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THE PRESIDENT HAS SEEN

4/11/95

THE WHITE HOUSE

WASHINGTON

April 3, 1995

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9:05

we need
More anecdotes?
Rick! B.

MEMORANDUM FOR THE PRESIDENT

FROM: ELI SEGAL ES
RICK ALLEN RA

SUBJECT: STATUS OF AMERICORPS -- POLITICS, POLLS AND THE PRESS

1. Rescission: As you know, the House voted a 72% cut ($416 million) in AmeriCorps' FY'95 funding of $580 million. The Senate Appropriations Committee's mark cut roughly half of that ($210 million, equal to the House Committee recommendation). At this time, Minority Leader Daschle's omnibus amendment includes full restoration of national service funding; Senators Breaux and Campbell have a back-up, stand-alone amendment on national service which would restore 80% of the Senate's cut (that is, we would end up with a net rescission of about $40 million). There continues to be great confusion in the Senate over the entire rescission package, and we can not predict whether the Breaux amendment will even come up for a vote, but the Senator reports Republican support (Jeffords and Chaffee joining Campbell, with Snowe, Stevens, Shelby, Hutchinson and Specter prime targets). The strong sponsorship by conservative Democrats -- which is mirrored in the House -- is also noteworthy. Republicans who voted for the 1993 legislation remain our key swing category for future votes.

2. FY'96 Appropriations: Each battle over the next year (FY'95 rescission, FY'96 appropriations and FY'96 reauthorization) builds on the preceding one. The current rescission assumes added importance because of the likelihood that FY'96 appropriations for AmeriCorps will not exceed the ultimate FY'95 levels (despite our budget submission of $828 million, a 43% increase over FT'95 levels). Consideration of next year's appropriations began in the House, with Eli's testimony before the VA/HUD Subcommittee March 24. We used the hearing to lay before Congress and the public (i) the profile of AmeriCorps Members and (ii) AmeriCorps' proven successes (more on both below).

3. Focus Group: We have honed an effective way to communicate national service as a result of a focus group Peter Hart ran for us (without charge) two weeks ago. The diverse group of voters tracked broader public cynicism about government and distrust of politics -- as well as strong support for national service. The keys to resonance for national service were: that (i) it reinforces core American values (responsibility, citizenship and community); (ii) it is smart government (authority moved outside of Washington to the states; operation by non-profits); (iii) it helps "people like me" -- middle class kids can use it to pay for college and (iv) it works -- teaching students, helping cops, cleaning streams and restoring parks, building homes, and the like. When the latter point -- actual community results -- was laid out, support jumped off the charts, crossing all party and ideological lines.

4. Independent Validation of Effectiveness: We have known of AmeriCorps' successes anecdotally (from the Texas immunization campaign to the mid-term results of Cindy Perry's rural Kentucky tutoring program, which already has advanced the reading scores of 70% of the targeted students by two grade levels). Now, Aguirre International (a California-based evaluation firm headed by President Ford's Commissioner of Education) has completed its analysis of a randomly-selected 8% of AmeriCorps sites. The results are impressive (a copy of the report is attached). Far from engaging in make-work, AmeriCorps Members are showing impressive results on long-term community problems. We have circulated the Aguirre Report widely, including in a major briefing for the Washington press, in packets to Congress, and as handouts to the student journalists recently briefed at the White House.

5. AmeriCorps Looks Like America: We have similarly distributed our recent analysis of the demographic characteristics of AmeriCorps Members -- especially encouraging because recruiting is done by each local program, rather than nationally. AmeriCorps Members come predominantly from middle class families, with more than half having annual household incomes between \$15,000 and \$50,000. Overall, median family income was \$28,156 and average family income was \$33,461. AmeriCorps' \$4725 post-service education benefit is a significant help for working families struggling to afford college.

The majority of AmeriCorps Members are in the traditional "college age years" -- their twenties. Roughly a quarter are more recently out of high school, and about a fifth are part of the rapidly-growing "non-traditional college student" age category, over 30 years old. AmeriCorps Members reflect America's ethnic diversity. Roughly half are Caucasian, about a third African American, 14% are Hispanic; 3% Asian /Pacific Islander and 2% Native American.

AmeriCorps Members fall into three nearly equal groups, when analyzed by educational background. 38% were headed toward college or the job market, having either dropped out of high school or having graduated. 28% held either college or graduate degrees. The final third indicated attaining an Associate's Degree or otherwise having some college education -- many in this category are currently in college or planning to return. This diversity underscores the advantage of having the AmeriCorps post-service educational award available to pay for college, graduate or trade school -- or pay back student loans.

6. Press Coverage: Congressional attacks have stimulated broad support for AmeriCorps, both inside and outside of the Beltway. The press has generally deemed opposition to the program to have stemmed from political partisanship, rather than principle. We have made a concerted attempt to keep the print press aware of the stakes in the rescission battle and the resulting editorial support has been substantial. We attach highlights. Negative press continues to be relatively slight and comes from conservative papers; principal criticisms are cost and necessity, and the loudest critic continues to be Bill Kristol's partner John Walters.

7. Corporate Support: The corporate community has also risen to the rescission challenge. Mack McLarty was particularly effective in contacting major CEOs (including Auggie Busch, Dick Mahoney of Monsanto, and various energy company executives). We also came across a gem on City Year's Board -- Republican Erie Chapman, the head of U.S. Health Corporation and a member of John Kasich's Finance Committee, whose outrage over the Congressional attacks on service was a particularly effective part of our press briefing (a copy of his remarks is attached). Indications of corporate and non-profit support are also attached.

AGUIRRE INTERNATIONAL
1735 North Lynn Street, Suite 1000 • Rosslyn, VA 22209-2019
411 Borel Avenue, Suite 402 • San Mateo, CA 94402

AmeriCorps*USA at Five Months

A Summary of Accomplishments from 52 Randomly Selected Sites [1]

March 22, 1995

The following report aggregates and summarizes the bulk of the accomplishments of 1,654 AmeriCorps*USA Members serving at 52 sites that were selected randomly from across the nation. Listed accomplishments represent the efforts of approximately 8% of AmeriCorps*USA's operating sites during the first five months of operation--from September, 1994 through January, 1995.

The accomplishments are grouped within AmeriCorps*USA's four issue areas: education, public safety, health and human needs, and environmental and neighborhood restoration. The list, while both long and diverse, is not exhaustive; not every accomplishment has been captured. Nevertheless, the list summarizes the major accomplishments of the selected sites.

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[1] Accomplishments listed are from reviews conducted with each operating site by Aguirre International evaluators between February 7 and March 9, 1995.

Education

The AmeriCorps Members helped children and youth from impoverished urban and rural communities to succeed in school. They taught in classrooms, established new learning programs in and out of school, and prepared preschoolers for the demands of school. Specific accomplishments include the following:

- Taught 1,430 and tutored 7,638 pre-school, elementary, and junior high school students in basic educational skills.
- Conducted enriched learning programs and initiated new ones — such as computer-based reading instruction, peer tutoring, scientific experimentation, and programs for children with special needs — for 6,414 children.
- Established after-school and vacation programs to reinforce the academic involvement of 4,656 children.

The AmeriCorps Members helped at-risk children succeed in school by assisting them and their families to develop their sense of civic and community responsibility and to become more stable, more self-sufficient, and more involved in the community. Specific accomplishments include the following:

- Organized and supervised community service projects for 4,469 at-risk children and youth. Projects included neighborhood cleanups and providing food for elderly people.
- Counseled, taught parenting skills, and/or provided problem solving assistance to 390 families, 183 teen parents, and the low-income families of 440 children at risk of failing in school.
- Provided literacy or employment-related training for 694 adults.
- Provided intensive educational support — including regular counseling — to 30 troubled teenagers living in group homes and 33 low-income children, including 22 homeless preschoolers.

Public Safety

The AmeriCorps Members started neighborhood safety programs, mobilized neighbors, and improved community/police relations, resulting in safer communities. Specific accomplishments include the following:

- Escorted 8,500 children to school through safe corridors.
- Started 258 neighborhood safety programs and patrolled 250 vacant buildings to prevent violence, drug-dealing and other illegal activities.
- Initiated 2 programs to improve community/police relations, including assisting a police mobile unit.

The AmeriCorps Members worked to prevent violence in school by teaching mediation techniques, resulting in decreased incidence of violence and negative behavior. Specific accomplishments include the following:

- Resolved 414 school conflicts that might otherwise have ended in violence or with students dropping out of school because of fear of violence.
- Taught conflict resolution techniques to 8,119 school children.
- Counseled and taught alternatives to violence to 1,350 potential or actual gang members and 54 parents of children at risk of becoming involved in gangs.
- Initiated 3 programs to train school and community members to implement violence prevention activities.
- Secured donated materials and created a memorial garden and mural in memory of 3 children slain in the streets.

The AmeriCorps Members worked to prevent violence and drug abuse in families and communities and provided direct assistance to victims of crime as well as referring them to needed services. Specific accomplishments include the following:

- Conducted workshops for 220 at-risk individuals about family violence prevention.
- Answered crisis hotline calls and made referrals for 878 victims of sexual and domestic violence.
- Provided each of 470 victims of sexual and domestic violence with 30 days of counseling and assistance.
- Counseled 35 elementary or high-school students in crisis as a result of rape, violence, or home difficulties.
- Counseled 1,180 teenagers about alcohol and drug abuse.
- Conducted home visits about drug or alcohol abuse prevention with 120 community residents.

Health and Human Needs

The AmeriCorps Members made independent living easier for disabled, elderly, or hospitalized individuals by providing direct support service and by recruiting and organizing community volunteers. Specific accomplishments include the following:

- Helped 123 elderly persons, 50 visually impaired adults, and 9 visually impaired children live independently.
- Provided job-related training, independent living assistance and/or medical referrals for 135 mentally ill or developmentally disabled persons.
- Organized weekly social activities for 400 elderly nursing home residents.
- Constructed wheel-chair accessible trails, ramps, or sidewalks at 3 parks, 5 low-income homes, and 4 public buildings.
- Obtained donated materials, trained 58 volunteers, and repaired the homes of 296 elderly persons.

The AmeriCorps Members provided emergency medical services, as well as health training and education. Specific accomplishments include the following:

- Trained 1,144 inner-city residents in CPR.
- Provided emergency medical services to over 1,500 people.
- Screened 1,100 low-income children for lead toxicity and other health risks.
- Provided health counseling, education, or referrals and transportation to 220 low-income families and over 5,000 individuals.
- Disseminated health care information to 4,567 individuals.
- Distributed 150 children's car seats to low-income families.
- Conducted immunization screenings — immunizing 158 individuals and notifying 500 others of their families' need to be immunized.
- Administered 301 HIV tests and counseled patients regarding results.
- Conducted workshops and distributed information on AIDS and tuberculosis to over 7,000 people.

The AmeriCorps Members helped meet the basic needs of low-income and homeless people for food and shelter. They improved low-income housing, fed the hungry, and improved the methods of service referral and delivery. Specific accomplishments include the following:

- Renovated 238 inner-city housing units and 99 rural homes; began renovation of 121 more.
- Refurbished 2 homeless shelters and began to renovate 3 buildings — one for seniors, one for battered women, and one for the formerly homeless.
- Distributed food to more than 16,625 low-income people and packed 7,000 dinners and 32,000 breakfasts for the hungry.
- Found shelter for 400 homeless families, and sorted and distributed clothes to 350 homeless individuals.
- Secured hospice housing for 27 people with AIDS and helped feed (on a weekly basis) 1,250 people who have AIDS or who are HIV positive.
- Provided housing information or counseling to over 500 low-income and homeless families.
- Secured donated furniture, repaired it, and delivered it to 300 newly-housed families.

Environmental and Neighborhood Restoration

The AmeriCorps Members responded to emergencies, including post-disaster environmental restorations, and worked to improve emergency response capacity in parks and public lands. Specific accomplishments include the following:

- Inspected and repaired 87 small dams, protecting 200 farms.
- Provided disaster recovery assistance to 350 land owners recovering from a flood; activities included sand and soil deposit mapping, advice on pasture and hayland management, watershed mapping, and computer simulations to plan floodplain management.
- Fought 2 major forest fires and saved 1 national park road from washing out.
- Joined at least 5 search and rescue efforts.

The AmeriCorps Members restored and stabilized the natural environment and wildlife habitats. Specific accomplishments include the following:

- Planted 212,500 trees.
- Restored 320 acres of wild land areas by repairing fire and flood damage, re-planting to prevent erosion, and fencing off wetlands to prevent illegal dumping.
- Restored or stabilized 27 miles of riverbed and stream banks to improve the habitat of salmon; fenced another 7 miles to keep cattle from destroying spawning grounds; repaired three aquaculture tanks with a capacity to rear 1,000,000 salmon fry per year.
- Removed 2,000 lbs. of trash from an urban river.
- Monitored water quality in 2 parkland areas.
- Surveyed 5,700 acres of National Forest land as part of reforestation programs to monitor reforestation efforts; conducted biological inventories on 12,000 acres of wetland.
- Built, restored, or maintained 311 campsites, 88 miles of parkland trails, 17 bridges, and 1 mile of forest service road.
- Cleaned up storm debris and trash on 3 beaches, protected sand dunes on one beach, and built one wildlife observation platform and 3 duck blinds.

The AmeriCorps Members improved neighborhoods, parks, and recreation facilities by converting vacant lots, renovating buildings, repairing public facilities, and conducting recycling and conservation programs, resulting in a heightened sense of community ownership. Specific accomplishments include the following:

- Renovated 11 community buildings, including an inner-city medical clinic, community centers, and public schools.
- Converted 29 overgrown lots into green space; built 7 community gardens; planted trees along 30 city blocks.
- Cleaned 27 miles of road, restored 1 community reservoir, removed illegally dumped garbage from one community; and unclogged more than 14,000 storm drains.
- Created 4 playgrounds, designed 1 picnic area, and improved safety at 1 scenic overlook.
- Restored, repaired, or maintained 19 historical landmarks and a traditional tribal longhouse.
- Completed 61 inner-city neighborhood clean-ups — including a city-wide graffiti removal.
- Distributed 1,375 low flush toilets and 1,700 water conserving showerheads in low-income neighborhoods — along with over 1,400 water conservation guides.
- Recycled 920 inefficient toilets and 1,120 inefficient showerheads.

The New York Times

Founded in 1851

ADOLPH S. OCHS, *Publisher 1896-1935*
ARTHUR HAYS SULZBERGER, *Publisher 1935-1961*
ORVIL E. DRYFOOS, *Publisher 1961-1963*
ARTHUR OCHS SULZBERGER, *Publisher 1963-1992*

Reneging on AmeriCorps

The House will decide as early as today whether to take back two-thirds of the money it previously voted to spend *this* year on AmeriCorps, President Clinton's national service program. The slashing attack on a worthy program can only be interpreted as an effort to humiliate the President.

In its first year, AmeriCorps has placed 20,000 participants — more than the Peace Corps at its peak — with nonprofit organizations to do valuable community work. With minimal bureaucracy and overhead, participants have cleared crack houses, taught ghetto children and built low-cost housing.

The $400 million cut looms small in the context of this week's vote on a $17 billion package of midyear spending cuts, known as rescissions. The decision to rescind $17 billion is the G.O.P.'s; the budget law required almost none of the cuts.

Why, then, the budget ax? The obvious explanation is that the G.O.P. is out to slay political symbols, not government waste. President Clinton proudly points to AmeriCorps as a high point of his Administration — a program that reflects his deepest values about public service. The G.O.P. wants to chop Mr. Clinton's pride to bits. But in the service of President-bashing, the Republicans would renege on promises made to thousands of participants. The rescission would send many home in the middle of their service. Never mind that they put off college or other commitments to work for minimum wages and a voucher, worth about $5,000 a year for up to two years, for college or vocational training.

The Republicans have a right to challenge the value of AmeriCorps. But the proper time is when Congress deliberates next year's budget. The haste to gut the program immediately reflects political animus carried to an extreme.

The Miami Herald

THURSDAY, MARCH 30, 1995

Why harm AmeriCorps?

SENATE VOTES TODAY

The program lets people earn college aid via public service. Why then do conservatives hate it so?

Republican efforts to kill President Clinton's AmeriCorps program may make sense in the brutal vocabulary of Washington politics. But in any other terms, they're plain irrational.

The Senate will vote today on a package of GOP spending cuts that would cripple AmeriCorps. A few weeks ago the House voted to slash three-fourths of the agency's budget for the 1995 fiscal year, now half over. The Senate would pare only half that much. It's the difference between amputating both legs, or just one.

AmeriCorps ought to be a conservative's dream: It helps people pay for college education, but only in exchange for honest labor in the public's service. You might call it a kind of "supply-side social policy." It encourages people to invest now in activities (education and public service) that will pay off — for them, for society, and for the Treasury — both now and later. The GOP's death warrant thus smacks of raw partisanship.

AmeriCorps makes this deal with students who need money for college: Work at minimum wage in an area of national need — assisting police, say, or tutoring children, or rebuilding after disasters — and the government will give you a $4,725 voucher for each year that you work. The voucher can be spent only on postsecondary tuition or to retire a student loan.

Meanwhile, the country gets a 1990s version of the Civilian Conservation Corps, the popular Depression-era program that helped build national park facilities and parks in many states. AmeriCorps members in Broward are running after-school programs and helping elderly people secure their homes. In Dade, they're improving parks and helping Habitat for Humanity build affordable housing.

Besides decimating a worthwhile program, the GOP attack on AmeriCorps would invalidate a signed contract between the government and tens of thousands of recruits *who already are signed up and at work.*

To achieve the mandated savings, many of those participants would have to lay down their tools immediately and return to unemployment. No job, no college, no nothing.

AmeriCorps' budget is small potatoes in the search for a balanced budget. Besides, by helping young people get into higher education, it enhances their earning power — and taxpaying — in the future. Given enough time, it will more than pay for itself.

Senate Republicans today should undo the cynical folly started by their counterparts in the House.

AmeriCorps deserves time to prove itself, and its goals — public service and earning your way into college — deserve more than the back of the hand from Congress.

Don't abolish AmeriCorps

Public service program deserves a chance

This week, Sen. Mark Hatfield, chairman of the Appropriations Committee, gets another chance to stand against an aggressive and unwise House onslaught. The House-passed rescission package, now arriving in Hatfield's committee, decimates the new AmeriCorps public service program — after just a single year of operation.

That's not fair to the program, the concept, the people it serves — or the 20,000 young Americans who have put their lives on hold to serve in AmeriCorps. In exchange for their work, they receive a small living allowance, limited health care coverage and had been promised up to $9,450 in college tuition credits.

In Portland, AmeriCorps volunteers have tutored inner-city students, weatherized older homes and worked at restoring wetlands and a North Portland park. In a letter to the editor earlier this month, Christopher B. Johnson, coordinator of the Oregon Childhood Lead Poisoning Prevention Program, praised the work of 12 AmeriCorps volunteers in lead-paint poisoning abatement.

The House's motive in aborting this program is less than edifying. The Wall Street Journal quoted Rep. Gerald Solomon, R-N.Y., as explaining, "What we're doing today is a 'get even.'"

At a time when Americans are questioning how much responsibility can be left to full-time government workers, Americorps is a model of an expanded volunteerism that can offer a new approach. Early signs are hopeful; in one year, the program is already larger than the Peace Corps.

AmeriCorps is a promising program of public service. The House has done it a disservice.

The Senate — and Hatfield — can do better.

Unsigned editorials in this column present the views of The Oregonian. Signed columns, letters and editorial cartoons elsewhere on this page and in the opinion section express the views of their authors and cartoonists.

The Oregonian 3/23/95

Star Tribune Editoria

OUR PERSPECTIVE

AmeriCorps

Don't suddenly put it to death

By most accounts, President Clinton's national service program — AmeriCorps — has been a great success in its first year. That hasn't saved it, however, from a starring role on the House Republican hit list. House-approved recisions for the current year would require shutting down many corps projects and sending home the young participants. That's not reasonable. At the least, Congress should follow the Senate lead and allow AmeriCorps to fulfill current commitments.

Rather than building a large federal bureaucracy, AmeriCorps was designed to be as decentralized and efficient as possible, relying on partnerships with state and local agencies and organizations. The concept seems to work well.

AmeriCorps also has struck a strong chord with young people. Thousands have committed to a year or more of good work in their communities, and tens of thousands of others are eager to participate. In addition, the education stipend should help prepare participants for effective participation in this competitive global economy.

AmeriCorps is expensive, however. Most estimates put the cost at around $20,000 per year per participant. If the U.S. budget were in better shape, that amount might win bipartisan support as a worthy investment in national service. But the federal budget is in terrible shape, and Republicans are determined to either kill AmeriCorps or restrict its growth. The House favored a swift death, voting to take back $416 million from AmeriCorps' 1995 budget of $575 million. That would require canceling contracts with hundreds of local partners, sending 1,000 AmeriCorps recruits home immediately and dismissing the rest within a few months. The more moderate Senate proposal would trim AmeriCorps' 1995 funding to the 1994 level. That still would take back $210 million, but it would allow AmeriCorps to meet its commitments to the young people it has enticed into service and to the communities they serve.

It's clear that in the current political and budgetary climate, AmeriCorps won't be growing into a major national service initiative. One option is to continue the effort as a pilot program; another is to kill it outright. Proponents of either course can marshal strong arguments, but this is not the time for them to do so. That discussion should be held in the context of deciding on funding for 1996, when those in charge of AmeriCorps will have a chance to make their case and will be able to implement Congress' decision in an orderly way.

AmeriCorps has been attacked by many on the right as warmed-over liberalism the nation can't afford. The affordability issue is legitimate: the liberalism charge is hypocritical, coming as it does from folks unwilling to subject veterans programs, farm subsidies and the like to similar scrutiny. The people working in AmeriCorps, in Washington and in the field, have served this nation in a first-class way. Their program deserves better than summary execution.

Cuts will destroy the core of American values

By Theodore M. Hesburgh

The House of Representatives is proposing retroactive cuts that would shut down AmeriCorps, the new national service program. The House would reduce current funding for AmeriCorps by more than two-thirds—funding that was approved last year by a bipartisan coalition in Congress. Believing as I do in the importance of national service and the great potential of AmeriCorps, I urge, on this issue, that we put politics aside and not back away from a program that invests in American values, promotes citizenship and enables people to work together and solve their communities' problems.

Perhaps no concept so permeates the history of our nation nor captures the essence of our religious and ethical tradition as does service. I have seen many types of national service, from the Civilian Conservation Corps, which I served as chaplain from 1940 to '41; to the Peace Corps ; to the bipartisan commission I co-chaired in 1979, which recommended a new national service initiative; and to AmeriCorps, the latest and best conceived movement for national service. In the recent debate about AmeriCorps facts sometimes seem to get lost, and that's a shame—not just for the 20,000 Americans interested in joining it, but for the hundreds of communities around the country that AmeriCorps has reached and the thousands that need its touch.

That is where the real AmeriCorps begins: in local communities. It works in our biggest cities, like New York, where the New York's police department reports that recreation areas policed by AmeriCorps members in a 1994 pilot program were free of assaults for the first time in years. Or in Kansas City, Mo., where AmeriCorps members shut down crack houses and build programs that give youth alternatives to drugs and gangs.

AmeriCorps works in smaller cities and tiny rural hamlets, too. Notre Dame has seen AmeriCorps' value. That's why I joined, fielding 40 extraordinary college graduates who teach in South Bend, Ind., schools in the summers and in 30 severely strapped schools in four Southern states during the school year. The principals say AmeriCorps members' spirit and commitment have enriched their students' lives and re-energized their teachers. Those students wouldn't make it without AmeriCorps members—and the 40 members couldn't live out their commitment without AmeriCorps.

AmeriCorps is guided by a corporation (the Corporation for National Service), but it has also moved most of the decision-making closest to problems by giving authority and responsibility to the states and by having programs operated by local non-profits. AmeriCorps is funded by Congress, but it requires local companies and foundations to foot a substantial part of the bill. And AmeriCorps is headed by business people, monitored by a private-sector board, and wedded to competition, not politics, as the method by which grants go out and participants join up.

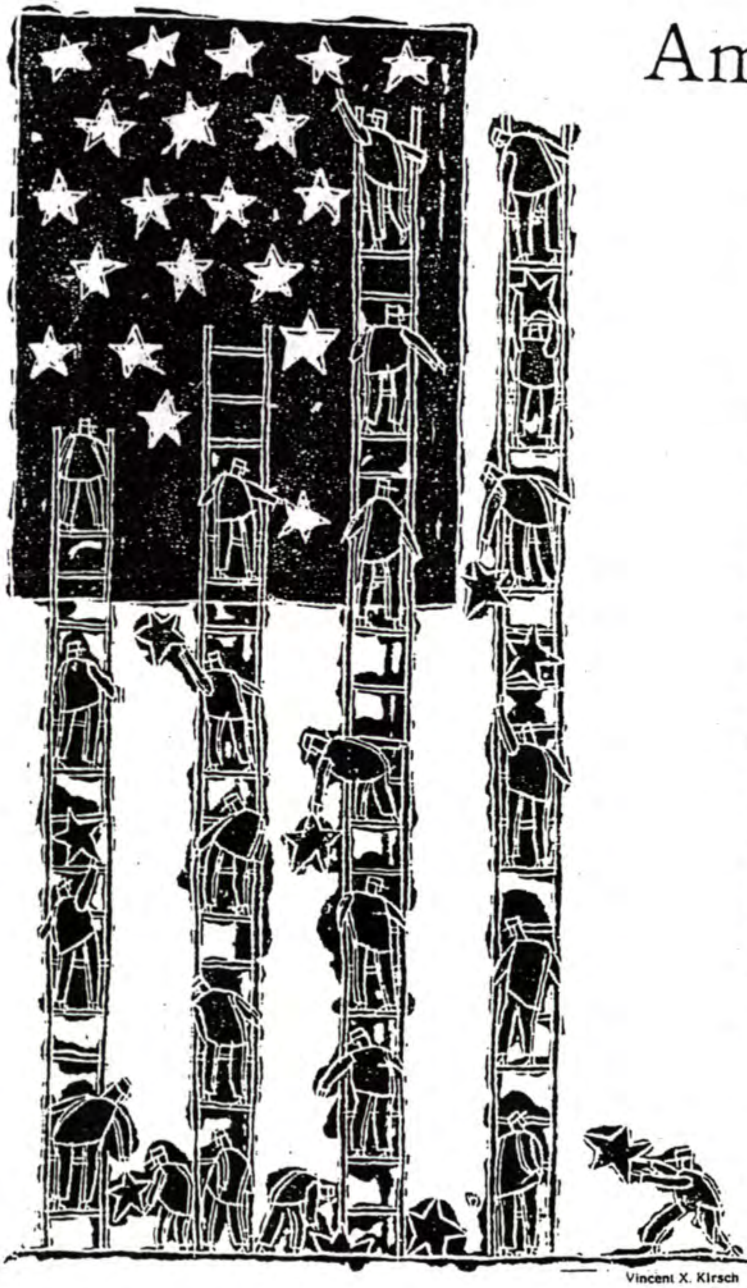
Some have wondered whether the $600 a month living allowance AmeriCorps members, and the $4,725 scholarship or student loan repayment they can earn through a full year's service, destroy the spirit of service. It hasn't done so in the Peace Corps. It hasn't in AmeriCorps. Those of us in the clergy take a vow of poverty. Citizens need only take a vow of responsibility. AmeriCorps does demand sacrifice from its members. And for those who answer the challenge, it provides not only the opportunity to pay for college, but the higher gift of making a difference, and the lifelong satisfaction of building community.

Our church has always called parishioners to aid those in need, and Americans of all faiths have been the most generous people on earth. But more is needed. Weekend volunteers return to their jobs Monday mornings, as do parents to their children and the clergy to their congregations. AmeriCorps is designed to make the most out of what each American can give in time and talent—that's why those organizations that have always made service their mission, from the Red Cross to Habitat for Humanity to the YMCA to the Multiple Sclerosis Society—350 in all—have been proud to join the AmeriCorps network.

Sixteen years ago our commission concluded that service was critical to the education and development of young Americans for adult lives of productive work and good citizenship. National Service was a non- partisan idea than, as it was when President Bush signed a national service law in 1990. It was a non-partisan idea when Congress created AmeriCorps less than a year and a half ago, as it was when the first AmeriCorps members began serving last fall.

It should be free from political gamesmanship now and given a chance to succeed. Values matter, now more than ever. Let AmeriCorps help nourish the roots of citizenship, so that all our American dreams can flower.

The Rev. Theodore M. Hesburgh is a former president of the University of Notre Dame.



Vincent X. Kirsch

AmeriCorpse?

By Robert D. Putnam

JAFFREY, N.H.

It used to be that only liberal knees jerked, but the affliction is spreading to the new majority in Washington. Congressional conservatives, blinded by partisan spite, are on the verge of destroying a model for the sort of leaner, decentralized Government that the Contract for America promises: President Clinton's AmeriCorps national service program.

Last week, the House voted to eliminate almost all of its $500 million budget, and its fate rests in the hands of the Senate's moderate Republicans, who will vote next week.

Before they vote, the senators should consider Katie Truesdale and Brian Jerose, with whom I shared a recent breakfast at the base of snowy Mount Monadnock here. The breathtaking views from its summit make Monadnock the most-climbed mountain in the country. But the rigorous winters and the steps of a million boots have eroded the trails first cut by Civilian Conservation Corps workers in the 1930's.

The state doesn't have the money for repairs, so Ms. Truesdale, Mr. Jerose and 18 other AmeriCorps volunteers are rebuilding the trails and winterizing cabins. When not on the mountain, they teach classes on the environment at local schools and serve hot meals at a senior center. For their year of service, the volunteers receive a small living allowance and a $4,725 voucher for higher education.

We need national service.

Ms. Truesdale had hoped to enter college last September but didn't have enough money; she plans to begin the pre-medical program at Dennison College this fall with the help of her national service voucher. Mr. Jerose, who graduated from the State University of New York at Geneseo last May, is planning on graduate school in soil sciences. "I simply cannot imagine leaving this project and not staying involved with community service," he said.

Like the 350 other AmeriCorps projects across the country — from anticrime efforts in Chicago to tutoring underprivileged children in Dallas — the Monadnock project began as a local initiative and is supported by a partnership of nonprofit groups, state and local governments and local businesses. It even has the support of the state's conservative Republican Governor, Stephen Merrill. The community support is vital: since the Monadnock volunteers' cabins lack running water, they depend on the local American Legion and a nearby Christian conference center for warm showers.

Mike Walsh, the manager of Monadnock State Park, said that the trail renovation hasn't been the project's only success. "These kids are inspiring youngsters in the high school and local officials to get more engaged in community affairs," he said. "It's like a year-round barn-raising."

The energy around the Monadnock breakfast table contrasts with the decline of civic engagement in America. Voting in national elections is down by 25 percent over the last 30 years. Participation in most traditional forms of public involvement — churches, the P.T.A., the Red Cross, unions and even mundane groups like bowling leagues — have all plummeted.

Against this backdrop, only the ideologically blinkered would abort a promising project in community service that reinforces civic virtue. Before the new Congressional majority does away with AmeriCorps, its members should visit this rock-ribbed corner of conservative New Hampshire to see grassroots revitalization at work. □

Robert D. Putnam is author of the forthcoming "Bowling Alone: Civic Disengagement in America."

THE CHRISTIAN SCIENCE MONITOR

THURSDAY, MARCH 20, 1995

I Looked: AmeriCorps Works

By Amy Wu

LIKE House Speaker Newt Gingrich and fellow Republicans, I once bashed the AmeriCorps program shamelessly. I saw it as a jobs program and chastised the young people involved as money grubbers who dared to call themselves "volunteers."

But I have been transformed from cynic to convert. After months of talking with people in the program and watching them plant trees in empty lots, settle disputes in rundown urban schools, immunize children, combat water pollution, and clean graffiti-plagued streets, I am enlightened. These young people, who are labeled "slackers" and "MTV-addicted couch potatoes," are diligent, enthusiastic, hard working, and maintain a balance of idealism and realism.

OPINION/ESSAYS

An effective program for young people shouldn't be a victim of partisan politics.

On a chilly, bright November morning I followed a group of college-aged AmeriCorps workers into New York's Lower East Side where they were transforming a parking lot into a bright and cheerful place. I fired hardball questions at people who were coating parking meters with paint and scouring away at graffiti. "So why did you *really* want to join this program?" I asked each person, one eyebrow lifted in suspicion.

I wanted to believe that they joined because they didn't know what else to do, that they needed the money, that this was an easy alternative to taking out a loan, that it would be a highlight on their résumés, that they would admit with frankness that the dollars were a lure, that they cared more about changing their lives than other peoples'.

I did receive frank answers, but there was a freshness to them. One young woman said she was tired of having her generation labeled so negatively and wanted to show the world the other side of the story.

"I don't sit around and whine all day," she said angrily. "I keep busy. I like helping people. Is there something weird about that?"

In an age when high-profile politicians, high-powered executives, and even religious leaders perform "random acts of kindness" for money, book advances, and appearances on talk shows, there is something rare about people doing something just because they want to help, to make a difference, to give something back for all they have been given.

A few of them grew up in upper-middle-class suburbia, went to Ivy League schools, and now want to give back to society. Others grew up in poor neighborhoods, battled the hardships of the streets, triumphed, and want to help and inspire those still living in the war zone.

And the money? If you take the grants given to the students and divide by the hours, they are making minimum wage or less. One young man laughed at the notion that he was in it for the money. "If I wanted to make real money, I'd go find me a part-time job," he said. As for recognition? There's hardly any. "The media love to write about those slackers, hackers, and young people that just goof off," he said. "I guess that stuff sells."

After weeks of talking with these young people, watching them toil in the dangerous neighborhoods, rundown schools, and understaffed medical clinics, it was obvious that the communities were benefiting. AmeriCorps has made a difference.

AmeriCorps shouldn't be abolished. It should be endorsed, encouraged, and expanded. Thousands of young people were turned away last year because the 20,000 slots were filled. Many are waiting for more slots to open. AmeriCorps isn't a political issue like abortion, but, tragically, it is treated as one. Republicans believe it's a waste of money. Mr. Gingrich believes it's coercive and forced volunteerism. In truth, the fact that AmeriCorps was President Clinton's idea is the real reason Republicans want to kill it.

If AmeriCorps is axed, it won't be because it didn't work, but because of Washington politics.

■ *Amy Wu is a student at New York University majoring in history.*

BIRMINGHAM NEWS

BIRMINGHAM, AL
SUNDAY 217,278

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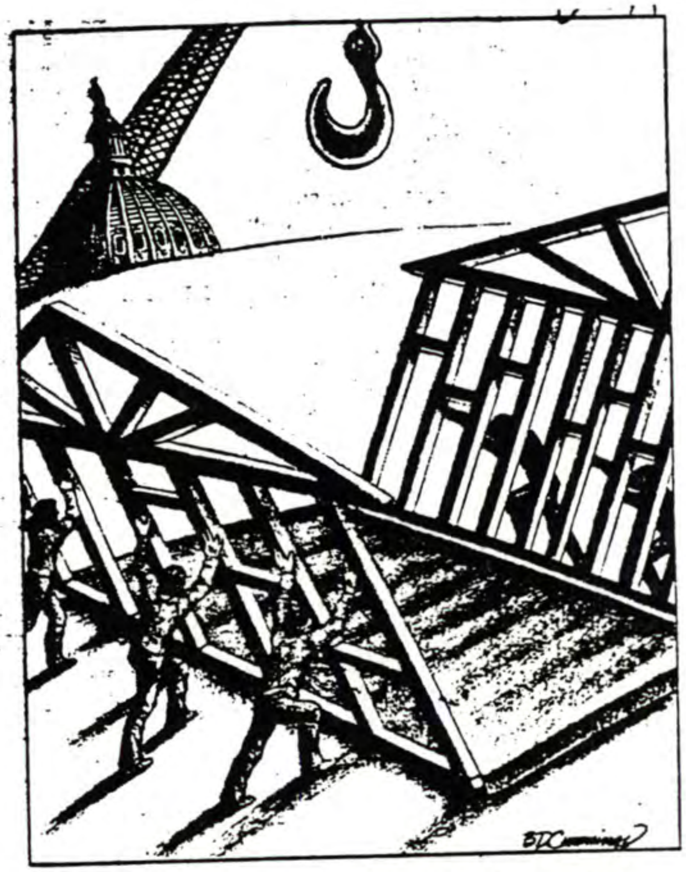

AmeriCorps helps build character, gets work done

6297AT

By David C. Jones

As a supporter of the AmeriCorps national service program and former chairman of the Joint Chiefs of Staff, I was pleased to see President Clinton recognize four AmeriCorps members for their service to our country during his State of the Union address. I was especailly gratified that one of those dedicated and determined young people, Philip Wu, is a U.S. Army veteran who is complementing his military service with a hitch in AmeriCorps.

Phillip served as a telecommunications specialist in the Army, then used his G.I. Bill benefits to complete two years of college. As an AmeriCorps member, he builds homes with the Miami Habitat for Humanity program. He draws on skills learned in the military to recruit, train and supervise volunteer builders. From AmeriCorps/Habitat, he has learned skills in all aspects of home construction. And he'll use his education award from AmeriCorps ($4,725 for each year he serves) to finish college and get his degree. (Veterans earn AmeriCorps benefits without diminishing those they earned in the military.)

Common spirit

Philip Wu's example shows a common chord of spirit — a spirit that gets things done — in the work of those who serve our volunteer Army and those who serve full time in AmeriCorps. Of course, our men and women in uniform give all that a nation can ask of its citizens, protecting freedom at home and abroad. Their's is a far greater sacrifice.

But just as our armed forces provide for the national defense, AmeriCorps is mounting a national offensive here at home against problems that threaten our society. This offensive involves 20,000 AmeriCorps members serving in locally-run programs, tutoring high-risk children, cleaning up our rivers and streams, working with police to reduce crime, helping disaster victims rebuild. AmeriCorps provides 350 community programs with the best resource of all — Americans who want to shoulder responsibility and serve our country.

Like our Armed forces, AmeriCorps is mission based. AmeriCorps programs either deliver results or lose their funding. Service builds character while it rebuilds communities, and AmeriCorps members get a chance to give others a hand and get a hand with education costs. But while AmeriCorps invests in the individuals who serve, it makes a far broader investment in renewing our society and enriching our economy. Our communities are leveraging every tax dollar that supports AmeriCorps.

For example, a 10-member team of AmeriCorps National Civilian Community Corps worked with a Baltimore community to build an after-school education and recreation program for high-risk youths. The AmeriCorps team restored a local park, refurbished a nearby recreation center, organized and trained local residents to conduct activities and tutoring programs that give youths an alternative to the streets and build their academic skills.

With its job done, the AmeriCorps team moved onto a new challenge, but left behind a center that serves 75-85 youngsters. The team also helped set up a homeownership and renovation program that trains people to become first-time homeowners.

Other cases in point. An AmeriCorps member in rural Kentucky works every day with children in a public school, teaching them to read so they can compete and won't drop out. In Texas, more than 100,000 children have been immunized and will never need public health services for treatment of a host of diseases — saving more than five dollars for every dollar invested.

In Kansas City, Mo., an AmeriCorps program closes crack houses and gives youths alternatives to drugs and gangs. And in Miami, with help from Philip Wu, families that once depended on subsidized housing will be paying mortgages on their first homes.

Major Investments

These are major, long term investments, both human and financial.

AmeriCorps programs work. They show what we can accomplish when government operates as a true partner of communities. And most important, they build citizenship by enacting an old truth that the men and women in our armed forces learn so well: To earn opportunity you must take responsibility for yourself and others.

Retired U.S. Air Force Gen. David C. Jones chairs the advisory board of AmeriCorps. He served as Air Force chief of staff from 1974 to 1978 and as chairman of the Joint Chiefs of Staff from 1978 to 1982.

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Missoulian
Missoula, MT

TAKE IT BACK

Returning federal money is misguided move

U297AT

Eight of my fellow Republicans want to send $2 million back to the federal government to help pay off the national debt.

JEANETTE McKEE

Bill Rehbein of Lambert, Gay Ann Masolo of Townsend, Susan Smith of Kalispell, Harriet Hayne of Dupuyer, Matt Brainard of Florence, Jay Stovall and Bonnie Martinez of Billings and Dick Green of Victor. In a letter the eight signed and sent to U.S. Sen. Conrad Burns, they said, "We as representatives of Montana do not want this federal money — take it back! Do not give it to another state. Use it to help pay off the debt."

The $2 million would come from the federal Corporation of National Service which helps fund the Montana Conservation Corps, the Volunteer Montana Program and the Farmworker Training and Service program along with other community service programs throughout Montana. Gov. Marc Racicot's budget request for this program to continue calls for $73,000 from the state General Fund (and not $200,000 as Rep. Brainard of Florence indicated) for two years to qualify for the $2 million federal money. That's a pretty good return on the state's investment, I would say.

I sponsored House Bill 523 for the Office of Community Service. I believe in this program. I don't want to give the money back. If any federally assisted programs merit our protection and support as not only Republicans but, more important, as Montanans, the AmeriCorps program is it.

Montana is fortunate to have six AmeriCorps programs funded within its boundaries, with over 200 kids working hard, learning and taking responsibility, and gaining confidence. We Montanans are more concerned with crime than ever — particularly juvenile crime. In fact, I am sponsoring another bill — House Bill 380 — which would give judges increased sentencing powers and transfer youths who haven't satisfactorily completed their youth sentences into district court at age 18, so I too am concerned about crime. We in Montana are spending millions of state dollars to punish and house criminals and delinquent young people. We're wondering what to do about the increased violence and breakup of families. And now some of my Republican colleagues seem proud to send back federal money that supports our young people in serving their communities in very needed, constructive ways.

These same legislators asked why the young people, some with college degrees, don't go out and get "real jobs." In fact, many college graduates prefer to serve their communities through AmeriCorps, gaining valuable experience, than to work part-time in the local McDonald's, in the local movie house and in local taverns to earn money to pay back student loans. For one year's service in AmeriCorps and $4,725 for school, Montana Conservation Corps kids are making playgrounds in Billings, collecting and distributing blankets and coats to the needy and cutting and delivering firewood to seniors in Kalispell. They are upgrading Makoshika Park and Pompey's Pillar for public use. They are building hiking trails around Billings, Bozeman, Missoula, Libby, Stevensville, Glendive and Glacier National Park. They're building picnic tables in Lincoln and built the Rosebud Park in Billings. They're not competing with private or public employees, either — as one of the committee members suggested. State and federal statutes are quite clear about AmeriCorps members not displacing or replacing employees; in fact, the Montana Conservation Corps requires a union sign-off prior to accepting a project.

I pay taxes to the federal government, just like you. I want my money coming back to Montana to use for our own benefit — to use for worthwhile projects like this one. If these eight state representatives really want to do something about the national debt, I believe they need to work on where most of our federal dollars go — to national defense and to entitlements like Social Security and Medicare.

This $2 million is not an unfunded mandate. This is not control from within the "Beltway." This is an opportunity for Montanans to provide our ethic of service to our young people, to provide a way for them to earn college educations, for communities to benefit from the energy of their young people. I believe service is our ethic. We are not being "tricked" into supporting service to one another — we believe in this value.

Let's get our priorities straight: Do we support punishment and holding of people with millions of state dollars and indignantly refuse a much smaller portion of federal dollars to support the best parts of our young people who are contributing in a very positive way to their community, to our community, and to both our futures?

I submit these eight representatives know not what they do.

Jeanette McKee of Hamilton is the state representative for House District 60.

THE SUN

SUNDAY,
MARCH 26, 1995

Pay-Back Time

By SARA ENGRAM

It's pay-back time in the House of Representatives. Trouble is, increasing numbers of Americans are beginning to suspect the pay-back is aimed at them.

First, House Republicans over-reached by attacking school lunches — which had never struck ordinary Americans as a glaring example of misplaced priorities.

Then they turned on another popular, bipartisan program — national service — and managed to rescind some $416 million of its current appropriations. That amounts to 72 percent of the 1995 budget for the Corporation for National Service, enough to eviscerate its fledgling initiatives.

At risk is a program that has enjoyed bipartisan support, that is based on ideals Americans hold dear — and that is winning fans all across the country.

In Baltimore, AmeriCorps workers helped families move their belongings out of houses destroyed by last fall's tornado. Now these workers are providing critical energy and momentum in the construction of a community park at Barclay and 26th Streets. They are tutoring school children, escorting frail and frightened senior citizens on errands and performing dozens of other jobs that make life better and easier in thousands of communities around the country.

In designing these programs, the Corporation for National Service took to heart all the criticisms of past government programs. The projects it funds must evolve at the local level, meeting needs defined by people in the communities. They must attract private-sector support. And they must stand up to stiff competition in the application process.

Marilyn Smith, who directs Maryland's service efforts, teaches a course about service projects at the University of Maryland College Park and has directed a national summer service project in Baltimore. Nothing's perfect, she says, but the service programs now in place are well designed. They build on individual initiative, they reward social responsibility, they meet local needs. Most important — they get things done with a minimum of red tape.

In Montgomery County, Jeanne Bernard describes herself as a convert. In 1988, in an unpaid capacity, she organized a program for the police department that last year produced 35,000 hours of service from 175 volunteers.

She initially watched the development of the national service programs with some skepticism. Now, with 30 full-time AmeriCorps workers, she is seeing how full-time national-service workers can vastly expand the opportunities for community volunteers. By providing crucial coordination between the department and volunteers, the AmeriCorps members are opening doors that didn't exist before.

The legislation establishing national service was passed in 1990 with bipartisan support and signed by President Bush. President Clinton expanded the program in 1993, and praised it in this year's State of the Union address as one of his proudest accomplishments. That's all Newt & Co. needed to make national service a prime target.

This past week brought a glimmer of hope when the Senate agreed to rescind only about one-third of the current budget. That should give supporters of these programs some room to maneuver in conference.

Wish them luck. The $416 million they would "save" puts at risk millions of dollars already invested in these partnerships by the private sector. It also does damage to the whole notion of public-private cooperation.

It may take an even greater toll in the cynicism it would instill, not just among Americans clamoring for slots in the AmeriCorps program or participating in school-based Learn and Serve programs, but also among the volunteers who are finding useful ways to contribute in less formal ways.

National service is a shining example of solutions to problems we face. It's being pilloried for purely political reasons. Partisan pay-back games may be fun for the inside players. For the rest of us, they're beginning to look like another diversion from the real problems they ought to address.

Sara Engram is editorial-page director of The Evening Sun.

MARY McGRORY

Crib Death for National Service

The House Republicans' strangling of national service in its crib has to be seen not as a criticism of the agency's performance but simply as another expression of the party leadership's notion that no government program is worth a damn.

If they were going by performance, the Republicans might have to applaud AmeriCorps as a model enterprise. It is modestly funded, locally directed and dramatic evidence that American youth is not cynical or self-serving. AmeriCorps has had rave reviews from coast to coast for its 20,000 volunteers, who are doing things nobody else tackles, everything from helping to build housing for the poor and tutoring inner-city school pupils to cleaning polluted streams in Baltimore's watershed.

A case in point is Howard Hogin, a 1994 graduate of Georgetown University. He is living in a cramped barracks at the Aberdeen Proving Grounds. He spent September fighting forest fires in Idaho and much of the fall in helping build a riding ring for disabled children. Now he's trying to clean up Maryland's polluted steams. He hopes to pay off his college loans. AmeriCorps pays its workers a minimum wage and an annual $4,725 toward college expenses.

Service is in Hogin's genes, and by his family's standards, he is a big success. His parents are both social workers and his ancestors experienced big trouble, like the Irish famine and the Holocaust. He says lots of his Georgetown classmates have the same impulse to leave the country a better place but "just can't afford to do it."

Hogin is tactful about the mugging AmeriCorps suffered when the House cut $416 million, or 72 percent, from its $575 million budget. He was voted outstanding teenage Republican in his high school class. "I understand that we have tremendous deficits and the taxpayers are heavily burdened, but if we give up what is best about America, what kind of a legacy do we leave?"

No such considerations figured in the thinking of House Republicans. The rap on AmeriCorps was not just that it was a government program, it is Bill Clinton's favorite program. Said Rules Committee Chairman Gerald B.H. Solomon, "It's get-even time."

It is also get-nervous time for the rampaging Republicans. They are winning victory after victory on the floor, but they are losing in public opinion. They have long since maintained that they know exactly what Nov. 8 was about, that the country wanted government to be shrunk and ordinary people, especially the poor, to pull up their socks. But a recent Washington Post-ABC poll shows that the public thinks Republicans have gone too far. And in his effort to save programs for the poor, Clinton has picked up some unexpected allies, the Roman Catholic bishops. They were reserved about him during the campaign because of his abortion rights stand. But they think now that pitiless Republicans pose a worse threat of increased abortions.

The Republicans' greatest tactical mistake was to meddle with the school lunch program, a popular and scandal-free operation that has helped many a hungry child get through the school day. In vain, the Republicans protested that they had not cut the funds but merely slowed the increase in the growth rate. Nonetheless, the ranks have begun to wince in the iron corset of the contract, and this week, 102 members rebelled against tax breaks for the rich.

The Democrats, who have been having their best week since the calamity of Nov. 8, were sporting "Save the Children" neckties on the House floor.

Eli Segal, the chief executive officer of the National Service Corps, has been summoned before the House Appropriations subcommittee on housing and urban development and veterans affairs for a discussion of the 1996 budget, which since the House action stands at $159 million, a sum that prohibits serious action.

He has been traveling the country inspecting the workers, deriving solace from moderate Republican governors who are keen about the corps' activities in conflict resolution, environmental cleanup, tutoring and other contributions to urban peace. They agree with him that pulling the plug after less than a year is bad practice. Segal's hope is that they will transmit their enthusiasm to their brother moderates in the Senate, which has become the haven for storm-tossed programs.

Republican Christopher Shays of Connecticut was the only member of his party to vote against the amendment that mortally wounded national service. He is a Peace Corps alumnus and believes passionately in the importance of youthful involvement.

"A colossal mistake," he calls his party's action. "I hope the president has the fortitude to veto the bill. I would support his veto."

PITTSBURGH POST GAZETTE

Thursday, March 16, 1995

GINNY KOPAS

He hopes Americorps will survive

For Newt Gingrich, it's "coerced volunteerism."

But for Matt Moore, it's "a chance."

Thus, the ideological battle over Americorps could be waged in our own Westmoreland County back yard — by the powerful Speaker of the House and a shy stock boy from Greensburg.

Gingrich, R-Ga., maintaining that Americorps defeats the concept of volunteerism, has vowed to end the program that President Clinton calls the proudest achievement of his presidency; a program that Moore, like millions of other young Americans ages 18 to 24, looks to for the future.

Americorps is a national service project that gives student volunteers up to $4,725 per year to help pay for college tuition or vocational training in exchange for full-time, minimum-wage work.

In its first year Americorps has put 20,000 young people, 400 in Western Pennsylvania, to work in 300 communities across the nation in areas from flood clean-up in California to caring for the elderly in Memphis.

Clinton says Americorps is a bureaucracy-free program (workers are hired locally) that is at the heart of his "New Covenant" — the theme on which he ushered in his presidency. That covenant calls for government to create incentives to help Americans take more responsibility for their lives

Gingrich, however, calls the corps just one more bloated bureaucratic program that should be axed.

But it's this promise from the man from Hope (Ark.) that gives Moore hope.

"From the moment I heard his campaign promise I've held on to the hope this could help me," he says.

Moore, 20, graduated from Hempfield High School in June. Learning disabled, he was mainstreamed and made the dean's list his senior year. He was named the high school ice hockey team's "Most Improved Player," as well as its "Unsung Hero."

Readily admitting that he has "to work harder than other people" to prove himself, Moore insists that has given him a sturdy foundation to help others.

If accepted into Americorps (and assuming the GOP doesn't dismantle it as part of its plan to balance the budget), Moore would like to work in the field of public safety. And even here the slight young man with the big smile comes prepared: he spent two years as a junior volunteer firefighter with Greensburg No. 7 fire company.

Moore appears to be exactly the kind of young person for which Americorps was designed: he wants to do something worthwhile with his life and feels a "deep sense of responsibility to work hard." Moore's been acting on that commitment since age 14, delivering newspapers and stocking at grocery stores while studying overtime to graduate.

But this youngest child of divorced parents now needs a structured way to earn his own money to pay for desperately needed but expensive, post-high school training.

He also needs Americorps' limited health insurance and the monthly $600 stipend, even while living in the dorm-like settings of Americorps residences at downsized military bases like Aberdeen, Md., or the closed Lowry Air Force Base near Denver.

Moore would use his Americorps tuition to continue studies at Westmoreland County Community College — where he earned a B in his first class — and eventually get a degree in the field of public safety or environmental studies.

But Moore's hopes notwithstanding, Americorps faces an uphill battle on Capitol Hill.

Jim Russell of Americorps' Washington, D.C. office, puts it in perspective. He says it is unfortunate that the corps has become so politicized.

"What this is really all about is helping people help people."

How well Matt Moore knows.

THE WASHINGTON POST
Sunday, March 5, 1995

Eli J. Segal

AmeriCorps: Making a Difference

The House Appropriations Committee proposed last week to renege on a bipartisan commitment to thousands of Americans, by retroactively slashing funds already authorized and appropriated for AmeriCorps members by more than one-third in the current fiscal year. Working families with college-age members willing to serve their communities full-time for a full year—and who are counting on the new AmeriCorps program to help them afford college educations—will be especially hard hit if the congressional commitment is not kept.

A year and a half ago, a bipartisan Congress mandated a three-year phase-in of AmeriCorps. Six months into its first operational year—with 20,000 citizens working in communities across America, without the benefit of any congressional hearings to consider the benefits of the work they are doing—House appropriators would now turn the phase-in into a phase-out.

AmeriCorps is a funded non-mandate—a decentralized approach that moves most of the decision making and responsibility to the states that elect to compete for AmeriCorps members, along with the funds to carry out the mission. Fewer than 200 people in Washington oversee 20,000 members on 1,100 projects in communities across America. That's why rescission would have such a devastating effect—any cuts made on Capitol Hill would directly cut the number of members who are working in the field. One thousand members would be sent home immediately, and 15,000 fewer young people would have the opportunity to begin service in September.

The public-private partnership of AmeriCorps would be undermined if the "public" reneged on its commitment. Programs are required to raise 25 percent of operating costs and 15 percent of the living allowances from private sources. Private investment in AmeriCorps has been remarkable; in its first year of operation, the corporation has received hundreds of commitments from companies such as General Electric, American Express, IBM and a myriad foundations. Our business partners make investments based on stable growth, fulfilled commitments and real results. They might understandably be wary of a partner tossed by political currents.

AmeriCorps should not be penalized for rewarding results. The Corporation for National Service makes its grants after a tough evaluation process—that's why AmeriCorps awards funded in FY 1995 are not made until late in the fiscal year. AmeriCorps funds programs that work well and get things done and eliminates those that don't. AmeriCorps members and communities should not be made the victims of this "smart government" approach.

AmeriCorps may be new, but members are already meeting challenges in public safety, education, environment and human needs:

- The New York Police Department reports that recreation areas policed by its AmeriCorps members in the 1994 pilot were free of assaults for the first time in memory.
- AmeriCorps members in Kansas City have shut down 12 crack houses and reclaimed a neighborhood's only park from gangs.
- In rural Simpson County, Ky., AmeriCorps members tutoring half of the county's second-graders are raising reading scores from two grades behind grade level to one grade above in one year of service.
- AmeriCorps members have also been on the front lines in natural disasters, from the floods in California, Houston and the Mississippi River Valley to the Idaho forest fires and the California earthquake. FEMA official Richard Krimm wrote: "They have helped literally thousands of victims pick up the pieces of their lives."

Moreover, AmeriCorps members are still there, long after the waves of initial volunteers have had to return to their jobs. That's why many of our nation's premier charities compete for AmeriCorps members. From the YMCA to the Multiple Sclerosis Society, from the Red Cross to the Children's Health Fund, from Notre Dame to the National Council of Churches, they know that the focused efforts of full-time, trained and committed AmeriCorps members help them accomplish more—and deploy part-time, sporadic volunteers more effectively.

A perfect case in point: In Miami, 26 AmeriCorps members working with Habitat for Humanity have learned all facets of home construction and have trained, supervised and worked beside 2,700 temporary (and uncompensated) volunteers they've attracted since October. As a consequence, the AmeriCorps team is nearly halfway to its goal of building 90 homes in Miami this year, and members are teaching working families how to make the transition from renting to homeowning. Habitat's Jerry Bass says, "We could not do this job without them."

We do not maintain that AmeriCorps will end crime or illiteracy, pollution or hunger, but AmeriCorps members are making a real difference every day in communities across America. We should strive to match their commitment to making our country even better instead of letting them twist in the political winds. They have earned a chance to be America's next generation of heroes.

The writer is assistant to the president for national service and chief executive officer of Corporation for National Service.

A few questions for AmeriCorps

Editor's note: The following is a memorandum circulating today from John P. Walters, president of the New Citizenship Project.

Today, the Board of Directors of AmeriCorps' governing body, the Corporation for National and Community Service, meets here in Washington. And, boy, do they have a full plate! After all, it's no secret that House Republican leaders have announced they oppose funding for the program. And House appropriators have already reduced AmeriCorps' fiscal year 1995 budget by approximately $210 million.

After months of treating the public to the camera-ready smiles of young "volunteers," the media's honeymoon with Americorps shows signs of ending. AmeriCorps lost considerable credibility as a result of last week's report on NBC Nightly News by Lisa Myers. Myers uncovered numerous shoddy practices, including an environmental project in Alaska that costs taxpayers $42,000 annually per volunteer and a $140,000 seed grant which, rather than funding community service, went to pay educrats at Northeastern University to develop "a plan to compete for more AmeriCorps money next year." Confronted with these facts, AmeriCorps' Washington bureaucrats sought to regain the moral high ground by boasting about a Lubbock, Tex. immunization program. So Myers investigated —and found even more trouble. The director of that program, Marge Tripp, admitted that she markets AmeriCorps not as a service program that pays college tuition, but as a jobs program. Not surprisingly, most of Tripp's "volunteers" are not getting "educational awards," but are receiving $1,200 in cash.

If AmeriCorps' board still doubts that this program is fast becoming another big-government boondoggle, we'd like them to explain the following:

1. What pressing need led to a $100,000 planning grant for a "volunteer corps" in the Virgin Islands? And will any Washington bureaucrats be doing site visits this winter?

2. Why was the Council of Great City Schools (CGGS) awarded a $200,000 planning grant? This money isn't headed to the classroom; like Northeastern U., CGGS doesn't have a single volunteer. AmeriCorps itself admits that the CGGS is devoted to the "advancement of education in inner-city public schools through public and legislative advocacy."

3. In the face of AmeriCorps claims to be apolitical, why was the radical group ACORN (Association of Community Organizations for Reform Now) awarded 42 volunteers at a cost to taxpayers of $1,143,411?

The media's honeymoon with Americorps shows signs of ending.

4. If AmeriCorps aims to promote grassroots community activism, why was the federally funded Legal Services Corporation (LSC) — long regarded as the litigation arm and defender of the welfare state — awarded 44 volunteers worth $959,900? (By the way, lucky taxpayers may also foot some of the bill for an additional $1,242,784 in "LSC matching funds" for the help from AmeriCorps.)

5. Why, if AmeriCorps seeks to strengthen America's voluntary, local institutions, are well over one-fourth of its 20,000 "volunteers" working in federal or state bureaucracies or in government-funded programs? If AmeriCorps isn't just the latest extension of big-government liberalism, why have approximately 2,800 "volunteers" been assigned to federal departments and agencies, most notably, Agriculture (1,200 "volunteers"), Interior (525 "volunteers"), Justice (210 "volunteers"), the Environmental Protection Agency (135 "volunteers") and the National Endowment for the Arts (60 "volunteers")? And how much more in matching funds is the federal government shelling out?

These stories are just the tip of the iceberg. As Senator Charles Grassley has commented, "The more I look into AmeriCorps, the less accountability I find to the taxpayers."

Continued scrutiny will confirm that AmeriCorps is a wasteful, sugar-coated jobs program heavy on payoffs to traditional liberal constituencies and short on genuine volunteerism.

An ill-informed attack on service

By C. Richard Allen

Having apparently decided it hadn't seen a John Walters memo it could avoid publishing, The Washington Times added another chapter to the hogwash about AmeriCorps.

Mr. Walters' latest drive-by shooting of the truth is the assertion that "there is evidence in that AmeriCorps may be harming military recruiting." The "evidence" is as non-existent on this point as it has been in Mr. Walters' previous diatribes. And once again, in his haste to get to print, Mr. Walters didn't make even minimal research efforts.

He didn't mention that the secretary of defense, in his annual report to the president and Congress issued just last month, found definitively that "National Service programs will not jeopardize [military] recruiting programs." That's not "evidence" in the Walters world.

Common sense is equally AWOL. The armed forces recruiters concentrate on high school-graduate, able-bodied males, between 18 and 24. There are 900,000 males in this age category. Total recruiting in the armed services (male and female) is fewer than 200,000 per year. And each year, more than 40,000 individuals wish to join the armed forces but fail the physical. That's twice the size of AmeriCorps. And look at AmeriCorps members' demographics: 64 percent are women; 38 percent are over 24 years old; 11 percent don't have high school degrees (making them ineligible for the military); more than 4 percent are disabled, and we estimate that at least that number have already served in the military. While these categories overlap, it doesn't appear that AmeriCorps has more than 5,000 members who meet the prime military profile — and there's no particular reason to believe that they would have considered a military career.

So what's Mr. Walters' evidence? There's no Department of Defense study. Marine Sgt. Major Overstreet, at a recent congressional hearing, did mention in passing that 47 percent of young men in a Marine Corps survey said they'd consider joining AmeriCorps, and concluded that "prospects with some interest in the Military are open to other alternatives." Hardly explosive.

But while Mr. Walters chose to make much of this statement, military experts quickly indicated that the "survey" shouldn't be read to indicate any negative impact of AmeriCorps on recruiting. The Marine Corps surveyed 800 young men; only 11 percent (i.e., 88 men) could even identify AmeriCorps. Then, after having been given the statement that "the new National Service Plan and other programs offer better ways to get money for college," 47 percent surveyed said they'd consider joining (by the way, this is down from 52 percent in the past two surveys). No kidding.

The secretary of defense found definitively that "National Service programs will not jeopardize military recruiting programs."

Mr. Walters missed all of this. He also missed the testimony of the service personnel chiefs, each of whom stated unequivocally that national service has had no negative impact on military recruiting. The chiefs also noted that last year was the third best for recruiting in the history of the All-Volunteer Force. All of this was reiterated in a March 15 letter from Assistant Secretary of Defense Fred Pang to House National Security Committee Chair Bob Stump — which Mr. Walters also "overlooked".

It's springtime, John — and if you can't stop to smell the flowers, at least slow up enough to check the facts.

C. Richard Allen is the chief external affairs officer of the Corporation for National Service, which oversees AmeriCorps.

Press Conference
Erie Chapman, CEO U.S. Health
March 23, 1995

I am Erie Chapman, the President and CEO of U.S. Health, a large, non-profit, health care system with 11,000 employees and $800 million in net revenues. More important, today I am here as the volunteer Chairman of the Board of City Year Columbus.

City Year Columbus--like the City Year programs in American cities from Boston to Chicago, to San Jose, receives significant support from AmeriCorps. City Year is a spectacularly successful example of **Public-Private Partnerships**. Private corporations like U.S. Health, Bank One, The Limited and Timberland have put hundreds of thousands of dollars behind the City Year effort. But that's not enough--AmeriCorps support has made the difference. In was their funds which helped leverage contributions, support and stability--the kind of stability which gets the private sector, like my organization, to commit and young people to sign up. With AmeriCorps we reached many more people.

Now that the private sector has made its commitment, and young people have made their commitment, it is astounding and outrageous to me, as a business leader, community leader, private citizen and, incidentally, a registered Republican, that the House of Representatives would actually withdraw its commitment.

To me, the House is acting like a **bomber pilot gone off course**. They're not only bombing innocent citizens, they are stealing a chance for solving some of the toughest problems inner cities face. If their actions stand, it will take away jobs and take away hope from people I have come to know in the City Year Corps--like 19 year old Don Gladden. Don is a former gang member who has pulled away from his gang to join the Corps. I asked him what he would be doing if it weren't for the Corps--He said, *"I'd be standing on street corners attacking people, robbing people, beating them up, fighting with other gangs, you know, stuff like that. I'd probably be dead or lying in a hospital some where if it weren't for the Corps".*

Hospitals are where I work. For twenty years, I've seen people like Don come into our emergency rooms because they've been shot or stabbed. Or I've seen the victims of people like Don--who come in having been shot or stabbed. It's expensive.

Before I ran hospitals, I was a federal prosecuting attorney under a previous Republican administration. I saw people like Don there too. Arrested for armed robbery or kidnapping. And I saw the victims of people like Don as well. It's expensive.

I know what hospitals do--it's expensive. I know what courtrooms and prisons do--it's expensive and it often doesn't work. Now I know what City Year and AmeriCorps do--they save people like Don and help make them into productive citizens. If Congress wants to save money, save AmeriCorps and City Year. They're not as expensive--they save dollars and lives and careers. If they think AmeriCorps is expensive--wait until they see the cost of killing it.

A few months back, I was enthusiastic about much of what I saw in the plans proposed by my fellow Republicans, including our Congressman and good friend John Kasich. I thought the idea was a Contract **for** America, not a Contract **on** America. I didn't realize they planned to put out a contract to kill/cut programs like City Year and destroy AmeriCorps. America's strategic plan needs to be to build healthy communities and simultaneously reduce violence. Everybody says they agree with that. Well, these are the programs that have the best chance to save our young people and save our cities. These programs are like preventive medicine--always better and less expensive than the alternative. Now these great programs may be killed or fatally wounded--cut off in mid sentence--before the point has been made.

I would challenge Congress and the press to visit programs, hold hearings, get facts and they will discover that a balanced budget is important--yet without balanced human beings, NO budget can work. AmeriCorps works, City Year succeeds. They must be saved. Don Gladden and thousands of others are counting on us. And they're counting on Congress.

THE WALL STREET JOURNAL TUESDAY, APRIL 11, 1995

THE PRESIDENT HAS SEEN
4/11/95

Spurred by GOP Victories, NRA Begins Ambitious Attack on Gun-Control Laws

By JOE DAVIDSON
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON – Feeling the flame of recent Republican victories, the National Rifle Association has opened a broad offensive to repeal or restrict both federal and state gun-control laws.

NRA officials and their opponents agree that 1995 is witnessing the most widespread, coordinated attack on gun-control measures in a decade.

"Clearly, the battle lines have been drawn," Sarah Brady, chairwoman of Handgun Control Inc., said at the recent announcement of a "Campaign to Protect Sane Gun Laws." "We are here today to say that we are fighting back."

But the gun-control lobby is on the defensive. After two critical victories last year – passage of the Brady Bill's five-day waiting period and background check for handgun purchasers, and approval of a ban on semi-automatic assault weapons – gun-control supporters now struggle to keep what they've won.

The NRA's ambitious agenda includes repeal of the assault-weapons ban. The House likely will approve a repeal measure, and it stands a decent chance in the Senate. President Clinton, however, has vowed to veto any such legislation.

"This is a major turning point in the fight against armed predators," NRA lobbyist Tanya Metaksa said after a House hearing where people told how they used semi-automatics for protection.

The Brady law isn't in much danger, because instant computer checks – which the NRA favors – will eventually supersede the waiting-period background checks anyway.

While the NRA is making a big push in Congress, it's on the state level where the association is defining the terms of play. In at least 19 states, according to Handgun Control, anti-gun-control forces are attacking gun laws, particularly focusing on efforts to allow the carrying of concealed weapons and state pre-emption of local gun laws.

"I'm optimistic that we're going to have a good number of states that will pass the right to carry [guns]," Mrs. Metaksa said in a telephone interview. "The overriding theme seems to be self-defense, the right of people to defend themselves, both in their homes and in the streets."

Even those who favor gun control concede the NRA is heavily favored to win a good share of the statehouse battles. Vastly outspent on the national level, the gun-control lobby is far weaker in state capitals. "There's essentially nothing to stop them [the NRA], except in a few states," conceded Kristen Rand, a Violence Policy Center lobbyist in Washington.

In one measure of power, campaign spending, gun-rights advocates tower far above their opponents. Since 1989, gun-control advocates, mostly Handgun Control, spent $236,230 to support members of Congress, according to the Center for Responsive Politics. During that same period, the gun-lobby, led by the NRA's $4 million, spent a total of $4.3 million. That's 18 times more than their rivals.

Every gun shop is an NRA campaign headquarters, complains Mike Beard, president of the Coalition to Stop Gun Violence. The gun-control lobby is outspent, out-organized and, after the November elections, has a losing image, he added.

"We'll show up with five or six professionals at these state hearings, and they'll show up with 500 angry people," he said. "It makes a difference."

President Clinton didn't help matters during his State of the Union address when he said, inaccurately Mr. Beard insists, that support of gun control cost several members of Congress their seats. That strengthens the NRA image as a powerful political force not to be crossed and further sinks gun-control advocates into a defensive posture.

"It makes fund raising more difficult," Mr. Beard said. "It makes access to elected officials and people who want to be elected officials more difficult. A lot of people don't want to hear from you, period. . . .The people in the middle where these battles occur are less likely to want to talk to you now, if they think it's going to affect their chances for re-election."

Rahm
You should call
Brady + tell him
(1) I told the truth
(2) we need to figure
how we fix – if we can't
we move, they're right

B

THE PRESIDENT HAS SEEN
4/11/95

THE WHITE HOUSE

WASHINGTON

95 APR 11 A11 : 29

7 April 1995

MEMORANDUM TO THE PRESIDENT
LEON PANETTA

FROM: Harold Ickes

SUBJECT: Phone call from George Mitchell

On 4 March, George Mitchell called to say that the President's actions with regards to Ireland have received, very broad support wherever Senator Mitchell speaks about them. He underscored, however, that we need to publicize these accomplishments much more, because he finds that many people of Irish decent, of which he claims there are some 40 million in the United States, still do not understand the role the President played in this regard. He suggested that our media affairs people prepare a short document outlining the President's role and accomplishments in this area and send it to every Irish oriented media outlet and publication in the United States.

cc: Mark Gearan

Gearan!

Hillary
read this + discuss
w/ me — B.

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4/11/95

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THE PRESIDENT HAS SEEN
4/11/95

THE WHITE HOUSE

WASHINGTON

95 APR 11 A11 : 29

7 April 1995

MEMORANDUM TO THE PRESIDENT
LEON PANETTA
TONY LAKE
SANDY BERGER

FROM: Harold Ickes HI

SUBJECT: "Lessons from Haiti: Clinton Proves the Naysayers Wrong"

Attached is an article by Joe Conason, from the *New York Observer* captioned "Lessons from Haiti: Clinton Proves the Naysayers Wrong."

the original
to Joe [illegible]
copy to Clin –

Lesson From Haiti: Clinton Proves the Naysayers Wrong

By Joe Conason

NY Observer 3/30/95

Ready for some shocking news? The U.S. intervention that overthrew the military regime in Port-au-Prince *did not* solve all of Haiti's problems. That's right: After six months, political violence, rampant crime and awful poverty still torment a nation that has suffered those blights for more than 60 years. If you possess a functioning brain, this might not come as much of a surprise, but don't tell that to the pundits who took such a sour view when President Clinton appeared at ceremonies on March 31 marking the United Nations' takeover of responsibility for Haiti's security.

The apparent aim of this brand of journalism is to persuade the gullible that the President's Haitian policy is a failure, or at least not the remarkable success that might otherwise be credited to him. Before accepting this dreary analysis, however, perhaps we should recall the moment last fall when Mr. Clinton was still pondering how to deal with the outlaws who had ousted the democratically elected government of Jean-Bertrand Aristide in 1991. By October 1994, most Haitians seemed to understand that the time for nonviolent suasion was past, and in fact had come to resent Washington's dithering with an ineffective embargo. After thousands of deaths and untold suffering, they were ready for the violent overthrow of their oppressors, even at the price of civilian casualties.

But here at home, from the far right to the far left, there was scarcely a voice in support of intervention against the terrorist dictatorship that had driven President Aristide into exile. *The New York Times* ran countless editorials warning of an invasion's dire consequences; so did the *New York Post*. Day after day, speeches about impending disaster were delivered on the floor of Congress by Republicans who backed every idiotic and dangerous adventure of the past 25 years. And groups traditionally opposed to American intervention overseas called the usual public meetings to denounce the imperial implications of military action against the junta.

In the face of nearly universal doomsaying, and at considerable risk of further damaging his already troubled Presidency, Mr. Clinton pulled the trigger on the gangsters who had humiliated him a year earlier on the docks of Port-au-Prince. This difficult decision—perhaps the most courageous the President has made—simply blew the minds of the coup leaders, who evidently believed all the right-wing propaganda about a cowardly and indecisive American President. Those much-decorated Haitian officers, never having confronted a foe armed with anything more lethal than sticks and stones, suddenly realized there was no percentage in resistance. The goons took their money and ran.

After one of the most honorable and peaceful operations in U.S. military history, it is perhaps understandable that many opponents of the President's policy find themselves choking on his triumph. Having sensed an opportunity to destroy his Administration, having confidently predicted that hundreds of our soldiers would return in body bags, some of them now sound almost aggrieved that only one American was killed by hostile fire in Haiti. *The Times*, it must be noted, lately has had enough grace to define the Haitian occupation as a "modest success." The *Post*, more predictably, has resorted to smearing the Aristide government, without conclusive evidence, as a repressive regime that "simply assassinates those who speak out against it."

This slur is a reference to the March 28 murder of a right-wing opponent of Mr. Aristide's Lavalas movement. The killing of Mireille Durocher Bertin was surely appalling, and a signal that the reconciliation between classes and the establishment of lawful order urged by the Haitian President are far from achieved. Ignored in most reports about that incident, which emphasize sketchily sourced suspicions about Haiti's Interior Minister, is the fact that Mr. Aristide has invited the F.B.I. to investigate the shooting.

What truly evokes disgust, though, is the grave concern about political violence rightist commentators and politicians are voicing, when far more widespread murder and torture throughout Central America and the Caribbean never bothered them at all.

Both Presidents Clinton and Aristide are being subjected to a double standard utterly breathtaking in its hypocrisy. There is something particularly brazen about this criticism at a moment when the C.I.A., godfather of the most depraved regimes in this hemisphere for the past 40 years, is finally being brought to book for the reign of terror it long sponsored in Guatemala. The harshest attacks on the President's Haiti policy emanate from figures such as columnist Robert Novak, former U.N. Ambassador Jeane Kirkpatrick and Senator Jesse Helms, all of whom either overlooked or proudly blessed Roberto d'Aubuisson, the deceased psychopath who ran the death squads in El Salvador. They were similarly indulgent of the homicidal thugs who ran Argentina's "dirty war" against civilian dissidents; 1,000 more names of their victims were released last month, and that barely begins the catalogue of fascist infamy. In the 80's, Ms. Kirkpatrick concocted an apologetic argument defending the lethal "authoritarian" regimes American conservatives cherished.

So excuse me if, after one or two politically motivated shootings in Port-au-Prince, I'm not quite ready to declare Haitian democracy dead or the Aristide government an incorrigible violator of human rights. The President of the United States and the brave troops under his command have done their duty by the people of Haiti, and Mr. Clinton has gone further by organizing a billion-dollar, internationally financed program of reconstruction for the island. He can safely ignore the foreign policy quacks whose carping and caterwauling deserve only contempt. And let's hope that his experience in Haiti teaches him to trust his own better, tougher instincts. It's a lesson that could serve him well in the difficult campaign ahead.

THE NEW YORK OBSERVER

54 East 64th Street

New York, N.Y. 10021 (212) 755-2400

THE NEW YORK OBSERVER (ISSN 1052-2948) is published weekly (except for two weeks in July, three in August and one in December) by The New York Observer Company, 54 East 64th Street, New York, N.Y. 10021. Second Class Postage Rates (USPS 005407) paid at New York, N.Y. 10001. POSTMASTER: Send address changes to THE NEW YORK OBSERVER, 54 East 64th Street, New York, N.Y. 10021.

Mail Subscription Rates

One Year	$32.00
Two Years	$56.00
Newsstand price	$1.00

Erskine
Fei Mr. Magid
B.

THE PRESIDENT HAS SEEN
4/11/95

Erskine has original booklet

JACK THEIMER

March 23, 1995

PRESIDENT WILLIAM J. CLINTON
The White House
East Wing, Room 214
Washington DC 20500-2000

Dear Mr. President:

Just a note to send along this information regarding the media advisory firm we spoke of before Christmas. I am sorry that the communications between George Stephanopoulous and Frank Magid didn't prove fruitful.

Mr. President , I just know how critical the image that comes across the TV screen has become in electing our leaders. Your affiliation with and access to the most experience television professionals must be pursued.

I have been reluctant to further advocate the involvement of Frank and his firm for fear of sticking my nose where it's not wanted.

I am so certain of the need for your staff to be supplemented by the best in the business, I solicited the enclosed booklet from Frank's office. Please take a few minutes to review the diversified matters on which they advise everyone from Peter Jennings to Oprah Winfrey.

Mr. President, I just want to help you, Hillary and your team to deliver your message as effectively as possible.

Please say hello to Hillary and Carolyn Huber, I hope they are enjoying a wonderful Washington spring. I spoke to Dick last week and he seemed in great spirits now that the ponies are running!

My best to all,

Jack

Jack Theimer

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Frank N. Magid Associates, Inc.

THE WASHINGTON POST
TUESDAY, APRIL 4, 1995

O'Connor's 15-Minute First

In Chief's Absence, Female Justice Takes the Gavel

By Joan Biskupic
Washington Post Staff Writer

Yesterday morning began at the Supreme Court as it always has, with the marshal's call: "Oyez! Oyez! Oyez!" But then something different happened.

For the first time in American history, a woman, Justice Sandra Day O'Connor, presided over the most powerful court in the nation.

The event lasted only about 15 minutes and passed without flourish. But the importance of the occasion was not lost on people who frequent the court, a place where tradition and order are everything.

All four of O'Connor's law clerks were there. Some other court personnel specifically attended once they realized that both Chief Justice William H. Rehnquist and Justice John Paul Stevens, second in seniority, would be out of town yesterday, the last day of court activities before a two-week recess.

"The only thing remarkable about it was how long it took," said Deputy Solicitor General Lawrence G. Wallace, who sat at the front of the courtroom. He said he knew something was up when he walked into the courtroom yesterday and saw several law clerks staring at the bench.

Appointed by President Ronald Reagan, O'Connor became the first female justice in 1981. (Ruth Bader Ginsburg, who was named by President Clinton in 1993, is the second.) O'Connor, 65, has moved up in seniority over the past 14 years to the No. 3 spot.

There was no hint of history in the making as the justices emerged from behind the red velvet curtain and assumed their seats on the raised mahogany bench. Observing court protocol, O'Connor kept to her own high-back black leather chair, rather than slip into the chief's at the center of the bench. (She sits in the seat to the chief's immediate left.)

After O'Connor announced that the weekly orders of the court (listing which cases were accepted for review, which rejected) had been filed, she noted that the court had one ruling. Its author, Justice David H. Souter, read a synopsis. The court then admitted 131 lawyers to the Supreme Court bar.

And that was that.

"It was a big deal to the people around her," court spokeswoman Toni House said. "And they thought she was having a lot of fun."

In addition to Rehnquist and Stevens, Justices Antonin Scalia and Stephen G. Breyer also were out of town, so only four justices witnessed the historic occurence.

O'Connor, who grew up on family ranches in Arizona and Texas, has had a lifetime of "firsts." The Stanford University law graduate became Arizona's first female assistant attorney general in 1965, then, in 1973, she became the first woman in the nation to be elected majority leader of a state Senate—Arizona's.

JUSTICE SANDRA DAY O'CONNOR
... first woman on court is third in seniority

Discerning court watchers agreed yesterday that there were only minor differences in wording between O'Connor's rendition of orders on bar admissions and Rehnquist's. But, then, the court is a place of strict conventions and decorum.

Rehnquist's broke a bit from that decorum earlier this term when he added four gold stripes to the sleeves of his black robe to imitate a Gilbert & Sullivan costume. House said that move was not lost on O'Connor's law clerks: "They urged her to put three gold stripes on her robe."

In related court business yesterday, the justices ruled 7 to 2 that states may charge sales taxes on the full price of bus trips and other transportation even when a portion of the trip is outside the state.

In the case involving an Oklahoma sales tax on bus tickets, the court rejected arguments that the tax unduly burdens interstate commerce by permitting Oklahoma to collect a percentage of the full purchase price of all bus tickets, even those going out-of-state. The court said the tax is on ticket sales for travel originating in the states, so no sale can be subject to more than one state's tax. Justices Breyer and O'Connor dissented in *Oklahoma Tax Commission v. Jefferson Lines.*

Separately, the justices announced they would hear a case testing whether the government must reimburse chemical companies who, after being compelled to produce Agent Orange, ended up having to pay Vietnam veterans for injuries caused by the chemical defoliant. The case of *Hercules v. United States* will be heard next term.

THE PRESIDENT HAS SEEN
4/11/95

McCurry
I believe she
is a good, decent
person

Ex-Des Moines Editor Is Named Post Ombudsman

By Howard Kurtz
Washington Post Staff Writer

Geneva Overholser, who won national recognition as editor of the Des Moines Register, was named the ombudsman of The Washington Post yesterday.

Overholser, 47, resigned from the Register in February after 6½ years, saying she was "worn down" by her job at the Gannett-owned paper. She also cited the "profit pressures" on modern newspaper editors.

The ombudsman deals with reader complaints, critiques the paper in-house and writes a weekly column, working under a two-year contract that can be renewed. Overholser will succeed Joann Byrd in June.

"I think I know something about newspapering and I have some opinions about it," Overholser said yesterday from the American Society of Newspaper Editors convention in Dallas. "I hope I'll be a loving critic. This job is vital, both for representing readers' interests and helping the newspaper do the best job it can."

In 1990, Overholser played a central role in a Pulitzer Prize-winning series that graphically described the ordeal of an Iowa rape victim with her cooperation. Overholser has spoken around the country about the shortcomings of the newspaper business.

As the nation's most prominent female newspaper editor, Overholser caused a stir when she and her managing editor abruptly announced they were leaving the Register. She said yesterday that economic pressures at the Register were one factor in her decision.

"I think editors' jobs these days are increasingly business executive jobs," Overholser said. "I didn't set out to be a business executive. I don't like the way lots of newspapers are run, and I don't just mean Gannett's."

Overholser began as a Register editorial writer in 1981, left for a Nieman fellowship at Harvard in 1985 and then joined the New York Times as an editorial writer. She has a master's degree from the Medill School of Journalism at Northwestern University and is a member of the Pulitzer Prize board.

"We're very lucky to get one of the leading figures in American journalism ... to serve both as our in-house critic and our bridge to The Post's extraordinary readers," said Robert G. Kaiser, The Post's managing editor.

[redacted]

Laura

BC

THE PRESILENT HAS SE N
4/11/95

[redacted]

Reason for Hope

Middle Class's Fears About Coming Years Might Be Misguided

Technology, Global Markets Bode Well for U.S. Firms And for Living Standards

Chattanooga Tackles Change

A1

By Bob Davis and Lucinda Harper
Staff Reporters of The Wall Street Journal

CHATTANOOGA, Tenn. — Headlines scream "middle-class revolt." Politicians compete to appease middle-class voters with tax cuts. Polls find many Americans worrying that their children not only won't be able to live better than they have, but may not even be able to live as well.

Are their worries justified? Or is it possible the next two decades will work out better than the last two — that, first, the U.S. will grow faster over the next 20 years than in the past 20 and, second, people at the middle will reap more of the gain than those at the top?

In fact, there is good reason to believe that despite people's jitters, living standards will get better for middle-class families over the next two decades.

Now and Then

Life in the middle of the middle class has changed over the past 20 years, but there are some constants. A close look at two families highlights the differences and similarities. Article on page B1.

Here's how it could happen: Changes in technology, trade and education would boost the fortunes of most Americans. Growing global markets would create big opportunities for dynamic U.S. companies and their employees. Broader computer use would make workers more productive, more in demand and able to command higher salaries. And growing college enrollment would shrink the gap between the wealthy and middle classes.

"If we play our cards right, we're at the beginning of a period of significant long-term prosperity," says Jeffrey Sachs, a Harvard University economist. "We are in the midst of one of history's greatest expansions of market capitalism."

The past 20 years have seen historically slow growth, causing problems for those in the middle. They can buy more, but often at great personal cost: two people working, rising debt, job insecurity.

But with a small acceleration of growth, the typical American family could expect to see significant changes for the better. Annual growth of the U.S. economy during the past 20 years averaged 2.4%, and government policy makers assume this will continue for many years. If so, median family income will increase to about $46,000 by 2010 from last year's $38,400, according to projections by Regional Financial Associates, an economic consulting firm in West Chester, Pa. The figures are in 1994 dollars.

However, if productivity improvements already under way add half a percentage point to the growth rate, median family income will rise to $50,900 in today's dollars, according to the firm, which did the projections at this newspaper's request. And if growth should average a full percentage point higher than in the past 20 years, median family income would reach $56,300, the firm figures.

Regional Financial's chief economist, Mark Zandi, says the economic forces that have hurt the bottom half of U.S. workers over the past 25 years — corporate restructuring, the surge of new entrants into the work force, sluggish productivity growth — are now reversing. And the faster the pace of growth in the future, he reasons, the more the middle class will benefit.

But what are the chances that annual economic growth will in fact be faster than in the past two decades? And that the Federal Reserve — which is currently trying to hold growth to about 2.5% to contain inflation — will be sufficiently reassured by productivity gains to permit a robust growth rate?

Adding It Up

Perhaps the most reassuring evidence for a middle-class surge is that it has happened before. Around 1900, the U.S. also faced what economists call a "productivity paradox": Big electric generators had been invented, but they hadn't yet led to surges of factory production. Meanwhile, the gap between the lower and upper middle class was growing, reflecting a gap in education. For instance, bookkeepers who could calculate sums in their heads commanded much higher wages than the less-educated, says Harvard economist Claudia Goldin.

Twenty years later, both trends had reversed. Factories and offices were redesigned to take advantage of electricity, as power grids crisscrossed America and boosted productivity nationwide. And millions of students enrolled in high schools, where they learned how to operate adding machines and typewriters. Suddenly, the bookkeeper's calculating skills no longer seemed so daunting.

In this generation, computers and community colleges offering technical educations may be similar engines of change. Paul David, a Stanford economist who studied electrification, says it can take 40 years for a new technology to alter a society. He notes we are now 25 years past the invention of the microprocessor, which spawned the personal-computer revolution. This suggests a surge in computer-related productivity may lie just ahead.

Of course, such forecasting, like all crystal-ball gazing, is perilous. A New

Please Turn to Page A6, Column 3

Reason for Hope: Middle Class's Fears Might Be Misplaced

Continued From First Page

York Times Magazine section in 1964, celebrating the New York World's Fair, foresaw nuclear-powered cars in the year 2000. A 1928 article in the Chattanooga Times forecast elevated landing pads for zeppelins flying above this Tennessee River city by 1978. None spotted so far.

In addition, regardless of the financial outlook for the middle class, it is hard to paint a pretty picture of America's future unless some gnawing social problems that the country faces are addressed, among them the deterioration of public schools, the city crime rate and the tragedies of the underclass and the homeless.

But the potential for sturdier economic growth certainly exists. The already-rapid pace of economic integration and technological innovation is bound to accelerate globally, bringing both greater opportunity and sharper competition. With the fall of communism and the ebbing of Third World protectionism, the global market has tripled in the past decade, while technology has made overseas customers easier to reach.

So a key question is, can U.S. companies exploit these changes?

Pop Culture

Chattanooga provides a glimpse of how they might. People here have faced a difficult transition from factory town to service-industry center, and many have suffered in the process. But a recent visit finds Karl Sooder, marketing vice president for Double-Cola Co., faxing blue-and-red packaging designs to a bottler in Bolivia. Squeezed by giant competitors at home, the local soft-drink company, with $40 million in sales, sees its future abroad. Double-Cola targets countries where Coca-Cola Co. doesn't make a big push. Overseas revenue helps finance Double-Cola's U.S. efforts, where perhaps 5,000 jobs depend on making, bottling and selling soft drinks.

This blend of technology and pop culture — selling cola abroad, after all, sells an American lifestyle — may be emblematic of changes to come. "U.S. leadership in entertainment and computers today might be analogous to Japan's leadership in manufacturing in the 1980s," says Eric Schmidt, chief technical officer of Sun Microsystems Inc. in Mountain View, Calif.

Broader global markets can benefit U.S. companies in more than one way. Asia alone is expected to spend $1 trillion on telecommunications, construction and other infrastructure projects over the next decade, providing enormous opportunity

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for U.S. manufacturers, consultants and salespeople. Overall, trade's share of the U.S. economy roughly doubled in the past 20 years, to 26%, and is expected to rise further as the U.S. fits more tightly into global markets.

Globalization can boost growth in less-visible ways, too, by exposing U.S. firms to foreign capital and innovation. After Applied Materials Inc., a semiconductor-equipment maker in Santa Clara, Calif., expanded its Japanese technology center in 1990, it persuaded two big companies there to help finance development of a machine for making flat-panel computer screens. Now, Applied Materials makes the $4 million machines in California and Texas. "If we weren't doing business in Japan, we wouldn't have had the opportunity," says its chairman, James Morgan. Gillette Co. turned to Britain for laser-welding technology and to Germany for precision machine tools when it set up a Boston factory to make Sensor blades.

Yet the competitiveness of U.S. firms doesn't guarantee prosperity for the middle class. Many fear that the rise of such low-wage competitors as China and Mexico will steal U.S. jobs and undercut wages. And surely some of that will happen. About one-third of the worsened income gap between high-school dropouts and college graduates during the 1980s was due to increased immigration and trade, says George Borjas, an economist at the University of California at San Diego.

Even skilled workers will face job competition. American computer firms, for example, are hiring lower-paid engineers in Bangalore, India, to design computer chips during what is nighttime in the U.S.

But some perspective is needed. Jobs don't inevitably migrate to low-wage countries. Sometimes labor makes up a tiny portion of a product's cost. Sometimes other costs jack up the price of working in developing countries — uneducated work forces, bad roads, antiquated telephone networks, unstable governments. Paying U.S. workers $15 an hour instead of paying Mexicans $2 an hour makes perfect sense if Americans produce that much extra of quality goods and services.

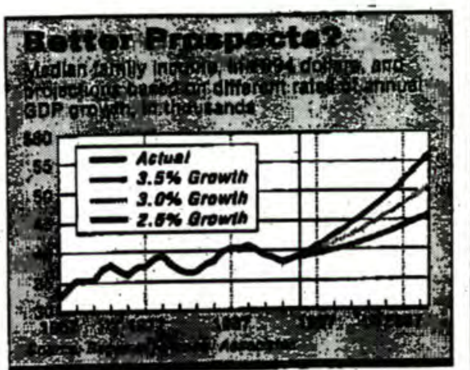
When companies do invest abroad, it isn't a total loss for U.S. workers. Companies invariably order more parts and supplies from domestic firms they know.

The Productivity Question

Remember also that workers are consumers. For every job lost because retailers import shirts from India or sneakers from Indonesia, Americans pay less for clothes. Lower retail prices can lift living standards as surely as pay raises.

Yet surviving foreign competition is one thing; prospering is another. Unless U.S. workers can boost productivity further — meaning working smarter and increasing hourly output — they can't hope for real pay increases. The Federal Reserve will allow the economy to grow at 3% or more only if it sees evidence that productivity is improving more rapidly than it has been. There have been promising signs recently; productivity gains are averaging about 2% a year since 1991, roughly twice the 1980s gains.

The hopes include services, where most job growth is expected. At Schneider National Inc., a Green Bay, Wis., trucking company, rigs carry satellite dishes and computers to keep drivers posted, check on shipments and handle paper work.



Drivers, who are paid by the mile, can earn more because they needn't stop as frequently to telephone headquarters.

In Memphis, Tenn., Federal Express Corp. has made a cult of computerization. Each second that customer-service agents cut from telephone time saves FedEx $25,000 in wages and benefits, estimates Wilfred Busby, a service-center manager. FedEx uses a desktop system that quickly identifies callers and their shipping histories. It has shaved about 10 seconds from each call so far and is seeking a further 22-second gain. The Memphis office will begin a fully automated system so customers can order a pickup or track a package without speaking to an agent.

Fed Chairman Alan Greenspan says U.S. leadership in computer software may help increase long-term productivity "a few tenths of a percentage point annually, or even more, perhaps moving us much closer to the more vibrant past that characterized the early post-World War II period," when productivity advanced by more than 3% annually. Erik Brynjolfsson, a Massachusetts Institute of Technology professor, estimates economic growth may climb as much as an additional 0.5% annually over the next decade because of computer-led productivity gains. Increases like those could fuel big family-income gains.

Lose Some, Win Some

There can be a big downside to higher productivity: job loss. FedEx plans to shrink the Memphis call center by one-third to 150 sales reps once its system is fully computerized. But because technology helps the company grow, it expects to find different jobs for displaced workers.

That has been the pattern since the Industrial Revolution. Technology makes some jobs obsolete; technology expands work overall. Nonetheless, social critics have long fretted that automation will create a permanent army of the unemployed. Craig Fields, a technology analyst formerly at the Defense Department, likens computers to "a race of aliens" who have landed on Earth, get smarter every year and "work for us." Have we reached the point, he wonders, where computers will displace more jobs than they create?

History suggests not. New technology destroys old industries but creates new ones no one thought of before. The U.S. has a commanding lead in technologies that may spawn industries and jobs for decades, such as the merging of computers and biology. In Cambridge, Mass., consultant Karl Sims experiments with "artificial evolution"—simulating survival-of-the-fittest techniques on a computer — to design robots and movie special effects. In Bothell, Wash., Darwin Molecular Corp. uses similar ideas to design drugs. If such things pan out, new firms will cash in world-wide, thanks to trade.

Manufacturing Work

U.S. business learned a costly lesson in the 1970s and 1980s about the need to constantly innovate and cut costs. Twenty years of modernization and layoffs have reduced the U.S. manufacturing work force by two million workers. But because costs have dropped so much, economists believe that manufacturing should hold steady at roughly 18 million workers.

In Chattanooga, DuPont Co. is modernizing a 47-year-old nylon factory. Plant employment has been slashed to 1,400 workers, about one-third the 1973 total. By eliminating layers of management — a single supervisor now has responsibility once shared by four—and retraining workers, it produces as much nylon as 20 years ago. But in coming years, DuPont expects to need about 200 new workers to fill rising domestic orders. And overall employment in Chattanooga is rising substantially.

Will people in the middle benefit from these changes as much as those in higher income brackets? Since 1973, those near the top have done far better than those beneath them, reversing a postwar trend toward greater income equality. It has to do with the increasing importance of education in a technological society. Jacob Mincer, a Columbia economist, estimates college-educated employees now earn about 12% more than high-school graduates, up from the usual 7% differential.

Back to School

But this education gap may create its own solution.

Backed by 30 years of data, Prof. Mincer finds that the greater the rewards for a college degree, the larger the enrollment in four-year colleges. During the past decade, enrollment jumped about 20% in four-year colleges and even more in two-year schools. As the supply of college-educated employees catches up with demand, the wage gap is likely to diminish over the next decade, Prof. Mincer argues.

High-school graduates are turning heavily to community colleges, which have learned to treat local employers as clients and tailor courses to the workplace, thus improving students' prospects. Chattanooga State Technical Community College plans to offer a degree in "sustainability"—designing factories to reuse wastes. Each year at a community college adds 5% to income, on average, calculates Brookings Institution economist Thomas Kane.

One other trend may help: demographics: Over the next 20 years, the labor force should grow more slowly than during the past 20, because of declining birth rates and slower increases in numbers of working women. Simply put, worker supply may not keep up with demand in the U.S., pushing up wages.

And what about the poor? During the boom years of the 1980s in Massachusetts—remember the Massachusetts Miracle?—poverty rates in Boston plunged 30%, even as they rose 15% in other big cities. Says MIT economist Paul Osterman: A middle-class surge nationally should help reduce poverty nationally as well.

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JACK ANDERSON and MICHAEL BINSTEIN

A Red Flag on Technology Sale to China

The Clinton administration is proving once again that on arms proliferation issues, profit often rules over prudence.

At a time when American officials are threatening the People's Republic of China over its unfair trade practices, human rights abuses and weapons exports, the Clinton administration is poised to allow a controversial technology sale that many believe could help the communist country upgrade its missile program.

"This [sale] would give China the technological know-how to make engines for long-range cruise missiles capable of hitting any city in Japan, Korea—all the way through India," one frustrated American official explained. "The administration knows this, but so far no one has had the political will to stand up and say no."

The proposed deal involves AlliedSignal Inc., the California-based aerospace giant. The company recently informed the government that it intends to sell China the manufacturing technology used to build its Garrett gas turbine engines. This follows on the heels of a controversial decision by the administration last year to allow the Garrett engines to be sold.

AlliedSignal officials told us the technology poses little risk because it is suited only to build aircraft engines. "We are not in a position to judge China's missile engine manufacturing capability," a company spokesman said. "However, the technology involved is specific to civil-certified [Garrett] engines, which are designed for aircraft operations."

Arms proliferation experts believe China wants the Garrett technology to establish a domestic production line for upgraded cruise missile engines. "Clearly, the Chinese could use this to make engines which are perfectly suited for that requirement," says Kenneth Timmerman, a security specialist and director of the Middle East Data Project.

Confidential government studies obtained by our associates Dean Boyd and Dale Van Atta support Timmerman's view. "Garrett engines and/or production technology would provide an array of high . . . performance capabilities to satisfy [China's] military requirements well into the next century," one document alleges. Another study indicates China could make engines capable of launching a biological warhead about 1,000 miles if it obtained these materials.

Despite the red flags, the Clinton administration last year lifted the export controls that normally cover the Garrett technology. This means AlliedSignal is free to sell its manufacturing technology without government approval—unless the administration reverses itself. So far, there's been little indication this will happen.

Iain S. Baird, the Commerce Department's deputy assistant secretary for export administration, maintains there is no legal basis to oppose the sale. He says the Garrett technology is more than 20 years old and "completely impractical" for use in cruise missiles. Baird added that AlliedSignal should be applauded for taking "the unusual step of advising" the government of the sale when it wasn't required to.

In the original engine sale, which came in the wake of the administration's 1994 decision, the engines were to be used in a military jet China was developing with Pakistan. Many American officials opposed the deal, after intelligence studies found that the Chinese recipient was involved in missile building and that the engines could form the basis for a new Chinese cruise missile.

Nevertheless, the Clinton administration approved the sale, allowing the engines to be exported as civilian goods despite their declared military end-use. Despite specific warnings from Congress, officials at the Pentagon and the Commerce Department also removed export controls from the Garrett manufacturing technology.

AlliedSignal says it has sold only 33 Garrett engines to China, and the technology sale hasn't been finalized. A company spokesman added, "At this point, we don't need government approval."

Critics of the deal are outraged. "This is exactly what we said would happen a year ago," an American official said. "We warned that the Chinese would come after the technology after they got the engines, but [the administration] decontrolled it anyway. In my mind, it constitutes criminal negligence."

The anger generated by the proposed sale is not surprising considering a simulated war game played out by the Pentagon last year. In the fictitious battle scenario, which projected what China's military capability and manpower would be in 2010, China routed the U.S. Navy's 7th Fleet, due in part to a line of new precision-guided cruise missiles.

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Fiddling With the Numbers

Gov. Christine Todd Whitman, the Republican meteor from New Jersey, had the unusual honor for a first-term governor of being asked to deliver her party's response to President Clinton's State of the Union message last week.

And she delivered a whopper of what can most kindly be called a glaring inaccuracy.

Sandwiched into her Republican sales pitch was the kind of line that does serious political damage: Clinton, she intoned, "imposed the biggest tax increase in American history."

And millions of Americans sat in front of their television sets, perhaps believing that Clinton and the Democrat-controlled Congress had done a real number on them.

The trouble is that this poster lady for tax cuts was not letting any facts get in her way. But don't hold your breath waiting for the talk show hosts to set the record straight.

The biggest tax increase in history did not occur in the Omnibus Budget Reconciliation Act of 1993. The biggest tax increase in post-World War II history occurred in 1982 under President Ronald Reagan.

Here is how the two compare, according to Bill Gale, a specialist on tax policy and senior fellow at the Brookings Institution. The 1993 act raised taxes for the next five years by a gross total of $268 billion, but with the expansion of the earned income tax credit to more working poor families, the net increase comes to $240.4 billion in 1993 dollars. The Tax Equity and Fiscal Responsibility Act of 1982, by comparison, increased taxes by a net of $217.5 billion over five years. Nominally, then, it is true that the 1993 tax bill was the biggest in history.

But things don't work nominally. "A dollar now is worth less than a dollar was back then, so that a tax increase of, say, $10 billion in 1982 would be a tax increase of $15 billion now," says Gale. In fact, if you adjust for the 48 percent change in price level, the 1982 tax increase becomes a $325.6 billion increase in 1993 dollars. And that makes it the biggest tax increase in history by $85 billion.

Moreover, says Gale, the population of the country increased, so that, on a per person basis, the 1993 tax increase is lower than the one in 1982, and the gross domestic product increased over the decade, which means that personal income rose. "Once you adjust for price translation, it's not the biggest, and when you account for population and GDP, it gets even smaller."

He raises another point that makes this whole business of tax policy just a bit more complex than the heroic tax slashers would have us believe. "The question is whether [the 1993 tax increase] was a good idea or a bad idea, not whether it was the biggest tax increase. Suppose it was the biggest? I find it frustrating that the level of the debate about stuff like this as carried on by politicians is generally so low."

So was it a good idea? "We needed to reduce the deficit," he says, "we still need to reduce the deficit. The bond market responded positively. Interest rates fell. There may be a longer term benefit in that it shows Congress and the president are capable of cutting the deficit even without a balanced budget amendment."

Other long-term benefits, he says, are that "more capital is freed up for private investment, and ultimately that can result in more productive and highly paid workers."

How bad was the hit for those few who did have to pay more taxes? One tax attorney says that his increased taxes were more than offset by savings he was able to generate by refinancing the mortgage on his house at the lower interest rates we've had as a result. The 1993 tax increase did include a 4.3-cent-a-gallon rise in gasoline tax, which hits the middle class. But most of us did not have to endure an income tax increase. In 1992, the top tax rate was 31 percent of the taxable income over $51,900 for single taxpayers and $86,500 for married couples filing jointly. Two new tax brackets were added in 1993: 36 percent for singles with taxable incomes over $115,000 and married couples with incomes over $140,000; and 39.6 percent for singles and married couples with taxable incomes over $250,000.

Not exactly your working poor or even your average family.

The rising GOP stars are finding out that when they say or do something stupid or mendacious, folks notice. The jury ought to be out on Whitman's performance as governor until we see the effects of supply side economics on New Jersey. But in her first nationally televised performance as a spokeswoman for her party, she should have known better than to give the country only half the story. In the process, she left a lot to be desired in one quality Americans are looking for in politicians: honesty.

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INSIDER VIEW OF PEOPLE AND POLICY

ARKANSAS POLITICAL REPORT

15 March 1995 Number 189

Editor: Tom McRae

POLITICAL POTPOURRI

House Republicans agreed to a rare change in direction in their rush to enact the 'Contract with America', when food stamps were removed from programs slated to be block grant programs to be given to the states. The change came not because of the objections of the poor but because agricultural and retailing interests that benefit from the $25 billion program feared the consequences of separate administration by the states. One insider laughed, "Compared to the states the federal bureaucracy looked pretty good to the farmers and food retailers." The Republicans partially re-reversed themselves when Republican Governors objected to the removal of food stamps from block grants, by permitting removal of recipients who refuse to work under state plans. The net effect leaves administration of food stamps pretty much alone, notching a lobbying victory for agricultural and retailing interests. Meanwhile the Clinton Administration starts a much needed war against food stamp fraud.

As legislation on the Contract rushes through the U.S. House, concerns over flaws buried in a number of bills were passed off by one congressman who privately temporized, "The Senate can afford to be the deliberative body on this. They'll weed out the trash."

With the loss of the balanced budget amendment the Republican leadership in the Senate will be less willing to slow down Contract legislation as Senator Dole preens his presidential ambitions and will not want to be blamed for slowing contract legislation down.

Commenting on the Balanced Budget Amendment one Senate staffer said, "The vote became a circus. In the end Dole had the most to lose if it failed. He had to prove his leadership for his presidential campaign." Some Republicans were actually terrified it might pass and force specific spending cuts to be identified. Some Democrats wanted it to pass with their opposition, and then beat Republicans, blaming them for cuts in popular programs. Balancing the budget is impossible if social security is excluded and pubic opinion polls show the eighty percent majority for the amendment drops to thirty percent if cuts in social security are included."

Several Arkansas legislators, while supporting the need for the federal government to get its spending under control, breathed a sigh of relief when the Amendment failed calling attention to a **Southern Legislative Council** report which noted the balanced budget amendment would reduce annual federal grants to Arkansas by $723 million including the following:

1. $416 million in Medicaid,
2. $65 million in lost highway trust funds,
3. $16 million in lost welfare funds,
4. $225 million in lost funding for education, job training, the environment, housing and other areas.

Coupled with 'Contract with American' tax cuts, losses in federal grants would increase to $992 million.

If these cuts were made up with state taxes, an increase of 22.7 percent across-the-board state tax increase would be required.

The balanced budget amendment and other Contract with America tax cuts would further cause the loss of more than $2 billion in other federal spending in Arkansas, including more than a billion in Medicare and another billion in housing assistance, veterans benefits, student loans, and grants to local governments.

HALL OF SHAME

Rep. **Billy Joe Purdom** makes this column for his bill requiring compensation for adjoining land owners in streams designated extraordinary resource streams. The bill demagogues the issue of property rights while ignoring more complex realities. The gravel in navigable streams does not belong to the property owner but to the state. Never is the state compensated for this gravel and often the adjoining landowner is not. Purdom made a public statement claiming gravel mining is good for streams. Gravel mining has been proven to degrade water quality, destroy fisheries and cause streams to widen causing the flooding of alluvial land and causing it to be navigable in a boat or canoe fewer days a year.

THE GOVERNOR & LEGISLATURE

The consensus is building that this legislative session is on the edge of disaster. Some fingers point toward a death of legislative leadership, most at the Governor and some to a generally surly electorate who prefer being left alone to facing the consequences of difficult issues such as school finance, constitutional reform, health care costs, etc.

Clearly the era when a few dominant senior legislators ruled their committees and the flow of legislation

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with an iron hand and will is passing. The large number of new legislators and the impending effect of term limits have opened the legislative process in ways that were unimaginable a few years ago. One lobbyist remarked, "I never thought I'd miss (former Senators) Max Howell or Knox Nelson, but love 'em or hate 'em, they could ram bills they wanted through the senate."

While some fear term limits will produce a legislature which is little better than "democratic anarchy" and open the door to dominance by a strong governor, others suggest it is too early to judge. "Once the seniority system is swept away, legislative leadership will become a meritocracy. Good people willing to serve six or eight years, but not willing to wait half a life time to gain enough seniority to have any influence, will become citizen legislators and it will be better."

Others suggest current senior leadership in this session is simply an unusually weak crop, "Stanley Russ, Bobby Hogue, and many of the committee chairs are not as dominant as some who served in the past. They have scruples and want to be fair."

The dissipation of legislative leadership left a vacuum that the governor failed to fill. While some argue the executive can't be expected to compensate for diminishing leadership within the legislative branch, most agree that Governor Tucker has not provided consistent executive leadership.

While Governor Tucker gets high marks for political courage on his educational funding package, he failed to offer the leadership necessary to see that his reforms had a real chance. "Selling such a radical change in public education will take a couple of years. The governor waited too long to drop his proposal into the session. If he really wants it to pass he should hold hearings, stump the state and then bring it up in a special session," remarked one legislator.

There is a consensus that the governor's staff is largely weak and inexperienced, that while they and the Governor have occasionally performed well in dealing with a specific issues or problem, there is little consistent policy direction and poor follow-through on commitments and policy initiatives.

While the governor's helpers for the legislative session are generally given higher marks than his full time administrative staff, the overall legislative package was often late (school funding, highways) and poorly conceived (constitutional reform, highways). There is a tendency toward crisis management rather than orchestrating a coherent legislative program.

Others argue that even accepting the theory of weaknesses in executive and legislative leadership, substantive change that threatened to raise taxes or upset the status quo on issues such as school funding is a hard sell given the present mood of the electorate. "Folks just want to be left alone. What we're seeing this session is a reflection of that attitude."

Others argue that the Governor's problems and some anger from the electorate on school finance are the result of "shameless demagoguery" on the part of school administrators who raised the specter of consolidation and killed any real dialogue on the Governor's education reform package. Everyone but a few educators lose if what emerges from the legislature is a fix of the old broken system. The courts will likely say it's still unconstitutional, it allows no accountability, it provides (or accomplishes) no true reform of the quality of education, and leaves taxpayers at the mercy of a formula that will devour increasingly larger percentages of state tax dollars.

Whatever the truth, two conclusions are inescapable. Barring a dramatic turnaround, the Governor emerges from the session wounded and his image as a strong leader damaged. Legislative leadership has dissipated and it will take some time for new patterns of leadership to emerge as term limits, for good or ill, create a body with far less legislative experience. In the meantime the climate is ripe for any number of bad bills to sneak through the legislative process as disorganized legislative leaders and a wounded Governor produce an atmosphere of weakness and inconsistency and without the political strength or will to derail harmful legislation.

INTERNET & THE PUBLIC INTEREST

Welfare can come in many packages.

Most would agree that federal entitlements such as aid to dependent children are clearly welfare. Food stamps are generally conceded to be welfare as are payments to the disabled or aged. Any payment or benefit by government to a person or group, even the non-poor, can also be welfare. Farm subsidies are one example.

Any benefit a government confers on a class or group can be considered welfare. Welfare need not be a payment of cash by the government, it might be tax exemptions or credits to a group or class of people. These benefits may never appear on a federal budget, but produce a cash benefit to the groups who are excluded from taxation that is just a real as if they received a check in the mail. No check is written. It is not an item in the federal budget, but when one group is excluded from having to pay a tax the rest of us must make up the difference.

Another kind of welfare is when the government gives something it owns to members of the public for their personal use and profit. One example is grazing and mining rights on federal land.

Another valuable asset the government can give away is information it owns or collects. Often this is considered to be in the public domain but by legislative act, Congress can give valuable information gathered at public expense, to a private company or group and allow them to profit from this give-away.

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As Congress reduces traditional welfare for the poor, other classes benefit from tax exemptions, credits, and the give-away of government resources. An entirely new class of well-heeled welfare recipient is emerging.

The following is the story of an attempt to give-away several crown jewels to a well-heeled supplicant. This case was thwarted by a small group defending the public interest. This is also a story of how the information super highway effectively marshals resources to stop a give-away hidden in the 'Contract with America'.

On Monday February 6 of this year, Congress introduced legislation (HR 630) under the Paper Work Reduction Act (PRA). Inserted in the legislation was a provision giving West Publishing Company a property. right in information produced at government expense.

As a rule of thumb, prices a private enterprise can charge for information developed at government expense are limited to the added cost of dissemination. Royalties and restrictions on the re-dissemination of government information are outlawed.

Even though the Paper Work Reduction Act (PRA) was first passed in 1980, the Republicans made its re-authorization a part of its Contract with America, guaranteeing its speedy passage in the House. Rather than reauthorize the old, the house decided to put PRA into a new bill. A 'Chairman's Mark' of the new bill was circulated among legislative staff and a few well connected lobbyists in late January.

One provision of the bill seemed to benefit West Publishing Company (the major publisher of legal opinions). A subsection had been added to the bill eliminating the public's rights under the Freedom of Information Act to any government information produced by a private contractor. The provision was said to have been sought by West Publishing Company (the only comprehensive publisher of state and federal court opinions) and would give them a tremendous financial windfall. West claimed that their 'corrections' (often the insertion of page numbers) justified their charging high prices because they added value to the product. The tiny provision became identified as the most serious threat to the public's right to know and to access information produced by the government since the Freedom of Information Act became law.

On Monday February 6, a consumer activist named James Love became aware of the provision. He learned that the bill would be introduced Monday evening February 6, hearings scheduled on Tuesday, subcommittee markup scheduled Thursday, and full committee mark up on Friday. Committee staff from both parties confided it would be virtually impossible to knock the provision out of the bill since it was a part of the Republicans 'Contract' and the House Committee on Reform and Oversight presented a highly disciplined front aimed at defeating any amendment to the 'Contract'.

On Monday evening February 6, Mr. Love issued a detailed alert on the bill (which did not even have a number at this point) on TAP-INFO a free Internet distribution list. That same evening the bill was reported out of subcommittee with the offending provision intact. Love and TAP were having trouble finding copies of the bill. It had not yet appeared on any of the usual Internet sources. It finally appeared late on February 7.

As a result of the TAP memorandum, calls began to trickle into congress from citizen, business, and professional groups opposing the provision. The American Library Association issued an Internet note calling attention to the provision. Hundreds of individual activists forwarded messages about the controversy to different Internet lists.

Aware that an electronic hail storm of protest was cascading on Congress, West Publishing hired a number of public relations and law firms to counter-attack. Employees and friends of West Publishing began posting messages in support of the amendment on various Internet lists. In a number of cases, West defenders, including their legal counsel, did not identify their affiliations with West and once discovered were 'flamed' or 'outed' (Internet language for discredited or kicked off).

West meanwhile rallied several data vendor allies who also stood to benefit from the proposal, including Knight Ridder's DIALOGUE and the Washington Post's LEGI-SLATE subsidiary, which sells access to congressional information.

The Wall Street Journal reported on West's success in having the provision included in the bill and noted that it helped West with several pending law suits. The tide seemed to be turning against West and the other large data vendors who supported the provision. The outrage generated in less than a week by a few individuals communicating electronically was on the verge of forcing a change in 'Contract' legislation. Majority House Committee staffers called Love and suggested he inform TAP-INFO that the offending language was out and that nothing would be done to weaken Freedom of Information.

On review, the substitute language was an improvement, but still considered pretty bad, and a new provision would allow agencies to waive all limits on pricing of government information redistributed by a private vendor. Love and TAP-INFO indicated continued opposition and asked that the entire subsection be deleted. TAP and the American Library Association issued notes on this new provision as well as the modified provision of the old.

The Republican committee chair, to the surprise of the Democratic minority, referred to the subsection as the 'West Provision' and said changes corrected earlier defects. Smelling blood, the Democrats attacked the provision as special interest legislation and demanded to know who among the majority was

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responsible for the provision. No one would acknowledge authorship.

Representative Thomas Davis (R- VA) introduced an amendment. He suggested the controversy resulted from misinformation spread by a 'Ralph Nader' group and that the new language satisfied concerns over Freedom of Information and had been cleared by the Office of Management and Budget (OMB).

Democrats objected and presented letters from the Department of Justice opposing the provision and cited the Wall Street Journal story suggesting the prevision helped West with several pending lawsuits.

Republicans countered that other large vendors had joined West in support of the provision. Democrats arguing that several wanted to feed at the trough of windfall profits for previously free government information only made matters worse.

The bitterest exchanges erupted over who sponsored the legislation. Republicans finally blamed a committee staffer saying he had inserted the provision on his own and called inquiries into sponsorship 'McCarthyism.' However, it is simply unheard of for no one on a committee to take responsibility for a provision.

On the offensive, Democrats asked if West could sue if the government attempted to create a new Internet to disseminate court decisions, and who would determine the economic value of the new property right?

Finally a Republican from a Maryland district containing several new technology firms which voiced opposition to the provision broke ranks and spoke against the provision and asked that it be deleted. The committee erupted and the Chairman, struggling to maintain the plan to allow no Democrats to amend any provision of the Contract, made a final attempt to save the provision, promising a substitute amendment that would repair any problems. Democrats objected, saying Congress is supposed to know what it is doing before it votes.

Meanwhile Republican members were wading though dozens of FAX and e-mail messages and as they learned the meaning of the amendment, support began to evaporate. Still, no one would acknowledge sponsoring the provision. Republicans began coming up to Democrats during breaks and thanking them for making an issue of the provision.

The final nail in West's and the subsection's coffins came when a Republican produced a story from a Minnesota newspaper (again from the Internet) which detailed Vance Opperman's (the chairman of West) fundraising for the Democratic National Committee. Rank and file members pressed their chairman during the breaks asking "Why are we doing this for this guy? The impossible idea of an amendment from a Democrat to strike a provision of the Contract suddenly became possible. After some face-saving procedural maneuvers, the provision was deleted.

The story illustrates how the new information super highway, Faxes, and e-mail mobilized a large number of people to lobby congress in a very short time. It tells us how special interests provisions can be inserted into legislation, with limited public knowledge, and how the government can distribute corporate welfare.

It tells how the information revolution can change traditional patterns of doing business. If the Internet can make information such as court decisions available to the public at little or no cost, West could see its position as the primary publisher of state and federal court opinions in books diminish in value if anyone with a computer could secure the information directly from the source. West wanted to establish a property right in public information.

It points out the danger of packaging legislation under the banner of the 'Contract' and rushing it through without careful review.

It tells us there are always members of congress in both parties who are willing to carry water for special interests. It also tells us that when made aware of the true impact of bad legislation, most members will do the right thing. It is the story of a failed welfare plan for a well-heeled corporation.

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Laura.
Were going to need to do some of this — better be looking at their options now —
B

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POLICY BRIEFING

May 31, 1994

CLINTONOMICS: THE CASE FOR A MID-COURSE CORRECTION

Robert J. Shapiro

The economy is growing, the deficit is shrinking, trade is expanding. Yet President Clinton's economists forecast slower growth through the 1990s than in the 1980s, tacitly acknowledging that the U.S. economy's structural problems persist. In addition, interest-rate increases and other economic evidence signal that the current expansion could well end by early 1996. The President has ample time, however, to combine good policy and good politics by adjusting his program to target these problems and promote strong sustained growth.

The basic challenge for the rest of 1994 and into 1995 is to adopt policies that can, at once, permanently increase the economy's long-term productivity and help extend the current expansion. In the main, this course closely tracks the economic strategy proposed by Governor Bill Clinton in 1992. First, next year's budget should include *fundamental entitlement reforms* to both break the structural budget deficit once and for all, and deliver another timely dose of low long-term interest rates. Second, the President's next budget also should provide for *substantial public investment* in education, training, research and infrastructure, financed by *deep cuts in unproductive business subsidies.* Third, Congress can promote growing demand for U.S. products next year and into the future by *implementing the GATT agreement this year.* Fourth, the President can boost business and job formation by *deregulating small and new businesses.*

These steps build on the Administration's considerable achievements. Last year's budget reforms have reduced federal spending's claim on the economy over the next five years to an annual average of 21.5 percent of GDP, as compared to 23 percent under Presidents Reagan and Bush. And approval of NAFTA and conclusion of the GATT should extend the global economic reach of American workers and firms.

Yet these reforms have *not* significantly altered the U.S. economy's long-term prospects. The President's Council of Economic Advisers (CEA) forecasts that real growth for the rest of this decade will average only 2.6 percent a year -- significantly *less* than the 2.8 percent average of the 1980s. That will be too slow to generate

How long will this cycle last? No one can be certain when the current expansion will naturally end, but it probably has at least four more quarters to go. Over the last year, growth accelerated as long-term interest rates fell and a recapitalized banking system responded to rising demand for credit at the lower rates. Through the rest of this year and into 1995, strong corporate earnings should support healthy business investment, and higher cash flows for the many households benefiting from mortgage refinancing and rising stock prices in 1993 and early 1994 should drive consumption spending.

The Federal Reserve's recent interest-rate hikes may help lengthen the cycle by moderating the recent spurt of strong growth, but the Fed alone cannot sustain the expansion much beyond its natural course. Consider the problem from the point of view of factory capacity and employment. Expansions normally expire when the economy's capacity to expand production and employment is exhausted. Factories and offices run at full capacity and additional workers are hard to find at prevailing wages, but demand continues to grow. This gives rise to inflationary pressures so the Fed steps down hard on demand with higher interest rates, and the economy snaps back and down.

Today, 83 percent of the economy's factory capacity is in use, less than two percentage points lower than the peak for the 1980s expansion, which ended quickly after the "capacity utilization rate" hit 84.8 percent. There should be a bit more room this time since strong business investment and corporate downsizing have increased the economy's productive capacity. As a result, peak capacity utilization is now probably about 86 percent. Similarly, the current unemployment rate is 6.4 percent, or just about one percentage point from the lowest (adjusted) point in the 1980s expansion.

At the rate at which business has brought on line its unused capacity and hired new workers over the last two years, the current expansion should have about one year to go before reaching its peak.

We cannot depend on Fed fine-tuning to forestall the downturn. There are those who say that the Fed can continue to fine-tune the cycle, using incremental interest rate changes that modulate demand and so ensure that the expansion never hits the ceiling. The Fed has *never* been able to pull this off in the past; and its ability to do so now is *less* than it used to be, because financial deregulation and global capital have weakened its control over the total supply and price of credit. Besides, will a Republican Fed chairman, who tried hard to promote a strong economy for a GOP president in 1992 -- *and failed* -- do better this time?

The bottom line: Under current policies, the expansion could stall by mid- to late-1995, without addressing the economy's nagging structural problems.

ultimately support serious reforms. The President also can draw on a growing consensus that serious Social Security reforms are needed in any event, just to ensure the system's long-term solvency. Pulling off entitlement reform will make President Clinton and Congress genuine heroes for finally taming the permanent deficit, and thus helping to create the conditions for long-term national prosperity.

2. Cut-and-invest. As we ask middle-class people to accept less in future entitlement benefits, we should also offer economic reforms that will strengthen their future prospects: namely, greater public investment in their training and education, basic research and transportation systems. These investments should be financed by asking specific industries to give up their special subsidies. As public investment can strengthen national productivity and efficiency, these subsidies reduce the economy's potential, by insulating favored sectors from healthy market pressures to upgrade themselves, and by raising the cost of capital and labor for those without subsidies.

The cornerstone of President Clinton's strategy for reviving U.S. growth and productivity in a global economy is investment -- not only private investment by companies, but also public investment through the government in the training, education, basic research and infrastructure that can make every worker and firm more productive. This approach is fundamentally sound; but congressional resistance to cutting programs that don't work and subsidies for special interests has denied this strategy the resources it needs to succeed. As a result, funding for these economy-wide public investments is rising by just two-or-three percent a year -- not nearly enough to affect national productivity and growth.

To finance meaningful public investment, the Progressive Policy Institute recently compiled a list of 68 tax and spending subsidies totalling $225 billion over five years, each one currently protected by its favored industry.[1] For example, on the spending side the list includes subsidies to defray airlines' costs to expand and upgrade terminals, payments to farmers whose commodities sell at below government-set prices, and cut-rate power from federal hydroelectric plants for private utilities in selected states. On the tax side, the list includes special credits for firms producing ethanol or natural gas from certain geological formations, a tax holiday for profits earned by firms on their operations in Puerto Rico and other U.S. possessions, a special one-year deferral for agribusiness on taxes for much of the income from crops, and many other singular provisions.

Phasing out these subsidies could clearly provide the resources for aggressive public investment, as well as a measure of tax relief for middle-class families with children. Yet the prospects of cutting subsidies for such powerful interests are slim, especially if we try to cut them one at a time. One way to break this gridlock is to

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[1] Robert J. Shapiro, *Cut-and-Invest to Compete and Win, A Budget Strategy for American Growth*, Progressive Policy Institute, Policy Report No. 18, January 1994.

Laura Tyson has original booklet

POLICY REPORT
January 1994
No. 18

Progressive POLICY INSTITUTE

CUT-AND-INVEST TO COMPETE AND WIN

A Budget Strategy for American Growth

by

Robert J. Shapiro

Free

Laura THE PRESIDENT HAS SEEN 4/11/95

HOBART ROWEN

Addressing the Rages Over Wages

Around the country, the belief persists—despite evidence to the contrary— that the Clinton administration's "too liberal" trade policy has cost American jobs.

The North American Free Trade Agreement, one hears from numerous callers on radio and TV talk shows I participated in over the last 10 days, has resulted in a loss of U.S. jobs to Mexico. The new General Agreement on Tariffs and Trade (GATT) that is likely to squeak through Congress shortly is also viewed with some of the same suspicion because, as one caller on WNYC's "On the Line" program told me, "those guys in Geneva are going to tell us what we can and can't do."

This suggests one more element of political danger for an already embattled Bill Clinton: Many of his critics identified themselves as liberals who supported the president in 1992 but wonder whether they will do so again.

The liberal, left-wing disaffection with Bill Clinton is typified by a critique from economist Jeff Faux in the current American Prospect, in which he suggests that while Clinton is a welcome change from George Bush, "at best, this so far is a pilot program presidency."

Faux is also bothered by the NAFTA and GATT agreements, which he sees as Clinton's accommodation to a "global laissez-faire" system freezing American wages into an unacceptably low pattern.

At peak hyperbole, this theme was also articulated Sept. 14 by New York Times columnist Bob Herbert, who assailed American workers for their "docility" as they watch "once-proud white-collar employees . . . downsized out of their comfortable offices into hamburger uniforms, as manufacturing jobs are rounded up and shipped overseas to semi-slaves working in squalid conditions. . . . Where is the anger? Where is the outrage?"

Herbert lists announced work force reductions this year of 365,519. Downsizing is clearly a big problem. But at the same time that jobs are scrapped by major companies, other jobs are created, often by mid-sized companies. Net, there has been an increase of 4.25 million jobs in the American economy under Clinton, 3.05 million of them in the fiscal year ending Aug. 31. Some of them are low-wage jobs, but it is a convenient misrepresentation to suggest that new job creation has been limited to those in hamburger joints.

Columnist Herbert, especially, needs to cool down and consider the facts. Sure, some American manufacturing jobs have been (and will continue to be) moved overseas. But it's demagoguery not to acknowledge that at the same time, foreign investors, notably from Japan and Europe, are moving some of their jobs here. This, after all, is a global economy.

Labor Department figures show that there has been almost no growth in real total compensation since 1978.

As to NAFTA, the Commerce Department announced a few days ago that after the first six months of the agreement, it appears that the net job creation figure in the United States for this year will be around 100,000.

Against that outstanding gain, only 4,820 Americans, as of June 30, were able to claim NAFTA had cost them their jobs and thereby get compensation. And at least some of these job losses were not due to NAFTA: Under a Labor Department program designed to err on the side of generosity, absolute proof of a linkage between NAFTA and job loss is not required.

As to GATT, the charge that the United States will somehow lose sovereignty to a new World Trade Organization is a canard that has been floated by extremists who would prefer to see the United States turn inward, and limit its relations with the rest of the world.

Jules Katz, the respected former deputy trade representative under Bush, points out that there is nothing a new WTO can do, if we should lose a dispute before that body, to change U.S. law.

In the Wall Street Journal on Aug. 30, Katz pointed out that if we refused to accept some specific WTO ruling, other nations could of course retaliate against our exports, "but this is no more than we would insist on if our rights were violated." (We do it unilaterally all the time against Japan and other countries).

But NAFTA and GATT aside, the jobs picture remains troubling because real income growth has stalled. Labor Department figures show that there has been almost no growth in real total compensation for all wage and salary workers since 1978, even though productivity is up 15 percent.

A couple of decades of economic mismanagement here and abroad, coupled with an enormous forward leap in technology, have dampened labor's ability to bargain for high wages. The March labor "summit" in Detroit demonstrated that the nation has maintained high employment only by limiting wage growth, while Europe has sustained higher wages at the expense of double-digit jobless rates and an expensive welfare state.

Faux's solution is complete management of the global economy, replacing what he calls the "global financial casino" of the free market. But he doesn't tell us how to get there or what the negatives of his system would be.

Nonetheless, there's a problem here, and Clinton would be wise to listen to the buzz of unrest. He must address the question of how to increase real wages. An American economy is not a healthy economy merely if it displays a rising gross domestic product, hefty exports and large corporate profits. It also needs a rising standard of living for its workers.

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State Aid Is Capped, but to What Effect?

A1

By MELINDA HENNEBERGER

CAMDEN, N.J. — At 16, Naikeya Haley decided to have a second child despite the state law that denied her extra welfare benefits because she was already receiving aid.

"It was a planned pregnancy," said Ms. Haley, who is now 17. The law that kept her from collecting $102 more a month "doesn't make any difference to me," she said flatly, other than to make it that much harder to provide for her family. She and her two daughters live on $322 a month, and stay with friends.

Almost immediately after limiting new welfare payments in 1993, New Jersey officials began claiming that the "family cap" was dramatically reducing the birth rate among welfare mothers. The law served as a model for similar policies in the works in nine other states. And now Republicans in Congress want to copy it, too. A bill that has passed the House and is now before the Senate would prohibit use of Federal money to give extra benefits for new babies born to families on welfare.

Rethinking Welfare

Deterring New Births

A special report.

But researchers who have studied the New Jersey experience, and most of the several dozen recipients interviewed for this article, say they are not at all convinced that the state policy keeps women from having babies. Some raised questions about whether the state can — or indeed should — regulate complicated sexual and reproductive decisions.

Now, New Jersey welfare officials are themselves backing away from their earlier claims, saying it may be too soon to prove any effects on childbearing.

"We don't have the numbers" to show a link between the cap and a decreasing birth rate, said William J. Maguire, director of Camden County's Family Development Program, which enforces the cap.

Even those who support the policy are saying that it was never intended to lower the birth rate, but simply to encourage welfare recipients to make more responsible decisions.

The law, which went into effect in August 1993 under former Gov. Jim Florio, was almost immediately pronounced a triumph by New Jersey officials. After only two months, the state released

Continued on Page A18, Column 1

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numbers suggesting that births to welfare mothers had already fallen by 16 percent, and officials began congratulating themselves on their overnight success.

But over time, that 16 percent drop dwindled to about 10 percent as the state belatedly became aware of births that had not been reported earlier. It appeared that many mothers saw no reason to report the new births since their welfare benefits were not being increased.

And now even that lower number is being questioned, both because of a continued reporting lag and because some officials argue that the number of women who have more children while on welfare is so small that the important-sounding 10 percent drop may not mean much. Nationally the average recipient of Aid to Families with Dependent Children, the main Federal welfare program, has 1.9 children.

The Department of Health and Human Services in Washington estimates that under the proposed national policy of denying extra benefits for new children, about one million children would be affected after five years, and ultimately 2.2 million. Currently, about 10 million children receive A.F.D.C. benefits.

In the first year that the cap was in place in New Jersey, the state denied cash benefits to 6,267 children born to existing A.F.D.C. recipients. There are 123,000 families receiving cash benefits in the state, and that number has stayed constant since the cap was put in place.

The numbers suggest that the cap saved the state more than $2 million that year, but state officials said they had not calculated the exact savings, both because they were relatively modest and because saving money was not the goal of the program. Also, the cap had been adopted as part of a broader law that increased spending on job training, child care and economic development, which pushed up the state's overall welfare spending.

Even as the rest of the country seems to be rushing to replicate the New Jersey experiment, most welfare officials here say they have adopted a wait-and-see attitude about the impact.

"We got a little burned with some of the early numbers," said William Waldman, New Jersey's Human Services Commissioner, who says he has mixed feelings about the program. "So we've been reticent to give them out."

The Concerns

Will More Women Have Abortions?

In Congress, the cap has become one of the most divisive elements of the proposed legislation because some Republicans who support other get-tough measures in the package fear that this disincentive for childbearing may work all too well, encouraging more poor women to seek abortions.

In fact, it is all but impossible to tell whether the cap is driving up the abortion rate because state statistics are not available for the period after the cap went into effect.

A few New Jersey mothers said they would seriously consider abortion as a result of the law if they got pregnant again while on A.F.D.C.

"If I got pregnant again and they still had that law, I wouldn't" have the baby, said Betzaida Bermudez, 22, who was taking a short break from a computer class in Camden that she hopes will help make her independent.

"I guess I'd just have an abortion," she said, adding that she knows too many women who have had more children under the law but now find themselves unable to provide for them.

But Rudolph Myers, an anthropologist who is the state's project manager for evaluating the cap, said there was no evidence of the kind of decreased birth rate that would signal a marked increase in abortions.

"At first look, it looked like an astronomical drop in birth rates, like natural disaster demographics," Mr. Myers said, but now the numbers have leveled off. "I'm a little uncertain as to what this means. But it's kind of a stretch to imagine this made A.F.D.C. mothers stop conceiving children."

The Goals

Encouraging Responsibility

Those who work more directly with welfare recipients seem even more skeptical that the policy has changed behavior. And state officials suggest that the program's goals have always been more symbolic or political than practical.

Of the stated Republican goal of reducing the number of births to unmarried welfare mothers, Mr. Waldman said: "We never set that as a goal of the program. And I wouldn't ever say people have children just to get more money from welfare. But a lot of what we do is very patronizing, and the idea was fundamentally that people should make responsible decisions just like people who are not on welfare."

Frank G. Spencer, a county official whose office in desperately poor Camden has a commanding view of the Philadelphia skyline, explained the policy as a way to extend equal responsibility to families on welfare.

"My employer doesn't give me an increase based on how many children I decide to have," he said. "There's only a picture of one child around here because that's all I can afford to educate."

And Mr. Maguire, of the Camden program, suggested that the family cap was actually a trade-off for conservatives who then went along with other aspects of the state's welfare overhaul, like more support for job training, child care and economic development.

"It was a necessary first step to appease—" he said, then broke off and started again. "It was a first step toward a more conservative mentality."

One true believer in the value of the controversial policy is its creator, Wayne R. Bryant, a New Jersey State Senator. Mr. Bryant, a Democrat, bristles that the law does not, as some critics suggest, tell welfare recipients that they cannot have more children, but simply encourages them to make responsible decisions. And he curtly dismisses the argument that under the policy, children will inevitably be hurt.

"If the kids are suffering because parents are irresponsible" in having children they cannot afford, he said, "they'll still suffer if we give them the money because the parents will still be irresponsible."

A recent convert to the cap is Judi Whitney, deputy director for Camden's program.

"Being a minority myself, I know the strength of poor people has been a strong work ethic," said Ms. Whitney, who is black. "But in our efforts to help, we've taken away from them what had been their inherent strength, which is to believe they can take care of their family."

"Do I think the birth rate is down as a result of the program?" she asked. "I don't know. I think the jury is probably still out. But is giving something always better than nothing?"

"Some parents have tried to keep things afloat on the extra $64," she continued, referring to the amount that recipients once received for any baby beyond a second child; they had received $102 for a second child born while on welfare.

"And that doesn't even provide Pampers and clothes for a new baby," Ms. Whitney added. "Five years ago, I thought, 'Oh my God, this will hurt the child.' Now I definitely don't believe that. If anyone is doing the hurting, I don't think the government is."

THE NEW YORK TIMES, TUESDAY, APRIL 11, 1995

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THE NEW YORK TIMES, TUESDAY, APRIL 11, 1995

RETHINKING WELFARE

Deterring New Births

THE GOAL To discourage women receiving welfare from having additional children unless they have means of support.

THE PROPOSAL In a bill passed by the House and now before the Senate, Federal money could not be used to increase welfare payments for children born to women already on welfare.

CURRENT LAW In most states, families receive extra payments for each child, though some are experimenting with new limits.

STATE EXPERIENCE In New Jersey, which since 1993 has denied extra benefits for children born to mothers on welfare, the impact on the birth rate is disputed; many researchers say it is too soon to tell whether many pregnancies or births have been deterred. In the first year, the state denied extra benefits for 6,267 children, of a total of 123,000 families receiving Federal aid.

SAVINGS The Federal Government estimates that at the end of five years, one million children would be denied benefits, and ultimately 2.2 million would be. Now, about 10 million children receive Federal aid. The Government has not released estimates of dollar savings which may be partly offset by increases in other state or Federal aid programs. Proponents say their main aim is not to save money but to force women to be responsible about childbearing.

The Women

'Ground Beef Is Overrated'

But a number of women like Cloran Davis, who had a fourth child last year while on A.F.D.C., said they nonetheless felt that the law was intrusive and unforgiving.

"They're telling us we can't have children, and I don't think that's right," said Ms. Davis, 26, of River Edge, N.J.

"It wasn't planned, but I wasn't going to abort her," Ms. Davis said. "Sixty-four dollars is not going to change my love for my child, and if I would have aborted her, it wouldn't have comforted my soul. Nobody ever said it was enjoyable to be on welfare. You just learn that a pound of ground beef is overrated."

Ms. Davis has worked at several jobs, including stints as a typist and in the stock room of the shoe department at Macy's, and has been schooled as a chef, but says that the cost of child care is a major problem.

"Far from me to say I'm the most educated person in the world, but we can't just stop and go to work when child care costs $300 a month for just one child, and that was my whole check," she said. State and Congressional leaders, she concluded, "don't know what it's like to have to wonder and struggle."

She added, "I'm not angry at anyone, but they just don't understand."

Other women spoke of some possible effects of the cap that were wholly unintended by lawmakers.

Melinda Thomas, 21, a mother of three, said, "I don't get nothing for my baby" in A.F.D.C. But she said she was not too concerned about losing $64 a month.

"The money just goes to paying bills anyway, so it really don't matter," she said. "Now food stamps, that does."

And Jessica Delgardo, who has an infant daughter, said she thought welfare workers had tried to pressure her to terminate the pregnancy.

"They were telling me, 'Do you think you need to have another child?' said Ms. Delgardo, a mother of two. "They treat you like they own you. But you can't buy my kids. If I have to start stripping, that's what I'll do" to support them.

Most women ridiculed the idea that they would have a child to get $64 a month more in welfare benefits, though many also said they were not so sure that other women were not having babies in the mistaken belief that it would make their lives easier.

But among researchers, there is even less consensus.

June E. O'Neill, the recently appointed director of the Congressional Budget Office, who was hired last year by the New Jersey Attorney General's office to assess the family cap, said the net change in income under the policy was quite modest, because other benefits, like food stamps, still increased along with family size.

Still, in following the cases of 4,500 New Jersey welfare mothers randomly assigned to family cap and control groups, Ms. O'Neill found that those affected by the cap had 20 percent fewer children. And she disputed the premise that many births go unreported for any length of time because she said mothers still had an incentive to collect extra food stamps and other non-cash benefits.

"It's like saying, 'If there's a discount on dresses, will more people buy them?' " she said. "In a birth, there are obviously some differences, but some people will" be affected by the economics of the situation in deciding whether or not to have a child.

"To say people have children without thinking about how to support them is a farfetched notion," Ms. O'Neill said. "Some are totally out of control, but a significant percentage know what they're doing."

Michael Laracy, a senior program associate with the Annie E. Casey Foundation in Baltimore, which studies public policy affecting the poor, and a former New Jersey welfare official, argues that there are so many other factors involved in decisions about sex and children that it is all but impossible to say how big a role economics actually plays in decisions about childbearing — especially because the financial disincentive is relatively modest.

Mr. Laracy also said that no one had measured the adverse effects of the cap, like how many families had become homeless as a result.

Rutgers University researchers conducting a five-year study for the state of the effect of the cap have warned against drawing premature conclusions about it.

Whatever the researchers may find, some of those who are directly affected by the policy say it mostly translates into unpaid bills, dirty laundry and sacrifices of "extras" like vitamins and school supplies. And if it has only marginally changed their lives, they said, they do not feel it is for the better, at least in the short term.

At Camden Community College, welfare mothers preparing to take their high school equivalency examination were racing each other in working on ratios and doing pie charts.

"To me, they're still having babies whether they get $64 or not," said one of the students, Marilyn Dejesus, 27, who has two children. "It's going to be more hungry people in the streets, that's it."

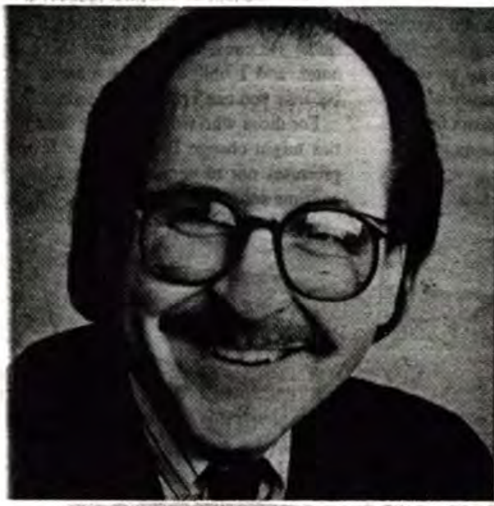
Crystal Deloatch, 30, who has one daughter, just sighed and kept her eyes on her notebook. "Then they wonder why there are so many bad mothers," she said.

 HRC THE PRESIDENT HAS SEEN 4/11

PEOPLE

Friends remember Jerry Cronin

Activist moved to Hampton and saw the world. **BY MARA LEVERITT**



NEW VISTA: A volunteer stint brought Jerry Cronin and his idealism to Hampton, which had plenty to show for his time there when he died recently at 47.

HAMPTON—A big sign hung in the back of the high school auditorium during Jerry Cronin's funeral. "Spelling bee today," it said. You could only smile. It's what he would have done.

Cronin's mother came so ose to death the December of 1947 when was born that she was given the last rites her Catholic faith. The baby was named erard, after the patron saint of mothers, in pes the saint would help pull Mary Cronin rough. She survived, but only for a year, ing in her mid-20s of a heart attack. ronin's father, John, died at 47, also of a art attack.

Now Jerry Cronin has followed, dead too the age of 47, a victim of the same weakss of the heart. Nothing could be more nic.

Cronin had a strong heart. He played nnis and loved to run—through the poor ack neighborhood where he lived, down airport runway, and far into the piney ods that encircle Hampton. He had a ute that he liked to lure friends onto, and uld laugh, promising for miles that the d was "just a little bit further."

But that will not be the kind of heart the ndred of mourners gathered for Cronin's neral will remember. "He was a great in," one of them, Chester Storthz of Little ck said. "A great man and a great guy.

"He was the kind of person movies are de about. He made a difference, and most us don't. He made a difference on a daily sis."

Cronin was born and grew up in Pittsrgh, Pa. In 1968, armed with a bachelor's degree in philosophy from the University of Tennessee, he joined VISTA, Volunteers in Service to America, the so-called domestic Peace Corps. He saw Hampton, Ark., for the first time while passing through on a bus while on his way to a training session in Texas. When volunteers were asked to list their choices for assignment, Cronin listed Hampton first—followed by Knoxville and Dublin, Ireland.

He came and he never moved away. He's buried here now, in Macedonia Cemetery.

His choice in a first home here in 1969 warned residents that this Cronin fellow was to be watched. He and his co-worker, Art Hoffman, rented an old house with peeling wall paper that flapped in the drafts on windy nights. "Builds character," Hoffman would say, as they pulled blankets over their heads.

More significant in this town of a couple thousand was that Cronin and Hoffman had moved into the black side of town. The black community accepted them. The white community, at least parts of it, had some trouble with the idea.

Moreover, the two VISTA workers began to work, looking for ways to help the poor use the law and government services to improve their living conditions. Learning, for instance, that the Hampton school district had very low participation in the state's free-lunch program, Cronin began coaching students in how to fill out their applications. Within a couple of months, Hampton was among the leading schools in the state benefitting from the free lunch program.

Stories abound about the resentment Cronin's activism provoked. So, too, stories about the humor with which he responded.

In 1986 he described to an interviewer one of the many attempts to drive him and Hoffman out of town:

"So the rednecks know our car, and they're hanging around by it waiting for us. When we show up, they start harassing us. Art turns to me and says, 'Wonderful rap sessions come out of occasions like this. This is a time when we can talk with them, reason with them, and improve our relation.' I said, 'Art, they're gonna kick our ass!'"

Or:

"The rednecks would harass me downtown. I just kept laughing at them. Ask one his name and tell him I had just been out helping his grandmother. He didn't know whether to thank me or kick my ass for making that public. It was just a bluff. Odds were that if you were a redneck here, your grandmother would qualify for VISTA help."

Over time, Cronin became a consultant to organizations trying to get something done. The CABAN Clinic, the only health center for 30 miles in any direction, is one such project.

Dr. Joe Sarnicki, who works at the clinic, recalls Cronin's approach as the clinic was being formed. "He'd say, 'It can be done, and this is what we need to do it. He could accomplish what other people couldn't. He could write grants. And he could speak federalese."

Hoffman left, but Cronin stayed on in Hampton after his VISTA tour, forming a consulting service for non-profits. His energy and expertise brought him work from all over, throughout Arkansas and the U.S., and eventually the world.

> "He was the kind of person movies are made about."

"He was a starter," Cronin's accountant, Hampton native Dwain Oliver, said. "He would have 17 projects going at one time, all of them in various stages of completion or disarray, depending on how you wanted to put it."

Oliver said, "Jerry's gift was that he could talk to anybody and make them feel important, be that the president or a guy on the street who didn't have a dollar. So he knew people, he had friends and contacts, all over the world.

"I think that was because there were two things about Jerry. One was his optimism. He was never down. And the other thing: He never held a grudge."

Oliver himself was one of Cronin's detractors at first. In fact, Oliver sued Cronin years ago over what he now describes as a "misunderstanding" over some rental office space. Cronin lost the lawsuit, but the next Christmas sent Oliver a card. "I said, 'Well, I'm not going to be outdone,'" Oliver said. "So I sent him one." And one more friendship was formed.

In 1988, Cronin married Frances Thomas, a quiet black woman with a young daughter. After the marriage, he curtailed some of his international travel, then decided to run for the county Quorum Court. He was elected, having spent $200 on his campaign, and became a now-familiar thorn in the side of many other members.

"Jerry had enemies," Oliver said. "And most of his enemies were on the Quorum Court. He didn't get along real well with the establishment, partly because he didn't want to. I think he stirred up problems so he could solve them."

Jerry and Frances had two children themselves; the younger daughter was born just in January. A trust fund has been established for them at Calhoun County Bank.

On Feb. 5, Cronin went out for a run. He came home not feeling too well and took an aspirin. The next day he had to go to Dumas, where he was working with a group of nuns to help fund a clinic. While there, he got a chest X-ray that showed he'd suffered a heart attack.

He was hospitalized a few days. He'd just returned home and was sitting at his home computer, when he suddenly keeled over and died.

"He was one of the few people I've known whose ideals were as strong when he died as when he was 20 years old," Cronin's younger brother Tom said.

"We got used to having Jerry around," said Sarnicki. "I wish I'd spent more time with him."

"The feeling that was here in the '70s and '80s had gone," Oliver said. "Jerry was accepted, but he was accepted in his own way."

"He was a tough little bastard," Storthz recalled. "Mentally and emotionally. He was always in a good humor and he did not waiver from his beliefs."

Podesta

קהילת הבפטיסטים ברח' נרקיס - ירושלים

4/10

from Nancy H.

Narkis Street Baptist Congregatio

To WSC for reply

President Bill Clinton
The White House
1600 Pennsylvania Ave.
Washington, DC 20500-2000

Dear Mr. President-

This letter is to give you an update on where we are concerning the value added tax refund due.

Anything you can say to Mr. Rabin on our behalf would be greatly appreciated.

Thank you.

Your friend,

John F. Anthony
Jerusalem-

Dorskind to do

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

95 APR 11 A11 : 22

SECRETARY OF THE TREASURY

April 10, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: Robert E. Rubin RER

SUBJECT: Condolence letters for Mr. Daniel Chung

ACTION FORCING EVENT:

Mrs. Terri Chung, Treasury Department Advisor to the Romanian National Bank, was killed in a plane crash outside Bucharest on March 31 while returning to the United States.

RECOMMENDATION:

That you sign the attached letter of condolence to Mr. Chung.

__________ Agree __________ Disagree __________ Let's Discuss

BACKGROUND:

Mrs. Chung worked as an advisor to the Romanian National Bank through the Treasury Department's Office of Technical Assistance. She made a significant contribution to the modernization of the National Bank and to the entire banking system of Romania. According to information received from the US Embassy in Bucharest, her flight crashed the morning of March 31 with no survivors. Mrs. Chung is survived by her husband, Daniel Chung. I am sending a letter of condolence to Mr. Chung.

ATTACHMENT: Letter of Condolence to Mr. Daniel Chung

95 APR 11 A11 : 13

THE WHITE HOUSE
WASHINGTON

DATE: 4/11/95

TO: Cheryl Mills

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

Can you provide me
with copies or a log
of documents you
retained re the Espy
subpoena (that came
from my files) Thanks.
John

fax 61647

THE PRESIDENT HAS SEEN 4/11

THE WHITE HOUSE

WASHINGTON

March 22, 1995 95 MAR 22 P7:14

Like it — need to focus on anxiety of MC → meaning / life, etc. Educ key to that
BC

MEMORANDUM FOR THE PRESIDENT

FROM: MARK GEARAN MG

SUBJECT: STUMP SPEECH

Attached is a draft of a stump speech we have drafted as part of our effort to provide information to surrogate speakers for them to talk about your accomplishments as President.

The speech is broad on purpose. It is intended to convey both the central message of your Presidency -- the New Covenant -- and specific accomplishments. We would update the accomplishments as they change, but otherwise the speech would not change and would have a long shelf life.

The speech would be used by a broad array of speakers before different audiences. The idea behind the format of the speech is that speakers would discuss the New Covenant theme, and then pick and chose other sections to focus on -- depending on their own responsibilities within the Administration and their audience.

We have circulated the speech to all members of the senior staff, as well as Stan Greenberg, and received their comments and approval. We have tried to have the speech reflect your recent speeches. Some have criticized the way the central theme is characterized, and argue that the core message should be the "four pillars": The New World, The New Economy, a New Government, and A New Community.

We would like for you to review the speech. After we receive your comments, we will send you a final version, which will include graphics and charts to be used in the presentations by the surrogate speakers.

Rebuilding America for a New Era:
Clinton Administration Accomplishments
Stump Speech

Introduction

Two years ago, President Clinton entered office with a vision for keeping the American dream alive at a time of tremendous change as we prepare our nation for the challenges of a new century.

The end of the Cold War radically changed the way we must think about our national security. A new global economy has emerged, where goods, services, and information speed around the globe.

Here at home, Americans were struggling in this new economy. A harsh recession thwarted growth, holding unemployment up and wages down. Middle class American families, playing by the rules, were working harder and harder just to stay in place. Education costs were rising out of control, at a time when the need for an education was more important than ever to raise standards of living. The difficulty of saving for retirement increased the financial pressures on working families. Americans knew that they were always one financial emergency -- perhaps a sick relative, or the loss of a job -- away from disaster. It seemed ordinary, middle class Americans were always the ones asked to make sacrifices in this new economy.

Yet a bloated government in Washington, trapped in yesterday's problems, could do little to help, and worked more for the special interests than the public interest. The budget was out of control, with deficits projected to top $300 billion and head higher into the next century, limiting our ability to invest in the future.

The President's Vision: A New Covenant

President Clinton offered a vision for America in his speech announcing his candidacy for president. He said, "We need a New Covenant to rebuild America, a solemn agreement between the people and their government. Government's responsibility is to create more opportunity for everybody, and our responsibility is to make the most of it."

One side in the old partisan debate in Washington said that big government could fix every problem. The other side said that the federal government was the cause of every problem.

President Clinton believes the purpose of government is to expand opportunity, not bureaucracy, while demanding responsibility from all of us. He believes government ~~should~~ not be a savior, but not on the sidelines, but a partner as we fight to restore the American Dream.

In a world of great opportunity, with a new economy, we must dedicate ourselves to giving hardworking middle class Americans the tools to succeed and prosper. We must create a leaner, more responsive government that expands opportunity, not bureaucracy. At the same must

time, all Americans use their education and skills to find good jobs, work hard, and support their families and make the most of these opportunities.

Values are what have always made our country strong. The New Covenant is rooted in age-old American values, like individual responsibility, family, work, tolerance, and community. It looks to the future by laying the groundwork for prosperity in a changing world.

The New Covenant is a lot like the compact our country offered to returning veterans after World War II. Through the GI Bill, they could get loans for an education, or a house, but then it was their responsibility to complete the education, get jobs and build good lives. The result was an explosion of the middle class, and decades of strong economic growth. Our job is to recreate that vision and sense of purpose as we approach a new millennium.

Fulfilling the New Covenant: The President's Economic Program

Everything President Clinton and his Administration have done has been based on the New Covenant equation of more opportunity linked with more responsibility.

After 12 years of trickle down economics which had quadrupled the deficit and investing in our future had been ignored, we needed to create more opportunity and demand more responsibility. That meant the President first had to get the budget under control. He took on the special interests and fought to enact the largest deficit reduction package in history, which has reduced the deficit three straight years in a row, by over $600 billion.

Republicans say they want to cut spending and balance the budget, but what did they do when they were in the White House? They ran up trillions of dollars in debt. Our budget would be in **surplus** now, if not for the interest from the deficit we built up under Reagan and Bush. Now their approach is to cut government blindly. But that will cost us even more in the long run by cutting off avenues of opportunity for our people.

President Clinton's approach to cutting the deficit is smart, tough and responsible. For example, he targeted such obsolete government agencies like the Interstate Commerce Commission for elimination. His guide for deciding whether to cut a government program is simple: does it help prepare our nation for the challenges of the next century?

The President did more than cut the deficit, however. By expanding the Earned Income Tax Credit, the President provided a tax cut averaging $1,000 a year for families with income under $25,000 to 15 million working American families, and provided important tax relief to small businesses.

Because export-related jobs tend to pay better than others, the President also aggressively opened world markets for American goods and services. He passed the North American Free Trade Agreement, opening a huge market to U.S. exports in Mexico, competed a new round of negotiations to the General Agreement on Tariffs and Trade, which will expand U.S. exports and help create millions of jobs, and set the stage for expanded trade with the big emerging markets in Latin America and Asia.

In just over two years, we have begun to turn things around. President Clinton's economic strategy has triggered the best combination of robust job creation and low inflation in 25 years.

The President said as a candidate that the economy would create 8 million new jobs: in just the last two years, we have created nearly 6 million new jobs [chart], more than twice as many as in the previous four years. Ninety-three percent of that job growth has come from the private sector and many of the jobs are high wage. Unemployment is below 6 percent, down from 7.1 when the President took office. Inflation is the lowest it has been since 1965.

Now we plan to go further. In his fiscal 1996 budget, the President has proposed another $81 billion in deficit savings for the next five years, bringing his total deficit reduction to about $700 billion since 1993.

Fulfilling the New Covenant: Making Government Work Better

We have to get rid of yesterday' government in order to face tomorrow's challenges.

The old, big-government Washington view is that government should be a savior. The Republican contract view is that government should just step out of the way. President Clinton believes government should be a partner, one that offers new opportunities, yet demands more responsibility.

We have begun a massive effort to cut government and make it more efficient. As President Clinton says, "we need a leaner, not meaner government." Under the leadership of Vice President Gore, we have eliminated 100,000 positions from the federal bureaucracy. We're on the way to reducing it by 272,900 positions, making the government the smallest since the Presidency of John Kennedy. [chart]

President Clinton is making our government ready for the challenges of the 21st century. He has taken an ax to more than 300 wasteful government programs, and consolidated hundreds of others. He closed 1,200 regional offices of the Department of Agriculture that were located in areas that no longer contain farms. These initiatives reinventing government have already saved taxpayers $63 billion.

He has proposed restructuring the Departments of Housing and Urban Development, Energy, Transportation, the General Services Administration, and the Office of Personnel Management. Those restructurings not only will make the five agencies work better, they will save $23 billion. In the coming months, through Phase II of the National Performance Review, he will continue to cut red tape and eliminate ridiculous regulations.

The Republicans just want to blindly cut government. President Clinton wants to streamline the government to make it more responsive as we face the challenges of the new economy.

Fulfilling the New Covenant: Education and Job Training

Education is the key to preparing Americans for the new economy. It embodies the New

Covenant: helping people help themselves. Unlike the old Washington view that just offered handouts with no responsibility, or the Republican Contract view that wants to just cut people off, President Clinton believes in creating opportunities for people to get the tools they need to prosper in the new economy, while requiring that they make the most of it by working hard and staying in school.

Now more than ever, lifelong education and retraining is critical to succeeding in the new economy.

- That's why President Clinton reformed and expanded Head Start, which begins education for low-income, pre-school children at an early age.

- That's why he fought successfully for Goals 2000, which sets world-class standards for our schools, yet gives to educators and parents much more say than the federal government about how to meet these standards.

- That's why he sought to expand educational and career opportunities for the non-college bound through youth apprenticeship programs.

- That's why he expanded educational opportunities and revived a spirit of citizenship through the National Service program, where citizens work in public service positions and receive a stipend for post-secondary education.

- And that's why he provided direct lending for student loans, making it easier to pay for higher education, and saving students and taxpayers billions of dollars.

Some in Washington want to eliminate the National Service program, but it is one of the smartest things we are doing right now. It helps young people get an education, while they give something back to the country. It is about opportunity and responsibility.

At a time when education is more important than ever to succeed and prosper, cutting education or National Service is like cutting defense spending in the middle of the Cold War.

From pre-school to training for a new job in mid-career, education needs to be lifelong. By investing in education, President Clinton is placing a down payment on America's future.

Fulfilling the New Covenant: The Middle Class Bill of Rights

Despite the advances the Clinton Administration has made, too many families are still working harder for less and are concerned about their future. Too many families are unable to seize the opportunities of this new economy.

President Clinton has proposed the Middle Class Bill of Rights to help restore the aspirations of America's working families. It includes a tax deduction for all education and training after high school. With the President's streamlined college loan process, which eliminates the middle man, college becomes today's reality, not tomorrow's dream. The Middle Class Bill of Rights also includes a $500 tax cut for each child under age 13; tax breaks for families that save for education, the purchase of a first home, or retirement; and Skill Grants given directly to workers, paid for by consolidating federal programs.

The Middle Class Bill of Rights puts government back on the side of middle class Americans. Unlike the Republican Contract, it benefits ordinary working Americans, who are willing to take the responsibility to make the most of the cuts, not the wealthy few who are already flourishing. Unlike Republican proposals, every penny in tax cuts is paid for by specific spending cuts -- with billions left over for deficit reduction.

The Middle Class Bill of Rights creates opportunities for working American families to benefit from this new economy. But it's up to all of us to make the most of those opportunities.

Fulfilling the New Covenant: Welfare reform

The President is fighting to make welfare a system of work and responsibility, not a way of life. He wants to create opportunities for people on welfare to help them get off, while demanding more responsibility, through responsible parenting, the requirement that to receive benefits, young people should be in school or working toward going to work, and tougher child support enforcement. If every deadbeat parent paid the child support they should, 800,000 mothers and children could move off welfare immediately.

He has proposed a tough and fair welfare reform plan that will help welfare recipients in getting a job, and prevent people from abusing the system. He has proposed raising the minimum wage to reward work and make it easier to move from welfare to work.

The old Washington view to reform welfare is to just create more bureaucracy. The Republican Contract view is more interested in punishment than creating new opportunities. It would simply punish children without offering real opportunities for work for those on welfare. The essence of President Clinton's plan is to link opportunity and responsibility.

President Clinton has been working on reforming the welfare system for fifteen years, first as Governor, and now as President. He understands no one wants to reform welfare more than the people who are on it. He understands the heart of the effort must be to reestablish American values by creating new opportunities for those who are caught in a cycle of poverty and despair and demanding more responsibility.

Fulfilling the New Covenant: Crime

An important part of the New Covenant is to made Americans more secure at home. That's why President Clinton fought the special interests to enact a tough Crime Bill last year.

It puts 100,000 police on the streets, bans deadly assault weapons, expands the death penalty, and supports smarter prevention efforts which offer opportunities to young people to find a way out of the cycle of drugs and violence. We have already released funds since just last fall for 17,000 new law enforcement officers.

President Clinton believes fighting crime shouldn't be a partisan issue. Yet the Republican Contract calls for slashing our anti-crime efforts. But President Clinton believes it is a serious mistake to sacrifice our safety as we cut the deficit. And America simply cannot afford to lose anymore of our young people to drugs, violence and crime.

Conclusion

President Clinton has dedicated his presidency to a profound idea: to keep the American dream alive as we enter the 21st century. He wants to offer more opportunities for ordinary hardworking American families and demand more responsibility. That may seem like common sense to you, but it's practically heresy in Washington, where too many people put what's good for them ahead of what's good for everybody. He came to Washington because he understood how to help Americans make the most of the opportunities in a changing world.

That's why President Clinton has taken on the special interests. He is breaking through the stale partisan debates that have gridlocked our country. He will work with anyone -- Republican or Democrat -- who has a good idea for moving America forward.

So, as you leave here today, I want you to remember one thing: President Clinton is fighting for what's good for ordinary working Americans every day. He is fighting to expand opportunity for all, and to infuse a new sense of responsibility in the country. He is fighting to put the American community on a path of restored hope and opportunity. But he needs your help. We will only succeed in making our nation stronger by working together.

OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON
20506 95 APR 10 P4:37

April 10, 1995

TO: John Podesta - West Wing

FROM: Demetri Boutris - USTR, Room 314

RE: Debbie Leilani Shon Departs USTR for Private Sector

Amb. Kantor will announce this week the intended departure of Debbie Leilani Shon, Assistant U.S. Trade Representative for Intergovernmental Affairs and Private Liaison.

She will be joining a private sector firm by the end of May and we would like Amb. Kantor to present a commemorative token to Debbie prior to her departure.

Could you put her on the list to receive commemorative Presidential Seal cufflinks in tribute to her contribution to the Administration's Intergovernmental and Private Sector efforts, especially during NAFTA, APEC and GATT?

Please let me know (DD: 395-3058).

Thanks.

Demetri —
wrong Department
I don't do
cufflinks.
John

THE PRESIDENT HAS SEEN 4/10

THE WHITE HOUSE

WASHINGTON

95 APR 7 P12:56

4 April 1995

MEMORANDUM TO THE PRESIDENT
LEON PANETTA

FROM: Harold Ickes HI

SUBJECT: Steve Grossman

Steve Grossman, the outgoing president of AIPAC is very interested in meeting with the President in the next several days concerning the "petitions" from Congress, in the form of letters from the Senate and the House, to the State Department to declare Jerusalem the official capital of Israel. I told him he first had to meet with the Secretary of State, which he did last Monday. He pointed out to me that AIPAC will support that request. It is his view that one way of handling this would be for the President to say that he would support making Jerusalem the capital at the end of the negotiation process, which apparently ends in the late 1990s.

Since he has been a strong supporter of the President, with very close ties to a broad segment of Jewish leaders, and since he is very interested on helping on a full time basis in the upcoming campaign, it may be worth seeing him for 15 minutes.

Please let me know.

Yes - meet Sec