

THE WHITE HOUSE
WASHINGTON

DATE: 1/4/94

TO: THE VICE PRESIDENT
MACK MCLARTY
GEORGE STEPHANOPOULOS
BRUCE REED
CAROL RASCO
DAVID GERGEN
FROM: JOHN D. PODESTA
Assistant to the President and
Staff Secretary

The attached has been forwarded
to the President.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

January 4, 1994

THE DIRECTOR

94 JAN 5 PM2:56

MEMORANDUM FOR THE PRESIDENT

FROM: Leon E. Panetta 

SUBJECT: Information on Public Housing Drug Elimination Grant Program

In the Justice Department budget review session which we held with the Attorney General, you commented that you had heard good things about "Operation Cleansweep", a program of the Chicago Housing Authority (CHA). You also asked whether there had been an evaluation of the Department of Housing and Urban Development's Drug Elimination Grant Program (DEG). This memorandum briefly summarizes the effects of Operation Cleansweep and the results of a preliminary assessment of the DEG. It also describes OMB's recommendation for the DEG in the 1995 Budget and suggests options to enhance the program's scope and effectiveness.

Operation Cleansweep

"Operation Cleansweep," which was initiated in 1988, is one part of the CHA's efforts to improve security in its 20 developments. In 1992 the CHA devoted \$15 million, including a \$5 million Drug Elimination Grant, to "Operation Cleansweep" activities. Security-related costs for the CHA in 1992 totaled about \$50 million of its total operating budget of approximately \$300 million. More than 1,100 officers, including contracted security guards who are being phased out, are part of the CHA's police and security forces.

Although we have no data enabling us to analyze the effect on crime in the specific buildings where sweeps have taken place, major violent crimes in CHA projects were at a five-year low in 1992. In particular, homicides in 1992 declined to 66 from 90 the year before, compared to a one percent increase citywide. During 1992, the CHA Police Force seized 430 firearms and \$560,000 in narcotics, both substantially larger numbers than in previous years.

Operation Cleansweep has won almost universally favorable reviews from tenants, local officials, and the press. However, anecdotal evidence indicates the short-term success of Operation Cleansweep varies from site to site. In some instances, it has been necessary to sweep the same building on more than one occasion.

Drug Elimination Grants

HUD's Drug Elimination Grant program has not been in existence long enough to allow a definitive evaluation of its impact on drug related crime and violence. Moreover, since crime data are usually not collected on small geographic areas such as public housing projects and their contiguous neighborhoods, conclusive estimates of the effects of DEG activities on crime are not possible. Key findings from a preliminary analysis of 480 grantees funded in 1989-1991 are summarized below.

Housing authorities are using DEG funds for a wide variety of purposes. Housing authority staff considered activities enhancing the physical security of tenants to be the single most effective activity, followed by drug prevention, resident involvement initiatives, drug treatment, and physical improvements. About one-half of the grantees surveyed reported it was unlikely they would be able to continue funding their anti-drug efforts without the DEG program.

A more in-depth review of these programs found that despite variations across public housing projects, local officials reported at least some reduction in open air drug activity at ten sites and that residents in 11 sites reported feeling safer. The greatest perceived improvements were realized in those projects that tended to have less severe problems.

HUD Drug Elimination Grants in the 1995 Budget

Your 1994 Budget proposed \$265 million for an expanded version of DEG called Community Partnerships Against Crime (COMPAC). COMPAC would support activities to curb a broader range of criminal activity, including those that take place beyond the immediate boundaries of the public housing project. In 1994, Congress did not authorize COMPAC, but did appropriate \$265 million for DEG, an increase of 51 percent over FY 1993 enacted.

This year HUD requested \$325 million for COMPAC. Our recommendation would provide the 1994 enacted level, and Secretary Cisneros has not appealed. Moving to the HUD request would add \$60 million in BA and \$4 million in outlays.

Options to Enhance Drug Elimination Grants

Beyond the authorization of COMPAC, I see several opportunities for enhancing DEG.

Use of Performance Indicators. The Federal operating subsidy received by each housing authority could be changed to include measures of the effectiveness of crime control in each authority's projects. Failure to perform would lead to a decreased operating subsidy or other sanctions. Effective performance could be rewarded with additional funding and operating flexibility. We believe these changes can be made by regulation. A somewhat bolder step, requiring legislation, would be to condition a portion of CDBG formula funding to those same public safety performance measures in order to ensure that local governments take an active role in law enforcement in public housing and its surroundings.

Cops on the Street. The Department of Justice could require that some portion of the 100,000 cops to be added to local police forces must be assigned to public housing projects and their immediate neighborhoods. Alternatively, police department performance in improving public safety in housing projects could be a factor in awarding funds under this new program.

Augment COMPAC through the Crime Bill Trust Fund. Many programs included in the Violent Crime Reduction Trust Fund could be used in conjunction with the current Drug Elimination Grant or the proposed COMPAC. For the several Trust Fund programs likely to be authorized as competitive grants, proposals that include a tie-in to safety in public housing could be counted as a plus in the approval process. More broadly, we can seek a conference amendment to the Crime Bill making COMPAC an authorized use of the Trust Fund. This will not help us fund COMPAC until the outyears, because the Trust Fund is already oversubscribed in FY 1995 given the priority we are assigning to 100,000 cops, illegal immigration, and drugs.

THE WHITE HOUSE
WASHINGTON

DATE: 01/05/94

TO: THE VICE PRESIDENT
THE FIRST LADY
MACK MCLARTY
BRUCE REED

FROM: JOHN D. PODESTA
Assistant to the President and
Staff Secretary

The attached has been forwarded
to the President.

THE WHITE HOUSE

WASHINGTON

January 5, 1994

94 JAN 5 P3:21

MEMORANDUM FOR THE PRESIDENT

FROM: KATIE MCGINTY

SUBJECT: WESTERN NATURAL RESOURCE AND ENVIRONMENTAL
ISSUES

What follows is a brief listing of several issues that are percolating and which may come up in conversations. We list them with a brief note, but with no extensive background.

1. **PACIFIC NORTHWEST FOREST PLAN.** Your plan is still in proposed form, with the public comment period closed and the Interagency Team (in Portland) working hard to put the finishing touches on your plan -- due in March. We are still working to ensure a balanced plan that is legally and biologically defensible and will put into place a solid, defensible timber sales program. The delegation is still largely with us, seeing your plan as the best hope for a solid new beginning.
2. **GRAZING.** The Interior Department continues its work in developing a set of grazing reforms that will raise existing fees on public lands (that are currently in the basement and undercutting private grazing land rentals) and improve grazing land practices generally. Since the decision by Congress to drop any legislation on the subject, Babbitt has been proceeding methodically to develop a proposal by regulation. He has also engaged in unprecedented cooperation with Governor Roemer and other involved states -- visiting Colorado weekly for public discussions since late fall.
3. **MINING.** Legislation to put into place major reforms for the Federal mining law (a very archaic program not amended since 1892) is now in conference. We will be lending our support to the conferees to improve the program, increase state roles and end the giveaway to the large mining corporations who are able to "patent" claims for ridiculously low amounts. Timetable uncertain.
4. **PACIFIC SALMON.** The National Marine Fisheries Service is completing its efforts to develop a multi-year plan for running the hydropower system on the Columbia and Snake Rivers without causing jeopardy to listed salmon stocks. The stakes are very high, making owls look easy. NMFS has been working very closely with the 3 states in the region (WA, OR and ID) and with the other Federal agencies to avoid interagency sabotage, and we are very hopeful for a successful conclusion next month.

5. **CALIFORNIA BAY-DELTA.** A unprecedented cooperative effort with four Federal agencies last month produced a joint plan for issuing a new Federal water quality standard for the Bay-Delta region of the Sacramento river. Again, very big stakes, pitting the needs of urban and agricultural users and wildlife needs for certain listed fish, however the plan was generally well received. Our goal was to work out an acceptable plan that all the users can live with and avoid being perceived as playing politics with the Governor. In addition, we wanted to put the pressure on him, in turn, to take the problem seriously and respond to it with the seriousness it deserves.

MEMORANDUM

To: ~~The President~~

From: Nancy Hernreich

Date: January 4, 1993

Re: The White House Commission on Presidential Scholars

Bl/Plunder
 advise -
 can we do an SKE.
 Heavens can give me -

Ronnie Liebowitz sent you a memo regarding the selection of a new Chair for The White House Commission on Presidential Scholars.

In light of Governor Florio's resignation, Commissioner Barbara Holt of Maine has been serving as the Acting Chair. Barbara and Ronnie agree that the program will survive and prosper only if they can build a solid public-private partnership and they recommend the appointment of a well-known, committed business executive, a CEO of a Fortune 500 Company if possible, as Chair. It is only recently that Governors have served as chairpersons of this commission and although they bring prestige and attention, they are not able to undertake the active fund raising role that the Commission's future demands.

Barbara is willing to continue serving as Acting Chair, a role she has for the past seven months. Ronnie feels that she needs a chair in place, whether it is solely Barbara Holt as Acting Chair or Barbara designated as Managing Chair and a newly appointed Chair, in order to assure potential funders about the Administration's commitment to the program. Ronnie is requesting your prompt attention to the selection of a Chair, as well as a letter to Commissioner Holt (I will have Trey do a letter.)

MEMORANDUM

To: Nancy Hernreich
Tel: 202-456-6610
Fax: 202-456-6703
4 Pages

Dated: December 23, 1993

*K - Synops
do for
for name*

From: Bob Raymar
Tel: 201-621-9020
Fax: 201-621-7406

Re: The White House Commission on Presidential Scholars

Would you please deliver the attached memorandum from Ronnie to the President? I will take care of HRC, Secretary Riley and Commissioner Holt.

Ronnie thanks you for your prompt response concerning the July 1, 1994 White House Medallion Ceremony. She was at DOE yesterday, where Cathy Silva and JoAnne Livingston were quite familiar with Ronnie's December 3 memorandum to you, and the President's enthusiastic commitment to the Scholars Program and to the July 1 Ceremony.

Please convey our love and support to the President and Hillary at this difficult time for them. It will soon pass.

Thank you. Merry Christmas and Happy New Year to you and Kelly.

RSR/cb

Enclosure

MEMORANDUM**To: President Bill Clinton****Dated: December 23, 1993****From: Rennie F. Liebowitz****Re: The White House Commission on Presidential Scholars**

The selection of a new Chair for The White House Commission on Presidential Scholars, in light of Governor Florio's resignation, is vitally important for the Commission's future. I hope you will consider the following information in making that decision.

Since the Commission's June 1993 business meeting, Commissioner Barbara Holt of Maine has served as Acting Chair at Governor Florio's request. Under her direction, the Commission has organized into committees which are working on issues such as improving public awareness of the Program in minority communities, reviewing the selection criteria, planning an upgraded quality agenda for National Recognition Week, June 1994, and, most critically, assuring the Program's financial integrity. As President of the Presidential Scholars Foundation and Commission Finance Chair, I have worked closely with Barbara on many matters, including reassuring former Foundation funders of National Recognition Week, who have not yet committed their financial support for 1994, and planning for the future.

It is clear to us that the Presidential Scholars Program will only survive and prosper if we can build a solid public-private partnership. The Program can become an effective vehicle to encourage excellence in education and to underscore the value of enrichment for the specially talented. The Commission and Foundation are committed to providing the leadership, finances, and new ideas necessary to assure the fulfillment of these goals. As a White House showpiece, the Program has at its disposal thirty years of Scholars and former Commissioners, and ten years of distinguished teachers, together numbering in the thousands, to advance the Program's goals if they are so motivated.

The Presidential Scholars Foundation, just beginning to operate, proposes to develop an Alumni Society, to establish endowment and annual private funding campaigns, and in order to reach those goals, to develop fund raising seed money. Both the Commission and the Foundation are deserving of a Commission Chair who is willing and able to undertake a leadership role in these fund raising efforts. Barbara Holt and I recommend the appointment of a well-known, committed business executive, a CEO of a Fortune 500 Company if possible, as Chair. While a governor brings prestige and attention, it is unlikely that any sitting governor would be willing or able to undertake the active fund raising role that the Commission's future demands. Only recently have sitting governors served as chairpersons of the Commission.

Barbara is willing to continue serving as Acting Chair, a role she has fulfilled so ably for over seven months. I hope you will acknowledge the critical role she has performed while Governor Florio ran for reelection, and the extremely important role she can continue to perform as Managing Chair. She is also willing to continue in a defined role as Managing Chair, after the appointment of a new Chair.

The Foundation has secured the services of a professional development company and is anticipating engaging the full Commission in a campaign to identify additional private funders by January 31st. Personally, I need a Chair in place, whether it is solely Barbara Holt as Acting Chair, or Barbara designated as Managing Chair and a newly appointed Chair, in order to assure potential funders about your administration's continuing commitment to the Presidential Scholars Program. Therefore, I would greatly appreciate your attention (a) to the prompt selection of a committed, supportive, fund-raising Chair, and (b) to transmitting to Commissioner Holt a letter such as the attached.

Thank you, and happy New Year.

cc: First Lady Hillary Rodham Clinton
Secretary of Education Richard Riley
Barbara Holt, Acting Chair

[PROPOSED LETTER FROM POTUS
TO COMMISSIONER BARBARA HOLT]

December , 1993

Commissioner Barbara Holt
R.R. 1, Box 123
Clark Road
Alfred, Maine 04002

Dear Barbara:

I am aware of and grateful for the valuable service you have provided to The White House Commission on Presidential Scholars, as Acting Chair for over seven months. With the resignation of Governor Florio, your willingness to continue to serve the Commission as Acting Chair is crucial to the Commission's business.

As you know, the Commission's work and plans have been brought to my attention, and I intend to keep them in mind with respect to the appointment of a new Chair. I appreciate your continued commitment to the Commission in this transitional time, and hope that you will continue your efforts to energize the Commission and its Program into a more vital vehicle to encourage as well as to reward excellence in secondary education.

Sincerely yours,

cc: Secretary of Education Richard Riley

THE WHITE HOUSE
WASHINGTON

DATE: 01/04/94

THE VICE PRESIDENT
MACK MCLARTY
DAVID GERGEN
TO: GEORGE STEPHANOPOULOS
MARK GEARAN
ROBERT RUBIN
FROM: JOHN D. PODESTA
Assistant to the President and
Staff Secretary

The attached has been forwarded
to the President.



MEMBER

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

94 JAN 4 P7:45

January 4, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: ALAN BLINDER⁴³
SUBJECT: State Unemployment Rates in November, Labor
Department Release, Wednesday, 10:00 a.m.

Tomorrow the Labor Department will release State unemployment data for November. The attached map shows ranges of unemployment rates by State. Also attached is a listing showing unemployment rates by State--ranked from lowest to highest.

- The highest unemployment rates were, as in the previous month, in West Virginia and California.
- The lowest unemployment rates were in Nebraska, Utah, and Iowa.
- The largest decrease in unemployment rates from October to November was in Illinois (from 7.8 to 5.9 percent). Other States experiencing large drops in unemployment rates were California, New Hampshire, and North Carolina. The unemployment rate in California fell from 9.8 to 8.6 percent, its lowest rate since April 1993 when it also stood at 8.6 percent. The largest increases in unemployment rates were in Louisiana and Alabama (from 7.5 to 8.4 percent and from 6.8 to 7.7 percent respectively).
- State unemployment rates can be volatile from month to month because of small sample sizes. The second chart therefore shows changes in unemployment rates by State over the past 12 months--ranked from largest decline (New Jersey and Massachusetts) to largest increase (Delaware). Despite the national recovery, unemployment rates are still higher than they were a year ago in 12 States.

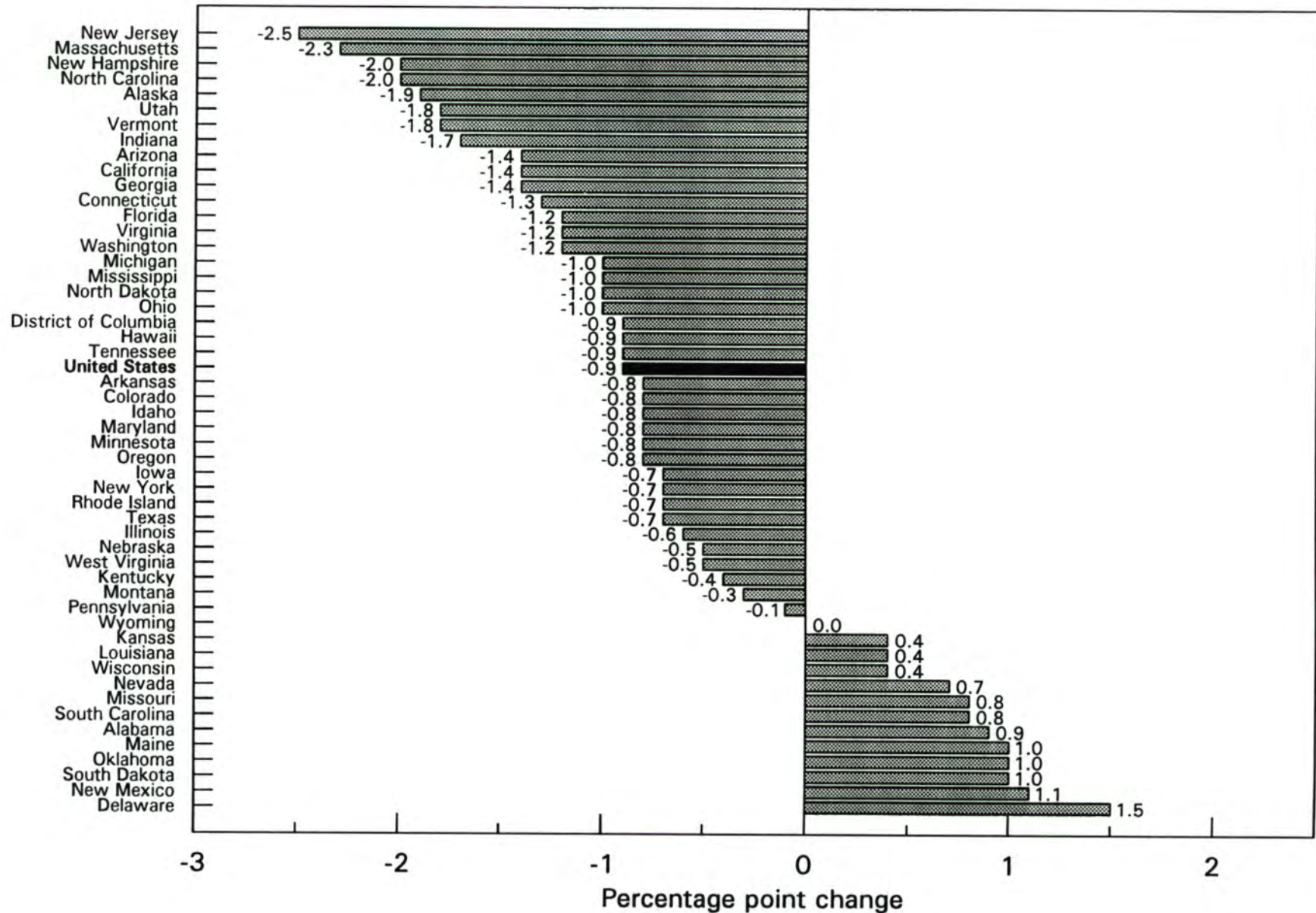
Attachments

Unemployment Rates by State, Seasonally Adjusted

November 1993

Nebraska	2.2	Mississippi	6.1
Utah	3.5	Oklahoma	6.1
Iowa	3.5	New Jersey	6.2
North Dakota	3.6	Connecticut	6.3
South Dakota	3.9	Ohio	6.5
North Carolina	3.9	Oregon	6.5
Hawaii	4.1	Florida	6.5
Minnesota	4.4	Arkansas	6.6
Vermont	4.5	Massachusetts	6.6
Kansas	4.6	South Carolina	6.7
Wisconsin	4.7	Washington	6.9
Virginia	4.9	Texas	6.9
Colorado	4.9	Alaska	6.9
Wyoming	4.9	Michigan	7
Indiana	4.9	Nevada	7.2
Tennessee	5.1	Pennsylvania	7.2
New Hampshire	5.4	New Mexico	7.4
Montana	5.4	New York	7.5
Idaho	5.5	Rhode Island	7.6
Georgia	5.6	Alabama	7.7
Maryland	5.6	District of Columbia	8
Missouri	5.8	Maine	8.1
Illinois	5.9	Louisiana	8.4
Arizona	5.9	California	8.6
Kentucky	6	West Virginia	9.9
Delaware	6.1		
		United States	6.4

Change in Unemployment Rate by State: November 1992 - November 1993





THE WHITE HOUSE
WASHINGTON

DATE: 1/4/94

TO: MARCIA HALE

FROM: JOHN D. PODESTA
Assistant to the President and
Staff Secretary

Do you want to take the lead
on a response?



cc: Bernie Nussbaum
Christine Varney
Jim Dorskind





CITY OF TUCSON

OFFICE OF THE MAYOR
255 WEST ALAMEDA P.O. BOX 27210 TUCSON, ARIZONA 85726-7210 (602) 791-4201

FAX TRANSMITTAL SHEET

Podesta-

You handle
this, right?

TO BACK

mark here
Christine
Dennis
Dorsett

DATE: December 27, 1993

TO: President Bill Clinton

FROM: Mayor George Miller

NUMBER OF PAGES INCLUDING THIS PAGE: 4

COMMENTS:

This letter is being sent to President Clinton regarding the recent events at the Federal Building

IF YOU DO NOT RECEIVE ALL PAGES OR IF YOU HAVE FURTHER QUESTIONS, PLEASE CONTACT OUR OFFICE

FURTHER QUESTIONS, PLEASE CONTACT OUR OFFICE





**CITY OF TUCSON
OFFICE OF THE MAYOR**

GEORGE MILLER
MAYOR

December 27, 1993

255 WEST ALAMEDA
P.O. BOX 27210
TUCSON, ARIZONA 85726-7210
PHONE: (602) 791-4201
FAX: (602) 791-5348

President Bill Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

I am requesting your attention to actions taken by federal police officers on Christmas Eve 1993 in Tucson, Arizona.

These police officers were apparently flown in for the sole purpose of removing a group of homeless activists and homeless individuals (Homeless Coalition) from premises outside a local federal building. The only provocation by the Homeless Coalition was to conduct a calm and peaceful protest regarding the plight of the homeless and to urge support for job training and job creating legislation so eloquently advocated by you and your administration.

The intention of the Homeless Coalition was to spend the night outdoors in sleeping bags to protest their painful situation in this land of plenty. At midnight, the Federal officers moved in threatening to arrest the group of 50 individuals unless they vacated the area. Six persons were actually arrested and the others left.

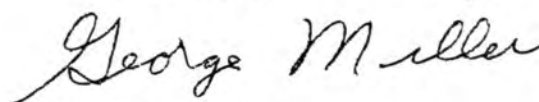
This kind of action against peaceful protest has a chilling effect on the democratic processes which serve to protect the rights of individuals to express grievances directed toward government at any level.

Because this police action was carried out by federal and not local police officers, I urge you to review these events in the context of policy allowing peaceful demonstrations in areas of federal property.

President Bill Clinton
The White House
Page -2-

Please be assured that citizens interested in social justice will continue to support your administration as it grapples with the issues of job creation and affordable housing. In addition, it is hoped that you will carefully review and support the merits of the 60 billion dollar jobs bill offered by Independent Representative Sanders of Vermont.

Respectfully,

A handwritten signature in cursive script that reads "George Miller".

George Miller
Mayor, City of Tucson

GM/ch

cc: Thomas F. McLarty
Janet Reno
Lloyd Bentson

93120705

a Daily Star

Tucson, Sunday, December 26, 1993

U.S. police break up homeless protest; 6 activists arrested, 50 forced to leave

By Alisa Wabnik
The Arizona Daily Star

Six homeless activists were arrested and about 50 others forced to leave their makeshift beds early yesterday morning when federal police broke up the group's ninth annual Christmas demonstration downtown.

The protesters had just settled into new, donated sleeping bags outside the Federal Building, 300 W. Congress St., when officers of the Federal Protective Service told them to leave within five minutes or be arrested on charges of failure to disperse, said Brian Flagg, spokesman for the Southern Arizona Coalition for the Homeless.

Flagg said he and five other demonstrators remained despite

the warning because, "We're really angry. We feel we have the right to protest, and what's more appropriate for a homeless protest than to camp?"

Flagg and the five others were handcuffed, held in the Federal Building for three hours and then given misdemeanor citations before being released, Flagg said.

Those who scattered "had to find a wash or gullet or some spot on the riverbed to camp at (1 o'clock) in the morning," Flagg said.

"It was a really coldhearted, coldblooded way to deal with peaceful homeless people doing a protest on Christmas Eve," he said.

The spokeswoman for the Federal Protective Service was unavailable for comment yesterday,

and the person answering telephones at the agency's Los Angeles office refused to answer questions.

The Tucson Police Department referred all questions to the federal agency.

The protest, dubbed "Still No Room at the Inn," was focused this year on gathering support for a \$60 billion public works program that U.S. Rep. Bernie Sanders, a Vermont Independent, is expected to introduce in Congress sometime next month.

"We're still going to go out and fight for this jobs bill," Flagg said. "The fact that our right to protest is infringed upon is not going to stop us."

However, Flagg said the group had no immediate plans to return to the Federal Building.

MEMORANDUM

THE PRESIDENT HAS SEEN

1-3-94

To: The President via Nancy Hernreich
From: Deb Coyle
Date: December 30, 1993
Re: Call from Mayor Denny Bowman, Covington, KY

Mayor Bowman called to suggest to you that when police confiscate guns from crimes and after the court case is over, you should make it mandatory to have the guns melted down. Covington alone had over 300 guns confiscated last year.

His address is 638 Madison, 4th Floor, Covington, KY 41011.

CC ~~marcia~~ marcia (me)
Doriskind to follow

Bruce
Ry - Denny

THE WHITE HOUSE

WASHINGTON

94 JAN 3 P4:40

January 3, 1994

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKH ✓

SUBJECT: Letter from Kenneth Roth of Human Rights Watch
Regarding the Human Rights Day Event

Kenneth Roth, the Executive Director of Human Rights Watch, sent you a particularly moving letter that I have attached for your information.

As you recall, Robert Bernstein, the Executive Director of Human Rights Watch and the former Chairman of Random House, was one of the invited guests at the Human Rights Day ceremony you hosted in the Roosevelt Room. In addition, Monique Mujawamariya, a Rwandan human rights activist who was visiting the United States as a guest of Human Rights Watch, was at the ceremony.

In his letter, Roth thanks you for recognizing the important work of Monique and others like her. He also explains that your gesture will "undoubtedly serve to help protect persecuted activists" in Rwanda. As Roth explains:

"Monique and her colleagues have already been exposed by their human rights work to the Rwandan authorities; your meeting her at the White House exposes her in a different -- and highly beneficial -- way."

NSC staff has already responded to Roth on your behalf.

Attachment

Tab A Letter from Kenneth Roth

CC MARK
DeeVee
David G.

cc: Vice President
Chief of Staff

HUMAN RIGHTS WATCH

AFRICA WATCH • AMERICAS WATCH
ASIA WATCH • HELSINKI WATCH
MIDDLE EAST WATCH • FUND FOR FREE EXPRESSION

485 FIFTH AVENUE, NEW YORK, NY 10017-6104 TEL (212) 972-8400 FAX (212) 972-0905 TELEX 910240 1007 FFFEXPSN NY
1522 K STREET, NW, SUITE 910, WASHINGTON, DC 20005-1202 TEL (202) 371-6592 FAX (202) 371-0124

ROBERT L. BERNSTEIN
Chair

ADRIAN W. DeWIND
Vice Chair

ARYEH NEIER
Executive Director

KENNETH ROTH
Deputy Director

HOLLY J. BURKHALTER
Washington Director

ELLEN LUTZ
California Director

SUSAN OSNOS
Press Director

JEMERA RONE
Counsel

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RAKIYA OMAAR

AMERICAS WATCH
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JERI LABER

MIDDLE EAST WATCH
ANDREW WHITLEY

THE FUND FOR
FREE EXPRESSION
GARA LAMARCHE

PROJECT DIRECTORS

PRISONERS' RIGHTS
JOANNA WESCHLER

WOMEN'S RIGHTS
DOROTHY Q. THOMAS

HAMILTON FISH
Managing Director

STEPHANIE STEELE
Operations Director

RACHEL WEINTRAUB
Special Events Director

December 13, 1993

President Bill Clinton
The White House
1600 Pennsylvania Ave.
Washington, DC

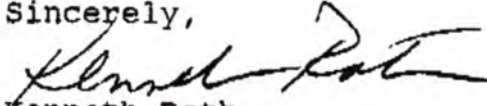
Dear Mr. President:

I wish to express my sincere appreciation for your invitation to Monique Mujawamariya of Rwanda and Robert Bernstein, chairman of Human Rights Watch to the Human Rights Day ceremony to the White House on December 10. It was personally highly gratifying to our chairman and to our Rwandan colleague, and a powerful tribute to the courageous work being undertaken all over the world by human rights monitors like Monique.

We in the human rights community are convinced that this gesture will have a positive impact on human rights in Rwanda, and will undoubtedly serve to help protect persecuted activists in that country. While Monique was in Washington, she received word that one of her colleagues, a judge in Rwanda, had just survived the third assassination attempt since November. Monique herself indicated how eager she is to put in her office the photograph showing her shaking the hand of the President of the United States. As she explained, the authorities search her office so often that it will serve as a constant reminder of the international recognition that she has received for her human rights work. Monique and her colleagues have already been exposed by their human rights work to the Rwandan authorities; your meeting her at the White House exposes her in a different -- and highly beneficial -- way.

On behalf of Monique and persecuted human rights monitors around the world, I thank you for the support that you demonstrated for these heroes of the human rights movement.

Sincerely,


Kenneth Roth
Executive Director
Human Rights Watch

copy Sec.
Cisneros

note from
me
better late than
never

THE WHITE HOUSE
WASHINGTON

DATE: 01/03/94

NOTE FOR:

SECRETARY HENRY CISNEROS

The President has reviewed the attached, and it is forwarded to you
for your:

Information

☒ X

Action

☐

Better late than never.

Thank you.

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
(x2702)

cc:

THE WHITE HOUSE
WASHINGTON

DATE: 01/03/94

CAROL RASCO
ROBERT RUBIN
GEORGE STEPHANOPOULOS
GENE SPERLING

NOTE FOR:

The President has reviewed the attached, and it is forwarded to you
for your:

Information

☒

Action

☐

cc Rubin
Sperling
George S.
in addition to
Carol

Thank you.

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
(x2702)

cc:



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410

This is very very good
THE PRESIDENT HAS SEEN
1-3-94 B.

TO: President Bill Clinton
FROM: Secretary Henry G. Cisneros
DATE: November 24, 1993

Mr. President, I have two subjects to draw to your attention:

1. Our nation's cities and communities are in deeper trouble than I imagined when you nominated me to be Secretary of HUD a little less than a year ago. The crime that is so widely reported is but one manifestation of our nation's pain. I join all who have applauded the speech you delivered in Memphis last week, at once heartfelt and Presidential. I also know that while you are correct that there is much that we as Americans must do in the realm of civic engagement and moral renewal, that our people need help from their government. There will come a moment when people will say: "Yes, Mr. President, we hear you, but we need your help. We need you to do something". Already the critics say we have no beef behind our good intentions on matters of urban investment and race.

Mr. President, those critics are wrong. You have in place the threads of programs which can be woven together into a coherent fabric of urban policy. They require careful interweaving to make a whole, but what you have already put in place makes a formidable list:

Earned Income Tax Credit--will lift 20 million of the working poor out of poverty.

Permanent Extension of Mortgage Revenue Bonds--will support affordable homeownership for 130,000 first-time homebuyers per year.

Permanent Extension of Low Income Housing Tax Credits--will generate financing for 135,000 new units of affordable housing per year.

Full funding of Head Start--will expand education opportunities for 1.4 million low-income children.

Expanded Childhood Immunization--will double the rate of immunization, for 3.6 million at-risk children per year.

National Service--will create 100,000 new community service workers in the next 3 three years.

Empowerment Zones and Enterprise Communities--will provide economic empowerment for 6 million people in 104 low-income communities and create 140,000 jobs per year.

Strengthening the Community Reinvestment Act--will increase community lending by up to \$5 billion per year.

Anti-Crime Legislation--will put 100,000 more police on community streets.

Equally important are your initiatives in process:

Community Development Banks--will generate \$2 billion in community investment and create up to 80,000 new jobs.

Welfare Reform--will move half a million adults from welfare to work.

Health Care Reform--will provide basic coverage for 37 million uninsured people.

Worker Training--will assist or retrain 1.6 million workers per year.

I believe the time has come to pull these efforts together and explain how they support each other and work together. Through a series of Presidential actions you could articulate the themes that tie these programs together into a meaningful whole. Such an effort would answer the critique that we have no urban commitment and are unwilling to speak to the program needs of the urban poor beyond focusing on self-help ideas. I believe you can do this - stressing those programs that broadly touch all Americans (i.e., health care) - in a way that does not alienate suburban voters. I do believe it is important that you speak to your urban base and describe what you are doing for poor and working people. After the President has spoken it will also allow those of us in the departments to appropriately present the Administration's urban strategy when we are called upon to do so. You are already doing a lot; it is time to pull it all together. People know you were right in Memphis, just not finished.

2. My second point relates to themes that strike a rhetorical middle ground between your Memphis points and old-style urban advocacy. You see, I don't believe you will be able to speak for much longer about what people must do for themselves concerning family disintegration and couch the issues in the rubric of concerns about crime. Nor can you revert to the sixties language of big scale urban strategies; there isn't enough money, no one believes they would work, and the congressional will is non-existent. But I believe you will have to find a way to speak of urban problems because they are so

acute.

We at HUD have been working on two themes which give coherence to our work and which may be useful to you:

A. The first is our answer to Jack Kemp's much touted resident ownership program. We will arm you with a homeownership record that will dwarf what Kemp could have done with his approach. We are calling it "Project Transitions". The idea is that we can help people step up a ladder of assistance and climb toward self-sufficiency. It implies policies which are dynamic, providing movement upward to something better, instead of static services. This is easy enough to visualize, but hard to carry out because so much is actually related to "reinventing government". It is making diverse government agencies and functions come together so that we help people climb from one step to the next, reinterpreting government's role so that we see our responsibilities as preparing people for a next stage.

At HUD, Project Transitions will take many forms. It will mean helping residents in public housing move from welfare dependence to gainful employment. In many cases, we have the jobs -- generated by public housing rehabilitation, lead-based paint abatement and other federally-funded activities. In fact, we are required by law to use federal housing assistance to create jobs for low-income residents. What we need is training, education, child care services, union involvement; supports that other agencies -- DOL, HHS, DOE -- can and should provide.

Project Transitions will also mean helping working families -- in public housing and elsewhere -- move from renter status to homeownership. In many areas, we have single family homes available for sale -- from FHA's inventory of defaulted homes. What all working families need is homeownership counseling -- to prepare them for the burdens of owning. We're seeking a tripling of funding for our counseling programs. In some cases, they may need mortgage subsidies. That's why we're experimenting with using rental vouchers for homeownership; many low-income families already receive federal support for rent -- why not take the logical next step and use it for mortgage payments.

We believe this will be our answer to the previous Administration's version of ownership, which was to sell large public housing developments to the tenants. That idea was flawed in that it did not address massive deferred maintenance and was not accurate about the amount of subsidy needed for residents without jobs. We expect we can transition tens of thousands more families to stable homeownership than ever imagined. This has never been done using public housing as the base. It can be a major success as a strategy that you will be able to point to over the next several years.

To apply this concept of "transition" more broadly requires the spirit of reinvention. It requires a driving force such as I believe the Community Enterprise Board will be with the Vice President as the chair. As I have worked on HUD's version of Project Transition, I have found that it has immediate appeal among such diverse experts as the staffs of Senate committees, national housing providers, and mayors. I submit it to you as one of those themes that can help you pull your human programs together, can give context to your "reinventing" efforts, and can infuse an upward momentum into your community-building message.

B. Another theme has helped us bridge the perennial dilemma at HUD as to whether we should concentrate our efforts on revitalizing poor neighborhoods or providing mobility for people to get out. It is a classic argument that pervades every discussion about urban policy. Our answer is that we must assist every American to achieve real choices about where they wish to live. People should be able to choose. If they wish to live in a central city area, that should be a choice; but living amidst drug dealing, violence and deterioration is no way to live: it is no choice. On the other hand, if people can afford to live in suburban settings, but are prevented by discriminatory housing practices or unfair mortgage lending then they have no choice. The operative conclusion for HUD, then, is that we must work on parallel tracks - central city neighborhood revitalization and mobility and fair housing. Our job is to help people achieve maximum choice.

You may find the idea of "choice" a useful rhetorical construct for a whole series of policies that have diminishing acceptance with the general public: civil rights, fair housing, equal employment opportunity, and urban policies. To the general public the idea of choice suggests we are willing to level the playing field, but it is still up to individuals to choose what they want to make of opportunities. To many minorities, achieving a position in society where real choices are possible is a far cry from today's experience. Choice implies fairness, it implies treatment as equals, it implies a world of mature judgements where individuals can chart their destinies, it implies our system works for everyone. It allows you to work on essential policies, though they may have lessened appeal to the general public, by stating them in the basic language of giving Americans a fair choice.

CLINTON NURTURES HIGH HOPES . . .

Before a roomful of black educators who'd gathered to watch him sign an executive order on Nov. 1 to benefit historically black colleges, President Clinton came to the end of his prepared remarks, took a deep breath and started to describe "a very disturbing article" he'd read that morning in *The Washington Post*. It was about the impact of crime on children in an especially grim neighborhood of the nation's capital. Most moving to Clinton was the description of an 11-year-old girl who was planning her own funeral.

He hasn't stopped talking about her since—on NBC News's *Meet the Press*, at a White House news conference, at the Memphis church where the Rev. Martin Luther King Jr. had foreshadowed his own death the night before he was killed. And he shows no signs of stopping. Clinton, as well as his wife, a White House official said, has sent word to the staff that crime "is an issue [that he plans to] spend a lot of time on in the near future," at a succession of public events in the wake of the tumult over the North American Free Trade Agreement.

But it's clear that Clinton has more in mind than crime. His trail of talk about crime, a senior aide said, is "a sort of a cultural attack on the kind of violence and dissolution of society that comes in advance of trying to fix" the underlying problems of poverty. By using crime as the springboard for an effort to reverse the social decay, Clinton might avoid some of the political pain that Democrats have suffered in earlier, sporadic attempts. At his Nov. 10 news conference, he seized on an innocuous question about his plans to combat crime to deliver a heartfelt plea about the larger problems.

"We have to rebuild families and communities in this country," he said. "We've got to take more responsibility for these little kids before they grow up and start shooting each other. I know the budget is tight, . . . but I'm telling you, we have to deal with family, community [and] education" and to find jobs for members of society's underclass to bring structure to their lives.

"We have to make our people whole again," he declared four days later in Memphis.

Not only in his rhetoric but also in the array of policy initiatives that his Administration has in mind, Clinton has shown signs of the ambitiousness about righting

social wrongs that President Johnson showed. "In the next 40 years, we must rebuild the entire urban United States," Johnson said in unveiling the Great Society in a 1964 commencement address at the University of Michigan.

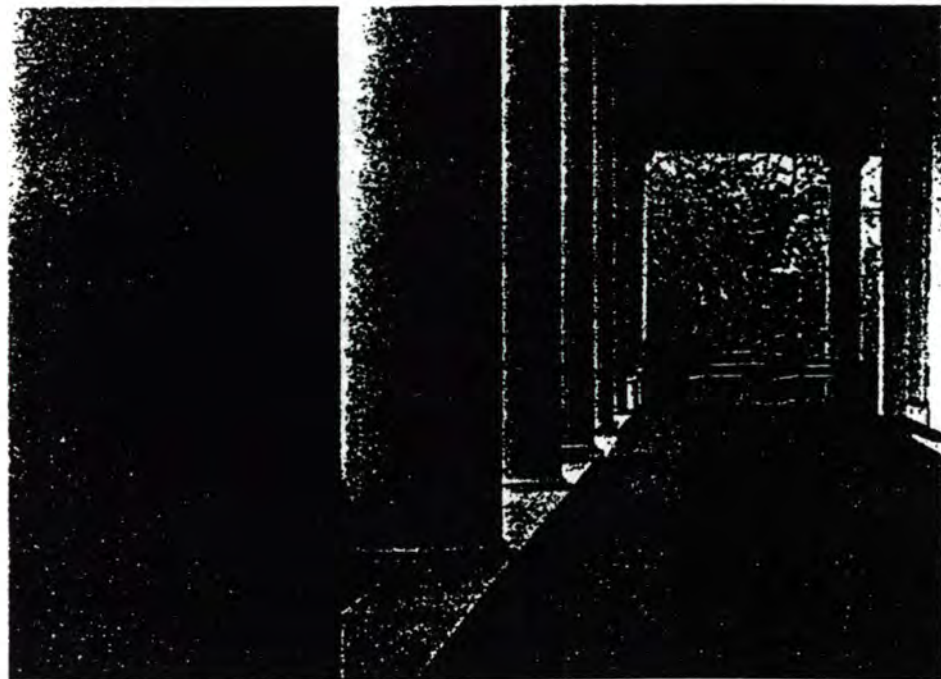
Clinton and his advisers seem to be thinking on a similar scale. "The Achilles' heel of the American future," Housing and Urban Development (HUD) Secretary Henry G. Cisneros warned in an interview, is "an angry, growing, rigid underclass" that, if left to languish, will jeopardize the nation's standard of living beyond the first quarter of the next century. "I don't think it is our ambition to end poverty with federal initiatives," Cisneros said, but "I think the President believes he can make a dramatic dent in poverty, in homelessness, in crime and the other pathologies" by the end of a second term in office if the economy thrives and if Washington works in tandem with state and local governments, businesses, labor unions, churches and other institutions.

Clinton matches Johnson's passion about addressing society's ills, "but he and the people around him don't have the same level of confidence that we know all the answers," William A. Galston, a deputy White House domestic policy adviser, said. So far, they're feeling their way, toward an ideological amalgam of the Left and Right that views the gov-

ernment as something of a catalyst. But if the theology has remained fuzzy, some of the themes are becoming clear. Clinton's advisers profess a disdain for the big bureaucracies that the Great Society used and a preference instead for solutions designed locale by locale. They speak of "leveraging" federal dollars and "empowering" communities to solve their problems themselves.

Their approach is similar to the notion of "empowerment" that a network of conservatives in the Bush Administration pushed as a response to social needs. But there's a big difference. President Bush's domestic activists got quashed in the Administration's inner councils. Clinton's are getting somewhere.

Clinton hasn't packaged his policies into a flashy whole and may have no intention of doing so. But his Administration has been moving on a lot of fronts. Some of his proposals are already in place. The budget bill enacted in August created nine "empowerment zones" and 95 "enterprise communities" to be eligible for \$3.5 billion in federal help; it also expanded the earned-income tax credit, which Galston described as "a giant step toward the abolition of the working poor in this country." At HUD, \$100 million was added to the budget to try new ways for cities to thwart homelessness, \$113 million more to move poor families into



... FOR RIGHTING SOCIETY'S WRONGS

better neighborhoods as well as smaller amounts that foundations and labor union pension funds may parlay into \$200 million spent in poor communities.

In September, Clinton set up a Cabinet-level Community Enterprise Board, chaired by Vice President Albert Gore Jr., that's supposed to help communities cut through the thicket of rules and to better fit the federal aid they get to local problems. Gore and his staff spent the fall getting counsel from panels of experts on parts of a "community empowerment" agenda, including creative ways to finance business expansion and to spur communities into plotting action. Within six months, Gore's staff hopes to design an application process that, by itself, will prompt local officials to think of new ways to ease society's troubles. "Of course we don't know how to solve" the sorts of problems that cause children to plan their own funerals, Elaine Ciulla Kamarck, a domestic policy adviser to Gore, acknowledged. But, she added, "you do find . . . a program here, a program there" that has shown successes and can be emulated elsewhere.

Other Administration proposals are inching through Congress. The crime legislation that's moving toward enactment would subsidize the hiring of as many as 100,000 police officers by local communities that craft shrewd plans for using

them. Also running the congressional gantlet is a bill that would create a string of "community development banks" to lend money in neighborhoods that commercially minded banks ignore. Congress is also considering HUD's wish to fiddle with its rules so that public housing tenants who find jobs don't see their rents rise in lockstep with their incomes.

Other proposals are in the wings. Administration officials have been fashioning a welfare reform plan that is likely to become a political centerpiece for Clinton next year. The Departments of Justice and of Health and Human Services (HHS) are spearheading work on what Clinton recently described as "a comprehensive approach to the whole issue of violence in our society." HHS Secretary Donna E. Shalala, at Clinton's behest, set up an advisory committee that is expected to swiftly uncork proposals to extend the Head Start program beyond 4 and 5-year-olds to enroll younger children. In a recent speech, Carol H. Rasco, Clinton's top domestic policy adviser, committed the Administration to set up a high-level interagency group to ponder the problems of children and families.

Combined with Clinton's hope to extend health insurance to all Americans, "you have much more than an anti-crime agenda," Cisneros said. "It does seek to deal with the larger social questions."

How successfully, however, is far from clear. For one thing, Clinton's agenda is bulging already—notably, with health care reform. Can poverty be made a major thrust, too? "You got me," a White House official replied. "The Administration has many major thrusts."

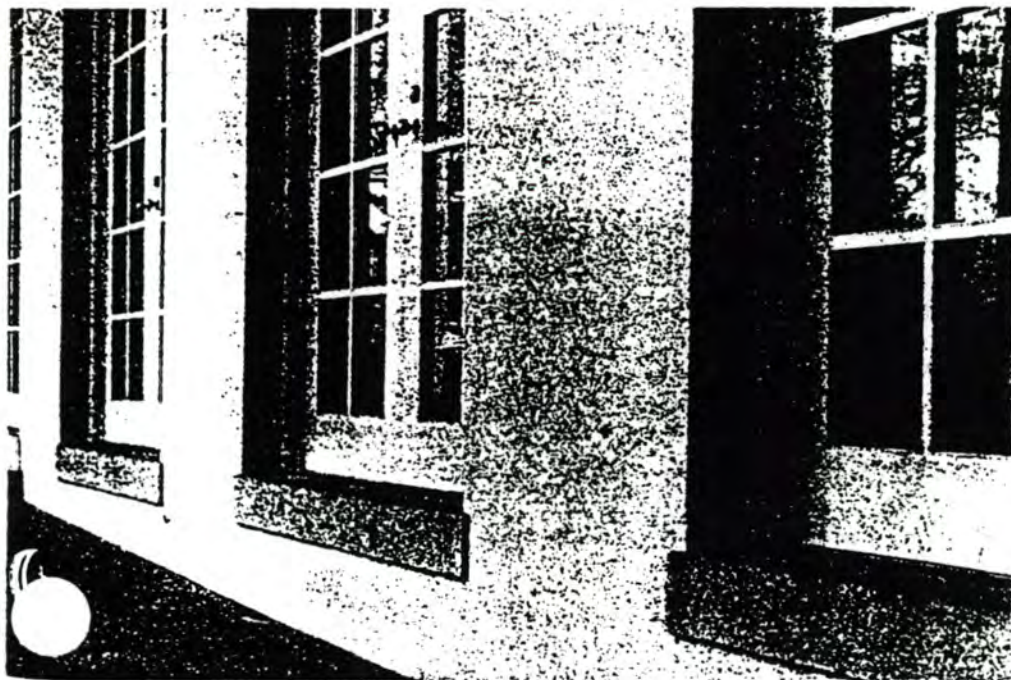
Nor are Administration officials of a single mind about the course they're on. Some at HHS are said to have fought a waiver the Administration recently granted to Wisconsin to try a reform similar to what Clinton wants—to give welfare recipients two years of far-reaching help before cutting them off. The decision aggrieved the Children's Defense Fund, which Hillary Rodham Clinton and Shalala once chaired and whose founder and president is Marian Wright Edelman, the wife of Shalala adviser Peter Edelman. The waiver was granted because "the President just insisted," an Administration confidant said.

A bigger hindrance to Clinton's social policy ambitions is money. "A lot of these social experiments are not going to be cheap," Will Marshall, the president of the Progressive Policy Institute and a champion of empowerment, said. Community policing costs a bundle, he said, and so does welfare reform, at least in the short run. And the steps that are cheap aren't likely to have as much impact. But with health care reform so costly and the federal debt unrelenting, there's "no fucking money, c'mon," a White House aide said. "Not a prayer."

Instead, Clinton's activists are hoping to dip into billions of dollars that Congress appropriated for housing but Bush never spent, squeeze more from outsiders and put the money already at their disposal to smarter use. Clinton also plans to mount the bully pulpit, as federal officials have done to discourage smoking and illegal drug use.

Rhetoric, of course, goes only so far. Clinton could issue daily exhortations against, say, teenage pregnancy and still fail to stanch a trend that sociologists blame for so much else. And he must be careful not to raise expectations for more change than he can deliver. Unmet expectations helped to trigger the urban riots of the 1960s.

But Clinton needn't abolish poverty or crime to make a mark. Just to get the trends of social decay moving in the right direction at last, Galston said—"that's the legacy we want to leave."





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CAROL RASCO / ACTION
TONY LAKE / INFORMATION

NOTE FOR:

The President has reviewed the attached, and it is forwarded to you
for your:

Information ☐

Action ☐



Thank you.

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
(x2702)

cc:



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Dear President Clinton, pool

Thank you for taking the time to listen.

The World Bank, in its 1993 Development Report, identified the treatment and prevention of Tuberculosis as an affordable target with enormous potential impact.

Reducing the toll of T.B. is within our grasp. It is low-cost. And it has the potential to touch the lives of millions of people in developing countries. Warmest wishes to you and your family.

Sincerely,

Beth Ebel
450 Memorial Dr, A-221
Cambridge, MA 02139

U.S. Denies Request for \$3 Million to Fight TB

WASHINGTON, Dec. 25 (AP) — The United States cannot provide new funds requested by the World Health Organization to fight tuberculosis, says an official with the United States Agency for International Development.

The organization, which is part of the United Nations, had asked Washington to finance a third of a \$9 million program to fight the deadly lung disease in developing countries and to thwart the mutation of the TB bacterium into drug-resistant strains.

"In the budget environment that we're looking at, it is a lot of money," the official, Dr. Ann Van Dusen, the United States agency's global health chief, said on Thursday. "It's funding we just don't have."

Urging that the United States agency approve \$3 million for the United Nations program, Senator Frank Lautenberg, Democrat of New Jersey, warned in a letter last week that "apathy courts a public health disaster."

But Dr. Van Dusen said her agency's health funds had already been committed to AIDS, child health and family planning programs. Moreover, the United States agency has cut other programs, including tropical disease and malaria vaccine research.

The United Nations organization contends that spending to fight tuberculosis, which kills three million people a year, more than all other infectious diseases combined, should be a high priority. The organization says \$13 is enough to cure a tuberculosis patient in many countries.

"It is a logical, simple, cheap thing for America to do to bring a halt to what otherwise will be an incurable plague in the 21st century," said Rich-

ard Bumgarner, deputy director of the organization's tuberculosis program.

About one-third of the world's population is infected with tuberculosis, and eight million people get sick every year. Doctors hoped to eradicate TB in the United States by 2010, but cases instead have jumped 20 percent since 1985. And drug-resistant strains are rising rapidly.

The World Health Organization asserted last month that the United States and other countries were failing to fight TB. The world gave \$16 million

in tuberculosis aid to developing countries in 1990, when the disease killed 1.9 million people, but found \$77 million for leprosy, which killed 2,000.

Mr. Bumgarner said the organization's project would provide developing countries with new drugs and training in TB treatments that work in half the time of the old yearlong therapy. Shorter therapy means patients have less time to spread TB.

Without American aid, "there's really no hope to do what we need to do," he Mr. Bumgarner said. He said he would reapply.

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November 16, 1993, Tuesday, Late Edition - Final

SECTION: Section C; Page 8; Column 5; Science Desk

Section C; Page 8; Column 5; Science Desk

LENGTH: 313 words

HEADLINE: Agency Cites Urgent Need To Fight Increase in TB

BYLINE: Reuters

Reuters

DATELINE: GENEVA, Nov. 15

BODY:

Tuberculosis will claim 30 million lives over the next 10 years unless more money is found to prevent its spread, the World Health Organization said today.

Twelve million of the deaths could be avoided if aid agencies increased spending on treatment programs to \$100 million a year, from about \$15 million now, the United Nations agency said in a report released here.

The agency warned that tuberculosis could become incurable if efforts to control it were not stepped up, because strains of TB resistant to several drugs would continue to multiply if TB programs in poor countries remained underfinanced.

"Tuberculosis is the world's most neglected health crisis," said Dr. Arata Kotchi, head of the agency's tuberculosis program. "How can we ignore a germ that already infects one in every three people on the planet?"

The health agency declared tuberculosis a global emergency in April, noting that it killed more adults each year than all other infectious diseases combined. The agency estimates tuberculosis deaths at three million a year.

Most of the people infected with tuberculosis are in the developing world, but the disease is spreading in industrialized countries. In the United States, 15 million people are infected.

The report said few health treatments were as cost-effective as those for tuberculosis.

"In some parts of the world, the cost of curing TB is as little as 90 cents for every year added to the patient's life," the report said. But less than one-tenth of 1 percent of all external aid is devoted to controlling tuberculosis. In developing countries, where TB is a leading cause of death, tuberculosis control accounts for less than one-fifth of 1 percent of all health expenditures.

The New York Times, November 16, 1993

Poor control programs, in which the treatment is not properly completed, can become breeding grounds for dangerous new strains of the disease.

LANGUAGE: ENGLISH

LOAD-DATE-MDC: November 16, 1993

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Attention: Sondra Lewis
Fax Number: 219-7971 **Phone Number:**

FROM: John Podesta 

SUBJECT: Memo re Public Jobs for the Disdvantaged

DATE: January 3, 1994

NUMBER OF PAGES (including cover sheet): Five (5)

MESSAGE: Only forwarding pages of the memo with
notations by the President

If all pages are not received, please call 202/456-2702

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SECRETARY OF LABOR
WASHINGTON, D.C.

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25:00

MEMORANDUM FOR THE PRESIDENT

FROM: LABOR SECRETARY ROBERT B. REICH *BS*
SUBJECT: Public Jobs for the Disadvantaged

I thought you would be interested in this discussion paper which was prepared by my staff. It proposes a public jobs program for the disadvantaged, modeled after the CCC, and offers several alternative models, at different levels of funding. I think the idea is worth pursuing. Let me know if you wish to discuss.

cc: Bob Rubin

Mail / Box

cc: GS

*This is a
great piece
and worth discussing
on our merits to be a part
of long term welfare reform*

BS

ALLEVIATING UNEMPLOYMENT AMONG THE DISADVANTAGED: USING THE CCC AND OTHER PUBLIC JOBS PROGRAMS OF THE NEW DEAL AS A MODEL FOR A NEW JOBS INITIATIVE

The sheer lack of suitable job opportunities appears to be an enduring obstacle to employment for many Americans. The overall official unemployment rate is much higher, on average, than it was several decades ago, as is the rate of long-term unemployment. Moreover, double-digit unemployment can be found in many pockets of the country and is endemic in our nation's inner cities.

Joblessness among U.S. males has increased particularly dramatically over the past quarter century. The nonemployment rate for prime age males was almost twice as high during the expansion of the late 1980s as it was during the expansion of the late 1960s. Virtually all of the trend toward rising male joblessness is accounted for by rising unemployment and nonparticipation among less-educated and low-wage individuals.

Increases in persistent joblessness have been most pronounced among young black males living in America's inner cities. Approximately 40 percent of out-of-school black males aged 16-24 are currently out of work. In some inner cities, 60 percent or more of less-educated, young black males are nonemployed. William Julius Wilson and others have hypothesized that increased joblessness among black males is a driving force behind the decline in two-parent families among inner city blacks and accompanying high rates of poverty, welfare dependency, violence, crime, and drug abuse in urban America.

The employment problems of disadvantaged individuals in today's inner cities are similar in scope to the employment problem faced by the nation as a whole during the Great Depression. As part of the New Deal, President Roosevelt started a number of public jobs programs aimed at getting money into the hands of desperately poor families. Collectively, these programs were quite substantial both in terms of the number of persons served and the proportion of GNP and the federal budget spent on them. Many buildings, bridges, roads, airports, and national and State parks still exist today that were constructed by these public jobs programs. Over the years, there has been an enduring appeal to the concept of putting unemployed persons to work in useful public works projects.

This paper describes the New Deal public jobs programs and options for developing analogous policies to address the problems of persistent joblessness, particularly among disadvantaged groups. The paper begins with a brief summary of the nature of the problem. It then discusses the design and operation of the New Deal programs; efforts over the years to re-establish these programs; current public employment efforts at the federal and state level; the potential role of a new public jobs programs in relation to the joblessness of disadvantaged Americans; and issues and options related to re-establishing national public employment programs.

I. The Problem of Persistent Joblessness among the Disadvantaged

The absence of job opportunities is more than a transitory phenomenon for many workers. Overall, the national unemployment rate has averaged 6.6 percent in the 1990s, which is lower than its 1980s average, but is about 2 percentage points higher than its average in the 1950s and the 1960s. Much of the increase in unemployment is accounted for by a rise in the amount of long-term unemployment (i.e., individuals experiencing unemployment for 27 weeks or more).

Concern about the enduring lack of employment opportunities is especially concentrated among particular regions of the country or particular groups of workers. West Virginia stands out as an entire state where unemployment consistently stands at double-digit levels, but double-digit unemployment is common throughout the Appalachian region and in many of the nation's inner cities as well. While Americans are quite geographically mobile and migration from declining to expanding areas is a hallmark of U.S. labor market adjustment, many find it difficult to escape the inner city, and less-educated workers face diminished earnings prospects throughout the nation.

Among particular groups of workers, there has been a marked deterioration in the labor market faced by less-educated and less-skilled males over the past 25 years.¹ This deterioration has been true for white and Hispanic males, but it has been concentrated among black males. It has shown up in terms of both increased unemployment and decreased labor force participation. Much of this decline involves persistent joblessness--individuals are essentially jobless 52 weeks out of the year. We have a growing class of persistently non-employed individuals. These same groups with substantial declines in employment rates have also experienced dramatic declines in real hourly wages over the last twenty years.

Table 1 illustrates the declining rates of employment of black males. As the table shows, employment for black males has fallen sharply since the late 1960s. Employment rates for white males have also dropped during this period, but much less markedly. Large declines in employment are also apparent over the same time period for out-of-school black teenagers.

¹Although white collar unemployment became a larger problem in the United States during the early 1990s, more educated and skilled workers are better able to adjust to labor market changes than are the less skilled who lack the education, training, and connections to take advantage of emerging labor market opportunities. Despite continued corporate downsizing, managerial and professional employment is coming back and has expanded at a moderately brisk pace over the past year.

Table 1

Employment Rates among Black and White Males, 1954-92

Age	Blacks and Other Non-Whites					Whites				
	1954	1964	1977	1981	1992	1954	1964	1977	1981	1992
20-24	.76	.78	.61	.58	.58	.78	.79	.81	.77	.76
25-54	.86	.88	.82	.79	.78	.94	.94	.91	.91	.88

There are a number of factors that may have contributed to this decline in the employment as well as the real and relative wages of black men, particularly young black men, since the late 1960s:

- o There has been a shift in relative labor demand against blue-collar work and against less-educated workers; these shifts had a disproportionately adverse effect on blacks, and especially on black males. The decline in manufacturing hit young, black males in the midwest hardest of all.
- o Slow economic growth and weak labor markets throughout much of the last twenty years have limited the opportunities in the labor market for young black males.
- o The large influx of women into the labor force in the last 30 years may have decreased the competitive position of young black males in the labor market. Robert Topel of the University of Chicago has presented some suggestive but far from conclusive evidence indicating that the problems of less-skilled males appear to have been greater in regions with a more rapid increase in female labor force participation. But many potential omitted factors could drive this correlation.
- o There has been a shift in employment opportunities out of central cities and into the suburbs.
- o Inner-city public schools have not responded adequately to the changing economic structure of our country. Not enough success has been made on preventing youths from dropping out of school despite the large decline in the number of low-skilled manufacturing jobs that previously provided decent earnings to male high school dropouts.
- o Many successful professional and working class blacks have moved out of inner cities, leaving behind high concentrations of the poor--a process which

may have removed the influence of many positive role models and "enforcers" from the inner city and, inadvertently, assisted the erosion of social norms concerning work and family responsibilities.

- o There has been a decline in Federally funded employment and training programs for disadvantaged workers and youth in the 1980s, thus taking away a buffer to the lack of job opportunities for disadvantaged individuals in America's inner cities.
- o There was a decline in the intensity of affirmative action pressure and anti-discrimination activities during the 1980s --and this may have eroded to some degree the labor market position of young black college graduates.
- o The end of the Cold War and the downsizing of the military has also reduced a major avenue for upward mobility, education, and training for black males.

Economic changes (especially labor demand shifts away from manufacturing and weak labor markets) may have started the downward cycle for black males, but persistent joblessness has in turn contributed to social changes in urban communities (increases in crime, violence, and drug abuse, and breakdowns in the traditional family) that now make it very difficult to deal with the labor market problems in inner cities. This problem is not unique to U.S. urban areas. Persistent joblessness associated with industrial decline in the North of England appears to be connected to increased crime, drug use, and violence and a rapidly expanding "underclass" in formerly stable working class areas. Similar phenomena have been observed in high unemployment parts of southern Spain and Italy.

A stronger economy, rapid private sector employment growth, and tighter labor markets are a necessary condition for improving job prospects for young black men and other disadvantaged groups in America's inner cities, but the extent of the problems and the experience of the boom of the late 1980s suggest economic growth by itself unassisted by policies designed to specifically deal with the problems of high poverty areas may not be sufficient to reverse recent trends. Extremely tight labor markets in the late 1980s in places such as Boston and New Jersey temporarily improved employment prospects for disadvantaged workers, but did not make a substantial dent into reversing trends towards increasing violence, neighborhood disintegration, and persistent poverty.

Besides a strong economy, sound policies of investments in communities, education, and training are also needed to improve economic and social conditions in high poverty areas. The Administration has started this process with the Empowerment Zone initiative, the Youth Fair Chance initiative, and an expansion of the Job Corps. Furthermore, broader policies concerning life-long learning such as the school-to-work initiative, reform of student loans, National Service, and the comprehensive worker adjustment program can

potentially play an important role in improving labor market prospects for disadvantaged individuals. Welfare reform is another important component of the agenda.

Two key policy issues remain regarding the persistent joblessness of many disadvantaged Americans:

1. Is direct job creation (either through public works or public service employment) a necessary supplement to training and education programs? Can it raise demand for disadvantaged individuals and thereby reduce overall joblessness and increase incomes in high-poverty communities in a manner consistent with promoting work and responsibility? Such programs can also produce socially beneficial outcomes such as more and improved parks, reforestation, and other public works and social services.
2. What other broad initiatives aimed at disadvantaged youth are necessary to raise their aspirations, increase their educational attainment, and make them competitive for jobs that pay enough to support a family? Do we need large new federal investments in inner-city elementary schools and secondary schools? In helping disadvantaged youth learn about, apply for, and enroll in college? In expanding sports and recreation programs in inner-city neighborhoods? In reforming job training programs (especially JTPA Title II) to provide more comprehensive services to youth?

Even with the Administration's other initiatives, some direct job creation may be necessary to make sure that jobs exist at the end of training programs. Direct job creation--particularly if targeted towards high poverty communities--may be able to keep joblessness down and also get money into poor neighborhoods. If progress can be made to reduce persistent joblessness and maintain tighter labor markets in high poverty areas, other social problems will be much easier to handle. The combination of private sector oriented policies such as Empowerment Zones and Community Development Banks can be combined with jobs programs to make a truly comprehensive approach at improving the situation for the disadvantaged.

II. Public Jobs Programs of the New Deal

While there were several federal work relief programs in operation during the Great Depression, the most notable programs were the Civilian Conservation Corps (CCC), the Works Progress Administration (WPA), the Public Works Administration (PWA), and the National Youth Administration (NYA). Of these, the CCC is generally regarded as the most popular and successful, while the WPA was by far the largest.

1. The CCC put young men from poor families to work in conservation projects on our country's public lands. Work projects included reforestation, fighting forest

fires, building national and state parks, fighting floods, and soil conservation. Many national and state parks now in existence were originally built by the CCC, and many buildings and cabins constructed by the CCC in these parks still exist today. The National Arboretum here in Washington D.C. was developed in large part by the CCC.

The CCC was in operation between 1933 and 1942. It was an entirely residential program operated out of work camps. The Army was responsible for food, shelter, and discipline at the work camps, while agencies such as the Forest Service, Interior Department, and Soil Conservation Service were responsible for the work projects. The Department of Labor was responsible for recruitment.

The CCC had a peak enrollment of 500,000, but an enrollment of between 250,000 and 300,000 was more typical. This was quite a large program. By contrast, the current Job Corps program has an enrollment of 40,000.

For the first five years of the program, enrollment was limited to young men ages 18 to 25 living in families on relief rolls. In 1937, legislation changed the age group to 17 to 24 and allowed unemployed men from non-relief families to enter the program. Initially, local woodsmen and carpenters were opposed to the creation of the CCC, thinking it would cost them work. But this opposition was muted by hiring them as work supervisors in the program. Five percent of work slots in the program were reserved for hiring adult men as work supervisors.

While the main purpose of the CCC was to get money to poor families, the program also aimed at conducting useful work. Thus, large proportions of the program funds went towards maintaining residential camps necessary for conducting work in wilderness areas, skilled supervision, and materials and supplies. Roughly 45 percent of program funds went to enrollee wages. By contrast, over 80 percent of funds in the Public Service Employment (PSE) programs of the 1970s went to employee wages. But the 1970s programs are remembered as being much less successful than the CCC.

2. The WPA was the New Deal's largest work relief program. It provided federal funds for work projects operated by State and local governments. Unlike the CCC, the WPA was a non-residential program. Persons had to be at least 18 years-old to enter, but there was no upper age limit. Eligibility for the program was based on family need, but persons did not have to be on direct relief to participate. However, at one point, the WPA's deputy director reported that 95 percent of enrollees came from relief rolls. Enrollment was limited to one person per poor family. The program peak enrollment was 3.3 million, and typically had an enrollment of over 2 million.

The WPA conducted a wide variety of work projects, but it put most people to work doing manual labor on construction projects. Work projects included building sidewalks, street curbs, school athletic fields and stadiums, parks, playgrounds, swimming pools, water lines, and landing fields. Non-construction WPA projects included sewing clothes, serving school lunches, teaching literacy, and canning food. The WPA also sponsored projects for writers and artists, as well as local orchestras. Eighty-eight percent of federal WPA funds were spent on wages, although State and local governments could supplement the federal funds with their own money for materials and supplies. These State and local funds enabled the WPA to conduct construction projects, and meant that for many WPA projects much less than 88 percent of funds went towards wages. Over its existence, the WPA built or reconstructed 617,000 miles of new roads, 124,000 bridges and viaducts, and 35,000 buildings. Notable projects included the construction of New York's Central Park Zoo, the Philadelphia Art Museum, and La Guardia Airport.

During most of the WPA's life, there were no restrictions on how long a person could remain in the program. Enrollees did, however, have to accept private sector jobs if they were available. Legislation in 1939 required that anyone in the WPA for over 18 months had to leave the program for 30 days. At that time, it was estimated that 17 percent of all enrollees had been in the program 3 years or more. In New York City, 42 percent of enrollees had been in the program for over three years.

3. The PWA differed from the WPA in that it funded federal, State, and local construction projects conducted through private contractors. Due to the use of private contractors, funds were not directed at the poor but rather more generally at increasing employment. Thus, the PWA was a public works program rather than a public jobs program. The PWA preceded the WPA, and once the WPA was established a division of responsibility was established whereby the WPA would concentrate on light construction and service projects and the PWA would conduct heavy construction through private contractors. The Grand Coulee dam was built by the PWA. The PWA's peak enrollment was 540,000.

4. The NYA included work programs for both in-school and out-of-school youth. These were relatively cheap, non-residential projects. Most jobs were part-time. The NYA can be seen as the antecedent of the Neighborhood Youth Corps of the 1960s and the current Summer Youth Employment Program, although it is unclear whether these latter programs were designed in any way based on the NYA experience. Peak enrollment was 808,000.

Some observations on these depression-era programs include the following:

- o President Roosevelt and Congress understood that direct income support was cheaper than work relief. Estimates were that work relief was 37 percent more expensive than direct relief. Nonetheless, the President and Congress decided to go with work relief because of a general loathing for simply paying out cash welfare to persons. There were people at the time who argued that direct relief could serve more people.
- o Besides providing income support, public jobs programs can also produce useful work. There was within the Roosevelt Administration a recognized trade-off between these two goals. The conflict between these goals was evident in decisions on how selective to be in hiring workers, what projects to conduct, whether to use private contractors, how much funds would be spent on supervision, and how much funds could be spent on equipment, materials, and supplies. Within the Administration, there were advocates of both the income support and the useful work goals. The different work relief programs varied in the emphasis placed towards each goal. The WPA was aimed mainly at income support, and a high proportion of its funds went to wages for the participants. By contrast, the PWA and CCC spent a much greater proportion of their funds than the WPA on supervision, equipment, and materials.
- o Combined, the New Deal work relief programs employed about 4 million people a year out of a total population of less than 130 million. This would be the equivalent of employing 8 million people today in public service employment. The WPA's \$1.36 billion annual budget made up over 10 percent of the federal government's budget and over 1 percent of the country's GNP. An equivalent expenditure relative to GNP today would amount to a public works program costing more than \$60 billion a year.

III. Previous Efforts to Re-Creat Public Jobs Programs

The New Deal public jobs programs were discontinued with the need to mobilize the armed forces for World War II. As the end of World War II approached, President Roosevelt spoke in his 1945 State of the Union address about an American Economic Bill of Rights and his plan for continued public works projects. However, no major public jobs programs were enacted at the end of the war.

As part of the War on Poverty, the Neighborhood Youth Corps was established in 1964. The program included year-round components for both in-school and out-of-school youth, as well as a summer component. The focus of all three components was to provide work experience for economically disadvantaged youth ages 16 to 21. The in-school program provided part-time jobs for 15 hours a week, while the out-of-school program provided

full-time jobs. Like the Job Corps, the program originated in the Office of Economic opportunity, and then was switched the Department of Labor.

The Neighborhood Youth Corps was a fairly large program. In FY 1968, for example, the in-school component had an enrollment of 135,000 youth; the out-of-school component had an enrollment of 63,000 youth; and the summer program employed 340,000 youth. The Department of Labor continues to run both year-round and summer programs aimed at disadvantaged youth, but the focus of the year-round programs has shifted away from employment to job training for out-of-school youth and preparing in-school youth for the labor market.

Also during the War on Poverty in the 1960s, large-scale public employment was proposed to address the high levels of unemployment among inner-city adult males. Secretary of Labor Willard Wirtz argued strongly for a major public jobs program, and the Kerner Commission on the 1967 Riots recommended a program that would create 1 million public sector jobs in three years. In 1971, a public jobs program was established by Congress, and operated under various designs and at varying funding levels for the remainder of the 1970s.

In the meantime, there were several attempts in Congress to re-create the CCC. Bills to re-create the CCC were introduced in 1947, 1950, 1957, 1959, and 1963. In 1964, Congress established the Job Corps, in large part based on the CCC concept. The legislative history of the Job Corps suggests that Congress intended to establish a training program in the Job Corps contract centers, and to establish a work program like the CCC in the Job Corps conservation centers. But the conservation centers developed into construction training programs rather than work programs.

In 1970, Congress established the Youth Conservation Corps (YCC) as a summer program for 16-19 year-olds operated by the Interior Department and the Forest Service. In 1975, a state component was added to the YCC. In 1977, Congress enacted the Young Adult Conservation Corps (YACC) as a year-round program for 16-23 year-olds as part of the Carter Administration's Youth Employment and Demonstration Projects Act (YEDPA).

Like the summer YCC program, YACC had separate components operated by Interior, the Forest Service, and the States. Unlike YCC, funds for YACC were allocated through the Department of Labor and DOL retained an administrative function over the program. The program was funded at roughly \$225 million a year, with an enrollment of about 20,000.

In many respects YACC replicated the CCC. However, it was a much smaller program than the CCC, and was designed and operated much more cheaply than the original CCC. While the CCC was entirely residential, YACC was required by legislation to be 25 percent residential--but it never quite reached that figure. While the CCC spent only

45 percent of its funds on enrollee wages, DOL first required YACC to spend 60 percent--and later 70 percent--of its funds on enrollee wages. This sharply curtailed the supervision, materials, supplies, and equipment that could be used by the program--and thus the scope of the work projects.

Both YCC and YACC fell victim to the budget cuts started by President Carter and carried through by President Reagan.

IV. Public Service Employment in the 1970s

The Public Employment Program (PEP) was signed into law in 1971, and was funded at roughly \$1 billion a year. At its peak, it provided employment for about 185,000 persons. Most jobs were created in local and State government agencies. Eligibility was open to anyone unemployed for a week or more, was working less than full-time involuntarily, or working full-time at wages that provided less than a poverty-level income. Sixty-four percent of participants were white, 72 percent were male, only 26 percent were high school dropouts, 31 percent had some post-secondary training or education, and only 12 percent were welfare recipients. The average wage was \$2.87 an hour, when the minimum was \$1.60 an hour.

In 1973, the Comprehensive Employment and Training Act (CETA) was passed, and PEP was replaced by a public service employment (PSE) program aimed at structural unemployment. Funds were to be disbursed to areas of unemployment of 6.5 percent or more. In late 1974, Congress added to CETA a countercyclical PSE program. The legislation for both of these programs specified that at least 90 percent of funds be used only for wages and employee benefits of participants. In June of 1975, enrollments stood at 280,000 for both of these programs combined. The jobs in these PSE programs were mainly in State and local government agencies, and participants were mainly white, male, and high school graduates. Only 36 percent were economically disadvantaged.

Amendments to these PSE programs in 1976 were aimed at reducing the fiscal substitution of locally paid workers with federally subsidized workers. These amendments restricted eligibility to persons who had been unemployed 15 of the previous 20 weeks, and required that in the countercyclical program all newly hired workers beyond the number needed to sustain State and local governments at their existing PSE level be assigned to special projects that would last no more than one year. During the spring of President Carter's first year in office, Congress authorized another \$4 billion for PSE programs. Enrollment in these programs increased from 300,000 in May 1977 to 755,000 in April 1978. Also during this period, the proportion of job slots going to community based organizations increased greatly to 25 percent of the program.

There was a large difference in the types of people hired for the State and local government "sustainment" slots and those hired for the one year special projects in local

governments and CBOs. Enrollees in special projects were more likely to be minority, high school dropouts, and welfare recipients.

Job slots in the sustainment component of PSE tended to be in the areas of property maintenance, public works, street repair, aides in police and fire departments, and park maintenance. Special project slots also included work in park and street maintenance, but more generally were in social service positions such as teacher's aide, health aide, child care, social work, drug counseling, recreation aide, school lunchroom aides, library assistants, hospital attendants, and clerks in social welfare agencies. In 1977, the average wage paid in sustainment positions was \$4.50 and the average wage in project jobs was \$4.32. The minimum wage at that time was \$2.30. In 1978, slightly less than 10 percent of PSE participants were AFDC recipients.

In 1978, amendments to CETA further tightened eligibility requirements, lowered the limits on what PSE workers could be paid, and required job training to be provided to participants. Also during this period, the Carter Administration planned to use public service employment as a key part of its welfare reform initiative. The idea was to provide heads of AFDC households with minimum-wage PSE jobs, but the Carter welfare reform initiative did not become law.

Funding for PSE declined sharply in 1979 and 1980, and in 1981 the Reagan Administration terminated the program. In FY 1980, 85 percent of PSE participants had incomes below the poverty line at intake, and 17 percent were welfare recipients. As more disadvantaged persons were served by PSE, the wages paid in real terms declined. While in 1977 jobs in the sustainment component of PSE paid almost double the minimum wage, the average PSE wage in 1980 was only 26 percent higher than the minimum wage of \$3.10 an hour.

It is difficult to derive a cost per slot figure for PSE programs under CETA--the programs fluctuated so much from year to year that a steady state was never achieved. Based on restrictions on how much could be used for purposes other than wages and employee benefits, a rough estimate is that the cost per slot was around \$10,000 in 1980. Adjusting for inflation, this would amount to about \$17,250 today. However, pegged instead to changes in the minimum wage--which has not kept up with inflation, this would amount to about \$13,200 per slot. If we paid only the minimum wage, the equivalent PSE job today would cost \$10,600 a slot (\$8,840 of which would be in wages).

Observations about the CETA PSE programs that are relevant today are as follows:

- It is feasible to mount a large public service employment program in a short period of time, and potential PSE slots do exist in State and local governments and community based organizations. The \$4 billion (the equivalent of \$9 billion today) PSE program operated in 1977 had over 700,000 enrollees.

- The CETA PSE program differed fundamentally from the depression-era CCC and WPA programs in that CETA simply incrementally added workers to existing programs. CETA was a public service employment program, not a work projects program. CETA did not build new parks or roads as the CCC or WPA did. This explains why the CETA PSE programs were so relatively cheap. They involved minimal extra supervision, equipment, and materials. Re-creating the CCC today, with some of the light and medium construction that it did in building State parks, would probably cost about \$20,000 per slot (assuming \$8,840 in wages would constitute roughly 45 percent of expenditures per slot). WPA projects varied greatly, and would probably range in costs today from \$10,000 to \$25,000 per slot. CETA PSE programs were much cheaper. The lack of explicit and visible projects created by CETA also made it more difficult to defend than the WPA or CCC in the face of anecdotes concerning make-work jobs, fraud, and abuse.

V. Current Programs

State and local Conservation Corps. While federal funding for YCC and YACC ended during the 1980s, interest in conservation and service corps continued in State and local governments. The premier State conservation program is the California Conservation Corps. The California CCC is the closest thing going to replicating the old CCC. The California program has 18 residential centers spread across the State, plus non-residential satellites to these centers. The program has an enrollment of 2,000 youth and a budget of over \$50 million. Work projects include reforestation, stream clearance, fighting forest fires, fighting floods, and trail development. The California CCC would likely be the model for any efforts to re-create the original CCC. Evaluations of the residential component of the California CCC have found that it has been successful at producing in-program earnings gains for out-of-school youth, but it does not appear as successful in terms of long-term gains as the Job Corps, a residential work-experience program with a much stronger educational component.

Overall, there currently are 75 year-round or summer service and conservation corps operated at the State or local level. The combined budgets of these programs are \$180 million, and roughly 20,000 youth participate in them each year. (These programs on average are cheaper than the California CCC because they are almost exclusively non-residential and many are summer-only programs).

Summer Youth Employment and Training Program. The Department of Labor continues to operate a large summer youth employment program each year. This past summer approximately \$1 billion was spent on the program, and 656,000 youth ages 16-21 were served. This represents the largest existing public service employment program operated by the federal government. Funds are distributed on a formula basis to local

areas, which then administer the program. Places of work include public schools, government agencies, hospitals, and non-profit organizations.

An evaluation of the 1993 program conducted by Westsat found that enrollees were conducting real and productive work, and learning the work ethic. There was little evidence of "make-work" projects. Both employers and youths were enthusiastic about the program.

The study also found that there was a shortfall in available job slots in almost all local areas, and that more youth could have been served if more funding had been available--indicating that disadvantaged youth do want to work if given the chance. Expanding the summer youth employment program--and extending its educational component year-round--could be a useful complement to a new public service employment initiative.

National Service. The President's new National Service initiative will provide for a modest expansion of State and local service and conservation corps programs. The expansion will not be all that great, as the National Service initiative will have a budget of only \$500 million a year, and much of this will go towards the educational trust and to a variety of programs other than the service and conservation corps.

Re-establishing the CCC could fit in exactly with what the Administration's goal of expanding the national service concept. Conservation corps programs provide youth and young adults with an opportunity to work towards improving the environment. The California Conservation Corps, for example, pushes the notion that corps members are there to serve the State of California. Conservation corps programs also allow youth who have not gone on to college a chance to do national service--a good balance to many service programs aimed mainly at college graduates. A public jobs program for adults based on the WPA could similarly be tied to national service themes.

VI. A New Public Jobs Program in Relation to the Joblessness of the Disadvantaged

A new jobs program aimed at disadvantaged individuals could be targeted specifically on high-poverty areas. Targeting a public jobs program on high-poverty neighborhoods would keep the costs of the program manageable, while at the same time allowing us to serve a sufficient proportion of the area's population to have a potential impact on community values regarding work and the family. A program targeted on high-poverty communities could reach a significant proportion of both the black and the Hispanic poor. Overall, 58 percent of the black poor and 43 percent of the Hispanic live in 20 percent or higher poverty areas, and perhaps 25 percent of the black poor live in 40 percent or higher poverty areas.

Such a program could make a significant dent in nonemployment among youths in depressed areas, potentially having a positive effect on social mores about work.

Assuming that 75 percent of enrollees in a public jobs program would be males and that almost all enrollees in these programs would be between 18 and 34 years-old, a public jobs program of 240,000 slots would serve slightly more than an estimated 10 percent of non-employed males in this age group in these geographic areas.

Restricting the public jobs programs to 30 percent or 40 percent poverty areas would much more sharply focus them on minority groups. For example, in 20 percent poverty areas, roughly 41 percent of the population is non-Hispanic white, 38 percent is non-Hispanic black, and 19 percent is Hispanic. In 40 percent poverty areas, 26 percent of the population is non-Hispanic white, 47 percent of the population is non-Hispanic black, and 22 percent is Hispanic. A public jobs program of 240,000 slots targeted on 40 percent or higher poverty areas could serve over a third of non-employed males ages 18-34 in these areas.

An issue regarding the use of public jobs to fight joblessness in high poverty areas is that a large proportion of enrollees may need to stay in public jobs over several years. Evaluations suggest that most existing job training programs have only a marginal impact on the long-term employment levels of enrollees.² There is little reason to believe that public employment programs would have a larger impact than job training on subsequent employment rates. But a large scale jobs program in high poverty areas can potentially keep labor markets tighter and improve employment prospects for other residents and for those leaving the programs.

It may be possible to design a public jobs program that provides for natural transitions to private sector jobs by focusing on jobs involving skills that may be in demand in the private sector. If we targeted public jobs to such occupations, enrollees could over time make a transition to the private sector. Nevertheless, it should be kept in mind that it is very difficult to make accurate projections of this type.

VII. Design Issues Regarding Re-Creating Public Jobs Programs

1. Scale. Should the Administration be interested in developing jobs programs analogous to the CCC and/or the WPA? At what funding levels? Each has its comparative advantages. A CCC-type program would give youth and young adults a more intensive residential experience, which is more likely to have a long-term impact on their lives. A WPA-type program would be relatively less expensive and thus able to serve more people. It is more appropriate for persons over 25 than the CCC.

²The gains from traditional training programs, such as JTPA Title II, appear to be more substantial for disadvantaged adults than for disadvantaged youths. More intensive programs with a variety of services appear more effective for youth.

The CCC would be a complement, rather than a substitute, for the Job Corps. Even with its proposed expansion over the next several years, the Job Corps will serve each year less than 4 percent of the 2.4 million economically disadvantaged youth between the ages of 16 and 21. The Job Corps and the CCC would attract slightly different populations of youth--the Job Corps being more appealing to youth interested in training, the CCC more appealing to youth who want to work outdoors and perform national service.

It would cost about \$5 billion a year to replicate the CCC at its 1930s level; \$800 million a year to replicate it at the 40,000 enrollment level of the Job Corps; and \$400 million a year to replicate it at the 20,000 enrollment level of the 1970s YACC program. It would take \$6 billion a year to replicate the WPA at an enrollment level of 500,000; and \$1 billion to replicate it at an enrollment level of 80,000.

2. Cost versus Quality of Work Projects. Non-residential CCC could be operated as cheaply as \$12,000 per slot and WPA programs could be operated as cheaply as \$10,000 per slot. To do so, however, would require sacrificing any attempt to make these quality programs with quality work projects.

3. Public Works versus Public Jobs. This is the distinction between the depression-era PWA and WPA programs. It is possible to increase employment by investing in public works projects, and then letting private contractors bid to do the work. This is aimed at increasing employment levels generally. Public jobs programs directly target the work to particular groups, such as youth, the unemployed, or the poor. Both types of programs can have a role in public policy.

4. Eligibility. There are several options for deciding who should be eligible for CCC and WPA programs. They could be restricted to the economically disadvantaged, to high school dropouts, to AFDC recipients and the fathers attached to these families, or left untargeted. Modern-day CCC programs--including the YCC, YACC, the California CCC, and most current State and local conservation corps--are left untargeted. This enables these programs to avoid placing any stigma on enrollees and to stress to enrollees that they are there to serve the public good. At the same time, these programs tend to attract a population that is comprised of 50 to 60 percent high school dropouts.

5. Geographic Targeting. A possible way to target CCC and WPA programs to the poor but to avoid stigmatizing enrollees would be to geographically target these programs to residents of 20 percent or 40 percent poverty areas. Applicants would then not have to show proof of poverty-level income, yet we would still be reaching the population in greatest need in both urban and rural areas.

6. Youth versus Adults. We would need separate programs for youth and adults. We cannot just shove youth into a program designed for adults. Research strongly suggests that programs designed for adults are not effective for youth. A CCC-type program makes sense for youth, possibly with a residential component and an urban non-residential component. Experience with YACC suggests that residential programs work best when dealing with a fairly narrow age range of participants--say the 18 to 23 year-old age range served by the California CCC. Non-residential WPA programs could be aimed at adults.

7. Residential versus Non-residential. CCC programs can be operated more cheaply in a non-residential setting, but much of the appeal of the old CCC was its residential setting. Most likely, residential programs such as the Job Corps and the CCC have a much greater chance of turning around a young person's life than non-residential programs. The difference in cost between residential and non-residential programs are not as great as one would suspect, in that typically room and board is taken out of the paycheck of residential enrollees. This is true in the California CCC and was true in YACC. Evaluations have also shown that non-residential CCC-type programs appear less successful for youth than residential CCC-type programs.

8. How Long Enrollees Can Stay in the Program. At first thought, it would appear to make the most sense to limit the length-of-stay in CCC and WPA programs to perhaps a year. However, many inner-city and rural males may have very dim prospects of finding private sector employment, and limiting the length-of-stay in these programs will only result in giving these persons a one-year reprieve out of poverty. The programs may be more effective if persons have the possibility of staying in these programs somewhat longer. Long stays in a WPA program could be avoided by restricting the jobs funded by the program to occupations with large projected job growth, thus making for a natural progression to private sector jobs. The program could also require that enrollees rotate into a two-week job search assistance program every six months as a way of moving people into private sector jobs.

9. Possible Role of The Army. The Army had a significant role in the original CCC in being in charge of the discipline and logistics of the work camps. The Army has not had a role in modern-day CCC programs, but perhaps with the end of the Cold War it does now make sense to involve the Army in these programs. The Army could take on the same role in residential CCC camps as it did in the 1930s, and surplus Army Corps of Engineers equipment could be used to enable the program to conduct larger construction projects than were done under YACC in the 1970s.

10. Availability of Work Projects. The Interior Department and the Forest Service have a backlog of work projects more than sufficient to provide jobs for a

CCC program at any level at which we could afford to fund it. Reforestation has many ecological benefits, and for all practical purposes, there is an almost unlimited number of jobs that could be created in this area. There is much rehabilitation work that needs to be done in our National Parks. New State Parks could be developed, trails could be built and maintained, and cabins and shelters constructed. There will also be much conservation work as a result of the great floods this year in the Midwest.

WPA projects could most appropriately be designed around putting enrollees to work in high-growth occupations which can directly lead to private sector placements. Gardening and landscaping is a high growth occupation, and there is much need in our cities for tree planting and park development. The construction trades are high-growth occupations, and there is substantial need in inner cities for housing rehabilitation and the construction of moderate-income homes. As was done in the 1930s, opposition by skilled workers can be countered by hiring these workers as foremen.

11. Avoiding Claims of Waste and Abuse. How can we make sure that a new jobs program is not hit with claims of waste and abuse? Such claims--for the most part, exaggerated--eventually came to define the CETA PSE programs. Avoiding such claims was a major concern of the National Service staff in designing their program. To maintain political support for a public works or public service employment program, we will need to keep close track of concrete accomplishments by such a program (e.g. trees planted, miles of road constructed, major projects completed, elderly served, etc.). This will be necessary to counteract anecdotes of fraud and abuse that will inevitably occur.

12. Relation to Welfare Reform. Public jobs programs can address welfare dependency both by employing welfare recipients and by attempting to get at one of the main causes of long-term welfare dependency--male joblessness. It is likely that under the Administration's proposed plan to limit AFDC receipt to two years, a public jobs program will be developed for recipients who reach their time limit on AFDC and still cannot find work. There will remain a need to deal with the conditions of inner-city poverty and male joblessness that many believe are strongly linked to much long-term welfare dependency.

13. Political Interest. There currently is some political interest in re-establishing public jobs programs. In January, Senators Boren, Daschle, Inouye, Levin, Pryor, Reid, and Simon introduced a bill to establish a jobs program similar in design to the WPA. In the last Congress, Senator Simon introduced a large guaranteed public jobs program. Senator Wofford was instrumental in starting the Pennsylvania Conservation Corps when he served as Secretary of Labor and Industry prior to becoming Senator, and he has promoted re-establishing the CCC. Congressman Wendell Ford has advocated for a large public works programs. In

1983, the House passed legislation to create an American Conservation Corps funded at \$300 million a year. The Senate subsequently passed a much toned-down version, but it was vetoed by President Reagan. Mickey Kaus, the journalist and social critic, has also proposed a large public works program as a way of dealing with inner-city poverty. Re-establishing the CCC could be tied to the clean-up of the Mississippi River flood. The California CCC is an impressive program, and Administration officials may want to visit it to see what a national CCC could look like.

14. Example Proposals. Re-establish the CCC at a 40,000 enrollment level (making it an equivalent program in size to the Job Corps) and the WPA at an enrollment level of 200,000, and restrict these programs to residents of 20 percent or higher poverty areas. Assuming that 75 percent of enrollees would be males and that almost all enrollees of these programs would be between 18 and 34 years-old, we would be serving slightly more than 10 percent of the non-employed males in this age group in these geographic areas. The cost would be \$800 million a year for the CCC and \$3 billion for the WPA. If the programs were operated at the same scale but restricted to residents of 40 percent or higher poverty areas, over a third of the non-employed males between 18 and 34 years-old in these areas would be served. This would be approaching a scale large enough to dramatically change social and economic conditions in these target areas.

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Stanley K. Sheinbaum

THE PRESIDENT HAS SEEN
1.3.94

December 21, 1993

President Bill Clinton
The White House-West Wing
1600 Pennsylvania Avenue, NW
Washington, DC 20500-2000

Dear Bill:

Ever since we spoke less than a day ago and even before I learned of this morning's news from several sources, both Palestinian and Israeli, that there is suddenly optimism about getting compromises in place to pick up on the December 13th "deadline", I had some second thoughts about what service I might provide for the general effort.

To repeat, my history with Arafat and the PLO has been such that I do believe that I have as much capital with them as any American, and I would want to utilize it if possible. Being non-official can help; having your backing, however informally, can have a strengthening effect as I felt it did in the Syrian case.

In our conversation I did not distinguish enough between two problems that in the broad sweep of things need to be confronted. The first has to do with achieving the compromises that at this very minute possibly are on their way to resolution in Paris. Our discussion for some reason and despite its brevity veered toward what ideas I might come up with in that context. That, however, was really not what I felt was the area for my particular usefulness.

Upon rethinking our conversation it became clearer to me that my relationship with Arafat and with Nabeel Shaath (who has been taking the lead in their negotiations since September 13th) has been such that I could tackle the problem more generally and not get into what has the flavor of negotiating--which I am not equipped for--things like the specifics of compromises, e.g. exactly how large Jericho should be.

The other problem is, and I am sure you are very sensitive to it, that Arafat is being very stubborn and worse, very autocratic. The autocratic nature of his mindset is doing a lot of damage among his key supporters--as well as to the peace process.

As you know I wrote him last week cautioning him that his very rigidity might lead to the fall of the Rabin government quite possibly leaving him--and us--to face Netanyahu and Likud, and thus the collapse of the Palestinian/Israeli settlement. An authoritative friend recently said the problem is an attitudinal one in the sense that

President Bill Clinton
December 21, 1993
Page 2

Arafat has never functioned in other than an autocratic manner. And it is exactly in that context that I think he might be responsive to me. I have nothing to lose. I recognize that is a big bite but well worth the try. And I will try. I have been deep into this issue for a long time at considerable cost--including dead pigs in my driveway--so I want to help wherever possible with the one proviso that I not get in the way, to repeat, of you and your team.

Then, of course, if there is anything you and or your advisors think I can still do on the Syrian front I am always ready.

I am leaving for the Middle East right after New Year's to attend one of the multi-lateral meetings, this one on arms control, in Greece. I'll try to check in with you before I go.

AND THEN TO TUNIS.

Godspeed,

SKS/kc
clinton.30

cc: SEC. CHRISTOPHER

P.S. SINCE DICTATING AND SIGNING THE ABOVE
I RECEIVED THE ENCLOSED RESPONSE
FROM ARAFAT TO MY 14 DEC. LETTER
TO HIM.

STATE OF PALESTINE
PALESTINE LIBERATION ORGANIZATION
Office of the President



دولة فلسطين
مكتبة الرئيس
الرئيس
التاريخ

Mr. Stanley K. Sheinbaum
345 North Rockingham Avenue
Los Angeles California 90049
U.S.A
Fax: 001 (310) 476-9853

Greetings,

Thank you for your letter on your assessment of the meeting between me and Mr. Yitzhak Rabin. I would like to explain the following:

1- We went to this meeting with Rabin with good intention to find a solution to the pending issues which hamper the progress of negotiations on implementing the declaration of principles on the ground.

2- Mr. Rabin came to the meeting after he has already declared that the implementation will not take place in the date fixed by the agreement on 13 December.

3- The agreement stipulates that the Israeli forces withdraw from the Gaza Strip and the Area of Jericho. Instead of sticking to the text of the agreement the Israeli side offered only to redeploy the Israeli forces in these two areas.

4- Hence the conflict ensued with the Israeli side and with Mr. Rabin on, first, who

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Office of the President



دولة فلسطين
منظمة التحرير الفلسطينية
مكتب الرئيس

الرقم :

التاريخ :

controls the passages and the bridges and secondly, on the size the area of Jericho.

5- The agreement stipulates that on the passages and bridges there will be Palestinian supervision, international presence and Israeli coordination. This was rejected by the Israeli side who claimed the supervision for itself. We have rejected this Israeli demand because it violates the agreement and means the transformation of the Gaza Strip and the Jericho area into a Bantustan or an "Indian reservation" whose keys for entry and departure would be in the hands of the Israeli side. We consider this to be an insult to us and to the struggle of our Palestinian people to realize just peace and historical reconciliation with the people of Israel. No one will accept this grave violation of an international agreement that was made under the auspices of the USA and Federal Russia, and under the eyes of the world.

6- There is another disagreement between us on the meaning of outside security. We have accepted that outside security to be under Israeli supervision. However, we have not accepted that Israeli soldiers would be stationed on our borders because that, then, will transform us into an Israeli suzerainty. Outside security in our view and according to international law means that Israel will provide for the security of our borders if these were threatened by a

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danger from any party because that threatens its own security as well. This does not give Israel the right to deploy its forces on our borders, as the Israeli side demands. We have proposed to have tripartite Israeli, international and Palestinian patrols.

7- The disagreement on the size of the area of Jericho shows really how intransigent Israel is. The size of the area of Jericho under the Israeli administration was 720 sq km. We have accepted that its size should be around 340 sq. km. on the basis of drawing a line 32 km long on the Jordan River and 10 km in depth into the Jericho area. On the longitude line are the three bridges which are the passages to it from Jordan. The Israeli side offered only 27 sq. km. for the size of Jericho. This is not acceptable for us because it means that they are giving us only a ghetto. Who can accept a ghetto?

8- We told the Israeli side that we are ready to coordinate with them on security matters to alleviate their fears. They can use the most advanced technology of observation. Both of us can agree to bring in international forces or from any foreign country which they trust like the USA or Canada or Norway or any other European country.

9- In our meeting in Cairo we agreed with Mr. Rabin not to make statements on the issues we discussed. No sooner we left that the officials

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in Israel escalated their statements which are not in the interest of finding an acceptable settlement to these issues.

10- If Mr. Rabin thinks he has to accommodate his public, then we have also to take into consideration the legitimate needs of the Palestinian, Arab, Islamic and Christian public opinions.

11- We want to find a quick solution to these problems and implement the declaration of principals on the ground so that to be able to establish just peace for our people, the Israeli people and the peoples of the area, and to put an end to the Israeli occupation of our land and people.

Thank you for your interest.

Tunis: 10 December 1993

Yasser Arafat
President of the State of Palestine
Chairman of the Executive Committee of the
Palestine Liberation Organization



Stanley K. Sheinbaum

12/27
1. ✓ CC
TOM LAKS
2. BZ

FAX TRANSMITTAL

DATE: 12.21.93

TO:

NANCY HERNREICH

FIRM:

WHITE HOUSE

FROM:

S.K.S.

COMMENTS:

PLEASE PASS ON TO THE PRESIDENT —

GOOD HOLIDAYS TO YOU ALL

NO. OF PAGES (including cover sheet)

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THE PRESIDENT HAS BEEN SEEN HOUSE
1.3.94 WASHINGTON

December 7, 1993

93 DEC 11 P1:14

MEMORANDUM FOR IRA MAGAZINER

FROM: BOB RUBIN

SUBJECT: Thoughts for Tomorrow's Meeting

⑥ H Care File of desk
① Phil L
② Charles L
③ Roger A
④ Potus
⑤ Itnc

What follows are some thoughts for tomorrow's meeting:

- Agree*
Main
Reis
- I. Identify a small number of key media opinion leaders -- perhaps 10 or 12 -- and then assign them to people for adoption until end of process. Important to make right match of personalities, substantiveness, etc.
 - II. Need to find more effective way of describing our plan, or perhaps how to get people to think about our plan relative to the status quo and relative to the other plans. I don't think we have a way that works, right now.
 - III. Need to decide how and when to deal with momentum of efforts of Cooper, Chafee, DLC, and their possible combining.
 - IV. Who will play the Rahm Emanuel role for health care, i.e., the coordinator of Congressional, political, communications efforts. More generally, we should have a chart of functions/roles and who performs them (we did this for NAFTA, in effect).
 - V. Though our views may change, where do we now think we want to come out?
 - VI. Need a tight, small on-going management process, for the whole health care process.

Thru Mary
John

Army Study Warns of Possible Equipment Shortages

Ability to Sustain Combat Forces Abroad in a Crisis Could Be Undermined, Report Says

By John Lancaster
Washington Post Staff Writer

A secret Army study has warned of a looming shortage in the unglamorous essentials of modern war—such as fuel trucks, chemical-weapon detectors, medevac helicopters and mine-clearing equipment—that it says could undermine the Army's ability to deploy and sustain combat forces in an extended crisis.

The study says, moreover, that planned spending cuts will force the Army to concentrate its limited modernization funds on those active-duty combat divisions slated to respond first to crises abroad. Follow-on forces—including other active divisions and National Guard and reserve units—will have to make do with older weapons, becoming in effect a second-class Army incompatible with the better-equipped "contingency corps," the study says.

Perhaps most significant, the study says, future logistics and transportation capabilities will be "inadequate for force projection [and] sustainment" of the follow-on forces. The study predicts shortages of such prosaic but vital equipment as fuel pumps, portable pipelines, amphibious barges for unloading gear on undeveloped coastlines and even scanners for reading bar codes on ammunition shipping containers.

In that regard, the classified study by the Army's Training and Doctrine Command challenges the Clinton administration, which has pledged to preserve enough combat power to fight and win two nearly simultaneous regional wars. Until now, the Army has largely gone along with post-Cold War spending cuts, but the tone of the new study suggests that resistance within the service may be hardening.

"I think the pain is really starting to show," said an Army officer who is familiar with the study's conclusions. "It means that we're starting to come apart, that you're not able to equip the force with what it would take to be 'viable' across the board."

Some independent analysts suggest that the service's problem is not as much fiscal as structural. Instead of trying to preserve a force of 10 active divisions and roughly 500,000 soldiers, they argue, the Army should accept a smaller force in return for fully modernized hardware and sufficient funds for training and operations. The Army has

shrunk from 790,000 troops in 1990 to about 570,000 today.

Senior Pentagon officials, for their part, note that spending cuts are bound to be unpopular with the services and suggest that the Army has not gone as far as either the Navy or Air Force in paring unneeded infrastructure and bureaucracy. "These are self-inflicted wounds," said a senior Defense Department official who requested anonymity.

Maj. Mark Samisch, an Army spokesman, described the study as a "subjective analysis" that does not necessarily reflect the views of the Army chief of staff, Gen. Gordon R. Sullivan, whose public statements

on the future of the Army have been somewhat more sanguine.

The study, however, appears to reflect widely held views within the Army leadership. Contributors included commanders of the service's major combat schools, planners in the Army operations directorate and the military's regional commanders, among others. The study was sent to Army headquarters in mid-November and is due to be completed on Feb. 15, according to a schedule furnished with the draft.

The study attempts to forecast the effects of the Clinton administration's planned spending cuts on Army research, development and

aquisition programs from 1996 through 2010. The study was first described in a defense-industry newsletter, *Inside the Army*; a draft copy was obtained independently by The Washington Post.

The study is generally optimistic on the prospects for the so-called contingency corps—such as the 82nd Airborne Division—describing it as "the most technologically advanced, most capable five-division combat force in the world." But the study is somewhat less sanguine when it comes to the Army's other main components, categorized as Force Package Two (mostly units based in Europe and Korea); Force Package Three (U.S.-based divisions not in the contingency corps); and Force Package Four (National Guard and Army Reserve units).

Force Package Two, for example, is "losing [its] close-combat edge" and becoming "incompatible" with the contingency corps; Force Package Three is "not maintaining land-force dominance" and is "difficult to project and sustain"; Force Package Four is "not maintaining the edge in any area. Force will have little relevance except in operations other than war or total mobilization," according to the study.

The study also forecast a number of across-the-board deficiencies in the Army's modernization plans. These include funding shortfalls for equipment to detect chemical weapons attacks, computers and scanners to keep track of materiel and supplies, floating cranes for unloading cargo and even an improved heavy-duty towing vehicle for tanks and other machinery.

Some defense analysts suggest that the Army's anxiety over looming equipment shortages is an inevitable byproduct of the administration's two-war strategy. That strategy, they contend, requires the Army to retain more force structure than it can afford, siphoning resources that would be better spent on modernization, training and other key aspects of military readiness.

"Sullivan is being asked to fit a five-pound force structure into a three-pound budget bag," said Andy Krepinevich, a former Pentagon strategist who now directs the non-profit Defense Budget Project. "What that means is you cut procurement below necessary replacement levels, you cut operations and training and erode readiness, or you cut research and development and eat away at the seed corn of your potential."

THE PRESIDENT HAS SEEN

1-3-94

Buy
what's on
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THE WASHINGTON POST TUESDAY, DECEMBER 14, 1993

Down in the Delta

Despite state efforts, the blues remain

ANDY GOTLIEB
Democrat-Gazette Capitol Bureau



After Clinton

HELENA — Welton Davis Jr. and Anthony Davis have a few things in common besides a last name.

Both are black. Both are natives of Phillips County.

Both pursued a post-secondary education.

Both speak passionately about their lots in life, the role of government and their opinions of then-Gov. Bill Clinton's performance when he tried to tackle the Delta's deep-seated problems.

The two men, who aren't related, diverge on the last two issues.

There are two schools of thought about how much Clinton did during his 12 years as governor to improve life in the Delta.

In the late 1980s, Clinton led a well-publicized effort to study and to assist the region.

Welton Davis, 57, owns Dee's Real Pit BBQ, a restaurant and convenience store just outside the West Helena city limits. He says he has never relied on handouts. He saved his money and personally built the simple cinder-block building that has housed his business since 1968.

"The government can be a 15 percent asset to you, and you have to do the other 85 percent yourself," he says while serving beer to two customers at the restaurant's bar.

Welton Davis' views reflect those of most Delta residents interviewed in June and July. Davis and many others in east Arkansas think Clinton helped lay a foundation upon which the region can build. That foundation will lead to a more prosperous Delta, they say.

"The proper focus is on," says Ronnie Nichols, director of He-

Continued, Page 24A

ABOUT THIS ARTICLE This is the first in a six-part series examining issues President Clinton focused on during his 12 years as governor. The stories will run on the final Sunday of each month.

LIFE IN THE DELTA—Auguster Young, 76, living on the edge with a \$499-a-month Social Security pension, sits on the bed in his apartment in Helena, just blocks from the Delta Cultural Center. Before he retired, Young worked at a southern oil mill.

THE PRESIDENT HAS SEEN

1-3-94

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1-3-94

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

December 28, 1993

93 DEC 30 All: 51

SECRETARY OF THE TREASURY

MEMORANDUM FOR THE PRESIDENT

FROM: Lloyd Bentsen *Lrb*

SUBJECT: Suggestions for meetings in Moscow

I understand you are considering a visit to a privatized enterprise during your trip to Moscow to demonstrate U.S. support for Russia's economic reforms and privatization efforts. I heartily endorse this idea.

When I was in Russia in April, I paid a call on a cold storage facility which had gone through the mass privatization program and was initiating restructuring plans with foreign and domestic investment. This event was not only one of the most interesting during my trip, it also vividly underscored U.S. support for the reform process.

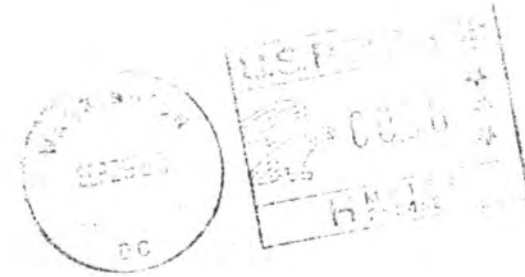
cc. Mack
Tony
Ricki

*Heidi (my
I do think I should see
a successful example
of privatization but
I would do more + trip
I would be tied to our efforts
to help.
B*

58

ROOM 4404

DEPARTMENT OF THE TREASURY
WASHINGTON, DC 20220



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DB Huber
Pres for Per. Fin
H. Schneiders Summer 1993

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Mr. & Mrs. Tom Schneider
17201 Norwood Road
Sandy Springs, MD 20860

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By Smith Jr
352 North St. Greenwich
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1-3-94

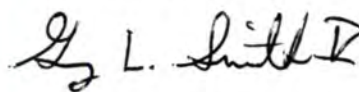
a young man from
Rev. William L. Baker
Gulston a common man
do a thoughtful reply for
him to sign - his dad is
a friend B

Jan. 1, 1994

Dear Mr. President,

I am writing you with a few ideas about education and the following specific problems. First and foremost the lack of incentive to go to school and more importantly to work hard in school for kids in mainly the lower income brackets and minorities. They lack incentive because over the last 12 years while the distance between the wealthy and the poor has grown they haven't seen people like them moving ahead in the world through hard work and education. The only people they see moving ahead are in gangs and crime and sports. In many situations they must drop out of school to support their families. We have to show these kids that education and hard work, not crime is their only hope for success. They have to see people like them from lower income brackets doing well to give them better role models. In order to keep them in school and working hard we must give them a reason, something tangible, because right now they don't have one. So here's my idea. ~~So here's my idea.~~ Every three months every student in the country takes a standardized test. The test would be much like the S.S.A.T. (Secondary School Admissions Test) in that the score is based not only on the number of questions you get right but also a percentile score, it ranks you against other kids of the same level. Each time the kid improves his or her percentile score they get some sort of reward from the government. Possibly a voucher for college, or food stamps, or just a check from the government. This way the child is competing against his or her own previous scores and even the least intelligent student, with hard work can get recognition, and has incentive to work. The second idea that I didn't have but my mother did was to stop giving the elderly social security for not doing anything, but to have the able, healthy, and qualified elderly people go to the schools and help educate the children. Not only would this provide more educators but it would give the elderly people a sense of self worth, and belonging to the community instead of them feeling, and in many cases actually being a drag on the federal budget. I realize that you get hundreds of letters per day and my ideas are probably no better than the other ones but I just thought that these were good ideas that would be easy to pass. I have given an identical copy of this letter to Secretary Riley. I thank you for your time.

Sincerely,



Guy L. Smith V



THE PRESIDENT HAS SEEN
1-3-94

OFFICE OF
JIMMY CARTER

12/15/93

To President Bill Clinton

I hope you will
take the leadership in
resolving these embar-
rassing human rights
crimes -

Best wishes,

Jimmy Carter

Donny
when are we on
this? —

B

IN A GRAND HUMANITARIAN gesture, President Jimmy Carter opened America's doors to 125,000 refugees fleeing Castro's Cuba in the Mariel boatlift of 1980. Now, 13 years later, Carter took the world stage to defend the human rights of some of the worst failures among them.

"The day before yesterday, I was talking to a reporter who was investigating more than 1800 Cuban refugees who came to my country," he told the UN World Conference on Human Rights in June. "They committed some crimes—small or large. They have long ago finished their sentences and still are being detained in prisons in my country. And the judicial system, combined with the Immigration and Naturalization Service (INS), has not found yet a way to give these immigrants justice."

Mr. Carter had read my article *Who Is Guilty?* in PARADE on March 21, 1993. It dealt with the plight of 1843 Cubans who came in the Mariel boatlift.

More than 5000 PARADE readers wrote to the White House and Cuban-American leaders about the arbitrary and indefinite detention. One reader, Sen. Howard Metzenbaum (D., Ohio), urged Attorney General Janet Reno to take "immediate action to end the deeply troubling situation."

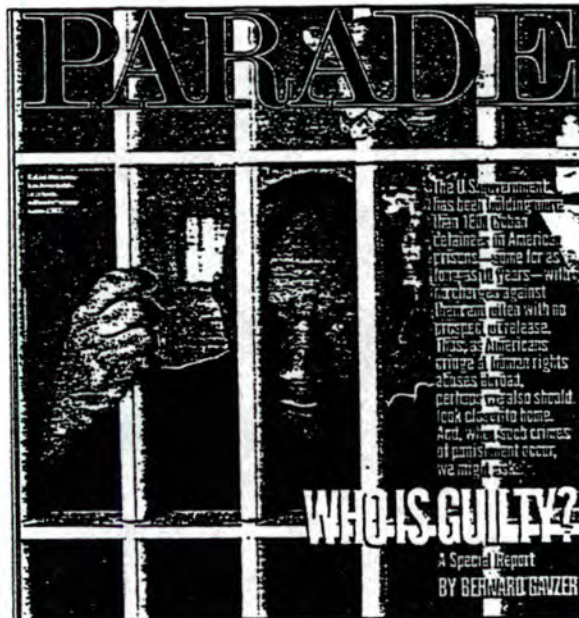
What has changed since March? There are fewer detainees (1603), but their number is expected to grow again as 3200 other Marielitos finish their prison terms. The Justice Department has been trying to speed up deportations, but on Nov. 16—after meeting privately with Ms. Reno—a Miami attorney advocate for the Mariel Cubans, Rafael Peñaiver, said the department's attitude was changing. Reno, he said, "recognized that a great injustice has been done and seems committed to a solution that is humanitarian and at the same time makes no political concession to Fidel Castro." Peñaiver added, "I believe she will soon end the lockdown of the detainees."

The lockdown, similar to solitary confinement, went into effect in September, when a deal was reached to deport 1500 Marielitos. Authorities feared the announcement would trigger scenes similar to those that occurred in 1987, when word of a plan to return 2545 Marielitos to Cuba resulted in destructive riots at federal prisons in Oakdale, La., and Atlanta.

On Oct. 7, U.S. District Judge David V. Kenyon of Los Angeles ruled that the seven-year detention of a Mariel Cuban, Alexis Barrera-Echavarria, con-

Last March, PARADE described the plight of 1843 Cuban Marielitos held in U.S. jails without due process of law. Now, nine months later, we take a second look.

Are Human Rights Being Abused In Our Country?



Left: PARADE's story on the plight of Cuban detainees in U.S. prisons resulted in more than 5000 letters to the White House. Below: Jimmy Carter (with Jordan's Crown Prince Hassan, left) spoke out about the issue at the United Nations World Conference on Human Rights on June 15.

stituted punishment and violated the Fifth and Sixth Amendments. "This is the first real victory for the Mariel Cubans in many years," said Charles Weisselberg, a law professor at the University of Southern California.

The cases of two of the detainees mentioned in our March report typify the complexity of dealing with Mariel refugees who have gone wrong:

Rafael Navarro, 40, pictured behind bars on PARADE's cover, has a rap sheet that includes convictions for drug dealing and participating in a murder scheme. He finished serving his sentences in July 1987 but has remained locked up. He now is in a prison at Three Rivers, Tex., after having been moved twice. In a telephone interview, he said: "I do not understand. I am here, but they say I am not here. How can this be?"

Navarro was referring to being an

BY BERNARD

year.' I try hard to show I am a good man—good behavior—but there is no reward for being good."

Since the detainees are *not* under sentence or serving time in the conventional sense, there is no way of getting time off for good behavior or knowing if they might be released in a year or 10 years or never. They do get an annual hearing before a panel. This review is sharply criticized by human-rights advocates.

"The hearings are not in accordance with the standards we would ordinarily expect in our judicial system," said Jimmy Carter. "The detainees are not permitted to have competent lawyers. The lawyers often are not permitted to take part in the discussion. They don't have adequate translations for those who don't speak English. The hearings are quick and often superficial, and people are assumed to be guilty, in effect, unless they can prove they are innocent."

A recent attempt to improve the review panels followed a federal study by Dr. Mimi Silbert, a criminologist who created the Delancey Street Foundation, a rehabilitation center for ex-offenders. "The goal was to have a more court-like, judicial system hearing," said Dr. Silbert. "Less emphasis was placed on prior criminal history and more on 'what have you done to earn your way out?'"

The argument that the Marielitos pose a threat to society's peace and tranquillity underlies INS policy. "The detainees

have been very difficult to manage," said Duke Austin, a spokesman for the INS. "They caused millions of dollars in damage in two of the worst prison riots in American history."

There is widespread agreement that some detainees—lifelong criminals and the insane—could be dangerous. The government has said that this justifies detaining them.

"We will release each prisoner once

we are confident that he or she does not pose a risk to society," President Clinton wrote to PARADE.

But Gene McNary, the INS commissioner from 1989 to 1993, said he favored release after time served: "I know that some of them may be a

continued



Continued from Page 6

"excludable alien"—a legal fiction that treats the Marielitos as though they never touched land and were bobbing in the waters off Key West, Fla. Since they are not here, the reasoning goes, questions about due process and human rights do not apply.

Alberto Ramos-Membrado, 35, was convicted as an accessory after the fact of a burglary. He finished serving his time in 1991. He now is in a Memphis prison. "Every five minutes, they move me," he said. "They promise me a review, and the review panel says, 'Next year,' and then next year they say, 'Next

"Every nation that violates human rights justifies it by claiming they are acting within their laws," says former President Carter.

R D G A V Z E R

HUMAN RIGHTS/continued

threat. But, in a democracy, that's a risk we have to take." As for indefinite detention, McNary said: "It's a plague on our house when we twist our own justice system to keep people in jail after they've served their time, just because we can't deport them."

Many are against deportation. "It is morally inconsistent to deport Cuban detainees to the very same jails that the U.S. condemns before the UN Human Rights Commission for atrocities," said the lawyer Rafael Peñalver. "Deportation should be deferred until human rights are restored in Cuba." Meanwhile, \$50 million a year in federal taxes goes toward continued detention. Much of it is paid to contract jails—many of them county jails in Mississippi, Louisiana, Arkansas and Texas—which collect up to \$46 a day for each detainee. Silbert's study recommended that these be "upgraded or phased out."

Lula Rodriguez, an assistant to Attorney General Reno, confirmed that there have been changes as a result of the study. "The emphasis now is to try not to bring anybody to INS after they served their time," she said. "Half of those completing prison sentences now go on parole." Still, the INS has "hold" orders on Cubans serving time and is to be notified when they are due for release.

Some activists complain that, though the Clinton Administration inherited the Mariel problem, it has been slow in dealing with questions about human rights. "The government needs to provide immediate, frank answers as to why these Cubans are in prison without charges," said Elie Wiesel, the Nobel laureate and champion of human rights worldwide. "How is it possible we were kept in the dark? What will happen to these people?"

Duke Austin of the INS dismissed the significance of international law. "Our courts have upheld detention," he said. "There is no Constitutional issue. Is anyone suggesting that we should let international law and covenants about human rights have greater authority than our courts and Constitution?" And Carl Stern, a Justice Department spokesman, said: "I can tell you most emphatically that this department is not violating the human rights of the Mariel detainees, and we regard any intimation to the contrary as unjust and unreasonable."

But Jimmy Carter noted: "Every nation that grossly violates human rights justifies it by claiming they are acting within their laws. The way we are doing it now is the same kind of human-rights violation that we'd vehemently condemn if it was perpetrated in another country."

CORPORATION FOR
**NATIONAL
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COMMUNITY
SERVICE**

THE PRESIDENT HAS SEEN
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November 17, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Eli J. Segal *ES*
SUBJECT: The Future of Your National Service Initiative

Needless to say, I share the frustration you voiced on "Meet the Press" that national service has received relatively modest attention to date.

To some extent, this was the inevitable consequence of the administration's intense legislative agenda and a series of unexpected additional demands on your time. From the inaugural until today, you have had only four days of public events on national service (Rutgers in March, New Orleans in May, University of Maryland in August, and the bill signing in September). Added to this was the comparative absence of controversy as our bill moved through Congress (with the exception of the veteran's flare-up and the brief filibuster).

* [We now have a basic decision to make on national service -- and it goes, of course, to whether your agenda is to be "culture" driven or "legislative calendar" driven at a time when we finally have the luxury of choice.

I could make the case -- not compellingly -- that we turn this comparative invisibility into a virtue; that during a time when politicians are accused of over-promising we only go public with national service when we can point to results. This would have the added benefit of minimizing public scrutiny of mistakes which are inevitable at the beginning of any start-up.

* (The problem with this business approach is that we don't have the luxury of time -- especially given the appropriations process. Nor should we hesitate to use every opportunity to drive the message of rights and responsibilities which was so compelling in 1992; which you so dramatically re-enforced in Memphis; and which was raised by the presidential scholars at your dinner the other night. When Ted Kennedy, Sam Nunn and Ray Chambers can embrace the same initiative with equal ardor; when Americans from high school drop-outs to FDR's CCC veterans are craving community; when we have a special way of "getting things done" against a backdrop of gridlock in Washington and isolation in our neighborhoods, then I would encourage a campaign in which you reconnect personally with national service.

X (If you share this latter perspective, I believe we can make it happen even before your first "AmeriCorps" begins serving in June. ~~From the modest -- like regularly jogging with service warriors, participating in Serve-a-thons, being greeted at all trips by youngsters with "AmeriCorps is coming" visuals the way you are whenever you go to Boston and see City Year appear, to the more substantive -- like your actually mentoring youngsters in need, your hosting evocative conferences in the field around national service and our priority issues areas, or your challenging university presidents or the business community to take specific actions as part of national service, we can keep your profile high with events as frequently as one a month. And, we can build this into a crescendo leading to the launch in June 1994.~~

Let me return for a minute to the business model. If we do this right, we can actually make national service a success at the moment of launch in much the same way an oversubscribed initial public offering makes a private company going public a success in the corporate world. We can have five applicants wanting into the program for every slot available; we can have locally based nonprofits clamoring for their programs to be funded; we can have members of Congress and governors lobbying us for a change.

We will, of course, then have to deliver a quality program -- non-bureaucratic but free of fraud and patronage; real work but without job displacement; a program which simultaneously makes our communities better, builds the citizenship ethic and helps youngsters pay for college. Despite the deep public cynicism about government programs like this, I think we can do it right, so I encourage you to raise its profile in the months ahead.

Decision:

1. Proceed in a high profile manner from now until our June launch as outlined in this memo _____.
2. Proceed in a less visible manner in the months ahead _____.
3. Discuss further _____.

THE WHITE HOUSE
WASHINGTON

November 22, 1993

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM:

ELI SEGAL *ES*

SUBJECT: NATIONAL PRIORITIES FOR NATIONAL SERVICE

*Sorry for the
delay - I agree with
B.*

- I. SUMMARY: We will require that approximately two-thirds of AmeriCorps grants go to programs operating in specific substantive priority areas, to enhance the national identity of your service efforts and to maximize AmeriCorps' impact. The priority areas will be announced in the near future.
- II. DISCUSSION: Two goals led us to push for a legislative mandate to establish priority focus areas: (i) having decentralized the system by operating through grants to independent non-profits and others (rather than operating service programs ourselves), we still need a young woman in City Year and a young man in the Delta Service Corps to feel their strong involvement with a common, national effort, associated with your administration; and (ii) focusing our AmeriCorps members' activities maximizes the impact of their efforts, and makes it easier to demonstrate the program's effectiveness to the nation -- it helps us achieve our motto: getting things done.

To a significant extent, therefore, we want AmeriCorps members to address nationally-selected needs, while allowing local programs maximum flexibility to determine how to design their own methods of solving those problems. Accordingly, the legislation calls for the Corporation to establish priorities within four broad issues categories (public safety, education, human needs, and the environment) for approximately two-thirds of our funds.

Therefore, roughly \$100 million in FY '94 (all funds not distributed to the states on the basis of population) will be distributed to programs built around one or more of the priorities (subject to modest waiver provisions).

To identify appropriate priorities, we coordinated with Carol Rasco and the domestic policy staff; consulted with the interagency task force we have set up on service; and conducted extensive outreach, involving more than 850 organizations. After having derived a draft list of priorities, we then solicited comment from key supporters in Congress, the NGA and its key Governors, and others.

We sought priorities that were one level of specificity deeper than the four broad issues categories, believing that doing so would achieve our goals while still allowing local programs broad initiative. The priorities are as follows:

A. Public safety:

Violence prevention: Providing positive alternatives to violence, drugs and crime. (This could include having AmeriCorps members create safe havens for children, including safe schools, or provide counselling and other services to reduce substance abuse, all with a view toward making children resources, not victims.)

Crime control: Helping make our neighborhoods safe. (Programs will help community policing, including counselling victims, boarding up abandoned buildings, or conducting crime prevention training for the elderly and children.)

B. In education:

School readiness: Furthering early childhood development. (For example, AmeriCorps members might act as teachers' aides in pre-schools; conduct parenting classes for young expectant mothers and fathers; or help with immunization outreach.)

School success: Improving the educational achievement of school-aged children. (This might include coordinating service learning programs, tutoring or mentoring.)

C. Among human needs:

Health: Returning independent living to those in need. (Here, Americorps members might assist in the administration's home health initiatives, including by providing meals and transportation assistance to the elderly, disabled and people living with AIDS.)

Home: Rebuilding neighborhoods and assisting the homeless. (We can anticipate programs renovating and rehabilitating low-income housing, perhaps allying young AmeriCorps members with retired carpenters and other building tradespeople from ACTION's National Senior Volunteer Corps; we can also imagine corps members providing one-stop shopping for homeless families, allowing coordination of available services.)

D. In the environment:

Neighborhood environment: Promoting clean and healthy communities. (This might include neighborhood identification of toxic materials such as lead paint; weatherizing apartments to conserve energy; or reclaiming urban pocket parks.)

Natural environment: Restoring and conserving natural habitats. (AmeriCorps members may clean and protect rivers and streams, or maintain and improve trails on public lands, among other activities.)

Please let us know if you have any thoughts or suggestions on this matter.



This is very very good
THE PRESIDENT HAS SEEN
1-3-94 B.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410

11 37:53

TO: President Bill Clinton
FROM: Secretary Henry G. Cisneros
DATE: November 24, 1993

Mr. President, I have two subjects to draw to your attention:

1. Our nation's cities and communities are in deeper trouble than I imagined when you nominated me to be Secretary of HUD a little less than a year ago. The crime that is so widely reported is but one manifestation of our nation's pain. I join all who have applauded the speech you delivered in Memphis last week, at once heartfelt and Presidential. I also know that while you are correct that there is much that we as Americans must do in the realm of civic engagement and moral renewal, that our people need help from their government. There will come a moment when people will say: "Yes, Mr. President, we hear you, but we need your help. We need you to do something". Already the critics say we have no beef behind our good intentions on matters of urban investment and race.

Mr. President, those critics are wrong. You have in place the threads of programs which can be woven together into a coherent fabric of urban policy. They require careful interweaving to make a whole, but what you have already put in place makes a formidable list:

Earned Income Tax Credit--will lift 20 million of the working poor out of poverty.

Permanent Extension of Mortgage Revenue Bonds--will support affordable homeownership for 130,000 first-time homebuyers per year.

Permanent Extension of Low Income Housing Tax Credits--will generate financing for 135,000 new units of affordable housing per year.

Full funding of Head Start--will expand education opportunities for 1.4 million low-income children.

Expanded Childhood Immunization--will double the rate of immunization, for 3.6 million at-risk children per year.

National Service--will create 100,000 new community service workers in the next 3 three years.

Empowerment Zones and Enterprise Communities--will provide economic empowerment for 6 million people in 104 low-income communities and create 140,000 jobs per year.

Strengthening the Community Reinvestment Act--will increase community lending by up to \$5 billion per year.

Anti-Crime Legislation--will put 100,000 more police on community streets.

Equally important are your initiatives in process:

Community Development Banks--will generate \$2 billion in community investment and create up to 80,000 new jobs.

Welfare Reform--will move half a million adults from welfare to work.

Health Care Reform--will provide basic coverage for 37 million uninsured people.

Worker Training--will assist or retrain 1.6 million workers per year.

I believe the time has come to pull these efforts together and explain how they support each other and work together. Through a series of Presidential actions you could articulate the themes that tie these programs together into a meaningful whole. Such an effort would answer the critique that we have no urban commitment and are unwilling to speak to the program needs of the urban poor beyond focusing on self-help ideas. I believe you can do this - stressing those programs that broadly touch all Americans (i.e., health care) - in a way that does not alienate suburban voters. I do believe it is important that you speak to your urban base and describe what you are doing for poor and working people. After the President has spoken it will also allow those of us in the departments to appropriately present the Administration's urban strategy when we are called upon to do so. You are already doing a lot; it is time to pull it all together. People know you were right in Memphis, just not finished.

2. My second point relates to themes that strike a rhetorical middle ground between your Memphis points and old-style urban advocacy. You see, I don't believe you will be able to speak for much longer about what people must do for themselves concerning family disintegration and couch the issues in the rubric of concerns about crime. Nor can you revert to the sixties language of big scale urban strategies; there isn't enough money, no one believes they would work, and the congressional will is non-existent. But I believe you will have to find a way to speak of urban problems because they are so

acute.

We at HUD have been working on two themes which give coherence to our work and which may be useful to you:

A. The first is our answer to Jack Kemp's much touted resident ownership program. We will arm you with a homeownership record that will dwarf what Kemp could have done with his approach. We are calling it "Project Transitions". The idea is that we can help people step up a ladder of assistance and climb toward self-sufficiency. It implies policies which are dynamic, providing movement upward to something better, instead of static services. This is easy enough to visualize, but hard to carry out because so much is actually related to "reinventing government". It is making diverse government agencies and functions come together so that we help people climb from one step to the next, reinterpreting government's role so that we see our responsibilities as preparing people for a next stage.

At HUD, Project Transitions will take many forms. It will mean helping residents in public housing move from welfare dependence to gainful employment. In many cases, we have the jobs -- generated by public housing rehabilitation, lead-based paint abatement and other federally-funded activities. In fact, we are required by law to use federal housing assistance to create jobs for low-income residents. What we need is training, education, child care services, union involvement; supports that other agencies -- DOL, HHS, DOE -- can and should provide.

Project Transitions will also mean helping working families -- in public housing and elsewhere -- move from renter status to homeownership. In many areas, we have single family homes available for sale -- from FHA's inventory of defaulted homes. What all working families need is homeownership counseling -- to prepare them for the burdens of owning. We're seeking a tripling of funding for our counseling programs. In some cases, they may need mortgage subsidies. That's why we're experimenting with using rental vouchers for homeownership; many low-income families already receive federal support for rent -- why not take the logical next step and use it for mortgage payments.

We believe this will be our answer to the previous Administration's version of ownership, which was to sell large public housing developments to the tenants. That idea was flawed in that it did not address massive deferred maintenance and was not accurate about the amount of subsidy needed for residents without jobs. We expect we can transition tens of thousands more families to stable homeownership than ever imagined. This has never been done using public housing as the base. It can be a major success as a strategy that you will be able to point to over the next several years.

To apply this concept of "transition" more broadly requires the spirit of reinvention. It requires a driving force such as I believe the Community Enterprise Board will be with the Vice President as the chair. As I have worked on HUD's version of Project Transition, I have found that it has immediate appeal among such diverse experts as the staffs of Senate committees, national housing providers, and mayors. I submit it to you as one of those themes that can help you pull your human programs together, can give context to your "reinventing" efforts, and can infuse an upward momentum into your community-building message.

B. Another theme has helped us bridge the perennial dilemma at HUD as to whether we should concentrate our efforts on revitalizing poor neighborhoods or providing mobility for people to get out. It is a classic argument that pervades every discussion about urban policy. Our answer is that we must assist every American to achieve real choices about where they wish to live. People should be able to choose. If they wish to live in a central city area, that should be a choice; but living amidst drug dealing, violence and deterioration is no way to live: it is no choice. On the other hand, if people can afford to live in suburban settings, but are prevented by discriminatory housing practices or unfair mortgage lending then they have no choice. The operative conclusion for HUD, then, is that we must work on parallel tracks - central city neighborhood revitalization and mobility and fair housing. Our job is to help people achieve maximum choice.

You may find the idea of "choice" a useful rhetorical construct for a whole series of policies that have diminishing acceptance with the general public: civil rights, fair housing, equal employment opportunity, and urban policies. To the general public the idea of choice suggests we are willing to level the playing field, but it is still up to individuals to choose what they want to make of opportunities. To many minorities, achieving a position in society where real choices are possible is a far cry from today's experience. Choice implies fairness, it implies treatment as equals, it implies a world of mature judgements where individuals can chart their destinies, it implies our system works for everyone. It allows you to work on essential policies, though they may have lessened appeal to the general public, by stating them in the basic language of giving Americans a fair choice.

CLINTON NURTURES HIGH HOPES . . .

Before a roomful of black educators who'd gathered to watch him sign an executive order on Nov. 1 to benefit historically black colleges, President Clinton came to the end of his prepared remarks, took a deep breath and started to describe "a very disturbing article" he'd read that morning in *The Washington Post*. It was about the impact of crime on children in an especially grim neighborhood of the nation's capital. Most moving to Clinton was the description of an 11-year-old girl who was planning her own funeral.

He hasn't stopped talking about her since—on NBC News's *Meet the Press*, at a White House news conference, at the Memphis church where the Rev. Martin Luther King Jr. had foreshadowed his own death the night before he was killed. And he shows no signs of stopping. Clinton, as well as his wife, a White House official said, has sent word to the staff that crime "is an issue [that he plans to] spend a lot of time on in the near future," at a succession of public events in the wake of the tumult over the North American Free Trade Agreement.

But it's clear that Clinton has more in mind than crime. His trail of talk about crime, a senior aide said, is "a sort of a cultural attack on the kind of violence and dissolution of society that comes in advance of trying to fix" the underlying problems of poverty. By using crime as the springboard for an effort to reverse the social decay, Clinton might avoid some of the political pain that Democrats have suffered in earlier, sporadic attempts. At his Nov. 10 news conference, he seized on an innocuous question about his plans to combat crime to deliver a heartfelt plea about the larger problems.

"We have to rebuild families and communities in this country," he said. "We've got to take more responsibility for these little kids before they grow up and start shooting each other. I know the budget is tight, . . . but I'm telling you, we have to deal with family, community [and] education" and to find jobs for members of society's underclass to bring structure to their lives.

"We have to make our people whole again," he declared four days later in Memphis.

Not only in his rhetoric but also in the array of policy initiatives that his Administration has in mind, Clinton has shown signs of the ambitiousness about righting

social wrongs that President Johnson showed. "In the next 40 years, we must rebuild the entire urban United States," Johnson said in unveiling the Great Society in a 1964 commencement address at the University of Michigan.

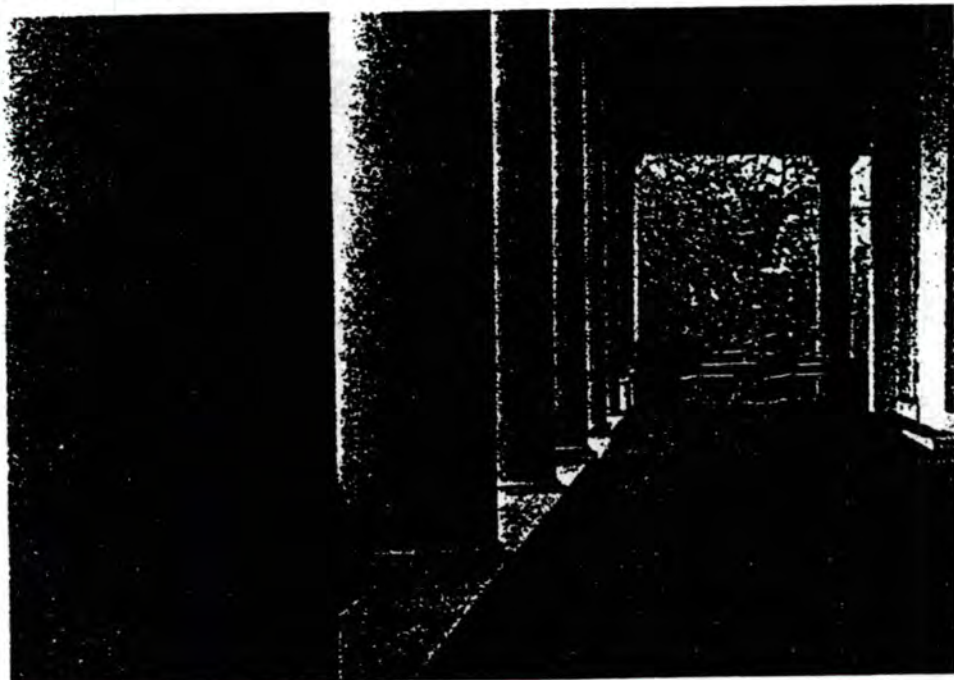
Clinton and his advisers seem to be thinking on a similar scale. "The Achilles' heel of the American future," Housing and Urban Development (HUD) Secretary Henry G. Cisneros warned in an interview, is "an angry, growing, rigid underclass" that, if left to languish, will jeopardize the nation's standard of living beyond the first quarter of the next century. "I don't think it is our ambition to end poverty with federal initiatives," Cisneros said, but "I think the President believes he can make a dramatic dent in poverty, in homelessness, in crime and the other pathologies" by the end of a second term in office if the economy thrives and if Washington works in tandem with state and local governments, businesses, labor unions, churches and other institutions.

Clinton matches Johnson's passion about addressing society's ills, "but he and the people around him don't have the same level of confidence that we know all the answers," William A. Galston, a deputy White House domestic policy adviser, said. So far, they're feeling their way, toward an ideological amalgam of the Left and Right that views the gov-

ernment as something of a catalyst. But if the theology has remained fuzzy, some of the themes are becoming clear. Clinton's advisers profess a disdain for the big bureaucracies that the Great Society used and a preference instead for solutions designed locale by locale. They speak of "leveraging" federal dollars and "empowering" communities to solve their problems themselves.

Their approach is similar to the notion of "empowerment" that a network of conservatives in the Bush Administration pushed as a response to social needs. But there's a big difference. President Bush's domestic activists got quashed in the Administration's inner councils. Clinton's are getting somewhere.

Clinton hasn't packaged his policies into a flashy whole and may have no intention of doing so. But his Administration has been moving on a lot of fronts. Some of his proposals are already in place. The budget bill enacted in August created nine "empowerment zones" and 95 "enterprise communities" to be eligible for \$3.5 billion in federal help; it also expanded the earned-income tax credit, which Galston described as "a giant step toward the abolition of the working poor in this country." At HUD, \$100 million was added to the budget to try new ways for cities to thwart homelessness, \$113 million more to move poor families into



... FOR RIGHTING SOCIETY'S WRONGS

better neighborhoods as well as smaller amounts that foundations and labor union pension funds may parlay into \$200 million spent in poor communities.

In September, Clinton set up a Cabinet-level Community Enterprise Board, chaired by Vice President Albert Gore Jr., that's supposed to help communities cut through the thicket of rules and to better fit the federal aid they get to local problems. Gore and his staff spent the fall getting counsel from panels of experts on parts of a "community empowerment" agenda, including creative ways to finance business expansion and to spur communities into plotting action. Within six months, Gore's staff hopes to design an application process that, by itself, will prompt local officials to think of new ways to ease society's troubles. "Of course we don't know how to solve" the sorts of problems that cause children to plan their own funerals, Elaine Ciulla Kamarck, a domestic policy adviser to Gore, acknowledged. But, she added, "you do find . . . a program here, a program there" that has shown successes and can be emulated elsewhere.

Other Administration proposals are inching through Congress. The crime legislation that's moving toward enactment would subsidize the hiring of as many as 100,000 police officers by local communities that craft shrewd plans for using

them. Also running the congressional gantlet is a bill that would create a string of "community development banks" to lend money in neighborhoods that commercially minded banks ignore. Congress is also considering HUD's wish to fiddle with its rules so that public housing tenants who find jobs don't see their rents rise in lockstep with their incomes.

Other proposals are in the wings. Administration officials have been fashioning a welfare reform plan that is likely to become a political centerpiece for Clinton next year. The Departments of Justice and of Health and Human Services (HHS) are spearheading work on what Clinton recently described as "a comprehensive approach to the whole issue of violence in our society." HHS Secretary Donna E. Shalala, at Clinton's behest, set up an advisory committee that is expected to swiftly uncork proposals to extend the Head Start program beyond 4 and 5-year-olds to enroll younger children. In a recent speech, Carol H. Rasco, Clinton's top domestic policy adviser, committed the Administration to set up a high-level interagency group to ponder the problems of children and families.

Combined with Clinton's hope to extend health insurance to all Americans, "you have much more than an anti-crime agenda," Cisneros said. "It does seek to deal with the larger social questions."

How successfully, however, is far from clear. For one thing, Clinton's agenda is bulging already—notably, with health care reform. Can poverty be made a major thrust, too? "You got me," a White House official replied. "The Administration has many major thrusts."

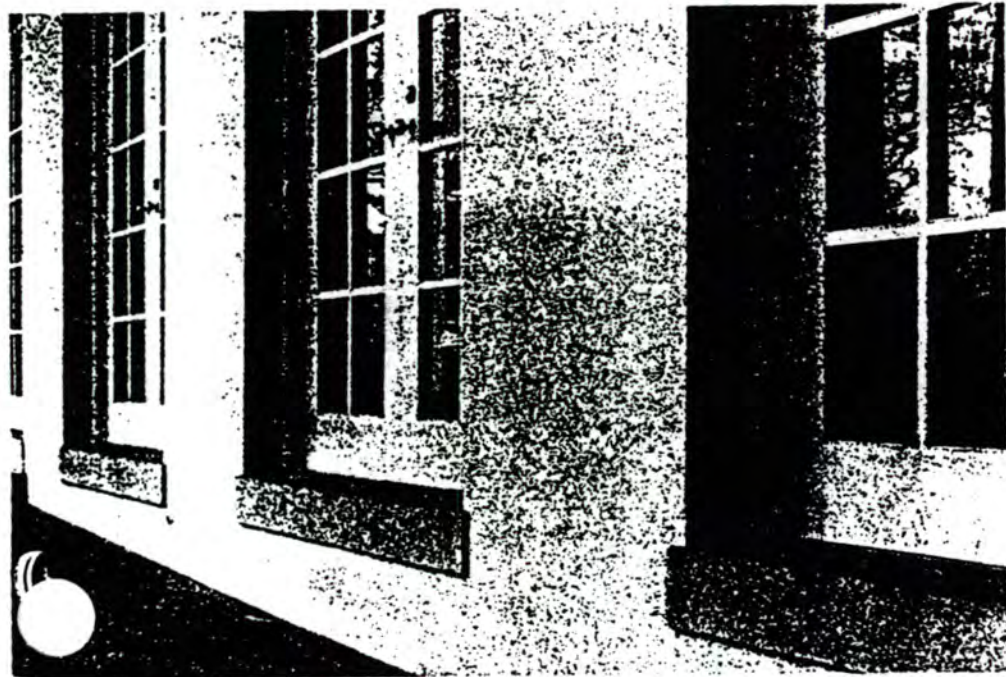
Nor are Administration officials of a single mind about the course they're on. Some at HHS are said to have fought a waiver the Administration recently granted to Wisconsin to try a reform similar to what Clinton wants—to give welfare recipients two years of far-reaching help before cutting them off. The decision aggrieved the Children's Defense Fund, which Hillary Rodham Clinton and Shalala once chaired and whose founder and president is Marian Wright Edelman, the wife of Shalala adviser Peter Edelman. The waiver was granted because "the President just insisted," an Administration confidant said.

A bigger hindrance to Clinton's social policy ambitions is money. "A lot of these social experiments are not going to be cheap," Will Marshall, the president of the Progressive Policy Institute and a champion of empowerment, said. Community policing costs a bundle, he said, and so does welfare reform, at least in the short run. And the steps that are cheap aren't likely to have as much impact. But with health care reform so costly and the federal debt unrelenting, there's "no fucking money, c'mon," a White House aide said. "Not a prayer."

Instead, Clinton's activists are hoping to dip into billions of dollars that Congress appropriated for housing but Bush never spent, squeeze more from outsiders and put the money already at their disposal to smarter use. Clinton also plans to mount the bully pulpit, as federal officials have done to discourage smoking and illegal drug use.

Rhetoric, of course, goes only so far. Clinton could issue daily exhortations against, say, teenage pregnancy and still fail to stanch a trend that sociologists blame for so much else. And he must be careful not to raise expectations for more change than he can deliver. Unmet expectations helped to trigger the urban riots of the 1960s.

But Clinton needn't abolish poverty or crime to make a mark. Just to get the trends of social decay moving in the right direction at last, Galston said—"that's the legacy we want to leave."



THE PRESIDENT HAS SEEN
1-3-94

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

NOV 15 1993

25:00

MEMORANDUM FOR THE PRESIDENT

FROM: LABOR SECRETARY ROBERT B. REICH *BS*
SUBJECT: Public Jobs for the Disadvantaged

I thought you would be interested in this discussion paper which was prepared by my staff. It proposes a public jobs program for the disadvantaged, modeled after the CCC, and offers several alternative models, at different levels of funding. I think the idea is worth pursuing. Let me know if you wish to discuss.

cc: Bob Rubin

Maul / Bor
cc: GS

*This is a
great piece
and worth discussing
on own merits & as a part
of long term welfare reform*

BS

ALLEVIATING UNEMPLOYMENT AMONG THE DISADVANTAGED: USING THE CCC AND OTHER PUBLIC JOBS PROGRAMS OF THE NEW DEAL AS A MODEL FOR A NEW JOBS INITIATIVE

The sheer lack of suitable job opportunities appears to be an enduring obstacle to employment for many Americans. The overall official unemployment rate is much higher, on average, than it was several decades ago, as is the rate of long-term unemployment. Moreover, double-digit unemployment can be found in many pockets of the country and is endemic in our nation's inner cities.

Joblessness among U.S. males has increased particularly dramatically over the past quarter century. The nonemployment rate for prime age males was almost twice as high during the expansion of the late 1980s as it was during the expansion of the late 1960s. Virtually all of the trend toward rising male joblessness is accounted for by rising unemployment and nonparticipation among less-educated and low-wage individuals.

Increases in persistent joblessness have been most pronounced among young black males living in America's inner cities. Approximately 40 percent of out-of-school black males aged 16-24 are currently out of work. In some inner cities, 60 percent or more of less-educated, young black males are nonemployed. William Julius Wilson and others have hypothesized that increased joblessness among black males is a driving force behind the decline in two-parent families among inner city blacks and accompanying high rates of poverty, welfare dependency, violence, crime, and drug abuse in urban America.

The employment problems of disadvantaged individuals in today's inner cities are similar in scope to the employment problem faced by the nation as a whole during the Great Depression. As part of the New Deal, President Roosevelt started a number of public jobs programs aimed at getting money into the hands of desperately poor families. Collectively, these programs were quite substantial both in terms of the number of persons served and the proportion of GNP and the federal budget spent on them. Many buildings, bridges, roads, airports, and national and State parks still exist today that were constructed by these public jobs programs. Over the years, there has been an enduring appeal to the concept of putting unemployed persons to work in useful public works projects.

This paper describes the New Deal public jobs programs and options for developing analogous policies to address the problems of persistent joblessness, particularly among disadvantaged groups. The paper begins with a brief summary of the nature of the problem. It then discusses the design and operation of the New Deal programs; efforts over the years to re-establish these programs; current public employment efforts at the federal and state level; the potential role of a new public jobs programs in relation to the joblessness of disadvantaged Americans; and issues and options related to re-establishing national public employment programs.

I. The Problem of Persistent Joblessness among the Disadvantaged

The absence of job opportunities is more than a transitory phenomenon for many workers. Overall, the national unemployment rate has averaged 6.6 percent in the 1990s, which is lower than its 1980s average, but is about 2 percentage points higher than its average in the 1950s and the 1960s. Much of the increase in unemployment is accounted for by a rise in the amount of long-term unemployment (i.e., individuals experiencing unemployment for 27 weeks or more).

Concern about the enduring lack of employment opportunities is especially concentrated among particular regions of the country or particular groups of workers. West Virginia stands out as an entire state where unemployment consistently stands at double-digit levels, but double-digit unemployment is common throughout the Appalachian region and in many of the nation's inner cities as well. While Americans are quite geographically mobile and migration from declining to expanding areas is a hallmark of U.S. labor market adjustment, many find it difficult to escape the inner city, and less-educated workers face diminished earnings prospects throughout the nation.

Among particular groups of workers, there has been a marked deterioration in the labor market faced by less-educated and less-skilled males over the past 25 years.¹ This deterioration has been true for white and Hispanic males, but it has been concentrated among black males. It has shown up in terms of both increased unemployment and decreased labor force participation. Much of this decline involves persistent joblessness--individuals are essentially jobless 52 weeks out of the year. We have a growing class of persistently non-employed individuals. These same groups with substantial declines in employment rates have also experienced dramatic declines in real hourly wages over the last twenty years.

Table 1 illustrates the declining rates of employment of black males. As the table shows, employment for black males has fallen sharply since the late 1960s. Employment rates for white males have also dropped during this period, but much less markedly. Large declines in employment are also apparent over the same time period for out-of-school black teenagers.

¹Although white collar unemployment became a larger problem in the United States during the early 1990s, more educated and skilled workers are better able to adjust to labor market changes than are the less skilled who lack the education, training, and connections to take advantage of emerging labor market opportunities. Despite continued corporate downsizing, managerial and professional employment is coming back and has expanded at a moderately brisk pace over the past year.

Table 1

Employment Rates among Black and White Males, 1954-92

Age	Blacks and Other Non-Whites					Whites				
	1954	1964	1977	1981	1992	1954	1964	1977	1981	1992
20-24	.76	.78	.61	.58	.58	.78	.79	.81	.77	.76
25-54	.86	.88	.82	.79	.78	.94	.94	.91	.91	.88

There are a number of factors that may have contributed to this decline in the employment as well as the real and relative wages of black men, particularly young black men, since the late 1960s:

- o There has been a shift in relative labor demand against blue-collar work and against less-educated workers; these shifts had a disproportionately adverse effect on blacks, and especially on black males. The decline in manufacturing hit young, black males in the midwest hardest of all.
- o Slow economic growth and weak labor markets throughout much of the last twenty years have limited the opportunities in the labor market for young black males.
- o The large influx of women into the labor force in the last 30 years may have decreased the competitive position of young black males in the labor market. Robert Topel of the University of Chicago has presented some suggestive but far from conclusive evidence indicating that the problems of less-skilled males appear to have been greater in regions with a more rapid increase in female labor force participation. But many potential omitted factors could drive this correlation.
- o There has been a shift in employment opportunities out of central cities and into the suburbs.
- o Inner-city public schools have not responded adequately to the changing economic structure of our country. Not enough success has been made on preventing youths from dropping out of school despite the large decline in the number of low-skilled manufacturing jobs that previously provided decent earnings to male high school dropouts.
- o Many successful professional and working class blacks have moved out of inner cities, leaving behind high concentrations of the poor--a process which

may have removed the influence of many positive role models and "enforcers" from the inner city and, inadvertently, assisted the erosion of social norms concerning work and family responsibilities.

- o There has been a decline in Federally funded employment and training programs for disadvantaged workers and youth in the 1980s, thus taking away a buffer to the lack of job opportunities for disadvantaged individuals in America's inner cities.
- o There was a decline in the intensity of affirmative action pressure and anti-discrimination activities during the 1980s --and this may have eroded to some degree the labor market position of young black college graduates.
- o The end of the Cold War and the downsizing of the military has also reduced a major avenue for upward mobility, education, and training for black males.

Economic changes (especially labor demand shifts away from manufacturing and weak labor markets) may have started the downward cycle for black males, but persistent joblessness has in turn contributed to social changes in urban communities (increases in crime, violence, and drug abuse, and breakdowns in the traditional family) that now make it very difficult to deal with the labor market problems in inner cities. This problem is not unique to U.S. urban areas. Persistent joblessness associated with industrial decline in the North of England appears to be connected to increased crime, drug use, and violence and a rapidly expanding "underclass" in formerly stable working class areas. Similar phenomena have been observed in high unemployment parts of southern Spain and Italy.

A stronger economy, rapid private sector employment growth, and tighter labor markets are a necessary condition for improving job prospects for young black men and other disadvantaged groups in America's inner cities, but the extent of the problems and the experience of the boom of the late 1980s suggest economic growth by itself unassisted by policies designed to specifically deal with the problems of high poverty areas may not be sufficient to reverse recent trends. Extremely tight labor markets in the late 1980s in places such as Boston and New Jersey temporarily improved employment prospects for disadvantaged workers, but did not make a substantial dent into reversing trends towards increasing violence, neighborhood disintegration, and persistent poverty.

Besides a strong economy, sound policies of investments in communities, education, and training are also needed to improve economic and social conditions in high poverty areas. The Administration has started this process with the Empowerment Zone initiative, the Youth Fair Chance initiative, and an expansion of the Job Corps. Furthermore, broader policies concerning life-long learning such as the school-to-work initiative, reform of student loans, National Service, and the comprehensive worker adjustment program can

potentially play an important role in improving labor market prospects for disadvantaged individuals. Welfare reform is another important component of the agenda.

Two key policy issues remain regarding the persistent joblessness of many disadvantaged Americans:

1. Is direct job creation (either through public works or public service employment) a necessary supplement to training and education programs? Can it raise demand for disadvantaged individuals and thereby reduce overall joblessness and increase incomes in high-poverty communities in a manner consistent with promoting work and responsibility? Such programs can also produce socially beneficial outcomes such as more and improved parks, reforestation, and other public works and social services.
2. What other broad initiatives aimed at disadvantaged youth are necessary to raise their aspirations, increase their educational attainment, and make them competitive for jobs that pay enough to support a family? Do we need large new federal investments in inner-city elementary schools and secondary schools? In helping disadvantaged youth learn about, apply for, and enroll in college? In expanding sports and recreation programs in inner-city neighborhoods? In reforming job training programs (especially JTPA Title II) to provide more comprehensive services to youth?

Even with the Administration's other initiatives, some direct job creation may be necessary to make sure that jobs exist at the end of training programs. Direct job creation--particularly if targeted towards high poverty communities--may be able to keep joblessness down and also get money into poor neighborhoods. If progress can be made to reduce persistent joblessness and maintain tighter labor markets in high poverty areas, other social problems will be much easier to handle. The combination of private sector oriented policies such as Empowerment Zones and Community Development Banks can be combined with jobs programs to make a truly comprehensive approach at improving the situation for the disadvantaged.

II. Public Jobs Programs of the New Deal

While there were several federal work relief programs in operation during the Great Depression, the most notable programs were the Civilian Conservation Corps (CCC), the Works Progress Administration (WPA), the Public Works Administration (PWA), and the National Youth Administration (NYA). Of these, the CCC is generally regarded as the most popular and successful, while the WPA was by far the largest.

1. The CCC put young men from poor families to work in conservation projects on our country's public lands. Work projects included reforestation, fighting forest

fires, building national and state parks, fighting floods, and soil conservation. Many national and state parks now in existence were originally built by the CCC, and many buildings and cabins constructed by the CCC in these parks still exist today. The National Arboretum here in Washington D.C. was developed in large part by the CCC.

The CCC was in operation between 1933 and 1942. It was an entirely residential program operated out of work camps. The Army was responsible for food, shelter, and discipline at the work camps, while agencies such as the Forest Service, Interior Department, and Soil Conservation Service were responsible for the work projects. The Department of Labor was responsible for recruitment.

The CCC had a peak enrollment of 500,000, but an enrollment of between 250,000 and 300,000 was more typical. This was quite a large program. By contrast, the current Job Corps program has an enrollment of 40,000.

For the first five years of the program, enrollment was limited to young men ages 18 to 25 living in families on relief rolls. In 1937, legislation changed the age group to 17 to 24 and allowed unemployed men from non-relief families to enter the program. Initially, local woodsmen and carpenters were opposed to the creation of the CCC, thinking it would cost them work. But this opposition was muted by hiring them as work supervisors in the program. Five percent of work slots in the program were reserved for hiring adult men as work supervisors.

While the main purpose of the CCC was to get money to poor families, the program also aimed at conducting useful work. Thus, large proportions of the program funds went towards maintaining residential camps necessary for conducting work in wilderness areas, skilled supervision, and materials and supplies. Roughly 45 percent of program funds went to enrollee wages. By contrast, over 80 percent of funds in the Public Service Employment (PSE) programs of the 1970s went to employee wages. But the 1970s programs are remembered as being much less successful than the CCC.

2. The WPA was the New Deal's largest work relief program. It provided federal funds for work projects operated by State and local governments. Unlike the CCC, the WPA was a non-residential program. Persons had to be at least 18 years-old to enter, but there was no upper age limit. Eligibility for the program was based on family need, but persons did not have to be on direct relief to participate. However, at one point, the WPA's deputy director reported that 95 percent of enrollees came from relief rolls. Enrollment was limited to one person per poor family. The program peak enrollment was 3.3 million, and typically had an enrollment of over 2 million.

The WPA conducted a wide variety of work projects, but it put most people to work doing manual labor on construction projects. Work projects included building sidewalks, street curbs, school athletic fields and stadiums, parks, playgrounds, swimming pools, water lines, and landing fields. Non-construction WPA projects included sewing clothes, serving school lunches, teaching literacy, and canning food. The WPA also sponsored projects for writers and artists, as well as local orchestras. Eighty-eight percent of federal WPA funds were spent on wages, although State and local governments could supplement the federal funds with their own money for materials and supplies. These State and local funds enabled the WPA to conduct construction projects, and meant that for many WPA projects much less than 88 percent of funds went towards wages. Over its existence, the WPA built or reconstructed 617,000 miles of new roads, 124,000 bridges and viaducts, and 35,000 buildings. Notable projects included the construction of New York's Central Park Zoo, the Philadelphia Art Museum, and La Guardia Airport.

During most of the WPA's life, there were no restrictions on how long a person could remain in the program. Enrollees did, however, have to accept private sector jobs if they were available. Legislation in 1939 required that anyone in the WPA for over 18 months had to leave the program for 30 days. At that time, it was estimated that 17 percent of all enrollees had been in the program 3 years or more. In New York City, 42 percent of enrollees had been in the program for over three years.

3. The PWA differed from the WPA in that it funded federal, State, and local construction projects conducted through private contractors. Due to the use of private contractors, funds were not directed at the poor but rather more generally at increasing employment. Thus, the PWA was a public works program rather than a public jobs program. The PWA preceded the WPA, and once the WPA was established a division of responsibility was established whereby the WPA would concentrate on light construction and service projects and the PWA would conduct heavy construction through private contractors. The Grand Coulee dam was built by the PWA. The PWA's peak enrollment was 540,000.

4. The NYA included work programs for both in-school and out-of-school youth. These were relatively cheap, non-residential projects. Most jobs were part-time. The NYA can be seen as the antecedent of the Neighborhood Youth Corps of the 1960s and the current Summer Youth Employment Program, although it is unclear whether these latter programs were designed in any way based on the NYA experience. Peak enrollment was 808,000.

Some observations on these depression-era programs include the following:

- o President Roosevelt and Congress understood that direct income support was cheaper than work relief. Estimates were that work relief was 37 percent more expensive than direct relief. Nonetheless, the President and Congress decided to go with work relief because of a general loathing for simply paying out cash welfare to persons. There were people at the time who argued that direct relief could serve more people.
- o Besides providing income support, public jobs programs can also produce useful work. There was within the Roosevelt Administration a recognized trade-off between these two goals. The conflict between these goals was evident in decisions on how selective to be in hiring workers, what projects to conduct, whether to use private contractors, how much funds would be spent on supervision, and how much funds could be spent on equipment, materials, and supplies. Within the Administration, there were advocates of both the income support and the useful work goals. The different work relief programs varied in the emphasis placed towards each goal. The WPA was aimed mainly at income support, and a high proportion of its funds went to wages for the participants. By contrast, the PWA and CCC spent a much greater proportion of their funds than the WPA on supervision, equipment, and materials.
- o Combined, the New Deal work relief programs employed about 4 million people a year out of a total population of less than 130 million. This would be the equivalent of employing 8 million people today in public service employment. The WPA's \$1.36 billion annual budget made up over 10 percent of the federal government's budget and over 1 percent of the country's GNP. An equivalent expenditure relative to GNP today would amount to a public works program costing more than \$60 billion a year.

III. Previous Efforts to Re-Crete Public Jobs Programs

The New Deal public jobs programs were discontinued with the need to mobilize the armed forces for World War II. As the end of World War II approached, President Roosevelt spoke in his 1945 State of the Union address about an American Economic Bill of Rights and his plan for continued public works projects. However, no major public jobs programs were enacted at the end of the war.

As part of the War on Poverty, the Neighborhood Youth Corps was established in 1964. The program included year-round components for both in-school and out-of-school youth, as well as a summer component. The focus of all three components was to provide work experience for economically disadvantaged youth ages 16 to 21. The in-school program provided part-time jobs for 15 hours a week, while the out-of-school program provided

full-time jobs. Like the Job Corps, the program originated in the Office of Economic opportunity, and then was switched the Department of Labor.

The Neighborhood Youth Corps was a fairly large program. In FY 1968, for example, the in-school component had an enrollment of 135,000 youth; the out-of-school component had an enrollment of 63,000 youth; and the summer program employed 340,000 youth. The Department of Labor continues to run both year-round and summer programs aimed at disadvantaged youth, but the focus of the year-round programs has shifted away from employment to job training for out-of-school youth and preparing in-school youth for the labor market.

Also during the War on Poverty in the 1960s, large-scale public employment was proposed to address the high levels of unemployment among inner-city adult males. Secretary of Labor Willard Wirtz argued strongly for a major public jobs program, and the Kerner Commission on the 1967 Riots recommended a program that would create 1 million public sector jobs in three years. In 1971, a public jobs program was established by Congress, and operated under various designs and at varying funding levels for the remainder of the 1970s.

In the meantime, there were several attempts in Congress to re-create the CCC. Bills to re-create the CCC were introduced in 1947, 1950, 1957, 1959, and 1963. In 1964, Congress established the Job Corps, in large part based on the CCC concept. The legislative history of the Job Corps suggests that Congress intended to establish a training program in the Job Corps contract centers, and to establish a work program like the CCC in the Job Corps conservation centers. But the conservation centers developed into construction training programs rather than work programs.

In 1970, Congress established the Youth Conservation Corps (YCC) as a summer program for 16-19 year-olds operated by the Interior Department and the Forest Service. In 1975, a state component was added to the YCC. In 1977, Congress enacted the Young Adult Conservation Corps (YACC) as a year-round program for 16-23 year-olds as part of the Carter Administration's Youth Employment and Demonstration Projects Act (YEDPA).

Like the summer YCC program, YACC had separate components operated by Interior, the Forest Service, and the States. Unlike YCC, funds for YACC were allocated through the Department of Labor and DOL retained an administrative function over the program. The program was funded at roughly \$225 million a year, with an enrollment of about 20,000.

In many respects YACC replicated the CCC. However, it was a much smaller program than the CCC, and was designed and operated much more cheaply than the original CCC. While the CCC was entirely residential, YACC was required by legislation to be 25 percent residential--but it never quite reached that figure. While the CCC spent only

45 percent of its funds on enrollee wages, DOL first required YACC to spend 60 percent--and later 70 percent--of its funds on enrollee wages. This sharply curtailed the supervision, materials, supplies, and equipment that could be used by the program--and thus the scope of the work projects.

Both YCC and YACC fell victim to the budget cuts started by President Carter and carried through by President Reagan.

IV. Public Service Employment in the 1970s

The Public Employment Program (PEP) was signed into law in 1971, and was funded at roughly \$1 billion a year. At its peak, it provided employment for about 185,000 persons. Most jobs were created in local and State government agencies. Eligibility was open to anyone unemployed for a week or more, was working less than full-time involuntarily, or working full-time at wages that provided less than a poverty-level income. Sixty-four percent of participants were white, 72 percent were male, only 26 percent were high school dropouts, 31 percent had some post-secondary training or education, and only 12 percent were welfare recipients. The average wage was \$2.87 an hour, when the minimum was \$1.60 an hour.

In 1973, the Comprehensive Employment and Training Act (CETA) was passed, and PEP was replaced by a public service employment (PSE) program aimed at structural unemployment. Funds were to be disbursed to areas of unemployment of 6.5 percent or more. In late 1974, Congress added to CETA a countercyclical PSE program. The legislation for both of these programs specified that at least 90 percent of funds be used only for wages and employee benefits of participants. In June of 1975, enrollments stood at 280,000 for both of these programs combined. The jobs in these PSE programs were mainly in State and local government agencies, and participants were mainly white, male, and high school graduates. Only 36 percent were economically disadvantaged.

Amendments to these PSE programs in 1976 were aimed at reducing the fiscal substitution of locally paid workers with federally subsidized workers. These amendments restricted eligibility to persons who had been unemployed 15 of the previous 20 weeks, and required that in the countercyclical program all newly hired workers beyond the number needed to sustain State and local governments at their existing PSE level be assigned to special projects that would last no more than one year. During the spring of President Carter's first year in office, Congress authorized another \$4 billion for PSE programs. Enrollment in these programs increased from 300,000 in May 1977 to 755,000 in April 1978. Also during this period, the proportion of job slots going to community based organizations increased greatly to 25 percent of the program.

There was a large difference in the types of people hired for the State and local government "sustainment" slots and those hired for the one year special projects in local

governments and CBOs. Enrollees in special projects were more likely to be minority, high school dropouts, and welfare recipients.

Job slots in the sustainment component of PSE tended to be in the areas of property maintenance, public works, street repair, aides in police and fire departments, and park maintenance. Special project slots also included work in park and street maintenance, but more generally were in social service positions such as teacher's aide, health aide, child care, social work, drug counseling, recreation aide, school lunchroom aides, library assistants, hospital attendants, and clerks in social welfare agencies. In 1977, the average wage paid in sustainment positions was \$4.50 and the average wage in project jobs was \$4.32. The minimum wage at that time was \$2.30. In 1978, slightly less than 10 percent of PSE participants were AFDC recipients.

In 1978, amendments to CETA further tightened eligibility requirements, lowered the limits on what PSE workers could be paid, and required job training to be provided to participants. Also during this period, the Carter Administration planned to use public service employment as a key part of its welfare reform initiative. The idea was to provide heads of AFDC households with minimum-wage PSE jobs, but the Carter welfare reform initiative did not become law.

Funding for PSE declined sharply in 1979 and 1980, and in 1981 the Reagan Administration terminated the program. In FY 1980, 85 percent of PSE participants had incomes below the poverty line at intake, and 17 percent were welfare recipients. As more disadvantaged persons were served by PSE, the wages paid in real terms declined. While in 1977 jobs in the sustainment component of PSE paid almost double the minimum wage, the average PSE wage in 1980 was only 26 percent higher than the minimum wage of \$3.10 an hour.

It is difficult to derive a cost per slot figure for PSE programs under CETA--the programs fluctuated so much from year to year that a steady state was never achieved. Based on restrictions on how much could be used for purposes other than wages and employee benefits, a rough estimate is that the cost per slot was around \$10,000 in 1980. Adjusting for inflation, this would amount to about \$17,250 today. However, pegged instead to changes in the minimum wage--which has not kept up with inflation, this would amount to about \$13,200 per slot. If we paid only the minimum wage, the equivalent PSE job today would cost \$10,600 a slot (\$8,840 of which would be in wages).

Observations about the CETA PSE programs that are relevant today are as follows:

- It is feasible to mount a large public service employment program in a short period of time, and potential PSE slots do exist in State and local governments and community based organizations. The \$4 billion (the equivalent of \$9 billion today) PSE program operated in 1977 had over 700,000 enrollees.

- The CETA PSE program differed fundamentally from the depression-era CCC and WPA programs in that CETA simply incrementally added workers to existing programs. CETA was a public service employment program, not a work projects program. CETA did not build new parks or roads as the CCC or WPA did. This explains why the CETA PSE programs were so relatively cheap. They involved minimal extra supervision, equipment, and materials. Re-creating the CCC today, with some of the light and medium construction that it did in building State parks, would probably cost about \$20,000 per slot (assuming \$8,840 in wages would constitute roughly 45 percent of expenditures per slot). WPA projects varied greatly, and would probably range in costs today from \$10,000 to \$25,000 per slot. CETA PSE programs were much cheaper. The lack of explicit and visible projects created by CETA also made it more difficult to defend than the WPA or CCC in the face of anecdotes concerning make-work jobs, fraud, and abuse.

V. Current Programs

State and local Conservation Corps. While federal funding for YCC and YACC ended during the 1980s, interest in conservation and service corps continued in State and local governments. The premier State conservation program is the California Conservation Corps. The California CCC is the closest thing going to replicating the old CCC. The California program has 18 residential centers spread across the State, plus non-residential satellites to these centers. The program has an enrollment of 2,000 youth and a budget of over \$50 million. Work projects include reforestation, stream clearance, fighting forest fires, fighting floods, and trail development. The California CCC would likely be the model for any efforts to re-create the original CCC. Evaluations of the residential component of the California CCC have found that it has been successful at producing in-program earnings gains for out-of-school youth, but it does not appear as successful in terms of long-term gains as the Job Corps, a residential work-experience program with a much stronger educational component.

Overall, there currently are 75 year-round or summer service and conservation corps operated at the State or local level. The combined budgets of these programs are \$180 million, and roughly 20,000 youth participate in them each year. (These programs on average are cheaper than the California CCC because they are almost exclusively non-residential and many are summer-only programs).

Summer Youth Employment and Training Program. The Department of Labor continues to operate a large summer youth employment program each year. This past summer approximately \$1 billion was spent on the program, and 656,000 youth ages 16-21 were served. This represents the largest existing public service employment program operated by the federal government. Funds are distributed on a formula basis to local

areas, which then administer the program. Places of work include public schools, government agencies, hospitals, and non-profit organizations.

An evaluation of the 1993 program conducted by Westsat found that enrollees were conducting real and productive work, and learning the work ethic. There was little evidence of "make-work" projects. Both employers and youths were enthusiastic about the program.

The study also found that there was a shortfall in available job slots in almost all local areas, and that more youth could have been served if more funding had been available--indicating that disadvantaged youth do want to work if given the chance. Expanding the summer youth employment program--and extending its educational component year-round--could be a useful complement to a new public service employment initiative.

National Service. The President's new National Service initiative will provide for a modest expansion of State and local service and conservation corps programs. The expansion will not be all that great, as the National Service initiative will have a budget of only \$500 million a year, and much of this will go towards the educational trust and to a variety of programs other than the service and conservation corps.

Re-establishing the CCC could fit in exactly with what the Administration's goal of expanding the national service concept. Conservation corps programs provide youth and young adults with an opportunity to work towards improving the environment. The California Conservation Corps, for example, pushes the notion that corps members are there to serve the State of California. Conservation corps programs also allow youth who have not gone on to college a chance to do national service--a good balance to many service programs aimed mainly at college graduates. A public jobs program for adults based on the WPA could similarly be tied to national service themes.

VI. A New Public Jobs Program in Relation to the Joblessness of the Disadvantaged

A new jobs program aimed at disadvantaged individuals could be targeted specifically on high-poverty areas. Targeting a public jobs program on high-poverty neighborhoods would keep the costs of the program manageable, while at the same time allowing us to serve a sufficient proportion of the area's population to have a potential impact on community values regarding work and the family. A program targeted on high-poverty communities could reach a significant proportion of both the black and the Hispanic poor. Overall, 58 percent of the black poor and 43 percent of the Hispanic live in 20 percent or higher poverty areas, and perhaps 25 percent of the black poor live in 40 percent or higher poverty areas.

Such a program could make a significant dent in nonemployment among youths in depressed areas, potentially having a positive effect on social mores about work.

Assuming that 75 percent of enrollees in a public jobs program would be males and that almost all enrollees in these programs would be between 18 and 34 years-old, a public jobs program of 240,000 slots would serve slightly more than an estimated 10 percent of non-employed males in this age group in these geographic areas.

Restricting the public jobs programs to 30 percent or 40 percent poverty areas would much more sharply focus them on minority groups. For example, in 20 percent poverty areas, roughly 41 percent of the population is non-Hispanic white, 38 percent is non-Hispanic black, and 19 percent is Hispanic. In 40 percent poverty areas, 26 percent of the population is non-Hispanic white, 47 percent of the population is non-Hispanic black, and 22 percent is Hispanic. A public jobs program of 240,000 slots targeted on 40 percent or higher poverty areas could serve over a third of non-employed males ages 18-34 in these areas.

An issue regarding the use of public jobs to fight joblessness in high poverty areas is that a large proportion of enrollees may need to stay in public jobs over several years. Evaluations suggest that most existing job training programs have only a marginal impact on the long-term employment levels of enrollees.² There is little reason to believe that public employment programs would have a larger impact than job training on subsequent employment rates. But a large scale jobs program in high poverty areas can potentially keep labor markets tighter and improve employment prospects for other residents and for those leaving the programs.

It may be possible to design a public jobs program that provides for natural transitions to private sector jobs by focusing on jobs involving skills that may be in demand in the private sector. If we targeted public jobs to such occupations, enrollees could over time make a transition to the private sector. Nevertheless, it should be kept in mind that it is very difficult to make accurate projections of this type.

VII. Design Issues Regarding Re-Creating Public Jobs Programs

1. Scale. Should the Administration be interested in developing jobs programs analogous to the CCC and/or the WPA? At what funding levels? Each has its comparative advantages. A CCC-type program would give youth and young adults a more intensive residential experience, which is more likely to have a long-term impact on their lives. A WPA-type program would be relatively less expensive and thus able to serve more people. It is more appropriate for persons over 25 than the CCC.

²The gains from traditional training programs, such as JTPA Title II, appear to be more substantial for disadvantaged adults than for disadvantaged youths. More intensive programs with a variety of services appear more effective for youth.

The CCC would be a complement, rather than a substitute, for the Job Corps. Even with its proposed expansion over the next several years, the Job Corps will serve each year less than 4 percent of the 2.4 million economically disadvantaged youth between the ages of 16 and 21. The Job Corps and the CCC would attract slightly different populations of youth--the Job Corps being more appealing to youth interested in training, the CCC more appealing to youth who want to work outdoors and perform national service.

It would cost about \$5 billion a year to replicate the CCC at its 1930s level; \$800 million a year to replicate it at the 40,000 enrollment level of the Job Corps; and \$400 million a year to replicate it at the 20,000 enrollment level of the 1970s YACC program. It would take \$6 billion a year to replicate the WPA at an enrollment level of 500,000; and \$1 billion to replicate it at an enrollment level of 80,000.

2. Cost versus Quality of Work Projects. Non-residential CCC could be operated as cheaply as \$12,000 per slot and WPA programs could be operated as cheaply as \$10,000 per slot. To do so, however, would require sacrificing any attempt to make these quality programs with quality work projects.

3. Public Works versus Public Jobs. This is the distinction between the depression-era PWA and WPA programs. It is possible to increase employment by investing in public works projects, and then letting private contractors bid to do the work. This is aimed at increasing employment levels generally. Public jobs programs directly target the work to particular groups, such as youth, the unemployed, or the poor. Both types of programs can have a role in public policy.

4. Eligibility. There are several options for deciding who should be eligible for CCC and WPA programs. They could be restricted to the economically disadvantaged, to high school dropouts, to AFDC recipients and the fathers attached to these families, or left untargeted. Modern-day CCC programs--including the YCC, YACC, the California CCC, and most current State and local conservation corps--are left untargeted. This enables these programs to avoid placing any stigma on enrollees and to stress to enrollees that they are there to serve the public good. At the same time, these programs tend to attract a population that is comprised of 50 to 60 percent high school dropouts.

5. Geographic Targeting. A possible way to target CCC and WPA programs to the poor but to avoid stigmatizing enrollees would be to geographically target these programs to residents of 20 percent or 40 percent poverty areas. Applicants would then not have to show proof of poverty-level income, yet we would still be reaching the population in greatest need in both urban and rural areas.

6. Youth versus Adults. We would need separate programs for youth and adults. We cannot just shove youth into a program designed for adults. Research strongly suggests that programs designed for adults are not effective for youth. A CCC-type program makes sense for youth, possibly with a residential component and an urban non-residential component. Experience with YACC suggests that residential programs work best when dealing with a fairly narrow age range of participants--say the 18 to 23 year-old age range served by the California CCC. Non-residential WPA programs could be aimed at adults.

7. Residential versus Non-residential. CCC programs can be operated more cheaply in a non-residential setting, but much of the appeal of the old CCC was its residential setting. Most likely, residential programs such as the Job Corps and the CCC have a much greater chance of turning around a young person's life than non-residential programs. The difference in cost between residential and non-residential programs are not as great as one would suspect, in that typically room and board is taken out of the paycheck of residential enrollees. This is true in the California CCC and was true in YACC. Evaluations have also shown that non-residential CCC-type programs appear less successful for youth than residential CCC-type programs.

8. How Long Enrollees Can Stay in the Program. At first thought, it would appear to make the most sense to limit the length-of-stay in CCC and WPA programs to perhaps a year. However, many inner-city and rural males may have very dim prospects of finding private sector employment, and limiting the length-of-stay in these programs will only result in giving these persons a one-year reprieve out of poverty. The programs may be more effective if persons have the possibility of staying in these programs somewhat longer. Long stays in a WPA program could be avoided by restricting the jobs funded by the program to occupations with large projected job growth, thus making for a natural progression to private sector jobs. The program could also require that enrollees rotate into a two-week job search assistance program every six months as a way of moving people into private sector jobs.

9. Possible Role of The Army. The Army had a significant role in the original CCC in being in charge of the discipline and logistics of the work camps. The Army has not had a role in modern-day CCC programs, but perhaps with the end of the Cold War it does now make sense to involve the Army in these programs. The Army could take on the same role in residential CCC camps as it did in the 1930s, and surplus Army Corps of Engineers equipment could be used to enable the program to conduct larger construction projects than were done under YACC in the 1970s.

10. Availability of Work Projects. The Interior Department and the Forest Service have a backlog of work projects more than sufficient to provide jobs for a

CCC program at any level at which we could afford to fund it. Reforestation has many ecological benefits, and for all practical purposes, there is an almost unlimited number of jobs that could be created in this area. There is much rehabilitation work that needs to be done in our National Parks. New State Parks could be developed, trails could be built and maintained, and cabins and shelters constructed. There will also be much conservation work as a result of the great floods this year in the Midwest.

WPA projects could most appropriately be designed around putting enrollees to work in high-growth occupations which can directly lead to private sector placements. Gardening and landscaping is a high growth occupation, and there is much need in our cities for tree planting and park development. The construction trades are high-growth occupations, and there is substantial need in inner cities for housing rehabilitation and the construction of moderate-income homes. As was done in the 1930s, opposition by skilled workers can be countered by hiring these workers as foremen.

11. Avoiding Claims of Waste and Abuse. How can we make sure that a new jobs program is not hit with claims of waste and abuse? Such claims--for the most part, exaggerated--eventually came to define the CETA PSE programs. Avoiding such claims was a major concern of the National Service staff in designing their program. To maintain political support for a public works or public service employment program, we will need to keep close track of concrete accomplishments by such a program (e.g. trees planted, miles of road constructed, major projects completed, elderly served, etc.). This will be necessary to counteract anecdotes of fraud and abuse that will inevitably occur.

12. Relation to Welfare Reform. Public jobs programs can address welfare dependency both by employing welfare recipients and by attempting to get at one of the main causes of long-term welfare dependency--male joblessness. It is likely that under the Administration's proposed plan to limit AFDC receipt to two years, a public jobs program will be developed for recipients who reach their time limit on AFDC and still cannot find work. There will remain a need to deal with the conditions of inner-city poverty and male joblessness that many believe are strongly linked to much long-term welfare dependency.

13. Political Interest. There currently is some political interest in re-establishing public jobs programs. In January, Senators Boren, Daschle, Inouye, Levin, Pryor, Reid, and Simon introduced a bill to establish a jobs program similar in design to the WPA. In the last Congress, Senator Simon introduced a large guaranteed public jobs program. Senator Wofford was instrumental in starting the Pennsylvania Conservation Corps when he served as Secretary of Labor and Industry prior to becoming Senator, and he has promoted re-establishing the CCC. Congressman Wendell Ford has advocated for a large public works programs. In

1983, the House passed legislation to create an American Conservation Corps funded at \$300 million a year. The Senate subsequently passed a much toned-down version, but it was vetoed by President Reagan. Mickey Kaus, the journalist and social critic, has also proposed a large public works program as a way of dealing with inner-city poverty. Re-establishing the CCC could be tied to the clean-up of the Mississippi River flood. The California CCC is an impressive program, and Administration officials may want to visit it to see what a national CCC could look like.

14. Example Proposals. Re-establish the CCC at a 40,000 enrollment level (making it an equivalent program in size to the Job Corps) and the WPA at an enrollment level of 200,000, and restrict these programs to residents of 20 percent or higher poverty areas. Assuming that 75 percent of enrollees would be males and that almost all enrollees of these programs would be between 18 and 34 years-old, we would be serving slightly more than 10 percent of the non-employed males in this age group in these geographic areas. The cost would be \$800 million a year for the CCC and \$3 billion for the WPA. If the programs were operated at the same scale but restricted to residents of 40 percent or higher poverty areas, over a third of the non-employed males between 18 and 34 years-old in these areas would be served. This would be approaching a scale large enough to dramatically change social and economic conditions in these target areas.

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THE PRESIDENT HAS SEEN

1-3-94

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

NOV 22 1993

22 P9:12

MEMORANDUM FOR THE PRESIDENT

FROM: Labor Secretary Robert B. Reich *RB*
VIA: Bob Rubin
Mark Gearan
David Gergen
George Stephanopoulos
SUBJECT: The Jobs Agenda: Meeting With Business Leaders in
Wake of NAFTA

While the NAFTA cauldron still bubbles, it would be useful, I think, for you to summon to the White House business leaders who supported NAFTA (the USA-NAFTA coalition) and ask them to "sign up" for the Administration's jobs agenda. I attach a possible outline.

Handwritten:
Name/Reich
Too specific
but worth doing

Handwritten:
We must stimulate
upon how to keep on
restructuring in B.S. going
and seek their help on
the training
RB

The Unfinished Jobs agenda After NAFTA

1. You leaders of American business helped me explain to the American people why NAFTA will mean more jobs, and better-paying jobs in America, and for that I thank you.

2. The debate over NAFTA revealed something we all know: Although NAFTA and other market-opening agreements will create more and better jobs for Americans, many working Americans are reluctant to embrace such new opportunities because they are worried about their jobs. Average wages of non-supervisory workers have been dropping since 1976, and (adjusted for inflation) are back to where they were in the late 1960s. Meanwhile, jobs are less secure than ever, and average duration of unemployment is longer.

3. Exports will help create more jobs; and export jobs tend to pay better (17 percent) than non-export jobs because they often demand more skills. But in order for American workers to be able to take full advantage of these new global opportunities, they need to be well-trained.

4. I need your support for my upcoming initiative to turn our old unemployment system into a re-employment system -- giving Americans the counseling, information, and job retraining they need to get new and better jobs.

5. Your support and involvement was critical in getting NAFTA passed. It will be no less critical to the second part of the jobs agenda -- upgrading the skills of all Americans. I call on you to take a pledge to:

-- Provide jobs this summer to disadvantaged young people, in numbers equaling at least half of one percent of your total payroll employment. Stay in contact with those young people until they finish high school.

-- Hire youth apprentices directly from high school, in numbers equaling at least one quarter of one percent of your total payroll employment.

-- Upgrade the skills of all your workers. Devote at least 1.5 percent of your payrolls to worker training.

-- Work with your suppliers to get them to devote at least 1.5 percent of their payrolls to skill training as well.

I will be celebrating American companies which have taken this pledge.

*Chano
I need my
to see C. &
Dun*

THE PRESIDENT HAS SEEN
1-3-94



DEC 30 AIO: 19

CHIEF OF STAFF TO THE PRESIDENT
THE WHITE HOUSE

December 18, 1993

The Honorable Joseph A. Califano, Jr.
Chairman and President
Center on Addiction and
Substance Abuse at
Columbia University
152 West 57th Street
New York, NY 10019

Dear Joe:

Your personal note to me and memorandum on substance abuse for the President have been received, and I was pleased to forward the memo directly to the President.

Your insights and assistance are greatly appreciated by me and the President, and I hope you will continue to provide us with your thoughts just as you "would have done for LBJ."

Best wishes for the Holidays and the New Year.

Personally,

M. L.

Mack McLarty

*Joe - Thanks for
your prompt follow
on the matter we
discussed. Your
counsel and insight
are very helpful.
Best to Hillary.*



Joseph A. Califano, Jr.
Chairman and President

Dec 15, 1993

Dear Mr. Luty -

Here is the memo I mentioned --
written just as I would have done
to LBJ. I truly want to help. The
President should own this issue. It's
a natural for him. Best regards.
Joe



Center on Addiction
and Substance Abuse
at Columbia University

December 15, 1993

152 West 57th Street
New York, NY 10019

phone 212 841 5200
fax 212 956 8020

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FOR THE PRESIDENT

From Joe Califano 

You are taking a beating on substance abuse
when you should own the issue.

No greater problem faces our nation than the
scourge of abuse and addiction to all substances--legal
and illegal drugs, alcohol and nicotine. All your
concerns--to provide affordable health care to all, end
violence, decrease homelessness, step up productivity,
revitalize family life, increase affordable housing in
urban areas--are tied in knots by America's problems
with addiction and abuse.

Items:

♦ At least \$140 billion in health care costs
(probably more like \$250 billion) are attributable to
cancer, heart disease, AIDS and injuries caused or
exacerbated by abuse of cigarettes, alcohol and drugs.

♦ Alcohol and drugs are implicated in 75
percent of the nation's rapes, child abuses, murders,
suicides and assaults, to say nothing of the robberies
to support drug habits and the vandalism by hopped up
teenagers and college students.

♦ The most rapid spread of AIDS is among
intravenous drug users and their sexual partners and
among teenagers high on booze and pot. In cities TB
has become a kissing cousin of AIDS.

♦ Two-thirds of the illegal drug users, and
an even higher proportion of alcoholics and alcohol
abusers, are employed. This decreases the productivity
of our work force and the quality of our products.

♦ The greatest threat to public housing stock
comes from drug pushers and addicts.



♦ Drugs and alcohol are big players in the decline of the family responsibility, leaving us with an army of single-parent and no-parent kids.

♦ Most teenage pregnancy occurs when one or both of the parties are high on alcohol or drugs, and a large proportion of those on welfare (perhaps a majority) are victims of alcohol and drug abuse.

♦ At least 60 percent (some say 90 percent) of the homeless have drug and alcohol problems, often combined with mental illness.

♦ Eighty percent of state and local prison inmates are incarcerated for drug- or alcohol-related crimes, and by the end of this year 60 percent of those in federal prison will be serving time for drug offenses.

What can the President do about this?

First, accelerate the cultural change that is simmering in the nation about drugs. Here's an issue on which you can unite Americans from Louis Farakhem and Jesse Jackson to Russ Limbaugh and Newt Gingrich: clean out the scourge of drug and alcohol abuse.

Second, lead an all fronts attack on substance abuse: research, treatment and prevention.

* Research. This year NIH will spend more than \$4 billion on cancer, cardiovascular and AIDS research and only 15 percent of that amount on substance abuse, the largest single cause and aggravator of those three killers and cripples. Our best minds are in cancer research because two presidents (Johnson and Nixon), back to back, declared a billion-dollar-a-year war on cancer through NIH. The national commitment to have big research dollars available is what attracted so much talent to cancer research. Substance abuse and addiction is just as intractable, and only such a commitment will get our best minds to commit their lives to research in the area.

Prevention. You can spark and energize prevention efforts in every community in America, in every school and church, in every business and union, by using your bully pulpit. As HEW Secretary I helped get the revolution in attitudes toward smoking started by pounding the drums. As President, you have exponentially more amplification to change the way America thinks and acts about substance abuse, to spark a cultural revolution.



Treatment. We need to know a lot more about treatment before investing additional millions more, but you can certainly point out that many treatment centers have success rates that compare favorably with long-shot cancer therapies into which we pour billions, and you can provide at least a modest increase (instead of the decrease you are credited with blessing) in treatment funds, and ask the states and cities to match you.

By just taking on this problem in a thoughtful, energetic way you will have an enormous impact. There are political thorns: the tobacco industry has never wanted much research done on addiction and peer pressure, and the alcohol industry doesn't like their product treated like a drug. But you've been scratched by thornier political issues and you are the best politician to sit in the White House since Lyndon Johnson. Moreover, you are on the wrong side of this issue right now: cutting treatment funds, a Surgeon General flirting with drug legalization, all the key jobs that deal with drugs in HHS and DOJ are vacant (the leaders of SAMHA, CSAP, CSAT, NIDA, NIJ, OJD, etc.), reducing the benefits in the health reform package.

The people would welcome the President telling it like it is on this subject and going after addiction and abuse as a national priority. On balance, I think it would be a political plus for you as well as a big plus for the nation if you put this issue high on your public agenda. If you don't, I think the chances of your domestic reforms succeeding are slim at best. Substance abuse is not the only obstacle to health care cost containment, welfare reform, dealing with homelessness, crime and violence--but without taking on substance abuse, none of the other reforms will work.

I am, of course, willing to help you in any way you wish.

#

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
1-3-94

November 26, 1993

MEMORANDUM FOR THE PRESIDENT

FROM:

ROBERT E. RUBIN *SAUER*

SUBJECT:

Presidential Legacy Project

As a supplement to the FY95 budget process, Leon Panetta and I asked Gene Sperling and Alice Rivlin to head up a priorities project. As part of that project, they have received from your policy advisers the attached responses to a request for a brief statement of what they would hope your legacy would be, looking back from either the year 1996 or 2006.

As you see from the initial memo soliciting their views, we asked that they exclude health care since it clearly will be a major element of your legacy to the Nation.

Attachment

*Review v. budget
Some of them were
especially good*

Thanks

THE WHITE HOUSE
WASHINGTON

94 JAN 3 ^{sent} AIO: 44

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: **Sondra Lewis**

Fax Number:

Phone Number:

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FROM:

Frank Wessel (for John Podesta)

SUBJECT:

(456-2702)

DATE:

NUMBER OF PAGES (including cover sheet):

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FYI

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THE PRESIDENT HAS SEEN

12 22 93

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

DEC 17 1993

MR. PRESIDENT:

Ricki concurs with doing
this, but after the
State of the Union.

93



John Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: LABOR SECRETARY ROBERT B. REICH

SUBJECT: Your Participation in the Labor Department's "What Works" Conference - January 19, 20, 21, 24, 26, 27, or 28, 1994

I will host a conference on "What Works" in re-employment and training programs in January 1994, here in Washington, either immediately before or immediately after the State of the Union. I'd like you to participate, if you possibly can -- a keynote address or any other capacity.

The purpose of the conference is to highlight successful examples from around the nation of how people are getting new and better jobs. Participants (workers who have gained new jobs, state employment agencies that have "reinvented" themselves, businesses that have helped their employees find new work) will offer evidence that re-employment and job re-training programs can and do work; they will also explain what doesn't work and how to avoid failures. Our goal is to demonstrate that your comprehensive re-employment and retraining legislative proposal is based on experience and research. The message will be tightly focused on "what works."

It's important to communicate this message both to the members of Congress and congressional staff, state and local elected officials, and to labor, business, and community leaders who will attend this conference, as well as to the public. The public is eager for answers to the problem of structural unemployment. The Los Angeles Times poll that I gave you this week found that one-third of respondents identified job training for the unemployed as the one thing they would like to see you and Congress accomplish this coming year.

Your participation in the conference will make it newsworthy, and help get the message out. It will also provide an opportunity for you to show your leadership on the new jobs and re-employment issue.

I hope you can participate in the "What Works" conference. If you're so inclined, I'll work with Ricki Seidman to find an appropriate time on your schedule.

Yes ☒

No ☐

copy.
Ricki
Bob Reich

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