

# **PRESIDENTIAL TRIP BOOKS**

**AUGUST 1996-  
SEPTEMBER 1996**

**Presidential Trip Books**

**AUGUST 1996-SEPTEMBER 1996**

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**AUGUST 1996**

Divider Title: \_\_\_\_\_

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**THE TRIP OF  
THE PRESIDENT  
TO  
SAN JOSE, SALINAS,  
AND LOS ANGELES, CALIFORNIA**

August 7 - 9, 1996

Staff Copy



## Table of Contents

Wednesday, August 7, 1996

---

### SAN JOSE, CALIFORNIA

#### Remarks on Education Technology

- Event Memo

- Remarks

To be forwarded

#### Political Reception

Distributed  
Separately

#### Dinner for the DNC

- Event Memo

Distributed  
Separately

- Background on California Securities Initiative

- Talking Points on High-Tech Accomplishments

- U.S. - Japan Semiconductor Agreement

- Foreign Sales Corporation Benefits for Computer Software

#### Drop-By with the Executive Committee of the Japanese American Citizens League

To be forwarded

Thursday, August 8, 1996

---

SAN JOSE, CALIFORNIA

Live Satellite Feed to the United  
Steelworkers of America

- Event Memo To be forwarded
- Remarks To be forwarded

SALINAS, CALIFORNIA

Remarks on Juvenile Crime

- Event Memo To be forwarded
- Remarks To be forwarded

Photos with Representatives of the  
International Union of Police Associations

To be forwarded

Political Reception

Distributed  
Separately

LOS ANGELES, CALIFORNIA

Trade Event

- Event Memo
- Remarks To be forwarded

Photo Receiving Line  
and  
Dinner for the DCCC

- Event Memo Distributed  
Separately
- Remarks To be forwarded

Photo Receiving Line  
and  
Reception for the Saxophone Club

- Event Memo Distributed  
Separately
- Remarks To be forwarded

Friday, August 9, 1996

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**LOS ANGELES, CALIFORNIA**

**Tape Radio Address**

- |              |                 |
|--------------|-----------------|
| - Event Memo | To be forwarded |
| - Remarks    | To be forwarded |

**Event TBD**

- |              |                 |
|--------------|-----------------|
| - Event Memo | To be forwarded |
| - Remarks    | To be forwarded |

**California Background**

- |                                   |                           |
|-----------------------------------|---------------------------|
| - Political Background            | Distributed<br>Separately |
| - California Hot Issues           |                           |
| - Economic Background             |                           |
| - 1 Pager                         |                           |
| - Crime 1-Pagers                  |                           |
| - Welfare Reform                  |                           |
| - California Environmental Issues |                           |
| - Update on Immigration           |                           |
| - California Accomplishments      |                           |

August 6, 1996

## SPEECH AT JOHN MUIR MIDDLE SCHOOL

DATE: August 7, 1996

LOCATION: John Muir Middle School, San Jose CA

TIME: 5:20 p.m.

FROM: Tom Kalil (National Economic Council)

### I. PURPOSE

To showcase "Challenge 2000", a \$29 million partnership between the federal government, the Silicon Valley business community, and local schools. This partnership is designed to give students the skills they need to compete in the 21st century workplace by using educational technology, promoting school reform, and expanding community involvement in the schools.

This is a great example of a community rising to your challenge to "put the fingertips at the future of our children" because they are addressing all four elements of your Educational Technology Initiative -- computers, professional development for teachers, high-quality content, and connecting classrooms to the Internet.. Participants in Challenge 2000 stress, however, that technology is a means, not an end in itself, and that the community involvement, systemic reform, and an emphasis on accountability are also essential.

### II. BACKGROUND

- John Muir Middle School is one of the 43 Silicon Valley K-12 schools participating in Challenge 2000. Muir is developing a hands-on environmental science curriculum, working with a team of elementary and high schools and community organizations called the "River Alliance."
- The goal of Challenge 2000 is to ensure that students are ready for the workplace of the 21st century. High-tech firms need employees who can work in self-directed teams, exercise critical thinking and problem-solving skills, learn on the job, and use information and communications technology effectively.
- Support for Challenge 2000 comes from business organizations such as Joint Venture Silicon Valley, a consortium of firms that has raised \$22.3 million in cash, equipment and personnel commitments to support local area schools, and a \$6.6 million grant from the Department of Education that served as a catalyst for this partnership. The Department of Education grant was awarded in October 1995.



- The grant and the company resources will support professional development for teachers, education reform, modern computers, and the development of a curriculum that focuses on multimedia projects built around real-world problems. Challenge 2000 is serving as a catalyst for "extended learning communities" that go far beyond the four walls of the classroom to include other students and teachers, scientists, and community organizations.
- Many schools also either (a) participated in NetDay on March 9th; or (b) are planning to participate in NetDay II, which is being held in California on October 12th.
- Additional background information on the school and Challenge 2000 is attached.

### III. PARTICIPANTS

The participants in the pre-program are:

- Mike Carr,
- Susan Hammer, Mayor of San Jose
- Lieutenant-Governor Gray Davis
- Representative Zoe Lofgren

The speakers who will speak immediately before you are:

- **Glen Toney**, Group Vice President of Applied Materials. Glen has led Joint Venture Silicon Valley's efforts on Challenge 2000.
- **Larry Kubo**, Director of Business Development for Xyratex International. He is an alumni of John Muir, and has children in one of the elementary schools that is participating in the program. Has been active in Challenge 2000 because he wants his kids to have the same quality of education that allowed him to go on to Stanford Business School.
- **Carol Summers**, 7th Grade social studies and language arts teacher at John Muir for more than 30 years. Has spent the last two summers developing the proposal that allowed John Muir to participate in the program.
- **David Auberle** graduated from Pioneer High School this summer. He has been active in the "Challenge 2000" program. He will introduce YOU.

#### IV. PRESS PLAN

Open Press.

#### V. SEQUENCE OF EVENTS

- YOU will meet the elected officials (Susan Hammer, Gray Davis, Zoe Lofgren) upon arriving at the school.
- YOU will proceed to the cafeteria, where you will meet the principal of the school and other local educational leaders.
- YOU and the 4 speakers in the program will proceed to the stage.
- YOU will speak following brief remarks by the 4 speakers identified above, and will be introduced by the student.

#### VI. REMARKS

To be provided by speechwriters.

August 6, 1996

MEMORANDUM TO THE PRESIDENT

FROM: Tom Kalil  
National Economic Council

SUBJECT: Background on John Muir Middle School and "Challenge 2000" program

This memorandum gives you background on the John Muir Middle School and the "Challenge 2000" program that John Muir and other Silicon Valley K-12 schools are participating in.

**John Muir Middle School**

- John Muir Middle School is located in south San Jose. It has over 700 students of whom 50% are Latino, 31% Anglo, 8% Asian, and 5% African-American.
- John Muir Middle School is a Department of Education Magnet School and a participant in one of the five "Challenge 2000" teams -- known as the River Alliance. The River Alliance is composed of 3 elementary schools, one middle school (John Muir) and a high school that the other schools feed into.
- Grants from Challenge 2000, individual businesses and the Department of Education are allowing John Muir Middle School and the other participants in the River Alliance to:
  - Build a hands-on curriculum with a focus on environmental science.
  - Create a series of partnerships with businesses, higher education, environmental and community agencies to form a "learning community." For example, the Alliance has created partnerships with the city and the Children's Discovery Museum that allow students to collect and analyze data on ecosystems in the nearby Guadalupe River. The Alliance is also encouraging students to participate in an "Adopt-A-Creek" program.
  - Provide teachers with the training they need to support school reform and the use of technology in the classroom.
  - Expand the use of computers and the Internet in the classroom. [Muir, for example, is going from 1 computer lab to 3 computer labs.]



- One Joint Venture Silicon Valley company (Quantum) has assigned a loaned executive to help the River Alliance manage all of the outside partnerships.
- John Muir will be involved in California's October 12th NetDay. You jumpstarted NetDay by meeting with high-tech CEOs in September 1995, and helped wire a California school on the March 9th NetDay.

### **Challenge 2000**

- "Challenge 2000" is an exciting business-education-community partnership designed to spark an "educational renaissance" through community involvement, the use of technology, and school reform.
- The goal of Challenge 2000 is to ensure that students are ready for the workplace of the 21st century. High-tech firms need employees who can work in self-directed teams, exercise critical thinking and problem-solving skills, learn on the job, and use information and communications technology effectively.
- Support for Challenge 2000 comes from business organizations such as Joint Venture Silicon Valley, a consortium of firms that has raised \$22.3 million in cash, equipment and personnel commitments to support local area schools, and a \$6.6 million grant from the Department of Education that served as a catalyst for this partnership. The Department of Education grant was awarded in October 1995.
- The grant and the company resources will support professional development for teachers, education reform, modern computers, and the development of a curriculum that focuses on multimedia projects built around real-world problems. Challenge 2000 is serving as a catalyst for "extended learning communities" that go far beyond the four walls of the classroom to include other students and teachers, scientists, and community organizations.
- Joint Venture invites school districts in the area to submit plans to improve academic standards. Districts must meet these goals to maintain funding. School districts are expected to produce a plan that involves a "vertical slice" of a high school and the middle and elementary schools that feed into it. Currently, 5 teams involving 6 school districts, 43 K-12 schools and more than 30,000 students are participating in Challenge 2000.

### **Success stories**

- In one Challenge 2000 team [Blossom Valley Learning Consortium], older and younger students increased their literacy skills by using computers and multimedia software to create, design and publish books. The books were sold, and the money went to a local charity to help the homeless.

- Prior to Challenge 2000, two hundred teachers in the "Overfelt Familia" team had never formally communicated or worked together before. When they did, they were surprised to find out what was actually being taught. The math teachers, for example, revised the entire curriculum when they discovered that only 30 percent was new material from year-to-year. Before Challenge 2000, teachers did not have phone mail, e-mail or fax capability they needed to develop the proposal, so they were forced to drive to other schools to distribute drafts. Today, every school in the Overfelt team is connected to the Internet, and they are working with NetDay to connect every classroom.



## INFORMATION CONCERNING CALIFORNIA SECURITIES LITIGATION INITIATIVE, PROP. 201

### Background

In November, an initiative sponsored by securities plaintiffs attorneys with support from labor and endorsement of the California Democratic party will be on the California ballot. This initiative would make California securities law more favorable to plaintiffs than current federal law.

The law that would be enacted by the initiative would require a minimal California nexus to bring an action. While the issue would undoubtedly be litigated should the initiative pass, the statute attempts to apply California law to non-California corporations on such issues as director indemnification, punitive damages and conditions to bringing a derivative action.

**The California Initiative would change California law to make it significantly more pro-plaintiff than federal law (current or pre-1995) or current California law.**

- o The initiative would authorize punitive damages, which have consistently been rejected in securities actions by both federal and California courts;
- o The initiative would prohibit a company from indemnifying an officer or director for liability under the act, the likely effect of which will be resignations of outside directors from the boards of, in particular, high-tech corporations;
- o The initiative would codify the fraud on the market theory, while eliminating the truth on the market defense under which a defendant could show that accurate information was also in the market;
- o The initiative would explicitly permit aiding and abetting actions by private plaintiffs; and
- o The initiative would permit an individual shareholder to bring a class action on behalf of, e.g., a pension fund, without consulting with the management of the fund.

**At the same time, the California Initiative leaves in place state law that is more pro-plaintiff than the federal law enacted last year.**

- o In actions brought under the California securities laws, the provisions of the federal statute limiting professional plaintiffs, requiring disclosure of conflicts by attorneys and class action plaintiffs, providing a preference for the "most adequate plaintiff," and restricting discovery prior to a motion to dismiss, do not apply;
- o In actions brought under the California securities law, the safe harbor in the federal statute, which was designed to encourage greater availability of information in the market, do not apply; and
- o In actions brought under the California securities laws, the limitations on joint and several liability contained in the federal statute, do not apply.

THE WHITE HOUSE

WASHINGTON

August 6, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Tom Kalil <sup>TAK</sup> (National Economic Council)

THROUGH: Dan Tarullo <sup>DKT</sup>

SUBJECT: Talking points on high-tech accomplishments for Silicon Valley dinner, background on Silicon Valley issues

**Talking points**

- As a candidate for the Presidency in 1992, I told the American people that technology is the engine of economic growth. Unlike some previous Administrations, who didn't believe that there is a difference between computer chips and potato chips, my Administration has recognized the importance of technological leadership to our economy and our quality of life.
- I have also listened to you to understand what we need to do to make America the best place in the world to invest and grow and create high-tech, high-wage jobs. Sometimes we need to get government out of the way -- other times we need to have a partnership between industry and government.
- In the last 3 1/2 years, I think we've made some real progress.
- On **trade**, I have done everything in my power to boost high-tech exports and strengthen global protection of intellectual property:
  - I fought to ensure Congressional ratification of GATT and NAFTA.
  - I eliminated export controls on computers and telecommunications that have freed up \$35 billion in exports.
  - My Administration just negotiated a semiconductor trade agreement with Japan.
  - I have fought against software piracy in countries such as China.
- On **telecommunications** and the **Information Highway**:
  - I signed the first telecommunications bill in 62 years, which will encourage competition and deregulation of the telecommunications sector.



- I have ordered massive transfers of spectrum from the government to the private sector, which is creating new wireless industries.
  - I have worked with many Silicon Valley companies on an Educational Technology Initiative to connect our classrooms to the Internet, train teachers, provide computers to all of our children, and develop high-quality content. Through initiatives like Challenge 2000 that I visited this afternoon, we are working together to ensure that our children have the skills they need to compete in the high-tech global economy.
  - Thanks to the leadership of the Vice President, the American people know that the "information highway" is about much more than 500 channels of television -- it's about telemedicine, community networks, making government more user-friendly and efficient, and increasing the competitiveness of U.S. firms.
- On **research and development**, I am continuing to maintain investments in long-term research that is necessary to maintain our technological leadership. The Internet and the World Wide Web are both examples of incredibly important technologies that came from government investments at our leading universities. [Note: The first graphical Web browser was developed at the National Center for Supercomputing Applications.]

#### **Areas where there are disagreements**

- **Securities litigation:** A separate memo discusses the "Lerach" initiative. This is the #1 issue in Silicon Valley.
- **Foreign Sales Corporation credit:** The Republicans blocked efforts by Treasury to fix this problem legislatively in the small business tax bill. Software companies such as Oracle would like the Administration to handle this administratively through regulation.
- **Encryption:** The high-tech community thinks that our efforts to block the export of strong encryption are futile, will undermine U.S. competitiveness, and are slowing down the development of electronic commerce. The Administration is continuing to work with industry to find a solution that will meet the needs of law enforcement, national security, *and* business, although this has not been easy.
- **Capital gains:** You have supported a targeted capital gains for companies under \$50 million in market capitalization. Many in the Valley would like to see a broader capital gains tax reduction.

July 6, 1996

MEMORANDUM FOR WHITE HOUSE STAFF SECRETARY

FR: JAY ZIEGLER, USTR

RE: U.S. - JAPAN SEMICONDUCTOR AGREEMENT

**Background**

The new agreement builds on the progress achieved under the 1986 and 1991 semiconductor agreements and seeks to ensure against backsliding into anti-competitive practices in the Japanese semiconductor market which discriminated against U.S. producers. For months, the Administration has insisted that a new agreement would have to be substantially different from prior agreements and this bilateral trade agreement with Japan is built upon an industry to industry accord which is linked to a governmental role in overseeing market conditions.

It is important to note that Japan had resolutely opposed any new semiconductor agreement and even after Prime Minister Hashimoto made a commitment to President Clinton to reach a bilateral agreement at the G-7 Meeting, Japan still opposed entering a bilateral agreement with the United States.

Because the President is likely to encounter semiconductor and computer industry officials in the Silicon Valley, you should recognize that these audiences have split perspectives on the agreement. While computer and semiconductor industry officials generally support the new agreement, the computer industry is concerned about a limited discussion of "anti-dumping" measures. The computer industry is strongly supportive of an Information Technology Agreement (ITA) before the WTO and may also raise concerns about comments Sir Leon Brittan issued which indicate that Europe will oppose progress toward the ITA. The EU position is untenable and inconsistent as the semiconductor agreement ultimately enhances the ITA because it calls for the elimination of tariffs.

**Talking Points**

- The agreement delivers an explicit commitment from Japanese industry (in the industry-to-industry agreement which creates the Semiconductor Council) to continue the cooperative activities between Japanese users and U.S. suppliers. These activities have been instrumental in achieving the market access gains of recent years.

- Collection, monitoring and analysis of market and trade flow data will be done by industry experts and incorporate market share data on a capital affiliated basis. The semiconductor market information will be subject to regular review of the by government. This will keep the spotlight on the Japanese market and prevent backsliding into anti-competitive practices which in the past have served to crowd-out U.S. manufacturers.
- The U.S. industry shares our assessment that the combination of activities in the industry agreement and the bilateral consultation mechanism will be effective in addressing our market access concerns -- and that our agreement is absolutely necessary to foster continued cooperative ventures across our industries.
- The U.S. suggested early on that a new semiconductor agreement should also include provision to explore new areas of industry cooperation (standards, intellectual property rights, trade liberalization, environmental and safety issues and market development). The new agreement provides for enhanced cooperation between U.S. and Japanese industry on these issues and sets up a global forum where the governments of important semiconductor producers can meet to discuss these and other policy issues of interest to the industry.
- Because the growth in U.S. & foreign share of the Japanese semiconductor market is relatively recent and fragile (though it stands at 31% foreign/U.S. share 24%, foreign market share in Japan was 14.3% in 1991) we felt an agreement with a transitional role for government was critical. However, we agree with our industry that it is time for the semiconductor industry to take the lead. Our view was that the core of a new semiconductor agreement should be an industry-to-industry agreement. Governments would maintain a "light touch" by welcoming and supporting the industry agreement and consulting at least once a year to review and assess the situation and outlook for the Japanese market.
- The new semiconductor agreement should also enhance the chances for a successful Information Technology Agreement (ITA). If countries wish to join the industry Semiconductor Council, they must first agree to eliminate their tariffs. (The United States and Japan agreed to eliminate semiconductor tariffs in 1985.) Elimination of tariffs is therefore a key tenet of both the ITA and the new semiconductor agreement.
- Japan says this agreement is everything it wanted. The truth is Japan opposed any new agreement. Then, any new agreement would have to be multilateral. (Only after the President's meeting with the Prime Minister did Japan commit to a bilateral agreement.) They wanted no review of market data. They wanted no government to government consultations. They did not want data collected or analyzed on the basis of capital affiliation. On each of these points, the agreement reflects the U.S. position.



### Key Questions

Q: How will the agreement be enforced? Why is it important?

A: The purpose of the agreement is to secure data and monitor market conditions and market share in the Japanese semiconductor market. If there is any evidence of anti-competitive practices, we will use all trade enforcement tools at our disposal.

Q: What would the consequences be if you didn't get an agreement? Couldn't you unilaterally monitor the Japanese market?

A: Our industry was particularly concerned that recent gains in cooperative ventures could be lost without a new agreement. An agreement to monitor data jointly will again help build cooperation across our industries. Unilateral monitoring could exacerbate tension across our industries.

Q: What does the agreement do to discourage "dumping?"

A: The agreement commits both countries to expeditious enforcement against any injurious dumping practices. We also have been informed that a number of Japanese companies will voluntarily maintain cost and price data which would serve as a deterrent to dumping practices without an explicit government role in this process.

Q: Could this industry-to-industry agreement serve as the basis for a cartel?

A: No. A cartel aims to influence price or supply. The semiconductor agreement has no such function. Cooperative activities on the part of industry are aimed at promoting design-ins and ensuring that Japanese semiconductor users (manufacturers) are aware of the full range of products offered by U.S. semiconductor producers. Activities in the collection and analysis of market data are designed to assess market size, growth, and foreign market share in major semiconductor markets. None of these activities raise concerns about anti-competitive behavior.

### Overview of the Agreement

Press reports on the agreement have been mixed, and the Wall Street Journal had a story that was particularly critical. However, press reports on the West Coast are generally favorable and the agreement is well-regarded in the U.S. semiconductor industry.

We have taken a number of steps including extensive briefings in Vancouver, Canada and in Washington, D.C. on the agreement. We are working with the semiconductor industry on op-ed articles in key markets, and we have also briefed editorial boards on the agreement. We will continue to work with the Semiconductor Industry Association to expand awareness about the importance of this unique trade agreement.



Far looser U.S.-Japan arrangement  
doesn't seem to bother U.S. industry



# Both sides hail chip pact

BY K. OANH HA  
Memory News Staff Writer

The new computer chip trade pact between the United States and Japan replaces a decade-old landmark deal — one that forced Japan to open its \$44 billion chip market to foreign companies — with a far looser arrangement.

But some analysts say the deal's vague wording — and lack of enforcement mechanisms — reveal its politi-

■ Highlights of the semiconductor trade deal struck by Japanese and U.S. negotiators Friday. PAGE 2C

cal origins.

The accord, reached after six days of talks and a final, exhausting 33-hour negotiations marathon that ended Friday morning, requires that chip sales in Japan continue to be monitored. But government involvement is

minimal and, unlike the previous accord, which expired July 31, there are no numerical targets. Two new organizations will be formed on both the government and industry level to deal with global semiconductor issues.

Both sides and the U.S. chip industry hailed the new accord as a win-win deal that encourages open trade through continued monitoring yet doesn't interfere directly in Japan's markets. But industry analysts say

Tokyo may now have a slight upper hand because sanctions won't be used to enforce the new accord.

In fact, the bargaining position of the United States was fairly weak coming into the talks, after a decade of dramatic strides in which U.S. companies grabbed a 20 percent share of the Japanese market and forged working relations with many of that nation's enterprises. Japan has main-

See PACT, Page 2C



## Both sides hail chip pact

### ■ PACT

from Page 1C

tained that the success of foreign companies has proved that the terms of the expired agreement are no longer needed.

"The U.S. signed a deal to open the market. It's not only opened, the U.S. is on top," said Junko Matsubara, a senior analyst at Dataquest Inc. In such an environment, any demands by the United States to continue under terms of the expired pact would have been "ridiculous," she said.

When the original agreement was sealed in 1986 to pry open Japan's chip market, foreign companies sold only 8 percent of chips there. The agreement was renewed in 1991 for another five years — with language interpreted by the United States as guaranteeing foreign firms 20 percent of the market. Foreign companies now command one-third of the market.

Because foreign businesses had taken such a strong share of the market, many analysts and pundits say the drama surrounding a new pact was more important for political leaders in both countries than for industry.

Adent Clinton can now portray himself as the trophy bearer for the chip industry and California in the upcoming elections. And Japanese Prime Minister Ryutaro Hashimoto, who might also face elections in the next six months, can boast of ending some of the more odious terms of the previous pact.

"It's basically political rather than anything of great substance," said Chalmers Johnson, president of the Japan Policy Research Institute in San Diego. "Both have spent time finding language that would allow them to make claims of success to a glibble and ill-informed domestic audience."

Matsubara says U.S. industry would have thrived without a new pact because of the relationships they've developed the past 10 years under an agreement and a dramatically different market.

"But with this new agreement, the U.S. can keep face and the Japanese are happy," she said. "It was important for Clinton not to lose this one."

But negotiators — many of whom worked in Vancouver without sleep to reach terms after the deadline passed — disagree that politics was the force behind the talks.

"The bottom line is that we battle about ensuring that the U.S. industry retains access to one of the world's largest semiconductor markets," said Jay Ziegler, a spokesman for Charlene Barshefsky, the acting U.S. trade representative who brokered the deal.

The San Jose-based Semiconductor Industry Association, which represented 85 percent of the industry in the Vancouver talks, agreed with Ziegler's sentiments. "The agreement met our objectives," said Daryl Hatano, the group's vice president of international trade.

And chip makers in the Silicon Valley applauded the efforts of the government and the industry organization, saying they were pleased with the results.

"We were pleasantly surprised to have a deal," said John Greenagel, director of corporate communications for Advanced Micro Devices Inc. "When word came through that deadline had come and gone, frankly, we were generally pessimistic and doubtful that anything could happen."

Companies were most concerned about being able to measure market share and access. Many were glad that "anti-dumping" language that discourages selling chips below price were in place.

"We're pleased with the SIA position and what they came up with," said Intel's spokesman Chuck Mulloy. "It helps ensure open dialogue."

### DEAL DETAILS

Highlights of the semiconductor trade deal struck by Japanese and U.S. negotiators Friday.

- **Market share:** No numerical targets for guaranteed foreign market share in Japan were set.
- **Monitoring:** Industry experts from both countries will collect and prepare information on market share in Japan and access. They will report the data to their respective governments. The governments will analyze data and meet at least once a year to review the reports.
- **Anti-dumping:** Japan recognizes that anti-dumping violates trade laws. Japanese companies have volunteered to maintain cost data and provide them if an anti-dumping suit is filed but are not bound to do so in the pact.





DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

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RY OF THE TREASURY

August 6, 1996

**MEMORANDUM FOR PRESIDENT CLINTON**

**SUBJECT:** Foreign Sales Corporation (FSC) Benefits for Computer Software

**FROM:** Robert E. Rubin *RE*

**SUMMARY:** Under current law (as reflected in regulations issued in 1987), certain tax benefits were provided to exports of U.S. manufactured goods but denied to licenses of intellectual property, including computer software for reproduction abroad (as opposed to export sales of "shrink-wrapped" software, which are treated as sales and thereby entitled to these tax benefits). By contrast, a special rule in the statute provides these tax benefits for licenses of master copies of movies or recorded music for reproduction abroad. The software industry has asked for expansion of the statutory exception, by legislation or regulation, to provide the same benefits to computer software licenses. Both Secretary Bentsen and I have determined that it was improper to provide this result by regulation. Treasury's current position has been to urge Congress to enact legislation that will eliminate the distinction it created. We worked actively behind the scenes to include the FSC/software provision in the Small-Business Job Protection Act, but ultimately was unsuccessful.

**DISCUSSION:** Regulations.--The Foreign Sales Corporation (FSC) rules provide a tax benefit to U.S. manufacturers that export goods. The net effect of these rules is to lower the tax rate on such products by about 5 percentage points (to 30 percent). Treasury regulations issued in 1987 grant FSC benefits for exports of finished software without a right of reproduction. Thus, exports of shrink-wrapped software commonly purchased at the retail level are entitled to FSC benefits. However, the regulations deny FSC benefits for licenses of software for reproduction abroad. This denial is based on the FSC statute.

Specifically, the statute denies FSC benefits to licenses of intangible property such as "patents, inventions, models, designs, formulas and processes whether or not patented, copyrights . . ." *The reason for this exclusion is that FSC benefits are intended to encourage manufacturing within the United States, and these licenses would permit the foreign manufacture of U.S. inventions. Thus, FSC benefits are not available for a license by a U.S. company of the rights to manufacture a product abroad, even if the U.S. company incurred significant expenses developing the product in the United States.*



- The statute provides an exception to the rule against licensing intangibles for "films, tapes, records, or similar reproductions, for commercial or home use." This exception, which dates back to 1971 language in a predecessor to the FSC rules, was supported aggressively by the film and record industries, but cannot be justified on tax policy grounds. As a result of this exception, a master copy of a movie or record that is produced in the United States, unlike other types of intellectual property, can be licensed to a foreign company (including an affiliate) that can manufacture the end product outside the United States.

The software industry claims that it is entitled to similar treatment on the grounds that the reference to "similar reproductions" should include the license of a software master copy. This argument was made to, and rejected by, the Treasury and IRS in promulgating the FSC regulations in 1987. The Treasury believed then, as it does now, that Congress intended the "similar reproductions" language to include only other means of reproducing music and motion pictures (such as music recorded on CDs and movies recorded on laser disks), but not other categories of intellectual property (such as computer software).

Critics of our position argue that it ignores technological developments; for example, the same CD-ROM can hold both software and recorded music. This argument misses the point that the statutory exception is based on the content matter of the licensed intangible. Technological changes have blurred the distinction between some products of the entertainment industry and the computer software industry. However, this convergence does not justify the sought-after administrative extension of FSC benefits to software, which would treat computer software differently than other forms of "patents, inventions, models, designs, formulas and processes." This convergence is the basis of our position that a legislative change is the appropriate fix.

Critics also argue that it is unfair for the entertainment industry to enjoy a special benefit that other industries do not. However, this is a valid argument for Congress to eliminate the distinction that it alone has made. This Administration has repeatedly expressed the view in letters to Congress and in testimony that extending FSC benefits to software licenses is a matter for Congressional action.

- Legislative activity.--Notwithstanding the view that treating licenses of computer software with foreign reproduction rights as export property was inconsistent with the history and purposes of the FSC legislation, Secretary Bentsen established a position in 1994 to "not oppose" legislation to extend FSC benefits to such computer software. Treasury maintained this position through several Congressional requests for regulatory change, and 1995 testimony before the Senate Committee on Finance.

Treasury in 1996 advanced our level of support for a legislative extension of FSC benefits to computer software. First, we became publicly supportive of a paid-for legislative amendment. Second, we worked extensively to promote the amendment. We prepared a statutory draft of the amendment and provided it to Members of both the House Ways & Means Committee and the Senate Finance Committee for use at their respective markups of the small-business tax bill. We also visited and telephoned Members and staff to encourage the inclusion of the FSC software amendment first in the committee bill and subsequently in packages of amendments.

Third, we recognized that Congress could adopt the legislative amendment as a "technical correction," which would obviate the need for a revenue offset and also allow retroactive relief. We could not ourselves characterize the legislative amendment as a technical correction because doing so would suggest that our regulation is invalid. In addition, we believe that the amendment does not fit within the consensus definition of a "technical correction." We did indicate to Congress that should they so characterize the amendment, we would nevertheless approve the bill as meritorious legislation.

Fourth, we included our support for the amendment in the Statement of Administration Policy on the small-business tax bill as passed by the Senate, and in a letter to the conference committee. This action was an extraordinary public effort by the Administration to ask Congress to add in conference a provision that had not been considered by either body.

In sum, your Administration has, in fact, strongly supported efforts to achieve a legislative solution to the FSC software problem.



THE WHITE HOUSE

WASHINGTON

August 6, 1996

PORT OF LOS ANGELES/PORT OF LONG BEACH

DATE: August 8, 1996  
PLACE: Los Angeles and Long Beach Harbor  
TIME: 6:00pm  
FROM: John B. Emerson 

I. PURPOSE

You will speak to several thousand workers from the Ports of Los Angeles and Long Beach about the positive impact of international trade on the California, and national, economy. You will also highlight several Administration initiatives which have contributed to the explosion of commerce at the Ports.

II. BACKGROUND

When you were elected, California was experiencing its worst recession since the Great Depression. Particularly hard hit were the communities of Los Angeles, the South Bay, and Long Beach, which received the brunt of job losses from the post Cold War downsizing in aerospace and other defense related industries, and suffered from base closures.

Your national economic plan, with its emphasis on reducing trade barriers abroad and expanding American exports, has had a disproportionately positive impact on California. During your term, commerce at the Ports of Los Angeles and Long Beach has exploded--and trade is driving California's economic recovery according to two recent studies.

Moreover, your close attention to Los Angeles and Long Beach has created jobs and helped to grow the regional economy. Initiatives include the C-17 (McDonnell-Douglas in Long Beach); significant economic development activity (attached); and active involvement with the Long Beach Naval Shipyard Re-use Plan (attached). In fact, several hours before you speak Boeing will announce that its "Sea Launch" facilities will be constructed on that very site subsequent to its transfer to the city by the Navy. Finally, the Alameda Corridor Project, a \$2 billion intermodal corridor that will facilitate the transfer of cargo from the Ports to inland distribution sites, will be in part funded by a \$400 million line of credit financed by the Department of Transportation (attached).

Your presence at the Harbor will bring together workers and officials from the fiercely competitive Ports of Los Angeles and Long Beach to cheer all the progress that has been made.



### III. PARTICIPANTS

POTUS  
Mayor Richard Riordan (Los Angeles)--not yet confirmed  
Mayor Beverly O'Neill (Long Beach)  
Congresswoman Jane Harman  
Lt. Governor Gray Davis  
Controller Kathleen Connell  
Dem. Congressional Candidate (38th CD--Horn-R) Rick Zbur  
LA Harbor Commission President, Leland Wong  
LB Harbor Commission President, George Murchison  
President, LA World Trade Association (name to be provided)  
Longshoreman (name to be provided)

### IV. PRESS PLAN

Open. The backdrop will be the Harbor, with several American Flag container ships anchored. We expect local news to go live during their 6:00 broadcasts.

### V. SEQUENCE OF EVENTS

Pre-program proceeds with Rick Zbur (emcee), President Wong, President Murchison, Rep. Harman, Controller Connell, Lt. Gov. Davis.

POTUS departs Marine One, and walks directly to the stage with Mayors Riordan and O'Neill. (NOTE: Since local stations plan to go live, you are scheduled to work the ropeline only at the close of the event.)

Mayor Beverly O'Neill speaks.

Mayor Richard Riordan speaks.

President of LA World Trade Association speaks, crediting Clinton Administration policies with the growth of the Ports.

Longshoreman introduces POTUS.

POTUS speaks, works ropeline and departs.

### VI. REMARKS

To be provided by Speechwriting.

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**ATTACHMENTS:** Fact Sheet on Ports of LA and Long Beach  
DOT Memorandum--Alameda Corridor Update  
Navy Memorandum--Long Beach Naval Shipyard Update  
DOC Memorandum--Economic Development Initiatives



# Memorandum

U.S. Department of  
Transportation

Office of the Secretary  
of Transportation

Subject: Alameda Corridor Update

Date: August 6, 1996

From: Katherine Archuleta 

Reply to  
Attn. of:

To: John Emerson

The Alameda Corridor will greatly improve the efficiency of freight rail operations that link the Ports of Los Angeles and Long Beach to destinations throughout North America. Upon completion in 2001, rail movements that now utilize four separate routes consisting of 90 miles of track will consolidate to a single 20-mile, high capacity trainway. Together with on-dock railyards built as part of a 20-year, \$4 billion port expansion, the Corridor (which will cost an additional \$2 billion to build) will remove the inefficient and time-consuming need for trucks to haul ocean containers several miles between the port and existing off-dock railyards. Eliminating this truck traffic will improve regional air quality and reduce congestion. Ten miles of the trainway will be placed in a sub-surface trench, and all at-grade rail crossings of Alameda Street will be eliminated, creating a safer and more functional local road network.

DOT financial support for the \$2 billion project includes a proposed \$400 million direct loan disbursed over FYs 97-99, \$350 million of Los Angeles County's FHWA apportionments and \$45 million earmarked by Congress in 1991. A \$2 million grant from the Department of Commerce funded administrative start-up costs. Additional major funding sources include \$400 million from the two ports and \$700 million in project revenue bonds to be issued by the Alameda Corridor Transportation Authority (ACTA), a joint powers authority created by the ports and participating cities to implement the project.

Funding for the \$400 million loan is included in both the House and Senate versions of the FY 97 DOT Appropriations bill. However, the Senate bill would fund the project via California's newly-designated State Infrastructure Bank, which would not be capable of financing the entire project loan. The Administration should strongly support the House version, which approves a direct Federal loan under the authorization of the Railroad Revitalization and Rehabilitation Act.

Unfortunately, a controversy that pits Los Angeles and Long Beach against the small cities that will border the Corridor remains unresolved. The Corridor cities of Compton, Vernon, South Gate and Lynwood have sued ACTA regarding their lack of representation on ACTA's powerful Finance Committee, which makes all critical project decisions and is effectively controlled by

- 2 -

Los Angeles and Long Beach. The Corridor cities and ACTA have for several months been negotiating a potential out-of-court settlement. Despite expectations that an agreement would be reached prior to a July 29 appellate court hearing, a settlement has yet to occur, and both parties appeared in court for oral arguments.

The major negotiable items for the out-of-court settlement are the small cities' desire for: (1) financial assistance to plan and implement an economic development strategy that will allow them to take advantage of the opportunities provided by the project, (2) a guarantee of a substantial share of the project's construction-related jobs for local businesses, (3) job training for local citizens, and (4) protection against construction-related damage to property. As leverage for their negotiations, members of the Corridor cities have asked DOT to intervene and either establish these desires as a condition of our \$400 million loan, or withhold the loan until the settlement negotiations are concluded. Our position is that we will not become a party to negotiations at this late date. Our desire is to see the local entities agree on a settlement so that the project may go forward.

The Ports of Los Angeles and Long Beach handle one-fourth of all U.S. waterborne international trade, primarily with the burgeoning economies of the Pacific Rim nations. This represents more than \$116 billion in trade each year, which is projected to grow to \$253 billion annually by 2010. The project sponsors estimate that this trade growth will create an additional 700,000 local jobs. Nationwide, 2.5 million jobs are linked to trade through the two ports. This is projected to grow to 5.7 million jobs by 2010. Building the project will create more than 10,000 construction related jobs.

#



TO: John Emerson

FROM: Julio Ramirez and Neera Tanden

RE: Fact sheet on Ports of Long Beach and Los Angeles

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Trade at the Ports of Los Angeles and Long Beach is growing because of escalating trade with the Pacific Rim. More than 80% of all cargo moving through Long Beach and Los Angeles passes to or from Asia. Long Beach's top trading partners, in declining order, are Japan, China, South Korea and Hong Kong. Los Angeles' top trading partners, in declining order, are Japan, Taiwan, China and South Korea.

Long Beach alone handles more than one-fourth of all U.S.-Sino trade. Last year, China trade through Long Beach accounted for \$15 billion, compared to the nation's total of \$48 billion.

Specific Clinton Administration policies that have helped promote this trade growth are -

- GATT
- Specific bilateral trade agreements with Japan and China on electronics and auto parts
- Renewing Most Favored Nation Status for China
- Creation of an Export Development Office: The Port of Long Beach is one of four Export Development Offices, which combines all previous federal agencies and combines them in one location

(Information provided by Bruce Lambert, Trade Analyst for Port of Long Beach.)

### **Port Ranking**

The Ports of Long Beach and Los Angeles are the largest in the nation, larger than the Port of New York/New Jersey. Combined, they rank third in the world for container trade behind Hong Kong and Singapore.

### **Exports and Imports**

Exports through Long Beach are now growing four times as fast as imports. During the first six months of the 1995 fiscal year, exports soared by 25 percent, while imports grew by 6 percent. Today, exports account for 43 percent of all containerized cargo passing through Long Beach - up from 28 percent recorded just 10 years ago.

In 1992 the ratio of imports vs. exports through the two ports was 79% imports vs. 21% exports. Today the ratio is 76% vs. 24%. The ports of Long Beach and Los Angeles expect to more than double their cargo volume by the year 2020.

### **Value of Exports and Imports**

During 1992, the combined ports of Long Beach and Los Angeles moved cargo valued at \$113.3 billion, or 23% of the nation's waterborne total of \$495.5 billion. During 1995, they moved \$157 billion in cargo across their wharves, representing 25% of the \$619.7 billion in waterborne cargo moving into and out of the United States. Based on these numbers, the value of cargo moving through the two San Pedro Bay ports has increased by 38.5% since 1992. Export growth is even more impressive. During 1992, the two ports exported \$24.1 billion in goods. During 1995, the two ports exported \$37 billion in goods, representing a 54% increase since 1992. Long Beach's total trade has increased by 63.6 percent since 1992 (\$50.6 billion in '92 versus \$82.8 billion in '95) and our export trade has increased by 78 percent (\$11.3 billion in '92 versus \$20.1 billion in 1995). (Waterborne Trade Atlas)

During 1995, the equivalent of 2,843,502 twenty-foot cargo containers (TEU's) crossed Long Beach wharves. The total volume of all forms of cargo was 91.3 million metric revenue tons. The value of cargo passing through Long Beach during 1995 was in excess of \$82 billion. The value of cargo passing through Los Angeles was \$73.4 billion in 1994, up from \$60 billion in 1992.

### **Jobs**

Trade through the Port of Long Beach generates some 18,500 direct local jobs, or one in 11 jobs in Long Beach. When combined with the Port of Los Angeles, the two ports generate approximately 500,000 jobs in a five-county region consisting of Los Angeles, Ventura, Orange, San Bernardino and Riverside County. According to the Los Angeles Economic Development Corporation, trade-related employers in Los Angeles County employed 369,000 people during 1995. That number was up from 305,000 in 1992, an increase of 21% over three years.

Trade through the combined ports will generate more than one million direct and indirect jobs.

Many of the jobs linked to international trade are high-wage jobs. According to the Pacific Maritime Association, which negotiates labor agreements with the International Longshoremen's and Warehousemen's Union (ILWU), the average full-time longshoreman at the Ports of Long Beach and Los Angeles earned \$81,000 during 1995, and the average machine clerk earned \$98,000. As a result of recent growth at the ports of Long Beach and Los Angeles, the ILWU added 280 permanent workers to its rank since October 1994, adding more than \$25 million in regional wages to the local economy.

### **Self-Sustaining Ports**

The Ports of Long Beach and Los Angeles are self-sufficient, receiving no tax revenues and relying on fees paid from steamship lines and terminal operators for their operations and expansions. These are self-sufficient government entities that operate like private businesses. They are both municipal departments of their parent cities. Although they receive no tax support, the ports generate billions of dollars in revenue for private

businesses and government entities. The ports of Long Beach and Los Angeles generate \$39 billion in direct and indirect business revenue, \$8 billion in wages and \$1.7 billion in state and local taxes.

The ports also reimburse their parent cities for municipal services. During fiscal year 1994-95, the Port of Long Beach tenants paid \$8.5 million for city services such as police and fire protection, auditing, accounting and legal services.

### **Where Cargo Goes**

Approximately 50% of all cargo passing through Long Beach and Los Angeles remains in the western half of the United States, and the vast majority of that cargo remains in Southern California. The other half is carried via train to and from markets throughout the United States. Trains leaving Long Beach's docks today can be in Chicago in three to four days and in New York in five to six days. For that reason, many international shipping lines no longer take their ships through the Panama Canal, but unload all U.S. cargo in Southern California.

### **Cargo**

The Port of Long Beach's top import commodities in terms of cargo values (in declining order) are electrical parts and components, machinery, vehicles, footwear, apparel, toys, optic and medical instruments, leather goods, furniture.

The port's top export commodities in terms of cargo value (in declining order) are machinery, electrical parts and components, vehicles, plastic, items, cotton (they exported more than a third of the nation's cotton last year), meat, chemicals, tobacco, fruits and nuts, and aircraft and spacecraft parts.

### **Labor**

Some 6,000 truck drivers haul cargo containers from the ports of Los Angeles and Long Beach; they deliver containers from ships arriving in port to rail links or to customers throughout the region. These drivers are employed by some 250 trucking companies and are classified as "independent contractors" rather than "employees." The drivers have begun a fight for union recognition with the support of Communications Workers of America (CWA) Local 9400. In fact, more 98% of all drivers have CWA cards as a show of support for union representation. Since the trucking companies treat about 80% of these employees as independent contractors, these workers may have no process to gain recognition as a union. The trucking agencies do not consider them employees - although almost all are bound to only work with just one company and receive one paycheck each week, minus deductions. Because of their supposed "independent contractor" status, these workers are said to be excluded from coverage by the National Labor Relations Act. Concerted or collective action to change or improve any part of their working conditions, therefore, may not be protected. Therefore, they want governmental help to classify them as "employees."



The union claims that these drivers are forced to sign non-negotiable contracts whereby the drivers are indentured to a single trucking company and compelled to work under the sole discretion of the trucking companies. The unions further allege that drivers are forced to do a number of illegal acts, such as transport hazardous materials (explosives and toxins), which are often mislabeled or not labeled hazardous at all. Most of the 6,000 drivers are on strike now, but because of a union strategy, not all workers are out on strike at one time. The CWA is negotiating with the Pacific Maritime Association, who generally negotiates with ILWU. The Pacific Maritime Association is an umbrella organization, representing shipping lines.

However, an agreement has been reached that there will be no labor protest during the President's visit to the port. One of the leaders of the union effort will be greeting the President at the event.

THE WHITE HOUSE  
WASHINGTON

August 5, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: DOUG SOSNIK & RAY MARTINEZ

SUBJECT: CALIFORNIA "HOT ISSUES"

STATEWIDE ISSUES

**California Civil Rights Initiative (CCRI) - Proposition 209.** On August 1st, a Sacramento County Superior Court Judge ruled that the ballot language written by Attorney General Dan Lungren (R) is misleading because it omits the phrase "affirmative action." At issue is the state's official voter information pamphlet, which describes Proposition 209 in bold type as a "Prohibition against discrimination or preferential treatment by state and other public entities." Opponents of the measure filed suit to challenge that language, contending that it does not make clear that the measure would end affirmative action programs that have benefited women and minorities. Judge James T. Ford ordered Lungren to rewrite the description. Lungren, however, has vowed to appeal the decision. Opponents of the measure say poll results lead them to believe they can win if the election is perceived to be about affirmative action, but that they would probably lose a fight over "special preferences or quotas."

A recent Los Angeles Times poll reported that 59% of registered voters favor the measure, down from 66% in March. The numbers represent the first softening of support for the measure since the Times began polling on the issue in March 1995. Sixty-five percent of men support CCRI while only 55% of women back the measure. Seventy-one percent of registered Republicans support the initiative as compared to 51% of Democrats. When supporters were told that the measure would eliminate state-run affirmative action programs, however, overall support dropped 11%.

Los Angeles Mayor Richard Riordan (R) announced his opposition to CCRI in mid-July, arguing that although it has some merit, it is too divisive. Riordan had argued that to take a position would, in itself, be divisive.

**November Ballot Initiatives.** The following initiatives have been approved Secretary of State's Office and will appear on the November ballot:

Proposition 204 - Safe, Clean, Reliable Water Supply Act - would authorize \$995 million in general obligation bonds to pay for certain water programs.

Proposition 205 - Youthful and Adult Facilities Bond Act of 1996 - would authorize \$700 million in general obligation bonds to pay new county juvenile and adult jails and repairs to existing facilities.

Proposition 206 - Veterans' Bond Act of 1996 - would authorize \$400 million in general obligation bonds to pay a program to help veterans buy farms and homes.

Proposition 207 - Right to Negotiate Attorneys' Fees and Frivolous Lawsuits - would prohibit limits on the right to negotiate lawyers' contingency fees.

Proposition 208 - Campaign Contributions and Spending Limits Disclosure Act - sponsored by several groups, including California Common Cause, it would limit individual campaign contributions to \$250 per candidate in legislative districts and \$500 in statewide races. The limits would be doubled for candidates who agree to spending caps.

Proposition 209 - California Civil Rights Initiative (CCRI) - would eliminate state and local affirmative action programs that give preferential treatment on the basis of race, sex, color, ethnicity, or national origin. *For a more detailed description of CCRI, please see the above section.*

Proposition 210 - Minimum Wage Increase - would increase the state's minimum wage from the current \$4.25 per hour to \$5 an hour in March, 1997 and \$5.75 an hour in March, 1998.

Proposition 211 - Attorney-Client Fee Arrangement and Securities Fraud Initiative - would make it easier for shareholders to prevail in lawsuits against corporate directors which are filed in state court. It would also prohibit any new limits on fee arrangements between lawyers and clients. The initiative would apply "fraud on the markets" theory, which lowers the plaintiffs' burden of proof by absolving him or her of the requirement to show that they relied on a fraudulent statement in making an investment. In addition, it would allow investors to recover punitive damages against companies. Punitive damages are not allowed under current law. Finally, the initiative would forbid indemnification of officers and directors.

Proposition 212 - Spending Limits, Campaign Contributions and Lobbyist Restrictions - sponsored by the California Public Interest Research Group, would limit individual campaign contributions per candidate to \$200 in statewide races, \$100 in most other races. Committees of small donors could donate up to 100 times the limit.

Proposition 213 - Limitation on Recovery from Felons, Uninsured Motorists and Drunk Drivers - would prohibit all drivers who are involved in automobile accidents from recovering damages for pain and suffering claims.



Proposition 214 - Health Care Business Regulation and Consumer Protection - sponsored by the State Employees International Union, the initiative would, among other provisions, tighten regulation of health maintenance organizations (HMO's) by prohibiting them from offering incentives for withholding care.

Proposition 215 - Medicinal Use of Marijuana - would legalize the cultivation, possession, and use of marijuana for medicinal purposes if prescribed by a doctor.

Proposition 216 - Health Care and Consumer Protection - sponsored by the California Nurses Association, would tighten regulations on health maintenance organizations.

Proposition 217 - Top Income Tax Brackets - would continue tax rates of 10% and 11% for residents with taxable income of \$100,000 and \$200,000, respectively, with the revenues earmarked for local government services.

Proposition 218 -Voter Approval for Local Government Taxes - would make it harder for local governments to impose benefit assessment districts and would require voter approval of any increases in general taxes.

### **SAN JOSE/BAY AREA ISSUES**

**Economy:** The San Francisco Bay area and Silicon Valley are leading California's economic recovery. Santa Clara County's unemployment rate was 3.7% in July, the fourth consecutive month that less than 4% of the work force was unemployed. Despite tough times in the semiconductor industry and slower growth for most technology companies, the number of jobs in the country continues to increase at a record pace.

**New Economic Report:** A recently-released economic report shows the nine-county Bay area leading seven other major US cities in several business and quality-of-life categories. The Bay Area Economic Forum's reported that the region has the highest percentage of college-educated adults and attracted 35% of the total venture capital invested in the US in 1994. The region's economy has recovered from the deep recession of the early 1990's and is booming thanks to growth in knowledge-intensive industries such as computers, telecommunications, multimedia and biosciences. The Bay area has the highest average income in the country -- nearly \$63,000 per household.

**Moffett Field:** Mountain View residents will vote in November on the highly-charged issue of air cargo flights at Moffett Federal Airfield. The Mountain View City Council voted 4-3 to put the issue to a non-binding, advisory vote in November. By a vote of 4-2, Sunnyvale's council rejected such a referendum. The two cities did agree to establish a joint advisory committee of residents to evaluate options for the airfield. Officials in both cities have raised concerns about NASA's proposal to bring commercial air cargo carriers such as Federal Express and UPS to Moffett as a way to make up a \$3.5 million annual operating deficit it has had since taking over the facility from the Navy in 1994.

**Guns:** San Mateo County Supervisor Mike Nevin wants to ban the sale of inexpensive, easily obtained handguns known as "Saturday Night Specials." The Board of Supervisors will vote on the proposal on August 20. San Francisco, San Jose and 14 East Bay cities have already banned sales of such weapons.

**High technology business partnerships with education** - Silicon Valley has pioneered partnerships between business and education. These high technology business partnerships with schools highlight community efforts to improve the education system and better adapt the high school, community college and university curricula to the jobs available. These partnerships highlight themes the President has addressed in the past:

- Education as the basis for America's economic future;
- Corporate responsibility;
- The limited, but real, role of government as a catalyst and a promoter of community efforts.

Silicon Valley executives believe that the government's single greatest contribution to this community should be to produce an increasingly skilled, well-educated work force. Business leaders continue to profess concern that the area's secondary schools and colleges are not producing enough qualified people to fill the region's new jobs. As if to underscore that fact, Silicon Valley companies have begun recruiting workers -- particularly engineers -- from overseas.

In response to the concerns, businesses and educational institutions launched a number of new collaborative efforts to provide students with educational experiences better suited to the entry-level jobs available in Silicon Valley. Due to the high demand for skilled labor in the area, however, the pay scale for entry level positions is very high. These efforts range from one-on-one programs between individual companies and schools to consortia formed by businesses and school districts. While a few initiatives have received federal grants, most rely on private funding from corporations or foundations.

#### Joint Venture: Silicon Valley's 21st Century Initiative

The best developed business-education consortium, "Joint Venture: Silicon Valley's 21st Century Initiative" and the group "Smart Valley" have raised \$22.3 million in cash, equipment, and personnel commitments for distribution to high schools in the "Challenge 2000" program.

Joint Venture invites school districts in the area to submit plans to improve academic standards and adjust their curricula toward practical application. Joint Venture then works with school districts to arrive at mutually agreed upon goals. Based on these goals, Joint Venture issues a three year grant to the district. Each grant is a \$1 to 2 million combination of cash, equipment, in-kind services (training), and staffing (employees detailed to the school by Joint Venture member companies). In order to maintain grant funding in each year of the three year grant, the district must have met the preceding year's goals. To date, Joint Venture has awarded grants to the following districts:



San Jose Unified School District  
Alum Rock and East Side School Districts  
Morgan Hills School District  
Oak Grove School District  
Pal Alto School District

Each school district is expected to produce a plan involving a "vertical slice" -- a group of elementary, middle, and high schools -- so that the curriculum at all levels is being altered simultaneously, thus allowing a student to pass from kindergarten through high school with the new curriculum.

The Joint Venture program at the San Jose Unified School District, for example, is called the "River Alliance" and involves 5 of the district's 40+ schools: 3 out of 28 elementary schools, 1 out of the seven middle schools, and 1 out of the district's 7 high schools. The high school involved is Pioneer High School, an environmental sciences magnet school.

The Joint Ventures grant to San Jose Unified is valued at \$1.2 million. The \$1.2 million is divided roughly equally between cash, in-kind contributions, and salary support.

The goal of the Joint Venture challenge is to produce a "sequenced" K-12 curriculum in which environmental themes will be integrated into subjects in all grades of the participating schools. The project also has goals based on "pre-service" training, i.e., how to supplement a new teacher's regular certification requirements with the training needed for thematic curriculum, and programs, to "retool" teachers so that their teaching is more school-to-career oriented.

### SALINAS ISSUES

**Welfare.** Welfare reform legislation will have a profound effect on Salinas due to the city's large population of legal and illegal immigrants. Dardell McFarlin, director of the county's Social Services Department, estimates the bill would affect 5,000 to 6,000 of the 9,000 families receiving AFDC in Monterey County.

**Domestic Violence.** A county civil grand jury released a mid-year report on domestic violence last month. The investigation followed a recommendation by last year's grand jury to examine the effectiveness of a domestic violence task force created by Superior Court Judge John Phillips in 1994. The report found that the threat of domestic violence requires a coordinated, consistent law enforcement protocol and prosecution campaign including an independent departmental advisory committee to oversee local police enforcement, a special domestic violence court, and access to information on domestic violence within all law enforcement agencies in the country. The number of cases of domestic violence reported to authorities in Salinas grew from 7 per 100 residents to 8.5 per 1000 residents during 1994 and decreased to 8 per 1000 in 1995.



**Land Preservation.** The Monterey County Board of Supervisors voted 4-1 to place an agricultural land preservation initiative on the November ballot. The initiative would bar most development on farmland and resource conservation land unless approved by voters. Supervisor Sam Karas wanted the Board to approve the measure since supporters had submitted nearly 4000 more signatures than needed to place the initiative on the ballot.

**Endangered Species.** A panel of scientists recommended that the U.S. Fish and Wildlife Service remove the California sea otter from the endangered species list when their population reaches 2,650, a number they are expected to reach in 1999. That would allow a colony to survive in the event of a massive oil spill on the Central Coast. Friends of the Sea Otter, a Monterey-based environmental group, said the scientists should take more than just oil spills into account when considering the sea otters' status, such as diseases found among the population. According to the scientists, the otter population currently stands at about 2,400 and is growing at a rate of 5-7% a year.

**Gun Program.** The Federal Government chose Salinas to participate in a 17 city federal program designed to target those who supply illegal guns to teenagers. Police Chief Dan Nelson and Deputy District Attorney John Sarsfield represented Salinas at a White House ceremony. According to Mayor Alan Styles, the success of the Salinas Violence Suppression Unit helped secure the \$1 million grant.

**Clean Water.** Growers and Farm Bureau representatives began a dialogue with the Monterey Bay. Due, in large part, to the absence of industry and the importance of tourism and land-preservation to the region, pollution tends to come from non-industrial sources. For that reason, sanctuary officials are trying to combat water pollution through voluntary compliance and stewardship as opposed to laws and regulation.

**Economy.** Monterey County posted its highest job total ever during the month of June. 153,100 people were employed in June, leaving an unemployment rate of 8.1%, down from 9.8% in June 1995 and 8.7% in May, 1996. Job growth was balanced between farm and non-farm jobs, with 1,500 new farm jobs and 1,300 in non-farm jobs. From June, 1995 to June, 1996, the county gained 5,400 jobs.

**Labor.** Contract negotiations between Monterey County officials and employees broke down in late July, with the Service Employees International Union 817 stating they intend to strike. No date has been set for future negotiations. The union's contract with the county expired June 30. Debate over the size of future wage increases is the main point of contention, with the union requesting a 4% hike for 1997 and 1998. The county has offered 4% for 1997 and 3.5% for 1998. The union also blames the county for increasing premiums for its health insurance plan.

**Layoffs.** One of the largest manufacturers in Salinas laid off 5% of its 700 member work force in late July. Integrated Device Technology laid off 35 workers after first quarter earnings declined 69% from the same quarter a year earlier. The firm is the largest manufacturer in Salinas.

**Fort Ord.** Officials with the Base Realignment and Closure Commission (BRACC) have negotiated contracts with Monterey county, the cities of Seaside and Marina, and the Marina Coast Water District to pay the municipalities to serve as caretakers of the base until it is turned over to its new owners. Fort Ord is awaiting Army approval of four agreements that would pay the local governments \$2.4 million to take over base maintenance for a year.

**Cyclospora.** The strawberry industry expects some growers in Monterey County to be forced out of business due to the recent cyclospora scare. The California Strawberry Council estimates that California growers have lost \$20 million since June 8, when Texas health officials issued an advisory warning consumers about eating fresh strawberries. The Central Coast strawberry industry consists of about 300 growers. Federal and state scientists combed local berry fields looking for a cyclospora link and found none.

**Local Election.** Salinas is located in the 17th Congressional District. Republican Jesse Brown is challenging incumbent Rep. Sam Farr (D). In 1994, Farr received 52.2% and his challenger, Bill McCampbell (R), received 44.5% of the vote. In 1993, Farr received 54.4%, while McCampbell received 41.1% of the vote. In 1992, Clinton received 52.3% of the vote in this congressional district, while Bush received 27.1%, and Perot received 19.8%.

The 15th State Senate District is an open seat, currently held by Henry Mello (D-Gilroy). Rusty Areias, a former Assembly Member for the 27th Assembly District, is the Democratic nominee. He will face off against Bruce McPherson (R), the current Assembly Member for the 27th Assembly District (Santa Cruz), in November. Fifty-two percent of the registered voters are Democrats while 32% are Republicans.

The 27th Assembly District is also an open seat and is currently held by Bruce McPherson (R). Fred Keeley (D), currently a Santa Cruz County Supervisor, is running against James Davis (R). Fifty-two percent of registered voters are Democrats and 31% are Republicans.

### LOS ANGELES ISSUES

**Welfare Reform.** Under state law, counties are the "safety net" of last resort for those who have nowhere else to turn. With a large population of legal immigrants and citizens on welfare, some experts believe that Los Angeles County will be harder hit than any other county in the nation. A preliminary analysis estimated that if 93,000 county residents -- all legal immigrants -- lose their Supplemental Security Income and seek general assistance from the county could potentially face a \$236 million-a-year bill. In addition, 300,000 legal immigrants in the county could be denied food stamps. In the long term, the county's chief administrative office estimated that California will lose over \$10 billion in federal assistance to legal immigrants in the next six years, nearly half of that would have been earmarked for Los Angeles County.



**Local Economy.** The state's jobless rate fell for the third straight month in June to a 5 1/2 year low, as a broad spectrum of non-farm employees added 32,800 jobs to the county's total. In Southern California, however, the recovery remains uneven. Although the unemployment rate in Los Angeles County also dipped, to 8.1% from a revised 8.4% in May, the figures are still higher than the 7.7% June, 1995 rate. And last month, Los Angeles County saw an unexpected 4,000 job loss in the usually robust motion picture industry.

**Illegal Guns.** The President's Youth Crime Gun Interdiction Initiative named Inglewood as one of seventeen pilot cities. Under this program, every time a gun is used in a crime and seized by law enforcement, it will be tracked through a national tracing system. Law enforcement will use the information to help identify and locate illegal gun traffickers.

**Metro Rail.** For years, critics of the Metropolitan Transit Authority have unsuccessfully called for a high-level congressional review of its \$5.8 billion subway construction project. The authority recently determined that a subway tunneling machine trapped by squeezing earth under the Santa Monica Mountains will have to be partially disassembled, and a fifth of the steel ribs supporting the tunnel behind it must be ripped out or reinforced. Industry experts have estimate the cost of the repair at \$1 million. This recent announcement added fuel to the fire of those opposed to the project. State Senator Tom Hayden joined opponents of the project, who, for the past two years, have expressed frustration over its environmental impact.

**Crime.** Most Southern California cities reported declines in their crime rate at least equal to the 1995 national figures. Serious crime fell by 4% in Los Angeles, twice the national rate, but murders rose slightly -- from 845 in 1994 to 849 in 1995.

**Local Elections.** (Long Beach) In the 38th Congressional district, incumbent Rep. Steve Horn (R) will face Rick Zbur (D), an openly-gay, environmental lawyer, in the November election. Fifty-two percent of the district's voters are Democrats and 25.9% are Republicans. In 1994, Horn beat his opponent 58.5% to 38.8%. In 1992, Horn won with a much smaller margin -- 48.% to 43.4%. In the 1992 Presidential election, the President received 44.3% of the vote, Bush received 33.3%, and Perot received 21.8%.

In the 36th Congressional district, Rep. Jane Harman (D) will face Susan Brooks (R), her opponent from the 1994 race. The National Republican Congressional Campaign Committee (NRCCC) has targeted Harman. 42.7% of the 36th Congressional District are Democrats and 42.3% are Republicans. In the 1994 election, Harman received 47.9% of the vote, while Brooks took 47.5% of the vote. In 1992, Harman took 48.4% of the Congressional vote, leaving Flores with 42.4%. In 1992, Clinton received 41.0% of the vote, Bush received 35.3%, and Perot received 23%.



## ECONOMIC PROGRESS IN CALIFORNIA 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 California after 41 months of the Clinton Administration:

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### *Improved Economic Conditions in California:*

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- The unemployment rate has dropped from 9.7% to 7.1%.
- 649,200 new jobs added in 41 months -- after 57,900 lost during the previous 4 years combined.
- 631,000 new private-sector jobs added in 41 months -- after 167,100 lost during the previous 4 years combined.
- 31,000 manufacturing jobs *LOST* in 41 months -- after 266,700 lost during the previous 4 years combined.
- New business incorporations have increased 5% **per year** -- after decreasing 11% during the previous 4 years.
- The Help Wanted Index has increased 16%.
- Bank lending has increased by \$3.2 billion -- after declining by \$30.4 billion during the previous 8 years.
- Consumer confidence has increased 54%.
- Business failures have declined 5% **per year** -- after increasing 21% **per year** during the previous 4 years.

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### *What President Clinton's Accomplishments Have Achieved for the People of California:*

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**\$15,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN CALIFORNIA:** The national debt will be **more than \$1 trillion** lower 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 California.

**10 TIMES MORE CALIFORNIA FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE:** As a result of the expanded Earned Income Tax Credit, 2,146,915 working families in California will receive a tax cut. This compares to an increase in the income tax rate for only the 218,777 wealthiest taxpayers in California.

**TAX CUT FOR 178,917 SMALL BUSINESSES IN CALIFORNIA:** The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 178,917 small businesses in California are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

**4,959,000 CALIFORNIA 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 4,959,089 workers in California, and protects the jobs of 297,914 workers in California who are likely to use unpaid leave this year alone.

**1.65 MILLION STUDENTS AND FORMER STUDENTS IN CALIFORNIA WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS:** Approximately 1.65 million California borrowers -- 1.16 million current borrowers and 490,000 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 Clinton Administration: Meeting *Los Angeles*' Challenge of Taking Back Our Streets From Crime**

*"At last we have begun to find a way to reduce crime, forming community partnerships with local police to catch criminals and prevent crime."*

### **Relevant Crime Rates:**

#### **Nationwide:**

- Reported murders dropped 8% in 1995 -- one of the largest decreases in more than 30 years.
- Robberies have dropped 7% and car thefts are down 6%.

#### **In Los Angeles:**

- Crime overall decreased by 4.6% from 1994 to 1995.
- Aggravated assault decreased by 2% from 1994 to 1995.
- Rape increased by 37% from 1994 to 1995.
- Property crimes decreased 9.5% from 1994 to 1995.
- The murder rate increased by 4% from 1994 to 1995.

### **Putting More Community Police Officers on the Beat :**

#### **Nationwide:**

- President Clinton has pledged to put 100,000 more police officers on the street and already funded 44,000 officers.

#### **In Los Angeles:**

- Los Angeles has been awarded \$124,024,735 in COPS funding to put an additional 2,269 police officers on the streets. MORE (Making Officer Redeployment Effective) allows for the redeployment of officers into community policing by providing funds for technology and equipment, civilian administrative and overtime.

### **Keeping Guns Out of the Hands of Criminals:**

#### **Nationwide:**

- As a result of the Brady Bill passed under President Clinton, more than 60,000 fugitives, felons and other prohibited persons have already been blocked from buying handguns.
- Banned the manufacture and importation of 19 of the deadliest assault weapons while specifically protecting more than 650 legitimate sporting weapons.

#### **In California:**

- Los Angeles County received an Anti-Gang Initiative grant for \$1 million.

### **Fighting to End Domestic Violence:**

#### **Nationwide:**

- Established a nationwide 24-hour domestic violence hotline providing immediate crisis intervention.
- Tripled funding for battered women's shelters.
- Through the Violence Against Women Act (VAWA), bolstered law enforcement, prosecution and victims' services through \$130 million for STOP state grants in FY96.

#### **In California:**

- In FY96, in the S.T.O.P. Violence Against Women Act, the state of California was awarded in funding \$11,424,000.

### **Combating Drug Use:**

#### **Nationwide:**

- The number of Americans who use cocaine has declined 30% since 1992.
- Roughly 40 million students in 97% of America's school districts benefit for the Safe & Drug Free Schools Program

### **Making our Schools & Communities Safer for our Children:**

#### **Nationwide:**

- The President has supported local truancy, curfew, and school uniform programs designed to keep children out of trouble.
- Keeping dangerous weapons out of our children's classrooms by enforcing a "Zero-Tolerance" gun policy in schools.

#### **In California**

The state of California will receive approximately \$47.5 million for the Safe and Drug Free Schools Program. The LAPD has a new curfew crack-down program, which authorizes a citywide program of monthly sweeps aimed at children under 18 who are out after 10 pm with no good reason. At the central division, Officer Frank DiPaola runs a program that requires youths to put in 100 hours of community service. This is a sort of boot camp, where youths learn about responsibility. Di Paolo has handled 1,500 youths in the program since its inception 5 years ago. As they progress, they supervise other youths who come into the program. Maria Martinez handles a six-week parenting course, which teaches parents how to better communicate with their children and help them address their issues. Richard LeGarra is now overseeing the new citywide program which has five pilot project divisions.

## **The Clinton Administration: Meeting *San Jose*' Challenge of Taking Back Our Streets From Crime**

*"At last we have begun to find a way to reduce crime, forming community partnerships with local police to catch criminals and prevent crime."*

### **Relevant Crime Rates:**

#### **Nationwide:**

- Reported murders dropped 8% in 1995 -- one of the largest decreases in more than 30 years.
- Robberies have dropped 7% and car thefts are down 6%.

#### **In San Jose:**

- Crime overall decreased by 1.2% from 1994 to 1995.
- Aggravated assault increased by 1.4% from 1994 to 1995.
- Rape increased by 3.2% from 1994 to 1995.
- Burglary decreased by 6% from 1994 to 1995.
- The murder rate increased by 15% from 1994 to 1995.

### **Putting More Community Police Officers on the Beat :**

#### **Nationwide:**

- President Clinton has pledged to put 100,000 more police officers on the street, and already 44,000 have been funded.

#### **In San Jose:**

- San Jose has been awarded \$4,363,268 in COPS funding to put an additional 128 police officers on the streets. This includes a Community Policing to Combat Domestic Violence grant for \$149,239.

### **Keeping Guns Out of the Hands of Criminals:**

#### **Nationwide:**

- As a result of the Brady Bill passed under President Clinton, more than 60,000 fugitives, felons and other prohibited persons have already been blocked from buying handguns.
- Banned the manufacture and importation of 19 of the deadliest assault weapons while specifically protecting more than 650 legitimate sporting weapons.

### **Fighting to End Domestic Violence:**

#### **Nationwide:**

- Established a nationwide 24-hour domestic violence hotline providing immediate crisis intervention.
- Tripled funding for battered women's shelters. Through the Violence Against Women Act (VAWA), bolstered law enforcement, prosecution and victims' services through \$130 million for STOP state grants in FY96.

#### **In California:**

- In FY96, in the S.T.O.P. Violence Against Women Act, the state of California was awarded in funding \$11,4243,000.

### **Combatting Drug Use:**

#### **Nationwide:**

- The number of Americans who use cocaine has declined 30% since 1992.
- Roughly 40 million students in 97% of America's school districts benefit for the Safe & Drug Free Schools Program

### **Making our Schools & Communities Safer for our Children:**

#### **Nationwide:**

- The President has supported local truancy, curfew, and school uniform programs designed to keep children out of trouble.
- Keeping dangerous weapons out of our children's classrooms by enforcing a "Zero-Tolerance" gun policy in schools.

#### **In California:**

- The state of California will receive approximately \$47.5 million for the Safe and Drug Free Schools Program.
- California will receive \$7,790,000 for the Juvenile Justice Delinquency Prevention Program, which works to prevent and reduce delinquency, improve juvenile justice programs and keeps our kids in school.

### **Other Programs in California**

- Through the 1994 Crime Bill, California was awarded \$49,756,000 in the State Criminal Alien Assistance Program (SCAAP). \$14 million was awarded to the OVC Victim Assistance program, and \$31 million for the Victim Compensation Program to aid victims of violent crimes.



## **The Clinton Administration: Meeting Salinas' Challenge of Taking Back Our Streets From Crime**

*"At last we have begun to find a way to reduce crime, forming community partnerships with local police to catch criminals and prevent crime."*

### **Relevant Crime Rates:**

#### **Nationwide:**

- Reported murders dropped 8% in 1995 -- one of the largest decreases in more than 30 years.
- Robberies have dropped 7% and car thefts are down 6%.

#### **In Salinas:**

- The crime rate increased by 6.7% from 1994 to 1995.
- Murder fell by 37.5% from 1994 to 1995.
- Rape decreased by 24.6% from 1994 to 1995.
- Burglary decreased by 2.3% from 1994 to 1995.
- Aggravated Assault increased by 12% from 1994 to 1995.

### **Putting More Community Police Officers on the Beat:**

#### **Nationwide:**

- President Clinton has pledged to put 100,000 more police officers on the street, and 44,000 officers have been funded.

#### **In Salinas:**

- Salinas has been awarded \$225,000 in COPS funding to put an additional 7 police officers on the streets.
- In FY95 COPS office awarded the Salinas Police Department \$989,524. Salinas is one of 10 cities in a pilot program aimed at developing community policing efforts and helping to curb the rise of youth firearms violence. The Youth Firearms Violence Initiative (YFVI) has assigned 17 officers to the Violence Suppression Unit (VSU), 7 days a week. This unit targets gangs and youths who are suspected of obtaining firearms. These tactics have resulted in 165 juvenile and 392 adult arrests by the VSU officers from Oct. 1995 to May 1996. During that same period, the VSU has also seized 43 handguns, 14 shotguns, 14 replica firearms and 51 other types of weapons. These tactics have also resulted in a 63% decrease in drive-by-shootings since January, 1996 and an end to gang related or firearms-related homicides this year. The Salinas Police Department also made operational its Geographic Information System (GIS), an information database to enhance the ability to track crime activity.

### **Keeping Guns Out of the Hands of Criminals:**

#### **Nationwide:**

- As a result of the Brady Bill passed under President Clinton, more than 60,000 fugitives, felons and other prohibited persons have already been blocked from buying handguns.
- Banned the manufacture and importation of 19 of the deadliest assault weapons while specifically protecting more than 650 legitimate sporting weapons.

### **Fighting to End Domestic Violence:**

#### **Nationwide:**

- Established a nationwide 24-hour domestic violence hotline providing immediate crisis intervention.
- Tripled funding for battered women's shelters. Through the Violence Against Women Act (VAWA), bolstered law enforcement, prosecution and victims' services through \$130 million for STOP state grants in FY96

#### **In California:**

- In FY96, under the S.T.O.P. Violence Against Women Act, the state of California was awarded \$11.4 million.

### **Combatting Drug Use:**

#### **Nationwide:**

- The number of Americans who use cocaine has declined 30% since 1992.
- Roughly 40 million students in 97% of America's school districts benefit for the Safe & Drug Free Schools Program

### **Making our Schools & Communities Safer for our Children:**

#### **Nationwide:**

- The President has supported local truancy, curfew, and school uniform programs designed to keep children out of trouble.
- Keeping dangerous weapons out of our children's classrooms by enforcing a "Zero-Tolerance" gun policy in schools.

#### **In California:**

- The state of California will receive approximately \$47.5 million for the Safe and Drug Free Schools Program.

### **Other Programs in California**

- Through the 1994 Crime Bill, California was awarded \$49,756,000 in the State Criminal Alien Assistance Program (SCAAP), \$14 million was awarded to the OVC Victim Assistance program, and \$31 million for the Victim Compensation Program to aid victims of violent crimes.

## ENDING WELFARE AS WE KNOW IT

August 2, 1996

*"I will sign this bill. First and foremost because the current system is broken. Second, because Congress has made many of the changes I sought. And, third, because even though serious problems remain in the non-welfare reform provisions of the bill, this is the best chance we will have for a long, long time to complete the work of ending welfare as we know it by moving people from welfare to work, demanding responsibility and doing better by children."*

- President Clinton, July 31, 1996

- \* **A broken system.** President Clinton will sign the current welfare bill because the existing welfare system undermines the basic values of work, responsibility and family, trapping generation after generation in dependency and hurting the very people it was designed to help.
- \* **A last, best chance to move people from welfare to work.** President Clinton believes that passage and enactment of this bill is the last best chance to make welfare what it was meant to be -- a second chance, not a way of life. The bill presents an historic opportunity to finish the work of ending welfare as we know it.
- \* **The President saved the Medicaid guarantee once and for all.** Congressional Republicans tried to use welfare reform to take health care away from the poor, the elderly, and the disabled, but President Clinton said no. He also fought successfully to ensure that women on welfare continue to receive health coverage for their families, including transitional Medicaid when they leave welfare for work.
- \* **A much improved bill.** Because of President Clinton's earlier vetoes, objections and improvements, Congress is sending him a significantly better welfare reform bill. We have come a long way in this debate, and stopped extremists in Congress who wanted to ban help for poor, young, unmarried mothers and cut low-income programs and the Earned Income Tax Credit by \$110 billion.
- \* The new bill is **strong on work**, giving states performance incentives for placing people in jobs, guaranteeing health care, providing over \$4 billion more for child care, and maintaining health and safety standards for child care -- so that women on welfare get the help they need to support their children.
- \* The bill is also **better for children**. Unlike the vetoed bill, it keeps the national nutritional safety net intact by eliminating the food stamp cap and the optional block grant, and dropping the deep cuts in school lunch, child welfare and help for children with disabilities.
- \* Thanks to the insistence of President Clinton and Democrats in Congress, the bill includes **the most sweeping child support enforcement measures in history**. The bill says to parents who fail to pay child support: we will garnish your wages, take away your license, track you across state lines, and if necessary, make you work off what you owe.



\* **Requiring work, and helping people succeed at work and at home.** President Clinton has always believed that the best anti-poverty program is a job. This bill will not only move people from welfare to work, it will help them make it in the workplace by providing the health care and child care they need to succeed at work and at home. With this bill, President Clinton also **preserved the Earned Income Tax Credit**, which rewards the hard work of 15 million hard-pressed working families and which Congress had tried to gut.

\* **The nation's basic safety net remains strong.** By standing firm throughout this debate, President Clinton has saved and strengthened the nation's basic safety net, which helps millions of vulnerable women and children. In addition to stopping the Medicaid block grant, he stopped Republican efforts to block grant Food Stamps, SSI for disabled children, child protection and foster care, and the school lunch program. This bill preserves those safety net programs, which work, and fundamentally reforms the welfare system, which does not.

\* **Parts of the bill still need to be fixed.** President Clinton has pledged to fix some non-welfare provisions of the bill which he believes go too far:

\* Congress insisted on a cut that would repeal the Excess Shelter Reduction, which helps some of our hardest-pressed working families. This provision is a mistake, and the President will work to correct it.

\* Congress insisted on a provision that will hurt legal immigrants who work hard for their families, pay taxes and serve in our military. Immigrant children and disabled immigrants who fall on hard times through no fault of their own should get medical and other help when they need it.

\* **A record of accomplishment.** Over the past three and one-half years, President Clinton has done everything in his power as President to promote work and responsibility, working with 41 states to give them 69 welfare reform experiments. The Administration has also required teen mothers to stay in school, required federal employees to pay their child support, and cracked down on parents who owe child support and crossed state lines. *As a result, child support collections are up 40 percent, to \$11 billion, and there are 1.3 million fewer people on welfare today than there were when President Clinton took office.*



## SUMMARY OF WELFARE REFORM BILL

### AFDC, WORK & CHILD CARE

|                           |                                                                                                                                                                                                                                                                                                                                              |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Medicaid Guarantee</b> | Assures that all categories of people now eligible for Medicaid will be eligible for health care in the future and that there will be no loss of coverage, regardless of state welfare changes. At President's insistence, Republicans restored the Medicaid guarantee for welfare recipients and abandoned efforts to block grant Medicaid. |
| <b>Child Care</b>         | Increases child care spending by \$4.5 billion above current law -- \$4 billion more than the bill the President vetoed. Preserves federal child care health and safety standards, which would have been repealed under the vetoed bill.                                                                                                     |
| <b>Work</b>               | Provides \$1 billion performance bonus to reward states for placing welfare recipients in jobs. Requires 50% of adults on welfare to be working by the year 2002.                                                                                                                                                                            |
| <b>State Funding</b>      | Requires states to continue their investment in welfare reform by maintaining 80% of their current spending.                                                                                                                                                                                                                                 |
| <b>Time Limits</b>        | Imposes five-year lifetime limit on welfare, but allows states to exempt 20% of caseload from the limit.                                                                                                                                                                                                                                     |
| <b>Vouchers</b>           | Allows states to use federal Social Services Block Grant funds to provide vouchers for children whose parents reach the time limit.                                                                                                                                                                                                          |
| <b>Contingency Fund</b>   | Creates a \$2 billion Contingency Fund for states experiencing economic downturn and growing number of children in need.                                                                                                                                                                                                                     |
| <b>Family Cap</b>         | Allows states to decide for themselves whether to deny assistance to children born to a family on welfare. Under the vetoed bill, states would have had to vote to exempt themselves from a mandatory family cap nationwide.                                                                                                                 |

## FOOD STAMPS & CHILD NUTRITION

|                             |                                                                                                                                                                                                                   |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Food Stamp Program</b>   | Maintains national nutritional safety net. Does not allow states to block grant Food Stamps and does not impose a national cap on Food Stamp spending.                                                            |
|                             | Caps the excess shelter deduction, which was set to expire next year, at near its current level until FY2001. The President wants Congress to fix this provision because over time it will hurt working families. |
|                             | Limits food stamp eligibility for childless 18- to 50-year-olds to 3 months every 3 years, with a 3-month extension for laid-off workers.                                                                         |
| <b>School Lunch Program</b> | Maintains the current national school lunch program. Drops the school lunch block grant that was in the vetoed bill.                                                                                              |

## LEGAL IMMIGRANTS

|                 |                                                                                                                                                                                                        |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Bans</b>     | Over the Administration's objections, imposes 5-year ban on SSI, AFDC and Food Stamps for most legal immigrants, with some exceptions.                                                                 |
| <b>Medicaid</b> | Over the Administration's objections, prohibits future immigrants from receiving Medicaid for 5 years. Drops the retroactive ban on current Medicaid recipients, which was included in the House bill. |
|                 | The President has said that immigrant children and the disabled should be able to get medical care and the help they need, and is determined to get Congress to fix these provisions.                  |

## OTHER PROGRAMS FOR CHILDREN

|                          |                                                                                                                                                                                                                                                                |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Child Welfare</b>     | Retains current law child protection entitlement programs and services. Drops the child welfare block grant that had been included in the vetoed bill.                                                                                                         |
| <b>Disabled Children</b> | Provides full SSI benefits for children who will receive SSI under stricter eligibility rules. Drops the two-tiered eligibility system in the vetoed bill that would have cut benefits by 25% for more than half of the disabled children coming on the rolls. |



## KEY IMPROVEMENTS IN CONFERENCE REPORT OVER VETOED BILL

| CLINTON PRIORITY                   | VETOED BILL | CONFERENCE BILL    |
|------------------------------------|-------------|--------------------|
| Guaranteed Medicaid                | NO          | YES                |
| More Child Care \$                 | NO          | YES (+\$4 billion) |
| Work Performance Bonus \$          | NO          | YES (+\$1 billion) |
| 80% Maintenance of Effort          | NO          | YES                |
| Child Care Health/Safety Standards | NO          | YES                |
| 20% Hardship Exemption             | NO          | YES                |
| \$2 Billion Contingency Fund       | NO          | YES                |
| Limits on Transferability          | NO          | YES                |
| Option for Vouchers                | YES         | YES                |
| Food Stamp Block Grant             | YES         | NO                 |
| Child Welfare Block Grant          | YES         | NO                 |
| School Lunch Block Grant Demo      | YES         | NO                 |
| 25% Cut in SSI for Disabled Kids   | YES         | NO                 |
| Food Stamp Cap                     | YES         | NO                 |

1 States citizens. The Immigration and Naturalization Service is streamlining procedures, cutting  
2 red tape, and using new technology to make it easier for legal immigrants to accept the  
3 responsibilities of citizenship and truly call America their home.

4 Today's Democratic Party also believes we must remain a nation of laws. We cannot  
5 tolerate illegal immigration and we must stop it. For years before Bill Clinton became President,  
6 Washington talked tough but failed to act. In 1992, our borders might as well not have existed.  
7 The border was under-patrolled, and what patrols there were, were under-equipped. Drugs  
8 flowed freely. Illegal immigration was rampant. Criminal immigrants, deported after  
9 committing crimes in America, returned the very next day to commit crimes again.

10 President Clinton is making our border a place where the law is respected and drugs and  
11 illegal immigrants are turned away. We have increased the Border Patrol by over 40 percent; in  
12 El Paso, our Border Patrol agents are so close together they can see each other. Last year alone,  
13 the Clinton Administration removed thousands of illegal workers from jobs across the country.  
14 Just since January of 1995, we have arrested more than 1,700 criminal aliens and prosecuted  
15 them on federal felony charges because they returned to America after having been deported.

16 However, as we work to stop illegal immigration, we call on all Americans to avoid the  
17 temptation to use this issue to divide people from each other. We deplore those who use the need  
18 to stop illegal immigration as a pretext for discrimination. And we applaud the wisdom of  
19 Republicans like Mayor Giuliani and Senator Domenici who oppose the mean-spirited and short-  
20 sighted effort of Republicans in Congress to bar the children of illegal immigrants from schools -  
21 - it is wrong, and forcing children onto the streets is an invitation for them to join gangs and turn  
22 to crime. Democrats want to protect American jobs by increasing criminal and civil sanctions  
23 against employers who hire illegal workers, but Republicans continue to favor inflammatory  
24 rhetoric over real action. We will continue to enforce labor standards to protect workers in  
25 vulnerable industries. We continue to firmly oppose welfare benefits for illegal immigrants. We  
26 believe family members who sponsor immigrants into this country should take financial  
27 responsibility for them, and be held legally responsible for supporting them.

28 **Welfare reform.** Today's Democratic Party knows there is no greater gap between  
29 mainstream American values and modern American government than our failed welfare system.  
30 When Bill Clinton became President, the welfare system undermined the very values -- work,  
31 family, and personal responsibility -- that it should promote. The welfare system should reflect  
32 those values: we want to help people who want to help themselves and their children.

33 Over the past four years, President Clinton has dramatically transformed the welfare  
34 system. He has freed 41 states from federal rules and regulations so they can reform their  
35 welfare systems. The Clinton Administration has granted 69 waivers -- more than twice as many  
36 waivers as granted in the Reagan-Bush years. For 75 percent of all Americans on welfare, the  
7 rules have changed for good already, and welfare is becoming what it should be: a second

*DRAFT – The 1996 Democratic National Platform*

chance, not a way of life. Welfare rolls are finally coming down -- there are 1.3 million fewer people on welfare today than there were when President Clinton took office in January 1993.

Now, because of the President's leadership and with the support of a majority of the Democrats in Congress, national welfare reform is going to make work and responsibility the law of the land. Thanks to President Clinton and the Democrats, the new welfare bill includes the health care and child care people need so they can go to work confident their children will be cared for. Thanks to President Clinton and the Democrats, the new welfare bill imposes time limits and real work requirements -- so anyone who can work, does work, and so that no one who can work can stay on welfare forever. Thanks to President Clinton and the Democrats, the new welfare bill cracks down on deadbeat parents and requires minor mothers to live at home with their parents or with another responsible adult.

We are proud the President forced Congressional Republicans to abandon their wrong-headed and mean-spirited efforts to punish the poor. Republicans wanted to eliminate the guarantee of health care for the poor, the elderly, and the disabled. They were wrong, and we stopped them. Republicans wanted to destroy the food stamp and school lunch programs that provide basic nutrition to millions of working families and poor children. They were wrong, and we stopped them. Republicans wanted to gut child abuse prevention and foster care. They were wrong, and we stopped them. Republicans wanted to cut off young, unwed mothers -- because they actually thought their children would be better off living in an orphanage. They were dead wrong, and we stopped them. The bill Republicans in Congress passed last year was values-backward -- it was soft on work and tough on children, and we applaud the President for stopping it.

We know the new bill passed by Congress is far from perfect -- parts of it should be fixed because they go too far and have nothing to do with welfare reform. First, Republicans cut too far into nutritional assistance for working families with children; we are committed to correcting that. Second, Republicans insisted on using welfare reform as a vehicle to cut off help to legal immigrants. That was wrong. Legal immigrants work hard, pay their taxes, and serve America. It is wrong to single them out for punishment just because they are immigrants. We pledge to make sure that legal immigrant families with children who fall on hard times through no fault of their own can get help when they need it. And we are committed to continuing the President's efforts to make it easier for legal immigrants who are prepared to accept the responsibilities of citizenship to do so.

But the new welfare plan gives America an historic chance: to break the cycle of dependency for millions of Americans, and give them a real chance for an independent future. It reflects the principles the President has insisted upon since he started the process that led to welfare reform. Our job now is to make sure this welfare reform plan succeeds, transforming a broken system that holds people down into a working system that lifts people up and gives them a real chance to build a better life.



1 States asked for this responsibility -- now we have to make sure they shoulder it. We  
2 must make sure as many people as possible move from welfare to work. We must make sure  
3 that children are protected. In addition to health care and nutritional assistance, states should  
4 provide in-kind vouchers to children whose parents have reached the time limit. We challenge  
5 states to exempt battered women from time limits and other restrictions. We challenge the  
6 business community to provide more of the private sector jobs people on welfare need to build  
7 good lives and strong families. We know that passing legislation is not enough; we must make  
8 sure people get the skills they need to get jobs, and that there are jobs for them to go to so they  
9 leave welfare and stay off. We want to make sure welfare reform will put more people to work  
10 and move them into the economic mainstream, not take jobs away from working families.

11 We call on all Americans to make the most of this opportunity -- never to use welfare  
12 reform as an excuse to demonize or demean people, but rather as a chance to bring all our  
13 people fully into the economic mainstream, to have a chance to share in the prosperity and the  
14 promise of American life.

15 *Child support.* Nobody has the right to walk away from the responsibility to care for his  
16 or her children. If you owe child support, paying it fully and promptly is just the first step in  
17 living up to your responsibility as a parent. The Clinton Administration has made a determined  
18 effort to crack down on deadbeat parents, collecting a record \$11 billion in 1995 through tough  
20 enforcement -- almost a 40 percent increase over 1992. President Clinton issued an Executive  
21 Order to track down federal workers who fail to pay child support, and force them to pay. The  
22 Clinton Administration is working to put wanted lists of parents who owe child support in the  
23 post office and on the Internet. President Clinton and Democrats in Congress insisted that the  
24 toughest possible child support enforcement be part of the new welfare reform plan -- including  
25 the President's plan to deny drivers licenses and professional licenses to people who do not pay  
26 their child support. We are telling deadbeats: If you neglect your responsibility to your children,  
we will suspend your license, garnish your wages, track you down, and make you pay.

27 *Teen pregnancy.* For the first time in years, the teen pregnancy rate has leveled off and  
28 begun to drop. But we all know it is still far too high. Government alone cannot solve this  
29 problem. That is why President Clinton challenged community, business, and religious leaders  
30 together to form a national campaign to keep the teen pregnancy rate going down. And he  
31 expanded support for community-based prevention programs that teach abstinence and demand  
32 responsibility. We must send the strongest possible signal to young people that it is wrong to  
33 pregnant or father a child until they are married and ready to support that child and raise that  
34 child.

5 We also know that half of all underage mothers were made pregnant by a man in his  
6 twenties, or even older. Statutory rape is a crime, but unfortunately the laws that protect young  
7 women from it are almost never enforced. We echo the President's call to America's  
8 prosecutors: Enforce the statutory rape laws vigorously against men who prey on underage  
9 women.



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

August 5, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Kathleen A. McGinty *KAM*  
SUBJECT: California Environmental Issues

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TUNA-DOLPHIN

Last year, the U.S. and 11 other nations agreed to a strict program for dolphin conservation and ecosystem management in the Eastern Tropical Pacific. Greenpeace, World Wildlife Fund and several other major environmental groups support this agreement along with labor groups and the U.S. fishing industry. Editorials supporting the agreement have run in the *New York Times* and *Washington Post*. However, the Sierra Club, Senator Boxer and many Hollywood stars strongly oppose the agreement and the legislation that is necessary to implement it. Opponents particularly object to a provision allowing the "dolphin-safe" label to be used on tuna caught by encircling dolphins so long as no dolphins are killed.

Last week, the House approved legislation implementing this agreement by a vote 316-108. Despite opposition by the ranking Resources Committee Member and the Democratic leadership, 100 Democrats voted with the Administration on final passage. Action will move to the Senate in September. If the legislation is not enacted this year, most observers believe the agreement will collapse, and with it the dramatic progress that has been made in reducing dolphin mortality in this fishery.

We believe this agreement offers the best hope of protecting dolphins, who are at risk from foreign fleets fishing in international waters selling to foreign markets. The legislation would also provide for sustainable tuna fishing and open the way for U.S. vessels to return to the fishery. The Vice President has written two letters to Congress in support of this legislation.

HEADWATERS

For months DOI and CEQ have been engaged in discussions with Charles Hurwitz, Chairman of MAXXAM, to acquire Headwaters Forest from Hurwitz's Pacific Lumber Company. We are now at the point of more serious negotiations, starting with a price for the property (which includes 3,000 acres of old-growth redwoods and a 1,500 acre buffer of second growth forest). Another element of the negotiation involves discussions with land owner Red Emmerson for the acquisition of 9,600 acres of timber,



a portion of which provides Headwaters buffer zone for the marbled murrelet and coho salmon. The remaining, less sensitive portion could be part of our negotiations with Hurwitz, which would allow timbering in the Headwaters area, thus preserving jobs.

Unfortunately, our starting negotiating figures appear to be so widely disparate that it is highly unlikely the parties could reach agreement on a value for which the government could find sufficient excess or surplus federal properties suitable for an exchange. Further complicating the exchange is lack of support from our constituent groups. The environmentalists want the Administration to acquire much more of Pacific Lumber's old-growth acreage than we are able; you recently received a letter from 24 members of the House of Representatives praising the Administration for its efforts to preserve Headwaters, but urging that more land be acquired. Finally, because of Hurwitz's dubious reputation, recent media stories, including one in *Business Week* magazine, are reflecting surprise that we would deal with him, as opposed to engaging in a "debt-for-nature" swap, by which Hurwitz would settle FDIC and Office of Thrift Supervision civil lawsuits filed against him in connection with his purchase of Pacific Lumber. Because this is pending litigation, we are not able to suggest such a deal.

While these recent events significantly lower the probability that we can acquire Headwaters, we will continue our efforts. Hurwitz is interested in pursuing various federal properties which may be suitable for a land swap. Some are Base Realignment and Closure (BRAC) properties in northern California, including Treasure Island/Yerba Island, a small portion of Fort Ord, and Hunters Point. The state of California is also interested in providing property. Although Hurwitz seems less interested in these kinds of properties because of the inherent complications in acquiring them, the media have gotten wind of the negotiations with Hurwitz, and have named Treasure Island as a potential piece of the deal. A number of articles have appeared in the last three weeks in the *Wall Street Journal*, *San Francisco Examiner*, *The San Francisco Chronicle*, *L.A. Times*, and others. Demonstrators turned out the last time you went to the bay area.

## **ENDANGERED SPECIES LISTING**

Last week the National Marine Fisheries Service (NMFS) proposed federal protection of the steelhead trout along the West Coast and cutthroat trout runs in Oregon. Despite the great geographical magnitude of the listing area the press coverage was positive and most articles underscored our track record of partnership on ESA issues. It is expected this listing will be handled in similar fashion.

## **RESCISSIONS ACT TIMBER RIDER/SALVAGE DIRECTIVE**

Secretary Glickman issued a directive to the Forest Service on July 2 that orders the Forest Service not to offer any further salvage sales in inventoried roadless areas and clarifies what type of sales should go forward under the salvage provision of the rider.

Reaction to the directive has been mixed. Some industry representatives have blasted it and have irresponsibly characterized it as a "let California burn" policy. This accusation



is completely misplaced; in fact, the directive emphasizes that sales in areas that have high fuel loading or present a high fire risk and are near communities or occupied structures (what is referred to as urban/wildland interface areas) are prime candidates for sales under the rider. The Administration also released an extra \$100 million to add to the \$385.5 million appropriation for firefighting this season, and we have requested \$495 million for firefighting for FY 97. Further, the directive is not expected to affect the Forest Service's ability to meet the salvage timber targets USDA committed to last year (4.5 billion board, plus or minus 25%).

Environmentalists have greeted the directive with a mixture of cautious optimism and the view that the directive doesn't go far enough to address some generic policy issues raised by salvage logging. Their enthusiasm for it will obviously increase as some of the sales of concern are withdrawn. Preliminary work by the Forest Service shows that approximately 85 million board feet of timber will be withheld from sale in California.

THE WHITE HOUSE

WASHINGTON

August 6, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Stephen C. Warnath, <sup>scw</sup> Domestic Policy Council  
Subject: Update on Immigration

I. Veto Threats on Legislation of Interest  
to Immigrant Communities

A. Gallegly Amendment and the Republican Compromise

Last week you wrote the Speaker stating that you would veto the immigration legislation if it contained the Gallegly Amendment or the Republican compromise (which would still require schools to verify the immigration/citizenship status of all children, and would permit states to exclude those who cannot afford to pay public school tuition).

You urged Congress to drop this "misguided and ineffective" measure and to pass legislation with the enforcement tools you need to continue the Administration's solid progress in fighting illegal immigration.

The House did not name conferees before the recess.

B. English-Only

Despite your letter to Congress threatening to veto the House English-only legislation, the House passed the Language in Government Act last week. This bill would establish English as the official language of the United States and require the Federal Government to conduct most official business only in English.

II. Naturalization

The Administration continues to naturalize new citizens at a record pace. We will naturalize over a million new citizens in FY 1996. (We have naturalized 750,000 as of June 30th.) Half of these will be in California. This compares with 505,000 naturalized in FY 1995 and 260,000 back in FY 1992.

To accomplish this, INS is: increasing staff levels; expanding facilities; using new technology (e.g. testing the use of electronic filing of citizenship applications); streamlining procedures; and forging new and better partnerships with community organizations and state, local, and county governments to help this process and to increase public education. We are taking these steps without lowering the requirements for establishing readiness for citizenship and full participation in our national community.



**California Accomplishments of the Clinton Administration**  
(Entries last updated August 3, 1996)

**TABLE OF CONTENTS:**

|                                   |           |
|-----------------------------------|-----------|
| <b>Defense Transition</b> .....   | <b>2</b>  |
| <b>Disaster Relief</b> .....      | <b>3</b>  |
| <b>Economic Development</b> ..... | <b>4</b>  |
| <b>Education</b> .....            | <b>8</b>  |
| <b>Environment</b> .....          | <b>10</b> |
| <b>Exports</b> .....              | <b>12</b> |
| <b>Immigration</b> .....          | <b>13</b> |
| <b>Law Enforcement</b> .....      | <b>14</b> |
| <b>Social Services</b> .....      | <b>16</b> |
| <b>Welfare</b> .....              | <b>18</b> |

## **DEFENSE TRANSITION PROGRAMS**

**Defense Conversion.** The Commerce Department created a multi-pronged approach to help California industry make the transition from defense dependency to commercial success. The Department has provided technical, marketing and financial assistance to thousands of California contractors and sub-contractors. Through mid-FY96, the Commerce Department's Economic Development Administration has provided over \$102 million in planning grants and funds to implement mid-term and long-term development programs for cities, counties, and business consortia. The Bureau of Export Administration has developed a comprehensive defense conversion assistance program.

**Assistance to Civilian Personnel Displaced by Base Closings.** The Department of Labor awarded \$15,020,000 to serve the approximately 3,000 civilian Department of Defense employees affected by the closure of the Alameda Naval Aviation Depot and Air Station, the Long Beach Naval Shipyard, the Mare Island Naval Shipyard and Base, and McClellan Air Force Base.

## **DISASTER RELIEF**

**Loma Prieta Earthquake (San Francisco).** FEMA has spent or committed \$666 million in public assistance, \$74.5 million on individual assistance and \$32.7 million in hazard mitigation and funded 10,000 infrastructure repair projects since the October 18, 1989 quake. Seventy-five thousand individuals registered for assistance. Since President Clinton took office in January 1993, FEMA has allocated funds to repair major damage at Stanford University, San Francisco City Hall, Oakland City Hall, the Oakland Port Authority, and Moss Landing Marine Labs. In addition, FEMA allocated approximately \$1.4 million toward the seismic hardening of 19 fire stations in and around San Francisco. This will reduce the chance of future damage as well as increase the likelihood that emergency services will be available immediately following any future disasters.

**Northridge Earthquake (Los Angeles).** More than 681,000 people registered for assistance and FEMA funded more than 20,000 infrastructure repair projects following the January 17, 1994 earthquake. FEMA allocated more than \$1.8 billion to help individuals including money for temporary shelter and home repair. FEMA also allocated \$2 billion for infrastructure programs, including major projects on California State University's Northridge campus and various hospitals. As a result of the Northridge quake, FEMA is making over \$800 million in Hazard Mitigation Grant Program funds available to support cost-effective mitigation in the Los Angeles area. This money is currently being utilized to reduce the possibility of damage from future natural disasters in California including projects designed to reduce the likelihood of a wild fire which threatens lives or property. The total federal spending related to the Northridge earthquake is expected to top \$10 billion. On July 17, FEMA and the White House pledged an additional \$264 million. Of the total, \$126 million is tasked to repair and retrofit the Los Angeles City Hall, a project which had been all but halted last summer due to lack of funds. The remaining \$138 million will go to four private hospitals. These latest grants raise the total federal expenditures and commitments in response to the 1994 Northridge quake to more than \$13 billion, \$971 million of which has gone to hospitals.

**Southern California Floods.** FEMA distributed \$96.5 million in public assistance and \$77.5 million in individual assistance in response to the January 1995 floods in Southern California.

**Northern California Floods.** FEMA distributed \$67.3 million in public assistance and \$25.5 million in individual assistance in response to the March 1995 floods in Northern California.

**Repairs and Improvements to VA Hospitals.** Over the past three years, the Department of Veterans Affairs has allocated \$425 million to repair and retrofit VA hospitals and other facilities at Long Beach, Sepulveda, Palo Alto, Menlo Park, Martinez and Livermore.



## ECONOMIC DEVELOPMENT

**State Route 125 Proposed Toll Facility.** The State Route (SR) 125 Proposed Toll Facility is a 16-kilometer limited-access facility. It is one of four privatization demonstration projects authorized by the California legislature. The project extends from the Otay Mesa border northward to SR 54. Under a franchise/lease agreement, the private sector firm selected to construct the facility will finance, design, and build it, transfer ownership to the state, then lease and operate the facility for up to 35 years. The completed road is estimated to cost \$400 million with an expected completion date of December 1998. The state is currently preparing the draft Environmental Impact Statement for circulation to the public. A petition drive completed last year contained more than 1,500 signatures opposing this project and the state is still receiving letters in opposition. This project is of high interest to the local community, as well as to Congressman Bob Filner (D-50th), and State Senator Peace (D).

**San Joaquin Hills Transportation Corridor.** Federal Highway Administrator Rodney Slater opened the San Joaquin Hills Transportation Corridor at the end of July. The project represents a public-private partnership between the Federal Government and the Transportation Corridor Authority. The government provided a \$120 million line of credit enabling the authority to borrow \$1.2 billion. The roadway opened less than three years after construction began and is slated to be completed by December 10.

**Home Ownership Levels Increase.** Following the national trend of increasing homeownership rates, the percentage of California families owning their home grew from 55.3% to 55.8% between 1992 and 1996. Part of the increase can be attributed to the four-fold increase in the number of communities using HOME funds since 1993. Through the program, California has awarded \$12 million to the 25 participating communities thus creating 1,700 new homeowners. In addition to the HOME funds, HUD helped over 350 San Francisco families buy their low income housing units when they were converted to condominiums. HUD also entered into voluntary Fair Lending Best Practices agreements with three Southern California mortgage firms. These agreements will expand borrowing opportunities to traditionally underserved homebuyers, including minorities and women.

**Pension Funds Invest in California Affordable Housing.** Pension funds will finance the rehabilitation or new construction of approximately 1,000 units of affordable housing. The nation's first pension fund project opened in San Francisco earlier this year and is now providing affordable housing to 46 families in one of the most expensive rental markets.

**Transforming California's Worst Public Housing.** The Clinton Administration has awarded a total of \$75 million in HOPE VI public housing funds to housing authorities in Los Angeles and San Francisco to demolish those cities' most troubled housing developments and replace them with garden-style apartments. In San Francisco, nearly 800 units of dilapidated housing will be replaced by 550 new units. Los Angeles plans to demolish two of its worst public housing developments, containing 577 units, in order to accommodate 440 new units.



**California To Test State Infrastructure Bank (SIB).** The DOT awarded California one of ten State Infrastructure Banks. The bank will provide lines of credit to various infrastructure projects in order to attract private capital.

**New Jobs Created.** In the last three years, 490,000 new private sector jobs were created in California causing the unemployment rate to drop from 9.5% to 7.7%.

**New Businesses Formed.** New business incorporations increased 6% during the last three years. 122,000 new businesses were created in 1993 alone.

**Business Failure Dropped.** Business failures dropped 6% during the last three years.

**Tax Cut.** President Clinton provided over 179,000 California small businesses with a tax cut this year by expanding the annual spending allowance from \$10,000 to \$17,500.

**"Jobs in the Woods".** The Department of Agriculture provided needed funds to California through the Pacific Northwest Economic Adjustment Initiative and other programs. The "Jobs in the Woods" program, a part of the President's Forest Plan, for example, provides education and job training. In addition, California received \$4.2 billion in food assistance grants, \$18 million in water and waste disposal grants and \$44.2 million in rural housing grants in fiscal 1995. In addition, California ranks first among states for participation in the Food Stamp, Child Nutrition, and Women, Infants and Children programs.

**Small Business Loans.** The Los Angeles Community Development Bank received more than \$450 million from HUD and \$550 million from private sector contributors to loan to small business owners and others in the Los Angeles Empowerment Zone. Loans began as early as April 1996.

**Small Business Administration Loans.** In FY 1995, the Small Business Administration guaranteed 6,255 7(a) and 504 loans totalling \$1.5 billion to California small businesses -- 58% more than the number of loans made in FY 1992. These 6,255 SBA-backed loans in FY 1995 will create or sustain over 64,500 jobs in California over the next four years. Of these 6,255 loans, 1,151 went to women-owned small businesses and 1,811 went to minority-owned small businesses.

**Rural Enterprise Communities (EC).** Participants in this program are eligible to receive technical assistance in strategic business plan development, partnership building, and leadership development. California was selected for two Rural Enterprise Communities -- Imperial County and the City of Watsonville/County of Santa Cruz.

**Agricultural Research.** USDA's Agricultural Research Service programs in California (at a total of \$40.9 million and a staff of 447) include: Albany (new uses for agricultural products, food quality and food safety, plant biotechnology); Davis (aquatic weeds and plant diseases, plant germplasm repository); Fresno (water management; insect control; disease eradication);

Riverside (water quality; soil quality, citrus, and date research); Salinas (vegetable and sugarbeet production research, including plant genetics); San Francisco (human nutrition); and Shafter (cotton production; water management).

**Los Angeles Neighborhood Initiative (LANI).** Since 1994, the Federal Transit Administration has committed \$2.3 million to LANI, a project to link Federal, local and private resources to improve the quality of life in eight Los Angeles neighborhoods. The funds are directed at increasing the safety, convenience and aesthetics of station stops in areas that are highly dependent on public transit. Street crime in the eight neighborhoods has declined by 19%.

**The California Economy: A Summary.** After undergoing prolonged weakness following the 1990-91 national recession, the California economy continues to build on a solid recovery. Construction is booming. Strong export activity increased the strength of wholesale trade. Retail business is also strong. Following the defense and aerospace cutbacks, export demand for electronic equipment and computers supported the revitalization of manufacturing. Exports rose 17.0% in nominal terms in 1995, out-pacing the national increase of 13.9 percent. Asian-Pacific trade accounts for about one-half of all exports from the state. Per capita personal income in California rebounded sharply in 1995, growing by 6%. Under the leadership of the Clinton Administration, private businesses have agreed to wire every California school to the Internet by the end of the year. The long-term outlook of the state is positive, as much of California's restructuring is behind it. California ranks second among the states as home to 55 of the Fortune 500 companies, including Chevron, Hewlett Packard, Intel, Walt Disney, and Apple Computer.

**Army Awards \$22.3 Million Contract.** The U.S. Army signed a contract with a Woodland Hills division of Litton's Guidance and Control Systems for several hundred aircraft interrogator sets. The devices, which will be produced in Northridge, will enable soldiers to determine if an aircraft is a friend or a foe. Once completed, the units will be sent to Japan, Greece, France, Portugal, the Netherlands, and Italy as part of the Department of Defense's foreign military sale program.

**Vice President Gore Announces X-33 Contract.** During a July 2 press conference at the Jet Propulsion Laboratory in Pasadena, Vice President Al Gore announced that Martin Skunk Works of Palmdale had won the contract to build the successor to the Space Shuttle, known as the X-33. The contract is worth \$1 billion. The three year contract will generate approximately 2,000 jobs at Lockheed Martin's Palmdale plant over a 4 year period.

**Los Angeles Supplemental Urban Empowerment Zone.** The Federal Government Designated Los Angeles as a Supplemental Urban Empowerment Zone. The designation carried a \$450 million grant that enabled the city to create the largest and most extensive community development bank in the country.



**Oakland Designated as an Urban Enhanced Enterprise Community.** The designation, under the President's Empowerment Zone program, will bring Oakland \$47 million in economic development funds, Section 108 loans and Social Service Block Grants.

**JOBLINKS.** The Los Angeles JOBLINKS program is designed to provide 1,000 inner city youth and young adults in the Los Angeles area with pre-apprenticeship training and placement in apprentice positions in firms engaged in earthquake recovery-related and other Federally funded construction projects. To accomplish this, the Department of Labor awarded a \$5,000,000 grant to Los Angeles County. To date, the program has enrolled 875 participants. 385 successfully completed the program and most of those passed the tests for union construction jobs. Of those who completed the program, 90% are Black or Hispanic. Approximately 200 have found jobs paying more than \$7 per hour.

## EDUCATION

**William D. Ford Direct Lending Program.** The Direct Loan Program offers a simpler, faster, more efficient means of delivering loans to students. Since President Clinton signed the student Loan Reform Act in August 1993, 232 California colleges and universities signed on to the program. Student borrowers have taken out more than 177,000 direct loans, totaling more than \$695 million. Students with direct loans have the added benefit of more choices in how they repay their loans.

**Goals 2000: Educate America Act.** The Goals 2000: Educate America Act seeks to raise academic achievement by supporting state and local efforts to raise academic standards, develop related student assessments and high-quality teacher training, and increase parental and community involvement in education. Since President Clinton signed the Goals 2000 legislation in March 1994, California has received \$10.5 million in first-year funding. To date, 227 California school districts and 1,883 individual schools have received funds under the program. With \$42.1 million in second-year funding, California plans to provide assistance to more than 300 additional school districts, bringing the total participation in Goals 2000 to more than half the State's school districts.

**School-To-Work Opportunities Act.** The School-To-Work Opportunities Act encourages educational and career opportunities for all students through partnerships at the state and local level. The partnerships are designed to help students make the connection between what they learn in school and what they do in the workplace. This will, hopefully, prepare them for good careers, advanced education and training. Since the President signed the School-To-Work Opportunities Act in May 1994, 11 local California partnerships have received more than \$11 million to develop and implement programs.

**Safe and Drug-Free Schools and Communities Act.** The Safe and Drug-Free Schools and Communities Act helps local school districts create safe, disciplined, and drug-free learning environments for students. Changes proposed by the president and passed by Congress under the re-authorization in 1994 substantially broadened the scope of allowable activities and, for the first time, made funds available for violence prevention programs. Since then, California school districts have received more than \$49 million in funding to develop prevention related curriculum and events. A total of 983 school districts, accounting for 98 percent of all districts statewide, have served 5.7 million students.

**Public Charter Schools Program.** The public charter schools program was enacted as part of the reauthorization of the Elementary and Secondary Education Act. Since the President signed the program into law in October, 1994, the state of California has received a grant to support start-up, planning and initial implementation costs for more than 50 charter schools this year alone. The President announced this and other charter schools grants on a visit to a successful charter school in San Diego. California also intends to use a portion of the grant to establish a revolving loan fund to finance the start-up of charter schools. Over three years, the grant will provide California with a least \$1.8 million for start-up grants and loans to

individual schools that range from \$20,000 to \$100,000.

**Bilingual Education Programs.** Bilingual Education grants assist local education agencies and other eligible grantees in the development and support of instructional programs for students with limited English proficiency. The President has fought for the continuation of bilingual education programs nationwide, and has worked to maintain consistent levels of support in California, where 305 grants totaling almost \$72 million were made available in fiscal 1995.

**Technology Challenge Grants.** Over the next five years, two California school districts will receive more than \$10.4 million in Technology Challenge grant funding. The San Mateo/Redwood City School District has already received nearly \$900,000 in first year funding and will receive a total of \$6.3 million over five years. The San Diego Unified School District received more than \$700,000 and will receive \$4.1 million over five years.



## **ENVIRONMENT**

**U.S. vs. Union Oil.** Following a disastrous 1992 oil spill at Avila Beach near San Luis Obispo, the Justice Department worked with the state of California and the Department of the Interior to restore sea otters, brown pelicans and other birds injured by the spill. The Federal Government secured \$1.3 million from Union Oil, most of which will go towards restoration of these important natural resources.

**Management and Protection of the Presidio.** Across America, open space in our cities is in increasingly short supply. In October 1994, the Presidio of San Francisco became part of the National Park Service (NPS) when it was transferred from the Department of Defense. A bill moving through Congress to create a Presidio Trust will manage the property and reduce its cost to the federal government by leasing many of the buildings found on the Presidio while preserving historic structures and ensuring the continued preservation of the scenic beauty and natural character of the area. In his *Parks for Tomorrow* plan, the President calls on Congress to protect this unique resource by passing legislation with the Administration's amendments. Unfortunately the House's latest proposal to the Senate includes 55 other bills, one of which deals with grazing on federal lands. In the past, the administration has stated that if the final version contains the 55 other bills it would be unacceptable. The House-Senate conference committee did not complete work on this bill prior to the August recess.

**California Desert Protection Act Implementation.** The California Desert covers more than 25 million acres or a quarter of the state. Much of this area is home to threatened and endangered species, including the California Desert tortoise, the Mojave ground squirrel, and the flat-tailed horn lizard. The Bureau of Land Management (BLM) prepared a public outreach plan and sent more than 25,000 letters to interested parties, such as land owners and mining claimants, to notify them of the designation of some BLM lands as wilderness. In an effort to identify boundaries, the BLM completed draft legal descriptions, surveys, and legislative working maps. The BLM helped develop principles for consistent grazing, law enforcement and border operations, federal water rights, and scientific, recreational, and commercial uses. During the 1995 fire season, the BLM California Desert District and National Park Service desert units operated with a completely integrated staff. The President vetoed last year's budget bill which would have taken the park away from the Park Service and given it back to the BLM.

**Food Safety.** The President signed a new bill to protect people from pesticides in food. It sets a clear, health-based standard for all pesticides on all food. Under the legislation, our children will be 10 times better protected than they were under the old law.

**Central Valley Project Improvement Act Implementation (CVPIA).** The 1992 enactment of CVPIA paved the way for achievement of its two major goals: to protect, restore, and enhance fish, wildlife, and associated habitats in the Central Valley and Trinity River basins of California, and to achieve a reasonable balance among competing demands for use of Central Valley Project water.

**Community-Right-to-Know.** This Administration expanded Community-Right-to-Know programs to provide citizens with access to more information about chemicals released into their air and water. This Administration also launched new labeling and disclosure programs to help consumers use household products safely and protect themselves from lead paint hazards.

**Air Pollution.** Tough enforcement of the Clean Air Act cut toxic air pollution from chemical plants by 90 percent, and 50 million Americans in 55 cities are breathing cleaner air. In addition, the Environmental Protection Agency announced tighter standards for truck and bus exhaust emissions. The new limits will force model year 2004 vehicles to reduce emissions by nearly 60%.

**Safe Water.** The Administration negotiated a consensus plan to protect the San Francisco Bay Delta, a body of water which provides irrigation for 45% of America's fruits and vegetables. Combined, these two acts affect the drinking water of 68 million Americans. In addition, the President is expected to sign legislation strengthening drinking water quality standards. The law would provide California with up to \$41.8 million in 1997.

**Enforcement.** Polluters charged with endangering public health and the environment paid the largest fines in history. A new compliance assistance program was set up to help honest business owners comply with environmental laws.

**Toxic Waste Clean-Up.** The Administration accelerated the pace of toxic waste cleanup by 20% while significantly reducing the cost of such cleanups. This administration has cleanup as many toxic waste (Superfund) sites in the past three years as the previous two administrations did in three terms.

**Incineration.** As part of the Administration's "safety-first combustion strategy," EPA proposed the toughest public health standards for toxic air pollution from hazardous waste incinerators and issued new requirements for municipal incinerators that will result in a 99% reduction in emissions of cancer-causing dioxin.

**Cleanup of Abandoned, Contaminated Urban Property.** The administration accelerated the cleanup of abandoned, contaminated urban sites, or "brownfields," removing 2,497 California sites from the Superfund list and paving the way for redevelopment. In addition, the administration announced a new tax incentive for those who purchase the former Superfund sites. The federal government named Emeryville, Richmond, Sacramento, San Francisco and Stockton brownfield pilot cities. The designation carries a \$200,000 grant to explore ways of redeveloping brownfields.



## **EXPORTS**

**Computer Export Decontrol.** The Clinton Administration has revised or eliminated outdated computer export controls. The initial changes in 1993 released more than \$32 billion of annual exports from individual licensing requirements. The President's later reform in October 1995 resulted in relief for an estimated \$10 billion of additional computer exports. Commerce's International Trade Administration's California Export Initiative opened over 1,300 new overseas markets to more than 500 California firms during 1995, more than tripling the annual export assistance provided since 1992.

**U. S. Export Assistance Center.** The White House participated in the announcement of a new U.S. Export Assistance Center (USEAC) in San Jose. These one-stop-shops are joint efforts between the Commerce Department, Small Business Administration (SBA), and the Export-Import Bank. They improve the delivery of federal export marketing and trade finance services. With the Clinton Administration emphasis on trade, 1,403 California firms have been assisted in entering 4,263 new markets, versus less than 400 markets per year under the previous administration. The new USEAC was one of nine new Commerce Department offices in California

**Dramatic Growth in Exports.** The California Trade and Commerce Agency reported that the value of California exports rose 17.2% in the first quarter of 1996 to \$25.6 billion. According to the Agency, exports of California goods and services supported 72,000 jobs. The large jump in exports is partly attributed to increases in trade with Canada and Mexico resulting from NAFTA. Exports to Canada increased by 36.6% from the first quarter of 1995. Exports to Mexico expanded by 20.4% as opposed to the 3.8% drop during the same period in 1995. Exports to Japan, South Korea and other Southeast Asian nations increased 20%. Under the Clinton administration, California firms have entered 4,263 new markets versus less than 1,600 during the past administration.



## **IMMIGRATION**

**Immigration and Natralization Service Budget Increase.** The INS FY 96 budget totals \$26 billion -- a 24% increase over FY 95 and a 66% increase over FY 94. In 1996, the INS will hire 1,260 new Border Patrol agents, inspectors, investigators, anti-smuggling agents, and other INS officers in California.

**Operation Gatekeeper.** Operation Gatekeeper was launched in 1994 to strengthen enforcement along the 14 miles of border in San Diego which accounted for as much as 40% of Southwest border apprehensions. In the first year of the initiative, the INS gained control of Imperial Beach; it now targets Chula Vista and areas eastward.

**Worksite Enforcement.** The INS launched a California pilot project in 1995 which works with employers in City of Industry and Santa Ana to verify the employment eligibility of aliens. This one-year pilot includes more than 230 employers and more than 80,000 employees.

**Removing Illegal Aliens.** The INS removed 19,099 illegal aliens from California and more than 49,000 illegal aliens from the total United States in FY 95.

**Naturalization.** The INS implemented a major INS naturalization initiative, *Citizenship USA*, to streamline citizenship procedures and reduce application processing time to six months in five cities, including Los Angeles and San Francisco.

## **LAW ENFORCEMENT**

**Crime Reduction.** The nation's overall crime rate dropped 2% in 1994, the third consecutive year it has fallen. Violent crime declined 4%. In Sacramento, statistics showed a drop in three of the four reporting categories. Homicides dropped to 62 last year from 85 in 1993 while the numbers of robberies and assaults both declined slightly.

**Violence Against Women Act.** California received \$426,346 in FY 95 under the S.T.O.P. (Services Training Officers Prosecutors) Violence Against Women Grant Program. The S.T.O.P. grant provided \$26 million directly to states, territories and Indian tribes. This money represents a first step in helping restructure the criminal justice system's response to violent crimes against women. California has been allocated \$11,453,000 for FY 96.

**Community Oriented Policing (COPS).** The Justice Department's Office of COPS authorized grants of over \$324.5 million to the state of California to hire or redeploy more than 6,100 officers.

**National Domestic Violence Hotline.** Since the President's announcement of the hotline in February of 1996, over 20,000 victims, family members and service providers have made calls and received crisis assistance, counseling, and referrals to resources for victims of domestic violence.

**U.S. vs. Steele.** Under the Violence Against Women Act, the U.S. Attorney for the Eastern District of California prosecuted Ricky Steele, who beat his domestic partner for several hours, held a knife to her throat, threatened her life, and subsequently forced her to drive him from California to Oregon. Steele was sentenced to 87 months in prison, since crossing state lines to injure, harass, or intimidate a partner became a federal offense under the Violence Against Women Act.

**FACE (Freedom of Access to Clinic Entrances Act).** The Justice Department obtained a permanent injunction protecting a doctor who provides reproductive health services from three intimidating California members of Operation Rescue.

**Targeted Industries Partnership Program (TIPP).** TIPP is an experimental interagency program that combines the efforts of the California Division of Occupational Safety and Health, California Division of Labor Standards Enforcement and the Department's Wage and Hour Division. The TIPP program focuses on the enforcement of laws in two industries: agriculture and garments. The program enforces wage and hour laws, child labor, licensing and registration, workers' compensation insurance coverage, field sanitation, injury and illness prevention programs, migrant housing and unemployment tax contributions. TIPP's concentrated enforcement and education efforts since 1994 have resulted in employees receiving back wages, safer working conditions and information on basic employment rights.

**Operation Hard Line.** Operation Hard Line strives to combat narcotics smuggling on the

Southwest Border, and Customs officers report double-digit increases in the volume of total drug seizures - including increased seizures in virtually every major category of drug trafficking from cocaine to heroin. To build on the efforts of Operation Hard Line, the President's FY 97 budget will propose that an additional \$65 million and roughly 650 additional Customs officers be added to the border interdiction effort in the coming fiscal year.

**Garment Enforcement.** On May 9, 1996, Secretary Reich released a newly completed survey of California garment companies. The survey--jointly produced by the Labor Department and the State of California--demonstrated that monitoring programs in the garment industry have significantly reduced the minimum wage and overtime violations. The survey also revealed that labor law violations are a continuing problem in the industry. The survey was conducted at 76 randomly selected California sewing firms. Almost half of the firms are being monitored for wage and hour compliance by manufacturers. The report was part of the Wage and Hour Division's continuing effort to eradicate sweatshop abuses in the garment industry. In a related effort to aggressively enforce the nation's wage and hour laws, the Department recovered over \$400,000 in wages for more than 1,350 California garment workers during the first half of 1996.

**Operation Safe Home.** This collaborative effort involving federal, state and local law enforcement officials aims to combat drugs, gangs and violent crime in public housing. To date, the programs has resulted in nearly 1,300 arrests, 170 search warrants and over 250 recommended evictions in California.



## **SOCIAL SERVICES**

**AIDS Drug Assistance Programs in California.** The President proposed -- and Congress enacted -- an amendment to the FY 1996 budget which will provide \$52 million for State AIDS Drug Assistance Programs. Of the \$52 million, California will receive \$8.4 million. In July, the President announced that he would seek to raise the level of funding for ADAP programs to \$117 million in the FY 1997 budget.

**Helping Homeless Veterans.** The Homeless Providers Grant and Per Diem Program has awarded more than \$11.8 million to 59 public and private nonprofit groups since 1994. Grants totaling \$2,557,850 have been awarded in the state of California to develop new programs to assist homeless veterans. Over the past three years, Veterans Affairs has held 25 Stand Downs for homeless veterans in the areas of Los Angeles, West Los Angeles, Long Beach, Loma Linda, San Diego and Sepulveda.

**Teen Pregnancy.** According to the Centers for Disease Control and Prevention (CDC), the birth rate for teens between the ages of 15 and 17 declined 2% between 1991 and 1992. Teen pregnancy rates declined from 1991 to 1992 in 30 of the 41 states that reported data to the CDC. California did not report teen pregnancy rates to the CDC in 1993.

**Child Support Enforcement.** In FY 1995, California distributed \$857,281,903 in child support collections, up from \$653,680,903 in FY 1992 (an 18.8% increase). In addition, the number of families receiving child support services rose 56.4%, from 1,513,632 in FY 1992 to 2,367,404 in FY 1995. The state also increased paternity establishment by 99.2%, from 65,062 in FY 1992 to 129,593 in FY 1995.

**AmeriCorps Program.** Two of the President's AmeriCorps programs stand out in California. First, the BLM's Fort Ord Project in Monterey is intended to transform former military maneuver areas of Fort Ord into healthy, public lands that will provide habitats for 35 species of rare native plants and animals and opportunities for recreation and tourism. Second, the Southern California Urban Water Management Program, an ongoing AmeriCorps program in the Los Angeles area, engages at-risk young adults in a program designed to improve the environment, save energy and water, and reduce waste discharges. Participants help the local community, learn employable skills, and are encouraged to seek higher education. It is estimated that this AmeriCorps program effort saves about 80 million gallons of water per year. An application is being submitted to fund this program for an additional year.

**School Lunches.** California has the largest overall school meals program and receives the largest state administrated expense grant (about \$11 million) in the nation. The state is scheduled to take back from the USDA Food and Consumer Service Western Regional Office administration of the Summer Food Service Program in 1996. California last administrated the program in 1978. In addition, more than 400 California schools have joined the USDA's Team Nutrition program, a school and community-based effort to continuously improve school meals and to promote the health and education of America's school-aged children.

**Food Stamps.** California runs the largest Food Stamp Program in the Nation, with a total cost in Fiscal Year 1995 of \$2.72 billion. In April, 1996, 3.2 million Californians received food stamps. California has emphasized improving the accuracy of Food Stamp eligibility determinations. For Fiscal Year 1995, the state's combined payment error rate of 9.48% was lower than the national average.

## **WELFARE**

**Welfare Reform.** California operates the largest cash-out project in the nation in San-Diego, issuing \$13.7 million in cash each month in lieu of food stamp coupons. The state has also submitted and received approval to implement several welfare reform proposals under a project known as "Work Pays." This plan offers education and work incentives under the Aid to Families with Dependent Children program.

**Overpayment Collection.** To increase the recovery of federal funds, California pioneered the Federal Tax Refund Offset Program. Through this system, the state collected and returned to the Federal Treasury over \$1.3 million in food stamp overpayment in FY 94, according to the latest available information.

**Aid to Families with Dependent Children.** The total number of AFDC recipients in California declined 1.8%, from 2,692,202 in January, 1995 to an estimated 2,645,064 in January 1996.

**Work Pays Demonstration Project.** The project encourages teen-aged AFDC parents to attend school by paying them a \$100 bonus for maintaining a C average and \$500 for graduating from high school. Teen-aged AFDC parents who fail to maintain a D average risk having their benefits reduced by as much as \$50 per month for two months. The demonstration also permits AFDC recipients to accumulate up to \$2,000 in assets and \$4,500 equity in a car. They may also save up to \$5,000 toward a house, business or child's higher education. Finally, recipients are allowed to opt out of the program and go to work while retaining their health care and other services. An amendment to this initiative provides transitional child care to those who become ineligible for AFDC benefits due to marriage. The amendment also increases the penalty for fraud.



**THE TRIP OF  
THE PRESIDENT  
TO  
NEW YORK, NEW YORK,  
HUMBOLDT AND FRUITLAND,  
TENNESSEE**

August 18 & 19, 1996

Staff Copy

## Table of Contents

Sunday, August 18, 1996

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### NEW YORK, NEW YORK

#### Meeting

Distributed  
Separately

#### Presentation of Birthday Card from Clinton/Gore '96 Volunteers (Sheraton)

Distributed  
Separately

#### Reception for the DNC (Sheraton)

- Event Memo
- Remarks

#### Photo Line, Birthday Gala Performance and Greet the Cast (Radio City Music Hall)

- Event Memo
- Photo Line Guest List
- Gala Remarks

Distributed  
Separately

#### Private Reception and Dinner for the DNC (Waldorf-Astoria)

- Event Memo
- Reception Guest List
- Remarks

Distributed  
Separately

#### New York Background

- Political Background
- Economic Background
  - 1 Pager
- Local Issues
- Cabinet Affairs Issues

Distributed  
Separately

Monday, August 19, 1996

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**NEW YORK, NEW YORK,**  
**HUMBOLDT, TENNESSEE**  
**AND**  
**FRUITLAND, TENNESSEE**

**Birthday Breakfast With Friends**

Distributed  
Separately

**Birthday Card Presentation by**  
**Kerri Strugg**

To be forwarded

**Tour of New Shiloh United Methodist Church**  
**and Remarks to the Community and Rebuilding**  
**of Salem Baptist Church**

- Event Memo
- Church Arsons Update
- Remarks

**Tarmac Departure Remarks**

**Tennessee Background**

- Political Background
- Economic Background
  - 1 Pager
- Local Issues
- Cabinet Affairs Issues

Distributed  
Separately



**SCHEDULE OF THE PRESIDENT**

**FOR**

**SUNDAY, AUGUST 18, 1996**

**FINAL**

**CLINTON/GORE '96 TRAVEL DAY**

**SCHEDULING DIRECTOR:**

**ANNE HAWLEY**

**HOME: 703-553-8940**

**OFFICE: 202-456-2823**

**WHCA PAGER: 4039**

**C/G SKY PAGE: 161-0604**

**SCHEDULING DIRECTOR:**

**STEPHANIE STREETT**

**HOME: 202-332-5651**

**OFFICE: 202-456-2823**

**WHCA PAGER: 4033**

**C/G SKY PAGE: 161-4673**

**EVENT COORDINATOR:**

**NICOLE ELKON**

**HOME: 202-332-2350**

**OFFICE: 202-456-6481**

**WHCA PAGER: 4793**

**C/G SKY PAGE: 161-0597**

**PRESS DESK:**

**REBECCA MCKENZIE**

**HOME: 202-547-4432**

**OFFICE: 202-496-1010**

**C/G SKY PAGE: 178-4948**

**WEATHER:**

**Washington, DC**

Clear to partly cloudy. Wind northwest at 10 knots. High 80 to 85. Low 62 to 67.

**New York City, New York**

Partly cloudy. Wind northwest to northeast at 10 knots. High 79 to 84. Low 58 to 63.

1:45 pm                    **THE PRESIDENT** and the First Lady depart the White House via Marine One en route Andrews Air Force Base  
[flight time: 10 minutes]

1:55 pm                    **THE PRESIDENT** and the First Lady arrive Andrews Air Force Base

2:10 pm                    **THE PRESIDENT** and the First Lady depart Andrews Air Force Base via Air Force One en route LaGuardia Airport, New York  
[flight time: 1 hour, 15 minutes (interchange)]

3:25 pm                    **THE PRESIDENT** and the First Lady arrive LaGuardia Airport, New York  
**OPEN PRESS**

Greeters:                Carl McCall, New York State Comptroller  
                              Dr. Joyce Brown  
                              Representative Charles Rangel  
                              Alma Rangel  
                              Mayor David Dinkins  
                              Joyce Dinkins  
                              Alan Hevesi, New York City Comptroller  
                              Carol Hevesi  
                              Mark Green, New York City Public Advocate  
                              Denny Frand  
                              Martin Connor, New York State Minority Leader  
                              Chris Connor  
                              Judith Hope, New York State Chair  
                              Tom Twoney

3:40 pm                    **THE PRESIDENT** and the First Lady depart LaGuardia Airport, New York via motorcade en route the Sheraton Hotel  
[drive time: 20 minutes]

4:00 pm                    **THE PRESIDENT** and the First Lady arrive the Sheraton Hotel

Greeters:                Paul O'Neil, General Manager  
                              Ed Kane, Director of Catering

4:10 pm-  
4:25 pm                    **MEETING**  
**VERSAILLES BALLROOM PART A**  
The Sheraton Hotel  
Staff Contact: Craig Smith, Eric Eve  
**CLOSED PRESS**

4:30 pm-  
4:45 pm

**PRESENTATION OF BIRTHDAY CARD FROM  
CLINTON/GORE '96 VOLUNTEERS  
VERSAILLES TERRACE  
The Sheraton Hotel  
Staff Contact: Craig Smith, Eric Eve  
Event Coordinator: Nicole Elkon  
STILLS ONLY**

4:50 pm-  
5:30 pm

**RECEPTION FOR THE DEMOCRATIC NATIONAL  
COMMITTEE  
IMPERIAL BALLROOM  
The Sheraton Hotel  
Remarks: Michael Waldman, Jordan Tamagni  
Staff Contact: Craig Smith, Eric Eve  
Event Coordinator: Nicole Elkon  
POOL PRESS**

- The President and the First Lady enter the room to drum roll and "Happy Birthday" performed by Smokey Joe's Cafe.
- The President and the First Lady proceed to the stage.
- The President blows out candles on birthday cake.
- The First Lady makes remarks and introduces the President.
- The President makes remarks.
- Upon conclusion of remarks, the President and the First Lady work a ropeline and departs.

5:35 pm

**THE PRESIDENT** and the First Lady depart the Sheraton Hotel via motorcade en route Radio City Music Hall  
[drive time: 5 minutes]

|              |                                                                                                                                                                                                     |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Note:</b> | <b>Staff traveling with the President will need to wear a credential that will be given to them at the Sheraton Hotel. All staff with tickets proceed directly to their seats in the Main Hall.</b> |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

5:40 pm

**THE PRESIDENT** and the First Lady arrive Radio City Music Hall

**Greeters:** James McManus, President and CEO, Radio City Music Hall  
Eilleen McManus  
Arlen Kantarian, Chief Operating Officer, Radio City Music Hall  
Ann Kantarian



5:45 pm-  
6:45 pm

**RECEPTION FOR THE DEMOCRATIC NATIONAL  
COMMITTEE**

**GRAND FOYER**

Radio City Music Hall

Staff Contact: Craig Smith, Eric Eve

Event Coordinator: Nicole Elkon

**CLOSED PRESS**

- The President and the First Lady will do a photo receiving line.

6:50 pm

**THE PRESIDENT** and the First Lady proceed to their seats

7:00 pm-  
9:10 pm

**BIRTHDAY GALA PERFORMANCE**

**MAIN HALL**

Radio City Music Hall

Remarks: Terry Edmonds, Jordan Tamagni

Staff Contact: Craig Smith, Eric Eve

Event Coordinator: Nicole Elkon

**POOL PRESS**

- Off-stage announcement of the President, the First Lady and Chelsea Clinton to "Ruffles and Flourishes" and "Hail to the Chief."
- The President, the First Lady and Chelsea Clinton proceed to their seats.
- PROGRAM
- Whoopi Goldberg invites the President, the First Lady and Chelsea Clinton to the stage.
- The First Lady makes remarks and introduces the President.
- The President makes remarks.
- The President and the First Lady participate in an interactive discussion with Vice President Gore and Mrs. Gore via satellite.
- City Kids lead audience in "Happy Birthday" as cast files onto stage.
- Whoopi Goldberg leads the President, the First Lady and Chelsea Clinton off stage.

9:15 pm-  
9:50 pm

**GREET THE CAST**  
**STAGE**  
Radio City Music Hall  
Staff Contact: Craig Smith, Eric Eve  
Event Coordinator: Nicole Elkon  
**CLOSED PRESS**

**Note: The cast will present a gift to the President.**

9:55 pm

**THE PRESIDENT** and the First Lady depart Radio City Music Hall via motorcade en route the Waldorf Astoria Hotel  
[drive time: 5 minutes]

10:00 pm

**THE PRESIDENT** and the First Lady arrive the Waldorf Astoria Hotel

Greeters: Eric O. Long, General Manager  
John Mazzoni, Hotel Manager  
Kevin Corrigan, Resident Manager

10:05 pm-  
10:15 pm

**HOLD**  
**THIRD FLOOR HOLD**  
The Waldorf Astoria Hotel

10:20 pm-  
10:40 pm

**RECEPTION FOR THE DEMOCRATIC NATIONAL COMMITTEE**  
**WEST FOYER**  
The Waldorf Astoria Hotel  
Staff Contact: Craig Smith, Eric Eve  
Event Coordinator: Nicole Elkon  
**CLOSED PRESS**

10:45 pm-  
10:50 pm

**DRIVER PHOTOS**  
**THIRD FLOOR HALLWAY**

10:50 pm-  
12:25 am

**DINNER FOR THE DEMOCRATIC NATIONAL COMMITTEE  
GRAND BALLROOM**

The Waldorf Astoria Hotel

Remarks: Michael Waldman, Jordan Tamagni

Staff Contact: Craig Smith, Eric Eve

Event Coordinator: Nicole Elkon

**POOL PRESS**

- The President and the First Lady are announced into the room and proceed to their seats.
- Dinner is served.
- Vernon Jordan invites the President and the First Lady on stage and proposes a toast to the President.
- Birthday cake is rolled out by the chef accompanied by Jessye Norman.
- Jessye Norman leads audience in singing "Happy Birthday."
- The President makes brief remarks.
- Jessye Norman performs.
- The President and the First Lady depart.

12:30 am

**THE PRESIDENT** and the First Lady proceed to the Presidential Suite

**BC AND HRC RON**

**THE WALDORF ASTORIA HOTEL  
NEW YORK, NEW YORK**



**SCHEDULE OF THE PRESIDENT**

**FOR**

**MONDAY, AUGUST 19, 1996**

**FINAL**

**CLINTON/GORE '96 TRAVEL DAY**

**SCHEDULING DIRECTOR:**

**ANNE HAWLEY**

**HOME: 703-553-8940**

**OFFICE: 202-456-2823**

**WHCA PAGER: 4039**

**C/G SKY PAGE: 161-0604**

**SCHEDULING DIRECTOR:**

**STEPHANIE STREETT**

**HOME: 202-332-5651**

**OFFICE: 202-456-2823**

**WHCA PAGER: 4033**

**C/G SKY PAGE: 161-4673**

**TRIP COORDINATOR:**

**JANNA SIDLEY**

**HOME: 202-466-8663**

**OFFICE: 202-496-1010**

**C/G SKY PAGE: 212-0851**

**PRESS DESK:**

**REBECCA MCKENZIE**

**HOME: 202-547-4432**

**OFFICE: 202-496-1010**

**C/G SKY PAGE: 178-4948**

**WEATHER:**

**Jackson, Tennessee**

Partly cloudy with a chance of late day showers and thunderstorms. Wind northwest to southwest at 5 to 10 knots. High 87 to 92. Low 58 to 63.

**Washington, DC**

Partly cloudy. Wind northwest to northeast at 6 to 12 knots. High 80 to 85. Low 60 to 65.

**SCHEDULE OF THE PRESIDENT  
FOR  
MONDAY, AUGUST 19, 1996  
FINAL**

**CLINTON/GORE '96 TRAVEL DAY**

|                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>NOTE:</b> <b>Baggage call is at 6:00 am. Please leaves bags outside your room. Guests housed on the 27th and 36th floors should bring their bags to the staff office, room 34Y.</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

tba

**MORNING RUN**

**OPTIONAL EVENT:**

9:00 am

**BIRTHDAY BREAKFAST WITH FRIENDS**

ROOM 34A

Staff Contact: Ann Stock

**CLOSED PRESS**

9:45 am-

9:55 am

**BIRTHDAY CARD PRESENTATION BY KERRI STRUG**

WEST FOYER

Staff Contact: Craig Smith, Eric Eve

**STILLS ONLY**

10:00 am

**THE PRESIDENT** and the First Lady depart the Waldorf Astoria Hotel via motorcade en route LaGuardia Airport  
[drive time: 25 minutes]

10:25 am

**THE PRESIDENT** and the First Lady arrive LaGuardia Airport  
**OPEN PRESS**

10:40 am

**THE PRESIDENT** and the First Lady depart LaGuardia Airport via Air Force One en route Jackson/McKellar-Sipes Airport, Jackson, Tennessee  
[flight time: 2 hours, 35 minutes (interchange)]  
[time change: -1 hour]

12:15 pm (CDT) **THE PRESIDENT** and the First Lady arrive Jackson/McKellar-Sipes Airport  
**OPEN PRESS**

**Note:** Vice President Gore and Mrs. Gore will meet the President and the First Lady upon arrival.

Greeters: Governor Ned McWherter  
Lt. Governor John Wilder  
Representative John Tanner  
Bettye Ann Tanner  
Representative Bill Purcell  
Representative Matt Kisber  
Speaker Jimmy Naifeh  
Speaker Pro Temp Lois DeBerry  
Mayor Charles Farmer  
Mayor Alex Leech, Madison County  
Houston Gordon

Ricky Mullins, Faces of Hope  
Ashley Staggs

12:30 pm **THE PRESIDENT** and the First Lady depart Jackson/McKellar-Sipes Airport via motorcade en route New Shiloh United Methodist Church, Humboldt, Tennessee  
[drive time: 30 minutes]

**Note:** All motorcade movements will include Vice President Gore and Mrs. Gore's traveling party.

1:00 pm **THE PRESIDENT** and the First Lady arrive New Shiloh United Methodist Church, Humboldt, Tennessee

Greeters: Reverend Bill Vaughan  
Marge Vaughan

1:05 pm-  
1:20 pm **TOUR OF NEW SHILOH UNITED METHODIST CHURCH**  
Staff Contact: Alan Wheat  
Event Coordinator: Janna Sidley  
**POOL PRESS**

1:25 pm **THE PRESIDENT** and the First Lady depart New Shiloh United Methodist Church via motorcade en route Salem Missionary Baptist Church, Fruitland, Tennessee  
[drive time: 5 minutes]



1:30 pm

**THE PRESIDENT and the First Lady arrive Salem Missionary Baptist Church, Fruitland, Tennessee**

Greeters:                    Reverend Dan Donaldson  
                                  Athalia Donaldson  
                                  Brittany Donaldson  
                                  Danny Donaldson

1:40 pm-

2:25 pm

**REMARKS TO COMMUNITY  
FRONT OF CHURCH**

Salem Missionary Baptist Church

Remarks: Terry Edmonds

Staff Contact: Alan Wheat

Event Coordinator: Janna Sidley

**OPEN PRESS**

- Reverend Bill Vaughan gives invocation.
- Representative John Tanner makes remarks and introduces Mrs. Gore.
- Mrs. Gore makes remarks and introduces the First Lady.
- The First Lady makes remarks and introduces Vice President Gore.
- Vice President Gore makes remarks and introduces Reverend Dan Donaldson.
- Reverend Dan Donaldson makes remarks and introduces the President.
- The President presents plaque to ministers of New Shiloh United Methodist Church and Salem Missionary Baptist Church and makes remarks.
- Reverend Dan Donaldson says closing prayer and the President, the First Lady, Vice President Gore and Mrs. Gore depart.

2:25 pm-

3:55 pm

**REBUILDING OF SALEM MISSIONARY BAPTIST CHURCH  
ALTER**

Staff Contact: Alan Wheat

**POOL PRESS**

4:00 pm-  
4:15 pm

**GREET VOLUNTEERS  
FELLOWSHIP HALL  
CLOSED PRESS**

**Note: The President and Mrs. Gore will be presented with a birthday cake.**

4:25 pm

**THE PRESIDENT** and the First Lady depart Salem Missionary Baptist Church via motorcade en route site tbd  
[drive time: 20 minutes]

4:45 pm

**THE PRESIDENT** and the First Lady arrive site tbd

4:50 pm-  
5:50 pm

**PRIVATE DINNER  
SITE TBD**

6:00 pm

**THE PRESIDENT** and the First Lady depart site tbd via motorcade en route Jackson/McKellar-Sipes Airport  
[drive time: 15 minutes]

6:15 pm

**THE PRESIDENT** and the First Lady arrive Jackson/McKellar-Sipes Airport  
**OPEN PRESS  
OPEN PUBLIC**

**Greeters:**

Governor Ned McWherter  
Lt. Governor John Wilder  
Representative John Tanner  
Bettye Ann Tanner  
Representative Bill Purcell  
Representative Matt Kisber  
Speaker Jimmy Naifeh  
Speaker Pro Temp Lois DeBerry  
Houston Gordon  
Jim Neeley, President, AFL-CIO  
Eddie Bryan, Secretary/Treasurer, AFL-CIO  
Wanda Copley, Tennessee Education Association  
  
Jerry Winters, Tennessee Education Association

6:35 pm (CDT)

**THE PRESIDENT** and the First Lady depart Jackson/McKellar-Sipes Airport via Air Force One en route Andrews Air Force Base  
[flight time: 1 hour, 45 minutes]  
[time change: +1 hour]

9:25 pm (EDT) **THE PRESIDENT** and the First Lady arrive Andrews Air Force Base

9:40 pm **THE PRESIDENT** and the First Lady depart Andrews Air Force Base via Marine One en route the White House  
[flight time: 10 minutes]

9:50 pm **THE PRESIDENT** and the First Lady arrive the White House

**BC AND HRC RON** **THE WHITE HOUSE**



August 17, 1996

## VICTORY '96 PRESIDENTIAL BIRTHDAY RECEPTION

|                  |                                                    |
|------------------|----------------------------------------------------|
| <b>DATE:</b>     | Sunday, August 18, 1996                            |
| <b>LOCATION:</b> | Sheraton New York Hotel<br>811 Seventh Avenue, NYC |
| <b>TIME:</b>     | 4:50 p.m. - 5:35 p.m.                              |
| <b>FROM:</b>     | Richard Sullivan<br>DNC Finance Director           |

### I. PURPOSE

The purpose of this event is to celebrate your 50th birthday and to raise funds for Victory '96.

### II. BACKGROUND

This reception is the commencement to your 50th birthday celebration. The guests in attendance will continue on to the Radio City show. Guests contributed \$1,500 to attend.

### III. PARTICIPANTS

#### **The President**

The First Lady  
Chairman Dodd  
Chairman Fowler  
1700 guests

### IV. PRESS PLAN

Open.

### V. SEQUENCE OF EVENTS

- \*YOU and Mrs. Clinton proceed backstage and are announced into the Imperial Ballroom;
- \*YOU and Mrs. Clinton proceed to the stage;
- \*YOU are greeted by Chairman Dodd and Chairman Fowler;
- \*YOU blow out the birthday candles on the cake;
- \*Mrs. Clinton delivers remarks and introduces YOU;
- \*YOU deliver remarks;
- \*YOU and Mrs. Clinton depart and work a ropeline left to right;
- \*YOU and Mrs. Clinton stage for photos with Smokey Joe's Cafe ensemble;
- \*YOU and Mrs. Clinton depart en route to Radio City.

### VI. REMARKS

Provided by speechwriting.

**PRESIDENT WILLIAM J. CLINTON  
TALKING POINTS FOR RECEPTION FOR  
THE DEMOCRATIC NATIONAL COMMITTEE  
THE SHERATON HOTEL  
NEW YORK CITY  
AUGUST 18, 1996**

**Acknowledgments:** Don Fowler, Chris Dodd, Marvin Rosen; Smokey Joe's Cafe.

**Joke:** I've already received a birthday gift or two -- Congress got me a new pen . . . with no ink! And Bob Dole offered me a tax cut . . . But I told him I already have one!

**My friends:** In 79 days, America will make a choice; a choice between two very different visions, two very different plans for America's future.

**Four years ago:** economy was drifting: slow job growth; quadrupled deficit; domestic division; uncertain leadership in the world.

**Three ideas:** American Dream for all who are willing to work for it; get people working together to solve our problems despite diversity; ensure America remained strongest force for peace and freedom.

**Basic bargain:** Opportunity -- Responsibility -- Community

**The Record:** We promised to cut deficit in ½ and create 8M new jobs. Gingrich: "I believe this will lead to a recession next yr." Arney: "Clearly, this is a job-killer." Gramm: "we are buying a one-way ticket to a recession." Kasich: "This plan will not work. If it was to work, then I'd become a Democrat." We'll save him a seat at the United Center!

**Results:** Today, exports are surging. 205,800 new jobs in New York -- that's after losing more than twice as many in the four years before I took office. Auto industry is number one again; Basic industries are back; More than 900,000 new construction jobs. 4.4 million new homeowners; 10M refinanced at lower rates. Record number of small business; record number of businesses owned by women. The government has been cut by 230,000 people. Combined rates of unemployment, inflation and mortgages lowest in three decades. Unemployment dropping in New York. The deficit cut by over half -- smallest since 1981. The economy has created over 10 million new jobs. Real wages on the rise again after falling for a decade. America's economy is the soundest it has been in a generation.

**Crime:** New Approach. 100,000 cops on the street . . . thousands of new police on the streets of New York's communities and millions of dollars to keep drugs and violence out of New York's schools . . . tough punishment . . . Brady/assault weapons. No hunter lost gun --

60K felons, fugitives, stalkers. Violence Against Women Act . . . Crime down 4 years in a row. Crime down in New York and in New York City (15% drop in NYC reported crime)

**What a month:** We passed minimum wage -- millions of families helped, 2/3 of min wage earners women. We passed Kennedy-Kassebaum health care -- help 25 M Americans get access to health care. Safe Food. Clean Drinking Water. Welfare reform. Terrorism.

**Welfare:** New Approach. Opportunity and Responsibility. Tough on work/fair to kids. 67 Welfare Reform experiments in 40 states. 75% under new rules. Landmark legislation -- we must improve (nutrition, immigrants). Now, 1.3 Million fewer on welfare -- child support up by 40%.

**Family and Character:** New Approach. Responsibility to support families: FMLA; V-Chip; tobacco, protect environment.

**The Choice:** Voters are lucky -- no mystery. If you want GOP budget, Medicare, environment, education cuts -- law of the land 6 months after GOP wins.

**Future -- Opportunity/Education** -- 13th and 14th years; 10K deduction/\$1,500 tax credit; Every classroom on Internet by 2000; Balanced Budget.

**Future -- Responsibility/Crime:** cop killer bullets; crime victims amendment; School uniforms, curfews, truancy.

**Future -- Community/Strengthen Family** -- extend Family Medical Leave Act, flex-time, TV violence.

**Question to ask:** Are we doing what we must to get ready for 21st Century? What world will we leave for our children? Let's make the right choice.



August 17, 1996

## VICTORY '96 PRESIDENTIAL BIRTHDAY CELEBRATION

**DATE:** Sunday, August 18, 1996  
**LOCATION:** Radio City Music Hall  
**TIME:** Tier 1 -- 5:45 p.m. - 6:45 p.m.  
Tier 2 -- 7:00 p.m. - 9:10 p.m.  
Tier 3 -- 9:15 p.m. - 9:45 p.m.  
**FROM:** Richard Sullivan  
DNC Finance Director

### I. PURPOSE

The purpose of this event is to celebrate your 50th birthday and to raise funds for Victory '96.

### II. BACKGROUND

This is a 3 tiered event. The birthday show celebrates the ~~six~~<sup>50</sup> decades of your life through music, film and comedy. The attendees are your top supporters from around the country. There are 5000 guests in attendance.

### III. PARTICIPANTS

#### The President

The First Lady

Chelsea Clinton

Please see the attached private reception list.

### IV. PRESS PLAN

This event will be open to the press for the last 15 minutes of the finale.

### V. SEQUENCE OF EVENTS

#### Tier 1

\*YOU and Mrs. Clinton will enter the Grand Foyer of Radio City Music Hall;

\*YOU and Mrs. Clinton will participate in a photo receiving line;

\*YOU and Mrs. Clinton proceed to your seats in the main hall.

#### Tier 2

\*YOU, Mrs. Clinton and Chelsea are announced off-stage;

\*Radio City Music Hall Surprise program;

\*YOU, Mrs. Clinton and Chelsea proceed to the stage at conclusion of show;

\*Mrs. Clinton introduces YOU;

**\*YOU deliver remarks.**

**\*YOU and Mrs. Clinton participate in an interactive video discussion with the Vice President and Mrs. Gore via satellite.**

**\*The singing group City Kids leads audience in "Happy Birthday" as cast files onto stage.**

**\*Whoopi Goldberg leads YOU, Mrs. Clinton and Chelsea off stage.**

**Tier 3**

**\*YOU, Mrs. Clinton and Chelsea greet the cast of the show and participate in a photo line.**

**VI. REMARKS**

Provided by speechwriting

**PRESIDENT WILLIAM J. CLINTON  
REMARKS AT PRESIDENTIAL BIRTHDAY GALA  
RADIO CITY MUSIC HALL  
NEW YORK CITY  
AUGUST 18, 1996**

**Acknowledgments:** Don Fowler, Marvin Rosen, Chris Dodd.

**Mrs. Clinton:** First, I want to thank you, Hillary, for the best birthday party I've ever had. In 1946, the year I was born, the movie "It's a Wonderful Life" came out. That's a fitting title to my life -- especially the last 21 years. And the last 16 years have been pretty great, too. Thanks, Chelsea, for making my birthday special.

**1946 Facts:** Believe it or not, a few other things happened in 1946. The first session of the United Nations convened in London; ENIAC, the world's first computer, was invented; Joe Louis was the heavy weight champion of the world; St. Louis Cardinals won the World Series; Winston Churchill gave his famous Iron Curtain speech in Missouri.

**Thank you:** I want to thank all of you who have come so far to help me celebrate tonight. Your presence here is the greatest birthday present anyone could ever ask for. I feel like I'm on that old TV show, "This is Your Life;" -- but now I'm giving away my age . . . The only person who was missing was Elvis.

**Jokes:** When I was first informed of this 50th Birthday Party Gala -- I was dead set against it -- not the gala but the turning 50 part.

So now, by Executive Order, I will be 49 in perpetuity.

When I turned 40, I took the occasion to make a very special wish -- it only took 6 years to come true. I'm going to make another wish tomorrow -- this time we only have to wait until November.

**Closing:** For many of us, birthdays are a time to reflect on the years that have passed and on those to come. I know that I do. By anybody's reckoning, I have had an amazing journey through life so far. I am filled with gratitude for all the blessings that God has bestowed upon me, my family, this nation, and my generation. I was among the first children born in the Baby Boom. I have watched my generation triumph over disillusionment and profound social changes that might have torn us apart. We are the generation who marched in Mississippi. We are the generation who dared to dream. We are the generation who believed that we could change the world -- and we have. And we will continue to come together to do what is right for this country -- and this world -- as we go forward into the 21st century.

I understand that there's another surprise in store for me tonight . . . [surprise].



It's been a wonderful **first** 50 years . . . and no matter what happens come November,  
I hope God sees fit to give me a second term. Thank you and God bless you.

August 17, 1996

## VICTORY '96 PRESIDENTIAL DINNER

**DATE:** Sunday, August 18, 1996  
**LOCATION:** The Waldorf Astoria  
**TIME:** Tier 1 -- 10:20 p.m.- 10:40 p.m.  
Tier 2 -- 10:50 p.m. - 12:25 p.m.  
**FROM:** Richard Sullivan  
DNC Finance Director

### I. PURPOSE

The purpose of this dinner is to celebrate your 50th birthday and to raise funds for Victory '96.

### II. BACKGROUND

This is a 2 tiered event. Tier 1 is a private reception and tier 2 is the dinner. The guests at the dinner are Co-Chairs, benefactors and patrons of the birthday celebration. There will be approximately 700 guests in attendance.

### III. PARTICIPANTS

#### Tier 1

**The President**

The First Lady

See attached private reception list.

#### Tier 2

**The President**

The First Lady

~~The See attached head table lists.~~

### IV. PRESS PLAN

This event will be open to the pool press for the after-dinner birthday toast.

### V. SEQUENCE OF EVENTS

#### Tier 1

\*YOU and Mrs. Clinton arrive at the private reception and are greeted by Donna and Mack McLarty;

\*YOU and Mrs. Clinton meet and greet with the guests and take photos;

\*YOU and Mrs. Clinton depart to the Grand Ballroom.

## Tier 2

- \*YOU and Mrs. Clinton are announced offstage and proceed directly to your seats.
- \*At the conclusion of the entree, Vernon Jordan proceeds to the podium and presents a toast.
- \*YOU and Mrs. Clinton are called up onto the stage.
- \*There is a cake presentation and "Happy Birthday" will be sung – led by Jessye Norman
- \*YOU make brief remarks
- \*Jessye Norman performs
- \*YOU and Mrs. Clinton depart

## **VI. REMARKS**

Provided by Speechwriting



**PRESIDENT WILLIAM J. CLINTON  
TALKING POINTS FOR  
DEMOCRATIC NATIONAL COMMITTEE DINNER  
THE WALDORF ASTORIA HOTEL  
NEW YORK CITY  
AUGUST 18, 1996**

**Acknowledgments:** Don Fowler, Chris Dodd, Marvin Rosen; Jay Alix & Maryanne Hanson-Alix; Noach Dear [No-ahck Deer], Beth Dozoretz, Larry Harris, Susan & Alan Patricof, Stanley Shuman, Paul Verrochi, Harvey Weinstein.

**Thanks:** Thank you for this beautiful cake; it looks too good to eat. Thank you, Jesse Norman, for your beautiful rendition of "Happy Birthday." And thank you all for coming -- it's wonderful to celebrate my 50th birthday with you. It means a lot, and so does your support.

**Vernon Jordan:** Thank you, Vernon Jordan, for that toast. I understand you just celebrated your birthday to little less fanfare than all this. Well, as your friend, I couldn't let your special day pass by without a fitting tribute, so I'd like to present you with a birthday cake of your own. [N.B. A small cupcake will be brought out from backstage.] It may not be much, but it's the thought that counts! Seriously, though, Vernon, thank you for your kind words; I'm glad to see you here tonight.

**Joke:** I've already received a birthday gift or two -- Congress got me a new pen... with no ink! And Bob Dole offered me a tax cut ... but I told him I already have one!

**My friends:** In 79 days, America will make a choice; a choice between two very different visions, two very different plans for America's future.

**Four years ago:** economy was drifting: slow job growth; quadrupled deficit; domestic division; uncertain leadership in the world.

**Three ideas:** American Dream for all who are willing to work for it; get people working together to solve our problems despite diversity; ensure America remained strongest force for peace and freedom.

**Basic bargain:** Opportunity -- Responsibility -- Community

**The Record:** We promised to cut deficit in ½ and create 8M new jobs. Gingrich: "I believe this will lead to a recession next yr." Armey: "Clearly, this is a job-killer." Gramm: "we are buying a one-way ticket to a recession." Kasich: "This plan will not work. If it was to work, then I'd become a Democrat." We'll save him a seat at the United Center!

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**Crime:** New Approach. 100,000 cops on the street . . . thousands of new police on the streets of New York's communities, and millions of dollars to keep drugs and violence out of New York's schools . . . tough punishment . . . Brady/assault weapons. No hunter lost gun -- 60K felons, fugitives, stalkers. Violence Against Women Act . . . Crime down 4 years in a row. Crime down in New York and in New York City (15% drop in NYC reported crime)

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August 16, 1996

## ECONOMIC PROGRESS IN NEW YORK 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 York after the first 41 months of the Clinton Administration:

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### *Improved Economic Conditions in New York:*

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- The unemployment rate has dropped from 8.4% to 6.3%.
  - 205,800 new jobs added in 41 months -- after 521,200 lost during the previous 4 years combined.
  - 249,800 new private-sector jobs added in 41 months -- after 500,000 lost during the previous 4 years combined.
  - 62,500 manufacturing jobs *LOST* in 41 months -- after 213,900 lost during the previous 4 years combined.
  - New business incorporations have increased 2% **per year**.
  - Business failures have dropped 12% **per year** -- after increasing 35% **per year** during the previous 4 years.
  - Bankruptcy filings have dropped 46% **per year** -- after increasing 11% **per year** during the previous 12 years.
  - Bank lending has increased by \$59.2 billion -- after dropping by \$81.9 billion during the previous 8 years.
- The Help Wanted Index has increased 26%.
- Consumer confidence has increased 9%.

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### *What President Clinton's Accomplishments Have Achieved for the People of New York:*

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**\$15,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN NEW YORK:** 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 York.

**6 TIMES MORE NEW YORK FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE:** As a result of the expanded Earned Income Tax Credit, 890,568 working families in New York will receive a tax cut. This compares to an increase in the income tax rate for only the 148,562 wealthiest taxpayers in New York.

**TAX CUT FOR 80,373 SMALL BUSINESSES IN NEW YORK:** The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 80,373 small businesses in New York are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

**3,141,000 NEW YORK 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 3,140,640 workers in New York, and protects the jobs of 188,672 workers in New York who are likely to use unpaid leave this year alone.

**2 MILLION STUDENTS AND FORMER STUDENTS IN NEW YORK WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS:** Approximately 2 million New York borrowers -- 1.4 million current borrowers and 600,000 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.



August 16, 1996

**MEMORANDUM FOR THE PRESIDENT**

**FROM:           ANN WALKER  
                  DAN COLLINS**

**RE:             Local Issues Briefing -- New York City**

**CRIME**

Officer Charged with Manslaughter

A Bronx grand jury indicted a transit police officer on charges of first degree manslaughter Thursday, accusing the officer of intentionally shooting an unarmed man in the back on a subway platform on July 4. Prosecutors said Paolo Colecchia, 35, fired repeatedly and deliberately at the African American victim, a Navy veteran from the Gulf War, even though he had frisked him moments earlier.

**CITY GOVERNMENT**

Giuliani Orders Cuts of \$500 Million

Mayor Giuliani spared few municipal agencies in his latest round of budget cuts on Thursday. Only the Board of Education and the Department of Aging will be exempted from the \$500 million in spending cuts, which Giuliani ordered in response to warnings from fiscal monitors about a looming budget gap and fiscal crisis. Coming unusually early in the fiscal year and on the heels of a \$1 billion reduction in June, the new cuts represent a 12 percent reduction in discretionary spending for most agencies.

THE WHITE HOUSE  
WASHINGTON

August 16, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS   
SUBJECT: HOT ISSUES -- NEW YORK

**NYC Unions Upset at Hospital Mergers:** Unions are increasingly concerned about three separate hospital mergers in NY - New York Hospital and Columbia-Presbyterian Medical Center, Beth Israel and Long Island Jewish, and New York University Hospital and Mount Sinai. Unions are concerned about potential job losses due to likely downsizing and impacts on union members' benefits and job security provisions. The Federal Housing Administration (FHA) has insured mortgages on four of these six hospitals and would have to approve these mergers. Local union president Dennis Rivera may approach you or Harold Ickes. Rivera is a strong union leader in the city, a former colleague of Harold's, and a leader in getting out the Latino vote in NY for 1996. Rivera may not be aware at this early stage that the Federal government will have a role in the merger. The FHA will intervene at the point in the negotiations involving the transfer of physical assets. We anticipate that such a stage in the negotiations will not be reached for at least 2-3 months from now. (HUD)

**Airport Security:** New security measures at the NY airports have created longer lines and longer check-in times for passengers. In addition, the new cargo security procedures have generated a negative reaction from the freight industry. The *New York Times* ran a front page story August 13 on airline security. (DOT)

**New York City Concerned About Cost of Federal Welfare Reform:** Mayor Guiliani has expressed concern about the cost of implementing the new welfare reform work requirements, claiming that the bill deliberately shifts costs from federal to local taxpayers. The City estimates that it may need to spend as much as \$400 million a year if the bill is enacted. Governor Pataki said he may call a special session of the State legislature to deal with the impact of the federal welfare reform bill on New York State. (HHS)

**Housing Evictions:** After a lengthy court battle, the NYC Department of Housing Preservation and Development carried out a cluster of high profile evictions of long term squatters in Manhattan's Lower East Side neighborhood; there was some minor violence and two arrests. Local media have used this as an opportunity to raise the issue of urban housing

policy. Given the Republican vice presidential nominee's previous job, it is possible that the President will be asked to comment. (HUD)

**Indian Gaming:** The Saint Regis Mohawk Tribe recently submitted an application to the Bureau of Indian Affairs for a gaming facility at the Montecello Harness Race Track. This would mark the closest casino to New York City and there is no indication at the present time whether Governor Pataki would concur in the taking of this land into trust status for the tribe. The facility is located over 300 miles from the reservation. It is expected that review of the application and consultation will take nine months to a year. (DOI)

**Labor Relations:** Several contracts covering health care workers expired late in 1995 and have yet to be replaced. The lack of a contract has led to an ongoing seven-week strike by approximately 6,000 technical, maintenance, and service workers at twelve NYC area hospitals and nursing homes. At the Columbia-Presbyterian Medical Center, the lack of progress in contract talks led to a 24-hour strike by 1,500 registered nurses in early July. The hospital is demanding that technicians be allowed to do much of the registered nurses's work. (DOL)

**Dairy Compact:** On August 9, Secretary Glickman announced that he is authorizing the New England states to proceed with the Northeast Interstate Dairy Compact, to regulate milk marketing among six New England states. Approximately 95 percent of the comments received by USDA supported its implementation. However, on August 12, the *New York Times* ran an editorial critical of the Compact as making a milk cartel to favor a "handful of local farmers" at the expense of "the poor." Processors also voiced objections to the Compact. (USDA)

**Japan Insurance:** On July 29, Ambassador Barshefsky traveled to Vancouver, Canada to hold talks on Japan's measure to liberalize its insurance market. Both sides have agreed to continue talks in September. Hank Greenberg of AIG and the NY Congressional delegation are deeply interested in this issue. (USTR)

**Sterling Forest:** The Governors of NY and NJ have agreed to a \$55 million purchase price for 15,800 acres (90 percent) of Sterling Forest. At issue is the federal contribution to assist the two states in preserving this 17,500-acre tract of wilderness, which mostly lies in NY but acts as a natural filter for much of NJ's drinking water. All parties in the two states support preservation to prevent an imminent danger of development. However, Congress has yet to pass authorizing legislation that would allow a federal share in the investment. Your Administration has consistently supported both preserving the area and spending \$17.5 million in federal dollars to help the two states, which would provide the majority of funding. (DOI)



August 16, 1996

**TOUR OF NEW SHILOH UNITED METHODIST CHURCH  
and  
REMARKS TO THE COMMUNITY and  
REBUILDING OF SALEM MISSIONARY BAPTIST CHURCH**

DATE: August 19, 1996  
LOCATION: New Shiloh United Methodist Church (Tour)  
Salem Missionary Baptist Church (Remarks/Rebuild)  
Fruitland, Tennessee  
TIME: 1:05 pm---Tour of New Shiloh  
1:40 pm---Remarks to Community at Salem Baptist  
2:30 pm---Rebuilding of Salem Baptist  
FROM: Alan Wheat

**I. PURPOSE**

In celebration of your and Mrs. Gore's birthday, your family will join the Gore family, church members and volunteers in rebuilding Salem Missionary Baptist Church in Fruitland, Tennessee.

**II. BACKGROUND**

One is Baptist, the other Methodist. One is black, the other white. Both churches have 65 members in their congregations. Both churches were destroyed by fire. Before the fires, the congregations had never met despite there being only 200 people in Fruitland and only three miles of country road separating one church from the other. The flames of fire and faith did what had not been done before, it brought Salem Missionary Baptist Church and New Shiloh United Methodist Church together. Today, these two small Tennessee congregations, sharing their new found friendships and using their hands and hearts, are resurrecting new structures on the same land where the old ones stood. And the congregations are strengthening the ties they share as a people and a community.

**Salem Missionary Baptist Church**, the African American church, was founded in 1872 as a "bush harbor," a clearing in the woods where the poor worshiped under a shelter made of sticks and straw. A more permanent structure with a steeple was constructed in 1900, and through the years, Salem has grown and expanded. On Saturday, December 30, 1995, around 9:00 pm, Salem Missionary Baptist Church was burned to the ground. The church structure and everything that remained inside, including all church records, were destroyed. Although the cause of fire is arson, no one has been arrested. It is believed to be a racially motivated arson.

In May 1996, the grounds of the destroyed church began to be cleared for the rebuilding process, and on June 24, 1996, the rebuilding effort began relying on the generous gifts and contributions received. Before the fire, the church was debt free, even the electric bill had just been paid. In rebuilding the church no loans have been taken, the congregation has asked for nothing, but they have received everything. Volunteers from a white church in Henderson, Texas came to rebuild. A group of Quakers from Ohio and Indianapolis came to rebuild. A group of Southern Baptists from North Carolina came to rebuild. A gentleman from Boston is donating a brand new Hammond organ. Money has come from as far away as Japan, the Christian Coalition donated funds and the National Council of Churches is giving a \$118,000 grant to complete the church. In September when the new church is finished, it will be debt free.

Reverend Daniel Donaldson, 44 years old, has served as the pastor of Salem Baptist since November 1981. Serving as Salem's pastor is especially significant for him because he has been a member of the church since his childhood. Reverend Donaldson said they have received such an abundance of gifts, he is sharing them with other burned churches.

**New Shiloh United Methodist** was founded in 1937. In 1939, the church was destroyed by a tornado and rebuilt. Over the years, the church expanded and in 1993 the congregation took a loan to add a fellowship hall to the structure. Coincidentally, on the morning of December 12, 1994, the church made its last payment on its loan. That night at 7:45 pm, the church was burned to the ground. There are many speculations about what happened. Some feel the church was burned by mistake because someone thought it was the black church, Salem Missionary. The Sheriff's office has listed the fire as accidental. There was an early arrest, but the suspect was released because he had an alibi. For one year there had been no mention of the incident in the local media. This raised some concern with the congregation, and a little resentment. But those concerns were eased when the first church to offer help was Salem Missionary. In turn, New Shiloh was one of the first churches to help Salem after it burned. Although New Shiloh did not receive the outpouring of assistance that Salem Missionary received, through the help of Reverend Donaldson, Shiloh is gaining recognition and assistance. New Shiloh had insurance, but not enough to cover all the damage. Its insurance policy was renewed. Salem Missionary's insurance policy was not renewed. But now Salem has a new policy with a new agency.

The pastor of New Shiloh, Reverend Bill Vaughan, is amazed at how people have come together to help each other. He happens to be a life-long Democrat. One of his sons is also a minister at one of the largest multi-racial churches in Memphis. His youngest son is married to the daughter of our Ambassador to South Korea, James Laney.



Birthdays are celebrations of life. During your visit to each church, you will celebrate the goodness of life. You will meet sharing and caring pastors and congregations. You will be buoyed by the remarkable generosity of volunteers from throughout the county and the country. And you will be inspired by how these ordinary people have ignited the spirit of community by pulling together, working together and, ultimately, building a better America.

### III. PARTICIPANTS

#### Shiloh United Methodist Church Tour

Reverend Bill Vaughan

Mrs. Marge Vaughan, wife of Reverend Vaughan

12 volunteers from New City Fellowship Presbyterian, a multi-racial church in Chatanooga, Tennessee

#### On Stage for Remarks at Salem Baptist Church

The First Lady

Vice President Gore

Mrs. Gore

The Honorable Ned McWherter (former governor of Tennessee)

Representative John Tanner (D-TN)

Reverend Dan Donaldson, Pastor of Salem Baptist Church

Mrs. Athalia (ah-THALE-yah) Donaldson, wife of Reverend Donaldson

Deacon Lincoln Burnett, Senior Deacon, Salem Baptist Church

Reverend Bill Vaughan, Pastor of New Shiloh United Methodist Church

#### Audience

Danny Donaldson, 20-year-old son of Reverend and Mrs. Donaldson

Brittany Donaldson, 12-year-old daughter of Reverend and Mrs. Donaldson

400 Guests for remarks:

- Local sheriffs

- Members from both congregations

- Pastors from four other African American churches arsoned in

Fruitvale and surrounding counties including:

  - Rev. Sheron Brown, Macedonia Missionary Baptist Church

  - Rev. Walter Thomas, Johnson Grove Baptist Church

  - Rev. Paul Lusby, Mt. Pleasant Baptist Church

  - Rev. Algie Jarret, Mt. Calvary Baptist Church

- Representatives from the National Council of Churches including Dr.

  - Joan Brown Campbell, General Secretary

- Tennessee Habitat for Humanity volunteers

- 100 Children, kindergarten through second grade, from Martin Primary School, the school where Mrs. Donaldson teaches



#### Rebuilding Effort

Families (The Clintons, the Gores and the Donaldsons)

Volunteers from Flat Rock Southern Baptist Church, a white church in Mt. Airy, North Carolina

#### IV. PRESS PLAN

Pool Press: New Shiloh United Methodist Church Tour

Open Press: Salem Baptist Church Remarks

Pool Press at beginning only: Salem Baptist Rebuilding Effort

#### V. SEQUENCE OF EVENTS

##### New Shiloh United Methodist Tour

- o You, the First Lady, the Vice President and Mrs. Gore are met at New Shiloh United Methodist Church by Reverend Bill Vaughan, the church's 70-year-old pastor, and his wife Mrs. Marge Vaughan.
- o Everyone proceeds inside the church, with Governor McWherter and Representative Tanner trailing behind.
- o Reverend Vaughan gives you a 15-minute tour while the 12 volunteers from New City Fellowship Presbyterian Church are building. **(The press pool will come in to take a photo of the tour.)**
- o Everyone departs the church. Reverend and Mrs. Vaughan will ride in the motorcade to Salem Baptist Missionary Church.

##### Salem Baptist Church

- o You, the First Lady, the Vice President and Mrs. Gore are met upon arrival by the pastor, Reverend Donaldson, Mrs. Donaldson and their son, Danny. Everyone is escorted inside the church to hold while the traveling party, including Chelsea and the Gore children, are seated with the Donaldson children, Danny and Brittany.
- o Governor McWether, Representative Tanner, Reverend Donaldson, Mrs. Donaldson, Deacon Burnett and Reverend Vaughan proceed to the stage.
- o You, the First Lady, Vice President Gore and Mrs. Gore proceed to the stage.
- o Reverend Vaughan gives the invocation.

- o Representative Tanner introduces the First Lady.
- o The First Lady introduces Mrs. Gore.
- o Mrs. Gore introduces the Vice President.
- o The Vice President acknowledges special guests and politicians and introduces Reverend Donaldson.
- o Reverend Donaldson introduces you and remains at the podium.
- o You invite Reverend Vaughan to the podium. Flanked by both pastors, you present each of them a plaque inscribed with: "We must come together as one America to rebuild our churches, restore hope, and show the forces of hatred they cannot win." (This is similar to the plaque presented at Mt. Zion AME in Greeleyville.)
- o You make remarks.
- o Following your remarks, you remain standing as Reverend Donaldson comes to the podium to give the benediction.
- o You work the ropeline.
- o After working the ropeline, you proceed inside to start rebuilding.
- o Approximately 25 people will be working on the interior including your family, the Gores, the Donaldsons, and volunteers from Flat Rock Baptist Church in North Carolina.
- o You spend about 90 minutes cleaning, hanging dry wall and painting the church. **(The press pool will come in for a photo.)**
- o After working, all the volunteers will gather for you to thank them. They will present you and Mrs. Gore with a birthday cake.
- o You depart the church via motorcade.

## VI. REMARKS

To be provided by speechwriters.

THE WHITE HOUSE

WASHINGTON

August 16, 1996

INFORMATION

MEMORANDUM TO THE PRESIDENT

FROM: Alexis Herman  
Flo McAfee

SUBJECT: Church Arsons Update

Herewith is an update on the various initiatives in response to the church burnings.

**I. ENFORCEMENT**

**A. National Church Arson Task Force**

The National Church Arson Task Force (NCATF) continues to aggressively investigate fires at houses of worship and pursue criminal charges against the perpetrators. There have been over 200 fires at churches since January 1995, with nearly half of those being churches with predominantly African American congregations. Eighty percent of the African American churches burned have been in the South.

As a result of the NCATF's efforts, in cooperation with local law enforcement, the pace of arrests in these cases has picked up significantly. Since 1995, arrests have been made in connection with over 55 fires at churches. In June and July 1996, arrests have been made in connection with approximately 28 church arsons.

The most recent enforcement activity involves fires set in June 1995 at the Mt. Zion AME Church in Greeleyville, South Carolina. On Wednesday, August 14, two former members of the Ku Klux Klan, Gary Cox and Timothy Welch, pleaded guilty to federal civil rights and arson charges for these fires. In addition, as a result of information from Cox and Welch, two other former Klan members, Arthur Haley and Herbert Rowell, were indicted on August 15 on federal civil rights, arson and weapons charges related to the church burnings, the arson of two migrant camps and other incidents. Haley and Rowell are now in custody.

**II. PREVENTION**

FEMA's prevention and information hot line is active. They are distributing over 200,000 copies of their prevention brochures and materials to churches and organizations..



### III. REBUILD

#### A. National Rebuilding Initiative Task Force

To determine how best to structure the \$10 million Federal Loan Guaranty Fund, HUD has met with several church groups, non-profits and financial institutions involved and interested in the rebuild effort. From the initial July meeting, the National Rebuilding Initiative Task Force was established. Co-chairs of the Task Force are HUD, the National Council of Churches, and the National Congress of Black Churches. Other organizations and institutions serving on the committee include: NationsBank, the Enterprise Foundation, SCLC, NAACP, National Urban Bankers Association, Habitat for Humanity, Operation PUSH, the AME Church, the Anti-Defamation League, and representatives from the insurance industry, to name a few.

This Saturday, August 17, HUD coordinated a Task Force meeting and resource workshop at Allen University, an historically black university in Columbia, South Carolina. Among the 125 who attended the meeting were pastors from the 31 arsoned churches in South Carolina as well as representatives from local financial institutions and community organizations. The mayor of Columbia even returned from his vacation to be there. Although the meeting focused on providing ministers with rebuilding information, representatives from the Department of Justice, FEMA and ATF also participated. The first loans are expected to be offered in September.

#### B. Private Sector

Many churches continue to receive an outpouring of gifts sent directly to them from people across the country and throughout the world. Items include money, organs, Bibles, pianos, and building supplies. The amount of interest in giving and volunteering has been so great, some of the organizations don't have enough staff to respond to all the requests to do something. The National Council of Churches is taking a little longer than expected to distribute financial grants because of what is required to review the needs of each church. But the HUD Task Force should help relieve some of the burdens of organizations like the National Council and the pastors by serving a rebuild resource of information.

Religious leaders are still heeding your July call for unity. For example this Sunday in Maryland, the Sikhs are holding an interfaith service with six different faith leaders and 500 parishers. They will call for a coming together to support African American churches and all people of faith.

#### C. Mt. Zion AME Church, Greeleyville, South Carolina

As a follow up to your visit, this Sunday, August 18, the county and city of Greeleyville will rename the road from Greeleyville High School to the church (you traveled on it) after Reverend Terrance Mackey. It will be renamed the Terrance Mackey Road.

**PRESIDENT WILLIAM J. CLINTON**  
**REBUILDING OF SALEM BAPTIST CHURCH**  
**FRUITLAND, TENNESSEE**  
**AUGUST 19, 1996**

**Acknowledgments:** Rev. Daniel Donaldson, for introduction...

Before I make my remarks I would like to present Rev. Donaldson and Rev. Bill Vaughan, the minister of New Shiloh United Methodist Church, with a plaque for your rebuilt churches that reads as follows: "We must come together as one America to rebuild our churches, restore hope, and show the forces of hatred they cannot win."

This is the best birthday gift I could have imagined. As your President, and as a fellow citizen of this great country, I am proud to stand with family and friends to help in the resurrection of Salem Baptist Church. I just came from a tour of the New Shiloh United Methodist Church which is also rebuilding in the aftermath of a suspicious fire. Both of the congregations of these churches are being assisted in their rebuilding efforts by a remarkable outpouring of support from people of all faiths and races within this community and across the nation. What you are doing together in rebuilding these churches, shows what we can achieve when we seize opportunity...take responsibility...and come together as a community to do what is right and good. It also shows us the power of faith and love. I am reminded of the words of Dr. Martin Luther King, who once said, "Darkness cannot drive out darkness; only light can do that. Hate cannot drive out hate; only love can do that. Hate multiplies hate, violence multiplies violence...in a descending spiral of destruction."

Your light and your love have raised the toppled walls of this church, and fortified the spirit of America. By your working together, you are not only rebuilding churches, you are mending divisions and upholding the founding principles of our democracy -- equality and religious freedom for all. You are showing us the way we must meet every challenge of the new century -- pulling together as an American community, strengthened by our diversity, united by our values.

Government must do its part. And I am pleased that last week, the Justice Department obtained guilty pleas from two former Ku Klux Klan members in connection with the burning of churches in South Carolina. Federal prosecutors, working with federal and state law enforcement officials also indicted two other Klansmen as co-conspirators in that and other attacks. We will spare no effort to catch and prosecute all those who are responsible for these crimes. But we know that in the end our success depends on people like you banding together to face down evil and build up hope.

As we gather here today, let us be mindful of our many blessings as Americans. We are the freest, most prosperous country on earth. And we are standing on the brink of a new century that promises to open the door to the American Dream to even more of our citizens. But Americans have always heeded the scripture which teaches us that, "Much is required

from those to whom much is given..." Thank you for showing us, once again, the meaning of those words. And thank you for allowing us to join you in living them here today. Thank you. Now, let's go to work.



**PRESIDENT WILLIAM J. CLINTON  
TALKING POINTS FOR DEPARTURE  
JACKSON/MCKELLAR-SIPES AIRPORT  
AUGUST 18, 1996**

- Today I visited two churches that are rebuilding in the aftermath of suspicious fires. Hillary, Chelsea, and the Gore family and I spent part of the day helping to rebuild one of those churches, the Salem Baptist Church in Fruitland, Tennessee.
- It was a uplifting experience for all of us, especially witnessing first hand the outpouring of support from people of all faiths and races who came together to rebuild. There is no better example of how America meets its challenges as one people.
- This was the best birthday present I could have imagined. Thank you and God Bless you all.

## ECONOMIC PROGRESS IN TENNESSEE 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 Tennessee after the first 41 months of the Clinton Administration:

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### *Improved Economic Conditions in Tennessee:*

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- The unemployment rate has dropped from 6.1% to 4.7%.
- Nearly twice as many new jobs **per year** -- 76,917 vs. 39,275 average during the previous 4 years. In 41 months, Tennessee has added 262,800 total jobs, after adding 157,100 during the previous 4 years combined.
- Nearly twice as many new private-sector jobs **per year** -- 67,756 vs. 34,450 average during the previous 4 years. In 41 months, Tennessee has added 231,500 private-sector jobs, after adding 137,800 during the previous 4 years combined.
- 6,500 new manufacturing jobs in 41 months -- over twice as many as during the previous four years combined.
- The Help Wanted Index has increased 50%.
- Bank lending has increased by \$11.4 billion -- after declining by \$2.0 billion during the previous 4 years.
- Business failures have dropped 11% **per year** -- after increasing 12% **per year** during the previous 12 years.  
me building has increased 18% **per year** -- after dropping 4% **per year** during the previous 4 years.
- Consumer confidence has increased 62% -- after falling 31% over the previous 4 years.

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### *What President Clinton's Accomplishments Have Achieved for the People of Tennessee:*

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**\$15,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN TENNESSEE:** 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 Tennessee.

**19 TIMES MORE TENNESSEE FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE:** As a result of the expanded Earned Income Tax Credit, 384,057 working families in Tennessee will receive a tax cut. This compares to an increase in the income tax rate for only the 20,469 wealthiest taxpayers in Tennessee.

**TAX CUT FOR 25,586 SMALL BUSINESSES IN TENNESSEE:** The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 25,586 small businesses in Tennessee are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

**898,000 TENNESSEE 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 897,527 workers in Tennessee, and protects the jobs of 53,918 workers in Tennessee who are likely to use unpaid leave this year alone.

**0 STUDENTS AND FORMER STUDENTS IN TENNESSEE WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS:** Approximately 285,700 Tennessee borrowers -- 200,000 current borrowers and 85,700 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.



August 16, 1996

**MEMORANDUM FOR THE PRESIDENT**

**FROM:** ANN WALKER  
DAN COLLINS

**RE:** Local Issues Briefing -- Tennessee

**JACKSON/FRUITLAND**

**Economy:** Jackson Area Reports Growth

The Jackson area Chamber of Commerce recently reported that Madison County has created over 3,700 new manufacturing and distribution jobs in the past 36 months. In the last two years, a total of 7,700 new jobs have been added to the local economy. Retail spending growth has averaged 9.5 percent a year since 1991. In 1995, the Wall Street Journal named Jackson a "Southern Hot Spot" as a result of its industrial growth.

**Education:** Jackson School System Boasts Accomplishments and Innovations

A new set of educational standards will be implemented for the 1997-98 school year, the Jackson-Madison County school system announced. The school system also recently started a new program at its three public high schools, in which two police officers at each school teach a criminal justice class. According to the Jackson area Chamber of Commerce, 82 percent of Jackson high school graduates go on to pursue some sort of higher education.

**Crime:** Vandals Damage Jackson Cemetery

Monuments that have stood for more than a century were overturned or damaged as vandals hit Jackson's historic cemetery last week. Seven graves were disturbed in two attacks, said the city's parks superintendent. The cemetery has been hit at least four other times in recent years.

**STATE BUDGET**

Tax Collections Fall Short of Projections

Tennessee tax collections likely will end up \$30 million short of the \$13 billion budget for the 1995-96 fiscal year, state finance officials said Friday. The state's constitution requires a balanced budget, and the shortfall will be made up from reserves, Gov. Sundquist said.



## EDUCATION

### Educators Link Up with Hospitality Industry

Leaders of the Tennessee tourist, hospitality and restaurant industries are joining forces with high schools, junior colleges and technical schools across the state to help train the state's workforce. The Tennessee Hospitality Education Council hopes to form partnerships between businesses and schools, provide scholarships and supplement instructional programs. The newly-formed council, largely composed of industry leaders, said it wants to show young people there are many career tracks leading to good-paying, exciting jobs -- especially in Tennessee's second-largest industry, tourism, which is currently 15 percent understaffed.

### Grads To Come with Guarantees

A state program designed to back up public school education and reassure the Tennessee business community kicks off next month. The Graduate Guarantee program will offer learning labs for high school graduates unable to meet basic skill requirements of employers. Education officials said the concept gives the school system a chance to respond when companies complain about the quality of young hires.

## CRIME

### Teenager Will Be Tried as Adult in Fatal Stabbing

A 16-year-old girl will be tried as an adult after police said she stabbed a man 64 times in a Memphis hotel. LaQuita Wilson was transferred last Wednesday to Memphis Criminal Court from Juvenile Court to face a first-degree murder charge. Police said Wilson, who met Lawrence Taylor, Jr. at the hotel on July 30 for a sexual encounter, admitted she stabbed him after he threw her 18-month-old child to the floor.

## ENVIRONMENT

### Conference Tackles Issues of Conservation

A Memphis conference of scientists, environmentalists and government officials last week outlined ways to sustain natural resources while maintaining economic growth in the Lower Mississippi Delta region. Drawing around 300 participants, the conference featured speakers who emphasized that private partnership, government incentive programs and flexible planning were the keys to making realistic conservation compatible with development.

## ENERGY

### TVA Flips Switch On New System

The Tennessee Valley Authority last week turned a new \$10 million power system that will benefit Mid-state residents. In the event of a local power failure, officials said, the advanced new system will switch service over to another area.

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WASHINGTON

August 16, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS   
SUBJECT: HOT ISSUES -- TENNESSEE

**Reinvention/Reorganization:** In TN, USDA will reduce the number of rural development field offices from more than 30 to nine as part of reinvention to better serve its customers and to save federal dollars. In August, 75 employees were notified that they may be subject to a reduction-in-force in FY97. (USDA)

**Farm Programs:** On August 5-8, Nashville's *WSMV-TV* (NBC affiliate) ran a four-part series on problems in the administration of farm programs. The series highlighted alleged abuses of the program, including payments to wealthy landowners and to absentee landlords. (USDA)

**Budget Shortfalls on National Parks:** The following parks in TN are experiencing interruption in visitor service operations including closing of some facilities, reduced hours of operation and elimination of programs: Fort Donelson National Battlefield, Great Smoky Mountains National Park, Obed Wild and Scenic River, Ocmulgee National Monument, and Shiloh National Military Park. (DOI)

**Families First Welfare Reform Plan:** TN's Families First Welfare Reform Plan, proposed by Governor Sundquist, was approved by HHS in July and is scheduled for implementation on September 1. The plan, which limits welfare benefits to 18 months, is one of the most restrictive in the country. (HHS)