retired trucker for the logging industry, a veteran of WWII and a lifelong resident of Woodland. He and his wife moved to this house 31 years ago. There is still 5 feet of water in the basement. They have just applied for FEMA assistance. This house was built before Federal codes were put into place. Mr. Jungnickel is basically deaf and lost his hearing aid in the flood. You will be able to communicate with him by talking directly at him - he can read lips. He also has glaucoma in his right eye and cannot see from it.

Sandra Jefferies - daughter of the Jungnickels, currently lives in Woodland.

Peggy Jungnickel - daughter who lives in Vancouver. Her parents are currently staying with her and commuting to Woodland every day to clean up their home.

IV. PRESS PLAN

Open Press

V. SEQUENCE OF EVENTS

YOU will tour the Gleason property.

Governor Lowry, Senators Gorton, Murray, Hatfield and Wyden and Rep. Smith will depart tour at this point.

YOU will proceed to the Jungnickel house with Mayor Graham and Director Witt.

YOU will enter the house and survey the water damage.

YOU will go to the backyard to view the water damage.

YOU will exit the front of the house and walk to the end of the block where other members of the community will be assembled.

VI. REMARKS

None provided.

THE WHITE HOUSE
WASHINGTON

February 13, 1996

ROUNDTABLE DISCUSSION WITH COMMUNITY LEADERS & FLOOD VICTIMS

DATE: February 14, 1996
LOCATION: Fire House/City Hall
Woodland, Washington
TIME: 11:15 a.m. - 12:15 p.m.
FROM: Kitty Higgins

I. PURPOSE

You will take part in a roundtable discussion in the Woodland Fire House and City Hall with community leaders and flood victims. You will discuss the recent flood and the extent of its damage. Additionally, you will talk with victims and speak about their recent experiences during the flood.

II. BACKGROUND

Woodland is a small community of 3,000 people which has been devastated by the floods. However, this small Washington State town has pulled together and is a prime example of a community whose citizens care about each other. Throughout the flood, neighbors helped each other evacuate homes, rescue personal belongings and clean watersoaked homes and businesses. By pulling together, the town illustrated the success of community spirit and minimized the damage brought on by the floods.

III. PARTICIPANTS

YOU

James Lee Witt

Governor Mike Lowry

Mayor Jim Graham

Senator Slade Gorton

Senator Patty Murray

Rep. Linda Smith

Hans Johnston - 79-year old homeowner. He has lived in Woodland for 31 years and this is the first flood he's ever experienced. His wife, Lydia, will be in the audience.

Sherry Marlowe - Her husband, Chris, has lived in this house for 25 years - since he was 5 years old. They have two boys, ages 10 and 7.

Trudy Winterfeld - Cowlitz County Emergency Management Operations Supervisor. Ms. Winterfeld coordinates the response for any disaster for all municipalities in Cowlitz County.

Mark Anderson - Woodland Deputy Fire Chief, he will moderate the discussion. He has only been in Woodland for one year.

Candice Howell - Volunteer Firefighter, manager/bookkeeper of a Chevron station in Woodland. She and her husband, who is also a volunteer firefighter, have 2 children. She assisted with the evacuation of the city.

IV. SEQUENCE OF EVENTS

Deputy Fire Chief Mark Anderson will make brief remarks and moderate the discussion.

V. PRESS PLAN

Open Press.

VI. REMARKS

Provided by Speechwriting.

President William J. Clinton
Prepared Opening Remarks
Flood Roundtable
Woodland, Washington
February 14, 1996

96 FEB 13 P 9:38

[Thank participants. Those who lost homes, Hans Johnston and Chris and Sherry Marlowe; Mayor Jim Graham, Deputy Fire Chief Mark Anderson (who is to lead off discussion); Governor Lowery; Senator Patty Murray; Senator Slade Gorton; Rep. Linda Smith; FEMA's James Lee Witt.

In audience: Ore. Governor Kitzhaber; Senators Wyden and Hatfield; Trans. Sec. Pena; SBA Regional Administrator Gretchen Sorenson; representatives from the Army Corps of Engineers.]

The hearts of the nation go out to the people who have lost so much to this flood. I am here to tell Mr. Johnston and the Marlowes, whose homes were demolished, and other flood victims: You will get back on your feet. We will be here to help you.

In my State of the Union Address, I outlined our seven biggest challenges for the future, challenges we must meet if we are to make the American Dream available to all our people and unite our country around our shared values.

Those seven are strengthening our families and giving our children better childhoods, providing better education for all Americans, enhancing the security of working families through access to health care, lifetime education and training and secure pensions, fighting crime and gangs and drugs until crime is the exception -- not the rule -- in America again, protecting our environment, maintaining our world leadership for peace and freedom and continuing to reform and reinvent our government so that it does a better job at less cost in helping our people to make the most of their own lives, and solve our problems together.

The way we will meet these is by working together: businesses, churches, schools, community groups, and government at all levels. Woodland has reminded us: The power of community is exponential.

The community of Woodland has come together in an extraordinary way, and because it has, a greater disaster was averted. Volunteer firefighters, under Fire Chief Ed Chapman and Deputy Fire Chief Mark Anderson, evacuated 1,000 people in 40 minutes. Even while their own homes were damaged, emergency workers were tireless. Sandbaggers were relentless. Restaurants opened their kitchens to feed workers and victims.

Still, recovering from a natural disaster of this scale cannot happen without a strong helping hand. The national government is committed to help, just as we did in the Midwest floods, the California earthquakes and hurricanes in the Southeast. People came back from those

disasters, with the nation's help. And so will people here.

I am pleased to announce today that we will be providing \$26.4 million in funds to help rebuild communities in Washington State, \$10 million in Emergency Relief funds to repair federal-aid highway damage caused by the flooding, and 2 million in other immediate emergency funds.

As we debate the role of government, these emergencies remind us: The era of big government is over. But we can't go back to fend for yourself. We need a strong FEMA to get help quickly to people who need it; we need an effective SBA, to get loans without red tape to home- and business owners who must rebuild; we need an efficient Dept. of Transportation (remember the quick rebuilding of L.A. freeways after the quake); we need a quick-response Army Corps of Engineers. Here in Woodland, they did 14 days' worth of draining water in 3 days.

This is the team that responds to crises of health, safety and humanity. That is why we want them to be the best they can be.

Our nation is awed and inspired by the courage and resilience of our people in this disaster. In my tour of flooded areas today, I saw how the cleanup is progressing. Today I want to hear what else we can do to help the recovery here. Thank you.

ECONOMIC PROGRESS IN WASHINGTON 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 Washington after the first three years of the Clinton Administration:

Improved Economic Conditions in Washington:

- The unemployment rate has dropped from 8.2% to 5.8%.
- In 35 months, Washington has added 128,800 total jobs or 44,160 **per year**. During the previous 4 years combined, Washington added 235,100 total jobs or 58,525 **per year**.
- 16% **FEWER** new private sector jobs **per year** -- 38,057 vs. 45,300 average during the previous 4 years. In 35 months, Washington has added 111,000 private sector jobs, after adding 181,200 during the previous 4 years combined.
- 32,300 manufacturing jobs **LOST** in 35 months -- after 6,000 lost during the previous 4 years combined.
- New business incorporations have increased 8% **per year**.
- Bank lending has grown by almost \$6.2 billion or \$2.3 billion **per year**.
- Consumer confidence has increased 42%.
- The Help Wanted Index has increased 12%.
- Home sales have increased 2% **per year**.

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

\$15,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN WASHINGTON: 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 Washington.

8 TIMES MORE WASHINGTON FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 210,040 working families in Washington will receive a tax cut. This compares to an increase in the income tax rate for only the 27,491 wealthiest taxpayers in Washington.

TAX CUT FOR 28,617 SMALL BUSINESSES IN WASHINGTON: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 28,617 small businesses in Washington are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

768,000 WASHINGTON 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 767,575 workers in Washington, and protects the jobs of 46,112 workers in Washington who are likely to use unpaid leave this year alone.

239,000 STUDENTS AND FORMER STUDENTS IN WASHINGTON WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 239,000 Washington borrowers -- 167,300 current borrowers and 71,700 new borrowers in the next few years -- can take advantage of the new direct student loan program by participating directly in the program or by consolidating guaranteed loans into direct loans. Some will benefit from lower interest rates, and all will benefit from more repayment options, including income contingent repayment.

THE WHITE HOUSE
WASHINGTON

February 13, 1996

MEMORANDUM FOR THE PRESIDENT

THROUGH: Julia Chamovitz
National Economic Council

FROM: Selina Davis
National Economic Council

SUBJECT: Background on Recent Developments in the Washington Economy

This memorandum presents background information about current economic issues in Washington.

- ***New Intel Site to Employ Up to 1000 by End of 1996*** — Intel is in the process of building a combination computer systems manufacturing and research and development site in DuPont, 15 miles south of Tacoma. The \$100 million project is expected to create 800 to 1000 new jobs. (Source: Intel Corp.)
- ***Boeing Number 1 in 1995 Market Share*** — The Boeing Company finished 1995 with a 69.7% share of the global market for new jetliners, reflecting 346 announced orders for 1995 worth \$31.2 billion. This increased demand for new aircraft has led Boeing to recently announce increased production rates for 1996. (Source: The Boeing Company)

FYI: *The Wall Street Journal* reported on Feb. 9 that Boeing's commercial-jetliner unit is expected to hire at least 7,000 new and laid-off workers for newly created jobs by early 1997. While Boeing would not speculate on its future employment plans, the company is in the process of reviewing its employment forecast. This should be completed in the next 7 to 10 days.

FYI: The Boeing strike was resolved at the end of 1995.

- ***BHP Steel to Open New Plant in Kalawa*** — Australia-based BHP Steel has begun construction on a \$221 million steel coil finishing facility in the southwest Washington town of Kalawa. BHP expects to employ 230 people at the plant, with an annual payroll of \$10 million, once operations begin in mid-1997. (Source: BHP Steel USA Inc.)

- ***SEH America Begins Expansion of Vancouver, WA Facility*** -- SEH America, a manufacturer of high purity silicon wafers, recently began implementing a \$100 million expansion program. The expansion will involve upgrading existing production capabilities and development of additional silicon crystal growing capacity. The expansion is expected to create 100 new jobs. SEH America employs 1,250 people in Vancouver. (Source: SEH America)
- ***Tacoma Designated Urban Enterprise Community*** -- Tacoma received \$3 million in social services block grants and tax exempt bond authority. The EC includes the Hilltop area, portions of the Eastside, Downtown, and the Port/Industrial area. Tacoma's One-Stop Capital Shop will deliver financial, business, and technological assistance to small and minority and women-owned businesses within the EC and throughout the broader region. Other Washington state ECs include Seattle (urban EC) and lower Yakima County (rural EC.) (Source: Community Empowerment Board)
- ***TRP Funds \$3.9 million Project in Seattle*** -- Boeing Computer Services of Seattle will lead a team of companies in creating a portable, head-mounted computer display with a position-sensing system. One version of the system will superimpose images directly on the surface of objects, while a second will project text and images onto the operator's protective face shield. Of special significance to the military is the prospect of performing maintenance and repair on military equipment with the aid of hands-free, interactive drawings, photographs, and text that are projected directly onto the soldier's view. (Source: ARPA)
- ***EITC Benefits 210,000 Families in Washington*** -- This comes from 1993 Treasury estimates.

<u>Rep.</u>	<u>EITC Benefits</u>	<u>\$(millions)</u>	<u>% Families</u>	<u>Higher Taxes</u>
White	13,000 families	20.6	8.9	5,600 taxpayers
Metcalf	21,700 families	34.4	15.0	2,700 taxpayers
Smith	25,200 families	39.9	17.1	1,700 taxpayers
Hastings	29,500 families	46.9	20.6	1,700 taxpayers
Nethercutt	31,100 families	49.3	22.1	1,700 taxpayers
Dicks	26,600 families	42.3	18.5	1,900 taxpayers
McDermott	29,800 families	47.4	24.7	5,000 taxpayers
Dunn	11,600 families	18.3	7.8	5,200 taxpayers
Tate	21,600 families	34.3	15.2	1,800 taxpayers
STATE	210,000 families	398.4	23.2	27,500 taxpayers

- ***Federal Reserve on the 12th District (San Francisco)*** -- The District shows signs of moderation in economic activity entering 1996, although robust performance continues in several states. There are signs of weakening demand in a few manufacturing industries, but the electronics sector remains strong, particularly in Washington. Bank conditions are good, although there is slight downward pressure on loan margins. Real estate prices are rising in many areas of the state, with the exception of south central Washington. (Source: Federal Reserve Beige Book, 1/17/96)

THE WHITE HOUSE
WASHINGTON

February 13, 1996

MEMORANDUM FOR THE PRESIDENT

**FROM: DAN COLLINS
RUSSELL HORWITZ**

RE: Local Issues Briefing – Washington

CRIME

Child-Sex Rings

Last Friday, Attorney General Reno turned down Governor Lowry's request to have the Department of Justice investigate the controversial prosecution of 28 adults charged with participating in a child-sex ring. Criticism of the investigation focused on a police detective whose critics claim used coercion and threats with child witnesses prior to their testimony. According to Attorney General Reno, the Justice Department has no statutory authority over local prosecution decisions unless physical force, as opposed to psychological coercion, is used to obtain testimony. Lowry's office is now considering whether to launch a state investigation into the prosecution.

Teen Charged with Murder of Teacher and Two Students

A teacher and two students were fatally shot in Washington's worst incidence of school-related violence. A 14-year old boy, whose mother recently filed for divorce, admitted to the shootings. A February 20th hearing is scheduled to decide if he should be tried as an adult, as requested by the County Prosecutor. If convicted, the boy would not be eligible for the death penalty as the State Supreme Court has barred execution for defendants under 18.

STATE LEGISLATURE

House Passes Legislation Calling for Public Vote on Same-Sex Marriages

Last Saturday, the Washington House of Representatives passed legislation that calls for a public vote on a measure to ban same-sex marriages. The legislation is in response to a legal battle in Hawaii over same-sex marriages. Supporters of the legislation are concerned that if the ban on same-sex marriages is found unconstitutional in Hawaii, a couple could marry in Hawaii and then ask Washington to recognize their marriage. The measure now moves to the Senate.

Mother's Hospital Stays Are Extended

The Senate voted to require insurance companies to pay for hospital stays of new mothers for at least 48 hours after giving birth, and 96 hours following caesarian sections. According to a study released by the American Academy of Pediatrics, babies should remain in the hospital at least 48 hours so that doctors can watch for post-birth complications. The measure's future looks dim in the Republican House where similar legislation died in committee.

Proposed Property Tax Cut

The State House of Representatives passed a plan to cut the state's share of property taxes by 5 percent. The Senate, which earlier this year favored a more modest proposal, will not consider the plan until the House agrees to a \$150 million increase in spending on education and public schools. The Governor opposes the House bill contending that the state cannot afford more tax decreases with the potential of federal spending cuts.

ENVIRONMENT

New Rule on Spotted Owl Proposed

A new proposal by state officials, tribal officials, industry leaders, and environmentalists aims to end five years of bitter debate over the fate of the threatened northern spotted owl. The new proposal creates "special emphasis areas," comprised of both state and private land, that provide the best habitat for the owl to survive. Logging will be allowed in the special emphasis areas, but only after an environmental impact statement is completed.

SPORTS

Seahawks Potential Move to Southern California

Ken Behring, owner of the Seattle Seahawks, is attempting to move the team to Southern California. The county, opposed to the move, has taken the matter to court. If the Seahawks leave, it is estimated that Seattle will lose \$50 million in direct business.

THE WHITE HOUSE

WASHINGTON

February 13, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kelly*
Assistant to the President
Secretary to the Cabinet

SUBJECT: BACKGROUND ON WASHINGTON FLOODING

On February 9, 1996, you declared the State of Washington a major disaster area because of flooding caused by the heavy rains and snowmelt beginning on January 26 and continuing. Many towns reported possible contamination of drinking water sources. Additionally, major highways were closed due to avalanches, mudslides and flooding. American Red Cross estimates approximately 559 people currently are housed in 20 shelters throughout the State. ARC has provided 11,693 meals throughout Washington since the onset of floods. Forty-one washouts have occurred on rail lines between Vancouver and Tacoma. The U.S. Coast Guard has closed the Columbia River to traffic, except for two sections.

Washington State officials confirm that there have been one death and five injuries attributed to the flooding in Washington.

COUNTIES AFFECTED

Areas designated in your declaration include the counties of Asotin, Clark, Columbia, Cowlitz, Kittitas, Klickitat, Lewis, Pierce, Skamania, Thurston, Walla Walla, Whitman, and Yakima. As of today (Tuesday), the flood-ravaged State has added six more counties to the list of those eligible for assistance under your major disaster declaration for the State of Washington. These new counties are Adams, Benton, Grays, Harbor, King, Snohomish, and Wahkiakum.

ADMINISTRATION RESPONSE

The Administration's response to flood victims was immediate and decisive. James Lee Witt led a team of Federal officials touring the area over the February 10- 11 weekend, including: Federal Highway Administrator Rodney Slater, SBA Associate Administrator for Disaster Assistance Berky Kulik, and Army Corps of Engineers Commander General Stanley Genega. While in Washington, Administrator Slater announced the first wave of federal grants -- \$4 million in emergency highway money. Federal aid is now available in the form of individual and public assistance for residents and business owners who sustained losses. Federal funds are being earmarked for state and local governments for restoration of damaged public facilities and for projects that mitigate future disaster risks in jurisdictions to be designated after damage assessments are completed. As a result of the severe flooding conditions, flood victims began registering for disaster aid, and the FEMA teleregistration line took calls from 2,455 victims from Washington State.

THE WHITE HOUSE
WASHINGTON

February 13, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
Assistant to the President
Secretary to the Cabinet

SUBJECT: FEDERAL RESPONSE & RECOVERY

DEPARTMENT OF DEFENSE

- The Portland representative for the Army Corps of Engineers is Major General Russell Furman.
- 778 Army and Air National Guardsmen provided aviation support, evacuation, providing shelter, security, debris removal, traffic control and logistical support.
- 400 Army Corps of Engineers personnel distributed over one million sandbags and 22 water pumps.
- Transported FEMA personnel on an overflight of flooded areas in Oregon.
- Helicopter rescues of five stranded victims in Idaho.

DEPARTMENT OF TRANSPORTATION

- You will announce additional emergency highway grants in the amount of \$22 million for Washington, Oregon, and Idaho for repair and reconstruction of roads and bridges.
- Immediately following the floods, FHWA Administrator Rodney Slater visited sites and made available the following initial emergency funds: Oregon- \$5 million, Washington- \$4 million, and Idaho- \$2 million.
- U.S. Coast Guard conducted overflights of the flooded areas for search and rescue operations, and rescued 231 persons.
- FAA deployed Communication Support Team to provide satellite communication support to the USCG and to the Portland International Airport air control tower.

DEPARTMENT OF COMMERCE

- You may announce that the Economic Development Administration is prepared to make available up to \$500,000 from FY 1996 program appropriations to develop and implement recovery strategies for affected areas. The Department anticipates that grant awards can be processed within one week of application receipt.

SMALL BUSINESS ADMINISTRATION

- Loans will be provided to businesses of all sizes and to individual homeowners and renters. SBA's best estimate is for \$40- \$60 million in loans in Oregon, but it is too early to make an estimate for Washington.

ENVIRONMENTAL PROTECTION AGENCY

- Unconfirmed reports include the potential of hundreds of dairy cow carcasses littering the Tillamook County area. Could present serious pathogenic and odor problems.
- Oil Pollution Fund opened to clean-up of oil spills in Idaho.
- EPA On-Scene Coordinators mobilized in Idaho and Oregon to perform preliminary flood damage assessment and clean-up.
- Members of the EPA Regional Emergency Response Unit and a team of coordinators were dispatched to assist with the FEMA response.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- You will also announce Community Development Block Grant (CDBG) and HOME grant funds; \$26.4 million for Washington and \$10.4 million for Oregon (Idaho has not completed the necessary paperwork).
- Two emergency Indian Community Development Block Grants have been made available for the Yakima Indian Reservation (WA) and the Warm Springs Indian Reservation (OR), in the amount of \$350,000.
- HUD will waive regulatory and statutory program requirements to increase the flexibility of the above CDBG and HOME grants for disaster recovery.

DEPARTMENT OF AGRICULTURE

- The Department of Agriculture contact in Washington is Larry Alban, Director of the USDA Farm Services Agency.
- Rural Economic and Community Development (RECD) will assess needs for loan or grant assistance for rural housing, rural businesses and any rural community facilities.

RECD will work with its existing borrowers who may experience loan repayment difficulties as a result of the disaster.

- Regional and Field Office Food and Consumer Service (FCS) personnel are working closely with State officials and the American Red Cross in Washington, Oregon, and Idaho with offer of food assistance.
- Disaster Food Stamp Program will be activated to distribute USDA commodities to approximately 60 households for a two-week period in the Nez-Perce community of Lapwai, Idaho.
- No funds were appropriated for the Emergency Conservation Program in FY 1996 and all carryover funds were allocated at the end of October to assist in repairing damage caused by Hurricane Opal. There currently are requests on hand for \$10 million for which there are no funds available.
- Over 500 Forest Service employees provided immediate assistance, conducting damage assessments, and providing assistance to local adjacent communities. Thus far the only jurisdictional assistance requested has been for engineers to conduct bridge and road damage assessments in several counties in Washington and Oregon.
- The Natural Resource Conservation Service (NRCS) is prepared to use the Emergency Watershed protection program (EWP) to follow-up with technical assistance and emergency financial assistance if additional funds are available. However, the large number of flood-related disasters over the last 3 years have depleted completely the EWP funds that had been made available in the 1993 Emergency Supplemental. A 1996 Emergency Supplemental will likely be necessary to address these problems in the Pacific Northwest.
- The Rural Economic and Community Development program will assess need for loan or grant assistance for rural housing, rural businesses and any rural community facilities.

DEPARTMENT OF LABOR

- The State of Oregon has requested \$4 million in emergency National Reserve Account funds to create a temporary jobs program to employ 500 of the workers dislocated by the disaster to assist in the clean up and restoration of the damaged areas. You will announce that \$2 million is being obligated for immediate use.
- The State of Washington has requested \$4 million in emergency Title III funds from the Job Training Partnership Act. You will announce that \$2 million will be obligated for immediate use.
- It is expected that the State of Idaho will have a request completed on February 14, 1996.

THE WHITE HOUSE
WASHINGTON

February 13, 1996

SURVEY FLOOD WALL

DATE:	February 14, 1996
LOCATION:	Portland Waterfront Portland, OR
TIME:	1:30 p.m. - 1:40 p.m.
FROM:	Kris Balderston

I. Purpose

To examine the flood wall that was built by a volunteer force of 3,000 Portland citizens to stop the flood from hitting downtown Portland.

II. Background

Last Wednesday, Mayor Katz pleaded for volunteers to build a flood wall that would stop the flood waters that were threatening downtown Portland. In less than thirty hours, nearly 3,000 volunteers from the Portland area built a one mile wall consisting of 30,000 sandbags, 700 sheets of plywood, and concrete barriers to stop the Willamette River from flowing into the city. City workers, volunteers, and professional carpenters joined together to build the four foot wall. Fortunately, the river crested three inches below the river bank. The wall has become a symbol of the community pulling together at a difficult time.

III. Participants

Mayor Vera Katz

Bill Long (An employee of the city's maintenance bureau who had the idea to build the wall.)

Steve Barrett (An engineer who helped design the wall.)

Jim McKune (A carpenter and VP for a construction company who worked on the wall from the beginning.)

IV. Press Plan

Open Press

V. Sequence of Events

YOU will be greeted at the LZ by Governor Kitzhaber, Mayor Katz, Congressman DeFazio, and Congressman Bunn.

YOU will tour the flood wall with Mayor Katz, Bill Long, Steve Barrett, and Jim McKune.

YOU will proceed to the stage where Jim McKune will introduce you.

VI. Remarks

None required.

THE WHITE HOUSE
WASHINGTON

February 13, 1996

ADDRESS TO FLOOD RECOVERY WORKERS AND VOLUNTEERS

DATE:	February 14, 1996
LOCATION:	Portland Waterfront Portland, OR
TIME:	1:45 p.m. - 2:30 p.m.
FROM:	Kris Balderston

I. Purpose

To address the flood recovery workers and volunteers and praise them for their hard work in helping to minimize the water damage in downtown Portland.

II. Background

You will address approximately 500 city workers and volunteers that helped to build the one mile wall that prevented the flooding of downtown Portland, OR.

III. Participants

On Stage

Governor Kitzhaber
Mayor Vera Katz
Senator Ron Wyden
Senator Mark Hatfield
Representative Peter DeFazio
Representative Jim Bunn

The audience will consist of 500 volunteers and city workers

IV. Press Plan

Open Press

V. Sequence of Events

YOU will proceed to the stage with the touring party

YOU will be briefly introduced by Jim McKune, a volunteer carpenter that helped build the flood wall.

YOU will speak for approximately 10-15 minutes

YOU will proceed to the rope line and then to McCall's Restaurant for a briefing on the Oregon recovery

VI. Remarks

Provided by Speechwriter

2/13/96

DRAFT

**PRESIDENT WILLIAM J. CLINTON
REMARKS ON FLOODING IN PACIFIC NORTHWEST
PORTLAND, OREGON
FEBRUARY 14, 1996**

96 FEB 13 P9:12

Acknowledgments: Jim McKune [Mack-Yoon; introduces you.] On behalf of all Americans, my heart goes out to those who have lost loved ones, homes, property. Tremendous admiration for the incredible work done by the people of this city and the people of this state. Proud of the contribution made by all of the federal agencies working in partnership with Oregon, especially the work of the Federal Emergency Management Agency and its Director, James Lee Witt; Army Corps of Engineers, who used their nightscopes to make sure the dikes along the Columbia were holding strong; the National Guard, which has done just about everything imaginable to help -- even air-dropping hay to cattle cut off by the water on Sauvie's [So-Vees] Island. You in this state are fortunate in the men and women you have chosen to represent you in Washington: Senators Hatfield and Wyden, Representatives DeFazio, Bunn...in your leaders here at home: Governor Kitzhaber, Mayor Katz...and in your great state and metro Emergency Management team.

What I have to say today won't take long. I know that you all have had a pretty busy few weeks, and that you still have a lot of work left to do.

This is an age of possibility, but one in which our people face stiff challenges. A few weeks ago, in my State of the Union Address, I spoke of the challenges we face as a nation as we stand at the dawn of a new century.

The seven challenges I outlined grow out of the values that have stood us so well for so long: to cherish our children and strengthen our families; to provide Americans with the educational opportunities we will need for the 21st century; to help every American who is willing to work for it, achieve economic security in this new age; to take our streets back from crime, drugs, and gangs; to leave our environment safe and clean for the next generation; to maintain America's leadership in the fight for freedom and peace around the world; to reform and reinvent our government so that it works better, costs less, and earns our trust.

We can meet these challenges only by working together. Not through big government alone, not by returning to the time when our citizens were left to fend for themselves. But by going forward as one America, one nation, working together -- in our businesses, our schools, our churches, our community groups, and government at all levels.

I have come here, to the banks of the Willamette, to say: If anyone, anywhere doubts what we can do when we work together, they need only come to Portland. If we could carry to every corner of this country the great spirit the people of Oregon and Washington brought to this disaster, we would meet our challenges in no time flat.

This wall tells it all. [gesture behind you.] I want the whole country to hear the story of how you built it.

It was exactly a week ago when Mayor Katz learned that the seawalls were no match for this river, and that you'd have to get an emergency wall up before the river crested on Thursday night. City crews worked overnight, but there were too few of them for too big a job. Without outside help, the wall wouldn't be ready in time. So Mayor Katz called on the people of Portland. And you responded.

Within minutes, 1,000 men and women from all over the area cast aside what they were doing and came here to build this wall -- to hammer boards, to wrap them with plastic, to pile rock, to pass sandbags hand-to-hand. Restaurants donated food. Carpenters lent equipment. AmeriCorps volunteers -- young people learning construction skills -- put their education to work. Even 60 U.S. Marines pitched in. By midnight, the mile-long wall was finished.

And when the river finally crested on Friday afternoon, it hit the wall you built. And the wall held.

We saw similar stories of courage and teamwork around the state. A tug boat crew rescuing a man stranded on the top of his house. A police officer jumping into a debris-filled river in a failed attempt to save a life. Rescue workers evacuating people from their homes. Neighbors helping neighbors to move cattle to higher ground.

There are individual heroes everywhere. But I think we all know that this is about more than individuals. What you did on your own was often remarkable. But what you did together was truly great.

This wall of triumph will never obscure the tragedy of the Pacific Northwest has faced. Four lives lost, dozens of people injured, thousands more evacuated from their homes. Farmland ruined. Livestock destroyed. Roads, homes, businesses, power-lines swept away by mudslides, avalanches, and washouts. There are many, many people who face a difficult aftermath...without homes...without safe drinking water...having to start again.

The people of Oregon and Washington have pulled together and done their part. And the national government will continue to do its part, too. You will have our help until the job of cleaning up and rebuilding is finished. Today, I will survey the damage around the region, talk with members of the Congressional delegation, with state and local officials to see what more we can do help you.

I am particularly proud of the role played by FEMA -- which only a few years ago was a disaster, and is now a model disaster relief agency. Under the leadership of James Lee Witt, FEMA will continue to expand its efforts to make federal aid available to people who lost homes and property in designated areas.

It will continue to help the state and local government restore damaged facilities. And where it once took a month for families to get help, now you can call an 800 number and get help within days.

The Small Business Administration will do everything in its power to get Oregon's thriving small businesses up and running again.

I am pleased to announce today emergency grants from other government agencies. The Department of Transportation is committing \$10 million to help repair highways damaged by the flood. The Department of Housing and Urban is speeding \$10.3 million for community development and housing assistance. And the Department of Labor is providing \$2 million in emergency funds for dislocated workers.

It takes time to repair the ravages of a flood like this. But we will stay with it until the job is done. On that, you have my word.

I understand that you may keep part of this wall in place. I hope you will. In Berlin, they keep a portion of their wall intact as a reminder of the damage a wall can do when it is built to divide a city, to keep people and ideas apart. Here in Portland, you have built a very different kind of wall -- one that keeps everyone together. That's something worth remembering.

For Portland, this wall is an embodiment of our connection to one another. It reflects your shared commitment to this city, this community, and, yes, to this river, which has sustained Portland and this region from the moment the first settlers crossed the Cascades and set out to build better lives on its shores.

I want to close by asking you to remember that today is Oregon's birthday. On February 14, 1857, the people of this territory decided that their bond to each other was strong enough to sustain a state. The spirit that brought Oregonians together in statehood brought you together last week to build this wall. May that spirit heal the wounds of recent days. And may it continue to grow and flourish for the next 139 years -- and beyond.

Thank you and God bless you.

THE WHITE HOUSE
WASHINGTON

February 13, 1996

MEETING WITH OREGON OFFICIALS

DATE:	February 14, 1996
LOCATION:	McCall's Restaurant Portland, OR
TIME:	2:35 p.m. - 3:35 p.m.
FROM:	Kris Balderston

I. Purpose

To meet with Oregon state and local officials to discuss the impact of the flood on their communities.

II. Background

You will meet with local officials representing communities around the Portland area that have been hard-hit by the flood. Governor Kitzhaber will open the meeting with an overview of the flood. The Governor will ask two local officials to discuss the flood's impact on their small communities.

III. Participants

A list of speakers and participants is attached.

IV. Press Plan

Stills only.

V. Sequence of Events

YOU will enter the restaurant.

Governor Kitzhaber will open the briefing and call on two local officials.

YOU should feel free to ask the local officials questions.

VI. Remarks

None required.

Participants

Speakers (in order of appearance)

- 1. John Kitzhaber**, Governor of Oregon
- 2. Jerry Dove**, County Chairperson, Tillamook County -
Was an automobile repairman for thirty years prior to being elected.
- 3. Darlene Kay Hooley**, County Chairperson, Clackamas County - Former
State Legislator, who served with Mayor Katz

Attendees

Portland Mayor Vera Katz

Senator Ron Wyden

Senator Mark Hatfield

Congressman Jim Bunn

Congressman Peter DeFazio

Secretary Federico Pena

James Lee Witt, Director, FEMA

Fred Hansen, EPA Deputy Administrator

Alice Schlenker, Mayor of Lake Oswego

President of the League of Oregon Cities and may run for Oregon Legislature
in the Republican primary.

Dan Fowler, Mayor of Oregon City

General contractor whose business was flooded.

Tony Hyde, Mayor of Veronia

A logger in a very isolated logging community

Bob McPheeters, Mayor of Tillamook

A retired school librarian and a long time mayor of this coastal community that
was very hard hit.

Dennis Koho, Mayor of Keizer.

Lou Ogden, Mayor of Tualatin

Helen Berg, Mayor of Corvallis

Very active in the home town of Oregon State University.

Addison Earl Harrison (Bud), Mayor of Clatskanie

Retired high school teacher in his third term as Mayor.

Anthony Hyde, Mayor of Veronia

Beverly Stein, County Chairperson of Multnomah County

Was chosen along with Mayor Katz by Governing Magazine as Public Officials of the Year last year.

Linda Peters, County Chairperson of Washington County

ECONOMIC PROGRESS IN OREGON 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 Oregon after the first three years of the Clinton Administration:

Improved Economic Conditions in Oregon:

- The unemployment rate has dropped from 8.0% to 4.9%.
- Over twice as many new jobs **per year** -- 57,120 vs. 23,575 average during the previous 4 years. In 35 months, Oregon has added 166,600 total jobs, after adding 94,300 during the previous 4 years combined.
- Over 2 1/2 times as many new private sector jobs **per year** -- 54,000 vs. 18,900 average during the previous 4 years. In 35 months, Oregon has added 157,500 private sector jobs, after adding 75,600 during the previous 4 years combined.
- 18,200 new manufacturing jobs added in 35 months -- after 6,900 lost during the previous 4 years combined.
- New business incorporations have increased 5% **per year**.
- Consumer confidence has increased 42%.
- Business failures have dropped 14% **per year** -- after increasing 25% **per year** during the previous 4 years.
- Home building has increased 15% **per year** and homes sales have increased 10% **per year**.

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

\$15,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN OREGON: 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 Oregon.

12 TIMES MORE OREGON FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 145,323 working families in Oregon will receive a tax cut. This compares to an increase in the income tax rate for only the 12,350 wealthiest taxpayers in Oregon.

TAX CUT FOR 18,286 SMALL BUSINESSES IN OREGON: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 18,286 small businesses in Oregon are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

431,000 OREGON 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 430,843 workers in Oregon, and protects the jobs of 25,883 workers in Oregon who are likely to use unpaid leave this year alone.

215,900 STUDENTS AND FORMER STUDENTS IN OREGON WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 215,900 Oregon borrowers -- 151,100 current borrowers and 64,800 new borrowers in the next few years -- can take advantage of the new direct student loan program by participating directly in the program or by consolidating guaranteed loans into direct loans. Some will benefit from lower interest rates, and all will benefit from more repayment options, including income contingent repayment.

THE WHITE HOUSE
WASHINGTON

February 13, 1996

MEMORANDUM FOR THE PRESIDENT

THROUGH: Julia Chamovitz
National Economic Council

FROM: Lisa Hill
National Economic Council

SUBJECT: Background on Recent Developments in the Oregon Economy

This memorandum presents background information about current economic issues in Oregon.

- ***Freightliner Corp. Achieves Fourth Record Sales Year with \$5 Billion*** — Portland-based Freightliner Corp., a subsidiary of the German corporation, Daimler-Benz, achieved its fourth consecutive record sales year with \$5 billion in sales - a 25% increase over the previous year. Last year Portland's 4,700 Freightliner workers produced 77,300 trucks in 1995, giving them a 26.3% market share in the US (Source: Freightliner Corp.)
- ***Construction Underway at Intel's Sixth Facility in Oregon*** — Construction is currently underway at California-based Intel's newest facility in Oregon, which will manufacture computer chips and will also serve as the site for future chip development. The facility is already staffed by approximately 300 employees, with a projected employment of 1,400 people by the year 2008. Intel Oregon is the largest Intel site worldwide, employing 8,600 employees in Washington County. (Source: Intel Corp.)
- ***Nike, Inc. Orders Up 34%*** — Headquartered in Portland, Nike, Inc. recently reported that worldwide orders for footwear and apparel deliverable between December 1995 and April 1996 hit a record \$2.7 billion, up 34% from last year. The corporation also announced that the company's second quarter net income totaled \$118.2 million, an increase of 39% from last year's total. Nike, Inc. employs 12,800 employees worldwide, 3,500 of which are based in Oregon. (Source: Nike, Inc.)

- **LSI Logic Builds \$4 Billion Facility in Gresham** -- LSI Logic, a California-based semiconductor corporation has begun construction on a new facility in Gresham, Oregon, marking its first expansion outside California. LSI Logic expects to invest up to \$4 billion in the six plant facility. The construction will take place over a period of 15 years, but production at the first factory is scheduled to begin in the spring of 1997. The company, which employs 3,700 people worldwide, estimates 467 jobs to be generated at Gresham by 1997. (Source: LSI Logic)
- **Portland Designated as an Urban Enterprise Community** -- Portland received \$3 million in social services block grant funds and tax exempt bond authority. The EC incorporates the neighborhoods of North Portland, Northeast Portland and part of Downtown Portland. Initiatives of the EC include a JOBNET program designed to develop comprehensive employment and training services. JOBNET has filled over 2,000 jobs and nearly 45% were filled by EC residents. Josephine County was also designated as a rural EC. (Source: Community Empowerment Board)
- **TRP Funds \$14.6 Million for Project in Beaverton, OR** -- Planar Systems Inc. in Beaverton, OR will lead a team of companies in a project to improve the efficiency and power consumption of thin-film electroluminescent (EL) displays while expanding production capacity. They are also developing and manufacturing an active matrix EL display suitable for head-mounted and miniature display applications. DOD uses more EL displays than any other type of flat-panel display due to the EL displays' inherent rugged nature, wide-viewing angle range and wide-temperature operating range. DOD demand for head-mounted displays is expected to grow significantly. (Source: ARPA)
- **EITC Benefits Over 145,000 Families** -- This comes from 1993 Treasury estimates.

<u>Rep.</u>	<u>EITC Benefits</u>	<u>\$ (millions)</u>	<u>% Families</u>	<u>Higher Taxes</u>
Furse	23,600 families	38.6	15.8	5,059 taxpayers
Cooley	32,700 families	53.6	20.7	1,637 taxpayers
3rd District	30,600 families	50.1	21.1	1,680 taxpayers
DeFazio	32,800 families	53.7	21.1	1,697 taxpayers
Bunn	25,700 families	42.1	17.1	2,277 taxpayers
STATE	145,300 families	238.1	19.2	12,350 taxpayers
- **Federal Reserve on the 12th District (San Francisco)** -- The District shows signs of moderation in economic activity entering 1996, although robust performance continues in several states, including Oregon. Real estate prices are rising in many areas of Oregon. Loan activity is moderate to strong throughout the district. (Source: Federal Reserve Beige Book, 1/17/96)

THE WHITE HOUSE
WASHINGTON

February 13, 1996

MEMORANDUM FOR THE PRESIDENT

**FROM: DAN COLLINS
 RUSSELL HORWITZ**

RE: Local Issues Briefing -- Oregon

EDUCATION

Portland Teachers Asked Not to Volunteer

In an effort to illustrate the contributions teachers voluntarily make to their schools on a regular basis, the Portland Association of Teachers is urging its members to leave at the end of daily classes -- foregoing parent-teacher conferences and student tutoring. This "work to the rule" tactic is one of the first major steps the 4,000 member union has taken in hopes of getting the school district to agree to a new contract. Teachers have been working without a contract since June.

TRANSPORTATION

Study to Improve Highway Conditions

Transportation Departments from Oregon, Washington, and Idaho, along with the Federal Highway Administration have joined together to improve the Northwest highway corridor by conducting a study of road conditions between Boise and Portland. Benefits of the 20-year study, set to begin next year, should include better travel information, quicker emergency response, fewer traffic jams, improved fleet management and faster freight deliveries.

HEALTH CARE

Hospitals Tax Exemption Threatened in Legal Battle

The Oregon Tax Court has ordered four of the state's largest hospitals to prove that they are still charitable institutions in order to qualify for tax breaks. If unsuccessful, the hospitals could lose up to \$10 million in tax exemptions. According to the judge in the case, the hospitals will have a difficult time proving their case, as charity represented less than 5 percent of each hospital's gross revenues from 1992-1994.

LEGAL GAMBLING

Governor's Task Force on Gaming

Governor Kitzhaber's Task Force on Gaming, which is charged with deciding the future of the gaming industry in Oregon, met for the first time last week. The gaming industry has experienced rapid growth since voters first approved gambling in 1984. The state lottery has become the second largest source of funding for government services after the income tax. The task force was created to address concerns that Oregon had become overly dependant on lottery proceeds and that the proliferation of gambling was sending the wrong message to young people.

STATE LAW

City Club Reports on Initiative

A report by the Portland City Club concluded that Oregon's Citizen Initiative Process has turned into a tool whereby wealthy individuals or groups can change laws or the state constitution to their liking. According to the report, the initiative has been used to propose measures that could derange public finance, damage public credit, and impair government services. The report included several recommendations, all of which would require amendments to Oregon's Constitution to place restrictions on future ballot proposals.

THE WHITE HOUSE
WASHINGTON

February 13, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*
Assistant to the President
Secretary to the Cabinet

SUBJECT: BACKGROUND ON OREGON FLOODING

On February 9, 1996 you declared the State of Oregon a major disaster area due to the extraordinary flooding caused by recent heavy rains and snowmelt. The National Weather Service reported that there were flood warnings along 15 major rivers, and DOT declared that passage in and out of Portland by rail or highway was impossible. The American Red Cross has 16 shelters opened throughout the State. Monday night, approximately 250 people were housed in these shelters. American Red Cross feeding operations have provided 8,863 meals at 18 fixed feeding locations and twelve mobile feeding sites. Additionally, the Oregon Emergency Response System reports that 18 communities have been ordered to boil their drinking water. This order affects approximately 20,000 residents. The U.S. Coast Guard has closed the entire Willamette River to all traffic, and Amtrak's National Operations Center reports that the Northwest rail services remain suspended in Portland and other river cities.

As of Monday, four deaths and 48 injuries have been attributed to the flooding.

COUNTIES AFFECTED

Because of the severity of Oregon floods, you issued a major disaster declaration for 18 flood-ravaged Oregon jurisdictions. Areas designated in this declaration include the counties of Benton, Clackamas, Clatsop, Columbia, Hood River, Lane, Lincoln, Linn, Marion, Multnomah, Polk, Sherman, Tillamook, Umatilla, Union, Wasco and Yamhill, and the Warm Springs Reservation. As of today, reports state that Washington County was added to the list of jurisdictions in your major disaster declaration for Oregon State.

ADMINISTRATION RESPONSE

The Administration's response to flood victims and businesses was immediate and decisive. James Lee Witt led a team of federal officials, touring the area the weekend of February 10-11, including Rodney Slater, SBA Associate Administrator for Disaster Assistance Berky Kulik, and General Stanley Genega (Army Corp of Engineers). Flood victims are registering for disaster assistance, and the FEMA teleregistration line took calls from 2,590 victims from Oregon State. Federal funds are now available for individual and public assistance for residents and business owners who sustained losses. Federal funds are being earmarked for state and local governments for restoring damaged public facilities and for projects that mitigate future risks in jurisdictions to be designated after damage assessments are completed.

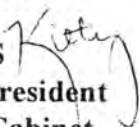
THE WHITE HOUSE

WASHINGTON

February 13, 1996

MEMORANDUM FOR THE PRESIDENT

FROM:

KITTY HIGGINS 
Assistant to the President
Secretary to the Cabinet

SUBJECT:

FEDERAL RESPONSE & RECOVERY

DEPARTMENT OF DEFENSE

- The Portland representative for the Army Corps of Engineers is Major General Russell Furman.
- 778 Army and Air National Guardsmen provided aviation support, evacuation, providing shelter, security, debris removal, traffic control and logistical support.
- 400 Army Corps of Engineers personnel distributed over one million sandbags and 22 water pumps.
- Transported FEMA personnel on an overflight of flooded areas in Oregon.
- Helicopter rescues of five stranded victims in Idaho.

DEPARTMENT OF TRANSPORTATION

- You will announce additional emergency highway grants in the amount of \$22 million for Washington, Oregon, and Idaho for repair and reconstruction of roads and bridges.
- Immediately following the floods, FHWA Administrator Rodney Slater visited sites and made available the following initial emergency funds: Oregon- \$5 million, Washington- \$4 million, and Idaho- \$2 million.
- U.S. Coast Guard conducted overflights of the flooded areas for search and rescue operations, and rescued 231 persons.
- FAA deployed Communication Support Team to provide satellite communication support to the USCG and to the Portland International Airport air control tower.

DEPARTMENT OF COMMERCE

- You may announce that the Economic Development Administration is prepared to make available up to \$500,000 from FY 1996 program appropriations to develop and implement recovery strategies for affected areas. The Department anticipates that grant awards can be processed within one week of application receipt.

SMALL BUSINESS ADMINISTRATION

- Loans will be provided to businesses of all sizes and to individual homeowners and renters. SBA's best estimate is for \$40- \$60 million in loans in Oregon, but it is too early to make an estimate for Washington.

ENVIRONMENTAL PROTECTION AGENCY

- Unconfirmed reports include the potential of hundreds of dairy cow carcasses littering the Tillamook County area. Could present serious pathogenic and odor problems.
- Oil Pollution Fund opened to clean-up of oil spills in Idaho.
- EPA On-Scene Coordinators mobilized in Idaho and Oregon to perform preliminary flood damage assessment and clean-up.
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- Two emergency Indian Community Development Block Grants have been made available for the Yakima Indian Reservation (WA) and the Warm Springs Indian Reservation (OR), in the amount of \$350,000.
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DEPARTMENT OF AGRICULTURE

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DEPARTMENT OF LABOR

- The State of Oregon has requested \$4 million in emergency National Reserve Account funds to create a temporary jobs program to employ 500 of the workers dislocated by the disaster to assist in the clean up and restoration of the damaged areas. You will announce that \$2 million is being obligated for immediate use.
- The State of Washington has requested \$4 million in emergency Title III funds from the Job Training Partnership Act. You will announce that \$2 million will be obligated for immediate use.
- It is expected that the State of Idaho will have a request completed on February 14, 1996.

STATUS OF OREGON MEDICAID WAIVER

- Oregon has a Section 1115 Medicaid demonstration waiver. Under this waiver, the state developed a list of "prioritized health services." The State pays for health services for all those services below a certain point on the line, and does not pay for services "above the line." Oregon is the only State whose demonstration waiver is based on the concept of paying for a prioritized list of health services.
- Because of budget problems, the state asked for permission to charge premiums to eligible individuals below the poverty line and to raise the line of covered services. Secretary Shalala met with Governor Kitzhaber about these issues in the fall. HHS agreed to moving the line, but had serious reservations about allowing the state to charge premiums to very low income people or those with no income. Ultimately, the Secretary agreed to allow them to charge premiums to these individuals if they would forgive premiums for those unable to pay.
- The state recently sent HHS a revised proposal for forgiving premiums. The department is reviewing the proposal and will give the state a response very soon.

THE BRIEFING PAPER FOR THE MEETING WITH
IDAHO OFFICIALS WILL BE FORWARDED

**President William J. Clinton
Prepared Remarks
Flood Conference Call
Boise, Idaho
February 14, 1996**

96 FEB 13 P 9:38

[Acknowledgments: Governor Phil Batt; Senator Dirk Kenpthorne; Senator Larry Craig; Rep. Helen Chenoweth; Rep. Michael Crapo (KRAY-poh).]

The hearts of the nation go out to the people in the flooded areas of northern Idaho.

I'm talking to you today from Boise because travel to the flooded area is not possible, as the people affected by this disaster know too well. Efforts continue to reach all residents in the flood basin by boat, helicopter and all-terrain vehicles. Many families remain evacuated from their homes. Whole communities have been inundated by water. Roads have been closed. Sawmills have been submerged. But I want to say to the victims, who have lost homes, possessions and even their jobs: I know this is a difficult time for all of you. But you will get back on your feet. We will work together to see that happen.

In my State of the Union Address, I outlined our seven biggest challenges for the future, challenges we must meet if we are to make the American Dream available to all our people and unite our country around our shared values.

Those seven are strengthening our families and giving our children better childhoods, providing better education for all Americans, enhancing the security of working families through access to health care, lifetime education and training and secure pensions, fighting crime and gangs and drugs until crime is the exception -- not the rule -- in America again, protecting our environment, maintaining our world leadership for peace and freedom and continuing to reform and reinvent our government so that it does a better job at less cost in helping our people to make the most of their own lives, and solve our problems together.

The way we will meet these is by working together: businesses, churches, schools, community groups, and government at all levels.

Already, the hard work in Idaho has begun. The people have come together in community, reaching out to help each other. This is important if the recovery is to succeed. But more is needed.

Recovering from a natural disaster of this scale cannot happen without a strong helping hand. The national government is committed to help, just as we did in the Midwest floods, the California earthquakes and hurricanes in the Southeast. People came back from those disasters, with the nation's help. And so will people here.

The disaster declaration I signed for Idaho includes 10 jurisdictions -- 9 counties and the Nez

Perce Indian Reservation. And that means that residents and business owners in these areas are eligible for aid.

As we debate the role of government, these emergencies remind us: The era of big government is over. But we can't go back to fend for yourself. We need a strong FEMA to get help quickly to people who need it; we need an effective SBA, to get loans without red tape to home- and business owners who must rebuild; we need an efficient Dept. of Transportation (remember the quick rebuilding of L.A. freeways after the quake); we need a quick-response Army Corps of Engineers.

They are all part of the team that responds to crises of health, safety and humanity. That is why we want them to be the best they can be.

We have seen great courage and resilience from the victims of this disaster. That will carry our people through their recovery. In my tour of flooded areas in Oregon and Washington today, I saw how the cleanup is progressing and how much work we need to do. Now, I'd like to hear what else we can do to help the recovery for Idaho. Thank you.

ECONOMIC PROGRESS IN IDAHO 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 Idaho after the first three years of the Clinton Administration:

Improved Economic Conditions in Idaho:

- The unemployment rate has dropped from 6.6% to 5.4%.
- 7% more new jobs **per year** -- 18,514 vs. 17,300 average during the previous 4 years. In 35 months, Idaho has added 54,000 total jobs, after adding 69,200 during the previous 4 years combined.
- 16% more new private sector jobs **per year** -- 16,354 vs. 14,075 average during the previous 4 years. In 35 months, Idaho has added 47,700 private sector jobs, after adding 56,300 during the previous 4 years combined.
- 4% **FEWER** new manufacturing jobs **per year** -- 2,160 vs. 2,250 average during the previous 4 years. In 35 months, Idaho has added 6,300 manufacturing jobs, after adding 9,000 during the previous 4 years combined.
- New business incorporations have increased 7% **per year**.
- The Help Wanted Index has increased 59%.
- Bankruptcy filings have dropped 2% **per year** -- after increasing 6% **per year** during the previous 12 years.
- Annual bank lending growth is 6 times greater than the average for the previous 8 years.
- Consumer confidence has increased 69%.

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

\$15,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN IDAHO: 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 Idaho.

20 TIMES MORE IDAHO FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 61,983 working families in Idaho will receive a tax cut. This compares to an increase in the income tax rate for only the 3,154 wealthiest taxpayers in Idaho.

TAX CUT FOR 6,615 SMALL BUSINESSES IN IDAHO: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 6,615 small businesses in Idaho are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

123,000 IDAHO 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 122,675 workers in Idaho, and protects the jobs of 7,370 workers in Idaho who are likely to use unpaid leave this year alone.

62,400 STUDENTS AND FORMER STUDENTS IN IDAHO WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 62,400 Idaho borrowers -- 43,700 current borrowers and 18,700 new borrowers in the next few years -- can take advantage of the new direct student loan program by participating directly in the program or by consolidating guaranteed loans into direct loans. Some will benefit from lower interest rates, and all will benefit from more repayment options, including income contingent repayment.

THE BACKGROUND ON RECENT DEVELOPMENTS
IN THE IDAHO ECONOMY WILL BE FORWARDED

THE WHITE HOUSE
WASHINGTON

February 13, 1996

MEMORANDUM FOR THE PRESIDENT

**FROM: DAN COLLINS
RUSSELL HORWITZ**

RE: Local Issues Briefing -- Idaho

CRIME

Sex Offenders

The state Senate Judiciary and Rules Committee will hold public hearings on a proposal that would permit local law enforcement officials to publicize the identities of sexual offenders living in their communities, and another that would force sexual offenders to register locally for life instead of ten years, which current law requires. According to some lawmakers, both proposals stand good chances of becoming law. The ACLU, citing reports from states with similar laws, has expressed concern that neighbors will take the law into their own hands and retaliate against these offenders.

ENVIRONMENT

Nuclear Waste Management

After Governor Batt reached agreement with the federal government to accept nuclear waste for storage from the Energy Department and U.S. Navy, the state House has called for hearings to clarify the agreement. There, apparently, is no widespread legislative sentiment to overturn the agreement which allows continued spent nuclear fuel shipments into Idaho in exchange for a guarantee that they will be removed by 2035. Idaho will also receive \$30 million from the Energy Department for economic development. Among the agreement's critics is actor Bruce Willis, who has criticized the Governor for agreeing to store the waste over the Snake River Plain Aquifer.

ECONOMY

Construction

Idaho's construction industry set record levels in 1995 and has experienced rapid growth since 1988. Construction has been a central element of the state's economic recovery. The annual total value of all building has tripled since 1988, creating thousands of jobs and spawning huge increases in taxable sales. Last year, total construction reached \$1.78 billion, a 14 percent increase over the previous year. While alterations and repairs to homes experienced the largest growth -- up 58 percent from 1994, homebuilding fell 9% during the year.

THE WHITE HOUSE

WASHINGTON

February 13, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*
Assistant to the President
Secretary to the Cabinet

SUBJECT: BACKGROUND ON IDAHO FLOODING

On February 11, 1996 you declared the State of Idaho a major disaster area due to the extraordinary flooding caused by recent heavy rains and snowmelt. State officials in Idaho report eleven major roads are either closed or partially closed. In Benewah County, the airport is under water. An estimated 2,000 55-gallon fugitive oil drums have been sighted in the flood waters around Lake Coeur d'Alene. Of particular concern is a 300,000 gallon diesel tank in a flooded area along the St. Joe River near St. Marie.

The Farm Service Agency estimates approximately 31,000 acres of cropland has been damaged in the northern parts of the State. Roads, bridges, levees and water and sewer systems have suffered the most significant damage. Large rail line washouts have occurred, and Union Pacific is experiencing problems on the Spokane subdivision, north of Sandpoint, as well as the Camus Prairie railroad, out of service east of Lewiston. The American Red Cross is currently feeding 200 people at the elementary school each day in Benewah County.

COUNTIES AFFECTED

Because of the severe flooding, you issued on Sunday, the eligible jurisdictions designated for aid to affected residents and business owners are Benewah, Bonner, Boundary, Clearwater, Kootenai, Latah, Lewis, Nez Perce, and Shoshone counties, and the Nez Perce Indian Reservation.

ADMINISTRATION RESPONSE

The Idaho National Guard is providing damage assessment, medivac flights, and shuttling critical personnel, in addition to assisting with security and traffic control. Additionally the State Idaho Department of Lands is procuring water pumps for Kootenai County through the Department of Lands, Utah.

Federal funding was made available for affected local governments for restoration of damaged public facilities and for projects that mitigate future disaster risks in jurisdictions to be designated after damage assessments are completed. As of Monday, 46 teleregistration applications had been received by FEMA.

THE WHITE HOUSE

WASHINGTON

February 13, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
Assistant to the President
Secretary to the Cabinet

SUBJECT: FEDERAL RESPONSE & RECOVERY

DEPARTMENT OF DEFENSE

- The Portland representative for the Army Corps of Engineers is Major General Russell Furman.
- 778 Army and Air National Guardsmen provided aviation support, evacuation, providing shelter, security, debris removal, traffic control and logistical support.
- 400 Army Corps of Engineers personnel distributed over one million sandbags and 22 water pumps.
- Transported FEMA personnel on an overflight of flooded areas in Oregon.
- Helicopter rescues of five stranded victims in Idaho.

DEPARTMENT OF TRANSPORTATION

- You will announce additional emergency highway grants in the amount of \$22 million for Washington, Oregon, and Idaho for repair and reconstruction of roads and bridges.
- Immediately following the floods, FHWA Administrator Rodney Slater visited sites and made available the following initial emergency funds: Oregon- \$5 million, Washington- \$4 million, and Idaho- \$2 million.
- U.S. Coast Guard conducted overflights of the flooded areas for search and rescue operations, and rescued 231 persons.
- FAA deployed Communication Support Team to provide satellite communication support to the USCG and to the Portland International Airport air control tower.

DEPARTMENT OF COMMERCE

- You may announce that the Economic Development Administration is prepared to make available up to \$500,000 from FY 1996 program appropriations to develop and implement recovery strategies for affected areas. The Department anticipates that grant awards can be processed within one week of application receipt.

SMALL BUSINESS ADMINISTRATION

- Loans will be provided to businesses of all sizes and to individual homeowners and renters. SBA's best estimate is for \$40- \$60 million in loans in Oregon, but it is too early to make an estimate for Washington.

ENVIRONMENTAL PROTECTION AGENCY

- Unconfirmed reports include the potential of hundreds of dairy cow carcasses littering the Tillamook County area. Could present serious pathogenic and odor problems.
- Oil Pollution Fund opened to clean-up of oil spills in Idaho.
- EPA On-Scene Coordinators mobilized in Idaho and Oregon to perform preliminary flood damage assessment and clean-up.
- Members of the EPA Regional Emergency Response Unit and a team of coordinators were dispatched to assist with the FEMA response.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- You will also announce Community Development Block Grant (CDBG) and HOME grant funds; \$26.4 million for Washington and \$10.4 million for Oregon (Idaho has not completed the necessary paperwork).
- Two emergency Indian Community Development Block Grants have been made available for the Yakima Indian Reservation (WA) and the Warm Springs Indian Reservation (OR), in the amount of \$350,000.
- HUD will waive regulatory and statutory program requirements to increase the flexibility of the above CDBG and HOME grants for disaster recovery.

DEPARTMENT OF AGRICULTURE

- The Department of Agriculture contact in Washington is Larry Alban, Director of the USDA Farm Services Agency.
- Rural Economic and Community Development (RECD) will assess needs for loan or grant assistance for rural housing, rural businesses and any rural community facilities.

RECD will work with its existing borrowers who may experience loan repayment difficulties as a result of the disaster.

- Regional and Field Office Food and Consumer Service (FCS) personnel are working closely with State officials and the American Red Cross in Washington, Oregon, and Idaho with offer of food assistance.
- Disaster Food Stamp Program will be activated to distribute USDA commodities to approximately 60 households for a two-week period in the Nez-Perce community of Lapwai, Idaho.
- No funds were appropriated for the Emergency Conservation Program in FY 1996 and all carryover funds were allocated at the end of October to assist in repairing damage caused by Hurricane Opal. There currently are requests on hand for \$10 million for which there are no funds available.
- Over 500 Forest Service employees provided immediate assistance, conducting damage assessments, and providing assistance to local adjacent communities. Thus far the only jurisdictional assistance requested has been for engineers to conduct bridge and road damage assessments in several counties in Washington and Oregon.
- The Natural Resource Conservation Service (NRCS) is prepared to use the Emergency Watershed protection program (EWP) to follow-up with technical assistance and emergency financial assistance if additional funds are available. However, the large number of flood-related disasters over the last 3 years have depleted completely the EWP funds that had been made available in the 1993 Emergency Supplemental. A 1996 Emergency Supplemental will likely be necessary to address these problems in the Pacific Northwest.
- The Rural Economic and Community Development program will assess need for loan or grant assistance for rural housing, rural businesses and any rural community facilities.

DEPARTMENT OF LABOR

- The State of Oregon has requested \$4 million in emergency National Reserve Account funds to create a temporary jobs program to employ 500 of the workers dislocated by the disaster to assist in the clean up and restoration of the damaged areas. You will announce that \$2 million is being obligated for immediate use.
- The State of Washington has requested \$4 million in emergency Title III funds from the Job Training Partnership Act. You will announce that \$2 million will be obligated for immediate use.
- It is expected that the State of Idaho will have a request completed on February 14, 1996.

**THE TRIP OF
THE PRESIDENT
TO
CONCORD, NASHUA, SALEM
AND MANCHESTER, NEW HAMPSHIRE**

February 2 & 3, 1996

Staff Copy

Table of Contents
CONCORD, NEW HAMPSHIRE

Friday, February 2, 1996

Education Technology Demonstration
at Walker Elementary School

Remarks to Concord Area High School
Students, Parents and Teachers

- Event Memo
- Remarks
- Hot Education Issues

Meet and Greet with Supporters

NASHUA, NEW HAMPSHIRE

Tour of Sanders Lockheed Plant

Roundtable Discussion on School to Work

- Event Memo
- Talking Points

Tape Radio Address

- Event Memo
- Remarks

To be forwarded

SALEM, NEW HAMPSHIRE

Remarks to the People of Salem

- Event Memo
- Remarks

Table of Contents
MANCHESTER, NEW HAMPSHIRE

Saturday, February 3, 1996

Discussion on Community Policing

- Event Memo
- Talking Points

Remarks to the Manchester Community
on Community Policing

- Event Memo
- Remarks

Discussion with Small Business Owners

- Event Memo
- Talking Points

New Hampshire Background

- Political Background
- Economic Background
- Welfare Reform
- Medicaid
- LIHEAP Update
- New Hampshire Environmental Pledge
- Campaign Finance Reform
- Department of Transportation Background
- Local Issues

Distributed
Separately

February 1, 1996

**TOUR OF COMPUTERIZED CLASSROOM, WALKER ELEMENTARY SCHOOL,
CONCORD, NEW HAMPSHIRE**

Date: February 2, 1996
Time: 12:10 p.m.
Location: Mr. Rothenberg's 6th Grade Classroom
From: Gene Sperling
Jason Goldberg

I. PURPOSE

Following up on your State of the Union Address, this event will emphasize your challenge that every classroom in America must be connected to the information superhighway, with computers and good software, and well-trained teachers.

II. BACKGROUND

There are four messages to derive from this event:

1. **CONNECTING LOCAL NEWS TO YOUR STATE OF THE UNION.** You will make news by inaugurating the connection of *all* of the Concord Schools to the internet.
2. **STATE OF THE UNION CONTEXT.** The Walker school exemplifies the 4 goals of your Education Technology Initiative.
 - (i.) *Providing access to modern computers for all teachers and students;*
 - (ii.) *Connect every school in America to the Information Superhighway;*
 - (iii.) *Develop effective software in all subject areas*
 - (iv.) *Give every teacher the development they need to help students use and learn through technology.*
3. **EXAMPLE OF EVERYONE HAVING TO DO THEIR PART AND WORKING TOGETHER TO MEET AMERICA'S CHALLENGES.** The Walker School serves as a model to the nation as to how parents, teachers, businesses, and local governments, and the federal government, can join together in a partnership to give our children a first class technological education to prepare them for the 21st century workforce.
4. **BUDGET MESSAGE -- TITLE I FUNDING FOR TECHNOLOGY MAY BE AT RISK.** In 1995, the Concord School District spent \$15,000 on computers and software for disadvantaged children in 11 classrooms in grades 1-3 at three Schools.
 - **The school district has indicated that the Republican 17% Title I cut would mean that all spending for computers and software that help disadvantaged children learn, would have to be eliminated. Concord would also most likely have to let three reading aids go. About 1/4 of current Title I students may also have to be withdrawn from the program.**

[more on Title I cuts below]

- Last year, Concord received \$435,000 in Title I grants. The GOP budget would cut Title I grants nationwide by 17%. A 17% cut would mean a loss of about \$75,000.
- 90% of Concord's Title I funding goes to staff -- funding that is already committed to paying teachers and aids. The remaining 10% of funding goes to "discretionary" items such as learning tools, computers, and software.
- The Walker School is a Title One school. Over 50% of the students are on free or reduced lunch. Title One funds at the Walker School are used to support the Reading Recovery program which helps "at-risk" students in grades 1-3 learn how to read. Two-thirds of the Walker students are identified as "at-risk" at the end of kindergarten. *The program has been so successful that at the end of the third grade 80% of the Walker students who were identified as "at-risk" are able to work at or above grade level.*

BACKGROUND FACTS ON WALKER ELEMENTARY SCHOOL

- **The "Walker Talker."** Walker students publish the "Walker Talker" newsletter which is has a circulation of 1300 and is distributed to all of the houses in the community. The newspaper is funded by advertisements from local businesses, private contributions, voluntary subscription fees, and *most recently it has received a \$3,000 National Service "Learn and Serve" grant.*
- **National Service Learn and Serve Grant.** The \$3,000 National Service grant goes to help the school meet increasing demands for distribution of the paper and to help Rothenberg teach other teachers how to develop similar publications.
- **Steve Rothenberg (teacher).** The primary architect of the success of the Walker School is Steve Rothenberg, who has taught at the school for two years. Rothenberg has headed up the initiative to get computers into the Walker elementary school and the entire school district. In addition to computers purchased using district funds, Rothenberg actively solicits donations of used computers from local businesses.

Rothenberg teaches computers to the 5th and 6th grades; he runs the two fully computerized classrooms in the school; he has worked with local private businesses to secure donated equipment; he mentors 6 students from the Concord high school who work with him to repair and upgrade donated computers and make them usable; he developed the school-district-wide computer service and online connection; he is the sponsor of the "Walker Talker" newsletter; he hosted a popular camp at the school this summer instructing children on the World Wide Web; he trains other teachers in the district on how to teach computers in their classrooms.

His innovation, determination, enthusiasm, and creativity have literally made him a local celebrity. Numerous positive articles on him have appeared in the local papers as well as the local television stations.

Rothenberg's motto is simple: "Get technology into kids' hands."

- **Technology at The Walker Elementary School**
 - Walker has used private donations and funds from a \$1.5 million district-wide effort to bring computers into every school and wire each classroom to the internet.
 - There are now more than 75 computers in the school for 260 students.
 - 6 high school kids work with Rothenberg as part of a "work study" program where they assist him with retooling old donated computers, writing new software packages, and teaching the students.
 - Rothenberg recently secured the donation of 13 "Alpha Smarts," donated by the local Shop and Save grocery store. "Alpha Smarts" are portable keyboards that can store up to 20 pages of text on a LCD screen. Kids take home the keyboards to do their assignments and they are given assignments on the keyboards. Once they return to school, they plug the keyboards back into their desktop and "dump" their homework back into their wordprocessing files.
 - In the 5th and 6th grade, the students use the computers instead of worksheets. Calculations are done on spreadsheets, writing is done in word processing software. A typical assignment is written on the blackboard as a question or math problem the students have to use their computers to find the best means to come up with the correct answers.
- **Technology in the Concord School District**
 - In the past two years, the Concord School District has invested \$1.5 million from municipal bonds to bring more computers into the school district and connect the schools' computers to each other and to the outside world via the internet.
 - There are now 750 computers for 5000 children in 11 schools in the district. Walker elementary, due to its active solicitation and repair of used computers, has the most computers in the district: 250.
 - Continental Cable, the local cable operator, has wired the schools and connected all of the classrooms to each other. *The schools are just now ready to go online.*

III. PARTICIPANTS

YOU

Steve Rothenberg (teacher)

Clint Cogswell (principal)

13 6th grade children (positioned at 5 computer "stations" around the room)

IV. PRESS

Pool Press

V. SEQUENCE OF EVENTS

- YOU will be met curbside by Clint Cogswell, Walker Elementary School principal.
- YOU will be escorted to a holding room on 2nd floor, where you will meet Rothenberg. [There will be a computer in the holding room where you can have a demonstration before you go into the classroom, if you like.]
- YOU will enter Rothenberg's 6th grade classroom and tour five workstations.
 - (Station 1) Demonstration of the "Walker Talker" newsletter. This unique newsletter is produced by 5th and 6th graders and distributed to more than 1300 Concord residents. *The school received a \$3000 National Service "Learn and Serve" grant to help increase distribution and teach other teachers how to setup similar projects.*
 - (Station 2) Computer station where students will show you how they use the World Wide Web to explore the internet and post the "Walker Talker" for thousands of internet users to read.
 - (Station 3) Computer station where students will show you creative software that is being used to help children learn to write.
 - (Station 4) Computer station where students will show you how they communicate with children in other parts of the state.
 - (Station 5) Computer station where a student will show you how she uses a portable keyboard to take the classroom home with her.
- YOU will depart the classroom and go to the Walker Elementary School gymnasium.
- YOU will drop-by and say hello to the assembled elementary school children. [Closed Press]
- YOU will depart the Walker Elementary school enroute the Capital Center where you will speak to the Concord Community.

VI. REMARKS

There are no formal remarks at this site.

February 1, 1996

**REMARKS TO CONCORD AREA HIGH SCHOOL STUDENTS,
PARENTS, AND COMMUNITY**

Date: February 2, 1996
Time: 1:10 p.m.
Location: The Auditorium
Capital Center for the Arts
From: Gene Sperling
Jason Goldberg

I. PURPOSE

Following up on your State of the Union address, this speech will emphasize your Challenge on Education: To renew our schools for the new century and open wide the doors of college.

In your State of the Union, you proposed new initiatives to bring more technology into the classroom; urge states, communities, and schools to raise standards; give parents more public school choice; and greatly expand access to college.

This speech will allow you to re-emphasize your commitment to this Challenge while specifically highlighting the Education Technology Initiative and the tour of a computerized classroom at Walker Elementary school.

II. BACKGROUND

Attached is a fact sheet from Secretary Riley's Deputy Chief of Staff, Leslie Thornton, on the status of public education in New Hampshire and hot education issues in the state. Included in this memo are Secretary Riley's suggested responses to questions you may face on controversial education issues in New Hampshire such as Goals 2000 and school choice.

Background on the Concord Education technology initiative is found in the accompanying memo on your Walker Elementary school visit.

III. PARTICIPANTS

YOU

Cullin Wible (pronounced like bible)

- 11th grade student at Concord high school
- Works after school at Walker Elementary, wiring computers, programming educational software, and explaining to teachers how

Steve Rothenberg

- 6th grade teacher at Walker Elementary School
- Coordinator of Education Technology Initiative

Audience of 2,000 high school students, teachers, parents, and members of the Concord Community.

IV. PRESS

Open Press

V. SEQUENCE OF EVENTS

- YOU will be announced off-stage, accompanied by Steve Rothenberg and Cullin Wible.
- Cullin Wible will make brief remarks and introduce Steve Rothenberg.
- Steve Rothenberg will make brief remarks and introduce YOU.
- YOU will make remarks.
- Upon conclusion of remarks, YOU will work a ropeline and depart.

VI. REMARKS

Prepared by Jonathan Prince.

BIOGRAPHY OF CULLIN WIBLE
GRADE 11, AGE 16 (WILL TURN 17 ON FEBRUARY 11)

Cullin will speak before you and introduce Steve Rothenberg. Cullin is in the eleventh grade at Concord High School. Since September, Cullin has worked after school daily -- usually well into the evening -- helping Walker Elementary School teacher Steve Rothenberg with his efforts to bring the Concord school district into the technology age. Cullin is one of 6 high school students currently working with Rothenberg. Cullin is paid \$7 an hour for his work. As part of his duties, Cullin visits each of the 11 schools in the District, where he helps wire the equipment, connect the computers to the internet, program the computer software, explain to teachers and students how the new technologies work, and train teachers on how to use the equipment.

According to Cullin, Rothenberg has become "larger than life" in the Concord community. Everyone in the community either knows about or reads the "Walker Talker" the monthly newsletter printed by the elementary school and distributed to more than 1800 people in the community.

Cullin also tells of how parents literally beg Rothenberg to let their children into his class.

Cullin has developed a great motto to describe the community's Education Technology initiative: "It is one thing to create a tool, but it doesn't mean anything until you show someone how to use it."

BIOGRAPHY OF STEVE ROTHENBERG
TEACHER, WALKER ELEMENTARY SCHOOL

Steve Rothenberg will introduce you. The primary architect of the success of the Walker School is Steve Rothenberg, who has taught at the school for two years. Rothenberg has headed up the initiative to get computers into the Walker elementary school and the entire school district. In addition to computers purchased using district funds, Rothenberg actively solicits donations of used computers from local businesses.

Rothenberg teaches computers to the 5th and 6th grades; he runs the two fully computerized classrooms in the school; he has worked with local private businesses to secure donated equipment; he mentors 6 students from the Concord high school who work with him to repair and upgrade donated computers and make them usable; he developed the school-district-wide computer service and online connection; he is the sponsor of the "Walker Talker" newsletter; he hosted a popular camp at the school this summer instructing children on the World Wide Web; he trains other teachers in the district on how to teach computers in their classrooms.

2/1/96 10:26pm

**PRESIDENT WILLIAM J. CLINTON
ADDRESS TO CONCORD HIGH SCHOOL STUDENTS
CAPITAL CENTER FOR THE ARTS
FEBRUARY 2, 1996**

rec'd
10:40 am
2/1/96

Acknowledgments: Mayor Bill Veroneau (Ver' - a - no); Superintendent Curt Sokness; Stephen Rothenberg who is helping his students at Walker Elementary to make the most of today's educational opportunities; and Cullin Wible (Why' - bel) who shows by example how students can help their peers -- and sometimes their teachers -- as we move into the future.

I am so happy to be back in New Hampshire. It's great to see so many familiar faces. I want to thank you all for coming out -- from Merrimack Valley, from Pembroke, from Hopkinton, and from Concord. Four years ago this month I was at Concord High School; I had a horrible cold, and the people of Concord got me through it, so I thank you for that.

And I'm glad to see all of you from Second Start again. You are doing the hard work to learn the skills you need for the future -- and you should be proud of yourselves.

Four years ago, New Hampshire made me the Comeback Kid -- and today, I've come back. Every four years, this state performs a vital function for our country. You hold accountable those who would seek the highest office; you ask about issues, and you teach us about what is really happening. Your tradition is town meetings and quiet conversations, not shouted slogans. I know that, four years ago, I learned a lot. And the whole country can learn from New Hampshire's civic traditions.

I am thrilled to be here at the Capitol Center for the Arts. I can't promise you I'll be as funny as Bob Hope, George Burns, or any of the other great performers who have graced this stage, but if they're any example, this is a great place for anybody who wants to extend their career.

There's a lesson to be learned from the restoration of this theater, and it's really what I want to talk about today. When the Capitol Theater was condemned in 1989, you could have shrugged your shoulders and gone about your business -- and today we'd be standing in a parking lot. But instead, you came together -- individual citizens, large corporations and small businesses, the government -- and you turned a challenge into an opportunity. And this grand theater is the result. To the members of the Board of Directors and who worked together to save this landmark from the wrecking ball: Congratulations. Job well done.

As you know, last week I had the privilege of delivering the State of the Union address. As I said to Congress then, we are living in an age of enormous possibility. More Americans, from all walks of life, will have more chances to build the future of their dreams than ever before.

America is strong and growing stronger. Our economy is strong and improving. We have the lowest combined rate of unemployment and inflation in 27 years. In the last three years, we

have created over 7.8 million new American jobs, including over a million in basic industries like construction and automobiles.

And as for New Hampshire . . . what a difference four years makes. When I was here four years ago, unemployment was 7.6% -- now it's down to 3.2%. Today, many more entrepreneurs are starting new businesses than they were four years ago -- incorporations are increasing 8 percent per year, after falling by 7 percent per year in the previous four years. And more businesses are succeeding -- business failures have dropped an amazing 19 percent per year -- after climbing 45 percent per year in the previous four years. And New Hampshire has created almost 40,000 new jobs in the last three years.

Around the world, from Northern Ireland to the Middle East to Bosnia, America is leading the way toward peace and freedom. Perhaps most important, Americans are coming together around our basic values of family, work and community. The crime rate, the welfare rate, the food stamp rate, the poverty rate, and the teen pregnancy rate are all down. Not only is New Hampshire one of the safest states in America, you are bringing the crime rate down even further - - by another 4.6 percent last year -- and you should be proud of that.

Of course, any time of great change also brings its share of great challenges. Too many of our fellow citizens are working harder just to keep up, and they are rightly concerned about the security of their families.

Our mission is to make the American dream of opportunity a reality for anyone who is willing to work for it; to remain the strongest force for peace and freedom in the world; and to continue coming together around our basic values.

How will we do this? Together. The way the people of Concord turned the possibility of this magnificent theater into a reality -- by working together.

We know that the era of big government is over, but we can't go back to the era where we simply tell people: Fend for yourselves. Instead, we have to move forward to the era of all Americans working together to meet our challenges together: in our families and communities, in our schools, churches and synagogues, at work, and in our government. That's the approach we have to take in everything we do.

The first thing we have to do, in that spirit, is to balance the budget. My administration cut the deficit nearly in half. Now we must finish the job. We must eliminate the deficit completely over seven years, using conservative numbers and real cuts, in a way that protects our values and provides a modest tax cut to working families.

I have submitted a balanced budget plan that does exactly that, and Congress' own economists agree that we can balance the budget in seven years in a way that reflects our values. There are over \$700 Billion in cuts that are common to the Republican and Democratic plans -- far more than we need to balance the budget and provide a modest tax cut. These cuts are real. They will require sacrifice from everyone. But they do not undermine our fundamental

obligations to our parents, our children, and our future, by endangering Medicare, Medicaid, education, or the environment, or by raising taxes on working families. We have found enough cuts to balance the budget; all we have to do is close the deal.

If Congress would enact these cuts, we could balance the budget tomorrow. We have come so far; we agree on so much; we cannot let this opportunity slip from our hands. I call on the leaders of Congress to come back to the table. Let's finish the job and give the American people a balanced budget we can all be proud of.

And we must honor the obligation of the United States to pay its debts, like we have for 220 years. Through the Civil War, two World Wars, and the Depression, America has paid its bill and kept its word. But since November, Congress has failed to act to enable the government to meet its obligations. In order to avoid endangering Social Security checks due to go out on March 1, Congress should pass a straightforward, long-term debt limit right away. Then we can balance the budget without the threat of default hanging over our heads.

But balancing the budget is yesterday's legacy. As we move into the future, I believe there are seven challenges we must all face together in order to seize the promise of our age of possibility.

Our first challenge is to cherish our children and keep our families together. We have a challenge to help every American achieve economic security. We have a challenge to take our streets back from crime and gangs and drugs. We have a challenge to leave our environment safe and clean for the next generation. We have a challenge to honor our responsibility to lead the fight for freedom and peace. America's challenge to all of us in government is to reinvent our government and give our democracy back to our people.

And one of our most important challenges is our challenge to provide all Americans with the educational opportunities our people need for the new century. Education is the way we give every child a future, the chance to live the American dream. If our children succeed, America will succeed. We have to renew our schools and throw the doors of college open wider than ever before.

We must challenge every school to set and meet the highest standards of excellence. We must give all parents the right to choose which public school their children will attend; and we should teachers form new schools with a charter they can keep only if they do a good job. All our schools should teach character education, good values and good citizenship.

Higher education is more important today than ever before. We've created a new student loan program that's made it easier to borrow and repay those loans, and we have dramatically cut the student loan default rate. That's something we should all be proud of. AmeriCorps, our national service program, is helping 25,000 young people this year to earn college money by serving their local communities.

Now our challenge is to open the doors of college even wider. I challenged Congress to

expand work-study and help one million young Americans work their way through college, to provide a \$1000 merit scholarship for the top five percent of graduates in every high school in the United States; to expand scholarships for deserving and needy students; and to make up to \$10,000 a year of college tuition tax deductible.

And if we are to renew our schools, then communities all across America must learn from what I saw here today.

Today, in the Information Age, opportunity depends on computers, and knowing how to make the most of them. We must demand nothing less than the connection of every classroom in America to the Information Superhighway, so that every child in America can tap into the promise of our age of possibility.

So our challenge is to equip all our schools with good computers and good software, and with well-trained teachers who can help their students unlock the power of high-tech learning. Technological literacy must become the standard in America. Because preparing our children for a lifetime of computer use is as essential as teaching them to read, write, and do math.

In order to meet this challenge, I believe we must focus on four basic objectives

We must make modern computers accessible in every classroom to every student, from kindergarten through 12th grade.

We must connect every classroom to each other, and to the incredible educational resources around the world.

We must see that teachers are trained to make the most of new technology.

And we must ensure that we have rich array of educational software that is worthy of our children.

Of course, government can't do this on its own. This is a challenge to every community and teacher, to parents and students, to software developers and hardware designers -- we have to do this together.

Today, I am proud to announce that the Concord School District, all 5,000 students in 11 schools, is connected to the Internet by 750 computers. And Walker Elementary led the way. I want to take a moment to recognize the leadership of a gifted teacher and an exceptional American -- Steve Rothenberg.

About two years ago, Steve started the "Walker Talker" -- this extraordinary newsletter [hold "Walker Talker" up], produced by fifth and sixth graders using computers, that most of you have in your hands. The Walker Talker is funded by advertisements, subscriptions, contributions, and, I'm proud to say, a little help from our National Service program through a Learn and Serve grant. You and I have been lucky -- the Walker Talker is circulated throughout Concord, and I

get it in the mail down in Washington. But today, you can get the Walker Talker anywhere in the world because Steve and his students put it on the World Wide Web.

Writing, designing, and producing the Walker Talker gets children excited about learning, and it shows them how to use technology and get comfortable with it. The newsletter itself gets the community involved in the school, and the World Wide Web gets the school involved in America -- by giving the country virtual proof that technology unlocks doors in ways we couldn't have dreamed of just four years ago.

You see, this isn't just computers for computers' sake. Walker Elementary shows us how America's schools can use technology to revolutionize American education. Technology can help children learn better, and teachers teach better. It can open up every great library in the world to any student in any isolated community. It can make learning fun.

Walker High School literally stands on ground that is sacred to our democracy -- the site of the first church in Concord, the Old North Meeting House. Where in 1778, the people of New Hampshire gathered through their elected representatives and voted to ratify the Constitution. They were the ninth state to do so, and their wisdom made our Constitution the law of this land.

Today, on that very spot, a student can log onto the Internet and read the Declaration of Independence, the Constitution, the very records of those revolutionary days. Revolutionary new ideas are no stranger to that ground, or to America. And if we succeed in giving every child the skills and the tools to master the remarkable new world of computers and technology, we will enter the next century with as much energy and hope as our new nation entered its first century.

We face many challenges -- but we can handle every one. Better education. Stronger families. Access to health care. Safer streets. A cleaner environment. Working together, we can do it all. We can meet any challenge, achieve any goal. The American people have always risen to challenge. There is no reason to stop now.

The future is an unrivaled age of possibility. If we work together, we will take it by storm. Thank you, God bless you, and God bless the United States of America.

HOT EDUCATION ISSUES IN NEW HAMPSHIRE

February 1, 1996

GOALS 2000

Current Status- New Hampshire is one of two states (the other is Virginia) that has refused to apply for Goals 2000 funds. In FY '94, the first year of Goals 2000, New Hampshire was eligible for \$392, 976. In late June 1995, just before the June 30 deadline, the State Board of Education voted 4-2 to not submit an application for Goals 2000. In FY '95 (the second year of Goals 2000) New Hampshire is eligible for \$1.3 million. The State Board of Education has until June 30, 1996 to apply for these funds. However, there has been no indication that the State Board will consider applying, though that could well change as the deadline approaches.

The Climate- There is strong and vocal opposition to Goals 2000. Governor Merrill opposed New Hampshire's participation in Goals 2000, as did the majority of the State Board of Education. Many board members are Merrill appointees. We understand the Board acted with the understanding that it was carrying out the Governor's wishes. Prior to his Dartmouth College speech last June, you spoke privately with Governor Merrill about Goals 2000. We believe that at that time, the Governor indicated he hoped to participate in Goals 2000 if he could negotiate the politics in his state. Conservative groups including the Christian Coalition, have been among the most vocal in their opposition to the program.

Secretary Riley does *not* believe you should directly take on the opposition to Goals 2000 in New Hampshire. He believes that while the issue is worthy of debate, you do best by focusing on the real issue -- the future of this nation's children. Secretary Riley believes you can turn the issue in his favor by emphasizing that education always has been and works better as a bipartisan concern. He believes this trip is a good opportunity to re-emphasize the education challenge you made in your State of the Union speech -- particularly with regard to high standards for teaching and learning, personal responsibility, and accountability. Secretary Riley believes accountability should be a significant theme.

CHARTER SCHOOLS

New Hampshire passed a charter schools law last year, making it one of 21 states that now have charter school laws in place. Because the law is so new, **no charter schools have opened so far.**

The New Hampshire charter law, and schools likely to be created there, is different from other states in two important ways. Secretary Riley feels that both differences suggest New Hampshire is **not** the place to emphasize the issue. First, the New Hampshire charter schools permits charter schools to be selective in any way that "is related to the school's goals." This is significantly different from most state charter laws which insist that charters be **public schools**, charging no tuition and being open to all students. Because critics of the national charter schools movement voice concerns that charter schools will be a vehicle for creating "private-like" schools that cream off the best students, New Hampshire's law is particularly troubling. New Hampshire is the first state to permit this type of charter school. Second, the charter schools movement in New Hampshire is largely driven by quite conservative forces. Many conservatives who long have advocated vouchers saw this as a viable alternative, and appear to be among the leaders who will develop charter schools. This is quite different from states like Minnesota, where the developers of charter schools tend to be people who support public education, but are simply looking for ways to expand innovation and choice among public schools.

SAFE AND DRUG-FREE SCHOOLS

Currently, about ninety-six percent of New Hampshire schools districts utilize Drug-Free School funds (predecessor of current Safe and Drug-Free Schools program) serving over 200,00 children and families. The loss of FY '95 funding levels in just three cities -- Manchester, Nashua, and Concord -- will result in a loss of services to over 38,000 children and their families.

TITLE I

The Republican budget would cut Title I by 17% nationwide. In New Hampshire, a 17% cut in Title I results in a \$2,659,197 loss of funding. According to state officials, this cut will mean 2,380 children will not be served (1,982 will not receive reading support; 550 children will not receive math support; and 132 jobs will be cut.

31 January 1996

**MEET AND GREET WITH LOCAL SUPPORTERS, STATE OFFICIALS AND
CAPITOL CENTER FOR THE ARTS BOARD MEMBERS**

Date: 2 February 1996
Location: Capitol Center of the Arts
Reception Room, lower level
Time: 2:00 pm - 2:45 pm EST
From: Nick Baldick

I. PURPOSE AND BACKGROUND

This event provides an opportunity to meet with Concord area friends, supporters, state representatives, and Capitol Center for the Arts Board members. All the participants are Democrats and very supportive.

Through an enormous fundraising effort, the Capitol Center for the Arts building has been newly renovated. It was closed in 1989 because of Fire Code violations. Concord residents rallied together through a private-public partnership to raise over \$3 Million to re-open the building. This has been the catalyst for the revitalization of Concord's downtown area.

You will be the first President to visit the Capitol Center for the Arts throughout its 68 year history.

II. PARTICIPANTS

Approximately 120 guests are invited. Please find a guest list attached.

III. SEQUENCE OF EVENTS

You will have 40 minutes to meet with guests. Attendees will go through reception and photo line.

IV. PRESS

This event is closed press.

V. REMARKS

No remarks will be needed at this event.

Last Name	First Name
Akey	Marion
Allmendinger	James
Armstrong	Ashley
Armstrong	Katherine
Arnesen	Arnie
Ashton	Bob
Bakke	Peter
Bender	Peter
Blaisdell	Clesson
Boormeester	H. Martin
Boulter	Tracy
Boyd	Mark
Boyd	Karen
Braiterman	Thea
Braiterman	Lisa
Brown	J. Willcox
Brown	Barbara Kuhlman
Brown	Mike
Brown	Elizabeth
Buckley	Raymond
Burling	Peter Hoe
Butler	Debby
Cameron	Mrs. Carl
Carruthers	Betsy
Castarphen	Carol
Chamberlin	Alice
Chambers	Mary
Chase	Sally
Chase	George
Church	Gail
Church	Herb
Cohen	Burt
Coughlin	Anne
Crosby	Toni
Cushman	Kay
Daneault	Gabriel
Davidson	Ann
Davis	Alice
Dean-Olson	Susan
DeStefano	Stephen
Dunn	Miriam
Dupre	Tim
Eills	Caitlin
Eills	Andrew

Last Name	First Name
Fagan	Ann
Fagan	Thomas
Farley	Caroline
Forrest	Mark
Fraser	Marilyn Anne
Freedman	Anita
Funk	Mary
Funk	Jamie
Gallagher	Ann
Gallagher	Christopher
Gamache	Paul
Gordon	Steve
Gordon	Doreen
Griffin	Julia
Gross	Martin
Hager	Liz
Hager	Dennis
Hamm	Christine
Hancock	Mary Louise
Harkness Jr	Harvey
Harrison	Ellie
Hartigan	Tony
Hartigan	Cecile
Haynes	Jay
Hill	Bob
Hill	Mary
Hill	Jerri
Hirshberg	Gary
Hoar Sr	John
Hodes	Peggo
Hodes	Paul
Judd	Collin
Judd	Harry
Keefe	Joe
King	Wayne
King	John
Kuster	Ann
Lamarre-Vincent	David
Larsen	Robert
Larsen	Sylvia
Lyford	John
Lynch	John
MacKenzie	Mark
Malloy	Joanne

Last Name	First Name
Malmberg	Richard
McAuliffe	Kathy
McConaha	Jim
McCutchan	Susan
McLane	Susan
McLane	Malcolm
Menino	M.T.
Miller	Chris
Mitchell	Valery
Moore	Carol
Mullen	Arlene
Murdoch	Mae
Murphy	Dennis
Newland	Mathew
Olson	David
Owen	Derek
Paine	Tony
Parnass	Linda
Parnass	Paul
Paschal	Justin
Paschal	Jan
Paschal	John
Patenaude	Norm
Pendleton	John
Pignatelli	Debora
Place	Fred
Quinn	Bob
Rauh	John
Rauh	Mary
Rayno	Derek
Reardon	Judy
Regan	Maurice
Regan	Kathy
Reynolds	Mike
Rogers	Katherine
Roussos	George
Ruedig	David
Russell	Charles
Sanborn	Laurie
Schaffer	Jan
Shaheen	Jeanne
Shapiro	Betty
Shapiro	Peter
Shumaker	Terry

Last Name	First Name
Shumaker	Polly
Shumaker	Nate
Shumaker	Mike
Smith	Sue
Sokness	Curt
Stower	Nancy Richards
Swett	Dick
Swett	Katrina
Swope	John
Tasker	Debbie
Trombly	Rick
Veroneau	William
Vlacich	Anna
Wallner	Mary Jane
Walsh	Chris
Walz	Mary Beth
Waterman	Robert
Welch	Craig
Wentrup	Anna
White	Mollie
Whittaker	Joan
Williams	Doris
Williams	Bob
Young	Dr. Oge
Young	Pam

THE WHITE HOUSE

WASHINGTON

February 1, 1996

SCHOOL-TO-WORK TOUR

DATE:	February 2, 1996
LOCATION:	Sanders Lockheed Plant Nashua, NH
TIME:	3:40 p.m. - 4:05 p.m.
FROM:	Kris Balderston

I. Purpose

This is an opportunity to highlight a major Administration legislative accomplishment and show your commitment to the School-to-Work Program and the importance of life-long learning.

II. Background

Sanders, a Lockheed Martin Company, is the largest private employer in New Hampshire. Sanders Lockheed is engaged in the development and sale of advanced electronic systems and products in a broad range of defense electronics markets. It was founded in Waltham, MA in 1951 by engineers from Raytheon and within ten years grew to become one of the top 100 defense contractors. In 1986 Sanders Associates was acquired by Lockheed. Sanders currently employs 4,500 people at eight major facilities in Nashua, Manchester, Hudson, and Merrimack. Sanders has been very involved in a wide array of community activities. In 1993 it was selected as the NH Business of the Year for Manufacturing and Technology.

Sanders initiated their participation in the NH School-to-Work effort with a mentorship program for high school aged women interested in technical math and science programs. Under the program, Sanders technical women employees annually assist six high school students with rotational assignments.

III. Participants

John R. Kreick (Krake), President, Sanders Lockheed
Diana Abbene, Student in the Sanders Lockheed program
Eleni Pitsillides, Student in the Sanders Lockheed program
Lisa Shumway, Mentor in the Sanders Lockheed program

IV. Press Plan

Press pool in the IRIDIUM satellite room.

V. Sequence of Events

YOU arrive.

YOU are greeted by President John R. Kreick (Krake).

YOU will tour the Sanders Lockheed Plant with Mr. Kreick, two students in the mentoring program (Diana Abbene, Eleni Pitsillides), and a mentor (Lisa Shumway).

YOU will visit the cable assembly room.

YOU will proceed to the IRIDIUM satellite room where the company is assembling a global satellite personal communications system on contract with Motorola. IRIDIUM will allow for global cellular telephone communication.

YOU will go to the final assembly room where equipment used on your trip to Bosnia was produced.

YOU will be briefed in the hallway before the roundtable.

VI. Remarks

None required.

THE WHITE HOUSE

WASHINGTON

February 1, 1996

SCHOOL-TO-WORK ROUNDTABLE

DATE:	February 2, 1996
LOCATION:	Sanders Lockheed Plant Nashua, NH
TIME:	4:15 p.m. - 5:00 p.m.
FROM:	Kris Balderston

I. Purpose

You will highlight a major Administration legislative accomplishment and show your commitment to the School-to-Work Program and the importance of life-long learning. The roundtable at a major NH School-to-Work business partner will focus on the importance of bringing together business, education, and government to prepare young people for the world of work.

II. Background

A. Introduction

You signed the School-to-Work Opportunities Act in May 1994. Since that time, the Departments of Labor and Education, in conjunction with the School-to-Work Office, have provided implementation grants to 27 states, 15 localities, and 21 urban and rural sites totalling \$270 million. The legislation has fueled a grass roots movement both changing the fundamental approach to education and preparing young people to get good jobs. Nationally, 116,351 students, 2730 schools, and 41,792 employers have been involved in School-to-Work activities since the program was initiated.

B. Impact of the Budget on School-to-Work

The Departments of Labor and Education launched the School-to-Work initiative in FY 94 with \$100 million under existing demonstration authority. In FY 96 you requested \$400 million, a 32% increase over the FY 95 budget of \$125 million, to finance 43 states, 38 localities, and 85 high poverty areas. The House mark is \$190 million and the Senate mark is \$250 million. If either of the Congressional proposals prevail, a major reduction in the Administration's ability to expand the School-to-Work investment will occur. Such a reduction will stop the expansion of the program in new states; result in major decreases in existing grants; and jeopardize the federal out year funding commitments. In the House version, the School-to-Work Act is repealed. It incorporates School-to-Work concepts but provides no funding for incentive grants. In the Senate, the program is also repealed, and also incorporates School-to-Work concepts into the

block grant approach but assures no funding of existing programs.

C. School-to-Work in New Hampshire

The local partnership grant in Nashua was extended for their second year in January 1996. Their first year funding (initiated 10/94) was \$562,120; with the second year extension of \$421,590. This investment totals \$983,590. The state's implementation grant year funding award is \$2,125,000, with a total five year commitment of \$12,750,000. The impact on NH would be that both their Nashua partnership grant and their state implementation grant would have no assured further funding after October 1, 1996.

III. Participants

See Attached list.

IV. Press Plan

Open press

V. Sequence of Events

YOU arrive.

YOU are introduced and proceed to the roundtable with Marie Devlin. There will be approximately 250 people in the audience.

Ms. Devlin makes brief remarks about Nashua's area program and will ask if you have comments.

YOU make remarks.

Devlin will initiate the discussion and you should participate in the free flowing discussion.

Devlin will close the discussion and ask if you have closing remarks.

YOU make closing remarks.

YOU depart.

VI. Remarks

To be provided by speechwriters.

School-to-Work Roundtable Participants

Listed in order around the table, beginning with the far left.

Eleni Pitsillides. Senior at Nashua High School. She has participated in the Sanders Lockheed internship program. She plans to become a pharmacist.

Greg Ahearn. Vice president of Stellos Electric and Chairman of the state's Electrician's Licensing Board. He has spent more than 20 years supporting school-to-apprenticeships. Greg has been the worksite mentor to a Nashua High School student.

Cindy LeSage. Senior at Pinkerton Academy in Derry. She is currently enrolled in her second year of Allied Health and Human Services Careers where she has learned about health occupations.

Michael Holmes. Joshua's father. He is vice president of accounting and finance at Guilford Rail System of North Billerica, MA.

Joshua Holmes. Senior at Pinkerton Academy and a vocational student in the computer electronics program. His experience as a mechanical assembler, along with other aspects of the industry, have led Josh to pursue the field of computer technology. Josh is a special needs student who has turned his life around since joining the program.

YOU

Diana Abbene. Junior at Alvirne High School in Hudson. She participated in an internship at Sanders Lockheed. Diana's career interests are in the fields of engineering and accounting.

Marie Devlin. Marie will moderate the discussion. Director of the Southern NH School-to-Careers Partnership. A passionate believer in School-to-Work, she was instrumental in helping the partnership develop the successful proposal for its federal grant award. A former high school math teacher who has also worked in the high-tech field, Marie directs the program on a day-to-day basis.

Juan Valerio. Senior at Salem High School. He is participating in an internship with the Salem Police Department through the Southern NH School-to-Careers Partnership. Juan plans to major in communications at a four year college before applying to the police academy.

Lisa Shumway. A mentor with the Sanders Lockheed program.

Michael Clark. A teacher at Pinkerton Academy for sixteen years where he teaches health and physical education. Last summer, Michael participated in the "Teacher in the Workplace" initiative sponsored by the Southern NH School-to-Careers partnership.

rec'd 7:30pm
2/1/96

**PRESIDENT WILLIAM J. CLINTON
REMARKS FOR SCHOOL-TO-WORK ROUNDTABLE
LOCKHEED SANDERS PLANT
NASHUA, NEW HAMPSHIRE
FEBRUARY 2, 1996**

Acknowledgments: John Kreick [Krake], Lockheed Sanders president; Marie Devlin, head of local S.T.W. program; representatives from all the different programs in Southern N.H. School-to-Career partnership: 5 school districts, more than 100 businesses, over 1,000 students. [Program at Sanders mentors girls from Nashua and Alvirne [Alvern] H.S. in technical careers.] Happy to be in Nashua. 1st stop in N.H. after I declared in Little Rock in 1992. Feel welcome every time I return. [NOTE: Sanders technology being used in Bosnia -- on the ground, in our planes.]

SOTU. Age of possibility: More Americans, more chances to build future of their dreams.

America is strong: In U.S., lowest combined rate of unemployment and inflation in 27 years; 7.8 million new jobs. In N.H., unemployment in last three years has fallen from 7.6 percent to 3.2 percent in 11/95; added 33,400 private sector jobs after losing 44,200 during previous four years combined; new businesses up 8 % annually after falling by 7 % during prior 4 years.

Great change, also great challenges. While more Americans living better, too many of our fellow citizens are working harder just to keep up; concerned about families. Mission: to make the American dream a reality; keep U.S. strongest force for peace and freedom; continue come together around values.

How? Simple answer: Together.

Era of big government over, but can't go back to time where we simply told people: Fend for yourselves. Instead: move forward to era all

Americans work together, meet challenges together: in families, schools, churches.

You know this: School-to-Work built on this kind of partnership.

BUDGET

Balance budget in that spirit: 7 years, protect values (Medicare, Medicaid, environment, education -- including S.T.W.), modest tax cut.

Balanced budget within our grasp: Proposed savings common to both plans enough to get us to balance. Let us finish the job right now.

Debt limit: Do not hold the good faith and credit of America hostage to politics. Congress must pass a clean extension of the debt limit.

But balancing budget is yesterday's legacy...

SEVEN CHALLENGES for future to seize promise of age of possibility:

Cherish children, keep families together.

Take streets back from crime/gangs/drugs.

Leave environment safe and clean for next generation.

Maintain leadership fight for freedom and peace.

America's challenge to us: reinvent govt., campaign finance reform.

AND PARTICULARLY: Provide all Americans w/ education for new century AND help every American willing to work achieve economic security. That means health care, retirement security, lifelong education and training, and...

SCHOOL-TO-WORK: School-to-Work designed specifically to meet these last two challenges: to give our people the education and skills they need to achieve economic security.

Old idea for new times: American tradition of apprenticeship. Passing skills on to our children is how one generation keeps faith with the next. 150 years ago you would apprentice to be a blacksmith. Today, you are building equipment for satellites and jet fighters.

S.T.W. tailored for information age: Success in new economy depends on smart, flexible workers. S.T.W. teaches real-world skills for high-wage, high-tech economy -- like the one New Hampshire has started to create in the last 3 years. [Oracle computer just broke ground on plant in Nashua.] You are also learning firsthand the value of hard work; discovering that through hard work, no aspiration is beyond reach.

How it works: We award grants for S.T.W. initiatives. Communities, state and local governments, schools, businesses use funds to create cutting-edge programs that give students the opportunity to receive advanced, academically rigorous technical training. S.T.W. represents the best of what we can do when government acts as a partner with people: setting goals and principles, and letting those who know best -- you -- do the rest.

Administration support: S.T.W. grants awarded in 27 states. [11,351 students, 2,730 schools, 41,972 employers since S.T.W. started.]

Republican budget cuts S.T.W. by more than 20% and would provide less than half of what I requested to continue partnerships likes yours and to allow every state in the country to receive funding.

And more: S.T.W. part of a larger effort to see to it that Americans learn throughout lifetimes. S.T.W. will convince some students to get more education and go on to college, community college, or technical school. Similarly, G.I. Bill for workers will help those who have been in the workforce for a while to get more education and training.

CONCLUSION

Challenges we face as we move into future: Stronger families. Better education. Access to health care. Safer streets. A clean environment. S.T.W. is just one example of what we are doing to meet these challenges. It stands as proof that working together we are up to the task.

ROUNDTABLE

THE WHITE HOUSE
WASHINGTON

February 1, 1996

TAPED NATIONAL RADIO ADDRESS

DATE: February 2, 1996
LOCATION: The President's Office
Leached Sanders Plant, Nashua
TIME: 5:45 PM EST
FROM: Rica Rodman

I. PURPOSE:

On this one year anniversary of your minimum wage proposal (February 3), you will discuss how your minimum wage plan contributes to your goal of lifting families out of poverty. Raising the minimum wage from \$4.25-\$5.15 over two years will positively affect approximately 11 million workers nationwide.

II. BACKGROUND:

There will be a cough button on your desk should you need it.

III. PARTICIPANTS:

1. The President, Kris Engskov.
2. White House Communications Agency (WHCA) staff, video taping staff, staff photographer.
3. 20 Special guests (C/G supporters)

IV. PRESS PLAN:

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

V. SEQUENCE OF EVENTS:

- Briefing.
- Radio address taping.
- Greet guests.

VI. REMARKS:

The speech text will be provided by Carolyn Curiel in the Office of Speechwriting.

31 January 1996

REMARKS TO THE PEOPLE OF SALEM

Date: 2 February 1996
Location: Salem High School
Main Gymnasium
Time: 7:15 pm - 8:05 pm EST
From: Nick Baldick

I. PURPOSE AND BACKGROUND

This event provides an opportunity to speak with a large crowd in southern NH. There has been an enormous amount of excitement for your visit.

You visited Salem two times in 1992. As a matter of fact, you visited this very same high school that year. On that occasion you met with six local supporters, including **Larry Belair**, in the Home Economics room and proceeded to the Media Center, where you spoke to a crowd of 120. On your second stop in Salem, you went to the then new Rockingham Park Mall to meet with area supporters. Many of the people you will see on this trip remember you fondly from 1992.

II. PARTICIPANTS

The gym holds 2500 people. 350 tickets were distributed to the Salem High students, 270 tickets went to University of NH students with another 280 tickets distributed to other colleges and universities. 200 tickets were given to NH State Legislators and the remaining tickets were distributed on a first come- first serve basis through our Clinton/ Gore '96 offices. Because of the amount of ticket requests we have created overflow areas at this event.

III. SEQUENCE OF EVENTS

- A. You will walk into gymnasium with **Joe Keefe**, State Party Chair; **Mike Garofalo**, Democratic County Chair; **Cheryl Breton**, Democratic Town Chair; and **Larry Belair**, Salem Town Moderator and early Clinton supporter.
- B. **Larry Belair** will introduce you to audience.
- C. You will address the audience for approximately 30 minutes.
- D. On your way out of the gymnasium you will work a rope line.
- E. You will proceed out to the motorcade en route to your hotel.
- F. This concludes the Salem event.

IV. PRESS

This event is open press.

V. REMARKS

To be prepared by Michael Waldman

**PRESIDENT WILLIAM J. CLINTON
REMARKS TO SALEM COMMUNITY
SALEM HIGH SCHOOL
FEBRUARY 2, 1996**

rec'd
11.13pm
01/1/96

Acknowledgments: State chair Joe Keefe; Rockingham Cty Chr Mike Garofalo; Salem Twn Chr Cheryl Breton; Twn Moderator Larry Belair; Superintendent Henry LaBranche; Salem HS Principal Patrick Corbin.

Great to be back in New Hampshire.

Four years ago, you made me the Comeback Kid -- so I've come back, over and over.

N.H. plays vital role. Hold us accountable; focus on issues; teach us what's really going on. Tradition of town meetings & quiet conversation, not shouted slogans.

SOTU. Ten days ago, privilege to deliver.

We live in an Age of possibility: More Americans, more chances to build future of their dreams.

AMERICA IS STRONG/NH STRONG

America's economy strong. Lowest unemp/infl 27 yrs. 7.8 M new jobs -- over 1M in autos & construction. Homeownership highest in 15 yrs.

As for New Hampshire -- what a difference 4 yrs makes. Unempl. 7.6% - now 3.2%. Previous 4 yrs, new businesses fell 7% per year -- now increasing 8% per yr. Business failures dropped 19% per year. And in last 3 years, NH has created almost 40,000 new jobs.

America strongest force for peace & freedom - Northern Ireland, Mideast, Bosnia. America coming together around values. Welfare rolls, poverty rate, divorce, crime, teen preg - down.

Great change, also great challenges. People worried about security of their families. Mission: American dream reality; strongest force for peace and freedom; continue come together around values.

? is: How? Simple answer: Together.

Era big government over, can't go back to era: Fend for yourselves.
Instead: move forward to era all Americans work together, meet
challenges together: in families, schools, churches...

BUDGET

Balance budget in that spirit: 7 years, protect values, modest tax cut.
Can't walk away from commitments: Medicare for elderly, Medicaid for
children, disabled, education of children, health of environment.
To Congress: pass the cuts we have in common. Come back to the table.
Let's finish the job. But balancing budget is yesterday's legacy:

SEVEN CHALLENGES for future to seize promise of age of poss:
Cherish children, keep families together. Violence off television, parents
have power to decide what children watch. V Chip victory. End tragedy
of domestic violence. Say to all parents: sacred responsibility to
love/raise/support child.

Provide all Americans w/education for new century. Renew schools,
throw doors of college open wider. Computers in schools, Walker.
College merit scholarship, 1M work study.

Help every American willing to work achieve economic security. Raise
minimum wage, approaching 40-year low. Protect workers' pensions.
Access to health care. Training.

Take streets back from crime/gangs/drugs. Crime finally declining.
Communities, police departments coming together to take back streets.
Crime Bill helping: 1/3 of 100,000. Must not repeal Brady Bill, 44,000,
assault weapons ban, 19. Now: more, especially for young people. Break
gangs like mob. Renew assault on drugs, home and abroad.

Leave environment safe and clean for next generation. Generation of
bipartisan effort: air & water cleaner, children safer. Challenge
businesses: find cheaper ways to meet tougher standards. Strengthen
citizens' right-to-know.

Maintain leadership fight for freedom and peace. Middle East to Northern
Ireland, Haiti to Bosnia, America leading world toward peace.

Make democracy work: Shrink government, campaign fin. reform.

CONCLUSION

Challenges we face as we move into future: Stronger families. Better education. Access to health care. Safer streets. A cleaner environment. Together, can do all these things. Meet any challenge, achieve any goal.

Need people like you: make sure American people know what we're doing, how high the stakes are. Critical year. Already done so much, but:

Accept one more challenge: Don't stop. This is a critical election. Redouble your efforts. Make 1996 a great year for the Democratic party, and help America take the future by storm. Thank you, God bless you.

THE WHITE HOUSE

WASHINGTON

February 1, 1996

ROUND TABLE ON MANCHESTER COMMUNITY ORIENTED POLICING

LOCATION:	Community Policing Sub Station
DATE:	February 3, 1996
TIME:	10:45 am - 11:15 am
FROM:	Rahm Emanuel

I. PURPOSE

To discuss how Community Oriented Policing is working in Manchester and demonstrate your commitment to fighting crime. This is an opportunity to speak directly with officers and citizens about the success of community policing.

II. BACKGROUND

You will be meeting with law enforcement officials and citizens of Manchester to hear first-hand the positive impact community policing is having in Manchester. Three officers funded by the Crime Bill will be present.

Manchester is a city of approximately 100,000 people. They have been practicing community policing for two years as a result of federal grants under your Administration as listed below:

DOJ COPS Grants

COPS AHEAD: \$300,000 - July, 1995
4 Officers on the street.

COPS MORE: \$63,696 - September, 1995
3.4 Redeployed (2 officers will be on the street in coming months)

HUD Grants

HUD Enterprise Community Zone grant allowed for funding:
2 community police officer slots
1 Sergeant position.

HUD Contract: 2 Officers

(In the last 2 weeks the Manchester police department has signed a contract with the Manchester Housing Authority in conjunction with the

HUD community policing grant, which provides two additional officers in public housing areas. The officers will be hired this month. As a result, two additional substations are to be opened in March.)

The Westside police substation opened in August, 1995 and an Eastside substation opened in November, 1995.

Clinton Cops are the only officers serving the substations and the first officers to participate full time in community policing in Manchester. Within the Crime Prevention Division, officers participate part-time in programs targeting school-age children (Officer Friendly, DARE, GREAT), and in neighborhood watch groups.

Operation StreetSweeper

In the fall of 1994, the U.S. Attorney's office received reports that drugs and violent crimes were on the rise as a result of an increase in crack cocaine. To attack the problem, the state, local and federal law enforcement agencies teamed up in a successful six month undercover operation. This was planned and implemented under the umbrella of your Administration's District's Anti-Violent Crime Initiative and Working Group.

By the third phase of Operation Streetsweeper, agencies participating in the coordinated effort included the New Hampshire Attorney General's Office, New Hampshire State Police, the Hillsborough County Sheriff, DEA, ATF, INS, and HUD. Operation Streetsweeper resulted in approximately 60 individuals charged in federal court, many of whom were career criminals. Most have pleaded guilty and received significant jail time.

Domestic Violence

In addition, Manchester P.D. established the Domestic Violence unit as a branch of their investigative unit, which was the first established within a law enforcement agency in the state of New Hampshire. Manchester is also the first police agency in the state to have procured the services of a domestic violence victim/witness advocate. This person is a member of Americorps. Other Americorps participants are working throughout the state in municipal courts, prosecutor's offices and crisis centers. According to the Manchester P.D., the Domestic Violence unit has noted a dramatic increase in the number of cases that find their way into the criminal justice system.

III. PARTICIPANTS

The President

Chief Peter Favreau - Police Chief of the Manchester Police Force

Chief David Walchak - Chief of the Concord Police Department, President of the International Association of Chiefs of Police (IACP).

Paul Gagnon - U.S. Attorney

Ray Gagnon - U.S. Marshal

Peter McDonough - Hillsborough County Attorney

Sgt. "Red" Robidas - Commander of Community Policing

Officer Tyrone Guice - Community Policing Officer

Officer Nick Enoch - Community Policing Officer
Father Adrien Longchamps - Pastor of St. Augustine Church
Nancy Tessier - Principal of Beach Street School
Alice Sutphen - Head of Take Back Our Neighborhood Group
Pauline Cote - Executive Director Manchester Neighborhood Services (HUD)

* Police Chief Walchak is personally very supportive of the COPS program, however, his organization, IACP, has been neutral on the issue of replacing COPS with a block grant. They claim they want more flexibility in COPS and have concerns about the match. This would be a good opportunity to talk to Walchak about the importance of supporting COPS over a block grant. COPS provides flexibility and the match is necessary to make sure that communities will support these officers. Walchak knows this; he needs to make sure his board follows his lead.

You should also know that Walchak's wife works for Senator Judd Gregg (R-NH). Gregg is the Chairman of the Senate Appropriations Subcommittee on Commerce, Justice, State which funds the COPS program.

IV. PRESS PLAN

Print press only.

V. SEQUENCE OF PROGRAM

- You will be greeted at the substation by Manchester Police Chief Peter Favreau
- U.S. Attorney Paul Gagnon will moderate the round table discussion.
- On departure, there will be a brief photo-op with participants and Clinton Cops outside of the Community Policing Sub-station.

VI. REMARKS

Talking points provided by Speechwriting.

**PRESIDENT WILLIAM JEFFERSON CLINTON
DISCUSSION ON COMMUNITY POLICING
BEACH STREET POLICE SUBSTATION
MANCHESTER, NEW HAMPSHIRE
FEBRUARY 3, 1996**

rec'd
1.30 pm
2-1-96

- Last week, when I gave my State of the Union address, I talked about the challenges we face as a nation. And one of the biggest challenges we face is taking our streets back from the scourge of crime and drugs.
- We know that in order to solve a lot of our problems today, the government needs to act as a partner with communities. In Washington, we can do things to help empower people like you. That's why I signed the Crime Bill in 1994 -- it provides funds for 100,000 new police in communities of all sizes across the country. In the first year, we've already provided funding for one-third of these officers -- including 132 in New Hampshire and seven of them here in Manchester.
- But we can't drive down the crime rate unless people at the local level are working at it too. That's the genius of community policing. It forms bonds of trust between our police officers and our citizens.
- Manchester has already seen the benefits of community policing. I know that the additional training and neighborhood watch programs have already paid off. I've heard that people feel safer walking home late at night and that children are allowed to go outside and play again.
- Now I'd like to hear more about what you did. We want to learn from you; and we want to help. City by city, town by town, neighborhood by neighborhood, we are going to make America safe once again-- and it begins with people like you.

THE WHITE HOUSE

WASHINGTON

February 1, 1996

SPEECH TO THE COMMUNITY OF MANCHESTER, NEW HAMPSHIRE

LOCATION:	St. Cecile Social Hall
DATE:	February 3, 1996
TIME:	11:40 am - 12:30 pm
FROM:	Rahm Emanuel

I. PURPOSE/BACKGROUND

To speak to the citizens of Manchester about the success of Community Oriented Policing in Manchester and throughout the country. This is also an opportunity to reiterate many of the themes you laid out in your State of the Union, particularly those dealing with crime and violence.

II. PARTICIPANTS

All participants from the roundtable will accompany you to the speech and will be seated on stage. Also, additional police officers and children will be on stage.

III. PRESS PLAN

Open.

IV. SEQUENCE OF PROGRAM

- Nancy Tessier, Principal of Beach Street School, makes brief remarks.
- Sgt. Red Robidas, Commander of Community Policing, makes brief remarks.
- You make remarks.

V. REMARKS

Prepared by Terry Edmonds.

rec'd
9:30 pm
2/1/96

**PRESIDENT WILLIAM J. CLINTON
ADDRESS TO THE MANCHESTER COMMUNITY ON COMMUNITY POLICING
ST. CECILE SOCIAL HALL
MANCHESTER, NEW HAMPSHIRE
FEBRUARY 3, 1996**

[Acknowledgments: Sgt. Red Robidas [RA-BID-ESS] for introduction; Nancy Tessler, principal of Beach Street School; Manchester Police Chief Peter Favreau; Concord Police Chief David Walchak; United States Attorney Paul Gagnon; U.S. Marshall Ray Gagnon; Father Adrien Longchamps; AmeriCorps members from Salem; DARE students; the community police officers and the Operation Street Sweeper officers who are here today]

It's great to be back in New Hampshire and to be here in the "Queen City." Four years ago, you made me the "Comeback Kid," and true to my word, I've come back here many times. I am happy to report that the food at Chez Vachon is just as good as when I was last here in 1993.

As I said in my State of the Union address, we live in an age of great possibility. Possibility doesn't mean guarantees, and possibility doesn't mean empty promises either. Possibility means hope and potential. And turning possibility into reality means facing up to whatever challenges lie in the way. And in many ways, all across America, we're meeting those challenges.

America is strong today and growing stronger -- and so is New Hampshire. Our economic policies are working. America now has the lowest combined rate of unemployment and inflation in 27 years. We have created 7.8 million new jobs.

In New Hampshire, unemployment in the last three years has fallen from 7.6 percent to 3.2 percent. More than 33,000 new jobs have been added here during the past three years -- after losing 44,200 during the previous four years. New business incorporations in this state are up 8 percent, after falling by 7 percent during the prior 4 years. So, New Hampshire and America are on the move.

America is also bringing hope for peace and freedom across the world. And perhaps most important, Americans are coming together around our basic values of family, work and community. We are finding common ground as we work together to solve our problems, and we are succeeding. The crime rate, the welfare rate, the food stamp rate, the poverty rate, and the teen pregnancy rate are all down.

But, as we move from one era to another, we do face great challenges, as a nation, and in our daily lives. These changes have opened vast new opportunities, but they have also presented some stiff challenges. While more Americans are living better, too many of our fellow citizens are working harder just to keep up, and they are rightly concerned about the security of their

families. Our mission is to make the American Dream a reality for all who are willing to work for it; to remain the world's leading force for peace and freedom; and to continue to come together around our basic values.

How do we get there? By working together. As I said in the State of the Union, the era of big government is over. But we can't go back to the era where we simply tell people: Fend for yourselves. We have to go forward to the era of working together as a community, as a team, as one America, with all Americans reaching across the lines that divide us to find common ground. We have to work together -- in our families, our communities, our churches and synagogues, in the workplace and in our nation -- to make the most of our own lives and our own communities.

That's why it is so important to balance the budget -- so we can lift the burden of debt from our children and future generations. My administration has cut the deficit nearly in half over 3 years. Now it's time to finish the job. A balanced budget is within our grasp. The combined total of the proposed savings that are common to both plans is more than enough to get us to balance. We can balance the budget in 7 years and provide a modest tax cut, and still protect our values and our priorities -- Medicare, Medicaid, education and the environment. Let's get it done.

We have come so far; we have agreed on so much; we can't turn back. I call on the Republicans in Congress to come back to the table. I am waiting -- and I will work in good faith to get the job done and balance the budget.

But balancing the budget is yesterday's legacy. In the State of the Union, I outlined seven challenges that all Americans must face together.

A challenge to cherish our children and keep our families together. A challenge to renew our schools for a new century and throw the doors of college open like never before. A challenge to help every American achieve economic security. A challenge to leave our environment safe and clean for the next generation. A challenge to the United States to honor our responsibility to lead the fight for freedom and peace. A challenge to reinvent our government and give our democracy back to our people.

And I challenged all Americans to work together to take back our streets from crime, gangs, and drugs.

There is reason to be optimistic. We have finally begun to turn the tide. We started with a challenge to every community in America -- come together and work with local police forces to catch criminals and prevent crime with neighborhood patrols.

And you took up that challenge here in Manchester. Community policing has begun to work here like it has all across

America, and violent crime is coming down. Overall crime is down significantly here. That is good news, and there is good news like it across the country, but we have a long way to go before our streets are safe and our people are free of fear.

This is no time to turn back the clock, just as our strategy is beginning to work. The Crime Bill we passed in 1994, with bipartisan support, is critical to the success of community policing. We are putting 100,000 new police officers on the streets of cities and towns of all kinds and all sizes. We're already a third of the way there. **The streets of New Hampshire are safer today because of the addition of 132 new community police officers. And the city of Manchester has 7 new community police officers on the streets because of our Crime Bill.**

Your efforts are making a difference. I heard the story of the 9-year-old girl who told an officer working in one of your community substations that her mother now allows her to play outside because the police have made it safe. We want to give that sense of security to all our children. And the involvement of community police officers is one of the keys to your highly successful efforts to combat domestic violence. The rest of the country can learn a lot from you.

I have challenged Congress to keep our promise to put 100,000 new police officers on the streets. If they try and break that promise, I will veto it.

Today, I challenge all Americans to do your part in fighting crime. I challenge you to come out from behind closed doors and shuttered windows, and take back your streets. We know that more police on the streets will never win the war on crime unless all Americans take more responsibility to help them. Community policing works. But you can't have community policing without community participation.

Join your local Neighborhood Watch group. If you see somebody in trouble, pick up the phone and call for help. Spend a few hours each week helping out at the Boys and Girls Club, and simply be a good role model for young people.

Nothing fights crime better than neighbor helping neighbor, friends looking out for friends, and parents teaching children the difference between right and wrong. That's what people are doing here in Manchester, and it's starting to make a difference. Now we have to keep moving forward together.

I also know that we cannot simply jail our way out of this crisis. We must keep our young people out of trouble. We passed the Crime Bill to help communities with police, punishment, and prevention. Not prevention strategies dictated by Washington, but those developed in communities to steer kids away from crime and gangs and drugs in the first place. And they work too. I challenge all communities and adults to give our children futures

to say Yes to.

But our job is not done. We need to do more to keep our streets and schools crime and drug free. We need to kick gangs out of public housing. We need to keep the Brady Bill which has stopped 44,000 people with criminal records from buying guns. We need to keep the assault weapons ban which is keeping 19 kinds of assault weapons out of the hands of violent gangs -- without affecting the rights of hunters.

But the fight against drugs, the fight against crime: they begin at home. Parents must talk to their children firmly and openly. Teach your children: drugs are wrong, drugs are illegal, drugs may cost you your life. Help them find the strength to say no when the time comes. And take back your streets by getting involved in programs like Neighborhood Watch.

Together, the fight against crime and drugs is a fight we can win. If every law-abiding American citizen stands shoulder to shoulder against crime and violence, we will prevail.

That is how we will prevail over every challenge we face as we move into the future. Together, America can meet any challenge, achieve any goal. Better education. Access to health care. Secure retirement. A clean environment. Safer streets. We can do it all, together. That is America's Challenge. And bound by our belief in progress, our love of liberty, and our search for common ground -- America has always risen to challenge.

The future is an unrivaled age of possibility. Let us take it by storm. Thank you, God bless you, and may God bless the United States of America.

THE WHITE HOUSE

WASHINGTON

February 1, 1996

NEW HAMPSHIRE SMALL BUSINESS EVENT

DATE: February 3, 1996
LOCATION: New Hampshire Hydraulics Company,
Merrimack, New Hampshire
TIME: 2:00 pm
FROM: Stephen B. Silverman 

I. PURPOSE

To demonstrate your commitment to small businesses and the important role they play in the local economy by meeting with Tony Halvatzes, owner of New Hampshire Hydraulics Company, employees of his company and other small business owners who have benefited from Small Business Administration loans.

II. BACKGROUND

SMALL BUSINESS

Your administration, led by the Small Business Administration (and its strong leadership -- Phil Lader and Erskine Bowles), has dramatically impacted the United States small business community. In the past 4 years there has been a steady growth of small businesses. Small business incorporation and income are up, while small business failures and bankruptcies are down. Small businesses employ 54 percent of the private work force and are responsible for 50 percent of the gross domestic product.

In June 1995, you participated in the first White House Conference on Small Business since 1986, --a major success. The Administration has responded to delegate recommendations by working to decrease regulations at the EPA, OSHA and SBA. Red tape has been cut and the system is more user friendly. In fact, over the past few months, the SBA has reduced the number of pages of its regulations by over 50% and has rewritten almost all the remaining regulations into "plain English". These new regulations were submitted to the Code of Federal Regulations on January 31 for review. Moreover, small businesses have been pleased with developments such as the new LowDoc Program which has made loans for small businesses more readily available, enabling small businesses to expand.

Women are becoming a more significant percentage of the owners of small businesses. Last year SBA increased the percentage of loans it provides to women by 84 %. This is in line with the announcements you made last week that women entrepreneurs are a driving force in

the nation's economy.

NEW HAMPSHIRE HYDRAULICS COMPANY

New Hampshire Hydraulics Company, a family owned business, was founded in 1978 by Anthony Halvatzes and his late father-in-law Alfred Poliquin, Jr. Mr. Halvatzes has been married for 17 years and has two children. His company, New Hampshire Hydraulics Company, repairs, services and sells hydraulic cylinders and related products. Most of their business involves repairing parts used for heavy equipment such as bulldozers with a hydraulic system that uses oil as power, rather than water. The company repairs and offers customers an alternative to dealing with higher priced original equipment manufacturers.

In 1993 New Hampshire Hydraulics Company received a Small Business Administration 7 (a) loan for \$225,000. This helped the company refinance its business in a time of crisis when many failures of small banks in New Hampshire led to the company having no bank financing and frozen credit lines. Mr. Halvatzes said that New Hampshire Hydraulics Company was "really scrapping to get financing and that they bought themselves out of it (the crisis) with SBA. "

In September 1995, New Hampshire Hydraulics received a SBA 504 expansion loan for \$375,000 which allowed the company to move into a new facility. This loan enabled the company to expand their shop from 4,000 square feet to 10,000 square feet and consolidate three buildings into one. In addition the company grew from just the two founders as employees in 1978, to 35 employees in 1995. These employees are both skilled and unskilled, mostly blue-collar workers who serve as mechanics, technicians, salespeople, cleaners and administrative workers. Mr. Halvatzes plans to further expand New Hampshire Hydraulics, a plan that would not have been possible without SBA loans.

SBA REGIONAL ACTIVITY

During FY 1995, the Concord, New Hampshire district office approved 720 loans to New Hampshire small business totalling \$104 million. These small businesses employ approximately 10,000 people. Included in these amounts are 138 loans to veterans (\$22.0 million), 139 loans to women entrepreneurs (\$15.6 million), 17 loans to minorities (\$3.3 million), and 54 loans involving exports (\$11.8 million). Over the past six fiscal years the Concord District Office has approved 2,892 loans totaling over half a billion dollars to small businesses employing about 46,000 people.

An article describing SBA activity in New Hampshire from the Manchester Union Leader is attached.

III. PARTICIPANTS

YOU

Tony Halvatzes, founder and owner of New Hampshire Hydraulics Company
Patrick McGowan, SBA Regional Administrator (will help moderate)
Elaine Guiney, SBA Regional Advocate and key Administration regional leader
Nancy A. Sampo (Enviro-tote, Inc.)
Jonathan A. Bresler (Suncook Trim Corp.)
Curtis Lloyd (Aviation Technology, Inc.)
Lorrie Carey (Marshall's Flowers & Gifts)
Katherine D. (Katie) Paine (The Delahaye Group, Inc.)
Richard Brunelle (Acu-Pak, Inc.)
Ellen Molloy (Elevations)
Peter Bakke (The Meeting House Inn)

Each has received Small Business Administration loans and/or assistance.

A brief description of each participant/company is attached.

IV. PRESS PLAN

Open Press

V. SEQUENCE OF EVENTS

- **YOU** walk onto the shop floor with Tony Halvatzes and 10 participants
- **YOU** and other participants sit on stools
- Tony Halvatzes makes brief remarks and introduces **YOU**
- **YOU** make brief remarks
- **YOU** conduct discussion with other participants (Pat McGowan, SBA Regional Administrator will help moderate the discussion)
- **YOU** make brief closing remarks after Pat cues the ending
- At conclusion of discussion **YOU** greet employees of N.H. Hydraulics
- **YOU** depart

VI. REMARKS

Prepared by Speech writing

02/01/1996 13:04 0172034887 EF710 GUINEY PAGE 02

TO: Steve Silverman, White House Office of Cabinet Affairs
FROM: Elaine Guiney, SBA
RE: Small Businesses invited to roundtable with President
DATE: February 1, 1996

Nancy A. Sampo
Enviro-tote, Inc.
4 Cote Lane
Bedford, N.H. 03110
(603) 647-7171 (O)
(603) 647-0116 Fax
(603) 225-1043 (H)

Manufactures tote bags of 100% unbleached cotton and non-toxic inks. Markets bags as reusable, to replace plastic and paper. Sells product nationally to corporations, publishers, university bookstores and general retail accounts.

Has been in business for 5 years and employs 40 people. President Clinton visited her business in 1992.

Jonathan A. Bresler
Suncook Trim Corp.
10 Bartlett St.
Suncook, N.H. 03275
(603) 485-9558 (O)
(603) 485-2292 Fax
(603) 224-2631 (H)

Manufactures woven labels for clothing and other textile products. They sell all over the world. Suncook has been operating since 1928. Jonathan Bresler took over the management in 1989 and bought company in 1993. Company was going under in 1989 and is now a profitable company beginning to feel the strain of the problems in the retail/clothing sector of the economy. Employs 50 people.

Curtis J. Lloyd
Aviation Technology, Inc.
225 East Industrial Park Drive
Manchester, N.H. 03109
(603) 666-0200 (O)
(603) 666-5546 Fax
(603) 627-9921 (H)

Manufactures aircraft test equipment, very specialized equipment for major airlines. Has been in business for 8 years, moved the business to N.H. 5 years ago. Employs 12 people.

They almost were put out of business by the termination of a Defense Dept. contract. Company had asked for a 7 week extension and after thinking about it for 12 weeks, the Defense Dept. rejected their request and abruptly terminated their contract.

Lorrie Carey
Marshall's Flowers & Gifts
133 South State St.
Concord, N.H. 03301
(603) 753-4445 (O)

Operates small retail flower and gift shop. In business 5 years, employs 4 people. Nominated for NH Small Business Person of the Year in 1995. Used SBA/SCORE when starting business.

Lorrie attended 1995 White House Conference on Small Business as one of President Clinton's appointees from N.H. She is currently co-chair of the N.H. delegation from this conference and is planning the small business piece of a candidate's forum in N.H. on February 18.

Katherine D. (Katie) Paine
The Delahaye Group, Inc.
Portsmouth, N.H.
(603) 431-0111 (O)

Marketing consultants and evaluators. 37 employees. In business since 1987. Katie Paine's articles have appeared in national publications and recently authored "Save my SBA" in "Inc." magazine. Hates Newt.

Richard Brunelle
Acu-Pak, Inc.
2 Perimeter Rd. East
Londonderry, N.H. 03053
(603) 668-7688 (O)
(603) 668-1102 Fax

3.

Acu-Pak started with 5 employees in 1989, now employs 38. A service-based manufacturing company, which makes products for other businesses. They blend and make solutions and fill packages for medical and consumer clients, ie, diagnostic solutions, sterile water for hospitals, cleaners and stain removers.

Is concerned with government regulations and the conflict, rather than cooperation, that exists between government regulators and small businesses. Thinks that federal government should be a partner with small businesses in industrial development.

Ellen Molloy
Elevations
Concord, N.H.
(603) 223-0793

Sole proprietor of a specialty clothing store for tall women. Opened this business yesterday in Concord. Her LowDoc loan through SBA got caught in the government shutdown and delayed her opening. The SBA in NH moved very quickly on her loan when the government reopened.

Peter Bakke
The Meeting House Inn
Henniker, NH

Owns an traditional New England inn and, restaurant in Henniker, NH Family business which Peter joined in 1987. 14 employees. Peter is the cook, innkeeper, and bookkeeper. Business uses SBA resources.

Business and Finance

SBA 'Doing More With Less'

Lader: Loans Have Doubled in Value While Cost Has Fallen

By TOM FAHEY
Union Leader Staff

The U.S. Small Business Administration is lending more money to smaller businesses at lower cost as it continues cutting its staff and budget, SBA administrator Philip Lader said in an interview yesterday.

"We're doing more with less. The goal is to have a government that works better and costs less," he said. Lader was in New Hampshire to address graduates of the Minority Business Enterprise Program and the Advanced Minority Business Executive Program at the Amos Tuck School of Business Administration at Dartmouth College.

Lader, a member of the National Economic Council, took the reins of the SBA 10 months ago after serving as White House deputy chief of staff under President Clinton.

He said the SBA's current portfolio is \$29 billion in 160,000 loans across the U.S., 90 percent of which are listed as current, or paid up to date. The failure rate of SBA-backed loans is 1.3 percent, roughly equal to the rate of bad loans at any

In fiscal year 1995, the agency has approved guarantees on \$90 million in loans in New Hampshire and expects to hit \$100 million by the close of the year on Sept. 30

conservative bank, Lader said.

Lader said his emphasis has been on pushing banks to lend their capital, not government funds, and to get SBA approval for loans quicker. A thick pile of forms businesses and banks once had to complete has been cut to a one-page, two-sided application, streamlining a once cumbersome loan guarantee process.

In fiscal year 1995, the agency has approved guarantees on \$90 million in loans in New Hampshire and expects to hit \$100 million by the close of the year Sept. 30, he said. SBA guarantees typically cover 85 percent of a loan's value. Before an SBA guarantee is approved, the lending bank must certify that the loan would be rejected without it.

Gov. Stephen Merrill met briefly with Lader yesterday afternoon, praising the agency for the role it played in helping New Hampshire emerge from a recession fraught with bankruptcies, bank failures and foreclosures.

"The SBA was there to help, and it continues to make tremendous contributions for the economy of our state," Merrill said. "I wouldn't support the program if its only benefit to New Hampshire was to grow a large bureaucracy here."

Lader has worked to help more small businesses with less money than previous administrators had. Loans in the past three years more than doubled in number to 67,000 and increased by more than 50 percent in total value, yet the costs fell from \$328

million to \$284 million, he said.

Since 1982, SBA lending has increased from \$3 billion to \$11.5 billion, while its total work force has been cut by 25 percent, from 4,800 under President Reagan to 3,600 today. Lader has pledged to cut another 600 staff positions before Sept. 30.

At the same time, he wants to get money into the hands of more qualified businesses. When he took over as head administrator, Lader cut the \$750,000 cap on SBA guaranteed loans to \$500,000. Since 1991, SBA figures show, the percentage of loans for less than \$100,000 has gone from 37 percent to 63 percent.

In addition to loan guarantee programs, the SBA helps the work of Small Business Investment Corporations, Small Business Development Centers administered by universities and the Service Corps of Retired Executives.

Among the businesses that obtained SBA backing in their early stages are Apple Computer, Pizza Hut, Tom's of Maine, Stonyfield Yogurt, Nike and Federal Express.



Cynthia Proctor/Union Leader

PHILIP LADER, administrator of the U.S. Small Business Administration, said yesterday in an interview that times have changed for his agency. "We're out of handouts. We're out of giveaways. This is not your father's SBA."

rec'd
S. C. S. P.
2/1/96

**PRESIDENT WILLIAM J. CLINTON
REMARKS FOR SMALL BUSINESS ROUNDTABLE
NEW HAMPSHIRE HYDRAULICS
MERRIMACK, NEW HAMPSHIRE
FEBRUARY 3, 1996**

Acknowledgments: Tony Halvatzes [Ha-vat-sis], President N.H. Hydraulics; Pat McGowan [Regional SBA administrator]. Happy to be in Merrimack. Here about this time four years ago. Managed to turn out about 200 people on a Saturday night at the Senior Citizens' Center. Fire marshal tried to close us down. Thanks to Ed Silva [Town Council] we were able to keep going. Merrimack is also home of Pat and Greta Moran. Pat almost lost his job in 1992 because he was wearing his Clinton baseball cap at the Post Office. He's still working -- and so am I.

SOTU. Age of possibility: More Americans, more chances to build future of their dreams.

America is strong: In U.S., lowest combined rate of unemployment and inflation in 27 years; 7.8 million new jobs. In N.H., unemployment in last three years has fallen from 7.6 percent to 3.2 percent in 11/95; added 33,400 jobs after losing 44,200 during previous four years combined; new businesses up 8 % annually after falling by 7 % during prior 4 years; business failures down 19% per year after rising 45% per year in previous 4; bankruptcy filings down 8% per year after climbing 47% in previous four years.

Great change, also great challenges. While more Americans are living better, too many of our fellow citizens are working harder just to keep up; concerned about families. Mission: to make the American dream a reality; keep U.S. strongest force for peace and freedom; continue come together around values.

How? Simple answer: Together.

Era of big government over, but can't go back to time where we simply told people: Fend for yourselves. Instead: move forward to era all Americans work together, meet challenges together: in families, schools, churches.

BUDGET

Balance budget in that spirit: 7 years, protect values (Medicare, Medicaid, environment, education), modest tax cut.

Balanced budget within our grasp: Proposed savings common to both plans enough to get us to balance. Let us finish the job right now.

Debt limit: Do not hold the good faith and credit of America hostage to politics. Congress must pass a clean extension of the debt limit.

But balancing budget is yesterday's legacy...

SEVEN CHALLENGES for future to seize promise of age of possibility:

Cherish children, keep families together.

Provide all Americans with the education they need for new century

Take streets back from crime/gangs/drugs.

Leave environment safe and clean for next generation.

Maintain leadership fight for freedom and peace.

America's challenge to us: reinvent govt., campaign finance reform.

AND PARTICULARLY: help every American willing to work achieve economic security. That means health care, retirement security, lifelong education and training, and...

SMALL BUSINESS: Small business is the engine that will drive us to the future. While the Fortune 500 might get a lot of attention, it is small business that employs 54 percent of our people and creates more than half of what we produce and sell. If we are to continue to grow the economy, we must continue to grow small businesses.

CREDIT CRUNCH: Back when I first visited N.H. in 1992, we knew small business needed help. Story of N.H. Hydraulics: In 1991, many small New England banks failed. This company got caught in the crisis, was left without financing, and had credit frozen. The SBA came through with a 7(a) guarantee; company able to refinance. [Loan made under Bush. Nevertheless, proof that SBA works. Last September, company received a 504 loan to move into building you're in today.]

Saved Good Company: N.H. Hydraulics is just the kind of company we want to see thrive. Family-owned and built. Employs 35 people to repair hydraulic parts -- make things work again. Workers given option of two health plans, for which owner pays 90%. Company also provides a life insurance benefit for employees.

SMALL BUSINESS AGENDA: Doing everything we can to strengthen small business...

SBA reinvention: shrunk loan application for most common loan from volumes to a single page [You have forms]; SBA budget now less than taxes paid by Intel, Apple, and Federal Express -- three companies that received critical SBA help early on; SBA volunteering a 35% budget cut for 1996; by last month, SBA had cut its regulations in half.

Reduced credit-crunch: revised banking regulations to encourage lending to smaller firms; SBA loans grew from 32,000 in 1992 to an estimated 67,000 last year -- doubled number of loans while reducing cost to taxpayers; expanded loans to women and minority-owned businesses without shortchanging anyone else. In N.H., SBA more than tripled the number of loans since 1991.

[Banks: In 1992, N.H. had more bank failures than any state in U.S. In the last three years, not one failure.]

Tax relief: Raised amount you can deduct for business expenses. In N.H., about 7,247 small businesses are likely to benefit from the expansion of the expensing allowance this year.

Pensions: Challenged Congress to pass a proposal that would make it easier for small businesses to establish their own pensions.

Trade: NAFTA/GATT. Exports up 1/3; now at an all-time high.

CONCLUSION

Challenges we face as we move into future: Stronger families. Better education. Access to health care. Safer streets. A clean environment. Strengthening our small businesses is just one example of what we are doing to meet these challenges. We are up to task.

ECONOMIC PROGRESS IN NEW HAMPSHIRE 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 New Hampshire after the first 35 months of the Clinton Administration:

Improved Economic Conditions in New Hampshire:

- The unemployment rate has dropped from 7.6% to 3.2%.
- 39,400 new jobs added in 34 months -- after 41,500 lost during the previous 4 years combined.
- 33,400 new private sector jobs added in 34 months -- after 44,200 lost during the previous 4 years combined.
- 2,200 new manufacturing jobs added in 34 months -- after 20,000 lost during the previous 4 years combined.
- New business incorporations have increased 8% **per year** -- after falling by 7% **per year** during the prior 4 years.
- Business failures have dropped 19% **per year** -- after increasing 45% per year during the previous 4 years.
- Home sales have increased 25% **per year**.
- Bankruptcy filings have dropped 8% **per year** -- after increasing 47% **per year** during the previous 4 years.
- The Help Wanted Index has increased 39%.
- Consumer confidence has increased 39%.

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

\$15,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN NEW HAMPSHIRE: 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 New Hampshire.

8 TIMES MORE NEW HAMPSHIRE FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 40,803 working families in New Hampshire will receive a tax cut. This compares to an increase in the income tax rate for only the 5,390 wealthiest taxpayers in New Hampshire.

TAX CUT FOR 7,247 SMALL BUSINESSES IN NEW HAMPSHIRE: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 7,247 small businesses in New Hampshire are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

181,000 NEW HAMPSHIRE 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 180,513 workers in New Hampshire, and protects the jobs of 10,844 workers in New Hampshire who are likely to use unpaid leave this year alone.

109,700 STUDENTS AND FORMER STUDENTS IN NEW HAMPSHIRE WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 109,700 New Hampshire borrowers -- 76,800 current borrowers and 32,900 new borrowers in the next few years -- can take advantage of the new direct student loan program by participating directly in the program or by consolidating guaranteed loans into direct loans. Some will benefit from lower interest rates, and all will benefit from more repayment options, including income contingent repayment.

THE WHITE HOUSE
WASHINGTON

January 31, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Julia Chamovitz
National Economic Council

SUBJECT: Background on Recent Developments in the New Hampshire Economy

This memorandum presents background information about current economic conditions in New Hampshire.

- ***Fidelity to Open Regional Operating Center in Merrimack*** – Boston-based Fidelity Investments announced plans in December to open a new regional operating center in Merrimack, New Hampshire. Initial plans call for the hiring of 50 local employees, to be followed up with 450 more in the next several years. 250 Boston employees will also be relocated to the Merrimack site. (Source: Fidelity Investments)
- ***Healthsource Plans New Facility in Hooksett*** – As a result of the company's rapid growth and its expansion into Medicare, Medicaid, and workers' compensation, Healthsource Inc. will invest \$15 to \$20 million to build a new facility, located on the site of its headquarters in Hooksett. The facility is to be completed in the summer of 1997 and will house relocated employees from its Concord and Hampton sites. Healthsource employs 1,000 people in New Hampshire and expects steady job growth as a result of the expansion. (Source: Healthsource, Inc.)
- ***Manchester Designated as an Enterprise Community (EC)*** – Manchester received \$3 million in social services block grant funds and tax exempt bond authority. The last five years of job losses in the electronics, banking and insurance industries have caused the Manchester EC area to suffer a 16% unemployment rate and a 32% poverty rate. The Manchester EC is being used to develop a Neighborhood Family Center which combines social programs with job training facilities, and to develop a business incubator program to assist in the growth of entrepreneurial efforts. (Source: CEB)

- ***MusculoGraphics, Inc. Partner in TRP Project*** -- The Surgical Simulation for Limb Trauma Management project designed by MusculoGraphics, Inc. and funded with \$558,696 from TRP, will develop the first anatomically correct, three dimensional computer visual model of a human limb for surgical training. This project will permit surgical training on simulated limb trauma typically encountered in battlefield scenarios while significantly reducing training costs. Although team leader MusculoGraphics, Inc. is based in Illinois, the project has two partners based in New Hampshire, Dartmouth-Hitchcock Medical Center and Medical Media Systems, Inc. (Source: ARPA)
- ***EITC Benefits Nearly 41,000 Families of New Hampshire*** -- This information comes from 1993 Treasury estimates.

<u>Rep.</u>	<u>EITC Benefits</u>	<u>\$ (millions)</u>	<u>% Families</u>	<u>Higher Taxes</u>
Zeliff	20,400 families	32.0	13.9	2,800 taxpayers
Bass	20,400 families	32.1	13.8	2,600 taxpayers
STATE	40,800 families	64.1	13.9	5,400 taxpayers

- ***Federal Reserve on the First District (Boston)*** -- Business activity in the District continues to expand slowly. The manufacturing sector is showing solid improvement, largely attributable to the recent growth in the computer and machine tool industries. However, the effect that the competitive pricing environment will have on profit margins remains a major concern for manufacturers. The real-estate market is steady, and employment levels continue to be strong across the board. Only retail sales are disappointing, either remaining flat or declining from previous levels. (Source: Federal Reserve Beige Book, 1/17/96)

NEW HAMPSHIRE WELFARE REFORM DEMONSTRATION PROPOSALS

In September, New Hampshire submitted a welfare reform waiver request to HHS. To expedite a decision, HHS encouraged them to use the "fast track" waiver process for a portion of it, which they did. HHS is committed to working with the State on their waiver requests, and in fact offered the State draft terms and conditions for the fast track portion (i.e., the work-related reforms) in October, within two weeks of receiving the Fast Track application.

HHS officials wrote the State on November 8 clarifying their readiness to move forward on the Fast Track proposal, but did not receive an official response until January 24, 1996. A number of substantial issues remain before an agreement with NH can be reached. These include:

- **Provisions beyond HHS' Legal Authority.** HHS has informed the State that several provisions are beyond their authority: 1) Eliminating JOBS participation rate requirements and JOBS enhanced funding requirements; 2) Waivers related to the Emergency Assistance Program, the Child Care Development Block Grant program, and the At Risk Child Care Program; 3) Changes in Federal Financial Participation, including a guaranteed level of Federal funding for AFDC over the life of the demonstration and increasing the matching rate for computer system modifications to 80%.
 - **Medicaid Eligibility.** Several waivers requested in the Medicaid program may unduly limit Medicaid eligibility. Since it is not the Department's policy to limit Medicaid in any substantial manner we are working with the State to determine the extent of any such limitations. The State has only committed to maintaining the Medicaid eligibility of children who would otherwise be eligible in the absence of the waivers.
 - **Evaluation/Cost Neutrality.** NH insists on implementing this demonstration on a statewide basis without a control group, proposing that evaluation and cost neutrality be based solely upon unspecified pre-post comparisons. HHS' extensive experience indicates that random assignment of at least a small proportion of the State's AFDC recipients in at least one or two jurisdictions is essential for arriving at reliable impact results. It also serves the dual purpose of providing a sound means for assuring such projects are cost neutral to the Federal government. We have reached agreements with 35 states to operate random assignment experiments in 48 of the 50 Welfare Reform demonstrations approved during this Administration and have established random assignment as a requirement under our 30-day Fast Track review process. We have also stressed to the State that the authority under which waivers are being granted (i.e., through section 1115 of the Social Security Act) is a research and demonstration authority and therefore rigorous evaluation is required.
- Secretary Shalala and Governor Merrill are scheduled to talk at 1:45 PM on Friday, February 2. This call was arranged by the Secretary's office to discuss the Governor's concerns about the pending welfare waiver.

MEDICAIDNew Hampshire Section 1115 Demonstration Proposal
Talking Points

- o Over the past 2 years, New Hampshire has submitted and revised its Medicaid demonstration concept, with a final application expected in the next few months.
- o Since last summer, (most recently on site on January 25, 1996) HCFA staff have been working cooperatively with the State to help it develop a concept paper, which would better articulate its broad health reform goals.
- o Under the newly developed concept paper, the first phase of the State's program would require approximately 48,000 AFDC children and families to enroll in managed care for acute care services and coordination of specialty services.
- o We hope that the State's success in enrolling AFDC Medicaid beneficiaries into HMOs on a voluntary basis will lead to continued success in attracting additional HMOs under its new program.
- o The second phase, for which the State plans to submit a second section 1115 proposal, would enroll the rest of the Medicaid population into integrated health care systems for acute and long term care services.
- o We will remain willing and committed to providing the State with any additional assistance it may need such as HCFA staff provided on site last week.
- o We continue to review the draft information the State has provided to us and look forward to receiving its formal proposal.

**Low Income Home Energy Assistance Program (LIHEAP)
New Hampshire**

- Status of LIHEAP funding for FY 1996:
 - LIHEAP is an advance funded program. As part of the FY 1995 Labor/HHS/Ed Appropriation, Congress provided \$1.3 billion for LIHEAP for FY 1996.
 - Last summer's rescission bill reduced the FY 1996 level for LIHEAP by \$300 million to \$1 billion.
 - The House FY 1996 Labor/HHS/Ed appropriations bill would have rescinded the entire \$1 billion in FY 1996 LIHEAP funding; the Senate committee bill (never passed by the full Senate) would have rescinded only \$100 million, leaving \$900 million for FY 1996.
 - In absence of a regular FY 1996 appropriation for HHS, Congress passed several CRs. OMB determined that only a fraction of LIHEAP funding was available in FY 1996, based on the number of days that the CR covered. Under this methodology, HHS distributed \$196 million in LIHEAP funding through 12/15/95.
 - During the period between CRs in December, HHS made distributions of \$810 million (this includes the \$196 million mentioned above), based on OMB's determination that, in the absence of a CR, the \$1 billion advance appropriation (made in the FY 1995 appropriation bill and modified by the rescission bill) was valid.
 - On 2/1/96, OMB apportioned funds under the recently-enacted CR, freeing up an additional \$90 million.
 - Historically, HHS awards 90% of the year's LIHEAP appropriation in the first two quarters of the fiscal year.
- This fiscal year, New Hampshire has received \$6,878,126 in LIHEAP funds. This is its regular formula share of the \$900 million released to date.
- On January 29, Governor Merrill wrote to the President that the State is nearly out of funds, having committed all but \$283,000 of the money it's received. In his letter he also stated that he was "reserving the right to request the release" of such funds. To date, the heating needs based on temperature in New Hampshire have had a 0% deviation from the 30-year norm.

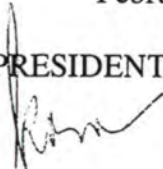


EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D.C. 20503

Kathleen A. McGinty
Chair

February 1, 1996

MEMORANDUM FOR THE PRESIDENT

From: Katie McGinty 
Subject: New Hampshire Environmental Pledge

You should know that last weekend, at a New Hampshire Wildlife Federation Forum for presidential candidates, the Vice President spoke about the environment, made an environmental commitment and challenged other candidates to do the same thing. You may be asked about it by local activists, who have been trained in workshops on how to "bird-dog" candidates. Some of these activists have been promoting an environmental pledge.

The original version of their pledge (not made by the VP) is as follows:

I pledge that, as President, I will protect our environment and our children's future and will veto any weakening of Federal safeguards that ensure the quality of the air we breathe, the water we drink, the food we eat, and the land we inhabit.

It was clear that we could not sign their version because no President could promise to veto any weakening of Federal safeguards. After discussing a language change with several of the NH enviros, and discussing it with Wendy Smith in Political Affairs and through her, George Stephanopoulos, the Vice President said the following:

"The President authorized me to make this pledge to you, here today. And he calls upon all of the Republican candidates for the White House to make the same pledge.

'I pledge that as President I will fight to protect public health and the environment for future generations. And I will fight against efforts to weaken the safeguards that ensure the quality of the air we breath, the water we drink, the food we eat, and the land we inhabit.' All candidates ought to be willing to make that pledge."

The response by locals to the Vice President's commitment has been very positive -- and local groups will be "bird-dogging" other candidates about it.

However, you should know that at least one organization in NH appeared not to realize the language had changed. We think it is straightened out and we are making an effort to ensure that everyone in NH has an exact transcript of the VPOTUS remarks -- but you should be prepared to hear about it from people who may or may not fully understand what happened.

THE WHITE HOUSE

WASHINGTON

February 1, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: PAUL WEINSTEIN

SUBJECT: **Bipartisan Campaign Finance Reform Legislation -- McCain-Feingold**

Introduction

During your visit to New Hampshire, you may be asked whether or not you support S. 1219, the "Senate Campaign Finance Reform Act of 1995" (McCain-Feingold). There is large grassroots movement in New Hampshire behind this legislation, led by members of United We Stand and other independent voters.

Background On S. 1219

S. 1219 is the first bipartisan campaign finance reform proposal in nearly a decade. The legislation contains several key reform provisions, most importantly, voluntary spending limits on the overall amount of campaign spending.

We expect a vote on McCain-Feingold in the Senate in approximately one to two months. The House has not yet scheduled their vote. DNC Chairman Chris Dodd and DSCC Chairman Bob Kerrey, along with 12 other Senators, have cosponsored S. 1219 (10 Democrats and 4 Republicans). However, opposition to the proposal exists among some Democratic leaders in the House. In addition, organizations such as Emily's List oppose the bill's provision to ban the bundling of campaign contributions. Senator Dole has not indicated support for the bill.

While you did not mention McCain-Feingold by name in your State of the Union address, your call on Congress to pass the "first bipartisan campaign finance reform legislation in a generation" was interpreted as an endorsement of S. 1219. In addition, your comments on campaign finance reform over the past few months are routinely reported by the press as indicating your support for the bill and most of the organizations who support campaign finance reform assume you support McCain-Feingold.

McCain-Feingold is generally consistent with the campaign finance reform proposal you proposed in *Putting People First* (e.g. limiting PAC contributions to \$1,000, reducing the cost of television airtime, voluntary spending limits). The key provisions of S. 1219 are:

Spending Limits And Benefits --

1. Free Broadcast Time -- Candidates would be entitled to 30 minutes of free time during prime time;
2. Broadcast Discounts -- Broadcasters would be required to sell advertising to candidates at 50% of the lowest available unit rate;
3. Reduced Postage Rates -- Candidates would be able to send up to two pieces of mail to each voting-age resident at the lowest 3rd-class nonprofit bulk rate;
4. New "Variable Contribution Limit" -- If a candidate's opponent does not agree to the spending limit and exceeds that limit, the complying candidate's individual contribution limits are raised from \$1,000 to \$2,000 to ensure a level of fairness;

Personal Funds -- If a complying candidate is faced with an opponent who declares an intent to spend personal funds in excess of \$250,000, the individual contribution limits are raised for the complying candidate from \$1,000 to \$2,000;

Home State Campaign Fund Requirement -- Requires candidates to raise 60% of campaign funds from individuals residing in the home state;

Ban On Political Action Committee Contributions -- In case a PAC ban is ruled unconstitutional by the Supreme Court, backup limits on PAC contributions will also be included. These limits will require candidates to raise less than 20% of their campaign funds from PACs and will lower the PAC contribution limits from \$5,000 to \$1,000;

Other Provisions --

1. Ban on Bundling of Campaign Contributions;
2. Ban on Incumbent Use of Franked Mass Mailings During Election Years;
3. New Limits and Full Disclosure on "Soft Money" Contributions;
4. Increased Disclosure and Accountability for Those Engage in Political Advertising.

Recommendation

Your support for McCain-Feingold means you are the only major candidate to support legislation that is strongly backed by Perot and his supporters, independents, and editorial boards across the country. We recommend that you state clearly your support for the legislation if asked for your position in New Hampshire.



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

400 Seventh St., S.W.
Washington, D.C. 20590

January 31, 1996

MEMORANDUM TO: Kitty Higgins
Assistant to the President for Cabinet Affairs
and Secretary to the Cabinet

FROM: Ann Bormolini, Chief of Staff

SUBJECT: Hot Issues for New Hampshire

The following are new "hot issues" involving the state of New Hampshire. Please contact me or Barbara Leach at 366-5680 if you have any questions.

Safety Belt Issue:

The National Highway System Designation Act (NHS) modified the Safety Belt and Motorcycle Use Law to permit New Hampshire, the only state without a safety belt law, to avoid the transfer of funds by achieving specified safety belt use rates in lieu of enacting such a law. Since procedures were not specified for New Hampshire to follow to obtain the necessary certification, DOT staff has worked informally with the State.

While discussion on this issue was occurring in early January 1996, Senators Gregg and Smith sent Secretary Peña a letter severely criticizing DOT's handling of this issue. The letter reflected a lack of understanding about the relationships of the various laws and DOT's actions. The Senators apparently assumed that the certification and release of funds would be automatic; however, DOT had not yet determined the certification procedure required under the new law. A story appeared in the Manchester Union Leader on January 11, 1996, reflecting New Hampshire's displeasure with DOT.

Since FY 95 ended before the NHS was enacted, the Secretary announced the evening of January 11 that the FY 95 funds would be released to New Hampshire. The Union Leader reported his decision on January 12. New Hampshire Governor Merrill and Senators Smith and Gregg's offices were notified immediately. Letters to all three from the Secretary are anticipated to be sent by February 1, 1996.

Commercial Vehicle Size and Weight Issue:

New Hampshire has been informed that they may lose all NHS funds beginning October 1, 1996, if they do not address the weight enforcement of commercial vehicles on the I-95 Turnpike. This would be a loss of 25 percent of New Hampshire's Federal Aid Highway budget, approximately 20 percent of the State's total transportation budget. Enforcing the limits could create greater

safety problems, and maintaining the status quo appears to be the best option. This would require a change in the present Federal law. Since Maine is also in the same predicament, the two states are discussing pursuing an exemption for enforcement on I-95. While this has been very controversial between the DOT and the State, we have been successful so far in working with the State to maintain a low profile on this issue until it is resolved.

Conflict with The Environmental Protection Agency (EPA):

The EPA is seen as resistant to economic growth and has recently used the threat of a Section 404 Wetland Program veto on two major highway projects to pressure New Hampshire DOT and State/local political leaders to implement an EPA position. On the Nashua Circumferential (a toll highway facility), the EPA convinced Governor Merrill last summer that the EPA had the support of Administrator Carol Browner to veto the proposed full build option which was endorsed by the Army Corps of Engineers and ready for a Section 404 permit. As a result, the Governor conceded and committed to a partial build option pushed by the EPA rather than jeopardize the entire project to a veto. This decision is very controversial locally, and the Governor has been forced to defend his action.

Infrastructure:

New Hampshire DOT Commissioner Charles O'Leary continues to express concern to DOT about the lack of discussion of infrastructure from the White House as a continuing national emphasis area.

THE WHITE HOUSE

WASHINGTON

January 31, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: DAN COLLINS
RUSSELL HORWITZ

RE: Local Issues Briefing -- New Hampshire

EDUCATION

State House Proposes Plan to Help Schools

Under a bill before the State House, home buyers and sellers will pay an additional \$100 each in the sale of a \$100,000 home to help schools that have not yet met minimum standards. The bill would also raise \$7 million for an emergency fund to help the schools hire staff, add classrooms or make changes necessary to comply with state law. The Education Commissioner told the House Education Committee that unless 99 schools meet minimum state standards by June 30th or persuade the state to give them more time, they will lose \$35 million in aid.

Veterans' Group Opposes Showing of "Platoon" in High School

The New Hampshire State Council of the Vietnam Veterans of America, the state's largest Vietnam veterans' group, has joined a Concord parent in his effort to prevent the movie "Platoon" from being shown in a local high school history class. The veterans' group believes that the movie sensationalizes violence and drug use among troops and stereotypes many soldiers as lost and psychologically troubled. The teacher of the history class says her students should be exposed to the realities of the Vietnam conflict, and that the movie helps students visualize the scenery and understand the emotions the soldiers might have been feeling.

Teacher Retirements Strain Manchester Budget

The higher-than-expected number of teacher retirements has posed budget constraints in Manchester and complicated labor talks with city employees. Retirements are costing the city \$370,000 more than budgeted. City finance officials met earlier in the week to decide whether the funds will come from the city's contingency account or from the city's salary adjustment account.

CRIME

Former Bank Official Charged with Loan Fraud

The federal government has charged the former head of the Dime Savings Bank's loan operation in New Hampshire, along with nine others, with conspiring to make fraudulent loans. Between 1987 and 1989, thousands of loans were approved and used to purchase overpriced condominiums throughout New Hampshire. Most of those borrowers later defaulted or abandoned their properties. According to charges filed in the U.S. District Court, the majority of these defaulted loans were approved based on purchased property value rather than the borrower's assets or income. The indictments also charge that Dime's sales staff even used role-playing sessions to practice enticing borrowers to lie on loan applications.

HEALTH CARE

Medical Society Files Lawsuit Against HMO

A lawsuit filed by the New Hampshire Medical Society against Healthsource, Inc. could protect consumers by making it more difficult for insurers to drop doctors who spend more on patient care than insurance companies consider proper. According to the plaintiff, the case, which is the first of its kind to be heard by a state supreme court, will also help to guarantee that doctors work in the best interest of the patient and not the insurance company that pays them when they restrict or deny care. The HMO argues that if it does not retain the option of "deselecting" physicians as it sees fit, it will be unable to control health care costs.

Buyout of New Hampshire's Largest HMO in Jeopardy

Harvard Pilgrim Health Care's two-year effort to buy New Hampshire's largest HMO, Matthew Thornton Health Plan, has been delayed because New Hampshire attached conditions to the proposed \$90 million acquisition. One requirement prohibits Harvard, already the largest HMO in New England, from signing exclusive contracts with Lahey-Hitchcock physicians in Concord. Another condition requires Harvard to establish a reserve account to make sure that an insurer can pay outstanding medical bills.

ECONOMY

Number of Women-Owned Small Businesses Increases

The number of women-owned small businesses in New Hampshire increased 39 percent between 1987 and 1992. The state's women-owned businesses showed the largest growth in northern New England with \$4.1 million in total sales in 1992, a 122 percent increase from five years earlier.

YERSINIA ENTEROCOLITICA INFECTIONS TRACED TO A NEW HAMPSHIRE DAIRY FARM

- Between October 9 and 28, 1995, 10 persons in central Vermont and New Hampshire developed an illness caused by the foodborne bacterium *Yersinia enterocolitica*. Three were hospitalized, and one underwent an operation for suspected appendicitis.
- The Centers for Disease Control and Prevention assisted the Vermont and New Hampshire State Health Departments in an investigation of this unusual intestinal infection. This investigation demonstrated a strong statistical link between the illness and consumption of milk from a particular New Hampshire Dairy, which was sold in both states.
- Inspection of the dairy by officials from New Hampshire, Vermont, FDA and CDC did not identify a problem with the pasteurization process itself, but did identify irregular bottle washing techniques for the glass bottles that are used at the dairy. Cultures of the milk and of the immediate dairy plant environment did not yield *y. enterocolitica*. However, cultures of a pig kept on the farm did yield *y. enterocolitica* indistinguishable from the strains found in the patients (pigs are the usual reservoir for this organism).
- The epidemiologic association between the illness and drinking the milk from that particular dairy, and the isolation of the same strain from a pig on the premises, are strong evidence that the milk was indeed the source of the outbreak.
- On December 5, 1995, recommendations were made to the dairy at the conclusion of the investigation to improve their bottle washing procedures in order to better sanitize the reused bottles, to join the Interstate Milk Shippers Conference and comply with the routine monitoring and inspections recommended by that organization.
- In addition, CDC recommended that all local dairy owners be educated about the risk of *Yersinia enterocolitica* and pigs, and about the risk of post pasteurization contamination. No similar infections linked to the dairy have occurred since October 28.
- While a recent article reports a conflict between the State and CDC, the State has not officially notified CDC of their independent findings.

N.H.: No Physical Link Between

Dairy, Yersinia

By SUSAN J. RAND

Valley News Correspondent

PLAINFIELD — Extensive tests and inspections by New Hampshire public health officials have found no physical link between a dairy and the outbreak of a bacterial infection that occurred in the Upper Valley last fall.

The state's conclusion, released this week, followed a report published in December by the federal Centers for Disease Control and Prevention, which said consumption of milk from the McNamara Dairy in Plainfield "was strongly associated with infection" of several area people who came down in October with Yersinia enterocolitica, a rare flu-like illness that sometimes mimics appendicitis.

Yesterday, McNamara family members welcomed the New Hampshire report, which they said vindicated their business. It's "supportive of all the clinical evidence that's out there that there was no link to our dairy," said Mary McNamara, who runs the dairy with her husband, Pat, and brother-in-law Tom McNamara.

The New Hampshire report concluded that inspections and tests done at the dairy "did not reveal any definite routes for contamination of the milk with Yersinia."

In an interview last month, Dr. Marta Ackers, the author of the CDC report, said drinking milk from the dairy was all the people in the study had in common. But she said she had no idea how the milk could have become contaminated with Yersinia.

"I am appalled by her conclusions," Barbara McNamara LeClair, a family member and veterinarian, said of the CDC report.

Steve Tomajczyk, spokesman for the New Hampshire Department of Health and Human Services, said there was "no proof" linking the Yersinia to the dairy. "All you have is statistics, a theoretical link," he said. "You have no hard science."

New Hampshire Agriculture Commissioner Steve Taylor, who lives in Plainfield, said in an interview last month there was "no provable link" between the outbreak and the dairy.

In an interview last month, five McNamara family members discussed what they said had been an excruciatingly difficult time for them. They went through two months of inspections and discussions with health officials from Vermont, New Hampshire, the CDC and the federal Food and Drug Administration, and still they felt they had to find a way to clear their dairy's name. "You can't imagine how bad this has been. We're all ready to snap," LeClair said.

Several family members cried while talking about the situation's effect on their father, who started farming the land in the 1930s; on their children and on their milk bottling business, which has been in operation almost three years. Tom McNamara said the family several times came close to closing the business — first, out of fear that they might have done

he said, when tests showed that the dairy was clean but the CDC report still seemed to say it was their fault, they thought about closing because of their frustration with the way they had been treated and would be portrayed in the CDC report.

Ackers and a medical student working with her were called in to work on the case in October by Vermont and New Hampshire. Officials from the regional office of the Food and Drug Administration, in Stoneham, Mass., also were called in to help with the investigation. In the CDC report, Ackers wrote that the Yersinia outbreak "was epidemiologically linked with consumption of bottled milk from (McNamara's). The mechanism of contamination of the milk has not been determined."

FDA consultant Steve Pierson, a milk processing specialist, said he didn't know where the Yersinia bacteria came from. "Did we find a smoking gun? I don't think anything like that was revealed," he said.

New Hampshire's tests of McNamara Dairy milk showed no traces of the strain of Yersinia that made people sick. Twenty-five milk samples all tested negative for Yersinia. In addition to the milk tests, New Hampshire carried out 10 tests of dairy vehicles, 16 water tests and seven tests on employees. All showed no trace of Yersinia. "The only way we could be proven innocent was (by) our test (results) which showed we were innocent," said Pat McNamara. But in light of the CDC report it seems that "still we're guilty," he said.

New Hampshire's tests of nine pigs at the farm were also negative. The CDC's further testing of New Hampshire samples taken from the pigs found four pigs with Yersinia, one of which had the same strain found in the sick humans. But that's common, because pigs often carry the Yersinia bacteria, said state officials and LeClair, who is a veterinarian.

Dr. Geoffrey Smith, the New Hampshire state epidemiologist and chief of the Bureau of Disease Control, said it was "highly unlikely" the Yersinia that made the people sick could have come from that one pig because pasteurization of milk kills the Yersinia bacteria. In addition, there is no explanation of how the bacteria could have gone from the pig into the milk, all of which is pasteurized. Smith said the source of the bacteria "remains a mystery because we were unable to find it. ... We had some of the top minds in the country working on this but we were unable to demonstrate the bacteria in that processed milk," he said.

Asked whether the bacteria have come from somewhere else, Smith said "we always have to leave a window of possibility open whenever we can't find the germ in the product."

He said he was impressed with the cleanliness and "attention to detail" at the McNamara Dairy. "I would be very happy to drink that milk and I'm a very cautious person."

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